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BY E-APPS

June 2, 2022

Re: Response to Request for Additional Information Regarding
Application by U.S. Bancorp to Acquire MUFG Union
Bank, N.A.

Chris Wangen
Assistant Vice President, Supervision, Regulation, and Credit
Federal Reserve Bank of Minneapolis
90 Hennepin Avenue
Minneapolis, MN 55401

Dear Ms. Wangen:

On behalf of U.S. Bancorp (the “Applicant”), Minneapolis, Minnesota, enclosed please find a response (the “Response Submission”) to the letter dated May 20, 2022, from the Federal Reserve Bank of Minneapolis (“Reserve Bank”) requesting additional information on the application by the Applicant to acquire all of the issued and outstanding shares of common stock of MUFG Union Bank, National Association (“Union Bank”) pursuant to Section 3 of the Bank Holding Company Act of 1956, as amended. Each item or question is repeated in the Response Submission, followed by U.S. Bancorp’s response or by reference to an exhibit in which the response is contained.

The Response Submission is divided into a non-confidential portion and a confidential portion. For the confidential portion, which has been marked “Confidential Treatment Requested,” U.S. Bancorp respectfully requests confidential treatment pursuant to the Freedom of Information Act, 5 U.S.C. § 552(b), and the Board’s regulations thereunder, 12 C.F.R. Part 261 (collectively, “FOIA”), on the grounds that the information contained in the confidential portion has been actually and customarily kept confidential by the Applicant and, where relevant, Union Bank and this information is being provided to the Board and the Reserve Bank under an assurance and expectation of privacy.¹ Disclosure of this information would reveal to competitors the internal strategies, transactions, and competitive position of the Applicant and, where relevant, Union Bank, and would place the Applicant and Union Bank at a competitive disadvantage with respect to competitors who do not publicly reveal such information. Accordingly, we respectfully request that the confidential

¹ *Food Mktg. Inst. v. Argus Leader Media*, 139 S. Ct. 2356, 2363 and 2366 (2019).

Chris Wangen

-2-

June 2, 2022

portion not be made available for public inspection or copying. In addition, we request that any memoranda, notes, or other writings of any kind whatsoever by an employee, agent, or other person under the control of the Board or the Reserve Bank that incorporate, include, or relate to any of the matters referred to in the confidential portion not be made part of any public record and not be disclosed to any person.

In the event of a FOIA request, we respectfully request notice of such request, as well as a reasonable period of time to respond prior to any release of materials by Board staff or Reserve Bank staff. This request for notice and an opportunity to respond also extends in the case of any part of the confidential portion (including any such memoranda, notes, or other writings by Board staff or Reserve Bank staff) being the subject of a FOIA request or a request or demand for disclosure by any governmental agency, Congressional office or committee, court, or grand jury.

* * *

If you have any questions regarding this Application, please contact me, Lee Meyerson or Spencer Sloan.

Very truly yours,

Adam J. Cohen

Enclosures

cc: Ms. Alison M. Thro
Board – Legal

Ms. Linda Anderson
Reserve Bank

Ms. Erin Grace
Ms. Shannon Mulligan
U.S. Department of Justice, Antitrust Division

Ms. Patricia Roberts
OCC

Mr. Marcus Owens
African American Leadership Forum

Ms. Elise Buik
United Way of Greater Los Angeles

Ms. Stephanie Klasky-Gamer
LA Family Housing

Mr. Jeffrey S. Lesk
New Partners Community Solar Corp.

Ms. Colleen Padilla
Southern Oregon Regional Economic Development, Inc.

Mr. Ismael Guerrero
Mercy Housing, Inc.

Ms. Laura Archuleta
Jamboree Housing Corporation

Ms. Dee Anne Everson
United Way of Jackson County

Mr. Phillip Chen
Assembly Member, Fifty-Fifth District, Assembly California Legislature

Mr. Oliver L. Baines, III
Central Valley NMTC LLC

Mr. Lenwood V. Long, Sr.
African American Alliance of CDFI CEOs

Mr. Dave Glaser
MOFI

Ms. Renay Dossman
Neighborhood Development Center

Ms. Renee Sattiewhite, CUDE, CDP
AACUC

Ms. Paulina Gonzalez-Brito
California Reinvestment Coalition

Mr. Kevin Stein
California Reinvestment Coalition

Ms. Nancy Halpern Ibrahim
Esperanza Community Housing Corporation

Ms. Evelyn Stivers
Housing Leadership Council

Mr. Richard Girling
San Francisco Public Bank Coalition

Ms. Gloria Bruce
East Bay Housing Organizations

Ms. Elba Schildcrout
East LA Community Corporation

Ms. Chelsea Kirk
SAJE – Strategic Actions for a Just Economy

Ms. Hyepin Im
FACE – Faith and Community Empowerment

Ms. Heidi Pickman
CAMEO – California Association for Micro Enterprise Opportunity

Mr. Robert Herrell
Consumer Federation of California

Ms. Erika Toriz-Kurkjian
Haven Neighborhood Services

Ms. Sherri Jackson
MultiCultural Real Estate Alliance for Urban Change

Mr. Stephen Russell
San Diego Housing Federation

Mr. Andrew Matsas
Community Economics, Inc.

Mr. Michael Banner
Los Angeles LDC

Mr. Rudy Espinoza
Inclusive Action for the City

Ms. Amie Fishman
Non-Profit Housing Association

Ms. Erin McElroy
Anti-Eviction Mapping Project

Mr. Sanford Livingston
Northern California Small Business Financial Development Corporation

Ms. Sharon Kinlaw
Fair Housing Council of the San Fernando Valley

Mr. Roberto Barragan
California Community Economic Development Association

Mr. Calvin L. Holmes
Chicago Community Loan Fund

Mr. Walter Harris
Tenderloin Neighborhood Development Corporation

Ms. Faith Bautista
National Asian American Coalition

Mr. Leo Goldberg
CA Community Land Trust Network

Mr. William M. Cunningham
Creative Investment Research

Mr. Quentin D. Strobe
NEW Community Investments

Ms. Lyda Eddington
Westchester United Methodist Church, Los Angeles

Mr. Michal A. Ocasio
The Association Financial Development Corporations

Ms. Debra Gore-Mann
The Greenlining Institute

Mr. Nick Weiner
Committee for Better Banks

Mr. Frank Altman
Community Reinvestment Fund, USA

Mr. Mark Stivers
California Housing Partnership

Mr. Al Pina
National Minority Community Reinvestment Co-Operative

Ms. Marcia Griffin
HomeFree-USA

Mr. John Gamboa
California Community Builders

Ms. Dina Harris
National Faith Homebuyers Program

Dr. Ruben Guerra, PhD
CA Black & Latino Business CRA Council

Mr. Marcos Morales
Hogar Hispano, Inc.

Ms. Jules Dunham Howie
Director, UPC Westside CDC

Mr. Kelvin W. Perry
Black Chamber of Commerce of Greater Kansas City

Mr. Steve Figueroa
Inland Empire Latino Coalition

Mr. Darrel Saucedo
LA Latino Chamber

Ms. Bertha Garcia
Ventura CCDC

Mr. Joey Quinto
CA Journal for Filipino Americans

Mr. Jose Antonio Ramirez
Central CA Latino PAC

Mr. Adam Briones
California Community Builders

Mr. James Chosy
Ms. Cristina Regojo Gedan
Ms. Sarah Flowers
U.S. Bancorp

Ms. Wendy M. Goldberg
Sullivan & Cromwell

RESPONSE SUBMISSION OF U.S. BANCORP
to the
REQUEST FOR ADDITIONAL INFORMATION OF MAY 20, 2022
from the
FEDERAL RESERVE BANK OF MINNEAPOLIS
relating to the proposal to acquire
MUFG UNION BANK, NATIONAL ASSOCIATION

June 2, 2022

**Submission in Response to the Request for Information dated May 20, 2022
 (“Response Submission”)¹
 June 2, 2022**

Each item contained in the Request for Information dated May 20, 2022 is repeated below, followed by U.S. Bancorp’s response.

- 1. Provide actual and pro forma balance sheets for USB, on a parent-only and consolidated basis, and for US Bank and Union Bank on a stand-alone and pro forma basis, as of March 31, 2022, and projections for the next three years of operations.**
 - a. Provide explanatory detailed footnotes for the debit and credit adjustments.**
 - b. Provide explanatory detailed footnotes for any carve-out adjustments.**
 - c. If not reflected in the explanatory footnotes, provide supporting analysis for the valuation of the transaction**

For a response to this Item 1, please see Confidential Exhibit A.

- 2. Provide actual and pro forma income statements for USB, on a parent-only and consolidated basis, and actual for US Bank and MUFG Union Bank, on a stand-alone and pro forma basis, showing separately each principal source of revenue and expense for the period ending March 31, 2022, and projections for the next three years, when available. Your response should include relevant adjustments and explanatory detailed footnotes.**

For a response to this Item 2, please see Confidential Exhibit B.

- 3. Provide actual and pro forma capital calculations for USB, US Bank, and Union Bank as of March 31, 2022, when available. Also, provide projected capital calculations for the next three years of operations. Your response should include relevant adjustments and explanatory detailed footnotes.**

For a response to this Item 3, please see Confidential Exhibit C.

- 4. Provide liquidity metrics for USB as of March 31, 2022.**

For a response to this Item 4, please see Confidential Exhibit D.

- 5. Provide actual and pro forma cash flow statements for USB, on a parent-only basis, as of March 31, 2022, and projections for the next three years of operations.**

¹ Capitalized terms used but not defined herein have the meanings set forth in the Application to the Board of Governors of the Federal Reserve System pursuant to Section 3 of the Bank Holding Company Act, dated October 6, 2021, relating to U.S. Bancorp’s proposed acquisition of MUFG Union Bank, N.A. (the “Application”).

For a response to this Item 5, please see Confidential Exhibit E.

- 6. Provide related asset quality ratios (with relevant calculations) for USB, US Bank, and Union Bank as of March 31, 2022. The asset quality analysis should include the following:**
 - a. A breakdown of actual asset quality information for Union Bank as of March 31, 2022.**
 - b. A breakdown of actual asset quality information for USB and US Bank as of March 31, 2022.**
 - c. A breakdown of pro forma asset quality information for USB and US Bank as of March 31, 2022.**
 - d. A focus on two separate elements: (i) criticized and classified assets, comprised of the four separate categories of other assets especially mentioned (“OAEM” or special mention), substandard, doubtful, and loss (with relevant components of other real estate owned (“OREO”) separately identified in each category), and (ii) nonperforming assets, comprised of the four separate categories of nonaccrual loans, restructured loans in compliance with their terms, OREO, and other repossessed assets. Also, separately provide the category of loans 90 days past-due.**
 - e. Indicate what level of (i) criticized and classified assets, (ii) nonperforming assets, and (iii) loans 90 days past-due that may be affected by the purchase accounting adjustments and other known events. To the extent not explained elsewhere, discuss the basis and justification for such adjustments.**
 - f. A calculation of relevant asset quality ratios; for example, the level of criticized and classified assets should be compared to the total amount of tier 1 capital and allowance for loan loss reserves, while the level of nonperforming assets should be compared to the total amount of gross loans and OREO. The numerator and denominator of each calculated ratio must be as of the same point in time. Also, the ratios should be calculated in connection with all actual and resulting pro forma columns.**
 - g. The amount of criticized and classified assets should be either as confirmed by relevant examiners at a recent examination or as more recently determined by the applicant’s internal credit monitoring systems. Also, the breakdown provided for criticized and classified assets should encompass all such assets on the balance sheet, not just loans.**

For a response to this Item 6, please see Confidential Exhibit F.

- 7. Provide actual and pro forma loan concentration metrics for US Bank and Union Bank as of March 31, 2022, prepared pursuant to SR Letter 07-1, Interagency Guidance on Concentrations in Commercial Real Estate.**

For a response to this Item 7, please see Confidential Exhibit G.