

# Simpson Thacher & Bartlett LLP

900 G STREET, NW  
WASHINGTON, D.C. 20001

TELEPHONE:  
FACSIMILE: +1-202-636-5502

Direct Dial Number  
+1-202-636-5578

E-mail Address  
adam.cohen@stblaw.com

BY E-APPS

March 17, 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 supplemental response (the “Response Submission”) to the letter dated January 13, 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 which is being supplemented 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.<sup>1</sup> 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

---

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

Chris Wangen

-2-

March 17, 2022

publicly reveal such information. Accordingly, we respectfully request that the confidential 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*

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. Strode  
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

---

**SUPPLEMENT TO THE JANUARY 26, 2022**  
**RESPONSE SUBMISSION OF U.S. BANCORP**  
to the  
**REQUEST FOR ADDITIONAL INFORMATION OF JANUARY 13, 2022**  
from the  
**FEDERAL RESERVE BANK OF MINNEAPOLIS**  
relating to the proposal to acquire  
**MUFG UNION BANK, NATIONAL ASSOCIATION**

---

**March 17, 2022**

---

**Supplemental Submission in Response to the Request for Information dated  
January 13, 2022  
("Response Submission")<sup>1</sup>  
March 17, 2022**

Each item contained in the Request for Information dated January 13, 2022 for which the January 26 Response Submission is being supplemented is repeated below, followed by U.S. Bancorp's supplemental response.

- 4. 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 December 31, 2021, and projections for the next three years of operations, when available. The response should include:**
  - a. Explanatory detailed footnotes for the debit and credit adjustments.**
  - b. If not reflected in the explanatory footnotes, supporting analysis for the valuation of the transaction.**

For the information requested by this item 4, please see Confidential Exhibit A to this Supplemental Response Submission.

- 5. Provide actual and pro forma income statements for USB, on a parent-only and consolidated basis, and actual for US Bank and Union Bank, on a stand-alone and pro forma basis, showing separately each principal source of revenue and expense for the period ending December 31, 2021, and projections for the next three years, when available. Your response should include relevant adjustments and explanatory detailed footnotes.**

For the information requested by this item 5, please see Confidential Exhibit B to this Supplemental Response Submission.

- 6. Provide actual and pro forma capital calculations for USB, US Bank, and Union Bank as of December 31, 2021, 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 the information requested by this item 6, please see Confidential Exhibit C to this Supplemental Response Submission.

---

<sup>1</sup> 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").



- 8. Provide actual and pro forma cash flow statements for USB, on a parent-only basis, as of December 31, 2021, and projections for the next three years of operations.**

For the information requested by this item 8, please see Confidential Exhibit D to this Response Submission.

- 9. Provide related asset quality ratios (with relevant calculations) for USB, US Bank, and Union Bank as of December 31, 2021. The asset quality analysis should include the following:**

- a. A breakdown of actual asset quality information for Union Bank as of December 31, 2020, and December 31, 2021.**

The information requested by this item 9(a), which was provided in the January 26 Response Submission, is included as Confidential Exhibit E to this Supplemental Response Submission.

- b. A breakdown of actual asset quality information for USB and US Bank as of December 31, 2020, and December 31, 2021.**

The information requested by this item 9(b), which was provided in the January 26 Response Submission, is included as Confidential Exhibit F to this Supplemental Response Submission.

- c. A breakdown of pro forma asset quality information for USB and US Bank as of December 31, 2021.**

For the information requested by this item 9(c), please see Confidential Exhibit G to this Supplemental Response Submission.

- 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.**

For the information requested by this item 9(d), please see Confidential Exhibit G to this Supplemental Response Submission.

- 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.**

For the information requested by this item 9(e), please see Confidential Exhibit H to this Supplemental Response Submission.

- f. 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 the information requested by this item 9(f), please see Confidential Exhibit G to this Supplemental Response Submission.

- 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.**

The data that have been presented in response to this Item 9 are reported on a consolidated basis using a concordance table which maps as-reported Union Bank commercial risk-rated loans to a U.S. Bank commercial loan risk rating. The loans are then further reviewed for regulatory alignment for reporting purposes. USB anticipates that all loans will be subject to USB risk rating processes upon system conversion.