



U.S. Bancorp Announces \$100 Billion Community Benefits Plan

May 9, 2022

Five-year plan focuses on supporting equitable access to capital for low- and moderate- income communities and communities of color.

MINNEAPOLIS--(BUSINESS WIRE)--May 9, 2022--

U.S. Bancorp (NYSE: USB) today announced a five-year community benefits plan (CBP), developed in coordination with the National Community Reinvestment Coalition (NCRC) and the California Reinvestment Coalition (CRC), as part of the planned acquisition of MUFG Union Bank. The CBP continues and expands the important work underway by both organizations to build and support equitable access to capital for the communities we serve.

The CBP builds on U.S. Bank's previously announced U.S. Bank Access Commitment efforts and integrates existing community impact efforts from MUFG Union Bank. A majority of the commitments, 60% of the total, will support efforts in California, the state most impacted by the acquisition. Commitments in the CBP are subject to the successful completion of full systems and staffing conversions to a unified bank platform.

"Banks are the economic engines of our communities. As such, we can make meaningful and significant impacts in supporting the ability of low- and moderate-income (LMI) communities and communities of color to access capital and build wealth," said **Andy Cecere, Chairman, President and CEO, U.S. Bank**. "Our CBP is outcome-focused and blends the best programs and thinking of U.S. Bank and MUFG Union Bank. We want our actions today to create a ripple effect that will lift future generations."

The CBP was informed by multiple listening sessions with more than 200 community groups participating as well as a public hearing organized by regulators. Listening sessions were organized with the support of NCRC, CRC and the Alliance to End the Racial Wealth Gap. The plan focuses on foundational components of community and economic development where the company can have the most impact:

- Access to Homeownership
- Small Business Access to Capital & Technical Assistance
- Community Development Lending & Investment
- Philanthropy & Community Service
- Branch Services in California
- Environmental Stewardship & Commitment
- Advancing a Diverse & Equitable Workforce
- Diverse Segment Outreach
- Supplier Diversity
- Plan Implementation & Accountability

"We are grateful for the time 208 organizations took to participate in the listening sessions. Their insights and perspective were critical to helping us understand where we can improve financial outcomes for underserved communities through our products, investments and service to the community," said Cecere. "We look forward to working with community leaders to implement equitable and effective solutions for the communities that need it most."

The collective input from the community serves as the foundation for U.S. Bank's community commitment, one of the most significant national and state commitments made by a bank in recent years. The community benefit plan totals at least \$100 billion and the public-facing community strategy includes commitments to:

- Providing at least a 20% increase in mortgage lending units nationally and a 30% increase in California to LMI borrowers, LMI communities and communities of color over five years.
- Increasing lending to small businesses and small farms by 15% nationally and 25% in California.
- Lending and investing increases of over 40% nationally and over 50% in California in community and economic development, affordable housing, environmental and social impact lending and investments during the five-year period with a focus on racial equity and access to credit for organizations and developers of color.

Additionally, U.S. Bank commits to developing three Special Purpose Credit Programs (SPCP) with a substantial focus on California as follows:

- **Small Business** – Adopting, enhancing and expanding MUFG Union Bank's SPCP, known as the Business Diversity Lending Program.
- **Mortgage** – Developing a mortgage SPCP in consultation with regulators and community groups, which will include down payment assistance for participating borrowers.
- **Affordable Housing Development**– Providing access to lending capital for minority-led/owned developers in support of affordable housing projects.

"We appreciate the commitment from U.S. Bank and the personal leadership of Andy Cecere to collaborate with us, CRC and our members to develop the largest ever community benefits plan," said **Jesse Van Tol, President and CEO of NCRC**. "This plan is a milestone not only because of its overall size but also because of the scale of increases committed for mortgage and small business lending, affordable housing, environmental and social impact lending, and for the plan's clear focus on racial equity and access to credit directed specifically to communities of color."

“Union Bank and U.S. Bank have been longstanding leaders in serving the community,” said **Reba Dominski, Executive Vice President and Chief Social Responsibility Officer for U.S. Bank**. “We look forward to engaging with the community as we continue this work to ensure the combined organization will have even greater social and environmental impact.”

Notably, branches will continue to play an important role in U.S. Bank’s strategy and efforts to serve the community. The bank is taking a forward-looking approach to managing branches along with local community leaders to ensure the highest level of service is maintained. Additionally, the bank is committing to:

- Opening five new branches in LMI or middle-income Majority Minority (MMT) communities in California over five years.
- Opening or preserving five additional branches in LMI or MMT communities in California over five years decided with input from CRC.
- Upgrading functionality and accessibility of MUFG Union Bank and legacy U.S. Bank ATM’s that will also service MUFG Union Bank customers.
- Partnering with California community groups to create five residencies located in nonprofits to provide access to a knowledgeable banker to help with small business lending and helping individuals improve their credit scores, savings and financial confidence.
- Adopting MUFG Union Bank’s high school and community college branch program and investing further to support financial education outreach.

Prior to reaching a decision on closing any branch in an LMI area, the bank will analyze the demographics of the neighborhood, consider community input and consider alternatives to closure as well as alternative delivery options to minimize the impact of the closure.

“We know that when we organize, we win. This agreement represents months of hard work and is a win for LMI neighborhoods in California and Black, Indigenous, and People of Color communities,” said **Paulina Gonzalez-Brito, Executive Director of the California Reinvestment Coalition**. “While there is still much work ahead, and a continued need to hold banks accountable, we celebrate these communities today as well as our members who were critical in discussions with the bank.”

Following the close of the transaction, U.S. Bank is committed to retaining all MUFG Union Bank and U.S. Bank front-line branch employees in California, Washington and Oregon. These bankers are frequently the first people customers and prospective customers speak to at our branches. MUFG Union Bank employees have demonstrated a tremendous ability to serve their customers and U.S. Bank looks forward to having them join the combined bank’s team of talented West Coast employees.

About U.S. Bank

U.S. Bancorp, with approximately 70,000 employees and \$587 billion in assets as of March 31, 2022, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. The company has been recognized for its approach to digital innovation, social responsibility, and customer service, including being named one of the 2022 World’s Most Ethical Companies and Fortune’s most admired superregional bank. Learn more at usbank.com/about.

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