

# Community Commitments

2016-2020



*Community Service Action Plan (CSAP)*

**MUFG Union Bank, N.A.**  
A member of MUFG, a global financial group



“Year after year, our bank steps up to address the needs of its communities, continually strengthening our reputation as a responsible financial institution. In return, that trust allows us to build the long-term relationships that fuel our growth, and we remain dedicated to doing well by doing right.”

— Steve Cummings  
President and Chief Executive Officer  
MUFG Union Bank, N.A.



Heart Walk  
San Francisco, California

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# From The West Coast President

Great communities and great banks nourish each other, something we have recognized and respected at Union Bank® for over 150 years. We understand that our organization will only be as healthy and successful as the families, businesses and neighborhoods we serve. In the spirit of that tradition, I'm proud to present the MUFG Union Bank, N.A., 2016-2020 *Community Service Action Plan* (CSAP), the formal roadmap to the reinvestments we will make in our communities over the next five years.

This is our third CSAP over the past 20 years. We approached this process thoughtfully, taking ample time to engage in meaningful dialogue with a wide range of the bank's valued customers. Our new plan outlines specific, measurable goals and commitments for our community-related investments and activities across 11 tenets of focus that were carefully selected to address emerging community needs in the current dynamic environment.

We place the highest value on energetic and proactive community reinvestment, whether through steadfast support of small businesses and affordable housing, superior supplier diversity spending, innovative sustainability initiatives, generous philanthropic grants from the MUFG Union Bank Foundation, or the volunteer efforts of our dedicated workforce. We also believe that a responsible bank has a duty to help address root causes of the entrenched challenges in its underserved communities, and we continue to place the highest priority on innovative programming specifically designed to assist low- to moderate-income individuals.

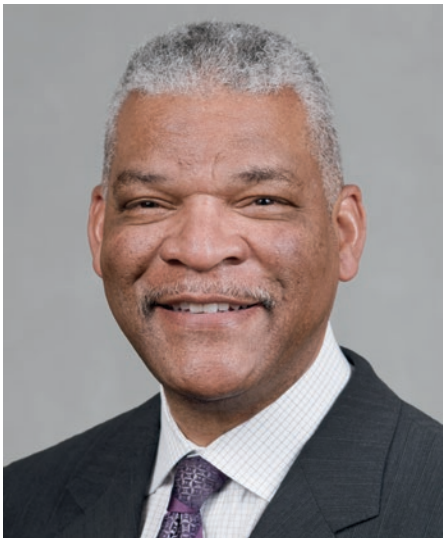
Most financial institutions talk about giving back, and many do a fine job. But few are willing to commit to a detailed, multiyear plan. By presenting this document and promising to publicly share our progress in achieving its goals, we invite the public partnerships and accountability that will keep us on course. We will continue to depend on constructive collaboration with local community-based organizations, civic leaders, nonprofit groups and other stakeholders as we implement these new commitments. Working together, we will succeed at building the healthy communities that help us all thrive.



Tim Wennes  
West Coast President  
MUFG Union Bank, N.A.



# From the Head of Corporate Social Responsibility



Energetic, creative, and generous reinvestment in our communities is a hallmark of MUFG Union Bank, N.A., and a fundamental part of our mission. I am excited to share our 2016–2020 *Community Service Action Plan* (CSAP) and to continue our legacy of unwavering support for the people and places we serve. Each unit of our business, in all of our markets, will contribute to this effort as we strive to put our values into action through the 11 Community Tenets we highlight in this document.

Our progress toward meeting the commitments of this CSAP will continue to be published annually, and discussed at an annual meeting to be attended by community leaders from throughout the MUFG Union Bank, N.A., footprint. We will review these commitments each year in light of our performance and current economic conditions, and make any adjustments that may be required.

This CSAP differs in some important ways from our previous plans, which were first introduced in 1996. Our commitment period is now five years, rather than ten, to give us greater flexibility to respond to evolving needs and priorities in our communities. In addition, some dynamic commitments previously expressed as a percentage of earnings have been replaced by fixed pledges. We believe this more stable approach will provide our community partners with greater certainty about our investments, which will be less vulnerable to changing economic tides.

Even more meaningful are the elements that will stay the same. We will continue our drive toward systemic and collaborative solutions to address our greatest challenges, particularly in low- to moderate-income (LMI) communities. Our core strategic focus areas will remain education, environmental sustainability, affordable housing, economic development, and health and human services. And we will keep striving to earn the respect of our customers, neighbors, and partners as the most trusted financial institution operating today.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julius Robinson', written in a cursive style.

Julius Robinson  
Head of Corporate Social Responsibility for the Americas  
MUFG Union Bank, N.A.

# Our 11 Community Tenets

1 Economic  
Development

2 Small Business  
Lending

3 Multi-family Affordable  
Housing Lending

4 Single Family Affordable  
Housing Lending

5 Branch Technology  
and Deposit Products

6 Philanthropy

7 Environmental  
Stewardship

8 Community  
Advisory Board

9 Supplier  
Diversity

10 Innovation

11 Workforce and  
Board Diversity



Union Bank Habitat  
for Humanity volunteers

# Highlights of the *Community Service Action Plan*

## 2016-2020 GOALS AND COMMITMENTS

**\$100 Million**

to support economic development in  
low- to moderate-income (LMI) communities

**\$85 Million**

in philanthropic  
grants and investments

**\$7 Billion**

in Community Reinvestment Act (CRA)  
reportable small business lending

**\$25 Billion**

in environmental  
financing and investment

**\$1.75 Billion**

in multi-family  
affordable housing lending

**15 Percent**

of total bank spending to go to  
Diverse Business Enterprises (DBEs)

**\$3.5 Billion**

in CRA-qualified  
mortgage lending

**\$55 Million**

toward Community Development  
Financial Institution (CDFI) loans



500





# Committed to California

The predecessor to MUFG Union Bank, N.A., The Bank of California, was founded in San Francisco in 1864, and is one of the state's oldest banks. California and its diverse communities have historically played—and will continue to play—a vital role in our future.

We remain steadfast in our commitment to the delivery of products, services and financial support throughout the state, with an emphasis on those communities most severely impacted by the economic downturn and uneven recovery. The organization will continue equitable distribution of its lending, investment and philanthropic resources aligned with our market presence in the state.

Ensuring a tradition of transparency, we will continue to annually report our performance within the *Community Service Action Plan*, including metrics specific to California. Additionally, MUFG Union Bank, N.A., will regularly solicit feedback from a broad range of constituents, including its Community Advisory Board, and will benchmark performance against its peers as part of a continuous improvement strategy designed to sustain its position as an innovator in community economic development.

# Community Tenet 1



Fresno Food Expo  
Fresno, California

# 1 Commitment in Action: Economic Development

A vibrant economy is a critical foundation for healthy communities. Promoting economic development and shared prosperity are core priorities for our business. Through our loans and investments, MUFG Union Bank, N.A., will foster growth in low- to moderate-income (LMI) areas and help create jobs for LMI individuals.

## **DRIVING ECONOMIC DEVELOPMENT IN FRESNO**

When a multifaceted financial institution like MUFG Union Bank, N.A., concentrates its efforts on one single location, the impact can be tremendous. Just look at Fresno, California—the site of our first “place-based” initiative summoning resources from throughout our bank to promote economic development.

The three-year Fresno Community Economic Development Initiative has focused on assisting small businesses, expanding services to LMI communities, promoting health and wellness, aiding public school students and more, all in partnership with local government, community groups and nonprofit organizations. We’re proud of our accomplishments in Fresno, and look forward to continuing to make a difference in California’s Central Valley and throughout our many marketplaces.

### **WE COMMIT TO:**

- **Increasing CRA investments by \$45 million over the five-year term to \$100 million in total investments in Small Business Investment Companies (SBIC) and like entities.**
- **Expanding the Equity Equivalent Loan (EQ2) Program and community development lending from \$10 million by at least \$30 million with a maximum portfolio of \$55 million by 2020.**
- **Providing \$2.5 billion in loans to non-profits which address the health, human services, economic development, environmental sustainability, affordable housing and education needs of LMI individuals and neighborhoods over the five-year period.**

# Community Tenet 2

The Founders of  
Grow Marketing,  
San Francisco, California



# 2 Commitment in Action: Small Business Lending

Small businesses are the engines of our economy. MUFG Union Bank, N.A., is committed to supporting small businesses through a major lending effort, totaling \$7 billion over our five-year commitment period. Our focus will continue to be on smaller loans to businesses, and our goal is to sustain a ratio of lending such that 75 percent of CRA-qualified small loans to business are less than \$150,000 in size.

## THE SMALL BUSINESS DREAM

Loans to small businesses are a rapidly growing segment of our business. Between 2010 and 2014, our SBA Loan Originations (SBA 7a and SBA 504) totaled \$728 million—and the figure continues to rise.

Grow Marketing, a female-owned marketing and PR firm, was a dream come true for its two founders. With clients like Google and General Electric, business was growing so fast that the firm recently needed to find a larger office.

With the help of MUFG Union Bank, N.A., the co-owners secured an SBA loan with a favorable interest rate and received help from a bank credit officer to finance construction costs for the space. Now, the pair work out of a beautiful new office in San Francisco's historic Jackson Square, and continue to thrive.

## WE COMMIT TO:

- The extension of our multi-year Request for Proposals (RFP) grant program to fund \$750,000 per year in Small Business Technical Assistance through the term of the plan.
- Establishing three Small Business Technical Resource and Assistance Centers (TRACs) to increase small business loans to spur local economic growth.
- Continuing our Business Diversity Lending program that provides working capital to credit-worthy small businesses that are at least 51 percent owned and actively managed by minorities, women and veterans to stimulate the growth of eligible emerging enterprises.
- Committing to continue to refer to the CDFI community-eligible small business loans at a rate of 30 percent.

# Community Tenet 3



Rosslyn Hotel  
Los Angeles, California

# 3 Commitment in Action: Multi-Family Affordable Housing Lending

Access to safe, affordable housing for individuals and families is a cornerstone for stable and thriving communities. MUFG Union Bank, N.A., will continue to invest in housing throughout our footprint for those with low incomes or with special needs, including seniors, veterans, and the formerly homeless.

## **OPENING DOORS IN CALIFORNIA**

Surging real estate and rental costs are putting decent housing out of reach for many in California's major cities. But the work of the Community Development Finance (CDF) group is having a positive impact.

In San Francisco, CDF recently provided financing to help rehabilitate the 175-unit Tenderloin Family Housing complex for low-income families who would otherwise struggle in the costly city. And in Los Angeles, CDF helped a nonprofit partner rehabilitate the historic Rosslyn Hotel, a once-celebrated landmark that now offers 264 apartments for low-income residents, including previously homeless veterans. Both locations also offer a variety of supportive services to help residents remain healthy and independent.

## **WE COMMIT TO:**

- Allocating \$1.75 billion to finance acquisitions, construction, rehabilitation, and retention of multi-family affordable housing units including urban transit oriented and rural developments throughout the bank's footprint.
- Setting aside \$5 million in new predevelopment financing in the form of EQ2 investments to be funded over the next five years in order to strengthen affordable housing development.
- Growing new relationships in the affordable housing community.

# Community Tenet 4



The Economic Opportunity Mortgage helps make home ownership more affordable



# 4 Commitment in Action: Single-Family Affordable Housing Lending

MUFG Union Bank, N.A., supports responsible home ownership, including for members of LMI communities and residents of LMI areas. The organization has been expanding its mortgage lending products to include Conforming and FHA loan products. We will also continue to support eligible down payment assistance programs, such as the Federal Home Loan Bank's WISH and IDEA down payment assistance programs and work closely with nonprofit partners to increase the number of loans to low- to moderate-income borrowers.

## **A HELPING HAND FOR HOMEOWNERS**

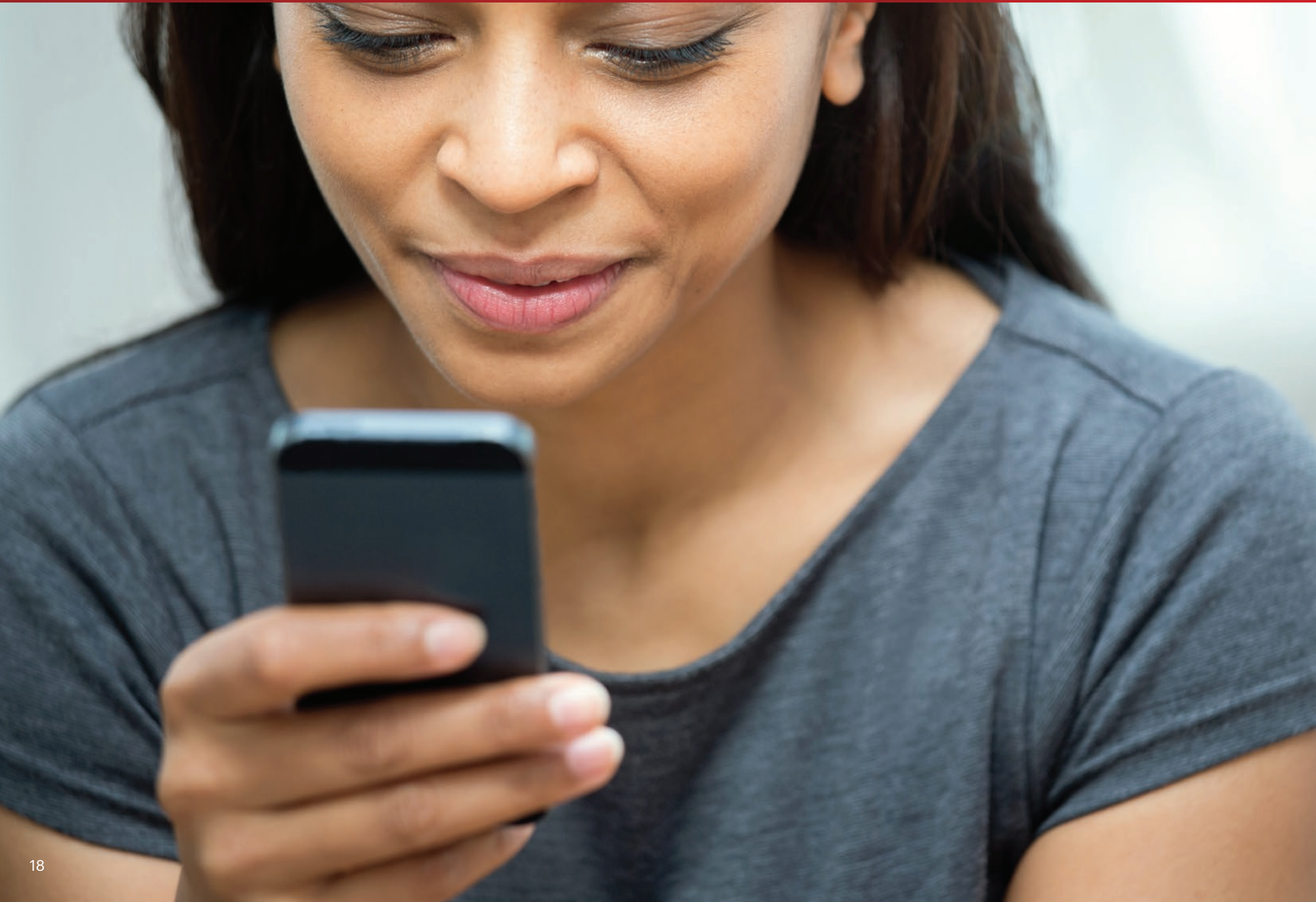
Our Economic Opportunity Mortgage® (EOM) puts responsible homeownership within reach for thousands of individuals and families.

EOM loans feature competitive interest rates and more affordable payments because private mortgage insurance isn't required. Applicants with limited credit history may still qualify for an EOM loan since we can consider their rental and utility payment history during underwriting.

## **WE COMMIT TO:**

- **Allocating \$3.5 billion in CRA-related mortgage lending over the five-year term.**
- **Reaching a goal to make at least 25 percent of the number of loans reportable under the Home Mortgage Disclosure Act toward LMI community borrowers.**
- **Extending \$500,000 of our multi-year Request for Proposals (RFP) grant making program to fund homeownership counseling for first-time homebuyers.**

# Community Tenet 5



# 5 Commitment in Action: Branch Technology and Deposit Products

Access to banking services can help families and individuals remain financially stable and plan for a secure future. Saving, investing, and growing wealth can all be accomplished more successfully with a bank's support. We are devoting significant resources to the development of customer education around new technologies that will continually make banking easier and more convenient for the wide range of populations we serve.

## **EXTENDING THE BENEFITS OF BANKING**

The Union Bank Access Account is the bank's latest initiative to serve even more individuals and households with the stability and dependability that a bank account can provide.

The low-cost Access Account was the result of our ongoing community conversations about serving LMI individuals. The account has no set-up fee, avoids the risk of overdraft fees, and allows transactions to be made in branch offices as well as by ATM or online. We look forward to broadening our products and services even more widely to ensure that every community can enjoy the benefits of banking in ways that meet their needs.

### **WE COMMIT TO:**

- **Maintaining our Union Bank Access Account, an innovative and low-cost product designed for LMI individuals.**
- **Promoting savings throughout its marketplace through participation in programs like America Saves, Earned-Income Tax Credit programs, and Volunteer Income Tax Assistance sites.**
- **Developing and using technology to deliver effective, efficient, economical and accessible financial services to the LMI community.**

# Community Tenet 6



Union Bank Operation HOPE volunteers teach financial literacy to students at the Boys & Girls Clubs of Sonoma Valley.

# 6 Commitment in Action: Philanthropy

MUFG Union Bank, N.A., is proud of our enthusiastic, sustained, and meaningful contributions to our communities through our direct philanthropic investments and the incredible volunteer spirit of our workforce. By supporting the work of high-impact nonprofit organizations, we can help to effect real and lasting change in the areas where we operate.

## **SHARING THE FUNDAMENTALS OF FINANCIAL LITERACY**

For today's young people, leading a fulfilling and rewarding life will require a solid grasp of banking, saving, and investing. Our employees share their expertise in financial education with thousands of students every year.

In 2014 alone, our employees donated more than 11,000 volunteer hours to teaching financial literacy, building on well-established partnerships with such respected organizations as Junior Achievement, Operation HOPE, and Boys & Girls Clubs. Promoting financial education to young people, as well as adults, will remain a core commitment.

## **WE COMMIT TO:**

- Making a commitment to philanthropy of at least \$15 million annually, including \$1.25 million set aside for technical assistance previously listed within small business and mortgage lending.
- Increase from 60 to 65 percent the donations to benefit LMI communities.
- Directing at least 90 percent of our charitable giving in support of the following five strategic categories: affordable housing, community economic development, education, environment, and human services.
- Continuing our support of employee volunteerism by providing up to three days (24 hours) of paid time off for eligible non-exempt staff, and encourage board service by our executives on a pro-bono basis.

# Community Tenet 7



# 7 Commitment in Action: Environmental Stewardship

Operating our business in a sustainable and environmentally responsible manner is a key component of our commitment to environmental stewardship. As the country faces critical climate changes that are having significant negative impacts on the health of local business, individuals and communities, our organization is committed to doing its part in restoring and sustaining our shared environment through lowering its own carbon footprint and supporting programs that promote access to clean water, energy efficient management and innovative transportation solutions for the good of current and future generations.

## **INVESTING IN CLEANER AIR**

A major industrial business in Texas recently took a step toward sustainability, thanks to MUFG Union Bank, N.A.

Our Environmental Services Group provided Texas Disposal Systems (TDS) with financing to switch its large fleet of diesel trucks to natural gas-fueled models. Thanks to this investment, the fleet operated by TDS—one of the nation's largest independently owned waste management companies—has reduced its ozone-forming emissions by nearly 80 percent.

### **WE COMMIT TO:**

- **Reducing our greenhouse gas emissions by 14 percent over five years.**
- **Providing \$25 billion in environmental financing and investments over five years, with 25 percent to benefit LMI communities.**

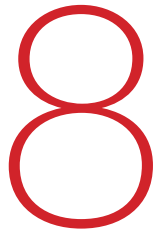
# Community Tenet 8



The 2015 Community Advisory Board

Back (L-R): Hyepin Im, Viola Gonzales, Gabe del Rio, Tunua Thrash-Ntuk, Shashi Hanuman, Rob Weiner, Timothy Russell  
Front (L-R): Joe Coto, Maiko Winkler-Chin, Marsha Bailey (Chair), Pamela Isom





# Commitment in Action: Community Advisory Board

The MUFG Union Bank, N.A., Community Advisory Board (CAB) is comprised of diverse leaders from throughout our footprint, and provides invaluable insight into the communities where we operate to make sure we're adequately meeting their needs. In particular, our CAB helps us stay connected to the perspectives and priorities of LMI populations and communities of color.

## **2015 COMMUNITY ADVISORY BOARD**

Membership includes representation from all of the organization's markets, with a balance of ethnic diversity, program expertise, and professional experience.

CAB members act in a non-binding advisory role, providing advice and counsel that keeps our bank closely connected to the unique needs of the communities we serve.

Members guide the organization in its community reinvestment activities in affordable housing, small business and economic development, consumer loans and services, charitable gifts, environmental, and other community enterprises.

### **WE COMMIT TO:**

- Expanding our CAB membership to ensure equitable representation beyond our legacy footprint.
- Seeking nominations from community-based organizations, civic leaders, and others.

# Community Tenet 9



The organization has an award-winning Supplier Diversity program that underwrites and coordinates many programs to support diverse businesses

# 9 Commitment in Action: Supplier Diversity

Embracing, supporting, and celebrating diversity is a central value for MUFG Union Bank, N.A. Indeed, we believe the vibrant diversity of our marketplace and all of the United States is one of our greatest strengths. We proudly maintain a robust Supplier Diversity program, and pursue many other steps to support diverse business enterprises (DBEs), which include businesses owned by ethnic minorities, women, and veterans.

## **HELPING DIVERSE ENTREPRENEURS SUCCEED**

For more than a decade, MUFG Union Bank, N.A., has helped small business owners from varying backgrounds attend the Management Development for Entrepreneurs program at the UCLA Anderson School of Business. This certificate program provides a meaningful opportunity for entrepreneurs to expand their skills in areas such as financial analysis, marketing, and strategy development. Participants also cultivate and enlarge their professional networks.

We will continue to provide scholarships each year for diverse business owners to attend this program in Los Angeles, as well as a similar program at the University of Washington in Seattle.

## **WE COMMIT TO:**

- Directing an overall diverse spend goal of 15.5 percent (beginning at 13 percent increasing 0.5 percent per year). Within California, a diverse spend goal of 17.5 percent (beginning at 15 percent increasing 0.5 percent per year).
- Establishing a goal of 15 percent (of total RFP candidates) with annual .05 percent incremental of DBE to be included in the procurement RFP process to reach 17.5 percent.
- Continuing our formal technical assistance initiatives with implementation to be phased in over the five-year commitment period beginning with Corporate Real Estate.
- Sponsoring entrepreneurial management development programs.
- Supporting organizations dedicated to veterans' small business development through an RFP process to provide funds for technical assistance, capital through lending programs, and qualified certifications status.
- Committing to hosting "Let's Do Business" vendor events and/or Cyber Crime Seminars within the organization's footprint.

# Community Tenet 10



Union Bank student-run branch at Loara High School in Anaheim, California

# 10 Commitment in Action: Innovation

MUFG Union Bank, N.A., believes in constant improvement, continually seeking out creative and innovative ways to assist the communities in which we do business. When it comes to strengthening our communities, we aspire to remain on the leading edge in all of our diverse work.

## **HIGH SCHOOL BANK BRANCHES**

When it comes to learning, there's no substitute for hands-on experience. That's why our unique student-run branch program has had such a meaningful impact. MUFG Union Bank, N.A., operates three branches in high schools located in LMI communities in Fresno and Los Angeles that are fully staffed by students, giving them valuable insight into the world of banking as well as leadership and professional development.

Based on the program's early success—including a strong correlation between student participation and subsequent college enrollment—the program is expected to expand in the near future.

## **WE COMMIT TO:**

- **Allocating funds to support development and ongoing research to enhance economic impact, wealth building, financial literacy, housing and support to small business in our communities.**
- **Continuing to act as a catalyst for community partnerships between the public/private sectors to address the needs of underserved communities in the markets we serve and nonprofits.**

# Community Tenet 11



**Inclusion and diversity are  
fundamental to the organization**

# 11

## Commitment in Action: Workforce and Board Diversity

At MUFG Union Bank, N.A., diversity is both a respect and appreciation for all the ways we are both similar and different which include generation, ability, race and gender. We are committed to recruiting, hiring, developing, promoting, and retaining a diverse and multidimensional workforce capable of meeting the ever-changing expectations of the marketplace. Our workforce reflects the multicultural communities we serve.

Our Employee Resource Groups (ERGs) are just one way we demonstrate our commitment to ensuring our colleagues understand that similarities and differences are honored and valued. We currently have seven Employee Resource Groups (ERGs) that empower colleagues to strengthen relationships, advance the vision and values of MUFG Union Bank, N.A., and build momentum across our entire organization.

Our ERGs are aligned with key markets and employee populations with a focus on race, generation, veteran status, gender, and sexual orientation.

Their members voluntarily come together for the benefit of all employees, our customers, our business, and the community. ERGs help to reinforce our values by executing our inclusion and diversity strategy, promoting personal and professional development, facilitating mentoring opportunities, functioning as a bank resource, and providing customer insights. Membership is open to all interested employees.

### WE COMMIT TO:

- Publishing annually our workforce diversity composition in keeping with EEOC standards.
- Providing the diversity composition of our Board of Directors.
- Posting both workforce and Board demographics on our MUFG Union Bank, N.A., public website.

**Adelante**  
Hispanic/Latino  
Employee Resource Group

**ASPIRE**  
Asian Pacific Islander  
Employee Resource Group

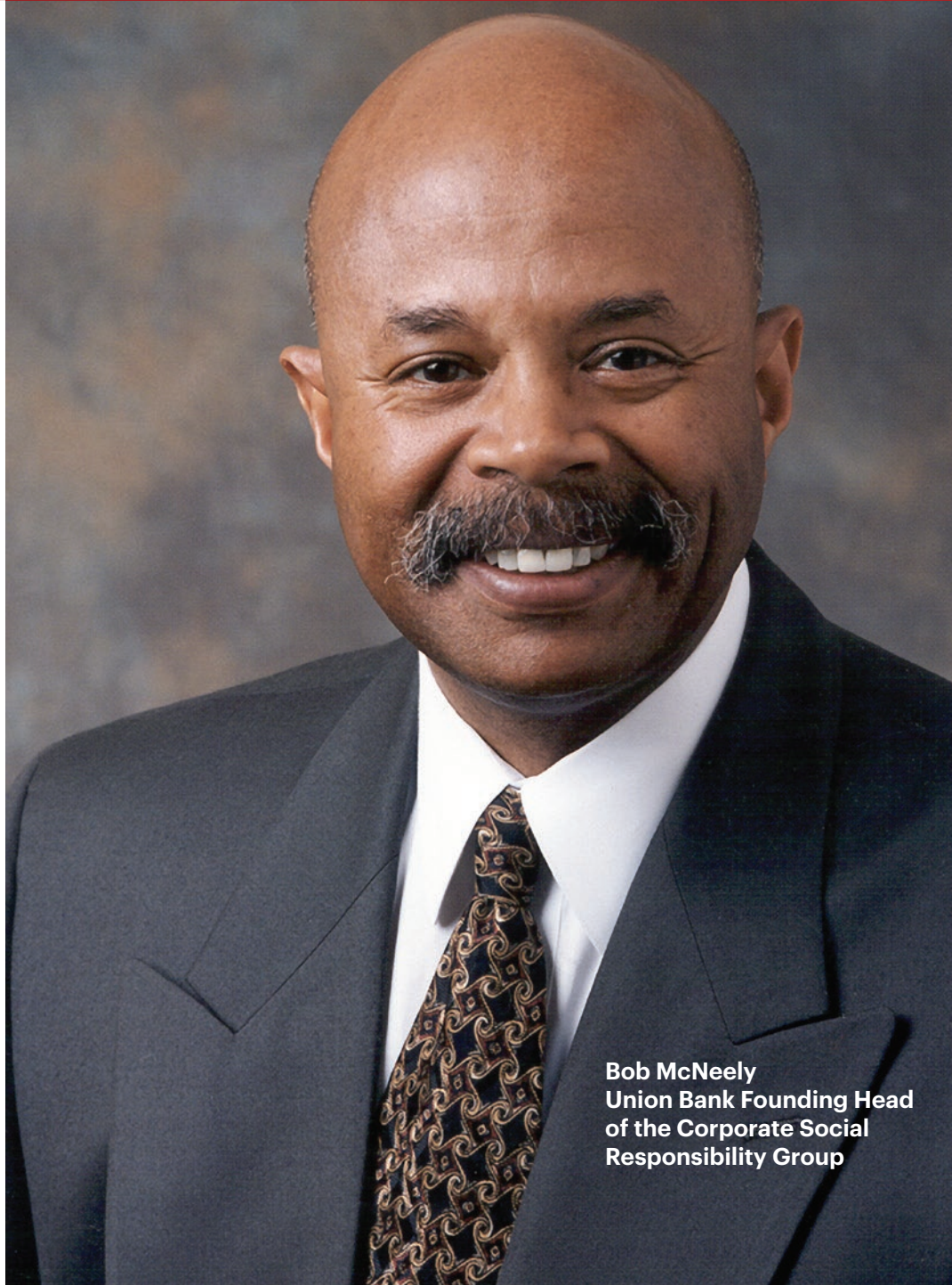
**NextGen Leaders**  
Generational Employee Resource Group

**Pride Alliance**  
LGBTQ+ Employee Resource Group

**PULSE**  
African American/Black  
Employee Resource Group

**SERVE**  
Veterans'  
Employee Resource Group

**WIN**  
Women's  
Employee Resource Group



**Bob McNeely**  
Union Bank Founding Head  
of the Corporate Social  
Responsibility Group



# In Memoriam

**ROBERT A. McNEELY**  
**1939-2015**

This *Community Service Action Plan* is dedicated to Bob McNeely, the architect behind the first *Community Service Action Plan* of Union Bank and a 41-year employee of Union Bank and its predecessor institutions. A Corporate Social Responsibility pioneer, Bob recognized that community investments are more than a moral obligation—they represent an opportunity for the bank to form impactful relationships with organizations that are working to build stronger, more resilient neighborhoods.

“You have to seed and fertilize communities, through investments, like a garden. It takes a while for them to germinate, and then finally they will yield a crop. If you loan to a business, it will be successful if people are willing to work hard.”

— *Bob McNeely*

# Notes

# Notes

[www.mufgamericas.com/corporate-social-responsibility](http://www.mufgamericas.com/corporate-social-responsibility)



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