Since our founding in 1864, we’ve prospered on a firm foundation of prudent lending, sound financial management, committed social responsibility, and strong community partnerships. In short, we’ve built a responsible business designed to thrive far into the future.

Our approach to responsible banking is built around five core tenets. These principles are fundamental to the way we conduct business every day throughout our bank.

1. **Responsible Products and Practices**
   - Transparent pricing with full disclosure
   - Embracing environmental sustainability
   - Expanding access to banking services

2. **Responsible Lending**
   - High lending standards
   - History of lending to small businesses
   - Business Diversity Lending

3. **Responsible Financial Management**
   - Strong balance sheet and credit ratings
   - A stable business
   - A culture of transparency

4. **Responsible Employer**
   - Commitment to inclusion
   - Diverse from top to bottom
   - Supplier Diversity

5. **Responsible Support of Communities**
   - A helping hand for homeowners
   - Dedicated to affordable housing
   - Charitable giving
   - Employee volunteerism
1. Responsible Products and Practices

Union Bank® is driven by a set of core values, including a deep respect for our customers and our environment. That means offering responsible products while operating our business in a responsible, sustainable manner. Our goal isn’t to be the largest bank; simply the best and most trusted.

- **Transparent pricing with full disclosure**
  Our services hold no surprises for customers because we are transparent about product features and costs. We were among the first U.S. banks to offer unbundled checking.

- **Embracing environmental sustainability**
  Being a responsible bank requires responsible stewardship of our natural resources. That’s not just good corporate citizenship; it’s good for business as well. We have significantly reduced our paper consumption and water usage in recent years, and continue to reduce our carbon footprint.

  Another way Union Bank supports a sustainable society is through our business financing. Investing in such forward-looking fields as renewable energy and green technology makes good business sense while advancing our environmental principles. In 2015, we made nearly $9.74 billion in sustainable financing commitments.

- **Expanding access to banking services**
  Union Bank aspires to meet the needs of all residents of our communities. The Union Bank Access Account is a low-cost bank account designed for customers who may have never had or have had difficulty managing a bank account before. One of the first accounts of its kind, the Access Account provides convenient bank services with a clear fee structure, while avoiding the risk of overdraft fees. It is available to all customers, with no set-up fee.

2. Responsible Lending

As a bank, one of our most important roles is that of lender to families, individuals, and businesses. As the financial turmoil of recent years has demonstrated, lending prudently and responsibly is critical to the health of our bank, our broader economy, and our society as a whole.

- **High lending standards**
  Our sound lending standards help ensure that we make loans to consumers and businesses with the capacity to repay them. Our delinquency and foreclosure rates are consistently low.

  The bank is also primarily a portfolio lender; we usually retain the loans we make on our books rather than selling them to others. This means we have a real investment in the loans we make and the communities we serve. All servicing and default management of these loans are also retained in-house so consumers have a single point of contact if questions or difficulties arise.

- **History of lending to small businesses**
  Small businesses have been a leading source of job creation and innovation since the founding of our nation. We’ve expanded our Small Business Administration (SBA) lending and non-SBA small business lending to better meet the needs of these vital economic engines. Today, we are among the top five SBA lenders in our footprint.

  Over the years, Union Bank has provided loans to small and growing businesses, including winemakers, textile manufacturers, sustainable enterprises in renewable energy; and farmers, ranchers and growers.

- **Business Diversity Lending**
  Our Business Diversity Lending program supports small and mid-sized businesses that are majority-owned by a member of a minority group, a woman, or a disabled veteran. In 2015, these loans totaled nearly $92 million.

Over the years, Union Bank has provided loans to small and growing businesses, including winemakers, textile manufacturers, sustainable enterprises in renewable energy; and farmers, ranchers and growers.
3. Responsible Financial Management

Serving our customers, employees, partners, and investors over the long term requires responsible financial management of our bank. Union Bank embraces a disciplined and prudent approach to running our business.

- **Strong balance sheet and credit ratings**
  Union Bank maintains a strong, healthy balance sheet. We have consistently earned solid, investment-grade credit ratings from each of the four major credit agencies.

- **A stable business**
  We enjoy a strong capital position, along with top-tier asset quality and healthy reserve positions. Combined with our conservative risk-management practices, we have developed a stable, resilient and diversified business that has the ability to weather economic downturns.

- **A culture of transparency**
  Our public financial reporting practices exceed the legal requirements for a privately held company, closely resembling those of a publicly traded company. This includes releasing quarterly earnings announcements along with various Securities and Exchange Commission filings.

4. Responsible Employer

We are proud to serve one of the most diverse regions of the United States. We strive to reflect and support that diversity within the bank, while nurturing the considerable talent within our organization.

- **Commitment to inclusion**
  Our bank-wide diversity and inclusion programs are recognized throughout the financial industry, winning awards and distinctions from a variety of the nation’s most respected organizations dedicated to inclusion, including the Human Rights Campaign, Diversity Inc., and others.

- **Diverse from top to bottom**
  Nearly 59 percent of our U.S. employees are ethnically diverse, and people of color represent 29 percent of our executive level positions.

- **Supplier diversity**
  Union Bank supports diversity with our own spending dollars. Our award-winning supplier diversity program ensures that our vendors include businesses majority-owned by a member of a minority group, a woman, or a disabled veteran. In 2015, we committed $101.9 million to our supplier diversity program.

5. Responsible Support of Communities

We are committed to the strengthening and revitalization of communities where we conduct business. Through concerted efforts to assist low- and moderate-income households, as well as extensive volunteer and philanthropic activity, Union Bank has earned its reputation as a responsible neighbor and community partner.

- **A helping hand for homeowners**
  Our Economic Opportunity Mortgage (EOM) program offers lowered monthly payments and other benefits to those who buy or refinance a home with low or moderate incomes, or within low- or moderate-income communities. In 2015, Union Bank provided nearly $95 million in EOM loans.

Union Bank also supports numerous housing advocacy organizations, including Habitat for Humanity and Rebuilding Together, and participates in the Workforce Initiative Subsidy for Homeownership (WISH) Program and the Individual Development and Empowerment Account (IDEA) Program, providing matching grants to qualified first-time homebuyers.

- **Dedicated to affordable housing**
  Union Bank is a leader in supporting affordable housing on the West Coast through the work of our Community Development Finance (CDF) group.

In addition to low-income households, these developments serve veterans, senior citizens, the disabled, emancipated foster youth, farm workers, and other populations in need. In 2015, Union Bank originated 18 affordable housing investments totaling $212.4 million—bringing our total Low Income Housing Tax Credit (LIHTC) investments to approximately $2.5 billion. We also reported 16 loans totaling $252.3 million to support affordable housing. Since CDF’s inception, we have originated approximately $6.4 billion in combined investments and loans.
• Charitable giving
Union Bank has a direct, positive impact on our communities through charitable giving with a focus on affordable housing, economic development, education, financial literacy and the environment. In 2015, the Union Bank Foundation made $14.8 million in philanthropic investments throughout our marketplaces.

• Employee volunteerism
Union Bank fosters a public-spirited culture among our employees. With the bank’s support, employees dedicate thousands of hours of volunteer time each year to a wide variety of causes in our communities. In 2015, our workforce volunteered 65,097 hours for the benefit of nearly 1,800 nonprofit organizations and charitable causes.

Supporting financial literacy education and mentorship for young people is a special commitment. We are pleased to support Operation HOPE and Junior Achievement with our time and resources. Our five student-run bank branches in California—in Fresno, Orange County, El Monte and two in Los Angeles—provides high school students with real-world financial experience and education.

Committed to continual improvement
We’re proud of our long-standing record of responsible banking, but we know we can always accomplish more. We strive every day to improve our performance as a responsible partner and neighbor. This commitment has guided us for over 150 years, and will continue to lead us forward for many years to come.

If you’re already a customer of Union Bank, let us take the opportunity to thank you for your patronage and to pledge our allegiance to the principles described in this document. If you’re not yet a customer, we invite you to experience the difference.

For more information visit www.unionbank.com/community.