

Press Release

MUFG Americas Holdings Corporation
A member of MUFG, a global financial group

October 24, 2016

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MUFG AMERICAS HOLDINGS CORPORATION REPORTS THIRD QUARTER NET INCOME OF \$260 MILLION

NEW YORK - MUFG Americas Holdings Corporation (the Company), parent company of San Francisco-based MUFG Union Bank, N.A. (the Bank), today reported net income for the quarter of \$260 million, compared with \$334 million for the prior quarter and \$188 million for the year-ago quarter.

Third Quarter Results:

- Net income for the third quarter was \$260 million, down \$74 million from the second quarter of 2016.
- The provision for credit losses was \$73 million compared with a reversal of provision for credit losses of \$39 million in the second quarter of 2016. The current quarter provision was due in part to credit losses within the oil and gas loan portfolio.
- Average loans held for investment during the third quarter of 2016 were \$80.5 billion, down \$1.1 billion from the second quarter of 2016.
- Average deposits during the third quarter of 2016 were \$84.2 billion, up \$0.6 billion from the second quarter of 2016.

Formation of the U.S. Intermediate Holding Company

The financial information included for all periods presented reflects the designation of MUFG Americas Holdings Corporation (MUAH) as the U.S. Intermediate Holding Company (IHC) of its ultimate parent, Mitsubishi UFJ Financial Group, Inc. (MUFG) on July 1, 2016, in accordance with the requirements of the U.S. Federal Reserve Board's final rules for Enhanced Prudential Standards. The IHC formation resulted in the transfer of interests in substantially all of MUFG's U.S. subsidiaries to MUAH. The subsidiaries include MUFG Securities Americas Inc. (MUSA) (formerly Mitsubishi UFJ Securities (USA), Inc.), a registered broker-dealer, and various other non-

bank subsidiaries. The assets received and liabilities assumed were transferred at book value, and all prior periods have been revised to include the results of the transferred IHC entities.

The following table presents financial highlights for the periods ended September 30, 2016, June 30, 2016 and September 30, 2015:

| (Dollars in millions) | As of and for the Three Months Ended | | | Percent Change to | |
|--|--------------------------------------|---------------|--------------------|---------------------------------------|--|
| | September 30, 2016 | June 30, 2016 | September 30, 2015 | September 30, 2016 from June 30, 2016 | September 30, 2016 from September 30, 2015 |
| Results of operations: | | | | | |
| Net interest income | \$ 773 | \$ 754 | \$ 723 | 3% | 7% |
| Noninterest income | 570 | 565 | 450 | 1 | 27 |
| Total revenue | 1,343 | 1,319 | 1,173 | 2 | 14 |
| Noninterest expense | 952 | 906 | 926 | 5 | 3 |
| Pre-tax, pre-provision income ⁽¹⁾ | 391 | 413 | 247 | (5) | 58 |
| (Reversal of) provision for credit losses | 73 | (39) | 18 | 287 | 306 |
| Income before income taxes and including noncontrolling interests | 318 | 452 | 229 | (30) | 39 |
| Income tax expense | 97 | 129 | 62 | (25) | 56 |
| Net income including noncontrolling interests | 221 | 323 | 167 | (32) | 32 |
| Deduct: Net loss from noncontrolling interests | 39 | 11 | 21 | 255 | 86 |
| Net income attributable to MUFG Americas Holdings Corporation (MUAH) | \$ 260 | \$ 334 | \$ 188 | (22) | 38 |
| Balance sheet (end of period): | | | | | |
| Total assets | \$ 151,099 | \$ 147,972 | \$ 151,666 | 2 | — |
| Total securities | 24,116 | 23,188 | 24,712 | 4 | (2) |
| Securities borrowed or purchased under resale agreements | 21,906 | 20,363 | 30,530 | 8 | (28) |
| Total loans held for investment | 79,249 | 81,045 | 78,358 | (2) | 1 |
| Core deposits ⁽²⁾ | 77,392 | 75,296 | 74,785 | 3 | 3 |
| Total deposits | 84,643 | 82,652 | 82,656 | 2 | 2 |
| Securities loaned or sold under repurchase agreements | 25,582 | 23,197 | 28,366 | 10 | (10) |
| Long-term debt | 11,427 | 11,737 | 12,661 | (3) | (10) |
| MUAH stockholders' equity | 17,353 | 17,133 | 16,499 | 1 | 5 |
| Balance sheet (period average): | | | | | |
| Total assets | \$ 149,056 | \$ 149,447 | \$ 150,516 | — | (1) |
| Total securities | 23,503 | 23,341 | 24,157 | 1 | (3) |
| Securities borrowed or purchased under resale agreements | 20,668 | 24,030 | 30,750 | (14) | (33) |
| Total loans held for investment | 80,469 | 81,542 | 77,840 | (1) | 3 |
| Earning assets | 136,051 | 137,198 | 138,504 | (1) | (2) |
| Total deposits | 84,194 | 83,621 | 82,482 | 1 | 2 |
| Securities loaned or sold under repurchase agreements | 23,872 | 25,338 | 29,120 | (6) | (18) |
| MUAH stockholders' equity | 17,311 | 16,980 | 16,139 | 2 | 7 |
| Net interest margin ^{(3) (7)} | 2.29% | 2.23% | 2.10% | | |
| Net interest margin excluding MUSA ⁽⁸⁾ | 2.72% | 2.73% | 2.72% | | |

Refer to Exhibit 19 for footnote explanations.

Summary of Third Quarter Results

Third Quarter Total Revenue

For the third quarter of 2016, total revenue (net interest income plus noninterest income) was \$1.3 billion, up \$24 million from the second quarter of 2016. Net interest income for the third quarter of 2016 was \$773 million, up \$19 million compared with the second quarter of 2016 due to an increase in the net interest margin. The net interest margin increased 6 basis points to 2.29%, reflecting higher yields on both securities and securities borrowed or purchased under resale agreements. Excluding MUSA for all periods, the net interest margin was 2.72% in the third quarter of 2016, essentially flat compared with the second quarter of 2016.

For the third quarter of 2016, noninterest income was \$570 million, up \$5 million compared with the second quarter of 2016, largely due to increases in investment banking and syndication fees which were partially offset by a decrease in fees from affiliates.

Compared with the third quarter of 2015, total revenue increased \$170 million, substantially due to increases in interest income from trading assets, investment banking and syndication fees, fees from affiliates and trading account activities, partially offset by an increase in interest expense from securities loaned or sold under repurchase agreements.

Third Quarter Noninterest Expense

Noninterest expense for the third quarter of 2016 was \$952 million, up \$46 million compared with the second quarter of 2016 and up \$26 million from the third quarter of 2015. The increase from the second quarter of 2016 was due primarily to increases in salaries and employee benefits and a low income housing impairment charge (included in Other, net) attributable to noncontrolling interests. The Company's share of the impairment charge was not significant.

Compared with the third quarter of 2015, the increase in noninterest expense was largely due to increases in regulatory assessments related to an increase in FDIC insurance expense, software expenses and the low income housing impairment charge attributable to noncontrolling interests.

The effective tax rate for the third quarter of 2016 was 31%, compared with an effective tax rate of 29% for the second quarter of 2016.

Business Integration Initiative - Third Quarter Summary Impact⁽¹⁶⁾

For the quarters ended September 30, 2016, June 30, 2016 and September 30, 2015, the Company recorded the following fee income and costs related to support services:

| (Dollars in millions) | For the Three Months Ended | | |
|---|----------------------------|---------------|--------------------|
| | September 30, 2016 | June 30, 2016 | September 30, 2015 |
| Fees from affiliates - support services ⁽¹⁶⁾ | \$ 150 | \$ 147 | \$ 138 |
| Staff costs associated with fees from affiliates - support services ⁽¹⁶⁾ | \$ 139 | \$ 137 | \$ 128 |

Refer to Exhibit 19 for footnote explanations.

The Company also recognized fees from affiliates through revenue sharing agreements with BTMU for various business and banking services.

Balance Sheet

At September 30, 2016, total assets were \$151.1 billion, up \$3.1 billion from the prior quarter. Increases in cash and cash equivalents, securities borrowed or purchased under resale agreements and trading account assets were partially offset by a decrease in loans held for investment. Total deposits increased \$2.0 billion to \$84.6 billion compared with the prior quarter-end, due to an increase in deposits within the Transaction Banking segment. Core deposits were up \$2.1 billion, compared with the prior quarter-end.

Credit Quality

The following table presents credit quality data for the quarters ended September 30, 2016, June 30, 2016 and September 30, 2015:

| (Dollars in millions) | As of and for the Three Months Ended | | |
|--|--------------------------------------|---------------|--------------------|
| | September 30, 2016 | June 30, 2016 | September 30, 2015 |
| Total (reversal of) provision for credit losses | \$ 73 | \$ (39) | \$ 18 |
| Net loans charged-off | 124 | 97 | 11 |
| Nonaccrual loans | 719 | 632 | 419 |
| Criticized loans held for investment ⁽¹⁴⁾ | 2,355 | 2,862 | 1,661 |
| Credit Ratios: | | | |
| Allowance for loan losses to: | | | |
| Total loans held for investment | 0.87% | 0.92% | 0.70% |
| Nonaccrual loans | 96.08 | 118.30 | 130.93 |
| Allowance for credit losses to ⁽¹⁵⁾ : | | | |
| Total loans held for investment | 1.09 | 1.13 | 0.88 |
| Nonaccrual loans | 119.97 | 144.55 | 164.59 |
| Nonaccrual loans to total loans held for investment | 0.91 | 0.78 | 0.54 |

Refer to Exhibit 19 for footnote explanations.

In the third quarter of 2016, the provision for credit losses was \$73 million, compared with the reversal of provision of \$39 million for the second quarter of 2016 and a provision of \$18 million for the third quarter of 2015. The provision for credit losses reflects the impact of losses recorded in the commercial loan portfolio, including the oil and gas loan portfolio. Petroleum exploration and production ("PEP") loan commitments accounted for approximately 69% of our total oil and gas loan commitments at September 30, 2016, and 69% of PEP loan commitments were collateralized by oil and gas reserves.

Criticized loans outstanding within the PEP portfolio declined \$502 million during the third quarter of 2016 largely due to transfers to held for sale and charge-offs. The Company recorded net charge-offs of \$124 million, substantially related to PEP loans. \$45 million of the charge-offs resulted from the transfer of certain PEP loans to held for sale. The following table provides further information about our petroleum exploration and production loan portfolio:

| (Dollars in millions) | As of | | | |
|--|--------------------|---------------|----------------|-------------------|
| | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 |
| Petroleum Exploration and Production: | | | | |
| Loan commitments | \$ 3,565 | \$ 4,529 | \$ 5,519 | \$ 5,768 |
| Loans outstanding | 1,802 | 2,434 | 3,080 | 2,943 |
| Criticized commitments | 1,791 | 2,541 | 2,701 | 2,156 |
| Criticized outstanding | 1,075 | 1,577 | 1,705 | 1,226 |
| Allowance for credit losses | 252 | 320 | 415 | 319 |
| Allowance for loan losses | 225 | 287 | 386 | 291 |

Capital

The following table presents capital ratio data as of September 30, 2016 and June 30, 2016:

| | September 30, 2016 | June 30, 2016 |
|--|-----------------------|---------------|
| Capital ratios: | | |
| Regulatory⁽⁹⁾: | | |
| | U.S. Basel III | |
| Common Equity Tier 1 risk-based capital ratio ⁽¹⁰⁾⁽¹¹⁾ | 14.18% | 13.58% |
| Tier 1 risk-based capital ratio ⁽¹⁰⁾⁽¹¹⁾ | 14.18 | 13.58 |
| Total risk-based capital ratio ⁽¹⁰⁾⁽¹¹⁾ | 15.89 | 15.44 |
| Tier 1 leverage ratio ⁽¹⁰⁾⁽¹¹⁾ | 9.83 | 11.59 |
| Other: | | |
| Tangible common equity ratio ⁽¹²⁾ | 9.45% | 9.53% |
| Common Equity Tier 1 risk-based capital ratio (U.S. Basel III standardized approach; fully phased-in) ⁽⁹⁾⁽¹⁰⁾⁽¹³⁾ | 14.14 | 13.56 |

Refer to Exhibit 19 for footnote explanations.

The Company's stockholders' equity was \$17.4 billion at September 30, 2016, compared with \$17.1 billion at June 30, 2016.

The Company's preliminary Common Equity Tier 1, Tier 1 and Total risk-based capital ratios, calculated in accordance with U.S. Basel III regulatory capital rules, were 14.18%, 14.18% and 15.89%, respectively, at September 30, 2016. The tangible common equity ratio was 9.45% at September 30, 2016.

The Company's estimated Common Equity Tier 1 risk-based capital ratio under U.S. Basel III regulatory capital rules (standardized approach, fully phased-in) was 14.14% at September 30, 2016.

Non-GAAP Financial Measures

This press release includes a financial measure (net interest margin excluding MUSA) and additional capital ratios (tangible common equity and Common Equity Tier 1 capital (calculated under the U.S. Basel III standardized approach on a fully phased-in basis)) to provide useful supplemental information regarding the Company's business results and to facilitate the understanding of the Company's capital structure and for use in assessing and comparing the quality and composition of the Company's capital structure to that of other financial institutions. These presentations should not be viewed as a substitute for results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP financial measures presented by other companies. Please refer to our separate reconciliation of non-GAAP financial measures in our financial supplement.

About MUFG Americas Holdings Corporation

Headquartered in New York, MUFG Americas Holdings Corporation is a financial holding company and bank holding company with total assets of \$151.1 billion at September 30, 2016. Its main subsidiaries are MUFG Union Bank, N.A. and MUFG Securities Americas Inc. MUFG Union Bank, N.A. provides an array of financial services to individuals, small businesses, middle-market companies, and major corporations. As of September 30, 2016, MUFG Union Bank, N.A. operated 366 branches, comprised primarily of retail banking branches in the West Coast states, along with commercial branches in Texas, Illinois, New York and Georgia, as well as two international offices. MUFG Securities America Inc. is a registered securities broker-dealer which engages in capital markets origination transactions, private placements, collateralized financings, securities borrow and loan transactions, and domestic and foreign debt and equities securities transactions. MUFG Americas Holdings Corporation is owned by The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Financial Group, Inc., one of the world's leading financial groups. The Bank of Tokyo-Mitsubishi UFJ, Ltd. is a wholly-owned subsidiary of Mitsubishi UFJ Financial Group, Inc. Visit www.unionbank.com or www.mufgamericas.com for more information.

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MUFG Americas Holdings Corporation and Subsidiaries Financial Highlights (Unaudited)

| (Dollars in millions) | As of and for the Three Months Ended | | | | | Percent Change to September 30, 2016 from | |
|---|--------------------------------------|------------------|-------------------|----------------------|-----------------------|--|-----------------------|
| | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 | September 30, 2015 | June 30, 2016 | September 30, 2015 |
| | | | | | | | |
| Results of operations: | | | | | | | |
| Net interest income | \$ 773 | \$ 754 | \$ 724 | \$ 730 | \$ 723 | 3% | 7% |
| Noninterest income | 570 | 565 | 474 | 482 | 450 | 1 | 27 |
| Total revenue | 1,343 | 1,319 | 1,198 | 1,212 | 1,173 | 2 | 14 |
| Noninterest expense | 952 | 906 | 968 | 963 | 926 | 5 | 3 |
| Pre-tax, pre-provision income ⁽¹⁾ | 391 | 413 | 230 | 249 | 247 | (5) | 58 |
| (Reversal of) provision for credit losses | 73 | (39) | 162 | 192 | 18 | 287 | 306 |
| Income before income taxes and including noncontrolling interests | 318 | 452 | 68 | 57 | 229 | (30) | 39 |
| Income tax expense | 97 | 129 | 18 | (14) | 62 | (25) | 56 |
| Net income including noncontrolling interests | 221 | 323 | 50 | 71 | 167 | (32) | 32 |
| Deduct: Net loss from noncontrolling interests | 39 | 11 | 12 | 13 | 21 | 255 | 86 |
| Net income attributable to MUFG Americas Holdings Corporation (MUAH) | <u>\$ 260</u> | <u>\$ 334</u> | <u>\$ 62</u> | <u>\$ 84</u> | <u>\$ 188</u> | (22) | 38 |
| Balance sheet (end of period): | | | | | | | |
| Total assets | \$ 151,099 | \$ 147,972 | \$ 156,554 | \$ 153,070 | \$ 151,666 | 2 | — |
| Total securities | 24,116 | 23,188 | 23,699 | 24,517 | 24,712 | 4 | (2) |
| Securities borrowed or purchased under resale agreements | 21,906 | 20,363 | 28,110 | 31,072 | 30,530 | 8 | (28) |
| Total loans held for investment | 79,249 | 81,045 | 80,906 | 79,257 | 78,358 | (2) | 1 |
| Core deposits ⁽²⁾ | 77,392 | 75,296 | 74,882 | 76,094 | 74,785 | 3 | 3 |
| Total deposits | 84,643 | 82,652 | 89,460 | 84,300 | 82,656 | 2 | 2 |
| Securities loaned or sold under repurchase agreements | 25,582 | 23,197 | 27,211 | 29,141 | 28,366 | 10 | (10) |
| Long-term debt | 11,427 | 11,737 | 13,068 | 13,648 | 12,661 | (3) | (10) |
| MUAH stockholders' equity | 17,353 | 17,133 | 16,684 | 16,378 | 16,499 | 1 | 5 |
| Balance sheet (period average): | | | | | | | |
| Total assets | \$ 149,056 | \$ 149,447 | \$ 154,704 | \$ 154,470 | \$ 150,516 | — | (1) |
| Total securities | 23,503 | 23,341 | 23,550 | 24,366 | 24,157 | 1 | (3) |
| Securities borrowed or purchased under resale agreements | 20,668 | 24,030 | 31,698 | 32,341 | 30,750 | (14) | (33) |
| Total loans held for investment | 80,469 | 81,542 | 80,083 | 79,501 | 77,840 | (1) | 3 |
| Earning assets | 136,051 | 137,198 | 142,153 | 142,179 | 138,504 | (1) | (2) |
| Total deposits | 84,194 | 83,621 | 83,968 | 83,996 | 82,482 | 1 | 2 |
| Securities loaned or sold under repurchase agreements | 23,872 | 25,338 | 31,204 | 30,366 | 29,120 | (6) | (18) |
| MUAH stockholders' equity | 17,311 | 16,980 | 16,692 | 16,639 | 16,139 | 2 | 7 |
| Performance ratios: | | | | | | | |
| Return on average assets ⁽³⁾ | 0.70% | 0.89% | 0.16% | 0.22% | 0.50% | | |
| Return on average MUAH stockholders' equity ⁽³⁾ | 6.03 | 7.87 | 1.45 | 2.03 | 4.66 | | |
| Return on average MUAH tangible common equity ⁽³⁾⁽⁴⁾ | 7.60 | 9.92 | 1.94 | 2.72 | 6.10 | | |
| Efficiency ratio ⁽⁵⁾ | 70.88 | 68.67 | 80.90 | 79.45 | 78.95 | | |
| Adjusted efficiency ratio ⁽⁶⁾ | 62.46 | 62.27 | 73.72 | 70.33 | 72.17 | | |
| Net interest margin ⁽³⁾⁽⁷⁾ | 2.29 | 2.23 | 2.06 | 2.07 | 2.10 | | |
| Performance ratios excluding MUSA ⁽⁸⁾: | | | | | | | |
| Return on average assets ⁽³⁾ | 0.78% | 1.06% | 0.18% | 0.26% | 0.65% | | |
| Return on average MUAH stockholders' equity ⁽³⁾ | 5.65 | 7.74 | 1.36 | 1.91 | 4.83 | | |
| Return on average tangible common equity ⁽³⁾⁽⁴⁾ | 7.22 | 9.86 | 1.85 | 2.61 | 6.36 | | |
| Efficiency ratio ⁽⁵⁾ | 70.99 | 68.02 | 80.11 | 79.02 | 77.45 | | |
| Adjusted efficiency ratio ⁽⁶⁾ | 61.44 | 60.80 | 72.14 | 69.07 | 70.00 | | |
| Net interest margin ⁽³⁾⁽⁷⁾ | 2.72 | 2.73 | 2.65 | 2.68 | 2.72 | | |
| Capital ratios: | | | | | | | |
| Regulatory ⁽⁹⁾: | | | | | | | |
| U.S. Basel III | | | | | | | |
| Common Equity Tier 1 risk-based capital ratio ⁽¹⁰⁾⁽¹¹⁾ | 14.18% | 13.58% | 13.33% | 13.63% | 13.84% | | |
| Tier 1 risk-based capital ratio ⁽¹⁰⁾⁽¹¹⁾ | 14.18 | 13.58 | 13.33 | 13.64 | 13.84 | | |
| Total risk-based capital ratio ⁽¹⁰⁾⁽¹¹⁾ | 15.89 | 15.44 | 15.32 | 15.56 | 15.60 | | |
| Tier 1 leverage ratio ⁽¹⁰⁾⁽¹¹⁾ | 9.83 | 11.59 | 11.41 | 11.40 | 11.58 | | |
| Other: | | | | | | | |
| Tangible common equity ratio ⁽¹²⁾ | 9.45% | 9.53% | 8.70% | 8.69% | 8.84% | | |
| Common Equity Tier 1 risk-based capital ratio (U.S. Basel III standardized approach; fully phased-in) ⁽⁹⁾⁽¹⁰⁾⁽¹³⁾ | 14.14 | 13.56 | 13.31 | 13.46 | 13.79 | | |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Financial Highlights (Unaudited)

| (Dollars in millions) | As of and for the Nine Months Ended | | Percent Change to September 30, 2016 from September 30, 2015 |
|--|-------------------------------------|-----------------------|--|
| | September 30, 2016 | September 30, 2015 | |
| Results of operations: | | | |
| Net interest income | \$ 2,251 | \$ 2,162 | 4% |
| Noninterest income | 1,609 | 1,368 | 18 |
| Total revenue | 3,860 | 3,530 | 9 |
| Noninterest expense | 2,826 | 2,784 | 2 |
| Pre-tax, pre-provision income ⁽¹⁾ | 1,034 | 746 | 39 |
| Provision for credit losses | 196 | 35 | 460 |
| Income before income taxes and including noncontrolling interests | 838 | 711 | 18 |
| Income tax expense | 244 | 183 | 33 |
| Net income including noncontrolling interests | 594 | 528 | 13 |
| Deduct: Net loss from noncontrolling interests | 62 | 32 | 94 |
| Net income attributable to MUAH | \$ 656 | \$ 560 | 17 |
| Balance sheet (end of period): | | | |
| Total assets | \$ 151,099 | \$ 151,666 | — |
| Total securities | 24,116 | 24,712 | (2) |
| Securities borrowed or purchased under resale agreements | 21,906 | 30,530 | (28) |
| Total loans held for investment | 79,249 | 78,358 | 1 |
| Core deposits ⁽²⁾ | 77,392 | 74,785 | 3 |
| Total deposits | 84,643 | 82,656 | 2 |
| Securities loaned or sold under repurchase agreements | 25,582 | 28,366 | (10) |
| Long-term debt | 11,427 | 12,661 | (10) |
| MUAH stockholders' equity | 17,353 | 16,499 | 5 |
| Balance sheet (period average): | | | |
| Total assets | \$ 150,996 | \$ 151,734 | — |
| Total securities | 23,465 | 23,100 | 2 |
| Securities borrowed or purchased under resale agreements | 25,448 | 32,558 | (22) |
| Total loans held for investment | 80,698 | 78,415 | 3 |
| Earning assets | 138,459 | 139,671 | (1) |
| Total deposits | 83,928 | 82,899 | 1 |
| Securities loaned or sold under repurchase agreements | 26,794 | 31,781 | (16) |
| MUAH stockholders' equity | 16,942 | 15,935 | 6 |
| Performance ratios: | | | |
| Return on average assets ⁽³⁾ | 0.58% | 0.49% | |
| Return on average MUAH stockholders' equity ⁽³⁾ | 5.15 | 4.67 | |
| Return on average MUAH tangible common equity ⁽³⁾⁽⁴⁾ | 6.54 | 6.14 | |
| Efficiency ratio ⁽⁵⁾ | 73.23 | 78.88 | |
| Adjusted efficiency ratio ⁽⁶⁾ | 65.90 | 71.70 | |
| Net interest margin ⁽³⁾⁽⁷⁾ | 2.19 | 2.08 | |
| Performance ratios excluding MUSA ⁽⁸⁾: | | | |
| Return on average assets ⁽³⁾ | 0.67% | 0.61% | |
| Return on average MUAH stockholders' equity ⁽³⁾ | 4.94 | 4.57 | |
| Return on average tangible common equity ⁽³⁾⁽⁴⁾ | 6.36 | 6.06 | |
| Efficiency ratio ⁽⁵⁾ | 72.84 | 78.39 | |
| Adjusted efficiency ratio ⁽⁶⁾ | 64.61 | 70.40 | |
| Net interest margin ⁽³⁾⁽⁷⁾ | 2.70 | 2.72 | |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Credit Quality (Unaudited)

| (Dollars in millions) | As of and for the Three Months Ended | | | | | Percent Change to | |
|---|--------------------------------------|-----------------------|--|----------------------|-----------------------|-------------------------|-----------------------|
| | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 | September 30, 2015 | June 30, 2016 | September 30, 2015 |
| | | | | | | September 30, 2016 from | |
| Credit Data: | | | | | | | |
| (Reversal of) provision for loan losses | \$ 68 | \$ (36) | \$ 158 | \$ 168 | \$ 23 | 289% | 196% |
| (Reversal of) provision for losses on unfunded credit commitments | 5 | (3) | 4 | 24 | (5) | 267 | 200 |
| Total (reversal of) provision for credit losses | \$ 73 | \$ (39) | \$ 162 | \$ 192 | \$ 18 | 287 | 306 |
| Net loans charged-off (recovered) | \$ 124 | \$ 97 | \$ 4 | \$ (6) | \$ 11 | 28 | nm |
| Nonperforming assets | 724 | 648 | 974 | 573 | 434 | 12 | 67 |
| Criticized loans held for investment ⁽¹⁴⁾ | 2,355 | 2,862 | 3,083 | 2,472 | 1,661 | (18) | 42 |
| Credit Ratios: | | | | | | | |
| Allowance for loan losses to: | | | | | | | |
| Total loans held for investment | 0.87% | 0.92% | 1.09% | 0.91% | 0.70% | | |
| Nonaccrual loans | 96.08 | 118.30 | 92.17 | 130.86 | 130.93 | | |
| Allowance for credit losses to ⁽¹⁵⁾ : | | | | | | | |
| Total loans held for investment | 1.09 | 1.13 | 1.30 | 1.12 | 0.88 | | |
| Nonaccrual loans | 119.97 | 144.55 | 109.86 | 160.74 | 164.59 | | |
| Net loans charged-off (recovered) to average total loans held for investment ⁽³⁾ | 0.61 | 0.48 | 0.02 | (0.03) | 0.06 | | |
| Nonperforming assets to total loans held for investment and Other Real Estate Owned (OREO) | 0.91 | 0.80 | 1.20 | 0.72 | 0.55 | | |
| Nonperforming assets to total assets | 0.48 | 0.44 | 0.62 | 0.37 | 0.29 | | |
| Nonaccrual loans to total loans held for investment | 0.91 | 0.78 | 1.18 | 0.70 | 0.54 | | |
| As of and for the Nine Months Ended | | | | | | | |
| (Dollars in millions) | September 30, 2016 | September 30, 2015 | Percent Change | | | | |
| | | | to September 30, 2016 from September 30, 2015 | | | | |
| Credit Data: | | | | | | | |
| Provision for loan losses | \$ 190 | \$ 45 | 322% | | | | |
| (Reversal of) provision for losses on unfunded credit commitments | 6 | (10) | 160 | | | | |
| Total provision for credit losses | \$ 196 | \$ 35 | 460% | | | | |
| Net loans charged-off | \$ 225 | \$ 34 | nm | | | | |
| Credit Ratios: | | | | | | | |
| Net loans charged-off to average total loans held for investment ⁽³⁾ | 0.37% | 0.06% | | | | | |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Consolidated Statements of Income (Unaudited)

| (Dollars in millions) | For the Three Months Ended | | | | |
|---|----------------------------|------------------|-------------------|----------------------|-----------------------|
| | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 | September 30, 2015 |
| Interest Income | | | | | |
| Loans | \$ 711 | \$ 719 | \$ 706 | \$ 705 | \$ 696 |
| Securities | 122 | 114 | 110 | 124 | 116 |
| Securities borrowed or purchased under resale agreements | 47 | 44 | 50 | 34 | 28 |
| Trading assets | 50 | 38 | 22 | 13 | 15 |
| Other | 6 | 4 | 6 | 2 | 5 |
| Total interest income | <u>936</u> | <u>919</u> | <u>894</u> | <u>878</u> | <u>860</u> |
| Interest Expense | | | | | |
| Deposits | 49 | 49 | 49 | 50 | 48 |
| Commercial paper and other short-term borrowings | 7 | 7 | 3 | 2 | 4 |
| Long-term debt | 57 | 63 | 73 | 70 | 63 |
| Securities loaned or sold under repurchase agreements | 36 | 31 | 32 | 18 | 12 |
| Trading liabilities | 14 | 15 | 13 | 8 | 10 |
| Total interest expense | <u>163</u> | <u>165</u> | <u>170</u> | <u>148</u> | <u>137</u> |
| Net Interest Income | 773 | 754 | 724 | 730 | 723 |
| (Reversal of) provision for credit losses | 73 | (39) | 162 | 192 | 18 |
| Net interest income after (reversal of) provision for credit losses | <u>700</u> | <u>793</u> | <u>562</u> | <u>538</u> | <u>705</u> |
| Noninterest Income | | | | | |
| Service charges on deposit accounts | 48 | 46 | 49 | 48 | 49 |
| Trust and investment management fees | 29 | 30 | 32 | 29 | 27 |
| Trading account activities | 25 | 40 | 28 | 24 | 7 |
| Securities gains, net | 23 | 19 | 13 | 6 | 6 |
| Credit facility fees | 27 | 28 | 27 | 29 | 27 |
| Brokerage commissions and fees | 15 | 25 | 19 | 16 | 17 |
| Card processing fees, net | 10 | 9 | 9 | 8 | 8 |
| Investment banking and syndication fees | 113 | 79 | 61 | 62 | 66 |
| Fees from affiliates ⁽¹⁶⁾ | 222 | 258 | 212 | 210 | 189 |
| Other, net | 58 | 31 | 24 | 50 | 54 |
| Total noninterest income | <u>570</u> | <u>565</u> | <u>474</u> | <u>482</u> | <u>450</u> |
| Noninterest Expense | | | | | |
| Salaries and employee benefits | 592 | 572 | 595 | 604 | 596 |
| Net occupancy and equipment | 82 | 79 | 81 | 88 | 83 |
| Professional and outside services | 84 | 81 | 105 | 87 | 82 |
| Software | 39 | 37 | 37 | 34 | 29 |
| Regulatory assessments | 22 | 14 | 14 | 13 | 13 |
| Intangible asset amortization | 7 | 6 | 7 | 10 | 10 |
| Other | 126 | 117 | 129 | 127 | 113 |
| Total noninterest expense | <u>952</u> | <u>906</u> | <u>968</u> | <u>963</u> | <u>926</u> |
| Income before income taxes and including noncontrolling interests | 318 | 452 | 68 | 57 | 229 |
| Income tax expense | 97 | 129 | 18 | (14) | 62 |
| Net Income including Noncontrolling Interests | <u>221</u> | <u>323</u> | <u>50</u> | <u>71</u> | <u>167</u> |
| Deduct: Net loss from noncontrolling interests | 39 | 11 | 12 | 13 | 21 |
| Net Income attributable to MUAH | <u>\$ 260</u> | <u>\$ 334</u> | <u>\$ 62</u> | <u>\$ 84</u> | <u>\$ 188</u> |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Consolidated Statements of Income (Unaudited)

| (Dollars in millions) | For the Nine Months Ended | |
|---|---------------------------|-----------------------|
| | September 30, 2016 | September 30, 2015 |
| Interest Income | | |
| Loans | \$ 2,136 | \$ 2,092 |
| Securities | 346 | 339 |
| Securities borrowed or purchased under resale agreements | 141 | 78 |
| Trading assets | 110 | 40 |
| Other | 16 | 10 |
| Total interest income | 2,749 | 2,559 |
| Interest Expense | | |
| Deposits | 147 | 150 |
| Commercial paper and other short-term borrowings | 17 | 11 |
| Long-term debt | 193 | 180 |
| Securities loaned or sold under repurchase agreements | 99 | 34 |
| Trading liabilities | 42 | 22 |
| Total interest expense | 498 | 397 |
| Net Interest Income | | |
| | 2,251 | 2,162 |
| Provision for credit losses | 196 | 35 |
| Net interest income after provision for credit losses | 2,055 | 2,127 |
| Noninterest Income | | |
| Service charges on deposit accounts | 143 | 147 |
| Trust and investment management fees | 91 | 82 |
| Trading account activities | 93 | 38 |
| Securities gains, net | 55 | 14 |
| Credit facility fees | 82 | 88 |
| Brokerage commissions and fees | 59 | 63 |
| Card processing fees, net | 28 | 25 |
| Investment banking and syndication fees | 253 | 257 |
| Fees from affiliates ⁽¹⁶⁾ | 692 | 553 |
| Other, net | 113 | 101 |
| Total noninterest income | 1,609 | 1,368 |
| Noninterest Expense | | |
| Salaries and employee benefits | 1,759 | 1,810 |
| Net occupancy and equipment | 242 | 247 |
| Professional and outside services | 270 | 231 |
| Software | 113 | 86 |
| Regulatory assessments | 50 | 40 |
| Intangible asset amortization | 20 | 32 |
| Other | 372 | 338 |
| Total noninterest expense | 2,826 | 2,784 |
| Income before income taxes and including noncontrolling interests | 838 | 711 |
| Income tax expense | 244 | 183 |
| Net Income including Noncontrolling Interests | 594 | 528 |
| Deduct: Net loss from noncontrolling interests | 62 | 32 |
| Net Income attributable to MUAH | \$ 656 | \$ 560 |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Consolidated Balance Sheets (Unaudited)

| (Dollars in millions except for per share amount) | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 | September 30, 2015 |
|---|-----------------------|-------------------|-------------------|----------------------|-----------------------|
| Assets | | | | | |
| Cash and due from banks | \$ 1,837 | \$ 1,766 | \$ 1,813 | \$ 2,058 | \$ 1,824 |
| Interest bearing deposits in banks | 3,537 | 2,306 | 6,747 | 2,749 | 2,993 |
| Federal funds sold | — | 10 | — | — | 4 |
| Total cash and cash equivalents | 5,374 | 4,082 | 8,560 | 4,807 | 4,821 |
| Securities borrowed or purchased under resale agreements | 21,906 | 20,363 | 28,110 | 31,072 | 30,530 |
| Trading account assets | 9,405 | 8,427 | 5,629 | 3,734 | 3,592 |
| Securities available for sale | 13,728 | 12,929 | 13,094 | 14,359 | 14,371 |
| Securities held to maturity | 10,388 | 10,259 | 10,605 | 10,158 | 10,341 |
| Loans held for investment | 79,249 | 81,045 | 80,906 | 79,257 | 78,358 |
| Allowance for loan losses | (691) | (748) | (881) | (723) | (549) |
| Loans held for investment, net | 78,558 | 80,297 | 80,025 | 78,534 | 77,809 |
| Premises and equipment, net | 591 | 599 | 666 | 644 | 638 |
| Goodwill | 3,225 | 3,225 | 3,225 | 3,225 | 3,225 |
| Other assets | 7,924 | 7,791 | 6,640 | 6,537 | 6,339 |
| Total assets | <u>\$ 151,099</u> | <u>\$ 147,972</u> | <u>\$ 156,554</u> | <u>\$ 153,070</u> | <u>\$ 151,666</u> |
| Liabilities | | | | | |
| Deposits: | | | | | |
| Noninterest bearing | \$ 34,186 | \$ 32,861 | \$ 38,556 | \$ 32,463 | \$ 31,869 |
| Interest bearing | 50,457 | 49,791 | 50,904 | 51,837 | 50,787 |
| Total deposits | 84,643 | 82,652 | 89,460 | 84,300 | 82,656 |
| Securities loaned or sold under repurchase agreements | 25,582 | 23,197 | 27,211 | 29,141 | 28,366 |
| Commercial paper and other short-term borrowings | 5,865 | 7,137 | 3,179 | 3,425 | 4,771 |
| Long-term debt | 11,427 | 11,737 | 13,068 | 13,648 | 12,661 |
| Trading account liabilities | 3,328 | 3,053 | 4,375 | 3,712 | 4,155 |
| Other liabilities | 2,742 | 2,863 | 2,367 | 2,251 | 2,327 |
| Total liabilities | <u>133,587</u> | <u>130,639</u> | <u>139,660</u> | <u>136,477</u> | <u>134,936</u> |
| Equity | | | | | |
| MUAH stockholders' equity: | | | | | |
| Common stock, par value \$1 per share: | | | | | |
| Authorized 300,000,000 shares; 144,322,280 shares issued and outstanding as of September 30, 2016, June 30, 2016, March 31, 2016, December 31, 2015, and September 30, 2015 | 144 | 144 | 144 | 144 | 144 |
| Additional paid-in capital | 7,876 | 7,870 | 7,878 | 7,868 | 7,849 |
| Retained earnings | 9,764 | 9,509 | 9,178 | 9,116 | 9,033 |
| Accumulated other comprehensive loss | (431) | (390) | (516) | (750) | (527) |
| Total MUAH stockholders' equity | 17,353 | 17,133 | 16,684 | 16,378 | 16,499 |
| Noncontrolling interests | 159 | 200 | 210 | 215 | 231 |
| Total equity | 17,512 | 17,333 | 16,894 | 16,593 | 16,730 |
| Total liabilities and equity | <u>\$ 151,099</u> | <u>\$ 147,972</u> | <u>\$ 156,554</u> | <u>\$ 153,070</u> | <u>\$ 151,666</u> |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Net Interest Income (Unaudited)

| (Dollars in millions) | For the Three Months Ended | | | | | |
|--|----------------------------|---|---|--------------------|---|---|
| | September 30, 2016 | | | June 30, 2016 | | |
| | Average Balance | Interest Income/ Expense ⁽⁷⁾ | Average Yield/ Rate ⁽⁹⁾⁽⁷⁾ | Average Balance | Interest Income/ Expense ⁽⁷⁾ | Average Yield/ Rate ⁽⁹⁾⁽⁷⁾ |
| Assets | | | | | | |
| Loans held for investment: ⁽¹⁷⁾ | | | | | | |
| Commercial and industrial | \$ 29,008 | \$ 235 | 3.22 % | \$ 30,842 | \$ 245 | 3.20 % |
| Commercial mortgage | 15,048 | 141 | 3.75 | 15,095 | 138 | 3.66 |
| Construction | 2,242 | 23 | 4.09 | 2,211 | 22 | 3.92 |
| Lease financing | 1,851 | 15 | 3.26 | 1,858 | 17 | 3.55 |
| Residential mortgage | 28,572 | 234 | 3.28 | 27,770 | 230 | 3.31 |
| Home equity and other consumer loans | 3,480 | 44 | 5.04 | 3,473 | 43 | 4.96 |
| Loans, before purchased credit-impaired loans | 80,201 | 692 | 3.44 | 81,249 | 695 | 3.42 |
| Purchased credit-impaired loans | 268 | 22 | 32.11 | 293 | 27 | 36.86 |
| Total loans held for investment | 80,469 | 714 | 3.54 | 81,542 | 722 | 3.54 |
| Securities | 23,503 | 127 | 2.16 | 23,341 | 119 | 2.04 |
| Securities borrowed or purchased under resale agreements | 20,668 | 47 | 0.90 | 24,030 | 44 | 0.73 |
| Interest bearing deposits in banks | 3,522 | 4 | 0.50 | 1,683 | 3 | 0.55 |
| Federal funds sold | 7 | — | 0.71 | 11 | — | 0.53 |
| Trading account assets | 7,503 | 50 | 2.66 | 6,384 | 38 | 2.40 |
| Other earning assets | 379 | 2 | 2.34 | 207 | 1 | 2.53 |
| Total earning assets | 136,051 | 944 | 2.77 | 137,198 | 927 | 2.70 |
| Allowance for loan losses | (757) | | | (881) | | |
| Cash and due from banks | 1,864 | | | 1,811 | | |
| Premises and equipment, net | 588 | | | 645 | | |
| Other assets ⁽¹⁸⁾ | 11,310 | | | 10,674 | | |
| Total assets | <u>\$ 149,056</u> | | | <u>\$ 149,447</u> | | |
| Liabilities | | | | | | |
| Interest bearing deposits: | | | | | | |
| Transaction and money market accounts | \$ 37,688 | 29 | 0.31 | \$ 37,517 | 28 | 0.30 |
| Savings | 5,826 | 1 | 0.04 | 5,742 | 1 | 0.04 |
| Time | 6,700 | 19 | 1.13 | 7,519 | 20 | 1.07 |
| Total interest bearing deposits | 50,214 | 49 | 0.39 | 50,778 | 49 | 0.39 |
| Commercial paper and other short-term borrowings | 6,281 | 7 | 0.44 | 5,319 | 7 | 0.49 |
| Securities loaned or sold under repurchase agreements | 23,872 | 36 | 0.60 | 25,338 | 31 | 0.49 |
| Long-term debt | 11,928 | 57 | 1.92 | 12,572 | 63 | 2.01 |
| Total borrowed funds | 42,081 | 100 | 0.95 | 43,229 | 101 | 0.93 |
| Trading account liabilities | 2,549 | 14 | 2.20 | 2,836 | 15 | 2.09 |
| Total interest bearing liabilities | 94,844 | 163 | 0.69 | 96,843 | 165 | 0.67 |
| Noninterest bearing deposits | 33,980 | | | 32,843 | | |
| Other liabilities ⁽¹⁹⁾ | 2,733 | | | 2,581 | | |
| Total liabilities | 131,557 | | | 132,267 | | |
| Equity | | | | | | |
| MUAH stockholders' equity | 17,311 | | | 16,980 | | |
| Noncontrolling interests | 188 | | | 200 | | |
| Total equity | 17,499 | | | 17,180 | | |
| Total liabilities and equity | <u>\$ 149,056</u> | | | <u>\$ 149,447</u> | | |
| Net interest income/spread (taxable-equivalent basis) | | 781 | 2.08 % | | 762 | 2.03 % |
| Impact of noninterest bearing deposits | | | 0.18 | | | 0.17 |
| Impact of other noninterest bearing sources | | | 0.03 | | | 0.03 |
| Net interest margin | | | 2.29 | | | 2.23 |
| Less: taxable-equivalent adjustment | | 8 | | | 8 | |
| Net interest income | | <u>\$ 773</u> | | | <u>\$ 754</u> | |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Net Interest Income (Unaudited)

| (Dollars in millions) | For the Three Months Ended | | | | | |
|--|----------------------------|---|---|--------------------|---|---|
| | September 30, 2016 | | | September 30, 2015 | | |
| | Average Balance | Interest Income/ Expense ⁽⁷⁾ | Average Yield/ Rate ⁽³⁾⁽⁷⁾ | Average Balance | Interest Income/ Expense ⁽⁷⁾ | Average Yield/ Rate ⁽³⁾⁽⁷⁾ |
| Assets | | | | | | |
| Loans held for investment: ⁽¹⁷⁾ | | | | | | |
| Commercial and industrial | \$ 29,008 | \$ 235 | 3.22 % | \$ 28,787 | \$ 225 | 3.10 % |
| Commercial mortgage | 15,048 | 141 | 3.75 | 13,745 | 129 | 3.75 |
| Construction | 2,242 | 23 | 4.09 | 2,104 | 20 | 3.84 |
| Lease financing | 1,851 | 15 | 3.26 | 1,891 | 16 | 3.43 |
| Residential mortgage | 28,572 | 234 | 3.28 | 27,783 | 237 | 3.42 |
| Home equity and other consumer loans | 3,480 | 44 | 5.04 | 3,117 | 35 | 4.43 |
| Loans, before purchased credit-impaired loans | 80,201 | 692 | 3.44 | 77,427 | 662 | 3.41 |
| Purchased credit-impaired loans | 268 | 22 | 32.11 | 413 | 36 | 34.49 |
| Total loans held for investment | 80,469 | 714 | 3.54 | 77,840 | 698 | 3.58 |
| Securities | 23,503 | 127 | 2.16 | 24,157 | 122 | 2.00 |
| Securities borrowed or purchased under resale agreements | 20,668 | 47 | 0.90 | 30,750 | 27 | 0.35 |
| Interest bearing deposits in banks | 3,522 | 4 | 0.50 | 2,274 | 1 | 0.22 |
| Federal funds sold | 7 | — | 0.71 | 19 | — | 0.28 |
| Trading account assets | 7,503 | 50 | 2.66 | 2,979 | 15 | 1.99 |
| Other earning assets | 379 | 2 | 2.34 | 485 | 4 | 3.20 |
| Total earning assets | 136,051 | 944 | 2.77 | 138,504 | 867 | 2.49 |
| Allowance for loan losses | (757) | | | (541) | | |
| Cash and due from banks | 1,864 | | | 1,905 | | |
| Premises and equipment, net | 588 | | | 638 | | |
| Other assets ⁽¹⁸⁾ | 11,310 | | | 10,010 | | |
| Total assets | <u>\$ 149,056</u> | | | <u>\$ 150,516</u> | | |
| Liabilities | | | | | | |
| Interest bearing deposits: | | | | | | |
| Transaction and money market accounts | \$ 37,688 | 29 | 0.31 | \$ 37,531 | 27 | 0.29 |
| Savings | 5,826 | 1 | 0.04 | 5,687 | 1 | 0.06 |
| Time | 6,700 | 19 | 1.13 | 8,058 | 20 | 1.01 |
| Total interest bearing deposits | 50,214 | 49 | 0.39 | 51,276 | 48 | 0.38 |
| Commercial paper and other short-term borrowings | 6,281 | 7 | 0.44 | 5,828 | 4 | 0.23 |
| Securities loaned or sold under repurchase agreements | 23,872 | 36 | 0.60 | 29,120 | 12 | 0.17 |
| Long-term debt | 11,928 | 57 | 1.92 | 10,625 | 63 | 2.35 |
| Total borrowed funds | 42,081 | 100 | 0.95 | 45,573 | 79 | 0.69 |
| Trading account liabilities | 2,549 | 14 | 2.20 | 3,415 | 10 | 1.20 |
| Total interest bearing liabilities | 94,844 | 163 | 0.69 | 100,264 | 137 | 0.54 |
| Noninterest bearing deposits | 33,980 | | | 31,206 | | |
| Other liabilities ⁽¹⁹⁾ | 2,733 | | | 2,703 | | |
| Total liabilities | 131,557 | | | 134,173 | | |
| Equity | | | | | | |
| MUAH stockholders' equity | 17,311 | | | 16,139 | | |
| Noncontrolling interests | 188 | | | 204 | | |
| Total equity | 17,499 | | | 16,343 | | |
| Total liabilities and equity | <u>\$ 149,056</u> | | | <u>\$ 150,516</u> | | |
| Net interest income/spread (taxable-equivalent basis) | | 781 | 2.08 % | | 730 | 1.95 % |
| Impact of noninterest bearing deposits | | | 0.18 | | | 0.13 |
| Impact of other noninterest bearing sources | | | 0.03 | | | 0.02 |
| Net interest margin | | | 2.29 | | | 2.10 |
| Less: taxable-equivalent adjustment | | 8 | | | 7 | |
| Net interest income | <u>\$ 773</u> | | | <u>\$ 723</u> | | |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Net Interest Income (Unaudited)

| (Dollars in millions) | For the Nine Months Ended | | | | | |
|--|---------------------------|---|---|--------------------|---|---|
| | September 30, 2016 | | | September 30, 2015 | | |
| | Average Balance | Interest Income/ Expense ⁽⁷⁾ | Average Yield/ Rate ⁽³⁾⁽⁷⁾ | Average Balance | Interest Income/ Expense ⁽⁷⁾ | Average Yield/ Rate ⁽³⁾⁽⁷⁾ |
| Assets | | | | | | |
| Loans held for investment: ⁽¹⁷⁾ | | | | | | |
| Commercial and industrial | \$ 30,090 | \$ 752 | 3.34 % | \$ 28,761 | \$ 666 | 3.09 % |
| Commercial mortgage | 14,877 | 388 | 3.48 | 13,835 | 380 | 3.66 |
| Construction | 2,242 | 60 | 3.54 | 2,001 | 55 | 3.68 |
| Lease financing | 1,866 | 47 | 3.32 | 1,935 | 48 | 3.34 |
| Residential mortgage | 27,905 | 695 | 3.32 | 28,312 | 723 | 3.41 |
| Home equity and other consumer loans | 3,423 | 127 | 4.95 | 3,106 | 100 | 4.32 |
| Loans, before purchased credit-impaired loans | 80,403 | 2,069 | 3.43 | 77,950 | 1,972 | 3.38 |
| Purchased credit-impaired loans | 295 | 74 | 33.30 | 465 | 124 | 35.55 |
| Total loans held for investment | 80,698 | 2,143 | 3.54 | 78,415 | 2,096 | 3.57 |
| Securities | 23,465 | 361 | 2.05 | 23,100 | 353 | 2.04 |
| Securities borrowed or purchased under resale agreements | 25,448 | 141 | 0.74 | 32,558 | 78 | 0.32 |
| Interest bearing deposits in banks | 2,542 | 10 | 0.52 | 2,570 | 5 | 0.23 |
| Federal funds sold | 20 | — | 0.55 | 11 | — | 0.28 |
| Trading account assets | 5,952 | 110 | 2.47 | 2,727 | 40 | 1.96 |
| Other earning assets | 334 | 6 | 2.46 | 290 | 5 | 2.44 |
| Total earning assets | 138,459 | 2,771 | 2.67 | 139,671 | 2,577 | 2.46 |
| Allowance for loan losses | (789) | | | (541) | | |
| Cash and due from banks | 1,856 | | | 1,920 | | |
| Premises and equipment, net | 625 | | | 631 | | |
| Other assets ⁽¹⁸⁾ | 10,845 | | | 10,053 | | |
| Total assets | <u>\$ 150,996</u> | | | <u>\$ 151,734</u> | | |
| Liabilities | | | | | | |
| Interest bearing deposits: | | | | | | |
| Transaction and money market accounts | \$ 37,853 | 86 | 0.30 | \$ 38,402 | 87 | 0.30 |
| Savings | 5,761 | 2 | 0.05 | 5,609 | 2 | 0.06 |
| Time | 7,263 | 59 | 1.09 | 8,519 | 61 | 0.96 |
| Total interest bearing deposits | 50,877 | 147 | 0.39 | 52,530 | 150 | 0.38 |
| Commercial paper and other short-term borrowings | 4,922 | 17 | 0.45 | 5,571 | 11 | 0.26 |
| Securities loaned or sold under repurchase agreements | 26,794 | 99 | 0.49 | 31,781 | 34 | 0.15 |
| Long-term debt | 12,761 | 193 | 2.02 | 10,064 | 180 | 2.38 |
| Total borrowed funds | 44,477 | 309 | 0.92 | 47,416 | 225 | 0.63 |
| Trading account liabilities | 2,699 | 42 | 2.08 | 2,340 | 22 | 1.27 |
| Total interest bearing liabilities | 98,053 | 498 | 0.68 | 102,286 | 397 | 0.52 |
| Noninterest bearing deposits | 33,051 | | | 30,369 | | |
| Other liabilities ⁽¹⁹⁾ | 2,763 | | | 2,928 | | |
| Total liabilities | 133,867 | | | 135,583 | | |
| Equity | | | | | | |
| MUAH stockholders' equity | 16,942 | | | 15,935 | | |
| Noncontrolling interests | 187 | | | 216 | | |
| Total equity | 17,129 | | | 16,151 | | |
| Total liabilities and equity | <u>\$ 150,996</u> | | | <u>\$ 151,734</u> | | |
| Net interest income/spread (taxable-equivalent basis) | | 2,273 | 1.99 % | | 2,180 | 1.94 % |
| Impact of noninterest bearing deposits | | | 0.17 | | | 0.12 |
| Impact of other noninterest bearing sources | | | 0.03 | | | 0.02 |
| Net interest margin | | | 2.19 | | | 2.08 |
| Less: taxable-equivalent adjustment | | 22 | | | 18 | |
| Net interest income | | <u>\$ 2,251</u> | | | <u>\$ 2,162</u> | |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Loans and Nonperforming Assets (Unaudited)

| (Dollars in millions) | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 | September 30, 2015 |
|---|-----------------------|------------------|-------------------|----------------------|-----------------------|
| Loans held for investment (period end) | | | | | |
| Loans held for investment: | | | | | |
| Commercial and industrial | \$ 27,618 | \$ 29,789 | \$ 30,681 | \$ 30,214 | \$ 28,987 |
| Commercial mortgage | 14,937 | 15,144 | 14,920 | 13,904 | 13,943 |
| Construction | 2,257 | 2,255 | 2,251 | 2,297 | 2,120 |
| Lease financing | 1,840 | 1,878 | 1,870 | 1,911 | 1,940 |
| Total commercial portfolio | <u>46,652</u> | <u>49,066</u> | <u>49,722</u> | <u>48,326</u> | <u>46,990</u> |
| Residential mortgage | 28,781 | 28,244 | 27,495 | 27,344 | 27,856 |
| Home equity and other consumer loans | 3,559 | 3,459 | 3,385 | 3,251 | 3,124 |
| Total consumer portfolio | <u>32,340</u> | <u>31,703</u> | <u>30,880</u> | <u>30,595</u> | <u>30,980</u> |
| Loans held for investment, before purchased credit-impaired loans | <u>78,992</u> | <u>80,769</u> | <u>80,602</u> | <u>78,921</u> | <u>77,970</u> |
| Purchased credit-impaired loans | 257 | 276 | 304 | 336 | 388 |
| Total loans held for investment | <u>\$ 79,249</u> | <u>\$ 81,045</u> | <u>\$ 80,906</u> | <u>\$ 79,257</u> | <u>\$ 78,358</u> |
| Nonperforming Assets (period end) | | | | | |
| Nonaccrual loans: | | | | | |
| Commercial and industrial | \$ 486 | \$ 396 | \$ 702 | \$ 284 | \$ 138 |
| Commercial mortgage | 31 | 26 | 30 | 37 | 40 |
| Total commercial portfolio | <u>517</u> | <u>422</u> | <u>732</u> | <u>321</u> | <u>178</u> |
| Residential mortgage | 172 | 177 | 186 | 190 | 201 |
| Home equity and other consumer loans | 26 | 28 | 32 | 35 | 32 |
| Total consumer portfolio | <u>198</u> | <u>205</u> | <u>218</u> | <u>225</u> | <u>233</u> |
| Nonaccrual loans, before purchased credit-impaired loans | <u>715</u> | <u>627</u> | <u>950</u> | <u>546</u> | <u>411</u> |
| Purchased credit-impaired loans | 4 | 5 | 6 | 6 | 8 |
| Total nonaccrual loans | <u>719</u> | <u>632</u> | <u>956</u> | <u>552</u> | <u>419</u> |
| OREO | 5 | 16 | 18 | 21 | 15 |
| Total nonperforming assets | <u>\$ 724</u> | <u>\$ 648</u> | <u>\$ 974</u> | <u>\$ 573</u> | <u>\$ 434</u> |
| Loans 90 days or more past due and still accruing ⁽²⁰⁾ | <u>\$ 10</u> | <u>\$ 2</u> | <u>\$ 6</u> | <u>\$ 2</u> | <u>\$ 4</u> |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Allowance for Credit Losses (Unaudited)

| (Dollars in millions) | As of and for the Three Months Ended | | | | |
|---|--------------------------------------|------------------|-------------------|----------------------|-----------------------|
| | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 | September 30, 2015 |
| Analysis of Allowance for Credit Losses | | | | | |
| Allowance for loan losses, beginning of period | \$ 748 | \$ 881 | \$ 723 | \$ 549 | \$ 538 |
| (Reversal of) provision for loan losses | 68 | (36) | 158 | 168 | 23 |
| Other | (1) | — | 4 | — | (1) |
| Loans charged-off: | | | | | |
| Commercial and industrial | (66) | (46) | (8) | — | (11) |
| Commercial and industrial - transfer to held for sale | (60) | (51) | — | — | — |
| Commercial mortgage | — | — | — | — | — |
| Total commercial portfolio | (126) | (97) | (8) | — | (11) |
| Residential mortgage | 2 | — | 1 | — | — |
| Home equity and other consumer loans | (4) | (2) | (2) | (1) | (1) |
| Total consumer portfolio | (2) | (2) | (1) | (1) | (1) |
| Purchased credit-impaired loans | — | — | — | (1) | (3) |
| Total loans charged-off | (128) | (99) | (9) | (2) | (15) |
| Recoveries of loans previously charged-off: | | | | | |
| Commercial and industrial | 2 | 2 | 1 | 7 | 2 |
| Commercial mortgage | 1 | — | 3 | — | 1 |
| Total commercial portfolio | 3 | 2 | 4 | 7 | 3 |
| Home equity and other consumer loans | — | — | 1 | — | 1 |
| Total consumer portfolio | — | — | 1 | — | 1 |
| Purchased credit-impaired loans | 1 | — | — | 1 | — |
| Total recoveries of loans previously charged-off | 4 | 2 | 5 | 8 | 4 |
| Net loans (charged-off) recovered | (124) | (97) | (4) | 6 | (11) |
| Ending balance of allowance for loan losses | 691 | 748 | 881 | 723 | 549 |
| Allowance for losses on unfunded credit commitments | 171 | 166 | 169 | 165 | 141 |
| Total allowance for credit losses | \$ 862 | \$ 914 | \$ 1,050 | \$ 888 | \$ 690 |

**MUFG Americas Holdings Corporation and Subsidiaries
Securities (Unaudited)**

Securities Available for Sale

| (Dollars in millions) | September 30, 2016 | | June 30, 2016 | | Fair Value Change from June 30, 2016 | Fair Value % Change from June 30, 2016 |
|--|---------------------------|------------------|----------------------|------------------|---|---|
| | Amortized | Fair | Amortized | Fair | | |
| | Cost | Value | Cost | Value | | |
| Asset Liability Management securities: | | | | | | |
| U.S. Treasury | \$ 1,638 | \$ 1,642 | \$ 155 | \$ 159 | \$ 1,483 | nm |
| Residential mortgage-backed securities: | | | | | | |
| U.S. government agency and government-sponsored agencies | 6,284 | 6,321 | 6,009 | 6,052 | 269 | 4% |
| Privately issued | 297 | 299 | 245 | 248 | 51 | 21 |
| Privately issued - commercial mortgage-backed securities | 1,020 | 1,058 | 1,474 | 1,527 | (469) | (31) |
| Collateralized loan obligations | 2,713 | 2,709 | 3,267 | 3,238 | (529) | (16) |
| Other | 7 | 7 | 7 | 7 | — | — |
| Asset Liability Management securities | 11,959 | 12,036 | 11,157 | 11,231 | 805 | 7 |
| Other debt securities: | | | | | | |
| Direct bank purchase bonds | 1,543 | 1,568 | 1,547 | 1,575 | (7) | — |
| Other | 114 | 116 | 114 | 116 | — | — |
| Equity securities | 6 | 8 | 6 | 7 | 1 | 14 |
| Total securities available for sale | <u>\$ 13,622</u> | <u>\$ 13,728</u> | <u>\$ 12,824</u> | <u>\$ 12,929</u> | <u>\$ 799</u> | <u>6%</u> |

Securities Held to Maturity

| (Dollars in millions) | September 30, 2016 | | June 30, 2016 | | Carrying Amount Change from June 30, 2016 | Carrying Amount % Change from June 30, 2016 |
|---|-------------------------------|------------------|-------------------------------|------------------|--|--|
| | Carrying | Fair | Carrying | Fair | | |
| | Amount ⁽²¹⁾ | Value | Amount ⁽²¹⁾ | Value | | |
| U.S. Treasury | \$ 491 | \$ 502 | \$ 490 | \$ 505 | \$ 1 | —% |
| U.S. government agency and government-sponsored agencies-residential mortgage-backed securities | 8,277 | 8,441 | 8,126 | 8,329 | 151 | 2 |
| U.S. government agency and government-sponsored agencies-commercial mortgage-backed securities | 1,620 | 1,706 | 1,643 | 1,739 | (23) | (1) |
| Total securities held to maturity | <u>\$ 10,388</u> | <u>\$ 10,649</u> | <u>\$ 10,259</u> | <u>\$ 10,573</u> | <u>\$ 129</u> | <u>1%</u> |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries Reconciliation of Non-GAAP Measures (Unaudited)

The following table presents a reconciliation between certain Generally Accepted Accounting Principles (GAAP) amounts and specific non-GAAP measures as used to compute selected non-GAAP financial ratios.

| (Dollars in millions) | As of and for the Three Months Ended | | | | |
|--|--------------------------------------|------------------|-------------------|----------------------|-----------------------|
| | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 | September 30, 2015 |
| Net income attributable to MUAH | \$ 260 | \$ 334 | \$ 62 | \$ 84 | \$ 188 |
| Add: intangible asset amortization, net of tax | 4 | 4 | 4 | 6 | 6 |
| Net income attributable to MUAH, excluding intangible asset amortization (a) | <u>\$ 264</u> | <u>\$ 338</u> | <u>\$ 66</u> | <u>\$ 90</u> | <u>\$ 194</u> |
| | | | | | |
| Average MUAH stockholders' equity | \$ 17,311 | \$ 16,980 | \$ 16,692 | \$ 16,639 | \$ 16,139 |
| Less: Goodwill | 3,225 | 3,225 | 3,225 | 3,225 | 3,225 |
| Less: Intangible assets, except mortgage servicing rights (MSRs) | 193 | 179 | 186 | 194 | 208 |
| Less: Deferred tax liabilities related to goodwill and intangible assets | (50) | (48) | (44) | (39) | (40) |
| Average tangible common equity (b) | <u>\$ 13,943</u> | <u>\$ 13,624</u> | <u>\$ 13,325</u> | <u>\$ 13,259</u> | <u>\$ 12,746</u> |
| Return on average MUAH tangible common equity ^{(3) (4)} (a)/(b) | 7.60% | 9.92% | 1.94% | 2.72% | 6.10% |
| | | | | | |
| Noninterest expense | \$ 952 | \$ 906 | \$ 968 | \$ 963 | \$ 926 |
| Less: Staff costs associated with fees from affiliates - support services | 139 | 137 | 139 | 138 | 128 |
| Less: Foreclosed asset expense and other credit costs | 1 | — | (1) | — | 3 |
| Less: Productivity initiative costs | 18 | 4 | 12 | 41 | 3 |
| Less: Low income housing credit (LIHC) investment amortization expense | 2 | 2 | 1 | 6 | 5 |
| Less: Expenses of the LIHC consolidated VIEs | 40 | 11 | 12 | 13 | 14 |
| Less: Merger and business integration costs | 3 | 5 | 5 | 6 | 8 |
| Less: Net adjustments related to privatization transaction | 4 | 5 | 5 | 8 | 8 |
| Less: Intangible asset amortization | 3 | 2 | 3 | 3 | 2 |
| Less: Contract termination fee | (2) | — | — | — | — |
| Noninterest expense, as adjusted (c) | <u>\$ 744</u> | <u>\$ 740</u> | <u>\$ 792</u> | <u>\$ 748</u> | <u>\$ 755</u> |
| | | | | | |
| Total revenue | \$ 1,343 | \$ 1,319 | \$ 1,198 | \$ 1,212 | \$ 1,173 |
| Add: Net interest income taxable-equivalent adjustment | 8 | 8 | 6 | 7 | 7 |
| Less: Fees from affiliates - support services | 150 | 147 | 149 | 149 | 138 |
| Less: Accretion related to privatization-related fair value adjustments | 2 | 3 | 5 | 2 | 3 |
| Less: Other credit costs | 4 | (9) | (13) | 4 | (8) |
| Less: Impairment on private equity investments | 3 | — | (12) | 1 | — |
| Total revenue, as adjusted (d) | <u>\$ 1,192</u> | <u>\$ 1,186</u> | <u>\$ 1,075</u> | <u>\$ 1,063</u> | <u>\$ 1,047</u> |
| Adjusted efficiency ratio (c)/(d) ⁽⁶⁾ | 62.46% | 62.27% | 73.72% | 70.33% | 72.17% |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Reconciliation of Non-GAAP Measures (Unaudited)

The following table presents a reconciliation between certain Generally Accepted Accounting Principles (GAAP) amounts and specific non-GAAP measures as used to compute selected non-GAAP financial ratios.

| (Dollars in millions) | As of and for the Three Months Ended | | | | |
|--|--------------------------------------|------------------|-------------------|----------------------|-----------------------|
| | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 | September 30, 2015 |
| Total MUAH stockholders' equity | \$ 17,353 | \$ 17,133 | \$ 16,684 | \$ 16,378 | \$ 16,499 |
| Less: Goodwill | 3,225 | 3,225 | 3,225 | 3,225 | 3,225 |
| Less: Intangible assets, except MSRs | 224 | 175 | 182 | 190 | 199 |
| Less: Deferred tax liabilities related to goodwill and intangible assets | (52) | (48) | (49) | (39) | (39) |
| Tangible common equity (e) | <u>\$ 13,956</u> | <u>\$ 13,781</u> | <u>\$ 13,326</u> | <u>\$ 13,002</u> | <u>\$ 13,114</u> |
| Total assets | \$ 151,099 | \$147,972 | \$156,554 | \$ 153,070 | \$ 151,666 |
| Less: Goodwill | 3,225 | 3,225 | 3,225 | 3,225 | 3,225 |
| Less: Intangible assets, except MSRs | 224 | 175 | 182 | 190 | 199 |
| Less: Deferred tax liabilities related to goodwill and intangible assets | (52) | (48) | (49) | (39) | (39) |
| Tangible assets (f) | <u>\$ 147,702</u> | <u>\$144,620</u> | <u>\$153,196</u> | <u>\$ 149,694</u> | <u>\$ 148,281</u> |
| Tangible common equity ratio (e)/(f) ⁽¹²⁾ | 9.45% | 9.53% | 8.70% | 8.69% | 8.84% |
| Common Equity Tier 1 capital under U.S. Basel III (standardized transitional) (g) | \$ 14,426 | \$ 13,233 | \$ 12,936 | \$ 12,920 | \$ 12,834 |
| Other | (55) | (38) | (40) | (61) | (67) |
| Common Equity Tier 1 capital estimated under U.S. Basel III (standardized approach; fully phased-in) (h) | <u>\$ 14,371</u> | <u>\$ 13,195</u> | <u>\$ 12,896</u> | <u>\$ 12,859</u> | <u>\$ 12,767</u> |
| Risk-weighted assets, estimated under U.S. Basel III (standardized transitional) (i) | \$ 101,763 | \$ 97,412 | \$ 97,011 | \$ 94,775 | \$ 92,729 |
| Add: Adjustments | (142) | (118) | (122) | 756 | (160) |
| Total risk-weighted assets, estimated under U.S. Basel III (standardized approach; fully phased-in) (j) | <u>\$ 101,621</u> | <u>\$ 97,294</u> | <u>\$ 96,889</u> | <u>\$ 95,531</u> | <u>\$ 92,569</u> |
| Common Equity Tier 1 risk-based capital ratio (U.S. Basel III standardized approach; fully phased-in) (h)/(j) ^{(9),(10),(13)} | 14.14% | 13.56% | 13.31% | 13.46% | 13.79% |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Reconciliation of Non-GAAP Measures (Unaudited)

The following table presents a reconciliation between certain Generally Accepted Accounting Principles (GAAP) amounts and specific non-GAAP measures as used to compute selected non-GAAP financial ratios.

| (Dollars in millions) | As of and for the Nine Months Ended | |
|--|--|---------------------------|
| | September 30, 2016 | September 30, 2015 |
| Net income attributable to MUAH | \$ 656 | \$ 560 |
| Add: Intangible asset amortization, net of tax | 12 | 20 |
| Net income attributable to MUAH, excluding intangible asset amortization (a) | <u>\$ 668</u> | <u>\$ 580</u> |
| Average MUAH stockholders' equity | \$ 16,942 | \$ 15,935 |
| Less: Goodwill | 3,225 | 3,225 |
| Less: Intangible assets, except MSRs | 186 | 218 |
| Less: Deferred tax liabilities related to goodwill and intangible assets | (47) | (55) |
| Average tangible common equity (b) | <u>\$ 13,578</u> | <u>\$ 12,547</u> |
| Return on average MUAH tangible common equity ^{(3) (4)} (a)/(b) | 6.54% | 6.14% |
| Noninterest expense | \$ 2,826 | \$ 2,784 |
| Less: Staff costs associated with fees from affiliates - support services | 415 | 363 |
| Less: Foreclosed asset expense and other credit costs | — | 4 |
| Less: Productivity initiative costs | 34 | 33 |
| Less: Low income housing credit (LIHC) investment amortization expense | 5 | 9 |
| Less: Expenses of the LIHC consolidated VIEs | 63 | 32 |
| Less: Merger and business integration costs | 13 | 23 |
| Less: Net adjustments related to privatization transaction | 14 | 23 |
| Less: Intangible asset amortization | 8 | 10 |
| Less: Contract termination fee | (2) | 23 |
| Noninterest expense, as adjusted (c) | <u>\$ 2,276</u> | <u>\$ 2,264</u> |
| Total revenue | \$ 3,860 | \$ 3,530 |
| Add: Net interest income taxable-equivalent adjustment | 22 | 18 |
| Less: Fees from affiliates - support services | 446 | 393 |
| Less: Accretion related to privatization-related fair value adjustments | 10 | 6 |
| Less: Other credit costs | (18) | (4) |
| Less: Impairment on private equity investments | (9) | (5) |
| Total revenue, as adjusted (d) | <u>\$ 3,453</u> | <u>\$ 3,158</u> |
| Adjusted efficiency ratio (c)/(d) ⁽⁶⁾ | <u>65.90%</u> | <u>71.70%</u> |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries Reconciliation of Non-GAAP Measures (Unaudited)

The following table presents a reconciliation between certain Generally Accepted Accounting Principles (GAAP) amounts and specific non-GAAP measures as used to compute selected non-GAAP financial ratios.

| (Dollars in millions) | As of and for the Three Months Ended | | | | |
|--|--------------------------------------|------------------|-------------------|----------------------|-----------------------|
| | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 | September 30, 2015 |
| Performance ratios excluding MUSA ⁽⁸⁾: | | | | | |
| Net income attributable to MUAH | \$ 260 | \$ 334 | \$ 62 | \$ 84 | \$ 188 |
| Less: Net income attributable to MUSA | 26 | 19 | 5 | 8 | (1) |
| MUAH net income, excluding MUSA (k) | 234 | 315 | 57 | 76 | 189 |
| Average total assets | \$ 149,056 | \$ 149,447 | \$ 154,704 | \$ 154,470 | \$ 150,516 |
| Less: Average total assets attributable to MUSA | 28,696 | 30,395 | 36,088 | 35,792 | 34,241 |
| Average total assets excluding MUSA (l) | \$ 120,360 | \$ 119,052 | \$ 118,616 | \$ 118,678 | \$ 116,275 |
| Return on average assets, excluding MUSA ⁽³⁾ (k)/(l) | 0.78% | 1.06% | 0.18% | 0.26% | 0.65% |
| Average MUAH stockholders' equity | \$ 17,311 | \$ 16,980 | \$ 16,692 | \$ 16,639 | \$ 16,139 |
| Less: Average MUSA stockholder's equity | 671 | 678 | 633 | 627 | 426 |
| Average MUAH stockholders' equity, excluding MUSA (m) | 16,640 | 16,302 | 16,059 | 16,012 | 15,713 |
| Return on average MUAH stockholders' equity, excluding MUSA ⁽³⁾ (k)/(m) | 5.65% | 7.74% | 1.36% | 1.91% | 4.83% |
| Net income attributable to MUAH, excluding intangible asset amortization | \$ 264 | \$ 338 | \$ 66 | \$ 90 | \$ 194 |
| Less: Net income attributable to MUSA | 26 | 19 | 5 | 8 | (1) |
| Net income attributable to MUAH excluding MUSA and intangible asset amortization (n) | \$ 238 | \$ 319 | \$ 61 | \$ 82 | \$ 195 |
| Average MUAH tangible common equity | \$ 13,943 | \$ 13,624 | \$ 13,325 | \$ 13,259 | \$ 12,746 |
| Less: Average MUSA stockholder's equity | 671 | 678 | 633 | 627 | 426 |
| Average tangible common equity, excluding MUSA (o) | \$ 13,272 | \$ 12,946 | \$ 12,692 | \$ 12,632 | \$ 12,320 |
| Return on average tangible common equity, excluding MUSA ⁽³⁾⁽⁴⁾ (n)/(o) | 7.22% | 9.86% | 1.85% | 2.61% | 6.36% |
| Noninterest expense | \$ 952 | \$ 906 | \$ 968 | \$ 963 | \$ 926 |
| Less: Noninterest expense attributable to MUSA | 99 | 92 | 87 | 70 | 71 |
| Noninterest expense, excluding MUSA (p) | \$ 853 | \$ 814 | \$ 881 | \$ 893 | \$ 855 |
| Total revenue | \$ 1,343 | \$ 1,319 | \$ 1,198 | \$ 1,212 | \$ 1,173 |
| Less: Total revenue attributable to MUSA | 142 | 123 | 96 | 82 | 69 |
| Total revenue, excluding MUSA (q) | \$ 1,201 | \$ 1,196 | \$ 1,102 | \$ 1,130 | \$ 1,104 |
| Efficiency ratio, excluding MUSA ⁽⁵⁾ (p)/(q) | 70.99% | 68.02% | 80.11% | 79.02% | 77.45% |
| Noninterest expense, as adjusted | \$ 744 | \$ 740 | \$ 792 | \$ 748 | \$ 755 |
| Less: noninterest expense attributable to MUSA | 99 | 92 | 87 | 70 | 71 |
| Noninterest expense, as adjusted excluding MUSA (r) | \$ 645 | \$ 648 | \$ 705 | \$ 678 | \$ 684 |
| Total revenue, as adjusted | \$ 1,192 | \$ 1,186 | \$ 1,075 | \$ 1,063 | \$ 1,047 |
| Less: revenue attributable to MUSA | 142 | 123 | 96 | 82 | 69 |
| Total revenue, as adjusted excluding MUSA (s) | \$ 1,050 | \$ 1,063 | \$ 979 | \$ 981 | \$ 978 |
| Adjusted efficiency ratio excluding MUSA ⁽⁶⁾ (r)/(s) | 61.44% | 60.80% | 72.14% | 69.07% | 70.00% |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Reconciliation of Non-GAAP Measures (Unaudited)

The following table presents a reconciliation between certain Generally Accepted Accounting Principles (GAAP) amounts and specific non-GAAP measures as used to compute selected non-GAAP financial ratios.

| (Dollars in millions) | As of and for the Nine Months Ended | |
|--|-------------------------------------|--------------------|
| | September 30, 2016 | September 30, 2015 |
| Performance ratios excluding MUSA ⁽⁸⁾: | | |
| Net income attributable to MUAH | \$ 656 | \$ 560 |
| Less: Net income attributable to MUSA | 50 | 27 |
| MUAH net income, excluding MUSA (k) | 606 | 533 |
| Average total assets | \$ 150,996 | \$ 151,734 |
| Less: Average total assets attributable to MUSA | 31,715 | 35,672 |
| Average total assets excluding MUSA (l) | \$ 119,281 | \$ 116,062 |
| Return on average assets, excluding MUSA ⁽³⁾ (k)/(l) | 0.67% | 0.61% |
| Average MUAH stockholders' equity | \$ 16,942 | \$ 15,935 |
| Less: Average MUSA stockholder's equity | 661 | 416 |
| Average MUAH stockholders' equity, excluding MUSA (m) | 16,281 | 15,519 |
| Return on average MUAH stockholders' equity, excluding MUSA ⁽³⁾ (k)/(m) | 4.94% | 4.57% |
| Net income attributable to MUAH, excluding intangible asset amortization | \$ 668 | \$ 580 |
| Less: Net income attributable to MUSA | 50 | 27 |
| Net income attributable to MUAH excluding MUSA and intangible asset amortization (n) | \$ 618 | \$ 553 |
| Average tangible common equity | \$ 13,578 | \$ 12,547 |
| Less: Average MUSA stockholder's equity | 661 | 416 |
| Average tangible common equity, excluding MUSA (o) | \$ 12,917 | \$ 12,131 |
| Return on average tangible common equity, excluding MUSA ⁽³⁾ (4) (n)/(o) | 6.36% | 6.06% |
| Noninterest expense | \$ 2,826 | \$ 2,784 |
| Less: Noninterest expense attributable to MUSA | 278 | 245 |
| Noninterest expense, excluding MUSA (p) | \$ 2,548 | \$ 2,539 |
| Total revenue | \$ 3,860 | \$ 3,530 |
| Less: Total revenue attributable to MUSA | 361 | 290 |
| Total revenue, excluding MUSA (q) | \$ 3,499 | \$ 3,240 |
| Efficiency ratio, excluding MUSA ⁽⁵⁾ (p)/(q) | 72.84% | 78.39% |
| Noninterest expense, as adjusted | \$ 2,276 | \$ 2,264 |
| Less: noninterest expense attributable to MUSA | 278 | 245 |
| Noninterest expense, as adjusted excluding MUSA (r) | \$ 1,998 | \$ 2,019 |
| Total revenue, as adjusted | \$ 3,453 | \$ 3,158 |
| Less: revenue attributable to MUSA | 361 | 290 |
| Total revenue, as adjusted excluding MUSA (s) | \$ 3,092 | \$ 2,868 |
| Adjusted efficiency ratio excluding MUSA ⁽⁶⁾ (r)/(s) | 64.61% | 70.40% |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Reconciliation of Non-GAAP Measures (Unaudited)

The following table presents a reconciliation between certain Generally Accepted Accounting Principles (GAAP) amounts and specific non-GAAP measures as used to compute selected non-GAAP financial ratios.

| (Dollars in millions) | As of and for the Three Months Ended | | | | |
|---|--------------------------------------|---------------|-------------------|----------------------|-----------------------|
| | September 30, 2016 | June 30, 2016 | March 31, 2016 | December 31, 2015 | September 30, 2015 |
| Performance ratios excluding MUSA ⁽⁸⁾: | | | | | |
| Net interest income (taxable-equivalent basis) | \$ 781 | \$ 762 | \$ 730 | \$ 737 | \$ 730 |
| Less: Net interest income (taxable-equivalent basis) attributable to MUSA | 46 | 35 | 25 | 20 | 17 |
| Net interest income (taxable-equivalent basis) excluding MUSA (t) | \$ 735 | \$ 727 | \$ 705 | \$ 717 | \$ 713 |
| Total average earnings assets | \$ 136,051 | \$ 137,198 | \$ 142,153 | \$ 142,179 | \$ 138,504 |
| Less: Total average earnings assets attributable to MUSA | 28,115 | 30,343 | 35,577 | 35,517 | 33,926 |
| Total average earnings assets excluding MUSA (u) | \$ 107,936 | \$ 106,855 | \$ 106,576 | \$ 106,662 | \$ 104,578 |
| Net interest margin excluding MUSA (t)/(u) ⁽³⁾ | 2.72% | 2.73% | 2.65% | 2.68% | 2.72% |

| (Dollars in millions) | As of and for the Nine Months Ended | |
|---|-------------------------------------|-----------------------|
| | September 30, 2016 | September 30, 2015 |
| Net interest income (taxable-equivalent basis) | \$ 2,273 | \$ 2,180 |
| Less: Net interest income (taxable-equivalent basis) attributable to MUSA | 106 | 52 |
| Net interest income (taxable-equivalent basis) excluding MUSA (v) | \$ 2,167 | \$ 2,128 |
| Total average earnings assets | \$ 138,459 | \$ 139,671 |
| Less: Total average earnings assets attributable to MUSA | 31,333 | 35,583 |
| Total average earnings assets excluding MUSA (w) | \$ 107,126 | \$ 104,088 |
| Net interest margin excluding MUSA (v)/(w) ⁽³⁾ | 2.70% | 2.72% |

Refer to Exhibit 19 for footnote explanations.

MUFG Americas Holdings Corporation and Subsidiaries
Footnotes

- (1) Pre-tax, pre-provision income is total revenue less noninterest expense. Management believes that this is a useful financial measure because it enables investors and others to assess the Company's ability to generate capital to cover credit losses through a credit cycle.
- (2) Core deposits exclude brokered deposits, foreign time deposits, domestic time deposits greater than \$250,000 and certain other deposits not considered to be core customer relationships.
- (3) Annualized.
- (4) Return on tangible common equity is net income excluding intangible asset amortization divided by average tangible common equity. Management believes that this ratio provides useful supplemental information regarding the Company's business results. The methodology for determining tangible common equity may differ among companies. Please refer to Exhibits 13, 15, 16 and 17 for reconciliations between certain GAAP amounts and these non-GAAP measures.
- (5) The efficiency ratio is total noninterest expense as a percentage of total revenue (net interest income and noninterest income).
- (6) The adjusted efficiency ratio, a non-GAAP financial measure, is adjusted noninterest expense (noninterest expense excluding staff costs associated with fees from affiliates - support services, foreclosed asset expense and other credit costs, certain costs related to productivity initiatives, LHC investment amortization expense, expenses of the LHC consolidated variable interest entities, merger and business integration costs, privatization-related expenses, intangible asset amortization, and a contract termination fee) as a percentage of adjusted total revenue (net interest income (taxable-equivalent basis) and noninterest income), excluding the impact of fees from affiliates - support services, productivity initiatives related to the sale of certain premises, accretion related to privatization-related fair value adjustments, other credit costs and impairment on private equity investments. Management discloses the adjusted efficiency ratio as a measure of the efficiency of our operations, focusing on those costs most relevant to our business activities. Please refer to Exhibits 13, 15, 16 and 17 for reconciliations between certain GAAP amounts and these non-GAAP measures.
- (7) Yields, interest income and net interest margin are presented on a taxable-equivalent basis using the federal statutory tax rate of 35%. Beginning in the second quarter of 2016, the effect of interest rate hedges on commercial loans was reflected in each loan category. Previously, the entire effect of interest rate hedges was included in commercial and industrial interest income. Prior period amounts have been reclassified to conform to the current presentation.
- (8) These performance ratios exclude MUFG Securities Americas Inc. (MUSA), MUAH's broker-dealer subsidiary. Management believes these ratios provide useful supplemental information regarding the Company's business results. Please refer to exhibits 16, 17, and 18 for reconciliations between certain GAAP amounts and these non-GAAP measures.
- (9) Ratios calculated at September 30, 2016 reflect the designation of MUAH as the U.S. Intermediate Holding Company (IHC) of MUFG on July 1, 2016. Prior period ratios have not been revised to include the transferred IHC entities.
- (10) Preliminary as of September 30, 2016.
- (11) These capital ratios are calculated in accordance with the transition guidelines set forth in the U.S. federal banking agencies' final U.S. Basel III regulatory capital rules.
- (12) The tangible common equity ratio, a non-GAAP financial measure, is calculated as tangible common equity divided by tangible assets. The methodology for determining tangible common equity may differ among companies. The tangible common equity ratio facilitates the understanding of the Company's capital structure and is used to assess and compare the quality and composition of the Company's capital structure to other financial institutions. Please refer to Exhibit 14 for a reconciliation between certain GAAP amounts and these non-GAAP measures.
- (13) Common Equity Tier 1 risk-based capital (standardized, fully phased-in basis) is a non-GAAP financial measure that is used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies as if the transition provisions of the U.S. Basel III rules were fully phased in for the periods in which the ratio is disclosed. Management reviews this ratio, which excludes accumulated other comprehensive loss, along with other measures of capital as part of its financial analyses and has included this non-GAAP information because of current interest in such information by market participants. Please refer to Exhibit 14 for a reconciliation between certain GAAP amounts and these non-GAAP measures.
- (14) Criticized loans held for investment reflects loans in the commercial portfolio segment that are monitored for credit quality based on internal ratings. Amounts exclude small business loans, which are monitored by business credit score and delinquency status.
- (15) The allowance for credit losses ratios include the allowances for loan losses and for losses on unfunded credit commitments as a percentage of end of period total loans held for investment or total nonaccrual loans, as appropriate.
- (16) Fees from affiliates represent income from BTMU pursuant to a master services agreement whereby the Bank provides BTMU with support services for its U.S. branch banking operations in exchange for fee income.
- (17) Average balances on loans held for investment include all nonaccrual loans. The amortized portion of net loan origination fees (costs) is included in interest income on loans, representing an adjustment to the yield.
- (18) Includes noninterest bearing trading account assets.
- (19) Includes noninterest bearing trading account liabilities.
- (20) Excludes loans totaling \$13 million, \$16 million, \$28 million, \$16 million, and \$30 million that are 90 days or more past due and still accruing at September 30, 2016, June 30, 2016, March 31, 2016, December 31, 2015, and September 30, 2015, respectively, which consist of loans accounted for within loan pools in accordance with the accounting standards for purchased credit-impaired loans. The past due status of individual loans within the pools is not a meaningful indicator of credit quality, as potential credit losses are measured at the loan pool level.
- (21) Carrying amount reflects amortized cost except for balances transferred from available for sale to held to maturity securities. Those balances reflect amortized cost plus any unrealized gains or losses at the date of transfer.

nm = not meaningful