




MUFG Investors Day 2019

July 19, 2019



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Definitions

• Consolidated:	Mitsubishi UFJ Financial Group (consolidated)		
• Non-consolidated:	Simple sum of MUFG Bank (non-consolidated) and Mitsubishi UFJ Trust & Banking Corporation (non-consolidated)		
• the Bank (consolidated):	MUFG Bank (consolidated)		

• MUFG:	Mitsubishi UFJ Financial Group	• R&C:	Retail & Commercial Banking
• the Bank (BK):	MUFG Bank	• JCIB:	Japanese Corporate & Investment Banking
• the Trust Bank (TB):	Mitsubishi UFJ Trust & Banking Corporation	• GCIB:	Global Corporate & Investment Banking
• the Securities HD (SCHD):	Mitsubishi UFJ Securities Holdings	• GCB:	Global Commercial Banking
• MUMSS:	Mitsubishi UFJ Morgan Stanley Securities	• AM/IS:	Asset Management & Investor Services
• MSMS:	Morgan Stanley MUFG Securities		
• NICOS:	Mitsubishi UFJ NICOS		
• MUAH:	MUFG Americas Holdings Corporation		
• KS:	Bank of Ayudhya (Krungsri, KS)		
• Bank Danamon (BDI):	Bank Danamon Indonesia		
• CFSGAM:	Colonial First State Global Asset Management		

Definitions in the section of “Progress of medium-term business plan”

All figures are on a managerial accounting basis. Unless otherwise noted, foreign exchange rates are based on assumed rates determined for internal managerial accounting purposes.	
• MUFG net operating profits:	In addition to the net operating profits of the six business groups, figures include profits or losses of headquarters and other elements
• Composition of net operating profits:	Percentage represents share of each business group's net operating profits to simple sum of those of the six business groups
• Net operating profits/expense ratio:	Figures include the net operating profits yielded by inter-business group collaboration presented below
	R&C: Profits from overseas transactions with Japanese corporate customers and profits from business owner transactions which belong to JCIB
	JCIB: Profits from business owner transactions which belong to R&C and profits from Japanese corporate customers served by MUAH and KS which belong to GCB
	GCIB: Profits from non-Japanese large corporate customers of KS which belongs to GCB, profits from JCIB's non-Japanese corporate customers located in Japan, and Joint Venture profits with Global Markets
	GCB: Figures which belong to GCB only (not include figures which belong to other business groups)
	Global Markets: Joint Venture profits with GCIB
• ROE:	Calculated based on Risk Assets (R&C, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets) Calculated based on net profits and excluding mid- to long-term foreign currency funding costs Excludes the impacts of investment related accounting factors (amortization of goodwill, etc.)

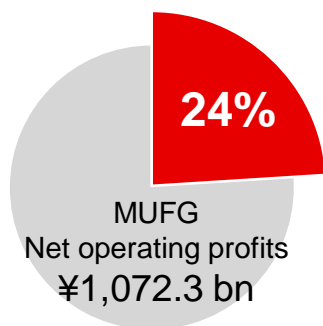
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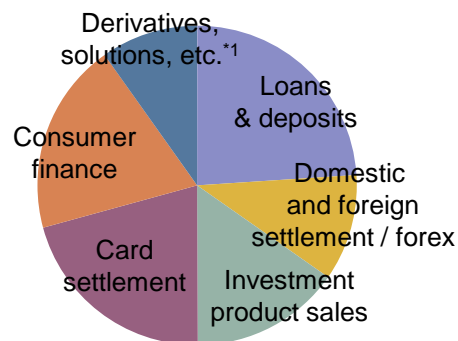
Retail & Commercial Banking Business Group

Progress of medium-term business plan

Overview of business group (FY18)



Composition of
net operating profits



Gross profits breakdown*2

FY18 results

	FY17	FY18	FY20 targets
Net operating profits (¥bn)	360.1	308.2	360.0
Expense ratio	78%	80%	79%
ROE	9%	1% [6%*3]	9%

Key initiatives

Complete reforms of earning and cost structures

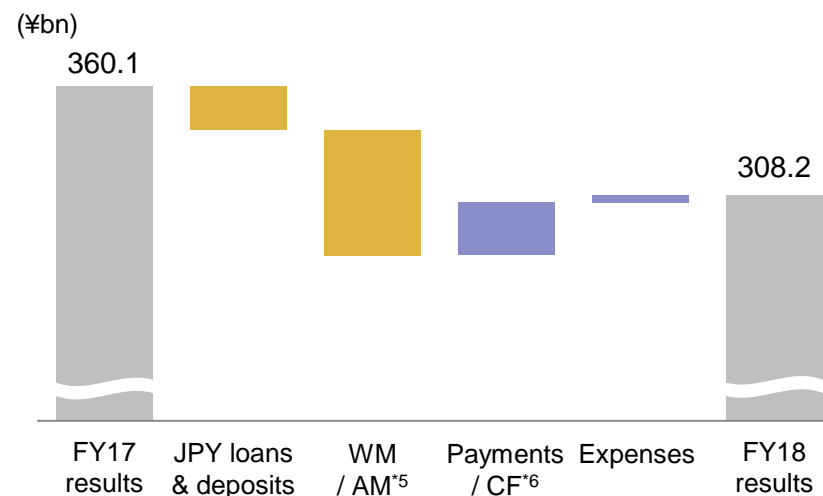
Complete cost structure reforms

- Reduction of workloads, sales channel reforms, and productivity improvements
- Optimization of personnel and network

Initiatives for earning structure reforms

- Accelerating reallocation of human resource within the Group
- Expanding cross transactions for WM*4 business, transformation to asset management and advisory service model

Changes in net operating profits



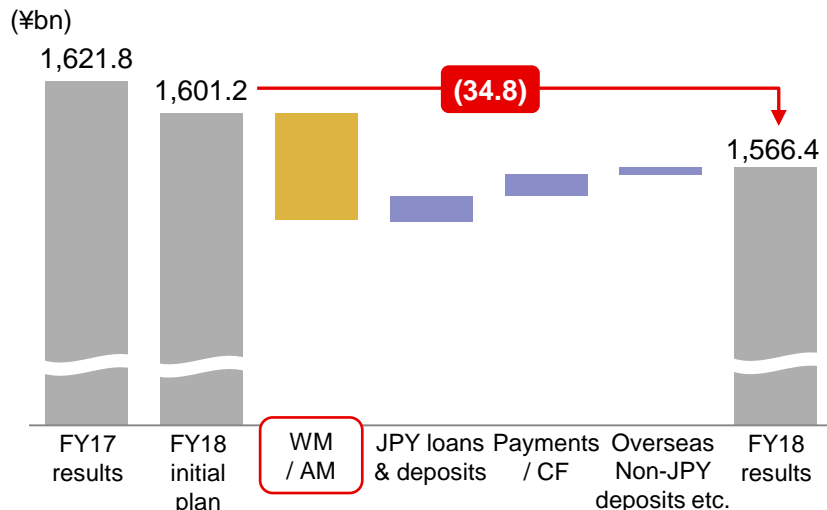
*1 Derivatives, solutions, real estate, corporate agency, inheritance, and overseas *2 Excluding profits or losses from others

*3 Excluding the impact of impairment losses on fixed assets of NICOS *4 Wealth management *5 Asset management (incl. investment product sales) *6 Consumer finance

Reflection on FY18 results

- Gross profits decreased mainly due to a slowdown of wealth management and investment products sales. On the other hand, expenses reduced through staffing optimization ahead of schedule

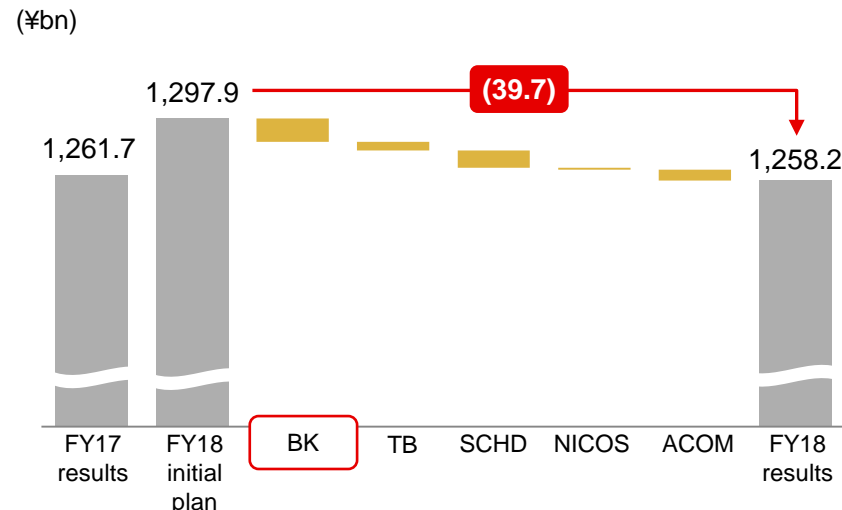
Changes in gross profits



- No. of profiling and group collaboration grew steadily
- Although investment assets increased, there has been a shortage of personnel who can properly address customers' needs

	FY18	Changes
No. of profiling ^{*1*2} (thd)	5.3	+1.0
No. of group collaboration ^{*1*3} (thd)	13.4	+8.8
Investment assets ^{*4} (¥tn)	41.2	+0.2 ^{*5}
No. of entrusted testamentary trust (thd)	3.9	(0.2)

Changes in expenses



- Completed integration of retail and commercial banking offices ahead of schedule
- Reduced facility and personnel expenses

	FY18	Changes
No. of IB ^{*6} service users (mm)	4.7	+0.4
No. of transactions at bank-counter (mm)	20.0	(2.0)
No. of branches with bank-counter	-	(3%)
No. of employees at the Bank ^{*7} (thd)	26.4	(0.4)

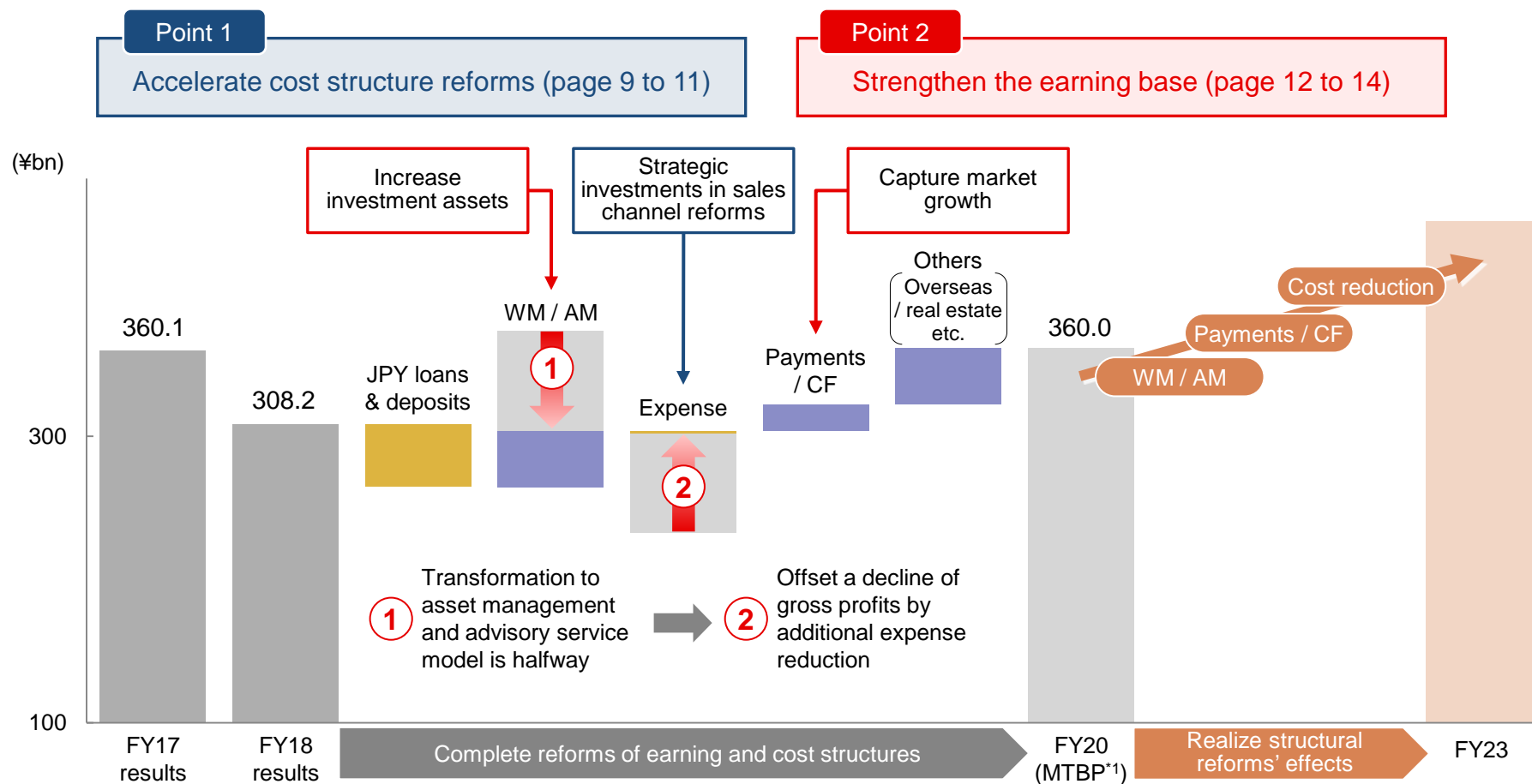
^{*1} Total of High-end and Semi-high-end segments ^{*2} No. of testamentary trusts + wealth assessment etc. ^{*3} No. of customer referral from the Bank to MUMSS + collaboration between the Trust Bank and MUMSS etc. ^{*4} Managerial accounting basis (excl. JPY and non-JPY deposits)

^{*5} Figure excluding the impacts of changes in market prices (¥1.3 tn) is +¥1.5 tn ^{*6} Mitsubishi UFJ DIRECT: Internet banking for individual customers

^{*7} Total of employees belong to the Bank in R&C (excl. operations centers)

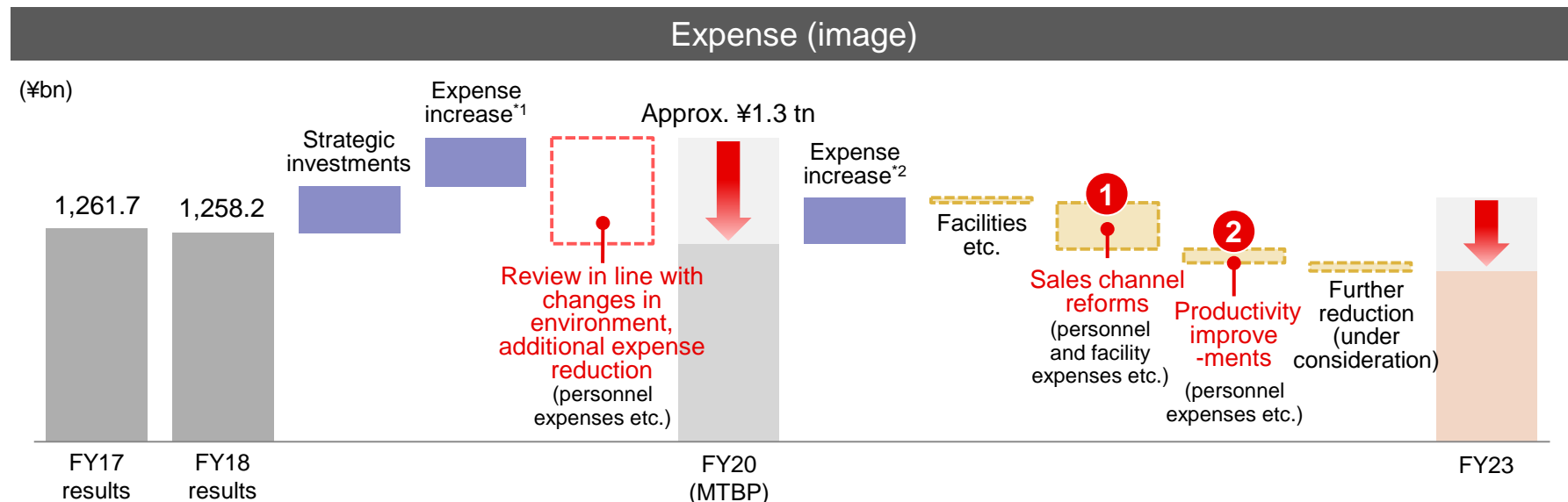
- Make additional expense reduction toward FY20 responding to a slowdown in WM / AM business. Make strategic investments in cost structure reforms and strengthen the earning base by enhancement of WM / AM as well as payments / CF business to realize structural reforms' effects in next medium term business plan

Changes in net operating profits (image)

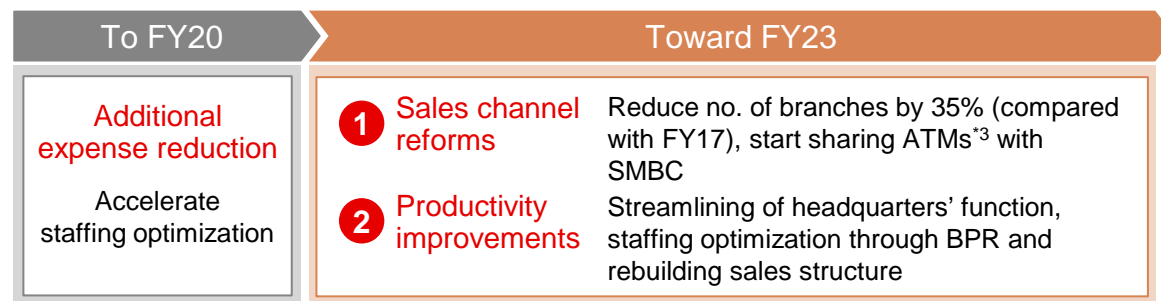


Accelerate cost structure reforms (1)

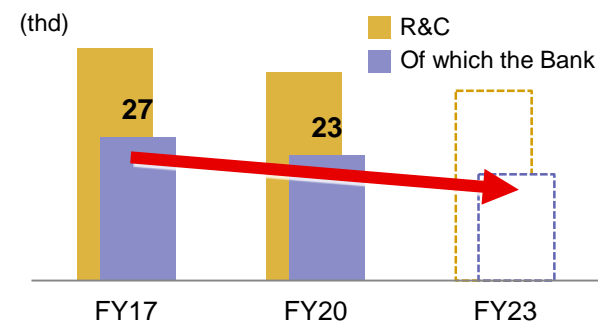
- Strive to further reduce expenses through staffing optimization in addition to a decrease in variable expenses although we expect a certain expense increase associated with strategic investments
- Accelerate cost structure reforms toward FY23 focusing on (1) sales channel reforms and (2) productivity improvements



Key initiatives for cost structure reforms



Forecast of no. of personnel



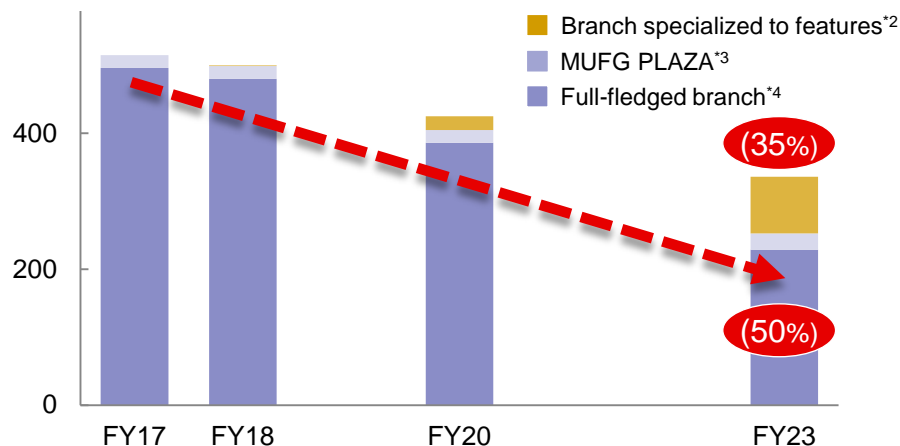
*1 Business as usual *2 Business as usual and an increase in depreciation related to strategic investments etc. *3 ATMs outside bank branches

Accelerate cost structure reforms (2) – Sales channel reforms

- Accelerate to optimize domestic sales channel. Start sharing ATMs outside branches with SMBC*1 in Sep 2019
- Expand digital channel to accelerate shifting transactions from bank-counter to online

Optimize branch and ATM networks

No. of branches (the Bank non-consolidated basis)

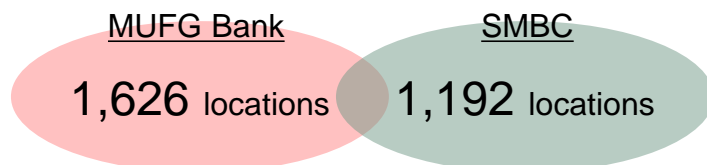


Start sharing ATMs*5 with SMBC



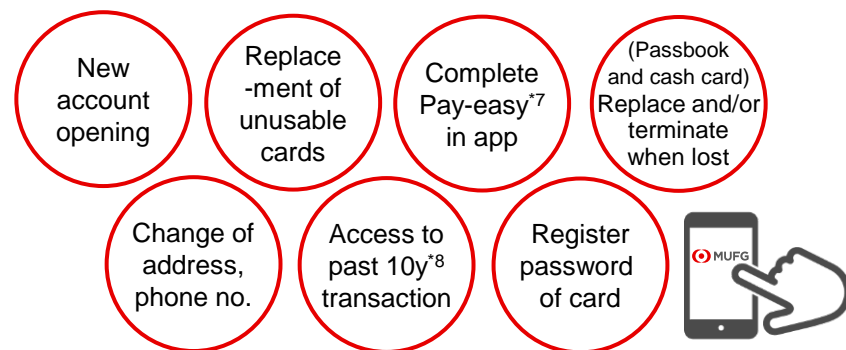
- Start in Sep 2019. Revise the ATM service charges
- Consider to eliminate duplicated locations close to each other

[No. of locations*6]

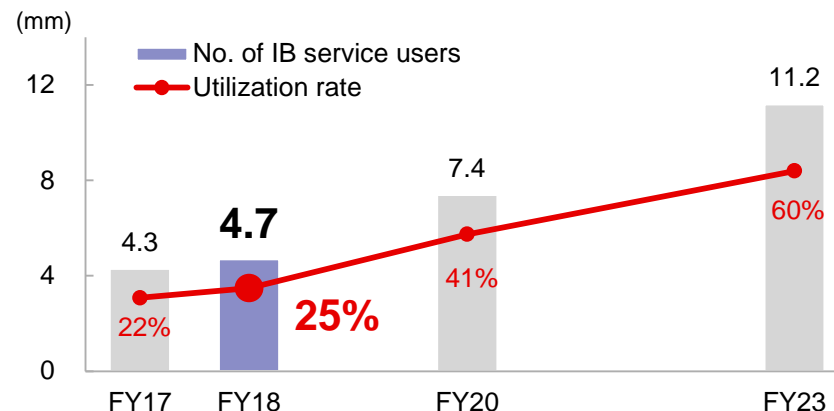


Expand digital channel

Available transactions via smartphone apps



No. of IB service users*9, utilization rate*10



*1 Sumitomo Mitsui Banking Corporation *2 MUFG NEXT and consulting office *3 Group co-location branch *4 A branch that handles all services including consulting service at bank counter by clerk *5 Unmanned ATMs (excl. ATMs located in branches and convenience stores) *6 Total no. of locations of ATMs outside branches (as of Mar 19) *7 Service of the Japan Multi-payment Network Promotion Association that allows us to pay tax bills etc. *8 Past transactions up to 10 years

*9 IB service users = users who log-in IB at least once in 6 months out of all active accounts (excl. accounts used for direct debit only) *10 Utilization rate = IB service users / active accounts

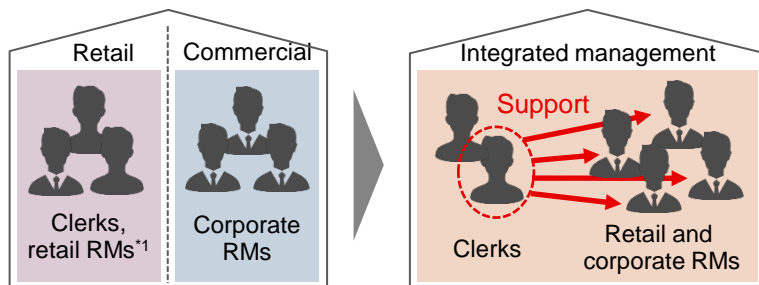
Accelerate cost structure reforms (3) – Productivity improvements

- Reallocate resources at a branch to maximize the benefits of integrated management of retail and commercial banking offices. Realize an increase of sales activities and productivity improvements by establishing a support structure
- Utilize self-service devices to enhance customer convenience and operational efficiency

Productivity improvements

Rebuilding sales structure at branch

- Realize the increase of sales activities and productivity improvements with deploying clerical support staffs



Started paperless trial (at Shinbashi branch)

- Improved efficiency of administrative operations. Aim to reduce facility costs by utilizing idle space as a satellite office in the future

[Before]



[After]



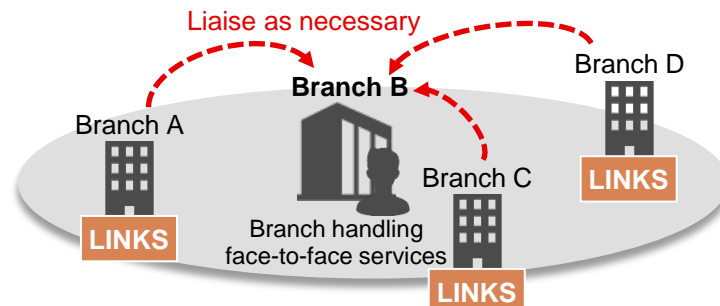
Enhance efficiency at full-fledged branch

Utilize self-service devices



(Example) BPR of mortgage loan operations

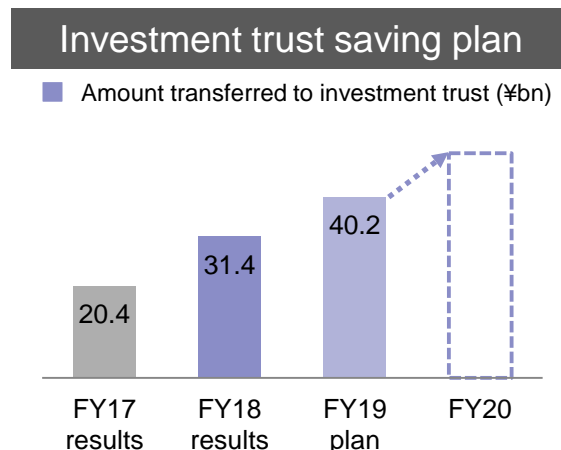
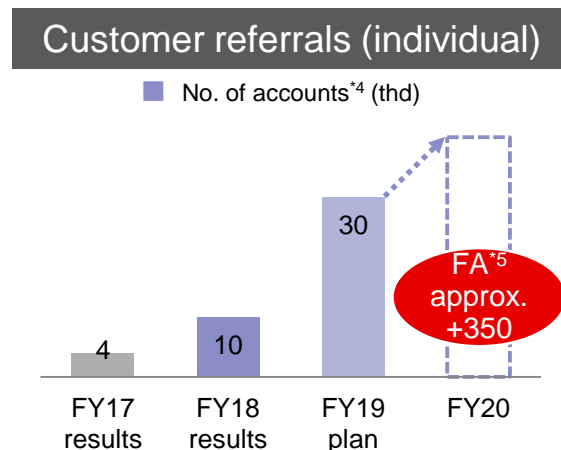
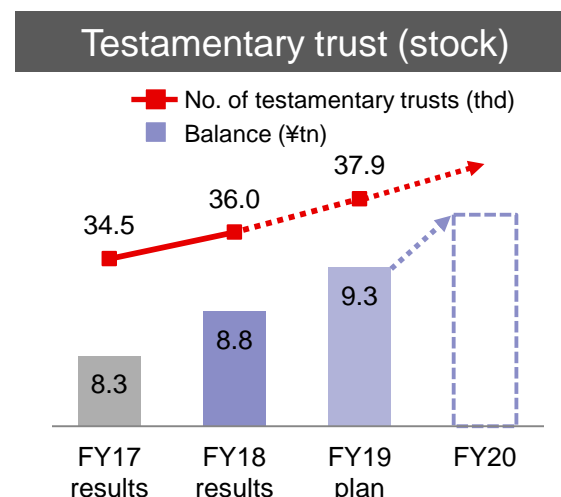
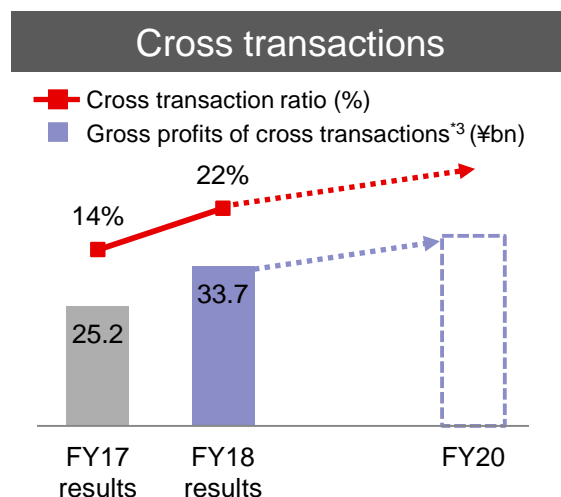
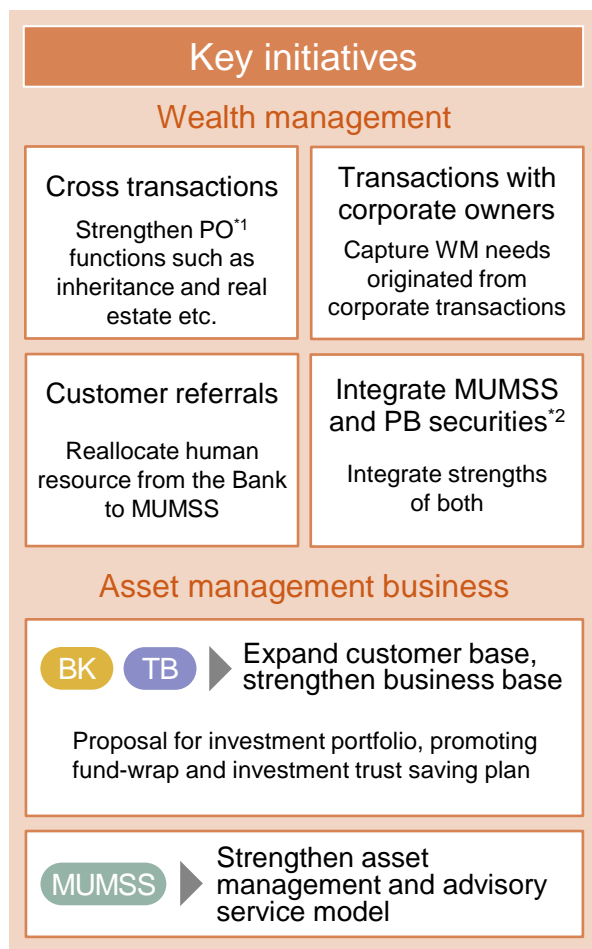
- By the end of FY20, plan to reduce the branch handling face-to-face mortgage loan services by approx. 80% compared to FY17 while maintaining customer convenience



*1 Relationship Manager *2 Store Teller Machine (ATM equipped with functions to handle tax payment, utility bills payment and domestic transfer with a private request form) *3 Low-counter Interaction on Knowledge Station (Terminal that connects to operational center via TV, which can handle consultation related mortgage, inheritance and etc.)

Strengthen the earning base (1) – WM and AM

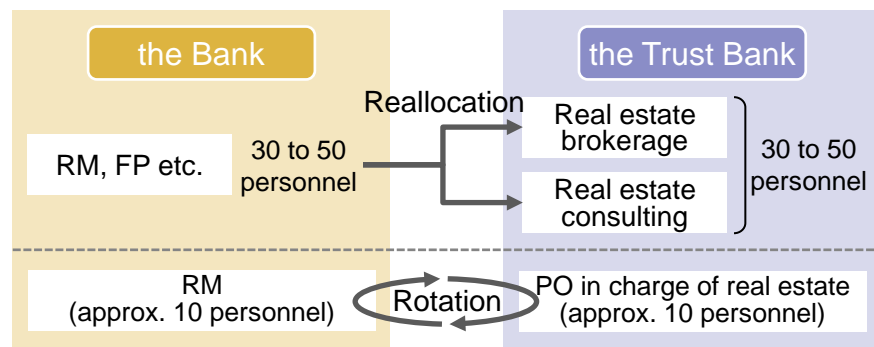
- Address the comprehensive asset management needs by capturing WM needs originated from corporate relationships and promoting cross transactions such as inheritance and real estate etc.
- In the WM business, accelerate reallocation of human resource from the Bank to MUMSS. Strengthen asset management and advisory service model with a focus on customer referrals



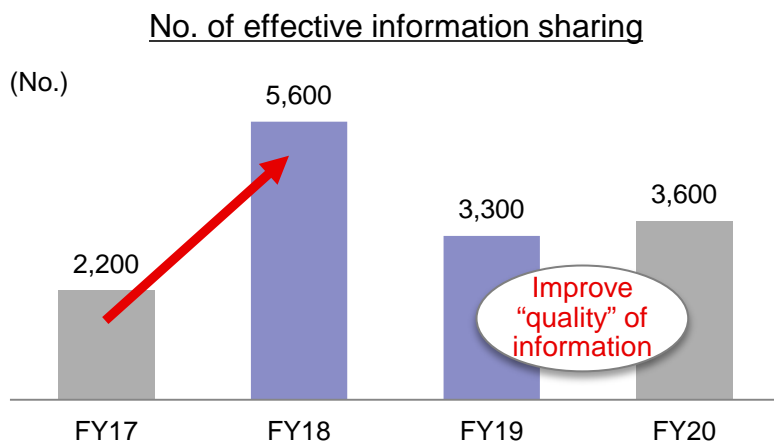
Strengthen the earning base (2) – SME segment

- Further strengthen real estate business through reallocation of human resource between the Bank and the Trust Bank in order to address increasing clients' needs for real estate related information
- Released “MUFG Biz” in Jun 2019 to reinforce approach to corporate clients via digital channel

Strengthen real estate business



Strengthen PO functions to improve matching capabilities



Released “MUFG Biz” for corporate clients

MUFG Biz

Gateway to all online transactions



Released ver.1 in Jun 2019

1. Biz COCKPIT

Visualize financial data and transaction

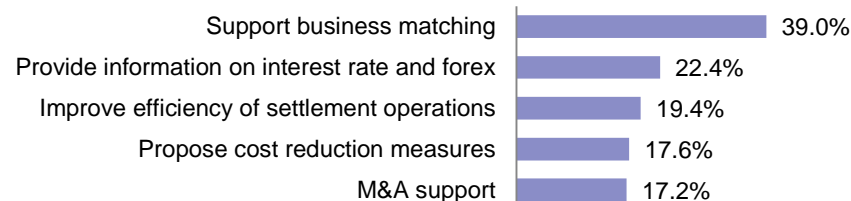
2. Biz LENDING

Complete application online without submitting financial statements

3. Biz NEWS

Pick up the most relevant topics for each client

Customer's expectation to bank services*1



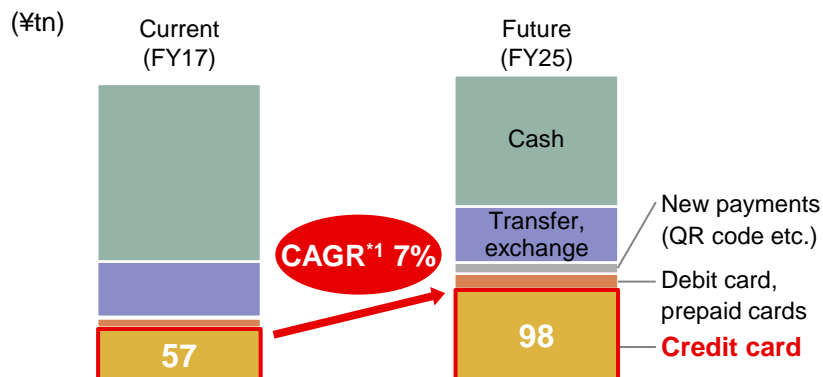
*1 Based on a result of customer satisfaction survey by MUFG Bank

Strengthen the earning base (3) – Payments / Consumer finance

- Position NICOS as “core entity to support MUFG’s payment business” in order to capture the growth of payment market. Continue to consider building a new system for integration
- Work on efficiency improvements and enhancement of marketing through the use of digital technologies in consumer finance business

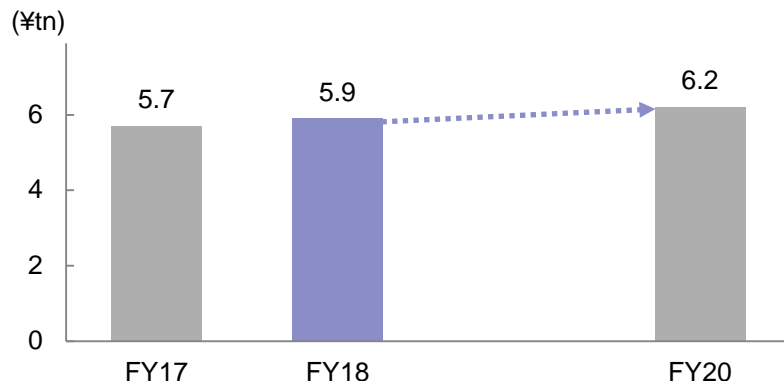
Credit card and payment business

Forecast of payment market (B2C transaction volume)



(Source) Our estimates based on various publications

Volume of card shopping*2



Consumer finance

Initiatives utilizing digital technologies etc.

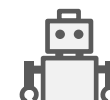
Enhancement of marketing (Utilize ICT)



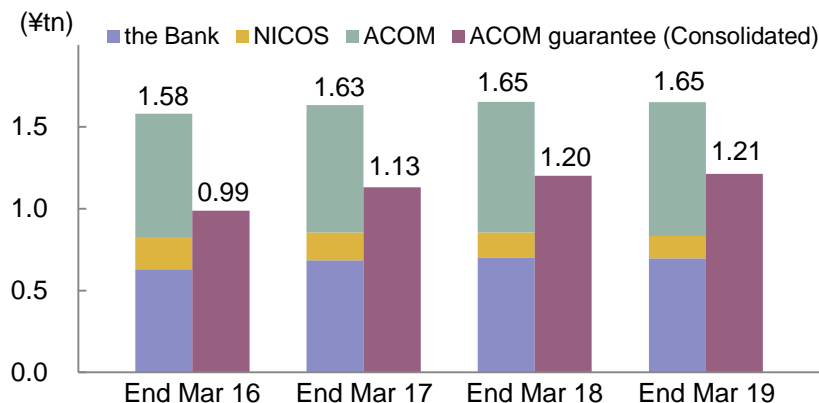
Promotion tailored to each customer



Streamlining of business process (productivity improvements)



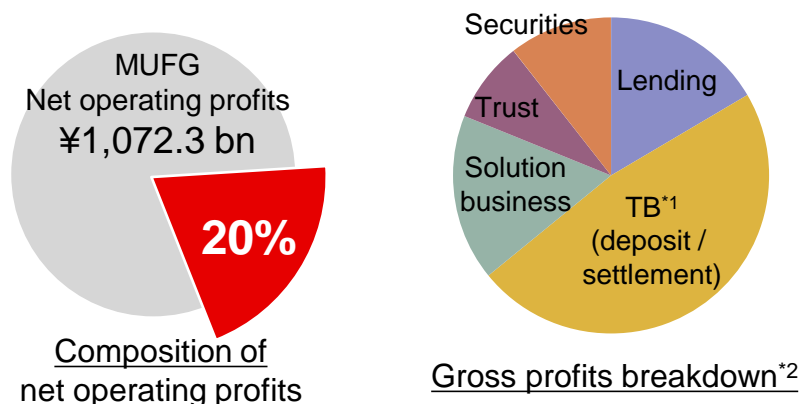
Balance of unsecured loan, guarantee*3



Japanese Corporate & Investment Banking Business Group

Progress of medium-term business plan

Overview of business group (FY18)



FY18 results

	FY17	FY18	FY20 targets
Net operating profits (¥bn)	241.5	270.3	280.0
Expense ratio	56%	53%	54%
ROE	10%	15%	11%

Key initiatives

Our vision

Be the first call business partner for large Japanese corporate clients

Outline of strategy

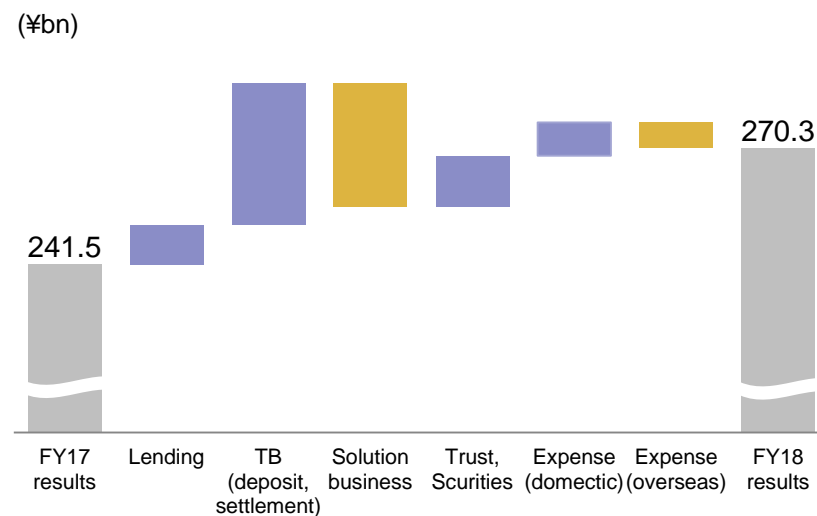
1. Establish sustainable business model

- (1) Transformation to strong earning structure
- (2) Efficient balance sheet management and ROE improvement

2. Reinforce our approach to solve customers' management issues

- (3) Further enhancement of solution capability
- (4) Continuous upgrade of RM^{*3}-PO^{*4} model

Changes in net operating profits



Key initiative (1) – Transformation to strong earning structure

- Made a progress in transformation to strong earning structure with core earnings exceeding expenses, through improvement of non-JPY lending spread and enhancement of transaction banking business, etc.
- Accelerate the transformation via thorough cost control, in addition to further increase of core earnings

FY18 achievements

Core earnings*¹ (¥365.7 bn)
exceeded expenses (¥300.3 bn)

Improvement of non-JPY lending spread

- Enhance pricing management both in Japan and overseas

Increase in non-JPY deposits

- Gather deposits related to large-scale overseas investment deals in addition to an increase deposits for settlement

Streamlining of overseas networks

- Conversion of three overseas branches to representative offices

FY18 remaining issues

Enhance transaction banking business

- Enhancement of TB product functions is still underway

Cost control

- Overseas expense ratio remains high

FY19 initiatives

1 Further improve loan pricing

2 · Enhance TB product functions
· Increase sticky non-JPY deposits

3 Further strengthen cost control

KPI*²

Items	FY17	FY18	FY20
Non-JPY lending spread* ^{3,4}	0.61%	0.63%	0.65%
Ave. non-JPY deposit balance (¥tn)* ⁴	13.1	13.8	13.9
No. of domestic settlement (mm)	174	177	186
Transaction volume (US\$bn)* ⁵	1,091.4	1,138.4	1,118.6

*1 Total gross profits of loans, deposits and settlements *2 Managerial accounting basis *3 Excluding non-JPY mid- to long-term funding costs

*4 Sum of domestic and overseas deposits

*5 Domestic foreign exchange transaction amount related to trade, inward and outward investment, dividend, and services, etc.

Key initiative (2)

– Efficient balance sheet management and ROE improvement

- Certain achievements in reduction of non-JPY B/S gap, conversion to O&D business model and reduction of equity holdings
- Further control non-JPY B/S gap by strengthening OtoD. Aim to achieve the reduction target of equity holdings ahead of schedule

FY18 achievements

Improved capital efficiency

Non-JPY liquidity management

- Reduced non-JPY B/S gap: (¥1.7 tn)
- Reduced low-profitability assets*1: (¥1.7 tn)

Conversion to O&D business model

- Made progress in conversion to O&D business model leveraging domestic and foreign institutional investor base via collaboration among group entities

Reduction of equity holdings

- Achieved over ¥100 bn both for agreed amount and selling amount

FY18 remaining issues

Accelerate conversion to O&D business model

- Strengthen OtoD which contributes to top-line growth

KPI*2

(¥tn)	FY17	FY18	FY20
Ave. non-JPY loan balance	19.3	18.2	19.1
Lending/deposit gap in non-JPY B/S*3	(6.1)	(4.4)	(5.2)

FY19 initiatives

1 Further reduce non-JPY B/S gap

2 Strengthen OtoD

3 Achieve the reduction target of equity holdings ahead of schedule

(¥bn)	Selling amount	Acquisition cost basis	Net gains (losses)
FY15	211.0	117.0	94.0
FY16	267.0	149.0	118.0
FY17	318.0	201.0	117.0
FY18	242.0	127.0	115.0
Total	1,038.0	594.0	444.0
Agreed amount*4	-	209.0	-

*1 Total amount of sale, repayment and refinancing of low-profitability loans, etc. *2 Managerial accounting basis in Japan and overseas

*3 Average balance *4 As of end Jun 19

Key initiative (3) – Further enhancement of solution capability

- Securities business largely expanded mainly due to M&A business. Enhance proposal to target clients in corporate agency, pension and real estate business with strong collaboration between RM and PO
- Enhance capabilities for dealing with large-scale event-driven transactions

FY18 achievements

Large-scale financing arrangements totaling over ¥10 tn

Large-scale financing arrangements

- Involved in large-scale cross-border deals with cross-selling

Strengthening of the Bank-MUMSS coverage

- Established the Bank-MUMSS dual-hat organization. Started effective and efficient coverage structure

Reorganization and enhancement of the Trust Bank's PO functions

- Mirrored the RM and the Trust Bank's POs
- Increased 70 staffs in the Trust Bank's POs

FY18 remaining issues

Corporate agency

- Market share declined, although we started consulting service for shareholders meeting and SR / IR by strong collaboration between the Bank and the Trust Bank

Pension

- Enhance proposal to target clients by leveraging the Bank's relationship and providing consulting functions

Real estate

- No. of effective information sharing dramatically increased. Revenue showed a growing trend, but market share declined

FY19 initiatives

1 Enhance capabilities for dealing with large-scale financing by utilizing new facility of ¥200 bn, etc.

2 Further strengthen corporate agency and pension business

3 Increase real estate deals

KPI

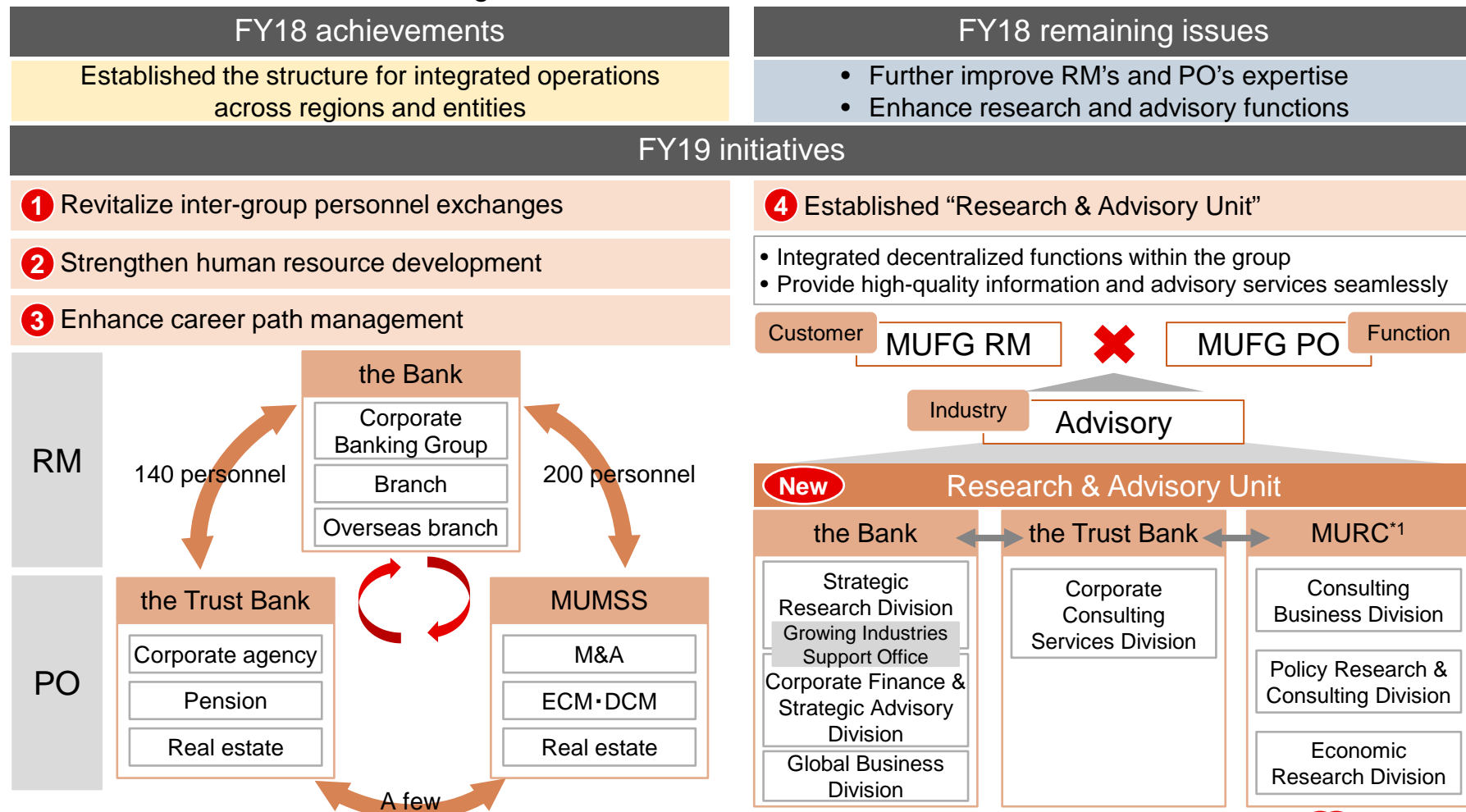
Items	FY17	FY18	FY20
M&A advisory league table*1	#2	#1	In #2
DCM league table*1	#1	#2	#1
ECM league table*1	#4	#5	In #2 group
Corporate agency*2	41.7%	40.8%	42.4%
Pension*3 (¥tn)	11.2	11.3	12.3
Real estate*4	3,100	7,481	4,860

*1 Based on data on Refinitiv, etc. M&A advisory only counts Japanese corporates related deals. DCM includes both domestic and foreign bonds

*2 Market share in listed company *3 DB balance *4 No. of effective information sharing

Key initiative (4) – Continuous upgrade of RM-PO model

- Established the structure for integrated operations across regions and entities. Strengthened collaboration among the Bank's RM, the Trust Bank's PO and MUMSS's PO
- Further improve RM's and PO's expertise, and enhance research and advisory functions that contribute to the solution to customer's management issues

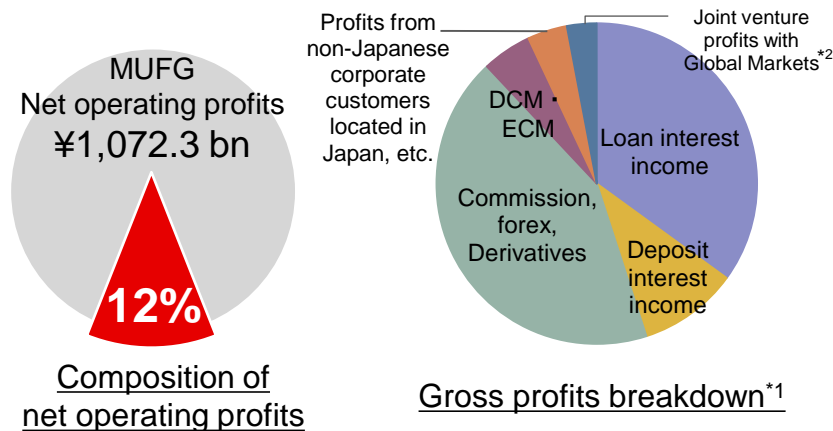


*1 Mitsubishi UFJ Research and Consulting Co., Ltd.

Global Corporate & Investment Banking Business Group

Progress of medium-term business plan

Overview of business group (FY18)



FY18 results

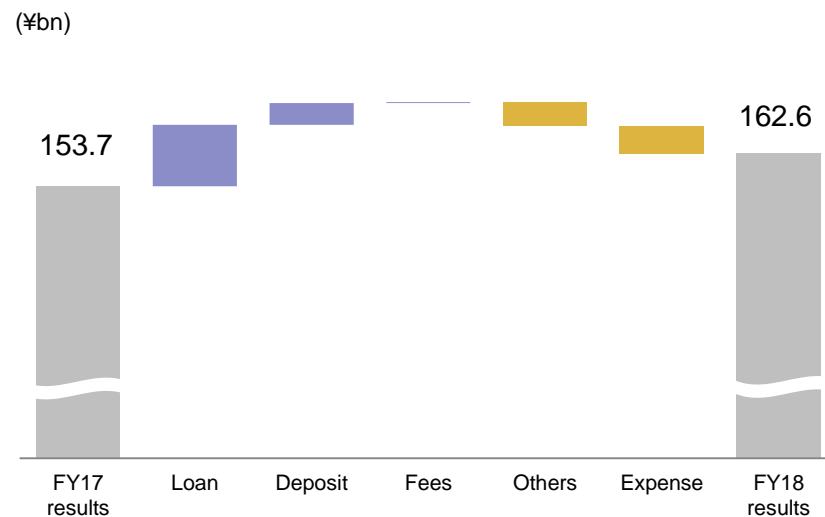
	FY17	FY18	FY20 targets
Net operating profits (¥bn)	153.7	162.6	220.0
Expense ratio	63%	62%	58%
ROE	7%	9%	8%

Key initiatives

Business model transformation from “quantity” to “quality”

- 1 O&D on an integrated group-basis
- 2 Improve lending returns and transaction profitability
- 3 Business platform to enable sustainable growth
- 4 Aviation Finance business

Changes in net operating profits

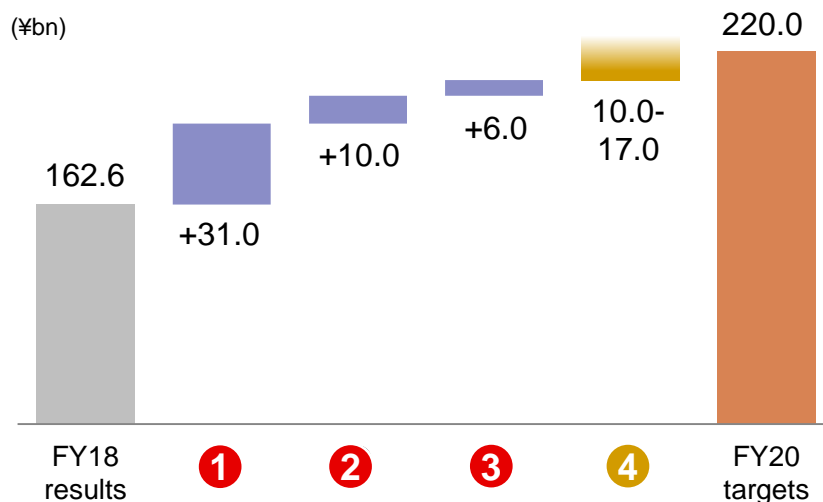


*1 Excluding profits or losses from others *2 Including O&D profits through collaboration with Global Markets

Estimated impact on net operating profits

①	O&D on an integrated group-basis	+¥31.0 bn
②	Improve lending returns and transaction profitability	+¥10.0 bn
③	Business platform to enable sustainable growth	+¥6.0 bn
④	Aviation Finance business	¥10.0-17.0 bn

Plan of net operating profits



Key strategies

- ①
 - Further enhance strong market positions (IG^{*1}/ PF^{*2})
 - Risk appetite enhancement (Non-IG^{*3})
- ②
 - **Aviation Finance business** ④
 - Accelerate portfolio recycle to improve returns
 - Promote Global Subsidiary Banking (GSB)^{*4} with a focus on Asia
- ③
 - Enhance non-JPY deposit and liquidity management
 - Non-JPY funding cost management
 - Strengthen risk management through RAF^{*5} and RAS^{*6}
 - Enhance expense ratio control

*1 Investment grade *2 Project Finance *3 Non-investment grade *4 Transactions with subsidiaries of global corporate multinational customers

*5 Risk Appetite Framework *6 Risk Appetite Statement

Key initiative (1) – O&D on an integrated group basis

- Improve capital efficiency via strengthening O&D on a global basis through our expertise
- Expand accessible revenue wallets via enhancing risk appetite based on disciplined risk management

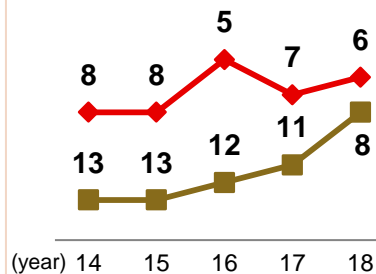
Enhance strong market positions

Investment grade corporates

Accelerate distribution-driven O&D on a global basis

League table position

◆ Syndicated loan ■ DCM



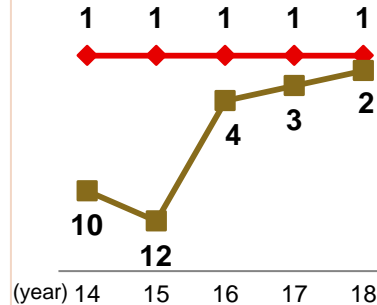
Source: Dealogic

Project Finance

Promote project bond leveraging global No.1 presence in the PF area

League table position

◆ PF loan ■ Project Bond



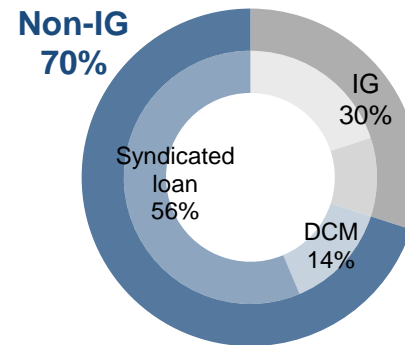
Source: Refinitiv

Example

Successful syndicated loan and DCM revenues for the largest M&A transaction by company B in the healthcare sector in the U.S., collaborating with Morgan Stanley

Enhance risk appetite (Non-IG)

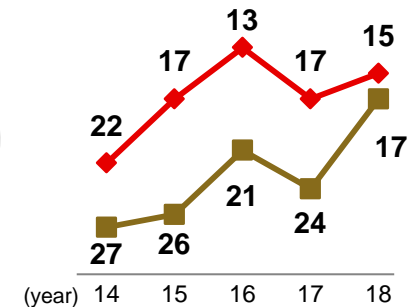
Revenue pools of syndicated loan and DCM markets



Source: Dealogic

League table position

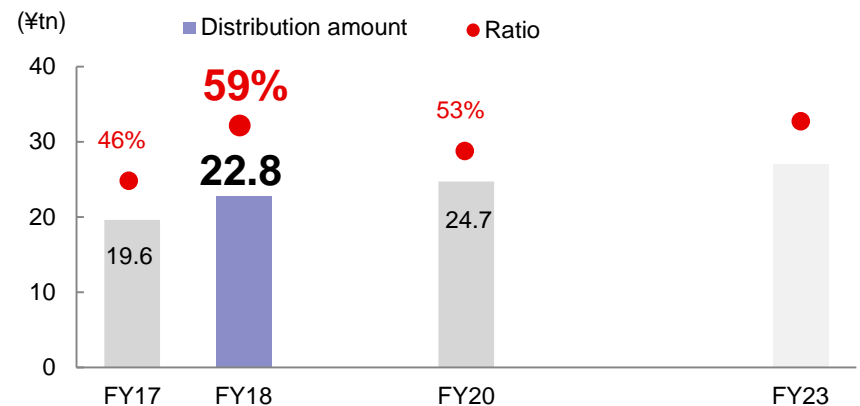
◆ Syndicated loan ■ DCM



Source: Dealogic

KPI

Distribution amount / ratio^{*1}



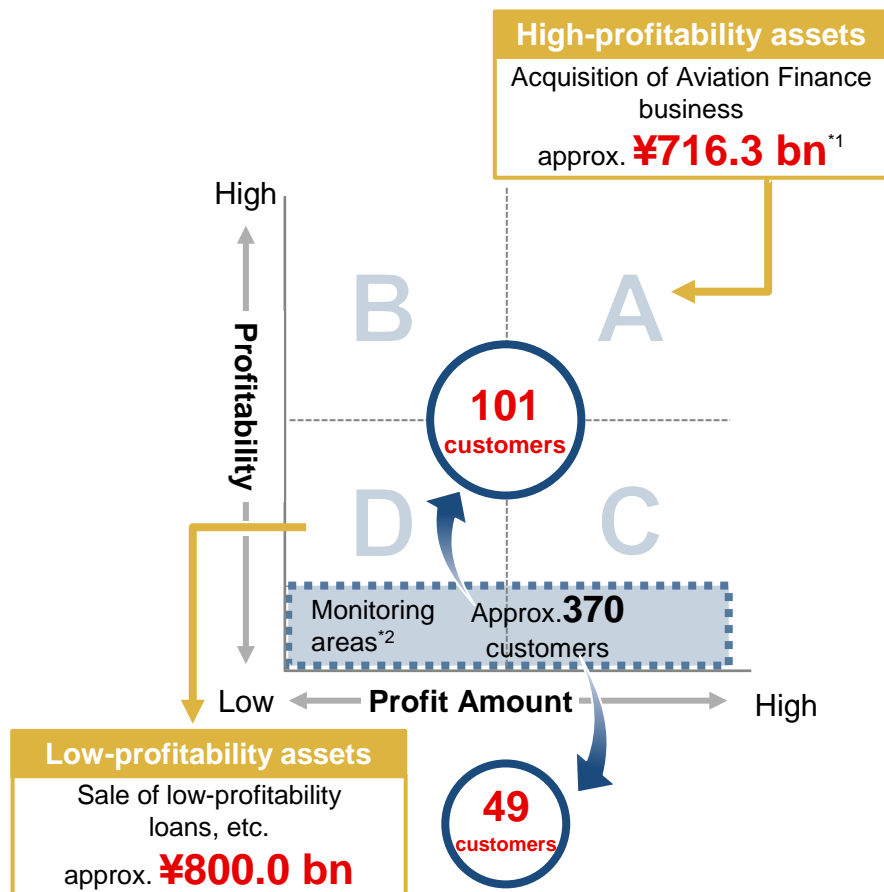
^{*1} Distribution amount = Arrangement amount – Final hold amount (Syndicated loan, Project Finance, Securitization, Aviation Finance, etc.)
+ Securities' arrangement amount of DCM, ABS, etc.

Distribution ratio = Distribution amount / Total amount of loans to global corporate customers

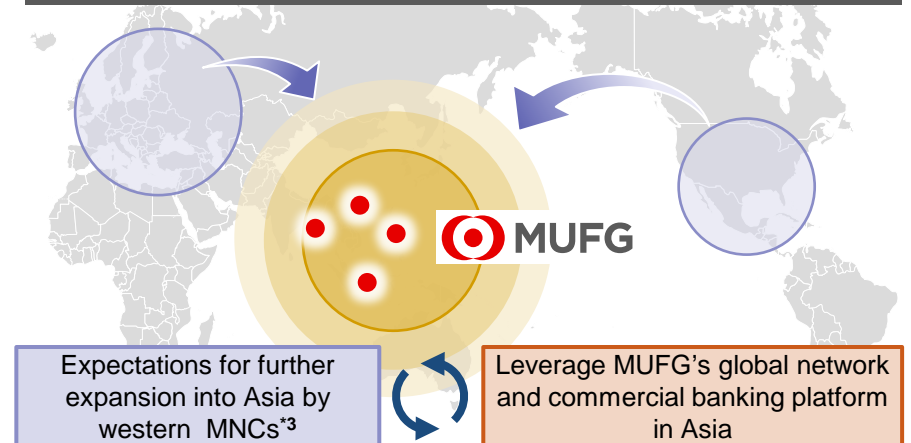
Key initiative (2) – Improve lending returns and transaction profitability

- Accelerate portfolio recycle through 3R (Repricing, Reduction, Restructuring)
- Promote GSB, leveraging our extensive global network as well as commercial banking platform in Asia

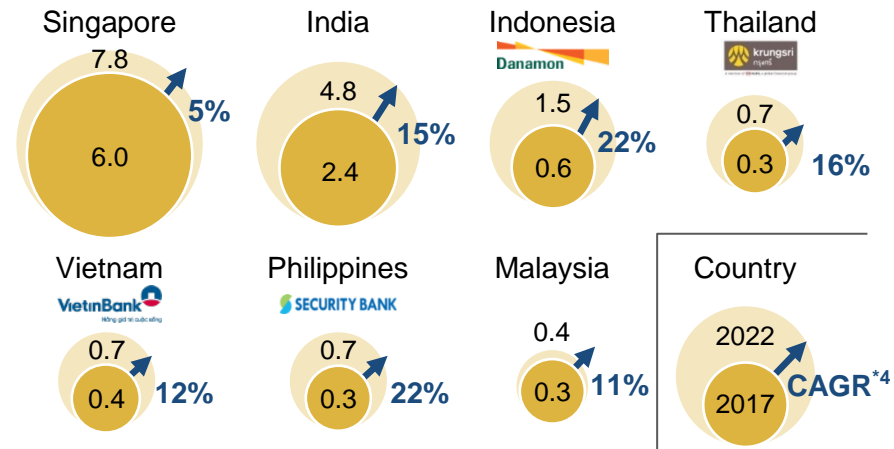
Accelerate portfolio recycle to improve returns



Promote GSB with a focus on Asia



Revenue pools of transactions with western MNCs' subsidiaries
(2017 to 2022, US\$bn)



Source: Our estimates based on various publications

^{*1} Amount of client lending portfolio is approx. €5.6 bn as end of Jun 2018. ¥716.3 bn is calculated by €1=¥127.91

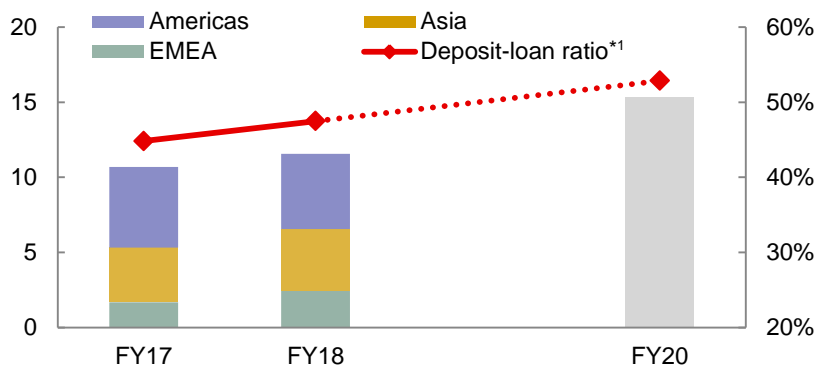
^{*2} A group of customers with low profitability below our profitability threshold ^{*3} Multinational corporations ^{*4} Compound Annual Growth Rate

Key initiative (3) – Business platform to enable sustainable growth

- Higher strategic weight on deposit-loan ratio and non-JPY mid- to long-term funding costs
- Enhance cost control via flexible personnel management and streamlining of work processes

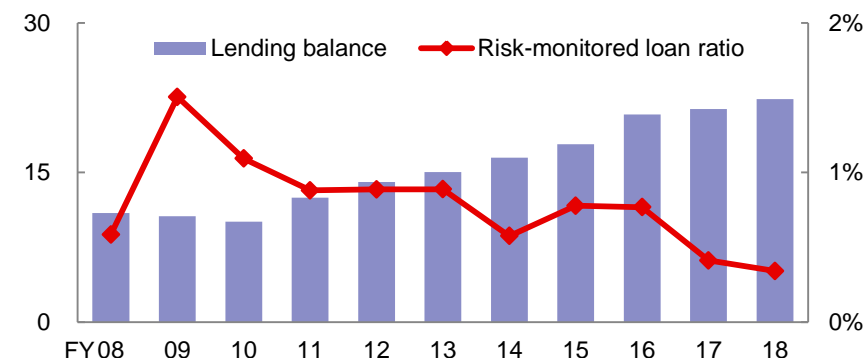
Non-JPY deposit and liquidity management

(¥tn, year-end balance)



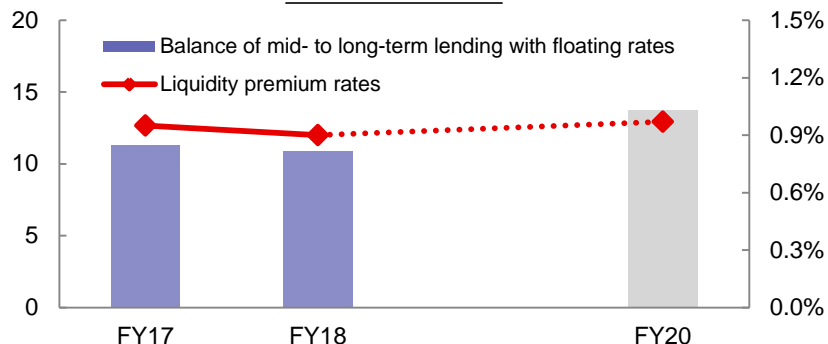
Strengthen risk management through RAF and RAS

(¥tn) Lending balance / Risk-monitored loan ratio*3



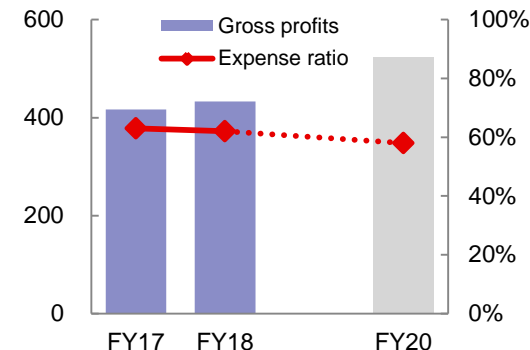
Non-JPY funding cost management

(¥tn) Balance of mid- to long-term lending with floating rates / LP rates*2



Enhance expense ratio control

(¥bn)



① Strategic and flexible resource allocation

② Flexible personnel management

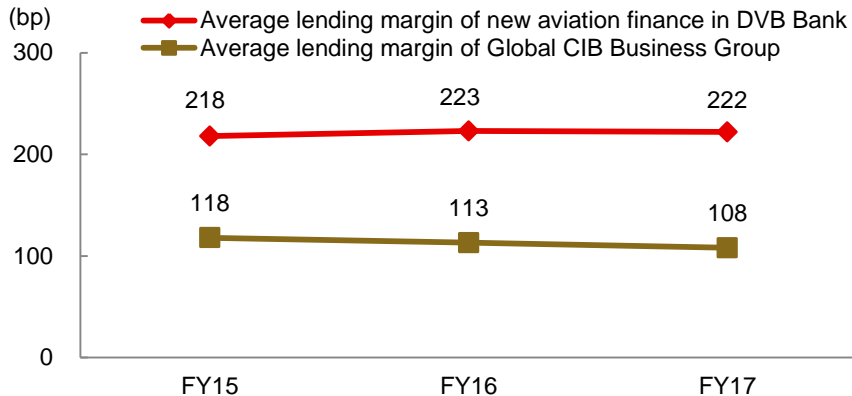
③ Consolidation of overlapping functions / Reorganization

④ Streamlining of business processes

Key initiative (4) – Aviation Finance business

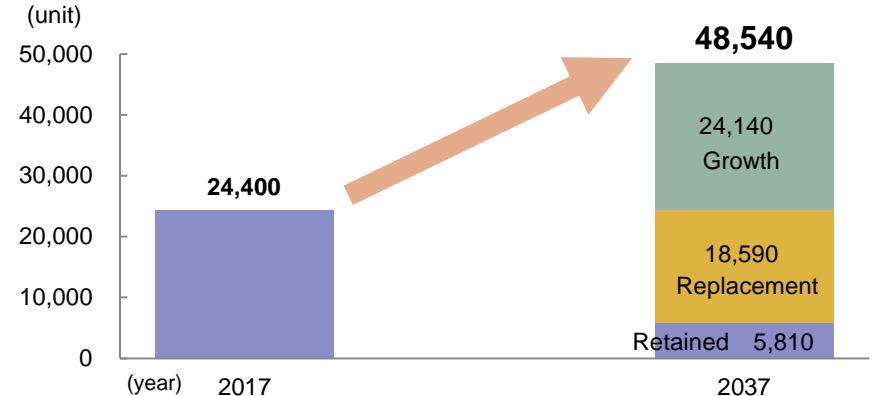
- Capture high-return and high-growth sector
- Create synergy by leveraging expertise of DVB Bank*¹ and MUFG's distribution capabilities

Average lending margin



Source: DVB Bank's Annual Report

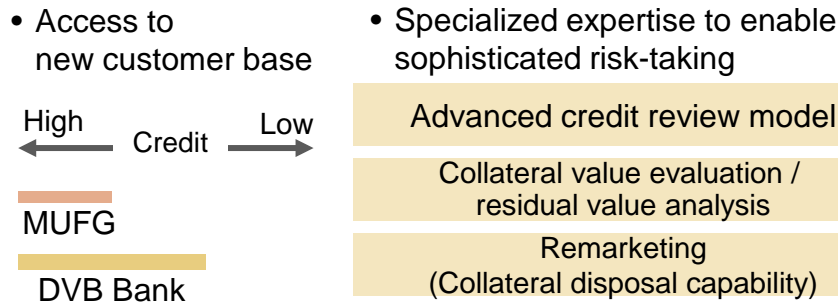
Demand in the commercial aircraft market



Source: Boeing 2018 Commercial Market Outlook

Evolve and expand Aviation Finance business through synergies

Origination of higher return transactions



Expansion of distribution channels

Expertise and know-how of equity debt fund

Global distribution functions

DVB Bank's strengths



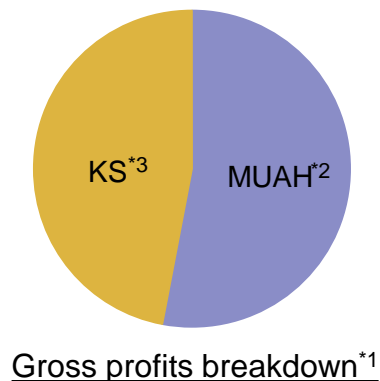
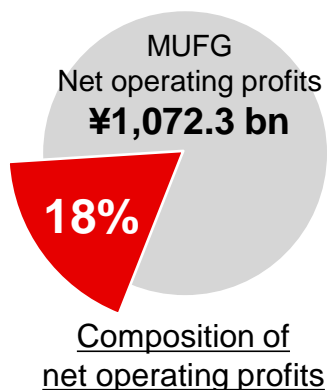
MUFG's strengths

*1 DVB Bank, headquartered in Germany and wholly owned by DZ BANK, specializes on structured finance for the international Transportation Finance business

Global Commercial Banking Business Group

Progress of medium-term business plan

Overview of business group (FY18)



Key initiatives

Acquire Asia growth

- Business expansion of Krungsri
- Accelerate synergy with Bank Danamon

Enhance partner bank (PB) synergies

- Strengthen MUFG × PB / PB × PB synergies
- Best use of MUFG & PB functions and human resources

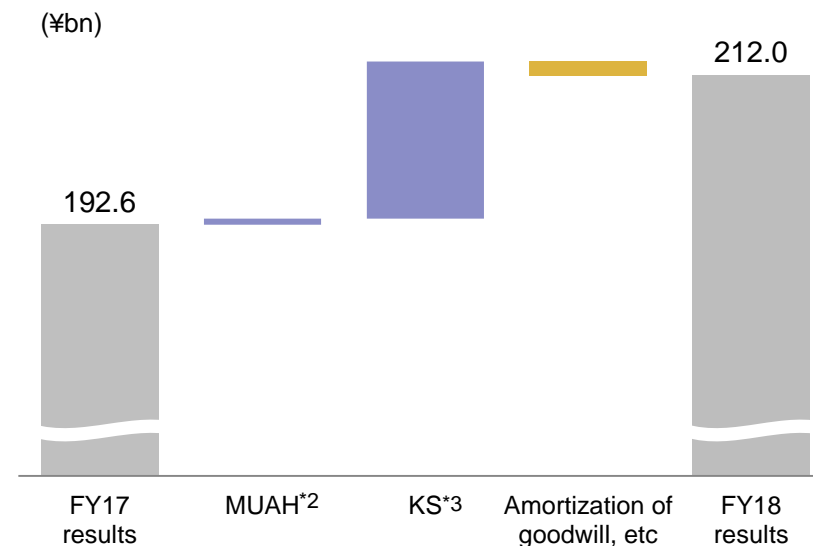
MUAH business restructuring

- Enhance B/S portfolios through B/S optimization
- Enhance expense structure

FY18 results

	FY17	FY18	FY20 targets
Net operating profits (¥bn)	192.6	212.0 [288.1*4]	320.0
Expense ratio	70%	69%	66%
ROE	8%	9%	10%

Changes in net operating profits



*1 Excluding profits or losses from others

*2 MUAH figures as reported in MUAH's 10-Q and 10-K excluding figures belonging to Trust/Securities subsidiaries, GCIB and Global Markets

*3 After GAAP adjustment. Excluding figures which belong to Global Markets *4 Approx. number of net operating profits by combining Bank Danamon's FY18 pre-provision operating profits (before GAAP adjustments and investment related accounting factors. IDR1=¥0.0084)

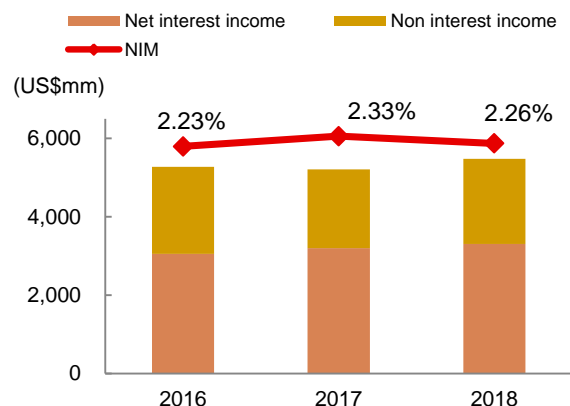
MUFG Americas Holdings Corporation (MUAH)

GCB

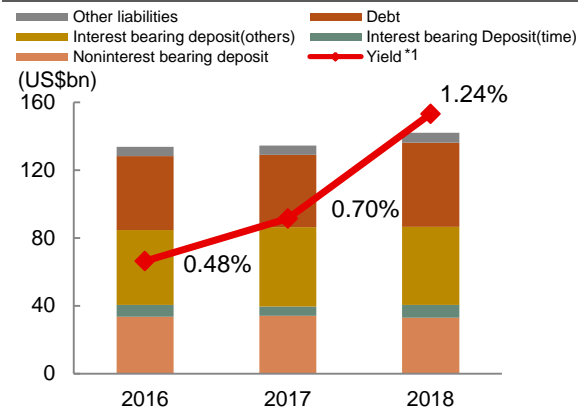
– Summary of financial results

- Heightened competition coupled with a large mortgage balance sheet contributed to margin compression despite modest revenue growth
- Expense increased largely due to technology/data transformation initiatives and higher staff expenses related to regulatory expectations
- High balance sheet allocation to mortgage assets resulted in low credit cost

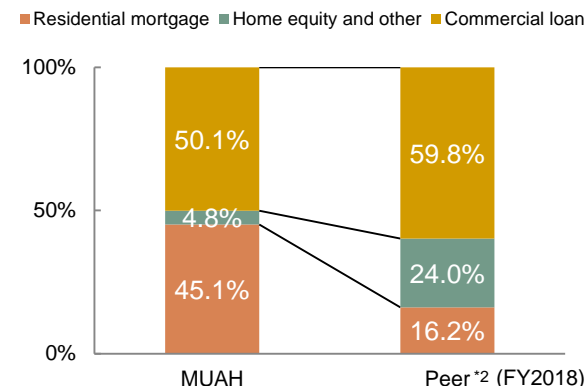
Trend in gross revenue



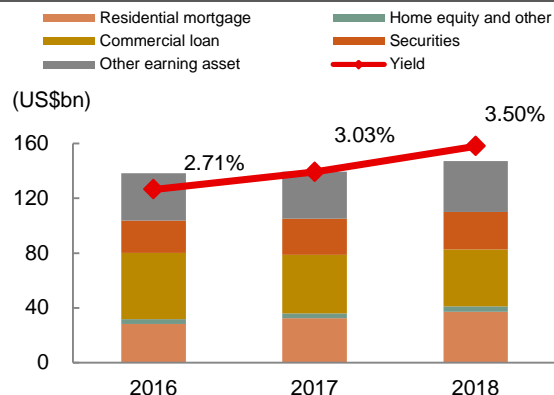
Trend in liabilities



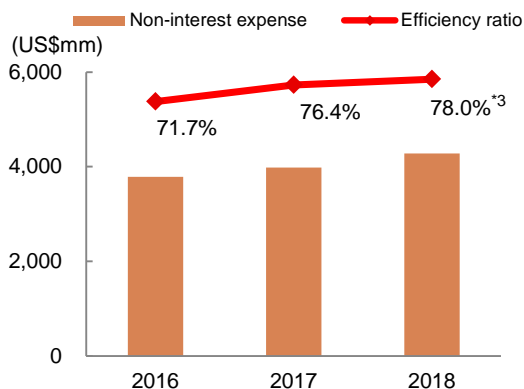
Loan composition comparison



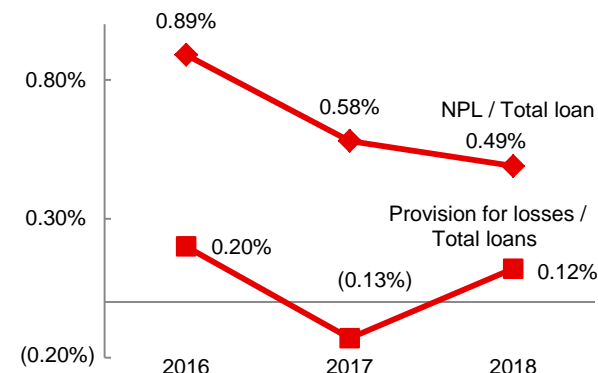
Trend in earning assets



Trend in efficiency ratio



Trend in Credit costs



(Source) Based on public information. *1 Interest expense paid on liabilities as a % of average earning assets *2 "Peer" data comprise of BB&T, Citizens, Comerica, Fifth Third, Huntington, Key Corp, M&T, Regions and Sun Trust *3 The adjusted efficiency ratio is a non-GAAP financial measure. Management believes adjusting the efficiency ratio for the fees (US\$1,129 mm) and costs (US\$1,001 mm) associated with the provision of services to MUFG Bank, Ltd. branches in the U.S. enhances the comparability of MUAH's efficiency ratio when compared with other financial institutions. Management believes adjusting revenue for the impact of the TCJA (negative revenue US\$164 mm) enhances comparability between periods. Adjusted Efficiency Ratio for FY18 is 72.47%

MUFG Americas Holdings Corporation (MUAH)

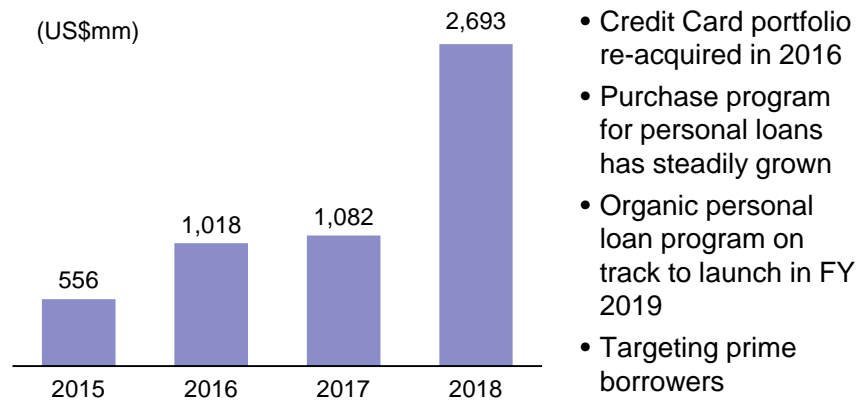
GCB

– Initiatives to address challenges

- Improve profitability through balance sheet optimization, enhancing deposit pricing and channels, and expanding fee income business
- Tighten expense control driven by structural organizational changes, focus on lower cost operating locations, and investments in technology

Unsecured consumer loans (UCL) *1

(US\$mm)



Driving customer & deposit growth

Expand customer base by client segmentation and launching new services

Digital Platform

- Drive primary payment relationships through new digital offerings and data driven marketing
- Leverage PurePoint*2 Financial platform

Deposit Products

- Simplify product offerings (i.e. Bank Freely*3)

Transaction Banking

- Develop new Transaction Banking products (e.g. Hybrid Account*4 and Reward Bonus Account*5)

Various measures to increase non-interest income

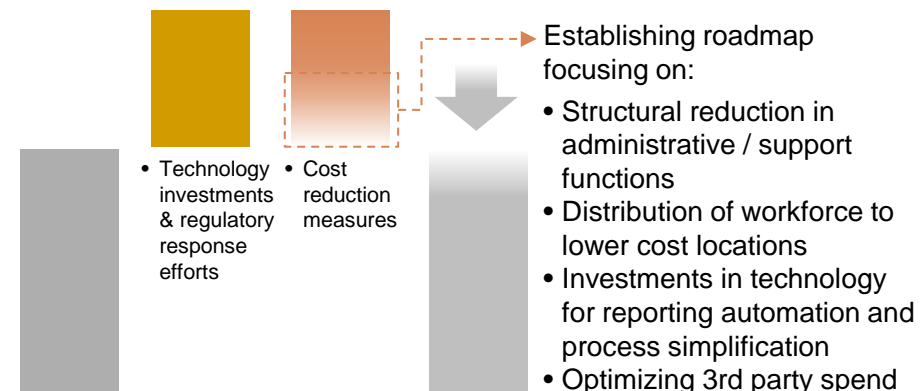
Mortgage Servicing Rights

- Generate fee income in Mortgage Servicing Rights purchases
- Leverage MUFG Union Bank (MUB)'s mortgage loans experience and expertise

Commercial Bank Service

- Acquired Intrepid Investment Bankers: a Middle Market investment banking firm involved in M&A advisory services
- Focus on cross-sell synergies between Wealth Markets and Commercial Banking segments

Cost reduction initiatives



*1 Represents year end balances *2 A division of MUB with a nationwide direct banking platform consisting of online banking coupled with small footprint and cashless Financial Centers in select locations *3 A new checking account launched in February 2019 on MUB platform, catered to today's customers' needs, with simplified product features and fee structure (no monthly service fees, no minimum balance requirement, no ATM fees, etc.) *4 A deposit product that pays interest on analyzed balances (to cover fees) as well as on excess balances *5 An incentive based deposit product that pays "reward" rates to clients that meet pre-specified conditions

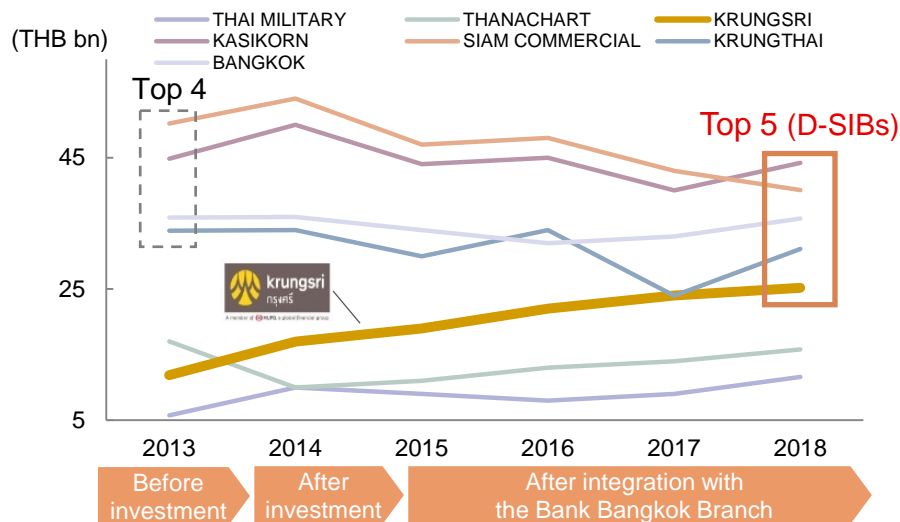
Krungsri (Bank of Ayudhya)

- Since MUFG invested in KS back in Dec 2013, KS has achieved an annual growth rate of more than 10% in profitability, and has been selected as “D-SIBs”, one of the top five banks in Thailand
- Provide hybrid solutions of MUFG and KS by leveraging both MUFG and KS business relationships

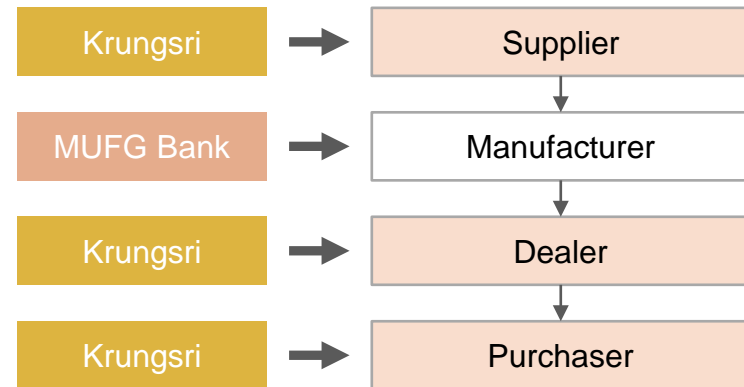
Comparison with peers (FY14-FY18)

	Change CAGR*1	Top 4 banks
Net income	+48% +10.3%	(13%) (3.5%)
NPL ratio	(0.7%)	+1.3%
Rating (Fitch)	A- Up by 2 notches	BBB+

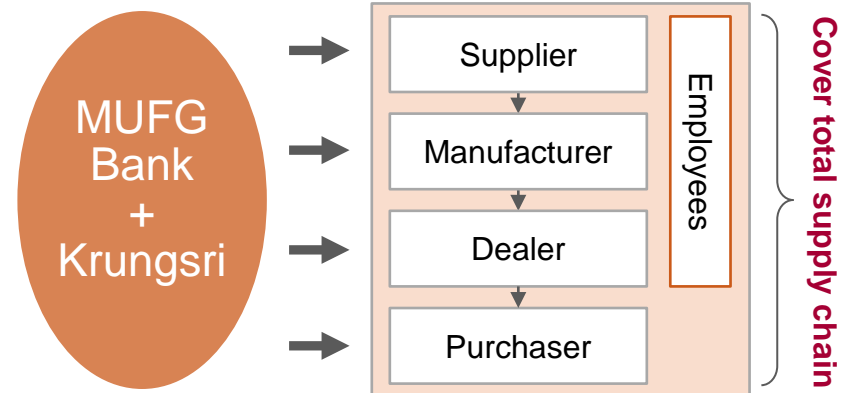
Trend of net incomes



Hybrid solutions: end-to-end solutions



Hybrid solutions

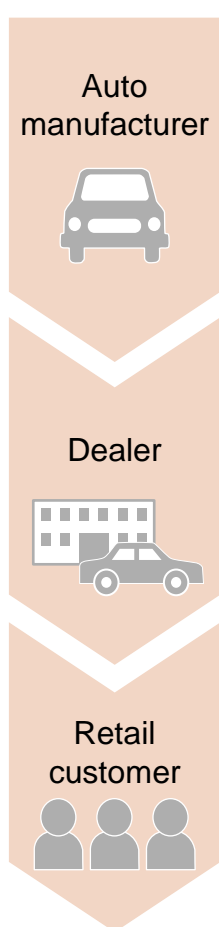


(Source) Company disclosure

*1 Compound Annual Growth Rate

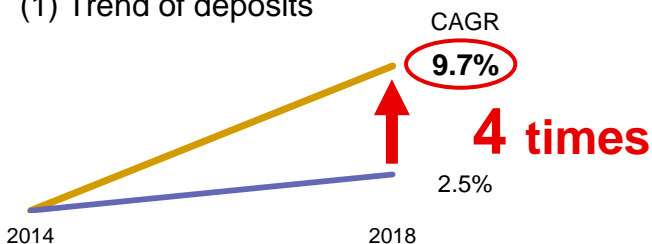
- Make the best use of MUFG's customer relationship and KS's products and sales capabilities
- Outperform the market by capturing the total supply chain with hybrid solutions and reinforcing risk-taking capability

Case of Japanese automakers

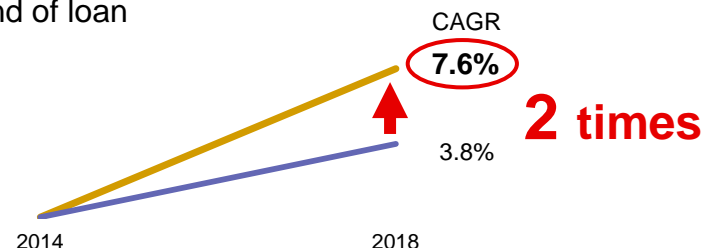


— KS — (1), (2) are the average of the top 4 banks, and (4) (5) represents Thai domestic market growth

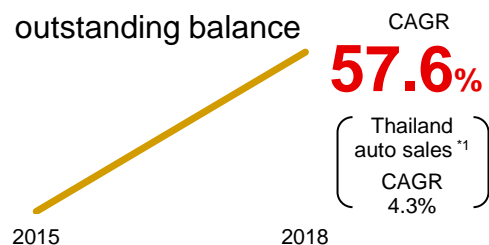
(1) Trend of deposits



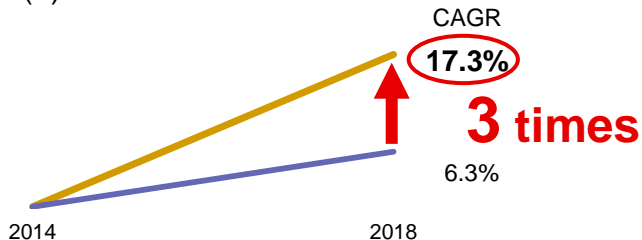
(2) Trend of loan



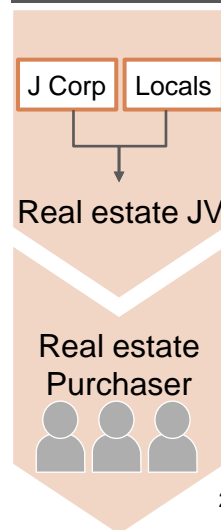
(3) Trend of KS Dealer Finance outstanding balance



(4) Executed new auto loans amount

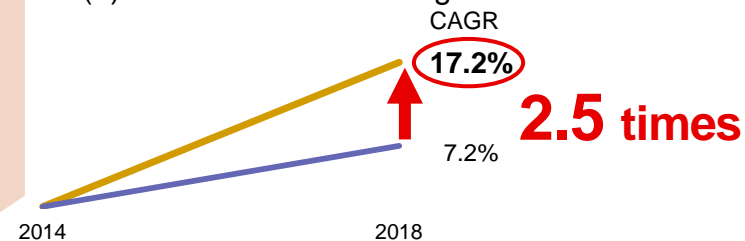


Case of real estate developers



Connecting Japanese and local companies
~ provide startup support for the JV
(remittance, foreign exchange, etc.)

(5) Executed new housing loans amount

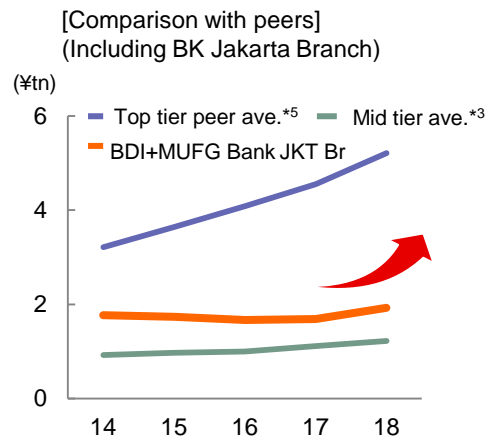
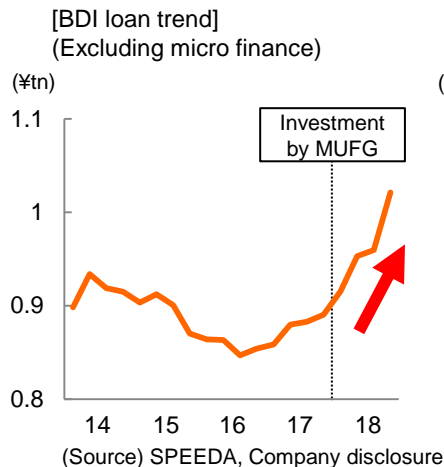


- Bank Danamon became a consolidated subsidiary of MUFG Bank in April 2019. First majority share holding by foreign company to the top 10 banks^{*1} since the new regulations on foreign investment were introduced^{*2}
- Loan balance has largely recovered, due to the synergy effect of MUFG and Bank Danamon. Will further accelerate collaboration replicating our successful experience with Krungsri

Comparison with peers

	FY18	Average of mid-sized banks ^{*3}
Expense ratio	48.8%	53.6%
NIM	8.9%	4.8%
NPL ratio	2.7%	3.3%
Rating (Fitch)	BBB up by 1 notch	BB - BBB

Trend of loans^{*4}



Example of collaboration

1 Distributor/Dealer Finance

MUFG

- Global customer base

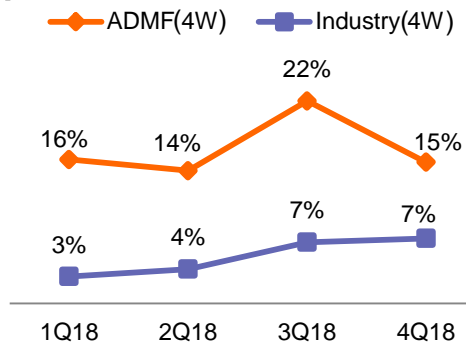
Bank Danamon

- Local customer base
- Attractive TB^{*6} products
- Flexible and diverse service line-up
- Solid performance reporting service

Achieved several successful deals with major manufacturers within a short period after MUFG investment

2 Auto loans

[Growth in the number of new auto loans]



- Leverage Adira Finance (ADMF) which has 2nd largest share in Auto loan^{*7}
- Aim to further growth through synergies focusing on value chains

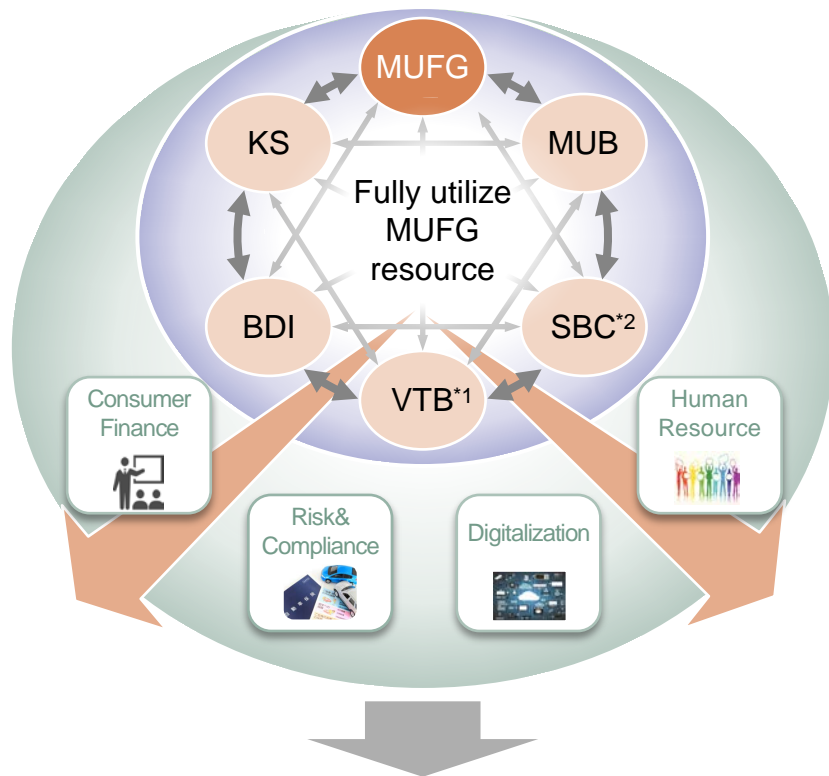
^{*1} Base on total assets at the time of the announcement of the acquisition ^{*2} Since 2012, foreign investment regulations with a maximum of 40% have been applied

^{*3} Average of BTN, CIMB Niaga, Panin, Maybank, Permata ^{*4} IDR1=¥0.008 ^{*5} Average of Mandiri, BRI, BCA, BNI ^{*6} Transaction Banking ^{*7} Top share in non-captive

Efforts to enhance synergies

- Maximize synergies by strengthening collaboration among PBs and maintaining balance between autonomy and governance

Examples



[Our vision]

The most trusted financial group in Asia

1 Consumer Finance

- Expand KS's consumer finance knowledge to other PBs
- Share credit risk management expertise

2 Digitalization

- Refer to MUFG Union Bank's, lightening branch "Express Banking" when launching next-generation digital branch in KS
- Expand KS digital functions expertise to other PBs

3 Acceleration of Human Resource exchange

- Place appropriate professional in the right place among PBs



MUFG ⇒ SBC

Sanjiv Vohra

Citibank (Country head of Philippines) (05-13)
Deutsche Bank (Head of CB Asia Pacific) (13-17)
MUFG Bank (Head of GCIB-APAC) (17-19)
Security Bank (CEO) (19-)



Takayoshi Futae

MUFG Bank (CEO of Asia&Oceania) (16-18)
Krungsri (Vice-Chairman) (16-18)
Security Bank (Director) (16-18)
MUFG Bank (Regional Executive for Asia) (18-19)
Bank Danamon (Commissioner) (18-)
MUFG Bank (Group Head of GCBBG*3,
Group COO-I*4) Group Head (19-)



BDI ⇒ MUFG

Satinder P.S. Ahlusalia

Bank Int'l Indonesia (CRO) (06-10)
Bank Danamon (CFO) (10-19)
MUFG Bank (GCBPD*5 GM-Special assignment) (19-)

*1 Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank)

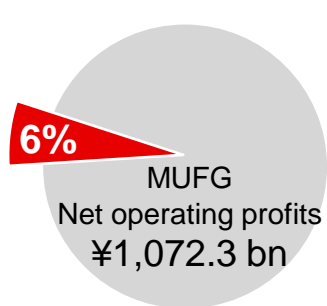
*2 Security Bank Corporation *3 Global Commercial Banking Business Group *4 Chief Operating Officer – International *5 Global Commercial Banking Planning Division

Asset Management & Investor Services Business Group

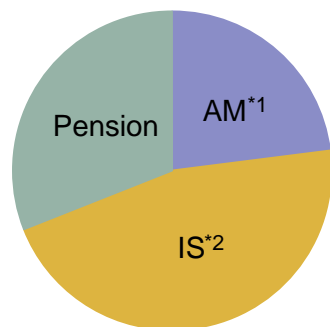
Progress of medium-term business plan

AM/IS

Overview of business group (FY18)



Composition of
net operating profits



Gross profits breakdown

FY18 results

	FY17	FY18	FY20 targets
Net operating profits (¥bn)	71.1	78.1	80.0
Expense ratio	62%	61%	63%
ROE	23%	10% [19%*5]	20%

Key initiatives

AM

- Support asset building and strengthen comprehensive investment capabilities
- Manage CFSGAM and maximize synergies

IS

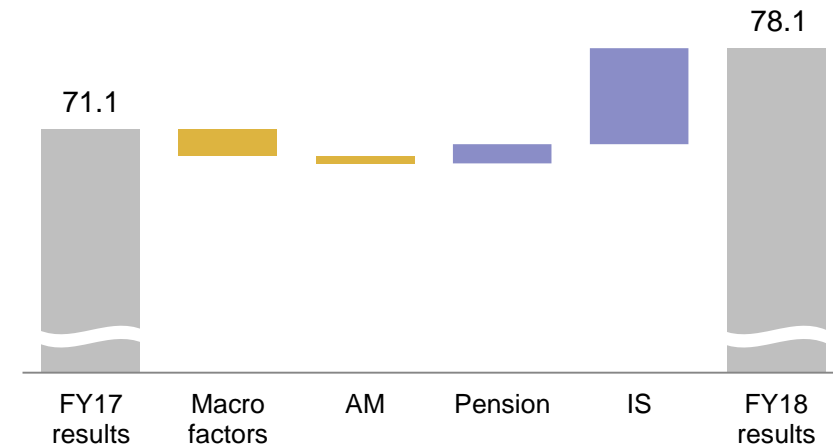
- Expand service capabilities and reinforce organization for sales promotion
- Strengthen IT capabilities

Pension

- Further promote RM*3-PO*4 model
- Strengthen proposal for employee benefits

Changes in net operating profits

(¥bn)



*1 Asset Management *2 Investor Services *3 Relationship Manager *4 Product Office

*5 ROE excluding the impact of losses on sales of Standard Life Aberdeen shares

Business structure (1) – Overview

Our vision

The unparalleled industry leader in Japan as well as a global player boasting significant presence overseas

		Domestic		Overseas
AM	Service	Provision of investment products for individual and corporate customers		
	Position	Individual #4^{*1}	Corporate #6^{*2}	Global #39^{*8}
IS	Service	Asset administration entrusted by the asset management company		
	Position	#1^{*3}	Alternative Funds #6^{*9}	
Pension	Service	Management of DB ^{*4} / DC ^{*5} system, provision of investment products		-
	Position	DB #2^{*6}	DC #1^{*7}	-

*1 Source: ranking of public investment trust funds (excluding ETF), The Investment Trusts Association, Japan (End Mar 19)

*2 Source: ranking of private investment trust funds, The Investment Trusts Association, Japan (End Mar 19)

*3 Asset under administration of domestic investment trust funds, Estimation based on the public source, etc. (End Mar 19) *4 Defined Benefit Plan

*5 Defined Contribution Plan *6 Source: R&I Pension Information Magazine (End Mar 18) *7 Source: R&I Pension Information Magazine (End Sep 18)

*8 Source: The P&I / Willis Towers Watson World 500 (End Dec 17) *9 Source: eVestment Alternative Fund Administration Survey (2018)

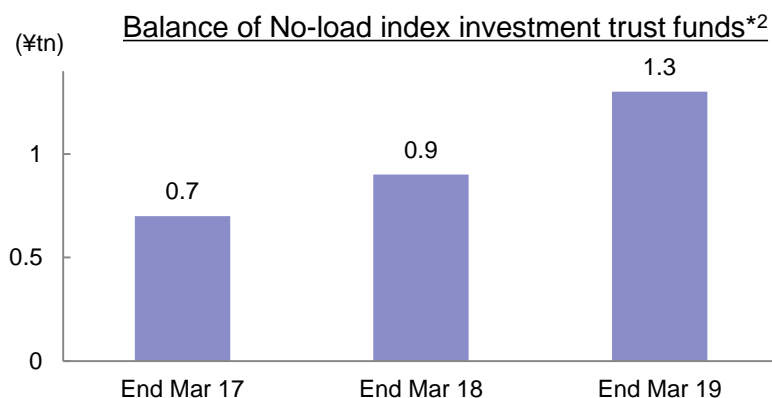
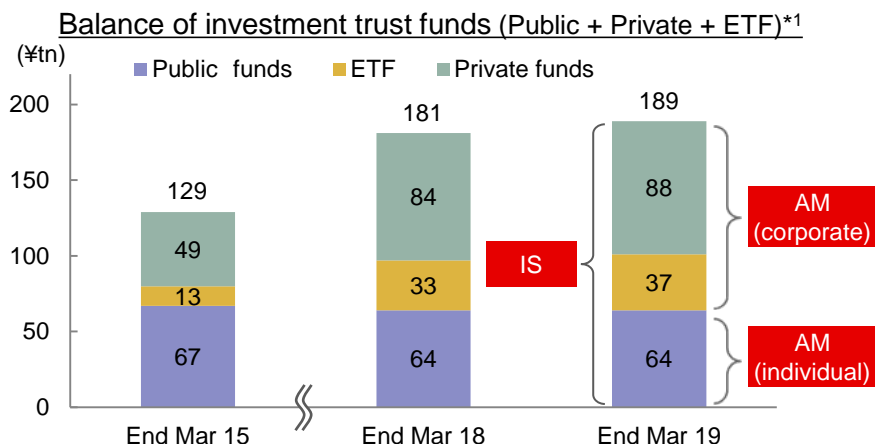
Business structure (2) – Gross profits

- Transformed domestic-centered business structure by expanding overseas business mainly in IS area from previous medium-term business plan
- Plan to expand overseas AM business utilizing inorganic growth in addition to further expansion of IS business in overseas

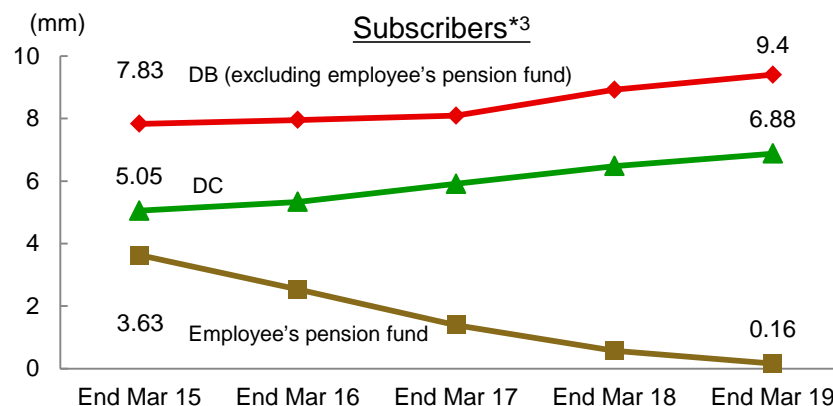
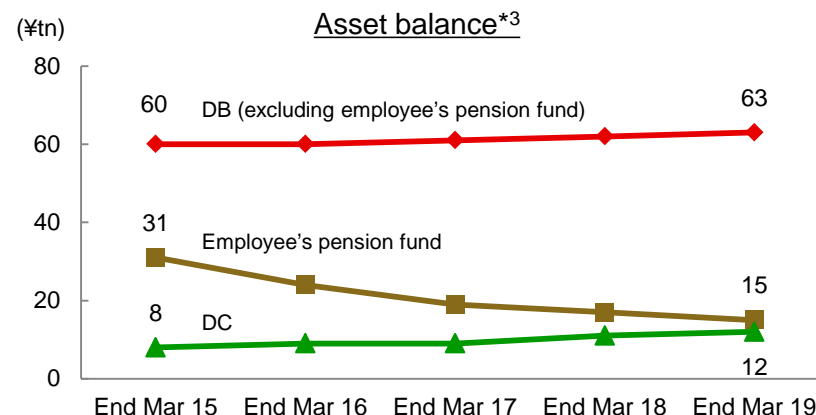
Gross profits (¥bn)	Total		Domestic			Overseas		
	FY14	FY18	FY14	FY18	FY20 targets (vs FY18)	FY14	FY18	FY20 targets (vs FY18)
AM	53.3	46.8	52.2	40.4	→	1.0	6.4	↗
IS	52.0	93.7	24.7	38.1	→	27.3	55.6	↗
Pension	67.6	61.7	67.6	61.7	→	-	-	-
Total	172.8	202.3	144.5	140.2	→	28.3	62.0	↗

- Domestic AM business is capturing the growing investment needs of corporate clients, and support asset building for individual clients to expand the client base
- IS business focuses on providing comprehensive services, such as outsourcing of middle-back operation
- Reinforce RM-PO model and comprehensive employee benefit consulting capability in the gradual expansion of DB and DC areas, while employee's pension fund market is shrinking

Domestic AM market trend (excluding Pension)



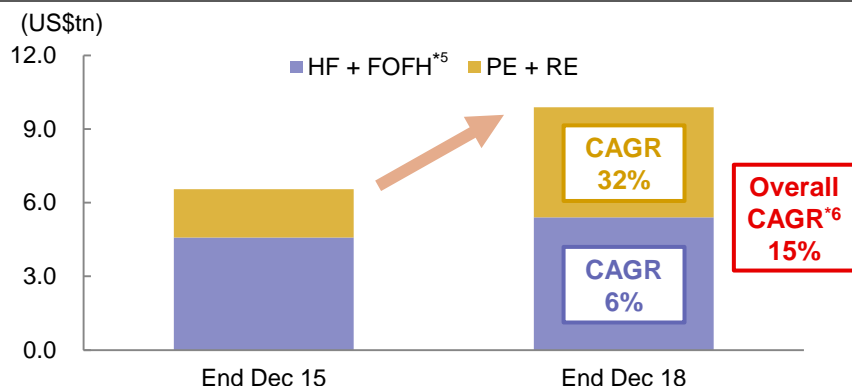
Pension market trend



Global IS business strategy

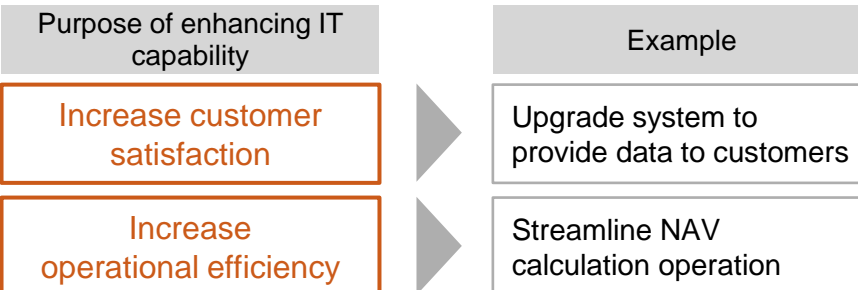
- Steadily expand bundled services by capturing customer needs. Focus on high-growth PE^{*1} and RE^{*2} markets in addition to HF^{*3}
- Improve customer satisfaction and productivity by strengthening IT capability, and aim to further lower the expense ratio

Alternative fund administration market trend^{*4}

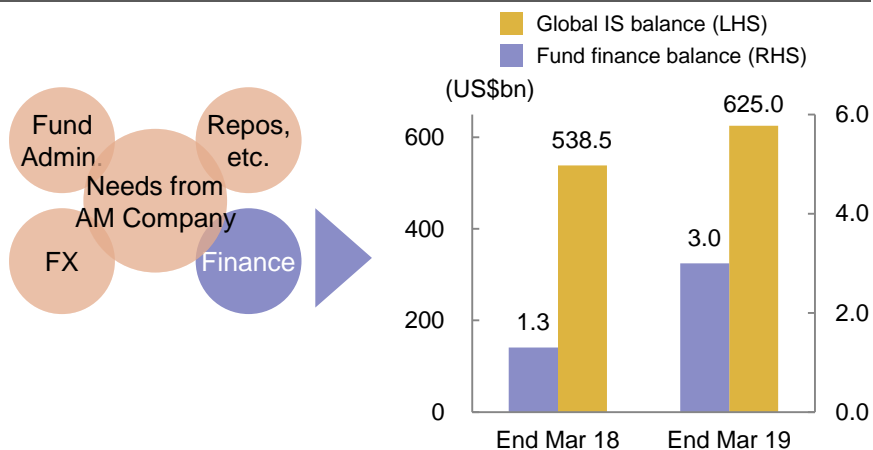


Strengthen IT capability by acquiring Point Nine Limited

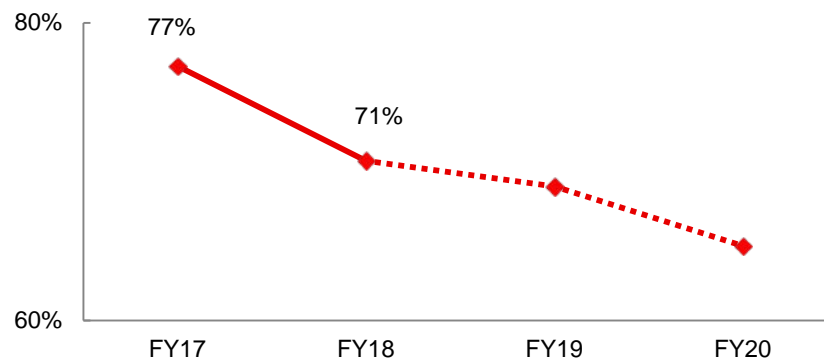
- In Jun 2019, agreed to acquire Point Nine Limited which has strong IT capability



Expand Global IS business



Expense ratio of Global IS business



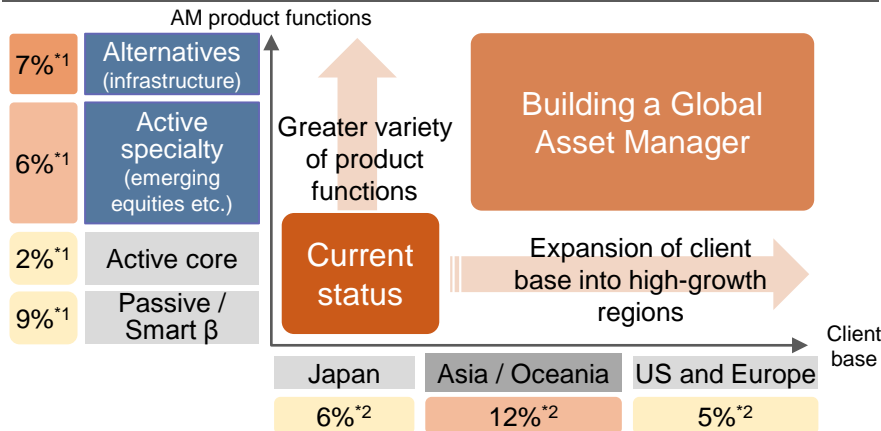
*1 Private Equity *2 Real Estate *3 Hedge Fund *4 Source: eVestment Alternative Fund Administration Survey (2018) *5 Fund of Hedge Funds

*6 Compound Annual Growth Rate

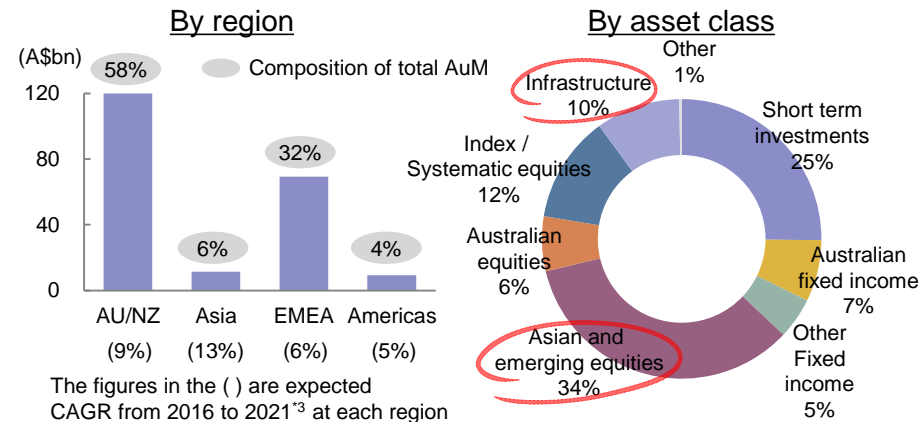
Global AM business strategy

- Obtain (1) AM product functions such as alternatives and active specialty and (2) client base in growth markets by acquisition of CFSGAM
- CFSGAM manages strong platform supporting global investment teams, enabling MUFG to expand the Global AM business

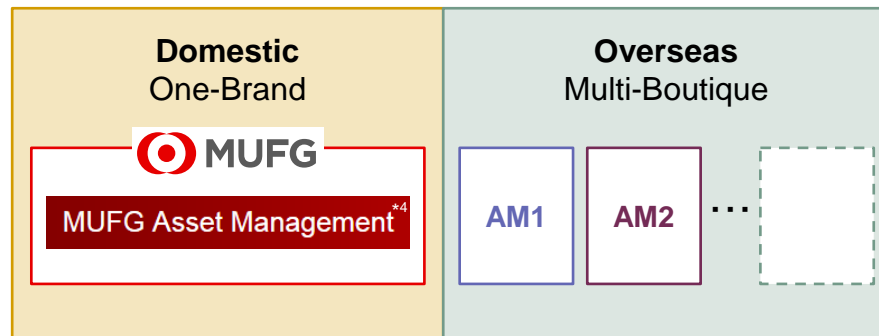
Current status and our vision



Composition of CFSGAM AuM (End Jun 2018)

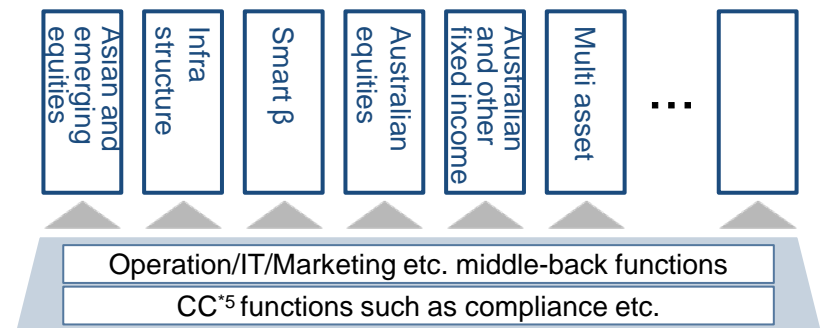


Global AM business management model



CFSGAM management structure

- Strong platform globally supports 17 investment teams



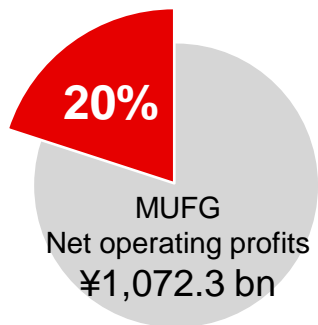
^{*1} AuM CAGR (17-22), Source: Boston Consulting Group, Global Asset Management 2018 ^{*2} AuM CAGR (16-21), Source: The Cerulli Report, Global Markets 2017

^{*3} Source: The Cerulli Report, Global Markets 2017 ^{*4} A brand for overseas which stands for overall products provided by the Trust Bank, Mitsubishi UFJ Kokusai Asset Management, MU Investment, and Mitsubishi UFJ Asset Management (UK) ^{*5} Corporate Center

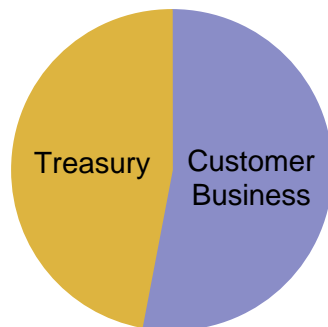
Global Markets Business Group

Progress of medium term business plan

Overview of business group (FY18)



Composition of net operating profits



Gross profits breakdown*1

FY18 results

	FY17	FY18	FY20 targets
Net operating profits (¥bn)	373.7	291.1	530.0
Expense ratio	42%	48%	37%
ROE	7%	5%	9%

Strategies under MTBP*2

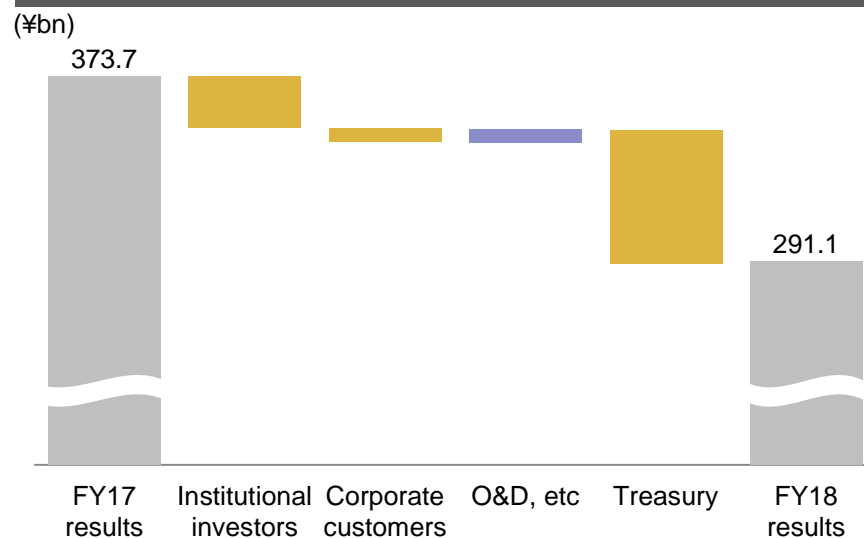
Challenge for new customer segments and growth areas
(Institutional investors business, O&D, etc.)

Structural reforms of corporate customers business

Further collaboration /
cooperation frameworks for MUFG Treasury

Establish entity agnostic business frameworks /
infrastructure and accelerate digitalization

Changes in net operating profits



*1 Excluding profits or losses from others *2 Medium-term business plan

- Faced with decreasing gross profits and increasing expenses due to changes in the business environment that exceeded assumptions at the time the MTBP was formulated
- Improving efficiency by business selection and concentration is essential for realizing the strategies outlined in the MTBP

Changes in the business environment

Decreasing gross profits

Prolonged low-interest rate environment

Non-JPY liquidity constraints

Changes in customer needs

Lowering profitability caused by electric FX brokerage

Increasing expenses

Regulatory costs

Multi-layered organization

Allocate resources to the fields where MUFG has an advantage to enable sustainability



Rebuilding of the stable gross profit structure

- Utilize the franchise in onshore
- Promote FX transactions for institutional investors
- Break away from dependence on JPY flows

Drastic review of the cost structure

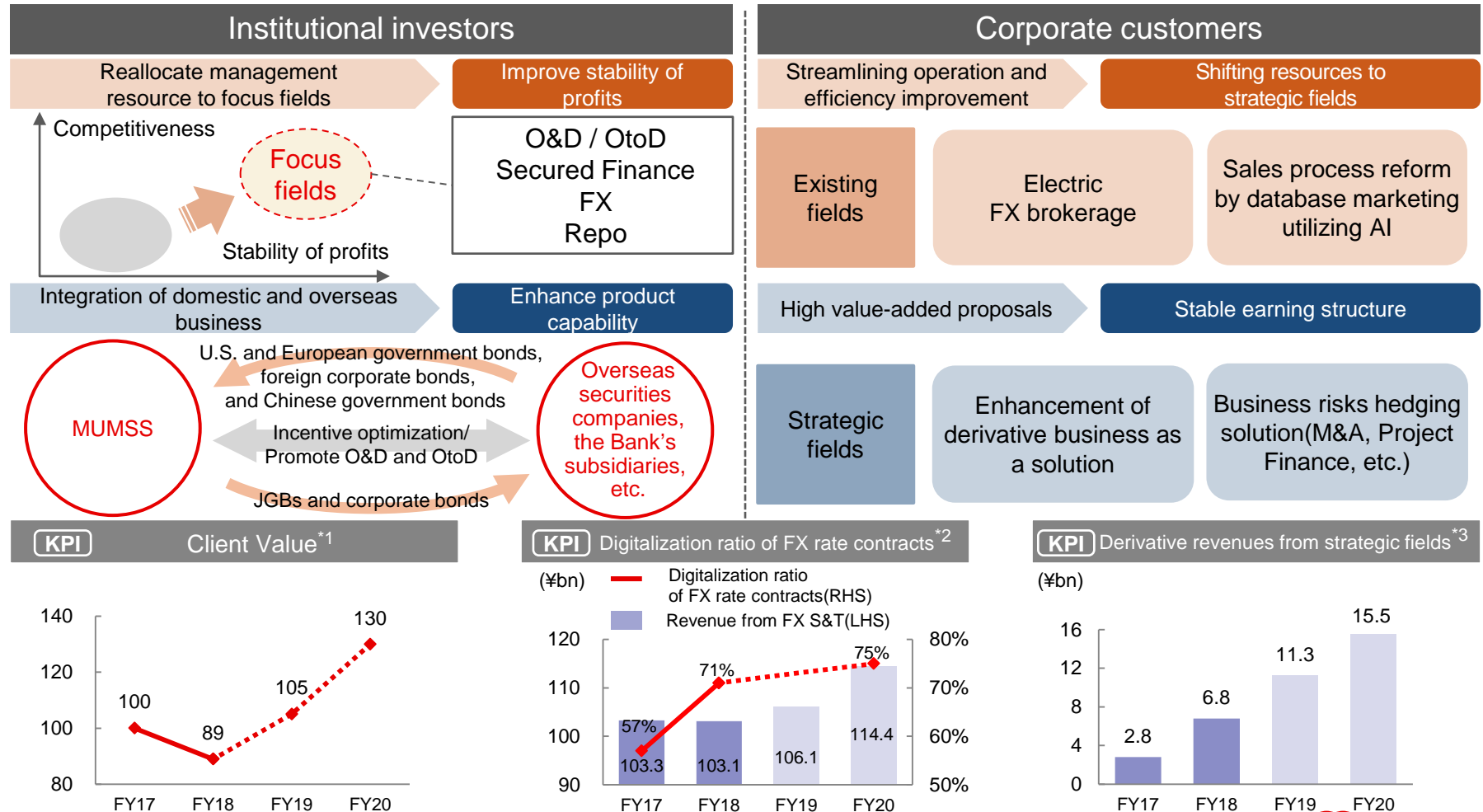
- Review unprofitable operations and product lineup
- Optimize securities business in overseas such as reduction of Rates business in Asia and MBS^{*1} business, etc.

Streamlining of organizational structure

- Reorganize planning and support functions within the business group
- Streamline overlapping operations

Structural reforms of customers business

- Institutional investors: Address changes in the business environment and customer needs by the management resource reallocation to focus fields and the integration of domestic and overseas business
- Corporate customers: Accelerate structural reforms of business models in an increasingly severe business environment



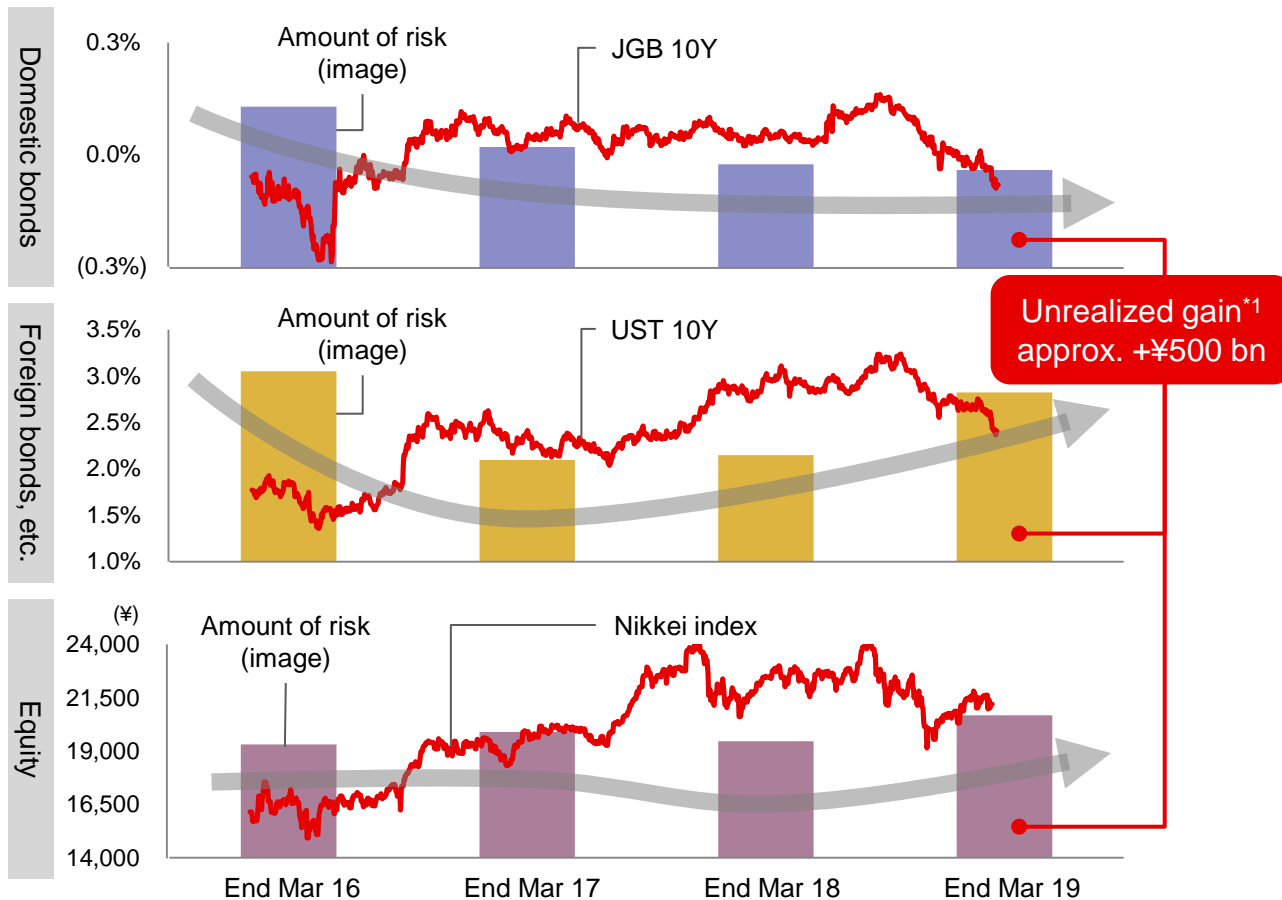
*1 Quasi sales & trading profits in institutional investors business. Figure of FY17 was indexed as 100 *2 Internal transactions

*3 Profits from new type of risk hedging (e.g. hedging against interest rate and forex risks in M&A transactions) and deals related to investment banking products

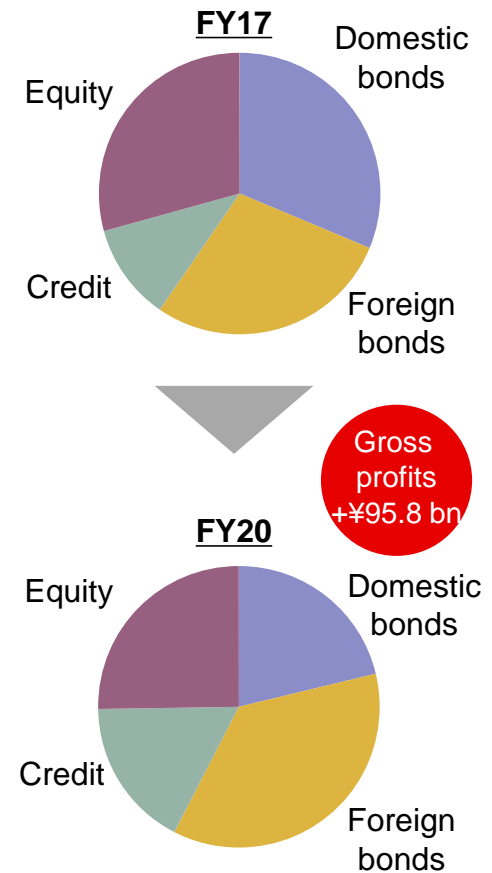
Flexible market risk management

- Manage our treasury portfolio in accordance with the business environment, thereby ensuring prudent control of currently recognized market risk
- Keep on managing market risks flexibly via asset allocation paying close attention to market trends

Current operations



Illustrative asset allocation



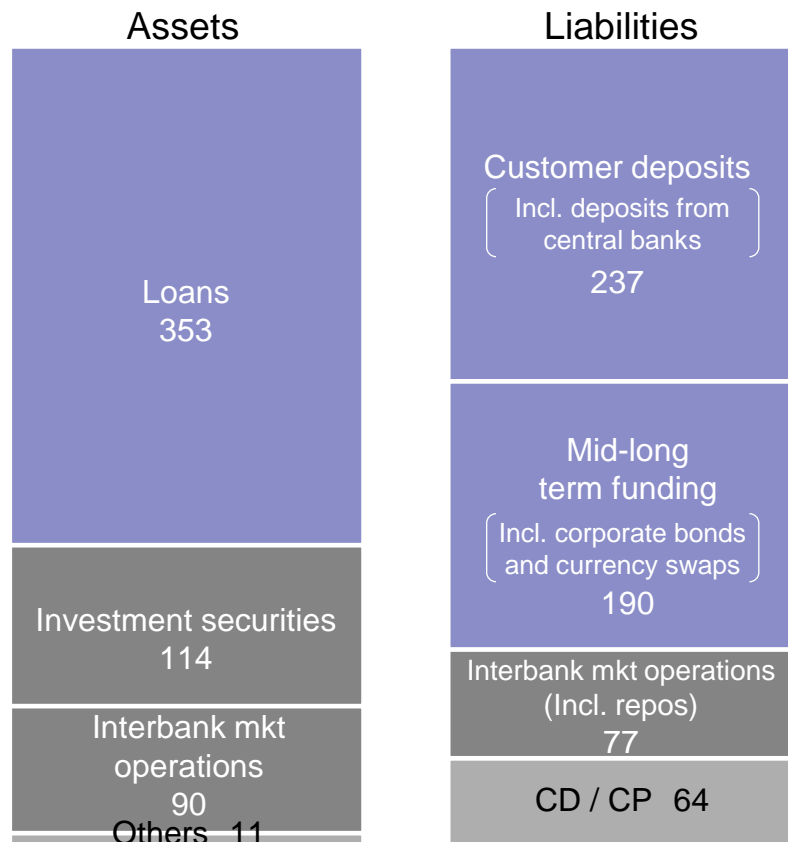
*1 Managerial figure

Stable non-JPY liquidity management

- Non-JPY loans are stably funded by customer deposits and mid-long term funding
- Work on stable and efficient non-JPY funding by issuing corporate bonds steadily, etc.

Non-JPY balance sheet (the Bank managerial basis excl. MUAH, KS)

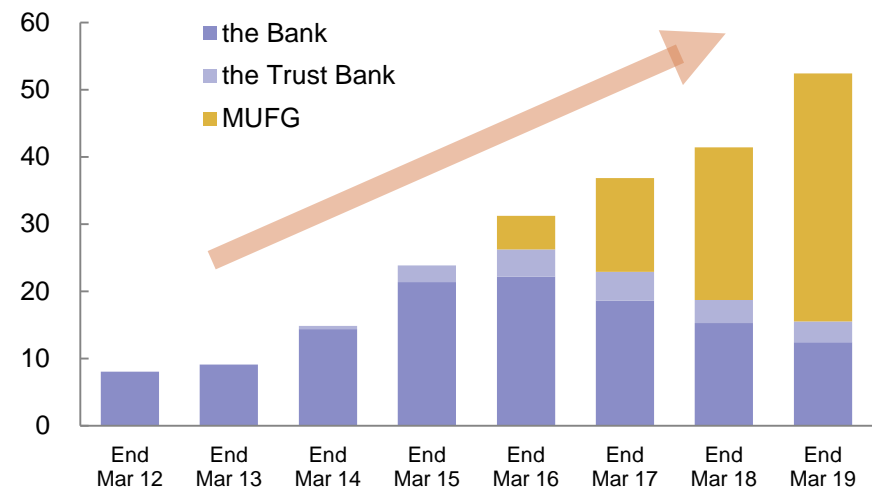
As of end Mar 19 (US\$bn)



Stable non-JPY liquidity management

- Non-JPY loans are managed efficiently by reducing low-profitability assets
- Enhance product development and sales capabilities to increase customer deposits
- Corp bonds are mainly issued from HoldCo (MUFG) to ensure stable funding and TLAC requirement
→ Average duration: 6.9 years
- Diversify funding measures such as cross-currency repos*1 utilizing JGB, etc.
- Currency swaps are transacted mainly in medium-term durations

Ref. Non-JPY bond issuance (MUFG's TLAC bonds + the Bank's bonds + the Trust Bank's bonds)
(US\$bn)



*1 Repurchase agreement in which denominated currency is different in cash transaction and security