



Acquisition of

**Commercial Real Estate Assets
& Origination Platform
of PB Capital Corporation**

Safe Harbor Statement

This document includes forward-looking statements that involve risks and uncertainties. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Often, they include the words “believe,” “continue,” “expect,” “target,” “anticipate,” “intend,” “plan,” “estimate,” “potential,” “project,” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “could,” or “may.” There are numerous risks and uncertainties that could and will cause actual results to differ materially from those discussed in UNBC’s forward-looking statements. Many of these factors are beyond UNBC’s ability to control or predict and could have a material adverse effect on UNBC’s financial condition, results of operations and/or prospects. Such risks and uncertainties include, but are not limited to uncertainties as to the timing of completion of the proposed acquisition, the possibility that various closing conditions (including regulatory approval) for the proposed transaction may not be satisfied at all or in a timely manner or waived, UNBC’s ability to retain key employees and other risks and uncertainties discussed in UNBC’s public filings with the SEC. All forward-looking statements included in this document are based on information available at the time of such document, and UNBC assumes no obligation to update any forward-looking statement.

Strengthening Our Product Capabilities & Expanding Customer Base

Strategic Rationale

- **Acquisition enables Union Bank (“UB”) to be a premier national CRE lender with an enhanced suite of credit product offerings across preferred borrower and property types**
 - Diversifies UB's real estate exposures geographically and by asset class
 - Augments origination capabilities, particularly on the East Coast
 - Brings strong customer relationships and cross-sell opportunities with leading owners, developers and investors in the CRE market
- **Underscores MUFG’s commitment to profitably deploy capital in the U.S.**
 - MUFG is uniquely situated among Japanese banks to execute M&A opportunities via the UB platform

Financially Attractive

- **Attractive use of excess capital and liquidity in strategic business**
- **Returns exceed all internal hurdles**
- **Immediately accretive to earnings**

Risk Profile

- **Predominantly senior secured facilities on institutional quality properties**
- **Minimal impact on UB capital levels**
- **MUFG will retain its strong capital position and US dollar funding capabilities**
- **Low impact to overall UB liquidity**

Key Transaction Terms

Assets Acquired

- **Institutional lending division from PB Capital Corp⁽¹⁾**
 - Scalable commercial real estate ("CRE") loan origination and servicing platform
 - Serves top tier real estate sponsors across U.S.
- **\$3.7bn CRE loans**
 - High quality loan portfolio
 - 69% of loans originated after 2007
 - Estimated 63% weighted average LTV; \$52 million average loan size
 - Floating rate loans with an average tenor of ~5 years at origination

Form of Consideration

- All cash

Due Diligence

- Completed – Extensive loan file, origination and servicing operations review

Required Approvals

- No regulatory approvals required

Expected Closing Date

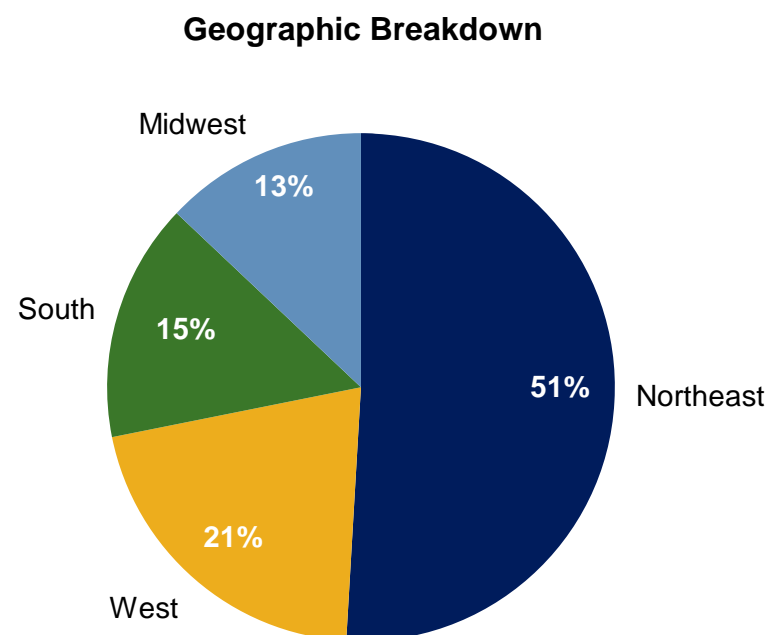
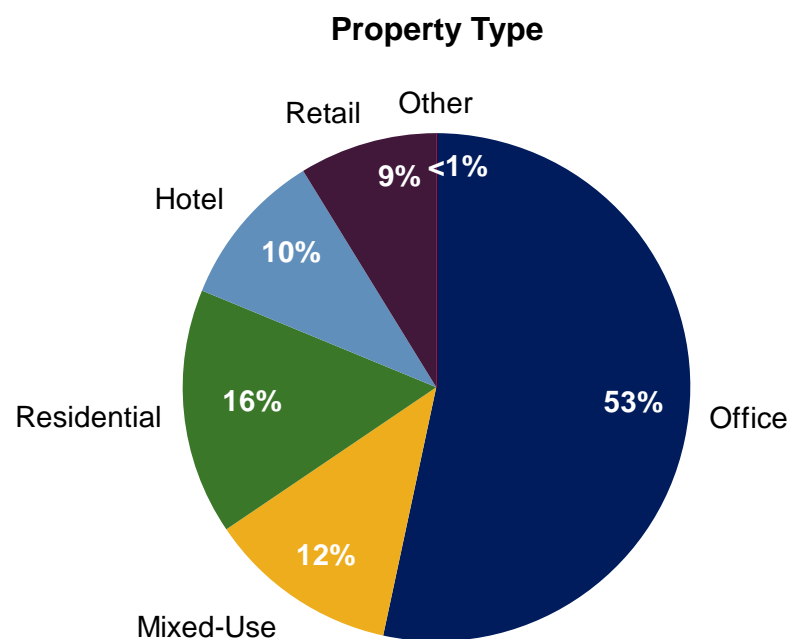
- 2nd Quarter 2013

Business Highlights

- **Seasoned PB Capital management team based in New York, NY**
 - Significant experience and local market expertise in major metropolitan areas
- **Robust asset generation capabilities**
 - \$6 billion of originations after 2007
 - Nearly \$1 billion new loan originations in 2012
- **Stabilized properties represent a majority of the portfolio**
 - Office buildings in the largest US cities comprise ~50% of the portfolio
 - Balance of portfolio a mix of:
 - Strong retail projects with top tenants and developers
 - Well-positioned hotels with underwriting based on historical occupancy
 - Residential rental projects analyzed based on historical rents and occupancies
- **Strong risk management and portfolio controls**
 - Prudent underwriting and diversification by product, region and client
 - Concentration and individual obligor overlap issues are minimal
- **Good cultural fit**
 - Experience operating as part of a large, international organization

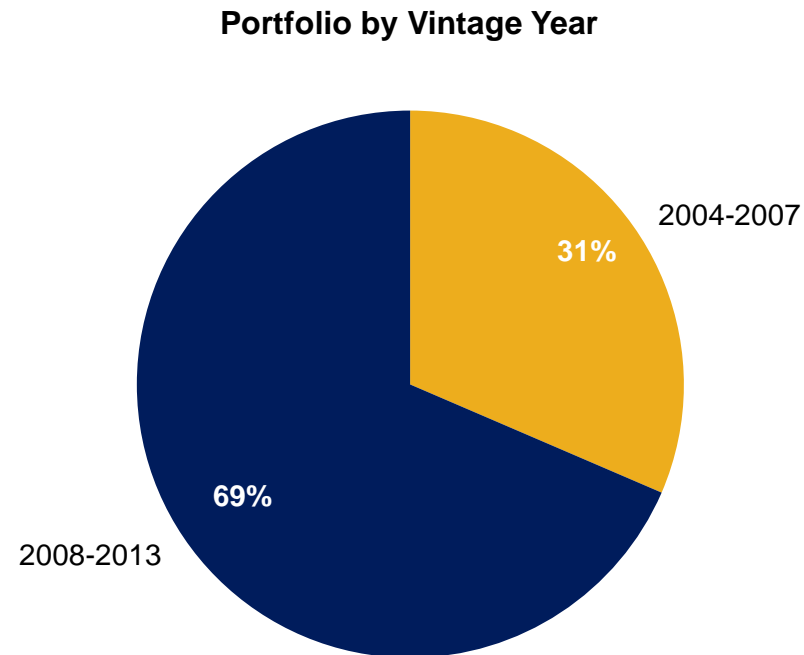
Attractive, Diversified Portfolio

- **The top 3 MSAs in the U.S. make up 52% of the total portfolio**
 - New York City (35%), Los Angeles (9%) and Chicago (8%)



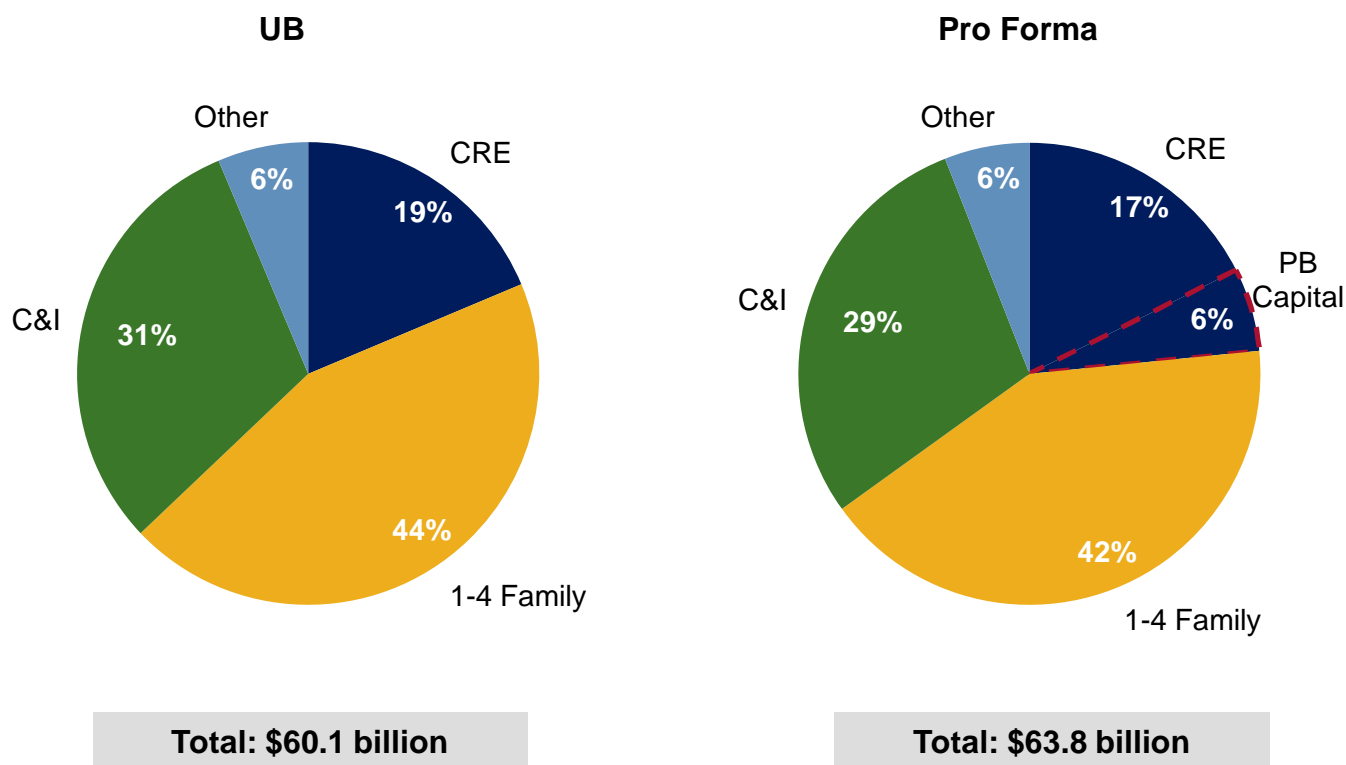
Attractive, Diversified Portfolio (Cont'd)

- **Predominantly senior secured facilities on institutional quality properties**
- **69% of loans originated after 2007**
- **Appropriate credit mark on portfolio**



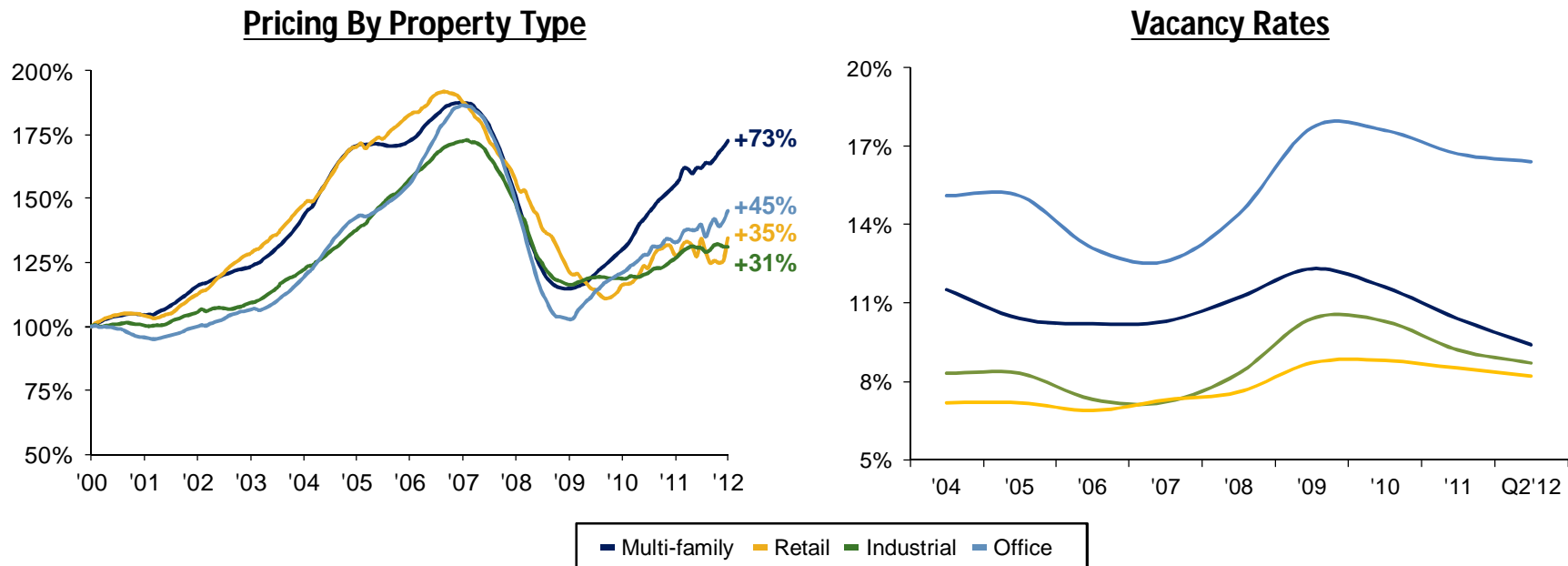
Balanced, Well-Diversified Portfolio

- **UB pro forma CRE concentration of 23% below bank holding company average of 25% ⁽¹⁾**



Pricing and Vacancy Rates Have Recently Improved

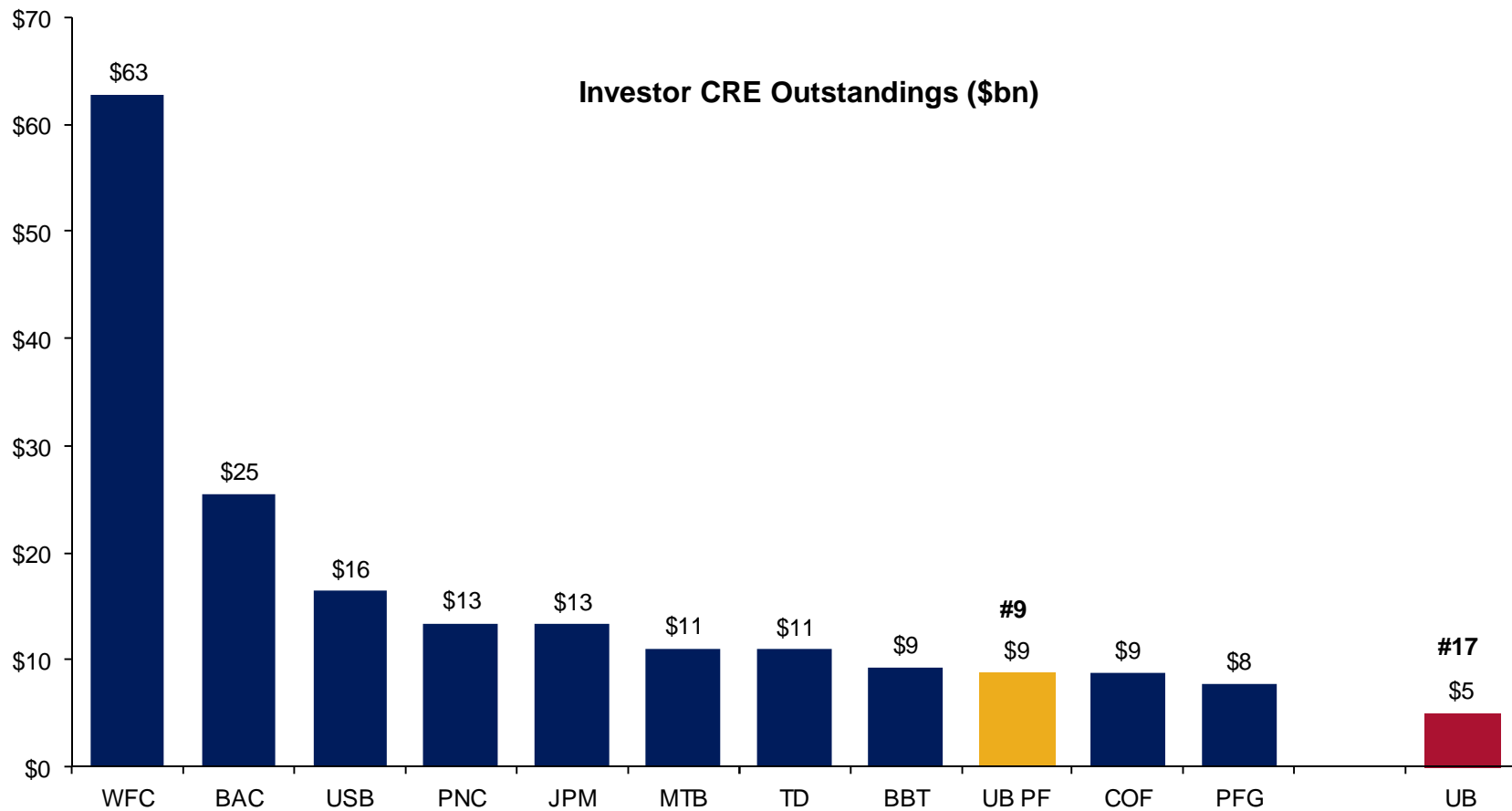
- Commercial property prices have recently recovered from 2009 lows
- CRE prices have grown 3.4% annually over the past 12 years
- Vacancy rates have begun to fall while rents are stabilizing, particularly in supply-constrained markets



Appendix

Appendix

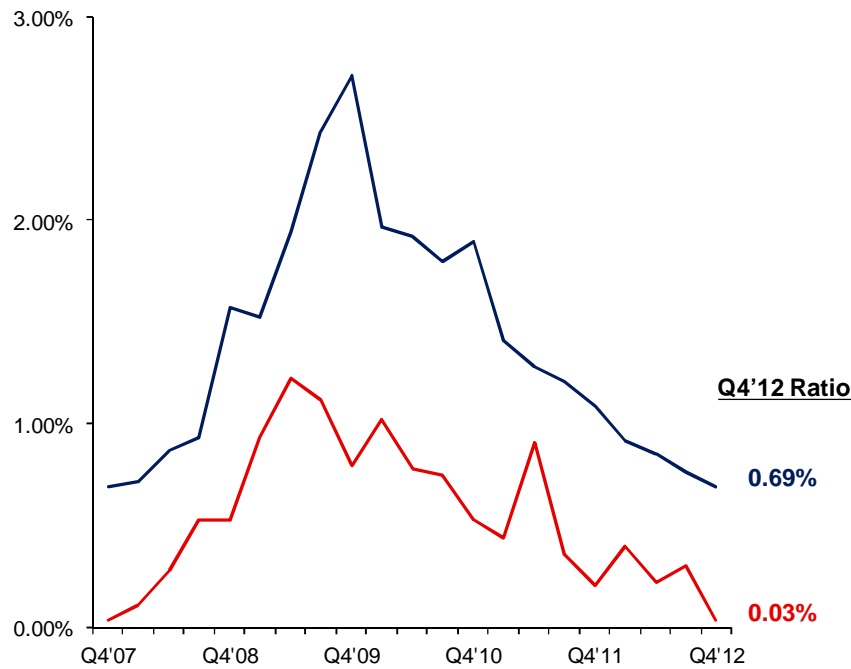
- **UB will become the 9th largest bank Investor CRE lender in the U.S.**



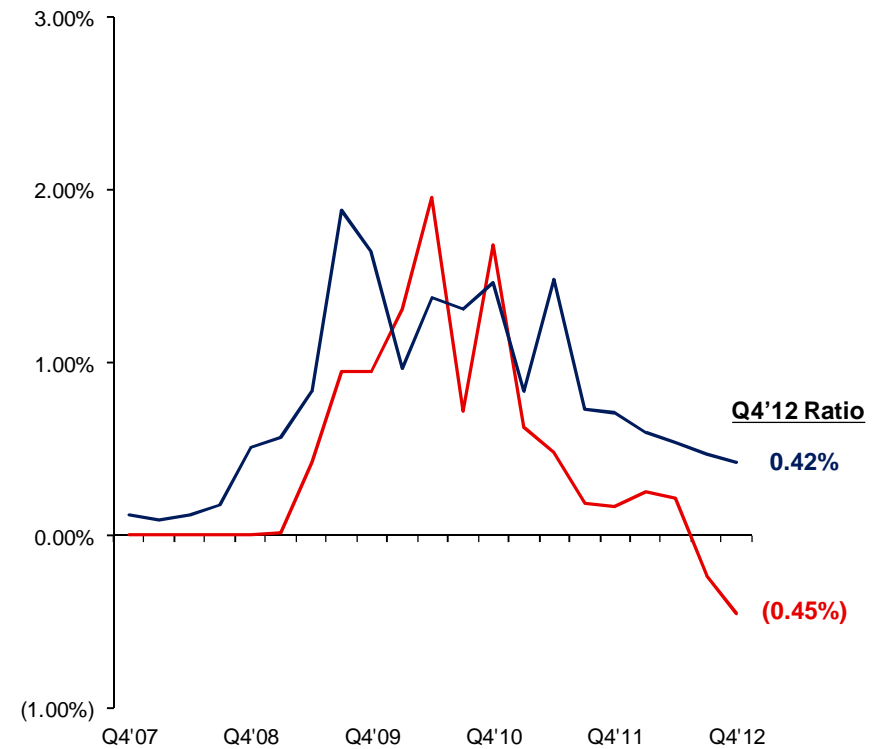
Appendix

- UB has outperformed bank holding companies both in overall and CRE specific credit

Net Charge-offs / Avg. Loans



CRE⁽¹⁾ Net Charge-offs / Avg. CRE Loans



— UB — BHCs(2)