



*moving money for better*

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## **WESTERN UNION REPORTS SECOND QUARTER RESULTS**

*Solid business performance with continued strong digital growth  
Approximately \$540 million returned to shareholders year-to-date*

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**Englewood, Colo., August 3, 2017** - The Western Union Company (NYSE: WU) today reported second quarter financial results and an updated outlook for 2017.

In the second quarter, the Company generated revenue of \$1.4 billion, which was flat compared to the prior year, or an increase of 2% on a constant currency basis.

Earnings per share of \$0.35 compares to \$0.42 in the prior year period. Adjusted earnings per share of \$0.50 compares to \$0.44 in the same period last year. Adjusted metrics exclude WU Way business transformation expenses in the current and prior years, expenses related to the settlement with federal and state governments in the prior year, and the impact of an accrual related to a state regulator legal matter in the current year.

The Company reduced its full year GAAP EPS outlook to a range of \$1.46 to \$1.56 (previously \$1.48 to \$1.60), due to the legal matter accrual. The adjusted EPS outlook was increased to a range of \$1.70 to \$1.80 (previously \$1.63 to \$1.75), primarily due to expense favorability, improvements in foreign exchange rates, and lower expected effective tax rates.

“Our globally diverse business continued to deliver solid performance,” said President and Chief Executive Officer Hikmet Ersek. “Digital remained strong, with westernunion.com money transfer transactions increasing 25 percent, and our Latin America money transfer and Speedpay U.S. electronic bill payments businesses provided robust growth.”

“Strategically, we remain focused on expanding our digital and payments businesses, optimizing our retail money transfer business, and driving further operational efficiencies,” Ersek added.

Executive Vice President and Chief Financial Officer Raj Agrawal stated, “We are pleased with the stability of the business. Our balance sheet remains strong, and we have returned approximately \$540 million to shareholders year-to-date through share repurchases and dividends. We are also continuing to roll out the WU Way transformation program to drive additional operational efficiencies and aid growth acceleration over the coming years.”

The legal matter accrual negatively impacted current quarter EPS by \$0.10, as the Company accrued \$49 million towards a possible resolution with a state regulator. On July 28, 2017, the state regulator informed the Company that the facts set forth in the Company’s agreement with federal government agencies announced in January 2017 concerning its anti-money laundering programs over the 2004 through 2012 period give it a basis to take additional enforcement action, the resolution of which would involve a payment to the regulator. Additional information regarding this matter can be found in the Company’s second quarter 2017 quarterly report on Form 10-Q.

### **Q2 Business Unit Highlights**

- Consumer-to-Consumer (C2C) revenues decreased 1%, or increased 1% on a constant currency basis. Transactions grew 3%, driven by strong increases from westernunion.com. Geographically, constant currency revenue growth was led by transactions originated in Latin America, North America, and Europe, partially offset by declines from oil producing countries in the Middle East and Africa.

Westernunion.com C2C revenues increased 21%, or 23% on a constant currency basis, on transaction growth of 25%. Westernunion.com represented 9% of total C2C revenue in the quarter.

- Western Union Business Solutions revenues declined 4%, or decreased 1% on a constant currency basis. Revenue was negatively impacted by the termination of a partner contract which occurred in the fourth quarter of 2016.
- Other revenues, which primarily consist of the U.S. and Argentina bill payments businesses, increased 9% in the quarter, or 12% on a constant currency basis. Growth in the quarter was driven by the Speedpay U.S. electronic and Pago Facil Argentina walk-in bill payments businesses.

The businesses that were previously reported in a separate Consumer-to-Business segment are now reported in Other, due to recent organizational changes that resulted in a split of executive leadership responsibility for the component businesses. These bill payments businesses represented over 85% of Other revenues in the quarter, with the remainder primarily consisting of the Company’s retail money order and retail foreign exchange businesses.

## **Additional Q2 Financial Highlights**

- GAAP operating margin in the quarter was 15.6%, which compares to 18.9% in the prior year period, with the decline driven by the accrual for the legal matter. Adjusted operating margin of 21.7% in the quarter compares to 20.2% in the prior year period. The adjusted margin increase compared to the prior year was primarily due to the timing of marketing spending and lower commission expenses.
- GAAP operating profit in the quarter was \$215 million, which compares to \$260 million in the prior year period, while adjusted operating income of \$299 million compares to \$277 million in the prior year period. The current quarter operating income reflects a negative impact of approximately \$7 million from changes in foreign exchange rates.

Adjusted operating profit excludes \$35 million of WU Way expenses and \$49 million related to the legal matter accrual in the current quarter, \$2 million of WU Way expenses and \$15 million of accruals related to the settlement with federal and state governments in the prior year period.

- The effective tax rate in the quarter was 9.7%, which compares to 7.6% in the prior year period. The adjusted tax rate of 11.2% in the quarter compares to 9.7% in the prior year period. The Company now expects a full year GAAP effective tax rate of approximately 10% to 11% (previous outlook was 11%), and an adjusted rate of approximately 12% to 13% (previous outlook was 13%).
- The Company returned \$232 million to shareholders in the second quarter, consisting of \$150 million of share repurchases and \$82 million of dividends, and \$540 million year-to-date. Year-to-date cash flow from operating activities was a usage of \$24 million, including \$591 million of payments related to the settlement with federal and state governments announced in January and approximately \$39 million of WU Way related payments. Excluding these items, year-to-date cash flow from operating activities was \$606 million.

## **2017 Outlook**

The Company affirmed its constant currency revenue, adjusted operating margin, and cash flow outlooks for 2017, increased its GAAP revenue and adjusted earnings per share outlooks, and decreased its GAAP operating margin and GAAP earnings per share outlooks. The previous financial outlook was reported on May 2.

### Revenue

- Flat to low single digit increase in GAAP revenue (previously flat to low single digit decrease), or a low single digit increase constant currency.

### Operating Profit Margin

- GAAP operating margin of approximately 17% and adjusted operating margin of approximately 20%. Adjusted operating margins exclude approximately \$100 million of expected WU Way related expenses and \$49 million related to the accrual for the legal matter.

### Earnings per Share

- GAAP EPS in a range of \$1.46 to \$1.56 (previously 1.48 to \$1.60), and adjusted EPS in a range of \$1.70 to \$1.80 (previously \$1.63 to \$1.75). Adjusted EPS excludes the impact of the WU Way related expenses and the accrual for the legal matter.

### Cash Flow

- GAAP cash flow from operating activities of approximately \$200 million, which includes \$591 million of payments related to the settlement with federal and state governments announced in January 2017, approximately \$100 million of anticipated final tax payments relating to the agreement announced with the U.S. Internal Revenue Service in December 2011 (the “IRS Agreement”), and WU Way related payments. Excluding these items, expected cash flow from operating activities would be approximately \$1 billion.

### **Additional Statistics**

Additional key statistics for the quarter and historical trends can be found in the supplemental tables included with this press release. As discussed in the Company’s Form 8-K filed with the SEC on April 27, 2017, beginning in the first quarter of 2017 the Company implemented a new region structure in its Consumer-to-Consumer operating segment, due to leadership and organizational structure changes within the Company.

Also beginning January 1, 2017, the determination of the geographic split for transactions and revenue in the C2C segment, including transactions initiated through westernunion.com, is based entirely upon the region where the money transfer is initiated. Prior to January 1, 2017, for transactions originated and paid in different regions, the Company split the transaction count and revenue between the two regions, with each region receiving 50%.

Beginning April 1, 2017, the Company implemented a new segment structure due to leadership and organizational structure changes. The new structure shifted all businesses previously in the historical Consumer-to-Business segment into Other.

Regional and segment results for the prior periods presented within this press release have been adjusted for the new region and segment structure and geographic split methodology.

Expenses related to the state regulator legal matter, the settlement with federal and state governments announced in January 2017 and the WU Way business transformation are not included in operating segment results, as they are excluded from the measurement of segment operating income provided to the chief operating decision maker for purposes of assessing segment performance and decision making with respect to resource allocation.

All amounts included in the supplemental tables to this press release are rounded to the nearest tenth of a million, except as otherwise noted. As a result, the percentage changes and margins disclosed herein may not recalculate precisely using the rounded amounts provided.

### **Non-GAAP Measures**

Western Union presents a number of non-GAAP financial measures because management believes that these metrics provide meaningful supplemental information in addition to the GAAP metrics and provide comparability and consistency to prior periods. Constant currency results assume foreign revenues are translated from foreign currencies to the U.S. dollar, net of the effect of foreign currency hedges, at rates consistent with those in the prior year.

These non-GAAP financial measures include consolidated revenue change constant currency adjusted; Consumer-to-Consumer segment revenue change constant currency adjusted; Consumer-to-Consumer segment westernunion.com revenue change constant currency adjusted; Business Solutions segment revenue change constant currency adjusted; Other revenue change constant currency adjusted; consolidated operating income, excluding the state regulator matter accrual, WU Way business transformation expenses and Joint Settlement Agreements (as defined in the notes below); consolidated operating margin, excluding the state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses; effective tax rate excluding the state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses; earnings/(loss) per share, excluding the state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses; cash flow from operating activities, excluding payments for Joint Settlement Agreements and WU Way business transformation expenses; operating margin outlook excluding the state regulator matter accrual and WU Way business transformation expenses; earnings per share outlook excluding the state regulator matter and WU Way business transformation expenses; cash flow from operating activities outlook, excluding payments for Joint Settlement Agreements, WU Way business transformation expenses, and IRS Agreement payments; effective tax rate outlook, excluding the state regulator matter accrual and WU Way business transformation expenses; and additional measures found in the supplemental tables included with this press release. Although the expenses related to the WU Way business transformation are specific to that initiative, the types of expenses related to the WU Way business transformation are similar to expenses that the Company has previously incurred and can reasonably be expected to incur in the future.

Reconciliations of non-GAAP to comparable GAAP measures are available in the accompanying schedules and in the “Investor Relations” section of the Company’s website at <http://ir.westernunion.com>.

### **Investor and Analyst Conference Call and Slide Presentation**

The Company will host a conference call and webcast, including slides, at 4:30 p.m. Eastern Time today. To listen to the conference call via telephone, dial 1 (888) 317-6003 (U.S.) or

+1 (412) 317-6061 (outside the U.S.) ten minutes prior to the start of the call. The pass code is 9405564.

The conference call and accompanying slides will be available via webcast at <http://ir.westernunion.com>. Registration for the event is required, so please register at least five minutes prior to the scheduled start time.

A webcast replay will be available at <http://ir.westernunion.com>.

Please note: All statements made by Western Union officers on this call are the property of Western Union and subject to copyright protection. Other than the replay, Western Union has not authorized, and disclaims responsibility for, any recording, replay or distribution of any transcription of this call.

### **Safe Harbor Compliance Statement for Forward-Looking Statements**

This press release contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as "expects," "intends," "anticipates," "believes," "estimates," "guides," "provides guidance," "provides outlook" and other similar expressions or future or conditional verbs such as "may," "will," "should," "would," "could," and "might" are intended to identify such forward-looking statements. Readers of this press release of The Western Union Company (the "Company," "Western Union," "we," "our" or "us") should not rely solely on the forward-looking statements and should consider all uncertainties and risks discussed in the "Risk Factors" section and throughout the Annual Report on Form 10-K for the year ended December 31, 2016. The statements are only as of the date they are made, and the Company undertakes no obligation to update any forward-looking statement.

Possible events or factors that could cause results or performance to differ materially from those expressed in our forward-looking statements include the following: (i) events related to our business and industry, such as: changes in general economic conditions and economic conditions in the regions and industries in which we operate, including global economic and trade downturns, or significantly slower growth or declines in the money transfer, payment service, and other markets in which we operate, including downturns or declines related to interruptions in migration patterns, or non-performance by our banks, lenders, insurers, or other financial services providers; failure to compete effectively in the money transfer and payment service industry, including among other things, with respect to price, with global and niche or corridor money transfer providers, banks and other money transfer and payment service providers, including electronic, mobile and Internet-based services, card associations, and card-based payment providers, and with digital currencies and related protocols, and other innovations in technology and business models; political conditions and related actions in the United States and abroad which may adversely affect our business and economic conditions as a whole, including interruptions of United States or other government relations with countries in which we have or are implementing significant business relationships with agents or clients; deterioration in customer confidence in our business, or in money transfer and payment service providers generally; our ability to adopt new technology and develop and gain market acceptance of new and enhanced services in response to changing industry and consumer needs or trends; changes in, and failure to manage effectively, exposure to foreign exchange rates, including the impact of the regulation of foreign exchange spreads on money transfers and payment transactions; any material breach of security, including cybersecurity, or safeguards of or interruptions in any of our systems or those of our vendors or other third parties; cessation of or defects in various services provided to us by third-party vendors; mergers, acquisitions and integration of acquired businesses and technologies into our Company, and the failure to realize anticipated financial benefits from these acquisitions, and events requiring us to write down our goodwill; failure to manage credit and fraud risks presented by our agents, clients and consumers; failure to maintain our agent network and business relationships under terms consistent with or more advantageous

to us than those currently in place, including due to increased costs or loss of business as a result of increased compliance requirements or difficulty for us, our agents or their subagents in establishing or maintaining relationships with banks needed to conduct our services; decisions to change our business mix; changes in tax laws, or their interpretation, and unfavorable resolution of tax contingencies; adverse rating actions by credit rating agencies; our ability to realize the anticipated benefits from business transformation, productivity and cost-savings, and other related initiatives, which may include decisions to downsize or to transition operating activities from one location to another, and to minimize any disruptions in our workforce that may result from those initiatives; our ability to protect our brands and our other intellectual property rights and to defend ourselves against potential intellectual property infringement claims; our ability to attract and retain qualified key employees and to manage our workforce successfully; material changes in the market value or liquidity of securities that we hold; restrictions imposed by our debt obligations; (ii) events related to our regulatory and litigation environment, such as: liabilities or loss of business resulting from a failure by us, our agents or their subagents to comply with laws and regulations and regulatory or judicial interpretations thereof, including laws and regulations designed to protect consumers, or detect and prevent money laundering, terrorist financing, fraud and other illicit activity; increased costs or loss of business due to regulatory initiatives and changes in laws, regulations and industry practices and standards, including changes in interpretations in the United States, the European Union and globally, affecting us, our agents or their subagents, or the banks with which we or our agents maintain bank accounts needed to provide our services, including related to anti-money laundering regulations, anti-fraud measures, our licensing arrangements, customer due diligence, agent and subagent due diligence, registration and monitoring requirements, consumer protection requirements, remittances, and immigration; liabilities, increased costs or loss of business and unanticipated developments resulting from governmental investigations and consent agreements with or enforcement actions by regulators, including those associated with the settlement agreements with the United States Department of Justice, certain United States Attorney's Offices, the United States Federal Trade Commission, the Financial Crimes Enforcement Network of the United States Department of Treasury, and various state attorneys general (the "Joint Settlement Agreements") and the potential resolution of a matter with the New York Department of Financial Services; the impact on our business from the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd Frank Act"), as well as regulations issued pursuant to it and the actions of the Consumer Financial Protection Bureau and similar legislation and regulations enacted by other governmental authorities related to consumer protection; liabilities resulting from litigation, including class-action lawsuits and similar matters, and regulatory actions, including costs, expenses, settlements and judgments; failure to comply with regulations and evolving industry standards regarding consumer privacy and data use and security; effects of unclaimed property laws; failure to maintain sufficient amounts or types of regulatory capital or other restrictions on the use of our working capital to meet the changing requirements of our regulators worldwide; changes in accounting standards, rules and interpretations or industry standards affecting our business; and (iii) other events, such as: adverse tax consequences from our spin-off from First Data Corporation; catastrophic events; and management's ability to identify and manage these and other risks.

## **About Western Union**

The Western Union Company (NYSE: WU) is a leader in global payment services. Together with its Vigo, Orlandi Valuta, Pago Facil and Western Union Business Solutions branded payment services, Western Union provides consumers and businesses with fast, reliable and convenient ways to send and receive money around the world, to send payments and to purchase money orders. As of June 30, 2017, the Western Union, Vigo and Orlandi Valuta branded services were offered through a combined network of over 550,000 agent locations in 200 countries and territories and over 150,000 ATMs and kiosks, and included the capability to send money to billions of accounts. In 2016, The Western Union Company completed 268 million consumer-to-consumer transactions worldwide, moving \$80 billion of principal between consumers, and 523 million business payments. For more information, visit [www.westernunion.com](http://www.westernunion.com).

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**THE WESTERN UNION COMPANY**  
**KEY STATISTICS**  
**(Unaudited)**

	Notes*	2Q16	3Q16	4Q16	FY2016	1Q17	2Q17	YTD 2Q17
<b>Consolidated Metrics</b>								
Consolidated revenues (GAAP) - YoY % change		(1)%	(2)%	(1)%	(1)%	0 %	0 %	0 %
Consolidated revenues (constant currency) - YoY % change	a	3 %	2 %	4 %	3 %	3 %	2 %	3 %
Consolidated operating income/(loss) (GAAP) - YoY % change		4 %	(9)%	(211)%	(56)%	(7)%	(18)%	(12)%
Consolidated operating income (constant currency, excluding state regulator matter accrual, Joint Settlement Agreements, WU Way business transformation expenses, and 2015 Paymap Settlement Agreement) - YoY % change	b	5 %	5 %	6 %	4 %	4 %	10 %	7 %
Consolidated operating margin (GAAP)		18.9 %	20.2 %	(22.9)%	8.9 %	18.4 %	15.6 %	16.9 %
Consolidated operating margin (excluding state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses)	c	20.2 %	21.7 %	19.7 %	20.4 %	19.5 %	21.7 %	20.6 %
<b>Consumer-to-Consumer (C2C) Segment</b>								
Revenues (GAAP) - YoY % change		(1)%	(1)%	0 %	(1)%	0 %	(1)%	(1)%
Revenues (constant currency) - YoY % change	h	2 %	1 %	3 %	2 %	2 %	1 %	2 %
Operating margin		23.0 %	25.1 %	22.8 %	23.4 %	22.4 %	24.8 %	23.7 %
Transactions (in millions)		67.7	67.8	69.1	268.3	65.3	69.9	135.2
Transactions - YoY % change		3 %	2 %	2 %	3 %	2 %	3 %	3 %
Total principal (\$ - billions)		\$ 20.4	\$ 20.3	\$ 20.2	\$ 80.0	\$ 19.1	\$ 20.4	\$ 39.5
Principal per transaction (\$ - dollars)		\$ 301	\$ 300	\$ 292	\$ 298	\$ 292	\$ 293	\$ 292
Principal per transaction - YoY % change		(5)%	(5)%	(3)%	(5)%	(2)%	(3)%	(3)%
Principal per transaction (constant currency) - YoY % change	i	(4)%	(4)%	(2)%	(3)%	(1)%	(2)%	(2)%
Cross-border principal (\$ - billions)		\$ 18.5	\$ 18.4	\$ 18.3	\$ 72.5	\$ 17.3	\$ 18.7	\$ 36.0
Cross-border principal - YoY % change		(1)%	(3)%	(1)%	(2)%	1 %	1 %	1 %
Cross-border principal (constant currency) - YoY % change	j	0 %	(2)%	1 %	0 %	2 %	2 %	2 %
NA region revenues (GAAP) - YoY % change	z, aa	6 %	7 %	8 %	6 %	3 %	3 %	3 %
NA region revenues (constant currency) - YoY % change	k, z, aa	7 %	7 %	8 %	7 %	4 %	3 %	4 %
NA region transactions - YoY % change	z, aa	7 %	7 %	8 %	7 %	5 %	4 %	4 %
EU & CIS region revenues (GAAP) - YoY % change	z, bb	(2)%	(2)%	(2)%	(2)%	(1)%	(2)%	(2)%
EU & CIS region revenues (constant currency) - YoY % change	l, z, bb	0 %	2 %	4 %	1 %	4 %	2 %	3 %
EU & CIS region transactions - YoY % change	z, bb	5 %	3 %	5 %	4 %	8 %	7 %	8 %
MEASA region revenues (GAAP) - YoY % change	z, cc	(7)%	(16)%	(14)%	(10)%	(13)%	(12)%	(13)%
MEASA region revenues (constant currency) - YoY % change	m, z, cc	(6)%	(14)%	(12)%	(8)%	(10)%	(11)%	(11)%
MEASA region transactions - YoY % change	z, cc	(8)%	(14)%	(17)%	(11)%	(15)%	(10)%	(13)%
APAC region revenues (GAAP) - YoY % change	z, dd	(2)%	2 %	(2)%	(2)%	(2)%	(4)%	(3)%
APAC region revenues (constant currency) - YoY % change	n, z, dd	1 %	2 %	(1)%	0 %	(1)%	(2)%	(1)%
APAC region transactions - YoY % change	z, dd	(5)%	(5)%	(6)%	(6)%	(2)%	(1)%	(2)%
LACA region revenues (GAAP) - YoY % change	z, ee	(7)%	0 %	11 %	(3)%	26 %	21 %	23 %
LACA region revenues (constant currency) - YoY % change	o, z, ee	3 %	9 %	20 %	7 %	25 %	22 %	23 %
LACA region transactions - YoY % change	z, ee	11 %	15 %	18 %	13 %	17 %	16 %	16 %



**THE WESTERN UNION COMPANY**  
**KEY STATISTICS**  
(Unaudited)

	Notes*	2Q16	3Q16	4Q16	FY2016	1Q17	2Q17	YTD 2Q17
International revenues - YoY % change	ff	(4)%	(5)%	(4)%	(4)%	(2)%	(3)%	(2)%
International transactions - YoY % change	ff	0 %	(2)%	(1)%	(1)%	1 %	2 %	2 %
International revenues - % of C2C segment revenues	ff	67 %	67 %	66 %	67 %	66 %	66 %	66 %
United States originated revenues - YoY % change	gg	7 %	7 %	8 %	7 %	4 %	3 %	3 %
United States originated transactions - YoY % change	gg	8 %	7 %	8 %	8 %	4 %	4 %	4 %
United States originated revenues - % of C2C segment revenues	gg	33 %	33 %	34 %	33 %	34 %	34 %	34 %
westernunion.com revenues (GAAP) - YoY % change	hh	19 %	26 %	27 %	22 %	26 %	21 %	23 %
westernunion.com revenues (constant currency) - YoY % change	p, hh	20 %	28 %	30 %	24 %	28 %	23 %	25 %
westernunion.com transactions - YoY % change	hh	25 %	29 %	28 %	27 %	27 %	25 %	26 %
<b>% of Consumer-to-Consumer Revenue</b>								
Regional Revenues:								
NA region revenues	z, aa	36 %	37 %	37 %	36 %	37 %	37 %	37 %
EU & CIS region revenues	z, bb	31 %	31 %	31 %	31 %	30 %	31 %	30 %
MEASA region revenues	z, cc	18 %	17 %	16 %	18 %	17 %	16 %	17 %
APAC region revenues	z, dd	8 %	8 %	8 %	8 %	8 %	8 %	8 %
LACA region revenues	z, ee	7 %	7 %	8 %	7 %	8 %	8 %	8 %
westernunion.com revenues	hh	8 %	8 %	9 %	8 %	9 %	9 %	9 %
<b>Business Solutions (B2B) Segment</b>								
Revenues (GAAP) - YoY % change		3 %	(4)%	(3)%	(1)%	(6)%	(4)%	(5)%
Revenues (constant currency) - YoY % change	q	6 %	0 %	1 %	3 %	(3)%	(1)%	(2)%
Operating margin		5.2 %	4.0 %	9.7 %	5.3 %	2.5 %	5.5 %	4.0 %
<b>Other (primarily bill payments businesses in United States and Argentina)</b>								
Revenues (GAAP) - YoY % change		(3)%	(2)%	(4)%	(3)%	7 %	9 %	8 %
Revenues (constant currency) - YoY % change	s	9 %	11 %	8 %	10 %	9 %	12 %	10 %
Operating margin		11.3 %	10.1 %	6.6 %	10.4 %	12.3 %	12.1 %	12.2 %
<b>% of Total Company Revenue</b>								
Consumer-to-Consumer segment revenues		80 %	80 %	80 %	79 %	78 %	79 %	78 %
Business Solutions segment revenues		7 %	7 %	7 %	7 %	7 %	7 %	7 %
Other revenues		13 %	13 %	13 %	14 %	15 %	14 %	15 %

\* See the "Notes to Key Statistics" section of the press release for the applicable Note references and the reconciliation of non-GAAP financial measures.

**THE WESTERN UNION COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited)**  
**(in millions, except per share amounts)**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
Revenues	\$ 1,378.9	\$ 1,375.7	0 %	\$ 2,681.3	\$ 2,673.4	0 %
Expenses:						
Cost of services	842.9	821.9	3 %	1,643.4	1,601.3	3 %
Selling, general and administrative (a)	321.2	293.5	9 %	583.6	553.2	6 %
Total expenses (b)	<u>1,164.1</u>	<u>1,115.4</u>	4 %	<u>2,227.0</u>	<u>2,154.5</u>	3 %
Operating income	214.8	260.3	(18)%	454.3	518.9	(12)%
Other income/(expense):						
Interest income	1.4	0.7	78 %	2.5	1.6	54 %
Interest expense	(35.7)	(41.0)	(13)%	(67.0)	(81.5)	(18)%
Derivative gains, net	2.2	1.4	(c)	4.8	1.9	(c)
Other income/(expense), net	1.7	1.1	(c)	2.9	(0.9)	(c)
Total other expense, net	<u>(30.4)</u>	<u>(37.8)</u>	(20)%	<u>(56.8)</u>	<u>(78.9)</u>	(28)%
Income before income taxes	184.4	222.5	(17)%	397.5	440.0	(10)%
Provision for income taxes	17.9	16.9	5 %	69.3	48.7	42 %
Net income	<u>\$ 166.5</u>	<u>\$ 205.6</u>	(19)%	<u>\$ 328.2</u>	<u>\$ 391.3</u>	(16)%
Earnings per share:						
Basic	\$ 0.35	\$ 0.42	(17)%	\$ 0.69	\$ 0.79	(13)%
Diluted	\$ 0.35	\$ 0.42	(17)%	\$ 0.69	\$ 0.79	(13)%
Weighted-average shares outstanding:						
Basic	469.4	490.3		474.6	495.1	
Diluted	472.0	493.0		477.7	498.1	
Cash dividends declared per common share	\$ 0.175	\$ 0.16	9 %	\$ 0.35	\$ 0.32	9 %

- (a) For both the three and six months ended June 30, 2017, selling, general and administrative expenses included \$49.0 million for an accrual related to a matter with a state regulator, as described in Part I, Item 1, *Financial Statements*, Note 5, "Commitments and Contingencies" of our second quarter 2017 Quarterly Report on Form 10-Q.
- (b) For the three and six months ended June 30, 2017, total WU Way business transformation expenses were \$35.0 million and \$49.3 million, respectively, including \$19.5 million and \$23.7 million in cost of services and \$15.5 million and \$25.6 million in selling, general and administrative, respectively. For the three and six months ended June 30, 2016, total WU Way business transformation expenses were \$2.1 million, all of which were classified as selling, general and administrative.
- (c) Calculation not meaningful.

**THE WESTERN UNION COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**  
**(in millions, except per share amounts)**

	<u>June 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
<b>Assets</b>		
Cash and cash equivalents (a)	\$ 1,059.2	\$ 877.5
Settlement assets	3,646.4	3,749.1
Property and equipment, net of accumulated depreciation of \$632.1 and \$600.0, respectively	215.3	220.5
Goodwill	3,161.7	3,162.0
Other intangible assets, net of accumulated amortization of \$1,016.2 and \$958.2, respectively	615.9	664.2
Other assets	709.7	746.3
<b>Total assets</b>	<u><u>\$ 9,408.2</u></u>	<u><u>\$ 9,419.6</u></u>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 523.8	\$ 1,129.6
Settlement obligations	3,646.4	3,749.1
Income taxes payable	403.8	407.3
Deferred tax liability, net	135.7	85.9
Borrowings	3,627.4	2,786.1
Other liabilities	409.9	359.4
<b>Total liabilities</b>	<u>8,747.0</u>	<u>8,517.4</u>
Stockholders' equity:		
Preferred stock, \$1.00 par value; 10 shares authorized; no shares issued	—	—
Common stock, \$0.01 par value; 2,000 shares authorized; 464.3 shares and 481.5 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	4.6	4.8
Capital surplus	672.1	640.9
Retained earnings	193.9	419.3
Accumulated other comprehensive loss	(209.4)	(162.8)
<b>Total stockholders' equity</b>	<u>661.2</u>	<u>902.2</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 9,408.2</u></u>	<u><u>\$ 9,419.6</u></u>

(a) Approximately \$700 million was held by entities outside of the United States as of both June 30, 2017 and December 31, 2016.

**THE WESTERN UNION COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
**(in millions)**

	Six Months Ended June 30,	
	2017	2016
<b>Cash Flows From Operating Activities</b>		
Net income	\$ 328.2	\$ 391.3
<b>Adjustments to reconcile net income to net cash (used in)/provided by operating activities:</b>		
Depreciation	37.7	36.3
Amortization	93.9	95.2
Other non-cash items, net	104.2	42.3
Increase/(decrease) in cash resulting from changes in:		
Other assets	(25.8)	9.2
Accounts payable and accrued liabilities	(606.9)	(99.5)
Income taxes payable	(3.7)	5.3
Other liabilities	48.4	5.5
Net cash (used in)/provided by operating activities (a)	<u>(24.0)</u>	<u>485.6</u>
<b>Cash Flows From Investing Activities</b>		
Capitalization of contract costs	(20.5)	(60.0)
Capitalization of purchased and developed software	(22.6)	(21.3)
Purchases of property and equipment	(32.2)	(27.4)
Purchases of non-settlement related investments and other	(25.7)	(34.9)
Proceeds from maturity of non-settlement related investments	21.2	11.0
Purchases of held-to-maturity non-settlement related investments	(36.8)	(26.5)
Proceeds from held-to-maturity non-settlement related investments	25.3	2.0
Net cash used in investing activities	<u>(91.3)</u>	<u>(157.1)</u>
<b>Cash Flows From Financing Activities</b>		
Cash dividends paid	(164.8)	(157.4)
Common stock repurchased	(386.6)	(334.0)
Net proceeds from commercial paper	445.0	—
Net proceeds from issuance of borrowings	396.2	—
Proceeds from exercise of options and other	7.2	9.6
Net cash provided by/(used in) financing activities	<u>297.0</u>	<u>(481.8)</u>
Net change in cash and cash equivalents	<u>181.7</u>	<u>(153.3)</u>
Cash and cash equivalents at beginning of period	877.5	1,315.9
Cash and cash equivalents at end of period	<u>\$ 1,059.2</u>	<u>\$ 1,162.6</u>

(a) The decrease in cash flow from operations for the six months ended June 30, 2017 compared to the corresponding period in the prior year was primarily due to cash payments made related to the Joint Settlement Agreements.

**THE WESTERN UNION COMPANY**  
**SUMMARY SEGMENT DATA**  
**(Unaudited)**  
**(in millions)**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
Revenues:						
Consumer-to-Consumer	\$ 1,087.3	\$ 1,095.8	(1)%	\$ 2,102.3	\$ 2,113.2	(1)%
Business Solutions	96.6	100.8	(4)%	190.2	200.0	(5)%
Other (a)	195.0	179.1	9 %	388.8	360.2	8 %
Total consolidated revenues	<u>\$ 1,378.9</u>	<u>\$ 1,375.7</u>	0 %	<u>\$ 2,681.3</u>	<u>\$ 2,673.4</u>	0 %
Operating income:						
Consumer-to-Consumer	\$ 269.9	\$ 251.9	7 %	\$ 497.5	\$ 483.2	3 %
Business Solutions	5.3	5.2	1 %	7.6	7.6	0 %
Other	23.6	20.3	16 %	47.5	45.2	5 %
Total segment operating income	298.8	277.4	8 %	552.6	536.0	3 %
State regulator matter accrual (b)	(49.0)	—	(c)	(49.0)	—	(c)
Joint Settlement Agreements (b)	—	(15.0)	(c)	—	(15.0)	(c)
Business transformation expenses (b)	(35.0)	(2.1)	(c)	(49.3)	(2.1)	(c)
Total consolidated operating income	<u>\$ 214.8</u>	<u>\$ 260.3</u>	(18)%	<u>\$ 454.3</u>	<u>\$ 518.9</u>	(12)%
Operating income margin:						
Consumer-to-Consumer	24.8%	23.0%	1.8 %	23.7%	22.9%	0.8 %
Business Solutions	5.5%	5.2%	0.3 %	4.0%	3.8%	0.2 %
Other	12.1%	11.3%	0.8 %	12.2%	12.5%	(0.3)%
Total consolidated operating income margin	15.6%	18.9%	(3.3)%	16.9%	19.4%	(2.5)%

(a) Consists primarily of the Company's bill payments businesses in the United States and Argentina.

(b) Expenses related to the state regulator matter accrual, Joint Settlement Agreements and the WU Way business transformation are excluded from the measurement of segment operating income provided to the chief operating decision maker for purposes of assessing segment performance and decision making with respect to resource allocation.

(c) Calculation not meaningful.

**THE WESTERN UNION COMPANY**  
**NOTES TO KEY STATISTICS**  
(in millions, unless indicated otherwise)  
(Unaudited)

Western Union's management believes the non-GAAP financial measures presented provide meaningful supplemental information regarding our operating results to assist management, investors, analysts, and others in understanding our financial results and to better analyze trends in our underlying business, because they provide consistency and comparability to prior periods.

A non-GAAP financial measure should not be considered in isolation or as a substitute for the most comparable GAAP financial measure. A non-GAAP financial measure reflects an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measure, provide a more complete understanding of our business. Users of the financial statements are encouraged to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures is included below. All adjusted year-over-year changes were calculated using prior year amounts, which have been adjusted for changes in our reporting segments and geographic regions, as described earlier. Although the expenses related to the WU Way are specific to that initiative, the types of expenses related to the WU Way initiative are similar to expenses that the Company has previously incurred and can reasonably be expected to incur in the future.

	<u>2Q16</u>	<u>3Q16</u>	<u>4Q16</u>	<u>FY2016</u>	<u>1Q17</u>	<u>2Q17</u>	<u>YTD 2Q17</u>
<b>Consolidated Metrics</b>							
(a) Revenues, as reported (GAAP)	\$ 1,375.7	\$ 1,377.8	\$ 1,371.7	\$ 5,422.9	\$ 1,302.4	\$ 1,378.9	\$ 2,681.3
Foreign currency translation impact (t)	48.9	52.1	58.7	217.1	30.1	29.0	59.1
Revenues, constant currency adjusted	<u>\$ 1,424.6</u>	<u>\$ 1,429.9</u>	<u>\$ 1,430.4</u>	<u>\$ 5,640.0</u>	<u>\$ 1,332.5</u>	<u>\$ 1,407.9</u>	<u>\$ 2,740.4</u>
Prior year revenues, as reported (GAAP)	<u>\$ 1,383.6</u>	<u>\$ 1,399.2</u>	<u>\$ 1,380.0</u>	<u>\$ 5,483.7</u>	<u>\$ 1,297.7</u>	<u>\$ 1,375.7</u>	<u>\$ 2,673.4</u>
Revenue change, as reported (GAAP)	(1)%	(2)%	(1)%	(1)%	0 %	0 %	0 %
Revenue change, constant currency adjusted	3 %	2 %	4 %	3 %	3 %	2 %	3 %
(b) Operating income/(loss), as reported (GAAP)	\$ 260.3	\$ 278.3	\$ (313.5)	\$ 483.7	\$ 239.5	\$ 214.8	\$ 454.3
Foreign currency translation impact (t)	23.5	21.9	28.0	90.2	15.0	6.8	21.8
State regulator matter accrual (u)	N/A	N/A	N/A	N/A	N/A	49.0	49.0
Joint Settlement Agreements (w)	15.0	15.0	571.0	601.0	N/A	N/A	N/A
WU Way business transformation expenses (x)	2.1	5.0	13.2	20.3	14.3	35.0	49.3
Operating income, constant currency adjusted, excluding state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses	<u>\$ 300.9</u>	<u>\$ 320.2</u>	<u>\$ 298.7</u>	<u>\$ 1,195.2</u>	<u>\$ 268.8</u>	<u>\$ 305.6</u>	<u>\$ 574.4</u>
Prior year operating income, excluding Joint Settlement Agreements, WU Way business transformation expenses, and 2015 Paymap Settlement Agreement (v)	\$ 286.1	\$ 304.5	\$ 281.8	\$ 1,144.7	\$ 258.6	\$ 277.4	\$ 536.0
Operating income change, as reported (GAAP)	4 %	(9)%	(211)%	(56)%	(7)%	(18)%	(12)%
Operating income change, constant currency adjusted, excluding state regulator matter accrual, Joint Settlement Agreements, WU Way business transformation expenses, and 2015 Paymap Settlement Agreement	5 %	5 %	6 %	4 %	4 %	10 %	7 %
(c) Operating income/(loss), as reported (GAAP)	\$ 260.3	\$ 278.3	\$ (313.5)	\$ 483.7	\$ 239.5	\$ 214.8	\$ 454.3
State regulator matter accrual (u)	N/A	N/A	N/A	N/A	N/A	49.0	49.0
Joint Settlement Agreements (w)	15.0	15.0	571.0	601.0	N/A	N/A	N/A
WU Way business transformation expenses (x)	2.1	5.0	13.2	20.3	14.3	35.0	49.3
Operating income, excluding state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses	<u>\$ 277.4</u>	<u>\$ 298.3</u>	<u>\$ 270.7</u>	<u>\$ 1,105.0</u>	<u>\$ 253.8</u>	<u>\$ 298.8</u>	<u>\$ 552.6</u>
Operating margin, as reported (GAAP)	18.9 %	20.2 %	(22.9)%	8.9 %	18.4 %	15.6 %	16.9 %
Operating margin, excluding state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses	20.2 %	21.7 %	19.7 %	20.4 %	19.5 %	21.7 %	20.6 %

**THE WESTERN UNION COMPANY**  
**NOTES TO KEY STATISTICS**  
(in millions, unless indicated otherwise)  
(Unaudited)

	2Q16	3Q16	4Q16	FY2016	1Q17	2Q17	YTD 2Q17
<b>Consolidated Metrics cont.</b>							
(d) Operating income/(loss), as reported (GAAP)	\$ 260.3	\$ 278.3	\$ (313.5)	\$ 483.7	\$ 239.5	\$ 214.8	\$ 454.3
Reversal of depreciation and amortization	65.9	66.4	65.3	263.2	66.4	65.2	131.6
EBITDA (y)	<u>\$ 326.2</u>	<u>\$ 344.7</u>	<u>\$ (248.2)</u>	<u>\$ 746.9</u>	<u>\$ 305.9</u>	<u>\$ 280.0</u>	<u>\$ 585.9</u>
State regulator matter accrual (u)	N/A	N/A	N/A	N/A	N/A	49.0	49.0
Joint Settlement Agreements (w)	15.0	15.0	571.0	601.0	N/A	N/A	N/A
WU Way business transformation expenses (x)	2.1	5.0	13.2	20.3	14.3	35.0	49.3
Adjusted EBITDA, excluding state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses	<u>\$ 343.3</u>	<u>\$ 364.7</u>	<u>\$ 336.0</u>	<u>\$ 1,368.2</u>	<u>\$ 320.2</u>	<u>\$ 364.0</u>	<u>\$ 684.2</u>
Operating margin, as reported (GAAP)	18.9 %	20.2 %	(22.9) %	8.9 %	18.4 %	15.6 %	16.9 %
EBITDA margin	23.7 %	25.0 %	(18.1) %	13.8 %	23.5 %	20.3 %	21.9 %
Adjusted EBITDA margin, excluding state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses	25.0 %	26.5 %	24.5 %	25.2 %	24.6 %	26.4 %	25.5 %
(e) Net income/(loss), as reported (GAAP)	\$ 205.6	\$ 216.9	\$ (355.0)	\$ 253.2	\$ 161.7	\$ 166.5	\$ 328.2
State regulator matter accrual (u)	N/A	N/A	N/A	N/A	N/A	49.0	49.0
Joint Settlement Agreements (w)	15.0	15.0	571.0	601.0	N/A	N/A	N/A
WU Way business transformation expenses (x)	2.1	5.0	13.2	20.3	14.3	35.0	49.3
Income tax benefit from state regulator matter accrual (u)	N/A	N/A	N/A	N/A	N/A	—	—
Income tax expense/(benefit) from Joint Settlement Agreements (w)	(5.4)	(5.5)	5.5	(5.4)	N/A	N/A	N/A
Income tax benefit from WU Way business transformation expenses (x)	(0.8)	(1.8)	(4.8)	(7.4)	(5.0)	(12.3)	(17.3)
State regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses, net of income tax expense/(benefit)	10.9	12.7	584.9	608.5	9.3	71.7	81.0
Net income, excluding state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses, net of income tax expense/(benefit)	<u>\$ 216.5</u>	<u>\$ 229.6</u>	<u>\$ 229.9</u>	<u>\$ 861.7</u>	<u>\$ 171.0</u>	<u>\$ 238.2</u>	<u>\$ 409.2</u>
Diluted earnings/(loss) per share ("EPS"), as reported (GAAP) (\$ - dollars)	\$ 0.42	\$ 0.44	\$ (0.73)	\$ 0.51	\$ 0.33	\$ 0.35	\$ 0.69
EPS impact as a result of state regulator matter accrual (\$ - dollars) (u)	N/A	N/A	N/A	N/A	N/A	\$ 0.10	\$ 0.10
EPS impact as a result of Joint Settlement Agreements (\$ - dollars) (w)	\$ 0.03	\$ 0.03	\$ 1.17	\$ 1.22	N/A	N/A	N/A
EPS impact as a result of WU Way business transformation expenses (\$ - dollars) (x)	\$ —	\$ 0.01	\$ 0.03	\$ 0.04	\$ 0.03	\$ 0.07	\$ 0.10
EPS impact from income tax benefit from state regulator matter accrual (\$ - dollars) (u)	N/A	N/A	N/A	N/A	N/A	\$ —	\$ —
EPS impact from income tax expense/(benefit) from Joint Settlement Agreements (\$ - dollars) (w)	\$ (0.01)	\$ (0.01)	\$ 0.01	\$ (0.01)	N/A	N/A	N/A
EPS impact from income tax benefit from WU Way business transformation expenses (\$ - dollars) (x)	\$ —	\$ —	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)
EPS impact as a result of state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses, net of income tax expense/(benefit) (\$ - dollars)	\$ 0.02	\$ 0.03	\$ 1.20	\$ 1.24	\$ 0.02	\$ 0.15	\$ 0.17
Diluted EPS, excluding state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses (\$ - dollars)	<u>\$ 0.44</u>	<u>\$ 0.47</u>	<u>\$ 0.47</u>	<u>\$ 1.75</u>	<u>\$ 0.35</u>	<u>\$ 0.50</u>	<u>\$ 0.86</u>
Diluted weighted-average shares outstanding	493.0	490.3	483.6	493.5	483.4	472.0	477.7

**THE WESTERN UNION COMPANY**  
**NOTES TO KEY STATISTICS**  
(in millions, unless indicated otherwise)  
(Unaudited)

	<u>2Q16</u>	<u>3Q16</u>	<u>4Q16</u>	<u>FY2016</u>	<u>1Q17</u>	<u>2Q17</u>	<u>YTD 2Q17</u>
<b>Consolidated Metrics cont.</b>							
(f) Effective tax rate, as reported (GAAP)	7.6%	9.6%	(4.9)%	25.9 %	24.1%	9.7 %	17.4 %
Impact from state regulator matter accrual (u)	N/A	N/A	N/A	N/A	N/A	(2.0)%	(1.9)%
Impact from Joint Settlement Agreements (w)	1.8%	1.6%	9.7 %	(15.9)%	N/A	N/A	N/A
Impact from WU Way business transformation expenses (x)	0.3%	0.5%	1.7 %	0.5 %	0.7%	3.5 %	2.0 %
Effective tax rate, excluding state regulator matter accrual, Joint Settlement Agreements and WU Way business transformation expenses	<u>9.7%</u>	<u>11.7%</u>	<u>6.5 %</u>	<u>10.5 %</u>	<u>24.8%</u>	<u>11.2 %</u>	<u>17.5 %</u>
(g) Cash flow from operating activities (GAAP)	\$ 272.9	\$ 336.3	\$ 220.0	\$ 1,041.9	\$ 86.3	\$ (110.3)	\$ (24.0)
Joint Settlement Agreements payments (w)	N/A	N/A	N/A	N/A	151.3	439.7	591.0
Payments of WU Way business transformation expenses (x)	N/A	1.1	6.3	7.4	18.6	20.3	38.9
Cash flow from operating activities, excluding payments for Joint Settlement Agreements and WU Way business transformation expenses	<u>\$ 272.9</u>	<u>\$ 337.4</u>	<u>\$ 226.3</u>	<u>\$ 1,049.3</u>	<u>\$ 256.2</u>	<u>\$ 349.7</u>	<u>\$ 605.9</u>



**THE WESTERN UNION COMPANY**  
**NOTES TO KEY STATISTICS**  
(in millions, unless indicated otherwise)  
(Unaudited)

	<u>2Q16</u>	<u>3Q16</u>	<u>4Q16</u>	<u>FY2016</u>	<u>1Q17</u>	<u>2Q17</u>	<u>YTD 2Q17</u>
<b>Consumer-to-Consumer Segment</b>							
(h) Revenues, as reported (GAAP)	\$ 1,095.8	\$ 1,098.9	\$ 1,092.5	\$ 4,304.6	\$ 1,015.0	\$ 1,087.3	\$ 2,102.3
Foreign currency translation impact (t)	23.0	25.3	33.4	112.2	24.1	20.8	44.9
Revenues, constant currency adjusted	<u>\$ 1,118.8</u>	<u>\$ 1,124.2</u>	<u>\$ 1,125.9</u>	<u>\$ 4,416.8</u>	<u>\$ 1,039.1</u>	<u>\$ 1,108.1</u>	<u>\$ 2,147.2</u>
Prior year revenues, as reported (GAAP)	<u>\$ 1,101.5</u>	<u>\$ 1,112.9</u>	<u>\$ 1,091.2</u>	<u>\$ 4,343.9</u>	<u>\$ 1,017.4</u>	<u>\$ 1,095.8</u>	<u>\$ 2,113.2</u>
Revenue change, as reported (GAAP)	(1) %	(1) %	0 %	(1) %	0 %	(1) %	(1) %
Revenue change, constant currency adjusted	2 %	1 %	3 %	2 %	2 %	1 %	2 %
(i) Principal per transaction, as reported (\$ - dollars)	\$ 301	\$ 300	\$ 292	\$ 298	\$ 292	\$ 293	\$ 292
Foreign currency translation impact (\$ - dollars) (t)	3	3	4	4	3	3	4
Principal per transaction, constant currency adjusted (\$ - dollars)	<u>\$ 304</u>	<u>\$ 303</u>	<u>\$ 296</u>	<u>\$ 302</u>	<u>\$ 295</u>	<u>\$ 296</u>	<u>\$ 296</u>
Prior year principal per transaction, as reported (\$ - dollars)	<u>\$ 316</u>	<u>\$ 315</u>	<u>\$ 303</u>	<u>\$ 312</u>	<u>\$ 299</u>	<u>\$ 301</u>	<u>\$ 300</u>
Principal per transaction change, as reported	(5) %	(5) %	(3) %	(5) %	(2) %	(3) %	(3) %
Principal per transaction change, constant currency adjusted	(4) %	(4) %	(2) %	(3) %	(1) %	(2) %	(2) %
(j) Cross-border principal, as reported (\$ - billions)	\$ 18.5	\$ 18.4	\$ 18.3	\$ 72.5	\$ 17.3	\$ 18.7	\$ 36.0
Foreign currency translation impact (\$ - dollars) (t)	0.2	0.2	0.2	1.0	0.2	0.2	0.4
Cross-border principal, constant currency adjusted (\$ - billions)	<u>\$ 18.7</u>	<u>\$ 18.6</u>	<u>\$ 18.5</u>	<u>\$ 73.5</u>	<u>\$ 17.5</u>	<u>\$ 18.9</u>	<u>\$ 36.4</u>
Prior year cross-border principal, as reported (\$ - billions)	<u>\$ 18.8</u>	<u>\$ 18.9</u>	<u>\$ 18.4</u>	<u>\$ 73.6</u>	<u>\$ 17.3</u>	<u>\$ 18.5</u>	<u>\$ 35.8</u>
Cross-border principal change, as reported	(1) %	(3) %	(1) %	(2) %	1 %	1 %	1 %
Cross-border principal change, constant currency adjusted	0 %	(2) %	1 %	0 %	2 %	2 %	2 %

**THE WESTERN UNION COMPANY**  
**NOTES TO KEY STATISTICS**  
(in millions, unless indicated otherwise)  
(Unaudited)

	2Q16	3Q16	4Q16	FY2016	1Q17	2Q17	YTD 2Q17
<b>Consumer-to-Consumer Segment cont.</b>							
(k) NA region revenue change, as reported (GAAP)	6 %	7 %	8 %	6 %	3 %	3 %	3 %
NA region foreign currency translation impact (t)	1 %	0 %	0 %	1 %	1 %	0 %	1 %
NA region revenue change, constant currency adjusted	<u>7 %</u>	<u>7 %</u>	<u>8 %</u>	<u>7 %</u>	<u>4 %</u>	<u>3 %</u>	<u>4 %</u>
(l) EU & CIS region revenue change, as reported (GAAP)	(2)%	(2)%	(2)%	(2)%	(1)%	(2)%	(2)%
EU & CIS region foreign currency translation impact (t)	2 %	4 %	6 %	3 %	5 %	4 %	5 %
EU & CIS region revenue change, constant currency adjusted	<u>0 %</u>	<u>2 %</u>	<u>4 %</u>	<u>1 %</u>	<u>4 %</u>	<u>2 %</u>	<u>3 %</u>
(m) MEASA region revenue change, as reported (GAAP)	(7)%	(16)%	(14)%	(10)%	(13)%	(12)%	(13)%
MEASA region foreign currency translation impact (t)	1 %	2 %	2 %	2 %	3 %	1 %	2 %
MEASA region revenue change, constant currency adjusted	<u>(6)%</u>	<u>(14)%</u>	<u>(12)%</u>	<u>(8)%</u>	<u>(10)%</u>	<u>(11)%</u>	<u>(11)%</u>
(n) APAC region revenue change, as reported (GAAP)	(2)%	2 %	(2)%	(2)%	(2)%	(4)%	(3)%
APAC region foreign currency translation impact (t)	3 %	0 %	1 %	2 %	1 %	2 %	2 %
APAC region revenue change, constant currency adjusted	<u>1 %</u>	<u>2 %</u>	<u>(1)%</u>	<u>0 %</u>	<u>(1)%</u>	<u>(2)%</u>	<u>(1)%</u>
(o) LACA region revenue change, as reported (GAAP)	(7)%	0 %	11 %	(3)%	26 %	21 %	23 %
LACA region foreign currency translation impact (t)	10 %	9 %	9 %	10 %	(1)%	1 %	0 %
LACA region revenue change, constant currency adjusted	<u>3 %</u>	<u>9 %</u>	<u>20 %</u>	<u>7 %</u>	<u>25 %</u>	<u>22 %</u>	<u>23 %</u>
(p) westernunion.com revenue change, as reported (GAAP)	19 %	26 %	27 %	22 %	26 %	21 %	23 %
westernunion.com foreign currency translation impact (t)	1 %	2 %	3 %	2 %	2 %	2 %	2 %
westernunion.com revenue change, constant currency adjusted	<u>20 %</u>	<u>28 %</u>	<u>30 %</u>	<u>24 %</u>	<u>28 %</u>	<u>23 %</u>	<u>25 %</u>

**THE WESTERN UNION COMPANY**  
**NOTES TO KEY STATISTICS**  
(in millions, unless indicated otherwise)  
(Unaudited)

	2Q16	3Q16	4Q16	FY2016	1Q17	2Q17	YTD 2Q17
<b>Business Solutions Segment</b>							
(q) Revenues, as reported (GAAP)	\$ 100.8	\$ 97.2	\$ 98.8	\$ 396.0	\$ 93.6	\$ 96.6	\$ 190.2
Foreign currency translation impact (t)	3.0	3.5	3.9	15.0	2.8	3.2	6.0
Revenues, constant currency adjusted	<u>\$ 103.8</u>	<u>\$ 100.7</u>	<u>\$ 102.7</u>	<u>\$ 411.0</u>	<u>\$ 96.4</u>	<u>\$ 99.8</u>	<u>\$ 196.2</u>
Prior year revenues, as reported (GAAP)	\$ 97.6	\$ 101.2	\$ 101.9	\$ 398.7	\$ 99.2	\$ 100.8	\$ 200.0
Revenue change, as reported (GAAP)	3 %	(4)%	(3)%	(1)%	(6)%	(4)%	(5)%
Revenue change, constant currency adjusted	6 %	0 %	1 %	3 %	(3)%	(1)%	(2)%
(r) Operating income, as reported (GAAP)	\$ 5.2	\$ 3.9	\$ 9.6	\$ 21.1	\$ 2.3	\$ 5.3	\$ 7.6
Reversal of depreciation and amortization	13.1	13.2	11.9	50.8	10.6	10.6	21.2
EBITDA (y)	<u>\$ 18.3</u>	<u>\$ 17.1</u>	<u>\$ 21.5</u>	<u>\$ 71.9</u>	<u>\$ 12.9</u>	<u>\$ 15.9</u>	<u>\$ 28.8</u>
Operating income margin, as reported (GAAP)	5.2 %	4.0 %	9.7 %	5.3 %	2.5 %	5.5 %	4.0 %
EBITDA margin	18.2 %	17.5 %	21.8 %	18.1 %	13.7 %	16.6 %	15.2 %
<b>(s) Other (primarily bill payments businesses in United States and Argentina)</b>							
Revenues, as reported (GAAP)	\$ 179.1	\$ 181.7	\$ 180.4	\$ 722.3	\$ 193.8	\$ 195.0	\$ 388.8
Foreign currency translation impact (t)	22.8	23.2	21.6	89.9	3.2	5.0	8.2
Revenues, constant currency adjusted	<u>\$ 201.9</u>	<u>\$ 204.9</u>	<u>\$ 202.0</u>	<u>\$ 812.2</u>	<u>\$ 197.0</u>	<u>\$ 200.0</u>	<u>\$ 397.0</u>
Prior year revenues, as reported (GAAP)	\$ 184.5	\$ 185.1	\$ 186.9	\$ 741.1	\$ 181.1	\$ 179.1	\$ 360.2
Revenue change, as reported (GAAP)	(3)%	(2)%	(4)%	(3)%	7 %	9 %	8 %
Revenue change, constant currency adjusted	9 %	11 %	8 %	10 %	9 %	12 %	10 %

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**2017 Consolidated Outlook Metrics**

Operating margin (GAAP)	17 %	
State regulator matter accrual (u)	1 %	
WU Way business transformation expenses (x)	2 %	
Operating margin, excluding state regulator matter accrual and WU Way business transformation expenses	20 %	

	Range	
Earnings per share (GAAP) (\$ - dollars)	\$ 1.46	\$ 1.56
State regulator matter accrual (\$ - dollars) (u)	0.10	0.10
WU Way business transformation expenses (\$ - dollars) (x)	0.14	0.14
Earnings per share, excluding state regulator matter accrual and WU Way business transformation expenses (\$ - dollars)	\$ 1.70	\$ 1.80

	Range	
Effective tax rate (GAAP)	10 %	11 %
Impact from state regulator matter accrual (u)	(1)%	(1)%
Impact from WU Way business transformation expenses (x)	3 %	3 %
Effective tax rate, excluding state regulator matter accrual and WU Way business transformation expenses	12 %	13 %

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**Non-GAAP related notes:**

- (t) Represents the impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the United States dollar. Constant currency results exclude any benefit or loss caused by foreign exchange fluctuations between foreign currencies and the United States dollar, net of foreign currency hedges, which would not have occurred if there had been a constant exchange rate. We believe that this measure provides management and investors with information about operating results and trends that eliminates currency volatility and provides greater clarity regarding, and increases the comparability of, our underlying results and trends.
- (u) Represents the impact from an accrual related to a potential resolution with a state regulator related to matters identified as part of the Joint Settlement Agreements. Discussions with the state regulator are ongoing, and there can be no assurance that we will reach an agreement with the state regulator. The discussions could result in additional future accruals to reach a settlement agreement with the state regulator. Additionally, if this matter is not settled and proceeds to civil litigation, the state regulator would seek to impose fines, damages, or other regulatory consequences. Resolution of this matter could have a material adverse effect on our business, financial condition, results of operations and cash flow. These expenses have been excluded from segment operating income, as these expenses are excluded from the measurement of segment operating income provided to the chief operating decision maker for purposes of assessing segment performance and decision making with respect to resource allocation. We believe that, by excluding the effects of significant charges associated with the potential settlement of legal matters that can impact operating trends, management and investors are provided with a measure that increases the comparability of our underlying operating results.
- (v) Represents the impact from a settlement agreement reached with the Consumer Financial Protection Bureau regarding the Equity Accelerator service of Paymap, Inc., a subsidiary of the Company (the "Paymap Settlement Agreement"), included in full year 2015 results. We believe that, by excluding the effects of significant charges associated with the settlement of litigation that can impact operating trends, management and investors are provided with a measure that increases the comparability of our underlying operating results. See below for reconciliation of prior year operating income, excluding Paymap Settlement Agreement.

	<b>2Q15</b>	<b>3Q15</b>	<b>4Q15</b>	<b>FY2015</b>
Operating income, as reported (GAAP)	\$ 250.8	\$ 304.5	\$ 281.8	\$ 1,109.4
Paymap Settlement Agreement	35.3	N/A	N/A	35.3
Operating income, excluding Paymap Settlement Agreement	\$ 286.1	\$ 304.5	\$ 281.8	\$ 1,144.7

- (w) Represents the impact from the settlement agreements related to (1) a Deferred Prosecution Agreement with the United States Department of Justice, and the United States Attorney's Offices for the Eastern and Middle Districts of Pennsylvania, the Central District of California, and the Southern District of Florida, (2) a Stipulated Order for Permanent Injunction and Final Judgment with the United States Federal Trade Commission ("FTC"), (3) a Consent to the Assessment of Civil Money Penalty with the Financial Crimes Enforcement Network of the United States Department of Treasury (collectively, the "Joint Settlement Agreements"), to resolve the respective investigations of those agencies, as described in our Form 8-K filed with the Securities and Exchange Commission on January 20, 2017, and related matters. Amounts related to these matters were recognized in the second, third, and fourth quarters of 2016 and the full year 2016 results. These expenses have been excluded from our segment operating income, as these expenses are excluded from the measurement of segment operating income provided to the chief operating decision maker for purposes of assessing segment performance and decision making with respect to resource allocation. Additionally, income tax benefit was adjusted in the fourth quarter of 2016 to reflect the revised determination, based on final agreement terms. We believe that, by excluding the effects of significant charges associated with the settlement of litigation that can impact operating trends, management and investors are provided with a measure that increases the comparability of our underlying operating results.
- (x) Represents the expenses incurred to transform our operating model, focusing on technology transformation, network productivity, customer and agent process optimization, and organizational redesign to better drive efficiencies and growth initiatives ("WU Way business transformation expenses"). Amounts related to the WU Way business transformation expenses were recognized beginning in the second quarter of 2016, and each subsequent quarter. These expenses have been excluded from our segment operating income, as these expenses are excluded from the measurement of segment operating income provided to the chief operating decision maker for purposes of assessing segment performance and decision making with respect to resource allocation. We believe that, by excluding the effects of significant charges associated with the transformation of our operating model that can impact operating trends, management and investors are provided with a measure that increases the comparability of our other underlying operating results. Although the expenses related to the WU Way are specific to that initiative, the types of expenses related to the WU Way initiative are similar to expenses that the Company has previously incurred and can reasonably be expected to incur in the future.
- (y) Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") results from taking operating income and adjusting for depreciation and amortization expenses. EBITDA results provide an additional performance measurement calculation which helps neutralize the operating income effect of assets acquired in prior periods.

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**Other notes:**

- (z) Geographic split for transactions and revenue, including transactions initiated through westernunion.com, is determined entirely based upon the region where the money transfer is initiated. Prior to January 1, 2017, for transactions originated and paid in different regions, we split the transaction count and revenue between the two regions, with each region receiving 50%. Therefore, regional results for all periods previously presented have also been adjusted to attribute the transactions and revenue entirely to the region where the transaction was initiated.
- (aa) Represents the North America (United States and Canada) ("NA") region of our Consumer-to-Consumer segment.
- (bb) Represents the Europe and the Russia/Commonwealth of Independent States ("EU & CIS") region of our Consumer-to-Consumer segment.
- (cc) Represents the Middle East, Africa, and South Asia ("MEASA") region of our Consumer-to-Consumer segment, including India and certain South Asian countries, which consist of Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka.
- (dd) Represents the East Asia and Oceania ("APAC") region of our Consumer-to-Consumer segment.
- (ee) Represents the Latin America and the Caribbean ("LACA") region of our Consumer-to-Consumer segment, including Mexico.
- (ff) Represents transactions, including westernunion.com transactions initiated outside the United States, between and within foreign countries (including Canada and Mexico). Excludes all transactions originated in the United States.
- (gg) Represents transactions originated in the United States, including intra-country transactions and westernunion.com transactions initiated from the United States.
- (hh) Represents transactions initiated on westernunion.com.