Disclaimer: The Consolidated and Non-Consolidated Financial Statements and the Notes thereto in the following pages are those included in the English translation of the summary of the financial results for Fiscal Year 2013 of Resona Holdings, Inc. (*Kessan Tanshin*) disclosed on May 13, 2014 in accordance with the rules of the Tokyo Stock Exchange, under the title "Consolidated Financial Results for Fiscal Year 2013 (April 1, 2013 – March 31, 2014 / Unaudited) <under Japanese GAAP>", and are provided for information purposes only.

1. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Millions of yen)

	March 31, 2013	March 31, 2014
Assets		
Cash and due from banks	¥ 3,386,146	¥ 6,471,899
Call loans and bills bought	183,822	154,318
Monetary claims bought	376,537	332,671
Trading assets	787,139	616,571
Money held in trust	200	193
Securities	10,181,599	8,698,464
Loans and bills discounted	26,490,121	26,701,668
Foreign exchange assets	67,782	72,757
Other assets	876,023	934,781
Tangible fixed assets	307,328	307,887
Buildings	103,360	102,298
Land	189,692	189,862
Leased assets	2,985	5,709
Construction in progress	1,132	523
Other tangible fixed assets	10,157	9,493
Intangible fixed assets	43,498	40,475
Software	8,863	7,571
Leased assets	29,342	27,759
Other intangible fixed assets	5,291	5,144
Net defined benefit asset	-	24,548
Deferred tax assets	176,269	128,970
Customers' liabilities for acceptances and guarantees	539,855	490,552
Reserve for possible loan losses	(305,532)	(256,192)
Reserve for possible losses on investments	(161)	(133)
Total Assets	43,110,629	44,719,434
Liabilities and Net Assets		
Liabilities		
Deposits	35,384,871	35,745,906
Negotiable certificates of deposit	1,301,400	1,949,860
Call money and bills sold	250,602	854,793
Payables under repurchase agreements	38,992	38,994
Payables under securities lending transactions	-	49,891
Trading liabilities	346,073	305,542
Borrowed money	671,869	1,081,701
Foreign exchange liabilities	1,463	1,173
Bonds	716,429	696,418
Due to trust account	448,793	533,844
Other liabilities	1,126,413	902,887
Reserve for employees' bonuses	18,182	18,070
Reserve for employees' retirement benefits	12,940	-
Net defined benefit liability	-	26,978
Other reserves	39,504	42,418
Deferred tax liabilities	240	290
Deferred tax liabilities for land revaluation	23,690	23,696
Acceptances and guarantees	539,855	490,552
Total Liabilities	40,921,325	42,763,022
Net Assets		
Capital stock	340,472	50,472
Capital surplus	237,082	409,293
Retained earnings	1,315,470	1,169,785
Treasury stock	(89,596)	(85,855)
Total stockholders' equity	1,803,428	1,543,696
Net unrealized gains on available-for-sale securities	186,573	244,166
Net deferred gains on hedges	36,319	28,110
Revaluation reserve for land	41,260	41,254
Foreign currency translation adjustments	(4,350)	(4,081)
Remeasurements of defined benefit plans	-	(35,965)
Total accumulated other comprehensive income	259,803	273,484
Minority interests in consolidated subsidiaries	126,072	139,231
Total Net Assets	2,189,304	1,956,412

Total Liabilities and Net Assets	¥ 43,110,629	¥ 44,719,434

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

[Consolidated Statement of Income]

(Millions of yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Ordinary income	¥ 832,183	¥ 826,935
Interest income	491,990	472,832
Interest on loans and bills discounted	417,779	392,555
Interest and dividends on securities	55,805	54,691
Interest on call loans and bills bought	568	770
Interest on receivables under securities borrowing transactions	27	62
Interest on due from banks	1,855	4,317
Other interest income	15,952	20,434
Trust fees	21,639	23,748
Fees and commissions	181,932	189,209
Trading income	3,542	1,338
Other operating income	53,466	34,085
Other ordinary income	79,611	105,721
Reversal of reserve for possible loan losses	39,214	29,198
Recoveries of written-off loans	12,508	20,566
Other	27,888	55,957
Ordinary expenses	547,049	514,766
Interest expenses	48,920	42,820
Interest on deposits	23,866	18,152
Interest on negotiable certificates of deposit	1,572	1,317
Interest on call money and bills sold	629	689
Interest on payables under repurchase agreement	38	47
Interest on payables under securities lending transactions	190	546
Interest on borrowed money	2,725	2,422
Interest on bonds	18,227	17,926
Other interest expenses	1,670	1,717
Fees and commissions	52,944	54,165
Trading expenses	1,357	2,254
Other operating expenses	12,185	13,450
General and administrative expenses	361,645	348,498
Other ordinary expenses	69,995	53,576
Other	69,995	53,576
Ordinary profits	285,133	312,169
Extraordinary gains	1,132	2,958
Gains on disposal of fixed assets	1,132	2,958
Extraordinary losses	1,917	3,042
Losses on disposal of fixed assets	1,237	1,379
Impairment losses on fixed assets	679	1,662
Net income before income taxes and minority interests	284,348	312,085
Income taxes – current	47,627	32,855
Income taxes – deferred	(43,732)	51,736
Total income taxes	3,895	84,591
Net income before minority interests	280,453	227,494
Minority interests in net income	5,312	6,851
Net income	¥ 275,141	¥ 220,642

[Consolidated Statement of Comprehensive Income]

(Millions of yen)

	For the fiscal year ended March 31, 2013		For the fiscal year ended March 31, 2014	
Net income before minority interests	¥	280,453	¥	227,494
Other comprehensive income		118,149		59,180
Net unrealized gains (losses) on available-for-sale securities		94,361		57,582
Net deferred gains (losses) on hedges		9,194		(8,208)
Revaluation reserve for land		−		(6)
Foreign currency translation adjustments		14,597		9,808
Share of other comprehensive income of affiliates accounted for using the equity method		(3)		4
Total comprehensive income		398,602		286,674
Comprehensive income attributable to:				
Owners of the parent		378,945		270,289
Minority interests	¥	19,657	¥	16,385

(3) Consolidated Statement of Changes in Net Assets
For the fiscal year ended March 31, 2013

(Millions of yen)

	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the fiscal year	¥340,472	¥237,082	¥1,086,691	(¥86,849)	¥1,577,397
Changes during the fiscal year					
Dividends paid			(46,404)		(46,404)
Net income			275,141		275,141
Purchase of treasury stock				(3,449)	(3,449)
Disposal of treasury stock		(0)		701	701
Reversal of revaluation reserve for land			42		42
Transfer from retained earnings to capital surplus		0	(0)		-
Net changes except for stockholders' equity during the fiscal year					
Total changes during the fiscal year	-	-	228,778	(2,747)	226,031
Balance at the end of the fiscal year	¥340,472	¥237,082	¥1,315,470	(¥89,596)	¥1,803,428

	Accumulated other comprehensive income					Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gains on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Total accmulated other comprehen -sive income		
Balance at the beginning of the fiscal year	¥92,243	¥27,124	¥41,303	(¥4,629)	¥156,042	¥109,890	¥1,843,329
Changes during the fiscal year							
Dividends paid							(46,404)
Net income							275,141
Purchase of treasury stock							(3,449)
Disposal of treasury stock							701
Reversal of revaluation reserve for land							42
Transfer from retained earnings to capital surplus							-
Net changes except for stockholders' equity during the fiscal year	94,330	9,194	(42)	279	103,761	16,181	119,943
Total changes during the fiscal year	94,330	9,194	(42)	279	103,761	16,181	345,974
Balance at the end of the fiscal year	¥186,573	¥36,319	¥41,260	(¥4,350)	¥259,803	¥126,072	¥2,189,304

For the fiscal year ended March 31, 2014

(Millions of yen)

	Stockholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the fiscal year	¥340,472	¥237,082	¥1,315,470	(¥89,596)	¥1,803,428
Changes during the fiscal year					
Dividends paid			(46,327)		(46,327)
Net income			220,642		220,642
Purchase of treasury stock				(434,532)	(434,532)
Disposal of treasury stock		(0)		485	484
Cancellation of treasury stock		(437,788)		437,788	-
Reversal of revaluation reserve for land					
Transfer from retained earnings to capital surplus	320,000		△320,000		-
Transfer from capital stock to capital surplus	(610,000)	610,000			-
Net changes except for stockholders' equity during the fiscal year					
Total changes during the fiscal year	(290,000)	172,210	(145,684)	3,741	(259,732)
Balance at the end of the fiscal year	¥50,472	¥409,293	¥1,169,785	(¥85,855)	¥ 1,543,696

	Accumulated other comprehensive income						Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains on available-for-sale securities	Net deferred gains on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accmulated other comprehensive income		
Balance at the beginning of the fiscal year	¥186,573	¥36,319	¥41,260	(¥4,350)	–	¥259,803	¥126,072	¥2,189,304
Changes during the fiscal year								
Dividends paid								(46,327)
Net income								220,642
Purchase of treasury stock								(434,532)
Disposal of treasury stock								484
Cancellation of treasury stock								–
Reversal of revaluation reserve for land								
Transfer from retained earnings to capital surplus								–
Transfer from capital stock to capital surplus								–
Net changes except for stockholders' equity during the fiscal year	57,592	(8,208)	(6)	268	(35,965)	13,681	13,159	26,840
Total changes during the fiscal year	57,592	(8,208)	(6)	268	(35,965)	13,681	13,159	(232,892)
Balance at the end of the fiscal year	¥244,166	¥28,110	¥41,254	(¥4,081)	(¥35,965)	¥273,484	¥139,231	¥1,956,412

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	¥ 284,348	¥ 312,085
Adjustment for:		
Depreciation and amortization	28,402	26,935
Impairment losses on fixed assets	679	1,662
Equity in earnings of investments in affiliates	(174)	(143)
Increase/(decrease) in reserve for possible loan losses	(74,330)	(49,340)
Increase/(decrease) in reserve for possible losses on investments	(177)	(27)
Increase/(decrease) in reserve for employees' bonuses	4,239	(112)
Increase/(decrease) in reserve for employees' retirement benefits	459	-
(Increase)/decrease in net defined benefit asset	-	(4,776)
Increase/(decrease) in net defined benefit liability	-	(4,610)
Interest income (accrual basis)	(491,990)	(472,832)
Interest expenses (accrual basis)	48,920	42,820
Net (gains)/losses on securities	(15,525)	(24,973)
Net foreign exchange (gains)/losses	30,677	(4,128)
Net (gains)/losses on disposal of fixed assets	105	(1,578)
Net (increase)/decrease in trading assets	(90,600)	170,568
Net increase/(decrease) in trading liabilities	72,803	(40,531)
Net (increase)/decrease in loans and bills discounted	(707,426)	(211,547)
Net increase/(decrease) in deposits	861,267	361,035
Net increase/(decrease) in negotiable certificates of deposit	(36,160)	648,460
Net increase/(decrease) in borrowed money (excluding Subordinated borrowed money)	(839,034)	409,831
Net (increase)/decrease in due from banks (excluding those deposited at Bank of Japan)	(31,755)	(7,778)
Net (increase)/decrease in call loans and other	125,689	73,369
Net increase/(decrease) in call money and other	(130,929)	604,192
Net increase /(decrease) in payables under securities lending transactions	(345,063)	49,891
Net (increase)/decrease in foreign exchange assets	8,558	(4,975)
Net increase/(decrease) in foreign exchange liabilities	(587)	(289)
Net increase/(decrease) in straight bonds	52,820	(31,522)
Net increase/(decrease) in due to trust account	93,975	85,050
Interest receipts (cash basis)	498,915	484,398
Interest payments (cash basis)	(60,077)	(52,941)
Other, net	204,307	(23,426)
Subtotal	(507,661)	2,334,766
Income taxes paid or tax refund	(30,889)	(91,559)
Net cash provided by/(used in) operating activities	(538,550)	2,243,206
Cash flows from investing activities		
Purchases of securities	(27,930,944)	(15,330,890)
Proceeds from sales of securities	25,644,024	14,663,580
Proceeds from redemption of securities	3,678,248	1,990,814
Purchases of tangible fixed assets	(9,324)	(8,965)
Proceeds from sales of tangible fixed assets	1,906	1,004
Purchases of intangible fixed assets	(2,677)	(2,649)
Proceeds from disposal of intangible fixed assets	29	2,397
Other, net	(434)	(99)
Net cash provided by/(used in) investing activities	1,380,828	1,315,192
Cash flows from financing activities		
Repayment of subordinated borrowed money	(2,000)	-
Proceeds from issuance of subordinated bonds	44,756	-
Repayment of subordinated bonds	(189,005)	-
Dividends paid	(46,404)	(46,327)
Dividends paid to minority stockholders of consolidated subsidiaries	(328)	(348)
Purchases of treasury stock	(3,449)	(434,532)
Proceeds from sales of treasury stock	670	672
Net cash provided by/(used in) financing activities	(195,760)	(480,536)
Effect of exchange rate changes on cash and cash equivalents	112	112
Net increase/(decrease) in cash and cash equivalents	646,629	3,077,974
Cash and cash equivalents at the beginning of the fiscal year	2,590,131	3,236,761
Cash and cash equivalents at the end of the fiscal year	¥ 3,236,761	¥ 6,314,735

(5) Note on Going-Concern Assumption
Not applicable

(6) Significant Accounting Policies Applied in Preparing Consolidated Financial Statements

1. Scope of Consolidation

(1) Number of Consolidated Subsidiaries: 15
Names of principal companies: Resona Bank, Ltd.
Saitama Resona Bank, Ltd.
The Kinki Osaka Bank, Ltd.

(2) Non-consolidated Subsidiaries
Name of principal company: Asahi Servicos e Representacoes Ltda.

Non-consolidated subsidiaries are immaterial with respect to assets, ordinary income, net income/loss (based on the owned interest) and retained earnings (based on the owned interest), accumulated other comprehensive income (based on the owned interest), etc. They are excluded from the consolidation as reasonable judgment on the financial conditions and operating results can still be expected even if they were not consolidated.

2. Application of the Equity Method

(1) Number of Non-consolidated Subsidiaries accounted for by the Equity Method: None

(2) Number of Affiliates accounted for by the Equity Method: 1 company
Name of the company: Japan Trustee Services Bank, Ltd.

(3) Non-consolidated Subsidiaries not accounted for by the Equity Method
Name of principal company: Asahi Servicos e Representacoes Ltda.

(4) Number of Affiliates not accounted for by the Equity Method: None
Non-consolidated subsidiaries and affiliates, which are not accounted for by the equity method, are not material to the consolidated financial statements with respect to net income/loss (based on the owned interest), retained earnings (based on the owned interest), accumulated other comprehensive income (based on owned interest), etc. and accordingly, the equity method is not applied to them.

3. Balance Sheet Dates of Consolidated Subsidiaries

(1) Balance sheet dates of the consolidated subsidiaries are as follows:
End of December: 3 companies
End of March: 12 companies

(2) All subsidiaries have been consolidated based on their accounts at their respective balance sheet dates. Appropriate adjustments have been made for significant transactions occurring during the period from the respective balance sheet dates of the above subsidiaries to the consolidated balance sheet date.

4. Accounting Policies

(1) Trading assets/trading liabilities and trading income/trading expenses

Transactions whose purpose are to earn a profit by taking advantage of short-term fluctuations in the market or discrepancies in interest rates, currency exchange rates, share prices or other market indices on different markets ("transactions for trading purposes") are included in "Trading assets" or "Trading liabilities" as appropriate in the consolidated balance sheets on a trade-date basis. Income and expenses on the transactions for trading purposes are included in "Trading income" and "Trading expenses" in the consolidated statements of income on a trade-date basis.

Securities and monetary claims etc. held for trading purposes are stated at fair value as of the consolidated balance sheet date. Derivatives, including swaps, futures and options, held for trading purposes, are stated at the fair values as if they were closed out value assuming the respective contracts are closed-out at the consolidated balance sheet date.

Trading income and trading expenses include interest received and paid during the fiscal year, net changes in fair value of securities and monetary claims, etc., and changes in the close-out value of derivatives during the fiscal year.

(2) Securities

Held-to-maturity debt securities are stated at amortized cost determined by the moving average method (the amortization/accumulation is calculated by the straight-line method).

Investments in non-consolidated subsidiaries and affiliates which are not accounted for by the equity method are stated at amortized cost determined by the moving-average method.

Available-for-sale equity securities are stated at fair value based on the average quoted market prices in the last month of the fiscal year. Other marketable available-for-sale securities are stated at their respective market value and the cost of these securities sold is determined by the moving average method. Non-marketable available-for-sale securities whose fair value cannot be readily determined are stated at cost determined by the moving-average method.

Net unrealized gains or losses, net of applicable taxes, on available-for-sale securities are included as a component of net assets.

(3) Derivative transactions

Derivative transactions (excluding “transactions for trading purposes”) are stated at fair value.

(4) Depreciation for fixed assets

(i) Tangible fixed assets (except for leased assets)
Depreciation of tangible fixed assets is mainly computed by the straight-line method for buildings and by the declining-balance method for equipment over the estimated useful lives. The estimated useful lives of major tangible fixed assets are as follows:
• Buildings: 2 ~ 50 years
• Equipment: 2 ~ 20 years

(ii) Intangible fixed assets (except for leased assets)
Amortization of intangible fixed assets is computed by the straight-line method. Software for internal use is amortized over the estimated useful lives (mainly 5 years) determined by the Company and its consolidated subsidiaries.

(iii) Leased assets
Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessee, which are included in tangible fixed assets or intangible fixed assets, are depreciated by a straight-line method over the lease term. Residual value of those leased assets is zero unless any guaranteed amount is prescribed in the lease agreement.

Depreciation of leased assets deemed to transfer ownership to the lessee is computed by the same method used for owned assets.

(5) Reserve for possible loan losses

The principal consolidated subsidiaries have provided reserve for possible loan losses in accordance with their internal standards for write-offs and reserves as follows:

For claims to insolvent borrowers who are undergoing bankruptcy or special liquidation, etc. (hereinafter, “borrowers under bankruptcy proceedings”) or who are in substantially the same deteriorating financial condition, although not yet in formal bankruptcy proceedings (hereinafter “borrowers substantially in bankruptcy”), a reserve is provided at the full amount of claims after deducting any direct write-offs and excluding the amounts deemed collectible from the disposal of collateral and the amounts recoverable from the execution of guarantees.

For claims to borrowers who are not currently in the condition of bankruptcy or insolvency but with a high probability of becoming insolvent and certain identified claims subject to close watch, which exceeds a certain threshold, the Discounted Cash Flows Method (the “DCF Method”) is applied to determine the amount of reserve for individually large balances which exceeds a certain pre-established threshold amount. The DCF method, however, is applied only when future cash flows from collection of principal and interest can be reasonably estimated. Under the DCF Method, a reserve is provided for the difference between the present value of future cash flows discounted by the original interest rate and the carrying value of the claim.

For claims to other borrowers, a reserve is computed by using the loss ratios derived from the historical loss experience for a specified period.

For claims to certain foreign borrowers with country risk exposure, a reserve is provided for the estimated losses determined by considering the political and economic situation of respective countries.

The operating divisions initially assess all claims based on the internal standards for self-assessment of asset quality. The Internal Audit Division, which is independent from the operating divisions, examines their assessments.

For collateralized or guaranteed claims, etc. to borrowers under bankruptcy proceedings and borrowers substantially in bankruptcy, uncollectible amount (i.e., the carrying value less the amounts collectible from the disposal of collateral and execution of guarantees) are directly written-off. Such uncollectible amount is determined considering a valuation of the collateral and guarantees and is ¥ 274,761 million.

Other consolidated subsidiaries mainly provide a general reserve against claims at the amount deemed necessary based on their historical loan-loss experience and a reserve for specific claims individually determined to be uncollectible such as those to borrowers under bankruptcy proceedings.

(6) Reserve for possible losses on investments

Reserve for possible losses on investments is provided for possible losses on investments in securities based on assessment of the issuers’ financial condition and other factors.

(7) Reserve for employees’ bonuses

The reserve for employees’ bonuses is provided for the payment of performance incentive bonuses to be paid to employees at an estimated amount accrued as of the consolidated balance sheet date.

(8) Other reserves

Other reserves are provided to cover future expenses and losses that can be reasonably estimated. Major components are as follows:

(i) Reserve for losses on reimbursement of dormant deposits: ¥19,670 million
A reserve for losses on reimbursement of dormant deposits is provided for the estimated future losses resulting from reimbursements of dormant deposits subsequent to the period of derecognition of the related liabilities.

(ii) Reserve for losses on trust transactions: ¥11,206 million
A reserve for losses on trust transactions is provided for the estimated future losses on the trust transactions without the principal indemnification which certain consolidated domestic banking subsidiaries have been administrating and operating.

(iii) Reserve for losses on burden charge under the credit guarantee system: ¥5,974 million
A reserve for losses on burden charge under the credit guarantee system is provided for the estimated future losses to be charged by the credit guarantee corporation under the burden sharing system for credit losses on loans.

(iv) Reserve for Resona Club points: ¥4,053 million
A reserve for Resona Club points is provided for the estimated future losses by usage of the points awarded to the Resona Club members.

(v) Reserve for losses on interest repayments: ¥681 million
A reserve for losses on interest repayments is provided for the future losses on interest repayment claims based on the historical experience for such repayments.

(9) Employees' retirement benefits

Regarding determination of retirement benefit obligations, the straight-line basis is adopted as the method of attributing expected benefit to the periods until this fiscal year end. Prior service cost and unrecognized actuarial gains and losses are accounted for as follows:

Prior service cost:	charged to expense in the fiscal year it is incurred
Unrecognized actuarial gains and losses:	charged to income/expense from the next fiscal year of the incurrence by the straight-line method over a period defined within the average remaining service years of eligible employees (ten years).

Certain consolidated subsidiaries estimated net defined benefit liability and retirement benefit costs using the simplified method whereby the retirement benefit obligations amount that would be payable if the eligible employees terminate the employment.

(10) Translation of assets and liabilities denominated in foreign currencies into Japanese yen

Assets and liabilities denominated in foreign currencies of consolidated domestic banking subsidiaries, except for the investments in affiliates on which historical foreign exchange rates are used, are translated into Japanese yen, primarily at the exchange rates on the consolidated balance sheet dates.

Assets and liabilities denominated in foreign currencies of other consolidated subsidiaries are translated into Japanese yen at the exchange rates on the respective balance sheet dates.

(11) Hedge accounting

(i) Hedges of interest rate risk
Consolidated domestic banking subsidiaries apply the deferral hedge accounting to the hedge of interest rate risk associated with their financial assets and liabilities in accordance with the Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 24 "Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry."
In assessment of effectiveness of fair value hedge, the hedged instruments such as loans and deposits and hedging instruments such as interest swaps are specified as a group with similar remaining term. In assessing effectiveness of cash flow hedge, the correlation of the interest sensitivities of the hedged instruments and the hedging instruments are examined.

(ii) Hedges of foreign currency risk
Certain consolidated domestic banking subsidiaries apply the deferral hedge accounting to hedge of the foreign currency risk associated with their financial assets and liabilities denominated in foreign currencies in accordance with JICPA Industry Audit Committee Report No. 25 "Accounting and Auditing Treatments for Foreign Currency Transactions in the Banking Industry."
Assessment of the effectiveness of these hedge transactions is conducted by confirming whether notional amount of hedging currency swaps, foreign exchange swaps, etc. is corresponding to hedged receivables or payables denominated in foreign currencies.

In addition, in application of the deferral hedge accounting or the fair value hedge accounting to hedges of foreign exchange risk of securities denominated in foreign currencies other than bonds, at the inception of each hedge, the hedge effectiveness is assessed by confirming whether the foreign currency payable amount of hedging spot or forward exchange contracts exceed the acquisition costs of the hedged securities denominated in foreign currencies.

(iii) Transaction among consolidated subsidiaries

Because internal interest swaps, currency swaps, and other derivative transactions specified as hedging instruments are strictly processed based the appropriate market pricing and covered by corresponding external transactions as required by the JICPA Industry Audit Committee Reports No. 24 and No. 25, gains and losses on these internal derivative transactions within consolidated banking subsidiaries or with their trading accounts, are not eliminated, and are recognized as profit or deferred.

The hedging of certain assets and liabilities are accounted for by the deferral hedge accounting, fair value hedge accounting and the special treatment of interest rate swaps.

(12) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows represent cash and due from the Bank of Japan included in “Cash and due from banks” on the consolidated balance sheets.

(13) Consumption taxes

The Company and consolidated domestic subsidiaries account for consumption tax and local consumption tax with the tax-exclusion method.

(14) Consolidated corporate-tax system

The Company and certain consolidated domestic subsidiaries adopt consolidated corporate-tax system with the Company being a parent company under the system.

(7) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement

Change in Accounting Policies

(Changes in Accounting Standard for Retirement Benefits)

The Group has adopted ASBJ Statement No. 26 “Accounting Standard for Retirement Benefits” (hereinafter, “Accounting Standard for Retirement Benefits”) and ASBJ Guidance No. 25 “Guidance on Accounting Standard for Retirement Benefits” (hereinafter, “Guidance on Retirement Benefits”), which were issued on May 17, 2012, since the end of this fiscal year (except the main clause of the Article 35 of Accounting Standard for Retirement Benefits and the main clause of the Article 67 of Guidance on Retirement Benefits). The amount of retirement benefit obligations after deducting plan assets is recognized as net defined benefit asset or liability.

The transitional treatment stated in Article 37 of Accounting Standard for Retirement Benefits was applied to the adoption of these accounting standard and guidance. “Unrecognized actuarial gains and losses” and “unrecognized prior service costs” both adjusted for tax effects were recognized as “remeasurements of defined benefit plans” of accumulated other comprehensive income at the end of this fiscal year.

As a result, “net defined benefit asset” and “net defined benefit liability” were recognized at ¥24,548 million and ¥26,978 million, respectively. In addition, deferred tax assets was increased by ¥17,454 million and accumulated other comprehensive income was decreased by ¥35,965 million. For the effects on per share information, please refer to “Per Share Information”.

Additional Information

(Public Funds to be Repaid for Class C No.1 Preferred Stock and Class F No.1 Preferred Stock)

The Company and the Deposit Insurance Corporation of Japan signed a contract “Agreement on Handling of Shares as Public Funds” on June 21, 2013, which predicates that the aggregate amount to be repaid by the Company for the preferred stocks subscribed and owned by the Resolution and Collection Corporation is ¥160.0 billion and the repayments will be implemented in the form of special preferred dividends for the preferred stocks.

The aggregate amount to be repaid by the Company for the Class C No. 1 preferred stocks and Class F No. 1 preferred stocks as of the end of this fiscal year was ¥160.0 billion.

(8) Notes to Consolidated Financial Statements

(Notes to Consolidated Balance Sheet)
March 31, 2014

1. Securities include equity investments in non-consolidated subsidiaries and affiliates of ¥19,418 million and capital subscriptions to entities of ¥2,953 million.

2. There is no stock lent under consumption agreements in “Securities.” There is no portion of unsecured borrowed securities, securities purchased under resale agreements and securities borrowed with cash collateral.

3. Loans to borrowers in legal bankruptcy amounted to ¥8,252 million, and past due loans amounted to ¥370,148 million.

   Loans to borrowers in legal bankruptcy are loans for which payment of principals or interests has not been received for a substantial period or, for other reasons, there are no prospects for collection of principals or interests, and accordingly, no interest has been accrued (excluding balance already written off and hereinafter referred to as "nonaccrual loans") and also certain specific condition stated in the Implementation Ordinances for the Corporation Tax Act (Cabinet Order No. 97, 1965), Items i through v in Article 96-1-3 or the circumstances stated in Article 96-1-4 exists.

   Past due loans are nonaccrual loans, other than loans to borrowers in legal bankruptcy and loans whose interest payments have been rescheduled in order to support the restructuring of the borrowers.

4. Loans past due 3 months or more amounted to ¥3,757 million.

   Loans past due 3 months or more are loans on which payment of principal or interest is overdue for 3 months or more from the contract payment date. These loans do not include "loans to borrowers in legal bankruptcy" nor "past due loans."

5. Restructured loans amounted to ¥264,509 million.

   Restructured loans are those which consolidated subsidiaries have provided special terms and conditions: - including reduction of the interest rates, reschedule of the interest and principal payments, or waiver of claims on the borrowers, all of which are more favorable to the borrowers than the corresponding terms in the original loan agreements. These loans do not include "loans to borrowers in legal bankruptcy", "past due loans" and "loans past due 3 months or more."

6. Loans to borrowers in legal bankruptcy, past due loans, loans past due 3 months or more and restructured loans amounted to ¥646,668 million in the aggregate. The amounts presented in above 3. to 6. are stated at the amounts before net of the reserve for possible loan losses.

7. Bills discounted are recorded as lending/borrowing transactions in accordance with the JICPA Industry Audit Committee Report No. 24. Consolidated banking subsidiaries have a right to sell or collateralize such bills at their discretion. The total face value of bank acceptance bills, commercial bills, documentary bills and foreign currency bills bought, etc., which were obtained at a discount, was ¥153,781 million.

8. Assets pledged as collateral were as follows:

   Assets pledged as collateral:

• Trading assets	¥38,992 million
• Securities	¥5,806,264 million
• Loans and bills discounted	¥239,072 million
• Other assets	¥3,907 million

   Debt collateralized:

• Deposits	¥169,762 million
• Payables under repurchase agreements	¥38,994 million
• Payables under securities lending transactions	¥49,891 million
• Borrowed money	¥1,019,466 million

   Other than noted on the table, "Cash and due from banks", "Securities" and "Other assets", in the amount of ¥80 million, ¥790,903 million, and ¥590 million, respectively, were pledged as collateral for settlement of foreign exchange or futures transactions and others.

   "Other assets" include the initial margins for future transactions in the amount of ¥4,838 million, cash collateral paid for financial instruments in the amount of ¥84,815 million and guarantee deposits in the amount of ¥21,106 million.

9. Overdrafts agreements on current accounts and commitment line agreements for loans are agreements to extend loans up to the prearranged amount upon customers' requests, unless any terms or conditions in the agreements are violated. Unused balances related to these agreements amounted to ¥8,054,179 million including ¥7,759,327 million of agreements with original terms of one year or less or those that are unconditionally cancellable by the Group at any time without penalty.

   The unused balances do not necessarily affect future cash flows of the consolidated subsidiaries because most of those agreements are expected to expire without being exercised. In addition, most agreements contain provisions, which stipulate that the consolidated subsidiaries may decline to extend loans or reduce the prearranged commitment amount when there are adverse changes in the financial conditions of the borrowers or for other reasons.

   When extending loans to customers, the Group may request collateral or guarantees such as real estate and securities if deemed necessary.

   After originating loans, the Group periodically checks the financial condition of the borrowers based on its internal rules and, if necessary, takes measures to ensure the security of the loans.

10. Certain domestic consolidated subsidiaries adopted a special one-time measure to revalue their land used in operations in accordance with the "Act Concerning Land Revaluation" (Act 34, announced on March 31, 1998). The land revaluation differences have been recorded in "revaluation reserve for land" as a separate component of net assets with the related income taxes included in "deferred tax liabilities for land

revaluation."

Revaluation date: March 31, 1998

The revaluation method as stated in Article 3, Item 3 of the Act Concerning Land Revaluation:

The revaluation was based on the official notice prices stated in the "Act of Public Notice of Land Prices (assessed date, January 1, 1998)" as stipulated in Article 2, Item 1 of the "Ordinance for the Act Concerning Land Revaluation (Government Ordinance No. 119, announced on March 31, 1998) after making reasonable adjustments for the location and quality of the sites.

The aggregate carrying value of the land after one-time revaluation exceeded its aggregate fair value that was determined in accordance with Article 10 of the Act by ¥30,140 million

11. Accumulated depreciation of tangible fixed assets: ¥216,625 million

12. Deferred profit on tangible fixed assets deducted for tax purposes: ¥51,559 million

13. Borrowed money includes subordinated borrowings of ¥37,000 million that are subordinated to other debt in repayment by special covenants.

14. Bonds include subordinated bonds or perpetual subordinated bonds of ¥612,564 million.

15. The principal amount of trust with the principal indemnification agreement which a consolidated domestic banking subsidiary as a trustee has been administrating and operating is ¥558,345 million.

16. Guarantees are provided on certain privately placed bonds, in accordance with Article 2, Item 3 of FIFA, included in "Securities." The amount of the guarantees is ¥316,325 million.

(Notes to Consolidated Statement of Income)
For the fiscal year 2013

1. "Other ordinary income" includes gains on sales of stocks and other securities in the amount of ¥31,846 million.

2. "Other ordinary expenses" includes:
   - Write-offs of loans ¥23,979 million
   - Losses on sales of stocks and other securities ¥8,875 million
   - Impairment losses on stocks and other securities ¥324 million

(Notes to Consolidated Statement of Comprehensive Income)
For the fiscal year 2013

1. Reclassification adjustment and tax effect of other comprehensive income

Net unrealized gains (losses) on available-for-sale securities	
Amount incurred during the fiscal year	¥ 94,709 million
Reclassification adjustment	(19,521)
Prior to deducting tax effect	75,187
Tax effect	(17,605)
Net unrealized gains (losses) on available-for-sale securities	¥ 57,582
Net deferred gains (losses) on hedges	
Amount incurred during the fiscal year	¥ 7,633
Reclassification adjustment	(20,369)
Prior to deducting tax effect	(12,736)
Tax effect	4,527
Net deferred gains (losses) on hedges	¥ (8,208)
Revaluation reserve for land	
Amount incurred during the fiscal year	¥ -
Reclassification adjustment	-
Prior to deducting tax effect	-
Tax effect	(6)
Revaluation reserve for land	¥ (6)
Foreign currency translation adjustments	
Amount incurred during the fiscal year	¥ 9,808
Reclassification adjustment	-
Prior to deducting tax effect	9,808
Tax effect	-
Foreign currency translation adjustments	¥ 9,808
Share of other comprehensive income of affiliates accounted for using equity method	
Amount incurred during the fiscal year	¥ 4
Total other comprehensive income	¥ 59,180

(Notes to Consolidated Statement of Changes in Net Assets)
For the fiscal year 2013

1. The changes in the number and class of shares issued and treasury stock are as follows:

(Shares in thousand)

	Number of shares at the beginning of the fiscal year	During the fiscal year 2013		Number of shares at the end of the fiscal year	Remarks
		Number of shares increased	Number of shares decreased		
Issued stock					
Common stock	2,514,957	-	190,839	2,324,118	(*1)
Preferred stock					
Class C No.1 preferred stock	12,000	-	-	12,000	
Class F No.1 preferred stock	8,000	-	-	8,000	
Class Three No.1 preferred stock	225,000	-	127,000	98,000	(*2)
Class Four preferred stock	2,520	-	-	2,520	
Class Five preferred stock	4,000	-	-	4,000	
Class Six preferred stock	3,000	-	-	3,000	
Total	2,769,477	-	317,839	2,451,638	
Treasury stock					
Common stock	71,812	257,576	192,185	137,204	(*3)
Preferred stock					
Class Three No.1 preferred stock	-	127,000	127,000	-	(*4)
Total	71,812	384,576	319,185	137,204	

Note: (*1) The decrease represents cancellation of own common stock of 190,839 thousand shares which acquired based on ceiling on total number of shares available for acquisition resolved at the board of directors' meetings held on May 10 and June 21, 2013.

(*2) The decrease represents cancellation of own common stock of 127,000 thousand shares which acquired based on ceiling on total number of shares available for acquisition resolved at the board of directors' meetings held on May 10, 2013.

(*3) The increase represents acquisition of own common stock of 190,839 thousand shares based on the ceiling on total number of shares available for acquisition as described Note (*1), acquisition of own common stock of 66,726 thousand shares which acquired based on ceiling on total number of shares available for acquisition resolved at the board of directors' meetings held on January 31, 2014 and the acquisition of 11 thousand shares of the odd-lot shares.

The decrease represents the cancellation of own common stock of 190,839 thousand shares which acquired based on ceiling on total number of shares available for acquisition as described Note (*1), disposal of 0 thousand shares of odd-lot shares and 1,345 thousand shares sold by ESOP-type Stock Benefit Trust for the Employee Shareholding

Association to Employee Shareholdings Association of the Company.

Number of shares at the beginning of the fiscal year and the end of the fiscal year include 7,618 thousand shares and 6,273 thousand shares, respectively, owned by ESOP-type Stock Benefit Trust for the Employee Shareholding Association.

(*4) The increase represents acquisition of own common stock of 127,000 thousand shares based on the ceiling on total number of shares available for acquisition as described Note (*2). Also, the decrease represents cancellation of own common stock of 127,000 thousand shares which acquired based on the ceiling on total number of shares available for acquisition as described Note (*2).

2. Detail of cash dividend

(1) Dividends paid in the fiscal year 2013

Resolution	Type of stock	Cash dividends	Dividend per share	Dividend record date	Effective date
		Millions of yen	*Yen*		
Board of directors' meeting on May 10, 2013	Common stock	29,409	12.00	March 31, 2013	June 5, 2013
	Preferred stock				
	Class C No.1 preferred stock	816	68.00		
	Class F No.1 preferred stock	1,480	185.00		
	Class Three No.1 preferred stock	4,734	21.04		
	Class Four preferred stock	2,501	992.50		
	Class Five preferred stock	3,675	918.75		
	Class Six preferred stock	3,712	1,237.50		

Note: Total cash dividends for common stock include ¥91 million of dividends paid to ESOP-type Stock Benefit Trust for the Employee Shareholding Association.

(2) Dividends with record dates before March 13, 2014 and effective dates after April 1, 2014

The following dividends are proposed to the board of directors meeting to be held on May 13, 2014.

Type of stock	Cash dividends	Dividend per share	Source of dividends	Dividend record date	Effective date
	Millions of yen	*Yen*			
Classified stock				March 31, 2014	June 4, 2014
Class C No.1 preferred stock	12,000	1,000.00	Capital surplus		
Class F No.1 preferred stock	20,000	2,500.00	Capital surplus		
Common stock	32,897	15.00	Retained earnings	March 31, 2014	June 5, 2014
Classified stock					
Class C No.1 preferred stock	816	68.00	Retained earnings		
Class F No.1 preferred stock	1,480	185.00	Retained earnings		
Class Three No.1 preferred stock	1,863	19.02	Retained earnings		
Class Four preferred stock	2,501	992.50	Retained earnings		
Class Five preferred stock	3,675	918.75	Retained earnings		
Class Six preferred stock	3,712	1,237.50	Retained earnings		

Note: Total cash dividends for common stock include ¥94 million of dividends paid to ESOP-type Stock Benefit Trust for the Employee Shareholding Association.

(Notes to Consolidated Statement of Cash Flows)
For the fiscal year 2013

The reconciliation between cash and cash equivalents in the consolidated statement of cash flows and cash and due from banks in the consolidated balance sheet is as follows:

Cash and due from banks	¥6,471,899	Million
Less:Due from except for The Bank of Japan	(157,163)	
Cash and cash equivalents	¥6,314,735	

(Financial Instruments)
For the fiscal year 2013

1. Conditions of financial instruments

(1) Policies and objectives for using financial instruments

As a financial service group comprising three commercial banks with consolidated assets of approximately ¥44 trillion, the Group aims to render useful financial services to customers and provides various financial instruments corresponding to the customer needs. In addition, the Group utilizes financial instruments for risk-taking and risk-control in order to improve its profitability and secure soundness of operations.

The Group responds to customers' funding needs through providing credit such as lending, loans, undertaking private placement bonds and guarantees to individuals and corporate customers. It holds bonds such as Japanese government bonds as stable investments and securities such as stocks for keeping strong relationship with customers. Recently the Group began providing interest rate-related and currency-related derivatives to meet sophisticated and diversified customer needs.

To provide these financial services, the Group raises funds by using financial instruments such as customer deposits, issuance of bonds and funding from the inter-bank market.

Asset and Liability Management (ALM) is in place to manage the interest rate gap between short-term and long-term and interest fluctuation risk resulting from its investment and funding activities, and to improve profitability management across business divisions. As part of ALM, the Group executes derivative transactions, which are designated to hedge the interest rate gap between short-term and long-term and interest fluctuation risk, as well as covering transactions related to customers' derivative contracts.

Certain consolidated subsidiaries and affiliates conduct domestic banking services, credit guarantee and management of collection of claims, and foreign banking services under foreign regulations.

(2) Type of and risks associated with financial instruments

(i) Type of and risks associated with loans and bills discounted
The Group's primary geographical business area is mainly the metropolitan areas of Tokyo and Saitama, and the Kansai region mainly Osaka. Loans to small-to-mid-size companies and individual mortgages comprise a significant portion of our credit portfolio. These loans are exposed to credit risks in which the Group may suffer losses due to a decline or the disappearance of an asset's value as a result of deterioration of the financial position of obligors.

(ii) Type of and risks associated with securities
Securities, which each bank of the Group holds, are bonds, stocks, investment trusts, investment trusts in partnership and specified purpose funds. The Group holds them to promote business in addition to net investments and smooth cash flow operation. Japanese government bonds occupy 70% of securities as of the end of the fiscal year.

Securities are exposed to market risks in which the Group may suffer losses due to changes in values of assets and liabilities or revenues generated from them by variance of risk factors such as interest rate, stock market and foreign exchange market, and credit risks in which the Group may suffer losses due to a decline or the disappearance of asset's value as a result of deterioration of the financial position of obligors.

(iii) Type of and risks associated with derivative transactions
The Group utilizes derivative instruments such as interest rate-related products, currency-related products, stock-related products and bond-related products.

- Interest rate-related products: futures, future options, forward rate agreements, swaps, and options
- Currency-related products: forward exchange contracts, swaps and options
- Stock-related products: index futures, index options, and over-the-counter options
- Bond-related products: futures, future options, and over-the-counter options

Derivative transactions are essential to satisfy the sophisticated and diverse financial needs of customers and to control various risks to which each bank of the Group is exposed. The Group's basic policy is to execute derivative transactions in line with its business strategy and resources under the appropriate risk management system after accurately identifying risks associated with the transactions.

Each bank of the Group executes derivative transactions in order to respond to customers' risk hedging needs, hedging risks of financial assets and liabilities, and for trading purposes.

(a) Customers' risk hedging needs
Customers are exposed to various risks and, accordingly, their needs to hedge these risks are essential and diverse. One of the primary purposes of derivative transactions for each bank of the Group is to provide customers with financial products which enable them to achieve their objectives of hedging and mitigating risks. Each bank of the Group develops a variety of derivatives and makes an effort to increase its ability to provide those financial products in order to offer sophisticated financial solutions to customers.

Derivative transactions may, however, result in significant losses to customers depending upon the design and nature of the products. Accordingly, in offering such products to customers, each bank of the Group follows strict guidelines which ensure that:

- Sufficient explanation of the products and associated risks

Customers are given sufficient explanation on the nature of products and their risks in writing. A description of the product, structure, hedge effectiveness (including explanation of which customers would not be able to gain expected economic effects and which the economic effects from the hedge transactions would be against customers' interests), market risk and credit risk associated with the product are required to be included in the explanation documents (proposal, written explanation of derivative risks).

Customers are given explanation in accurate and simplified terms instead of difficult technical terms. Customers are given cooperation to confirm completeness of the explanation and full understanding by using designated documents with check column.

- Customers' responsibility and capability to enter into a transaction
  Customers are ready to take responsibility for the products fully, and are capable and willing to enter into the transactions based on their own judgment.

  Customers are not engaged in transactions which are recognized as improper from the points of transaction amount, term, and level of risk of view, according to customers' knowledge, experience, assets, purpose of transaction, capacity to meet loss and internal management systems.

- Providing relevant fair value information
  Customers are provided with relevant fair value information (i.e., unrealized gains and losses on customers' positions) to assist them in evaluating the products and transactions, periodically or whenever considered necessary.

(b) Hedging risks of financial assets and liabilities

Each bank of the Group uses derivatives to manage interest rate and foreign currency risks associated with various financial assets and liabilities, such as loans and deposits.

Each bank of the Group uses fair value hedges to protect the fair value of assets and liabilities against risks such as interest rate fluctuations, and cash flow hedges to ensure future cash flows from their variability on an individual and a portfolio basis. As for foreign currency risks, each bank of the Group uses foreign currency hedges to protect future fair value of assets and liabilities against risks such foreign currency fluctuations.

Derivative transactions designated as hedges are strictly monitored by assessing hedge effectiveness periodically in accordance with the relevant hedge accounting guidelines.

For a portfolio hedge of interest rate risks, hedge effectiveness is assessed by grouping hedging instruments and hedged items according to their maturities to determine that certain critical conditions are satisfied, or confirming high correlation between the changes in interest rate factors underlying the hedging instruments and hedged items by means of regression analyses. For an individual hedge, hedge effectiveness is assessed individually.

For a foreign currency hedge, hedge effectiveness is assessed by confirming that the principal and interest amount of receivables and liabilities denominated in foreign currencies exceed the principal and interest amount of hedging instruments.

(c) Trading activities

Each bank of the Group engages in trading activities to earn profits by taking advantage of short-term fluctuations in market indices or market gaps.

Risks associated with derivative transactions are credit risks and market risks.

Each bank of the Group determines and monitors credit exposures by measuring credit risks based on the current exposure method periodically, adding the credit exposure together with the on-balance sheet transactions such as loans, and the Loan and Credit Division, independent from Market Divisions and Operation Divisions, establishing individual credit limits. The division reviews the transaction and credit limits applicable to each of the counterparties, on an on-going basis, in response to the changes in creditworthiness of the counterparties.

Refer to following (3) (ii) “Market risk management.”

(iv) Type of and risks associated with financial liabilities

Each bank of the Group raises funds through acceptance customer deposits, funding in the market and issuing bonds. Customer deposits comprise 83% of liabilities as of March 31, 2014. Liabilities are exposed to liquidity risk and may be difficult to fund based on the fluctuation of the financial economic environment.

(v) Type of and risks associated with non-banking subsidiaries and affiliates accounted for by the equity method

Non-banking subsidiaries and affiliates accounted for by the equity method include Resona Guarantee Co., Ltd., which conducts a credit guarantee business and Resona Card Co., Ltd., which conducts a credit card administration and credit guarantee business. They are exposed to credit risk and market risk related to each business activity.

(3) Risk management system related to financial instruments

The Company has established the Group Risk Management Policy that serves as the basic risk management policy. Based on the policy and operational characteristics, each bank of the Group established its own risk management policy “Basic Policy for Risk Management,” approved by the Board of Directors of each bank of the Group, including basic policies for credit risk management, market risk management and liquidity risk management. In accordance with the Basic Policy for Risk Management, each bank of the Group manages risks and establishes detailed rules over risk management activities.

Each bank of the Group plans and conducts internal audits depending on the degree of intrinsic risks and the risk management system.

(i) Credit risk management

In accordance with the Basic Policy for Risk Management, Credit Risk Management-related Departments, independent from sales promotion-related divisions, are responsible for determining and monitoring credit exposures at each bank of the Group. As an organization responsible for credit risk management, each bank of the Group sets up Credit Committee and Credit Risk Management-related Departments, which include the Credit Risk Management Division, Credit Analysis Division, and Administration of Problem Loans. The Credit Committee has been established to resolve, discuss and report significant credit matters as a whole. The Credit Risk Management Division is a division to propose policies and procedures over credit rating and a framework necessary for appropriate credit risk management such as credit analysis. The Credit Analysis Division is a division to review operational and financial conditions, qualitative factors, funding purpose, repayment plan, etc., of counterparties, and determine credit exposures by considering the nature of risks associated with the transaction appropriately. The Administration of Problem Loans is a division to understand the business condition of the counterparties with problems and engage in rehabilitation, resolution and correction of the business.

To reduce credit risks, each bank of the Group makes an effort to include “offsetting” provisions of credit claims (i.e., unsecured portion of loans) into debt obligations (i.e., non-collateralized deposits) in case of customers’ insolvency under banking account agreements with customers. Collateral is composed of deposits with each bank of the Group, bonds such as Japanese government bonds, securities such as listed corporate stocks, commercial bills, and real estate. Other than the collateral, each bank of the Group reduces credit risks by utilizing guarantees, contracts to offset loans and deposits on each bank of the Group without collateral, and negotiated netting contracts of derivative transactions and repurchase transactions. Each bank of the Group controls credit risks within certain amounts by measuring credit risks from the perspective of managing the whole credit portfolio and setting credit limits.

(ii) Market risk management

(a) Market risk management system

In accordance with the Basic Policy for Risk Management, each bank of the Group established the Risk Management Division (middle-office) and Office Management Division (back-office), independent from Transaction Divisions (front-office), to enable mutual checks and balances. The ALM Committee has been established to manage changes and conditions of funding, revenue, risk and cost, and to discuss and report corresponding actions to the circumstances.

Each bank of the Group establishes policies such as “Market Risk Management Policy” to manage market risk appropriately and strictly in accordance with the Basic Policies for Risk Management.

As for market risks resulting from fair market valuation of transactions or changes in risk factors such as interest, market prices, and foreign currency exchange, each bank of the Group measures risk exposures by Value at Risk (“VaR”), establishes limits of risk exposure, limits of loss and limits of sensitivity by product, and monitors those observance conditions. In addition, each bank of the Group regularly measures potential loss amounts based on stress-scenario testing.

Each bank of the Group monitors and reports to management about risk exposures and profit/loss conditions, including observance of the conditions of the credit limits. It also leads checks and balances by the Risk Management Division (middle-office) to the Transaction Divisions (front-office).

(b) Quantitative information on market risk

Each bank of the Group measures VaR of market risks based on the purpose of holding financial instruments: trading, banking and securities held for the purpose of strategic investment. Market risk exposure of the Group is measured by simply aggregating VaR of Resona Bank, Ltd., Saitama Resona Bank, Ltd. and The Kinki Osaka Bank, Ltd.

Risk exposures of certain products and affiliated companies are excluded from the market risk exposure of the Group, as the effect is confirmed to be immaterial.

(Trading)

The Group adopts a historical simulation method (holding period is 10 business days, confidence interval is 99%, observation period is 250 business days) in order to measure VaR associated with securities held for trading and derivative instruments.

The market risk exposure of the Group in the trading operation as of March 31, 2014 is ¥1,031 million.

(Banking)

In the banking operation, each bank of the Group deals with financial instruments other than those held for trading and securities held for the purpose of strategic investment, and any other assets and liabilities. The Group adopts a historical simulation method (holding period is 20 or 125 business days, confidence interval is 99%, observation period is 1,250 business days) in order to measure VaR associated with the banking operation.

The market risk exposure of the Group in the banking operation as of March 31, 2014 is ¥44,693 million.

(Securities held for the purpose of strategic investment)

Each bank of the Group measures VaR or manages risks associated with securities held for the purpose of strategic investment separately from the trading and the banking operation. The Group adopts a historical simulation method (holding period is 125 business days, confidence interval is 99%, observation period is 250 and 1,250 business days) in order to measure VaR associated with securities held for the purpose of strategic investment, and measures the risk exposure by considering unrealized gains/losses and impairment risks.

The market risk exposure of the Group on the securities held for the purpose of strategic investment as of March 31, 2014 is ¥24,580 million.

(Verification system of VaR)

Each bank of the Group performs a backtesting which reconciles VaR measured by the model for each measurement unit with actual market fluctuations in order to verify reliability and effectiveness of the risk measurement model.

VaR represents a risk exposure under a certain probability calculated statistically based on the historical market movements. In the case that the actual market fluctuates over the ranges anticipated by the historical market movements, fair market values may fluctuate over VaR.

(iii) Liquidity risk management

In accordance with the Basic Policy for Risk Management, each bank of the Group has established the Cash Management Division and the Liquidity Risk Management Division, to enable mutual checks and balances. The ALM Committee and the Liquidity Risk Management Committee monitor and report to management timely and appropriately.

Each bank of the Group establishes policies such as the “Liquidity Risk Management Policy” to manage liquidity risk appropriately and strictly in accordance with the Basic Policies for Risk Management. For cash flow management, each bank of the Group establishes liquidity risk phases (normal and 3 levels under emergency condition) and carries out corresponding actions at each phase determined in advance.

Each bank of the Group monitors liquidity risks by defining a key indicator for liquidity risk management based on its size and nature of the business and circumstances over a liquidity risk. Each bank of the Group establishes guidelines of a key indicator for liquidity risk management as necessary.

As for market liquidity risks in which each bank of the Group may suffer losses because it can not make transactions on market or is forced to make significantly unfavorable transactions due to market turmoil, each bank of the Group monitors conditions of the market liquidity risk on a regular basis.

(4) Supplementary explanation relating to fair value of financial instruments and other

The fair value of financial instruments includes, in addition to the value determined based on the market price, a value calculated on a reasonable basis if no market price is available. Certain assumptions are used for the calculation of such amount. Accordingly, the result of such calculation may vary if different assumptions are used.

Refer to following “(Note 1). Calculation method of fair value of financial instruments” for certain assumptions” on “2. Fair value of financial instruments” does not include transactions not recognized on consolidated balance sheet, such as an investment trust sold to a customer.

2. Fair value of financial instruments

Amount on consolidated balance sheet, fair value and difference between them as of March 31, 2014 were as follows. Non-marketable securities whose fair values cannot be reliably determined such as non-listed equity securities are not included in the next table. (Refer to Note 2.)

(Millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Cash and due from banks	¥ 6,471,899	¥ 6,471,899	¥ -
(2) Call loans and bills bought	154,318	154,318	-
(3) Monetary claims bought (*1)	332,637	333,105	467
(4) Trading assets			
Trading securities	289,964	289,964	-
(5) Securities			
Held-to-maturity debt securities	2,150,742	2,218,592	67,850
Available-for-sale securities	6,468,044	6,448,044	-
(6) Loans and bills discounted	26,701,668		
Reserve for possible loan losses (*1)	(231,450)		
	26,470,218	26,710,648	240,429
(7) Foreign exchange assets (*1)	72,757	72,757	-
Total assets	¥ 42,410,581	¥ 42,719,329	¥ 308,747
(1) Deposits	¥ 35,745,906	¥ 35,747,188	¥ 1,281
(2) Negotiable certificates of deposit	1,949,860	1,949,868	8
(3) Call money and bills sold	854,793	854,793	-
(4) Payables under repurchase agreements	38,994	38,994	-
(5) Payables under securities lending transactions	49,891	49,891	-
(6) Borrowed money	1,081,701	1,082,740	1,039
(7) Foreign exchange liabilities	1,173	1,173	-
(8) Bonds	696,418	733,091	36,672
(9) Due to trust account	533,844	533,844	-
Total liabilities	40,952,585	40,991,587	39,001
Derivative transactions (*2)			
Hedge accounting not applied	27,914	27,914	-
Hedge accounting applied	45,144	44,842	(301)
Total derivative transactions	¥ 73,058	¥ 72,757	¥ (301)

	Contractual amounts	Fair values
Other		
Guarantee contract (*3)	¥ 490,552	¥ (11,456)

Notes:

(*1) Reserve for possible loan losses corresponding to loans and bills discounted are deducted. Specific reserve for possible loan losses corresponding to monetary claims bought and foreign exchange assets are excluded from the amount on consolidated balance sheet directly due to immateriality.

(*2) Derivative financial instruments included in trading assets/liabilities and other assets/liabilities are presented in total. Assets (positive amount) and liabilities (negative amount) arising from derivative transactions are presented on a net basis.

(*3) Contractual amount of guarantee contract is equal to acceptances and guarantees in the consolidated balance sheets.

(Note 1) Calculation method of fair value of financial instruments

Assets

(1) Cash and due from banks

For due from banks which have no maturity, since fair values of these items approximate carrying amounts, the Group deems the carrying amounts to be fair values. For due from banks which have maturity, since contractual terms of these items are short (i.e., within one year) and fair values of these items approximate carrying amount, the Group deems the carrying amounts to be fair value. Fair value of negotiable certificates of deposit is based on present value determined by discounting future cash flow.

(2) Call loans and bills bought

Since contractual terms of these items are short (i.e., within one year) and fair value of these items approximates carrying amounts, the Group deems the carrying amounts to be fair value.

(3) Monetary claims bought

Fair values for deed of beneficiary certificate of loan trust are based on the values provided by third parties (brokers) or calculated by a similar method used for loans and bills discounted (refer to (6)).

(4) Trading assets

Fair values of bonds held for trading is based on the values calculated by statistic of over-the-counter bonds released from Japan Securities Dealers Association, and fair values of short-term bonds are based on present values determined by discounting face values with market interest rate.

(5) Securities

Fair values of stocks are based on the one month weighted average of the market price prior to the end of the fiscal year. Fair values of bonds (excluding private placement bonds) are based on the values calculated by statistics released from the Japan Securities Dealers Association or prices provided by financial institutions. Fair values of investment trusts are based on the disclosed net asset value. Fair values of private placement bonds are, in principal, determined by discounting the principal and interest amount with the interest rate used for new issuances for each category based on the internal rating. Refer to following "Securities" for note on the purpose of holding those securities.

(6) Loans and bills discounted

For fair values of loans with floating interest rates reflecting the market interest rates in a short-term period, the carrying amounts are presented as fair values as the fair values approximates such carrying amounts, unless creditworthiness of borrowers has changed significantly since the loan was executed. For fair values of loans with fixed interest rates, fair values are determined by discounting the principal and interest amount with the interest rate used for new loans for each category of loan, internal rating and loan period. For fair value of loans by maturity within one year, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts.

For fair value of loans to borrowers under bankruptcy proceedings, borrowers substantially in bankruptcy and borrowers with high probability of becoming insolvent, reserve for possible loan losses are estimated based on the present value of future cash flow and recoverable amount of collateral or guarantees. Since fair values of such loans approximate carrying amounts after deducting reserve for possible loan losses at the end of the fiscal year, the Group deems the carrying amount to be fair value.

For fair values of the loans and bills discounted, for those without a fixed maturity due to loan characteristics such as limiting loans to within the value of pledged assets, the Group deems the carrying amounts to be fair value since fair values are expected to approximate carrying amounts based on the estimated loan periods, interest rates and other conditions.

(7) Foreign exchange assets

Fair values of foreign exchanges consist of foreign currency deposits with other banks (due from other foreign banks), short-term loans involving foreign currencies (loans to other foreign banks), export bills and traveler's checks, etc. (purchased foreign bills), and loans on notes using import bills (foreign bills receivables), the carrying amounts are presented as fair values, as the fair values approximate such carrying amounts because these items are deposits without maturity or have short contract terms (one year or less).

Liabilities

(1) Deposits and (2) Negotiable certificates of deposit

For fair values of demand deposits, the Group deems the payment amounts required on the consolidated balance sheet date (i.e., carrying amounts) to be fair values. Fair values of time deposits and negotiable certificates of deposit are calculated by classifying them based on their terms and discounting the future cash flows. Discount rates used in such calculations are the interest rates that would be applied to newly accepted deposits. For fair value of deposits by maturity within one year, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts.

(3) Call money and bills sold, (4) Payables under repurchase agreements and (5) Payables under securities lending transactions

Since contractual terms of these items are short (i.e., within one year) and fair values of these items approximate carrying amounts, the Group deems the carrying amounts to be fair value.

(6) Borrowed money

For fair values of borrowings with floating interest rates reflecting the market interest rates in a short-term period, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts, because creditworthiness of the Company and its consolidated subsidiaries have not changed significantly since they made the borrowings. For fair values of borrowings with fixed interest rates, fair values are determined by discounting the principal and interest amount with the interest rate expected for similar borrowings. For fair values of borrowings by maturity within one year, the carrying amounts are presented as fair values as the fair values approximate such carrying amounts.

(7) Foreign exchange liabilities

Among foreign exchange contracts, foreign currency deposits accepted from other banks and non-resident yen deposits are deposits without maturity (due to other foreign banks). Foreign currency short-term borrowings have short contract terms (one year or less). Thus, their carrying amounts are presented as fair values for these contracts as the fair values approximate such carrying amounts.

(8) Bonds

Fair value of corporate bonds issued by the Company and its consolidated subsidiaries are based on the values calculated by statistics released from the Japan Securities Dealers Association, prices provided by financial institutions or value determined by discounting the principal and interest amount with the interest rate expected for use of new bond issuance.

(9) Due to trust account

Due to trust account represents a short-term funding by accepting surplus in trust account and unused principal. The carrying amounts are presented as fair values, which approximate such carrying amounts.

Derivative transactions

Derivatives transactions are Interest rate-related products (future, options, swaps, etc), Currency-related products (forward exchange contracts, options and swaps, etc) and Bond-related products (future, future options, etc). Derivative transactions are measured at market price, the discounted value of their future cash flows or option pricing models.

Other

Guarantee contract
For guarantee contract, the Group deems the difference between future cash flow of the contractual guarantee fee and future cash flow of the expected guarantee fee if it executes a new guarantee contract, to be fair values.

For the guarantee to borrowers under bankruptcy proceedings, borrowers substantially in bankruptcy and borrowers with high probability of becoming insolvent, the Group deems the present values, which is calculated based on the estimated future cash flow or recoverable amounts from collateral and guarantee, as fair value.

(Note 2) Financial instruments whose fair values cannot be reliably determined

Financial instruments are not included in (5) Securities in (Note 1) Calculation method of fair values of financial instruments:

(Millions of yen)

Classification	Amount on consolidated balance sheet
Unlisted stocks (*1)(*2)	¥ 62,373
Investments in partnerships (*2) (*3)	17,304
Total	¥ 79,678

Notes:
(*1) Unlisted stocks do not carry quoted market prices. Since the fair values of these securities cannot be reliably determined, their fair values are not disclosed. Unlisted stocks are amount before reserve for possible losses on investments and the total of both domestic and foreign securities.
(*2) For the fiscal year 2013, impairment losses of unlisted stocks and Investments in partnerships were ¥75 million and ¥237 million, respectively.
(*3) Investments in partnerships contain assets such as unlisted stocks which do not carry quoted market prices. Since the fair values of these securities cannot be reliably determined, their fair values are not disclosed. Investments in partnerships are the total of both domestic and foreign assets.

(Note 3) Maturity analysis for monetary claims and securities with contractual maturities

(Millions of yen)

	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years
Due from banks	¥ 5,958,186	¥ -	¥ -	¥ -	¥ -	¥ -
Call loans and bills bought	154,318	-	-	-	-	-
Monetary claims bought	236,283	-	-	-	-	
Securities:						
Held-to-maturity debt securities	128,160	290,749	372,535	1,025,410	330,015	3,000
Japanese government bonds	95,000	200,000	284,300	945,200	180,000	3,000
Japanese local government bonds	31,561	86,815	86,275	80,160	150,015	-
Japanese corporate bonds	1,599	3,934	1,960	50	-	-
Available-for-sale securities	1,577,392	1,228,526	2,101,651	187,593	530,229	84,771
Japanese government bonds	1,383,000	749,500	1,799,400	50,000	416,000	45,000
Japanese local government bonds	12,649	25,853	79,294	47,790	33,567	-
Japanese corporate bonds	177,139	390,500	209,705	29,410	65,226	25,890
Loans and bills discounted (*)	6,717,805	4,221,184	3,027,582	1,961,397	2,311,869	8,352,189
Foreign exchange assets	72,757	-	-	-	-	-
Total	¥ 14,844,904	¥ 5,740,460	¥ 5,501,770	¥ 3,174,401	¥ 3,172,114	¥ 8,536,443

(*) Loans and bills discounted, for which it is difficult to estimate the redemption amount, amounted to ¥109,639 million and are excluded from the above table. The estimated uncollectable amount, which is deducted from loans directly, is excluded.

(Note 4) Maturity analysis for bonds, borrowed money and other debts with interest

(Millions of yen)

	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years
Deposits (*1)	¥ 32,827,711	¥ 2,042,718	¥ 875,476	¥ -	¥ -	¥ -
Negotiable certificates of deposit	1,944,420	5,440	-	-	-	-
Call money and bills sold	854,793	-	-	-	-	-
Payables under repurchase agreements	38,994	-	-	-	-	-
Payables under securities lending transactions	49,891	-	-	-	-	-
Borrowed money	751,061	291,817	493	38,313	15	-
Foreign exchange liabilities	1,173	-	-	-	-	-
Bonds (*2)	20,000	53,870	50,000	171,300	221,000	36,000
Due to trust account	533,844	-	-	-	-	-
Total	¥ 37,021,891	¥ 2,393,846	¥ 925,970	¥ 209,613	¥ 221,015	¥ 36,000

(*1) Demand deposits are included and presented in “one year or less” in the above table.
(*2) Bonds without maturity dates, which amounted to ¥144,283 million, are excluded from the above table.

(Securities)
For the fiscal year 2013

“Securities” in the consolidated balance sheet, negotiable certificates of deposit in “Cash and due from banks”, trust beneficiary certificate in “Monetary claims bought”, and trading securities and short-term bonds in “Trading assets” were included in the following tables.

1. Trading securities (As of March 31, 2014)

(Millions of yen)

	Net unrealized gains (losses) recorded in the consolidated statement of income during the fiscal year
Trading securities	¥ 136

2. Held-to-maturity debt securities (As of March 31, 2014)

(Millions of yen)

	Type	Amount on consolidated balance sheet	Estimated fair Value	Net unrealized gains (losses)
Fair value exceeding amount on consolidated balance sheet	Japanese government bonds	¥ 1,708,395	¥ 1,761,890	¥ 53,495
	Japanese local government bonds	400,653	415,029	14,376
	Japanese corporate bonds	6,412	6,508	96
	Total	2,115,461	2,183,428	67,967
Fair value below amount on consolidated balance sheet	Japanese government bonds	-	-	-
	Japanese local government bonds	34,148	34,037	(111)
	Japanese corporate bonds	1,132	1,126	(6)
	Total	35,281	35,163	(117)
Grand Total		¥ 2,150,742	¥ 2,218,592	¥ 67,850

3. Available-for-sale securities (As of March 31, 2014)

(Millions of yen)

	Type	Amount on consolidated balance sheet	Acquisition/ amortized cost	Net unrealized gains (losses)
Amount on consolidated balance sheet exceeding acquisition or amortized cost	Japanese stocks	¥ 630,683	¥ 310,130	¥ 320,552
	Bonds	2,887,023	2,871,921	15,101
	Japanese government bonds	1,955,523	1,952,030	3,493
	Japanese local government bonds	154,777	149,413	5,364
	Japanese corporate bonds	776,722	770,478	6,243
	Other	120,781	114,309	6,471
	Total	3,638,488	3,296,362	342,125
Amount on consolidated balance sheet below acquisition or amortized cost	Japanese stocks	18,426	21,803	(3,376)
	Bonds	2,678,386	2,681,616	(3,230)
	Japanese government bonds	2,498,946	2,501,544	(2,598)
	Japanese local government bonds	49,865	49,997	(131)
	Japanese corporate bonds	129,574	130,074	(500)
	Other	199,081	201,320	(2,239)
	Total	2,895,984	2,904,741	(8,846)
Grand Total		¥ 6,534,382	¥ 6,201,103	¥ 333,279

Note: Unlisted stocks in the amounts of ¥42,931 million and investments in partnerships in the amounts of ¥14,374 million, whose fair value cannot be reliably determined, are not included in available-for-sale securities on above.

4. Held-to-maturity debt securities sold during the fiscal year (from April 1, 2013 to March 31, 2014)
None

5. Available-for-sale securities sold during the fiscal year (from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Proceeds from sales	Gains on sales	Losses on sales
Japanese stocks	¥ 18,407	¥ 12,198	¥ 30
Bonds	13,437,420	18,345	5,655
Japanese government bonds	12,903,374	16,252	5,637
Japanese local government bonds	88,637	1,290	0
Japanese corporate bonds	445,408	803	18
Other	1,366,774	21,665	16,083
Total	¥ 14,822,603	¥ 52,209	¥ 21,770

6. Impairment of Securities

Securities except trading securities(excluding whose fair values cannot be reliably determined), of which market values substantially declined in comparison with acquisition cost and the market value rarely recovers to the acquisition cost, are recorded at the market value on the consolidated balance sheet and the valuation difference is recognized as an impairment loss.

For the year 2013, an impairment loss was amounted to ¥ 115 million.

To assess whether or not a decline in fair values is substantial, the Group considers not only the severity and duration of the decline in value but also the classification of the security issuer which is used in the self-assessment of asset quality as follows:

(i) For issuers who are classified as borrowers under bankruptcy proceedings, borrowers substantially in bankruptcy and borrowers with a high probability of becoming insolvent:
where the fair value is lower than the amortized cost or acquisition cost.

(ii) For issuers who are classified as borrowers under close watch or issuers who are not rated:
where the fair value declined by 30% or more compared to the amortized cost or acquisition cost.

(iii) Other: where the fair value declined by 50% or more compared to the amortized cost or acquisition cost.

(Deferred Tax Accounting)

Following the promulgation on March 31, 2014 of the “Act on the Partial Revision of the income tax (Act No. 10 of 2014)”, Special Income Tax for Reconstruction has been abolished from the fiscal years beginning on or after April 1, 2014.

In line with these changes, the effective statutory tax rate used to measure deferred tax assets and liabilities will be changed from 37.97% to 35.59% for temporary differences expected to be reversed in the fiscal years beginning on or after April 1, 2014.

As a result of this change, deferred tax assets in the consolidated balance sheet decreased by ¥4,438 million and income taxes- deferred in the consolidated statement of income increased by ¥4,438 million.

(Segment Information)

For the fiscal year 2013

1. Segment Information

Principal operating activities of the segments are as follows:

Segment	Principal operating activity
Consumer banking	Mainly for individual customers, provide consulting services regarding consumer loan, asset management and asset succession
Corporate banking	Mainly for corporate customers, support their business growth by providing services regarding corporate loan, trust asset management, real estate business, corporate pension and business succession
Market trading	In financial markets, transaction in short term lending, borrowing, bond purchase and sale, and derivatives trading

2. Profit and loss by segment

Profit and loss of each segment for the fiscal year ended March 31, 2014 were as follows:

(Millions of yen)

	Segment				Other	Total
	Consumer banking	Corporate banking	Market trading	Sub total		
Gross operating profit	¥ 259,755	¥ 283,989	¥ 51,913	¥ 595,658	¥ (2,437)	¥ 593,221
General and administrative expenses	(173,896)	(153,090)	(8,825)	(335,812)	-	(335,812)
Actual net operating profit	85,859	130,884	43,088	259,832	(2,437)	257,395
Credit cost	1,781	26,130	-	27,911	-	27,911
Net operating profit less credit cost	¥ 87,640	¥ 157,015	¥ 43,088	¥ 287,744	¥ (2,437)	¥ 285,307

Notes:

1. Total amount is aggregated by the figures of three consolidated subsidiary banks and three consolidated credit guarantee subsidiaries.
2. The consumer banking unit contains operating results of the three consolidated credit guarantee subsidiaries.
3. Gross operating profit of Corporate banking unit does not include credit cost incurred in trust accounts amounting to ¥13 million of gain.
4. Gross operating profit of the Market trading unit contains some portion of gains/losses on equity securities.
5. “Other” includes all other departments, such as management office, which are not operating segments.
6. Depreciation expense is included in general and administrative expenses.

3. Reconciliation between the segment information and the consolidated financial statements for the fiscal years ended March 31, 2014 was as follows:

(Millions of yen)

Profit	Amount
Total amounts of segments	¥ 287,744
Net gains (losses) of “Other”	(2,437)
Net non-recurring losses other than credit cost	17,615
Net extraordinary gains (losses) other than credit cost	(2,816)
Profit of consolidated subsidiaries which are not included in segments, etc.	11,978
Income before income taxes and minority interests	¥ 312,085

Notes:

1. Non-recurring gains (losses) other than credit cost include some portion of gain/loss on securities and retirement benefit expenses.
2. Net extraordinary gains (losses) other than credit cost include impairment loss.

(Per Share Information)

1. Net assets per share of common stock and its calculation base

(Millions of yen, except "Net assets per share of common stock" *and number of shares)*

	Fiscal Year 2012 From April 1, 2012 To March 31, 2013	Fiscal Year 2013 From April 1, 2013 To March 31, 2014
Net assets per share of common stock	490.48 yen	552.89 yen
(Calculation base)		
Total net assets	¥ 2,189,304	¥ 1,956,412
Deductions from total net assets	990,991	747,280
Minority interests	126,072	139,231
Preferred stock	848,000	594,000
Preferred dividends	16,918	14,048
Net assets attributable to common stock at the end of the fiscal year	¥ 1,198,313	¥ 1,209,132
Number of shares of common stock at the end of the fiscal year used for the calculation of net assets per share of common stock (shares in thousand)	2,433,144	2,186,913

Notes:

(*1) Regarding to Class C No.1 preferred stock and Class F No.1 preferred stock, the right to receive the distribution of residual assets (total amount is ¥160.0 billion) is not decreased by the special preferred dividends as described in "additional information".

In order to represent the actual conditions of the repayment scheme (the repayment of public fund will be implemented by special preferred dividends funded by other capital surplus) based on "Public funds full repayment plan" announced on May 10, 2013, "Net assets attributable to common stock at the end of the fiscal year" was calculated after deducting the Public funds to be repaid for the preferred stocks (¥160.0 billion for this fiscal year) from "Total net assets"(specifically, included in "Preferred stock" of "Deductions from total net assets"). To avoid duplicated deduction of Public funds to be repaid impact described above, the special preferred dividends of ¥32.0 billion, which record date is at the end of this fiscal year and is funded by other capital surplus, is not deducted from "Total net assets".

(*2) The number of shares of common stock at the end of the fiscal year used for the calculation of net assets per share of common stock is after deductions of 1) the number of treasury shares and 2) the number of shares held by ESOP-type Stock Benefit Trust for the Employee Shareholding Association (7,618 thousands shares as of March 31, 2013 and 6,273 thousands shares as of March 31, 2013).

2. Net income per share of common stock, diluted net income per share of common stock and those calculation bases

(Millions of yen, except "Net income per share of common stock" and *number of shares)*

	Fiscal Year 2012 From April 1, 2012 To March 31, 2013	Fiscal Year 2013 From April 1, 2013 To March 31, 2014
(1) Net income per share of common stock	105.71 yen	89.71 yen
(Calculation base)		
Net income	¥ 275,141	¥ 220,642
Amounts not attributable to common stock	16,918	14,048
Dividends on preferred stock	16,918	14,048
Net income attributable to common stock	¥ 258,222	¥ 206,594
Weighted-average number of common shares during the fiscal year (thousands of shares)	2,442,740	2,302,727
(2) Diluted net income per share of common stock	72.52 yen	64.97 yen
(Calculation base)		
Adjustments in net income	¥ 7,030	¥ 4,159
Dividends on preferred stock	¥ 7,030	¥ 4,159
Increase in number of common shares (thousands of shares)	1,214,654	940,883
Preferred stock (thousands of shares)	1,214,654	940,883
Outline of dilutive securities which were not included in the calculation of "Diluted net income per share" because they do not have dilutive effect.	Not applicable	Not applicable

Note: Average number of common shares during the period is after deductions of 1) the number of treasury shares and 2) the number of shares held by the ESOP-type Stock Benefit Trust for the Employee Shareholding Association (8,028 thousands shares and 6,924 thousand shares for the fiscal years ended March 31, 2013 and 2014, respectively.)

(Changes in Accounting Policies)

The Group has adopted ASBJ Statement No. 26 “Accounting Standard for Retirement Benefits” (hereinafter, “Accounting Standard for Retirement Benefits”) and ASBJ Guidance No. 25 “Guidance on Accounting Standard for Retirement Benefits” (hereinafter, “Guidance on Retirement Benefits”), which were issued on May 17, 2012, since the end of this fiscal year (except the main clause of the Article 35 of Accounting Standard for Retirement Benefits and the main clause of the Article 67 of Guidance on Retirement Benefits). The transitional treatment stated in Article 37 of Accounting Standard for Retirement Benefits was applied.

As a result, net assets per share of common stock was decreased by ¥16.44 for the fiscal year 2013.

(Statement of Trust Assets and Liabilities)

March 31, 2014

(Millions of Yen)

Assets	Amount	Liabilities	Amount
Loans and bills discounted	¥ 43,862	Money trusts	¥ 7,022,390
Securities	120	Pension trusts	3,696,076
Beneficiary rights	22,563,199	Property formation benefit trusts	1,109
Securities held in custody	7,895	Securities investment trusts	11,786,070
account	297,118	Money entrusted other than	
Monetary claims	444,689	money trusts	347,706
Tangible fixed assets	2,004	Securities trusts	33,736
Intangible fixed assets	7,371	Monetary claims trusts	317,816
Other claims	533,844	Land and fixtures trusts	119,752
Due from banking account	15,701	Land and fixtures lease trusts	2,810
Cash and due from banks		Composite trusts	588,337
Total assets	¥ 23,915,807	Total liabilities	¥ 23,915,807

Notes:

1. Amounts of less than one million yen have been rounded down.
2. The trust without readily determinable monetary values was excluded.
3. Beneficiary rights worth of ¥22,563,199 million were re-entrusted for asset administration purpose.
4. Co-managed trust funds under other trust bank’s administration amounted to ¥580,919 million.
5. Loans and bills discounted where the Bank guarantees the principal is amounted to ¥43,862 million include followings:

   (Millions of Yen)

Loans to borrowers in legal bankruptcy	¥ 1,016
Restructured loans	7
Total	¥ 1,024

   Past-due loans and Loans past due 3 months or more are not included in loans and bills discounted where the Bank guarantees the principal.
6. Subsidiary subject to aggregation is Resona Bank, Ltd., only.

Appendix: The trust in the principal indemnification agreement, including the trust that was re-entrusted for operations, consists of followings.

Money trusts *(Millions of Yen)*

Assets	Amount	Liabilities	Amount
Loans and bills discounted	¥ 43,862	Principal	¥ 558,345
Other	514,693	Special loan loss reserve	134
		Other	76
Total assets	¥ 558,555	Total liabilities	¥ 558,555

Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

Assets	March 31, 2013 (A)	March 31, 2014 (B)	Difference (B)-(A)
Loans and bills discounted	¥ 53,412	¥ 43,862	¥ (9,550)
Securities	63	120	57
Beneficiary rights	21,969,982	22,563,199	593,216
Securities held in custody account	5,578	7,895	2,317
Monetary claims	372,080	297,118	(74,962)
Tangible fixed assets	500,550	444,689	(55,861)
Intangible fixed assets	2,024	2,004	(20)
Other claims	7,052	7,371	318
Due from banking account	448,793	533,844	85,050
Cash and due from banks	17,817	15,701	(2,115)
Total assets	23,377,357	23,915,807	538,450
Co-managed trust funds under other trust bank's administration	¥ 655,712	¥ 580,919	¥ (74,792)

Liabilities	March 31, 2013 (A)	March 31, 2014 (B)	Difference (B)-(A)
Money trusts	¥ 7,030,744	¥ 7,022,390	¥ (8,354)
Pension trusts	3,502,401	3,696,076	193,675
Property formation benefit trusts	1,120	1,109	(10)
Securities investment trusts	11,205,133	11,786,070	580,936
Money entrusted other than money trusts	325,836	347,706	21,869
Securities trusts	166,568	33,736	(132,831)
Monetary claims trusts	382,789	317,816	(64,972)
Land and fixtures trusts	118,844	119,752	908
Land and fixtures lease trusts	2,814	2,810	(4)
Composite trusts	641,104	588,337	(52,767)
Total liabilities	¥ 23,377,357	¥ 23,915,807	¥ 538,450

Note: Amounts of less than one million yen have been rounded down.

2. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

(Millions of yen)

	March 31, 2013	March 31, 2014
Assets		
Current assets		
Cash and due from banks	¥ 435	¥ 365
Money held in trust	200	193
Securities	274,800	275,300
Prepaid expenses	6	6
Deferred tax assets	120	118
Accrued income	13	3
Other receivable	33,898	22,595
Accrued income taxes refund	17,631	69,912
Total current assets	327,106	368,495
Non-current assets		
Tangible fixed assets		
Tools, furniture and fixtures, net	5	4
Leased assets, net	4	3
Total tangible fixed assets	10	8
Intangible fixed assets		
Trademarks	0	0
Software	8	5
Total intangible fixed assets	9	5
Investments and other assets		
Investments in subsidiaries and affiliates	1,116,174	1,116,174
Long-term loans to subsidiaries and affiliates	79,500	79,500
Other	1	2
Reserve for possible losses on investments	(2,945)	(2,638)
Total investments and other assets	1,192,731	1,193,038
Total non-current assets	1,192,750	1,193,053
Total Assets	¥ 1,519,857	¥ 1,561,549

(1) Non-Consolidated Balance Sheet - Continued

(Millions of yen)

	March 31, 2013	March 31, 2014
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Bonds scheduled for repayment within one year	¥ 30,000	-
Lease obligations	1	1
Other payable	684	354
Accrued expenses	645	684
Income taxes payable	2,626	192
Consumption taxes payable	45	22
Reserve for employees' bonuses	421	465
Other	509	569
Total current liabilities	34,933	2,289
Non-current liabilities		
Bonds	80,000	80,000
Long-term debts to subsidiaries and affiliates	192,817	302,071
Lease obligations	3	2
Total non-current liabilities	272,821	382,074
Total Liabilities	307,754	384,364
Net Assets		
Stockholder's equity		
Capital stock	340,472	50,472
Capital surplus		
Capital reserve	340,472	50,472
Other capital surplus	-	462,210
Total capital surplus	340,472	512,683
Retained earnings		
Other retained earnings		
Retained earnings carried forward	620,754	699,883
Total retained earnings	620,754	699,883
Treasury stock	(89,596)	(85,855)
Total stockholders' equity	1,212,102	1,177,184
Total Net Assets	1,212,102	1,177,184
Total Liabilities and Net Assets	¥ 1,519,857	¥ 1,561,549

(2) Non-Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2013	For the fiscal year ended March 31, 2014
Operating income		
Dividends from subsidiaries and affiliates	¥ 238,025	¥ 447,381
Fees from subsidiaries and affiliates	4,481	4,325
Interest on loans to subsidiaries and affiliates	2,039	1,770
Total operating income	244,546	453,476
Operating expenses		
Interest on debts	2,152	2,313
Interest on bonds	760	506
Bond issuance costs	191	-
General and administrative expenses	3,977	4,032
Total operating expenses	7,082	6,852
Operating profits	237,463	446,623
Non-operating income		
Interest income on securities	76	82
Fees and commissions	114	108
Reversal of reserve for possible losses on investments	116	307
Interest on tax refunds	25	10
Other	1	3
Total non-operating income	334	512
Non-operating expenses		
Total non-operating expenses	65	2,513
Ordinary profits	237,733	444,623
Net income before income taxes	237,733	444,623
Income taxes－current	(75)	(835)
Income taxes – deferred	(23)	1
Total income taxes	(99)	(833)
Net income	¥ 237,832	¥ 445,456

(3) Non-Consolidated Statement of Changes in Net Assets

For the fiscal year ended March 31, 2013

(Millions of yen)

	Stockholders' equity							
	Capital stock	Capital surplus			Retained earnings	Treasury stock	Total stockholders' equity	Total net assets
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings carried forward			
Balance at the beginning of the fiscal year	¥340,472	¥340,472	–	¥340,472	¥429,326	(¥86,849)	¥1,023,423	¥1,023,423
Changes during the fiscal year								
Dividends paid					(46,404)		(46,404)	(46,404)
Net income					237,832		237,832	237,832
Purchase of treasury stock						(3,449)	(3,449)	(3,449)
Disposal of treasury stock			(0)	(0)		701	701	701
Transfer from retained earnings to capital surplus			0	0	(0)		–	–
Total changes during the fiscal year	–	–	–	–	191,427	(2,747)	188,679	188,679
Balance at the end of the fiscal year	¥340,472	¥340,472	–	¥340,472	¥620,754	(¥89,596)	¥1,212,102	¥1,212,102

For the fiscal year ended March 31, 2014

(Millions of yen)

	Stockholders' equity							
	Capital stock	Capital surplus			Retained earnings	Treasury stock	Total stockholders' equity	Total net assets
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings carried forward			
Balance at the beginning of the fiscal year	¥340,472	¥340,472	—	¥340,472	¥620,754	(¥89,596)	¥1,212,102	¥1,212,102
Changes during the fiscal year								
Dividends paid					(46,327)		(46,327)	(46,327)
Net income					445,456		445,456	445,456
Purchase of treasury stock						(434,532)	(434,532)	(434,532)
Disposal of treasury stock			(0)	(0)		485	484	484
Cancellation of treasury stock			(437,788)	(437,788)		437,788	–	–
Transfer from retained earnings to capital stock	320,000				(320,000)		–	–
Transfer from capital stock to capital surplus	(610,000)		610,000	610,000			–	–
Transfer from capital reserve to other capital surplus		(290,000)	290,000	–			–	–
Total changes during the fiscal year	(290,000)	(290,000)	462,210	172,210	79,129	3,741	(34,918)	(34,918)
Balance at the end of the fiscal year	¥50,472	¥50,472	¥462,210	¥512,683	¥699,883	(¥85,855)	¥1,177,184	¥1,177,184

(4) Note on Going-Concern Assumption

Not applicable