

DISCLAIMER

The English translation has been prepared solely for the convenience of foreign shareholders of Bank of Ayudhya Public Company Limited and should not be relied upon as the definitive and official document. The Thai language version of the document is the definitive and official document and shall prevail in all respects in the event of any inconsistency with the English translation

Tender Offer to Purchase Securities of



Bank of Ayudhya Public Company Limited

by

Offeror

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Tender Offer Preparer and Tender Offer Agent



Phatra Securities Public Company Limited

IB.037/201

5 November 2013

Subject: The submission of Tender Offer to purchase securities of Bank of Ayudhya Public Company Limited (Form 247-4)

To: Secretary-General of the Securities and Exchange Commission
President of the Stock Exchange of Thailand
Directors and shareholders of Bank of Ayudhya Public Company Limited

Enclosed: The Tender Offer to purchase the securities of Bank of Ayudhya Public Company Limited (Form 247-4)

This is made in reference to the Share Tender Agreement ("**STA**") entered into by The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("**BTMU**" or the "**Offeror**") and GE Capital International Holdings Corporation ("**GECIH**") on 2 July 2013 whereby, upon the fulfillment of the conditions precedent set forth in the STA, BTMU agrees to launch a Voluntary Tender Offer ("**VTO**") to purchase all shares and all NVDR units (collectively referred as "**Securities**") of Bank of Ayudhya Public Company Limited ("**Krungsri**" or the "**Business**") and GECIH agrees to sell to BTMU its entire stake of 1,538,365,000 ordinary shares in Krungsri representing approximately 25.33% of the total issued shares in the VTO.

BTMU herewith informs that all conditions precedent set forth in the STA have been fulfilled or waived. As a result, BTMU shall conduct the VTO to purchase all Securities of Krungsri.

Phatra Securities Public Company Limited, as the Tender Offer Preparer and Tender Offer Agent of BTMU, would like to submit the Tender Offer (Form 247-4) to the Securities and Exchange Commission, the Stock Exchange of Thailand, the directors and the shareholders of Krungsri, to be used as the basis for their consideration of the VTO.



Yours sincerely,

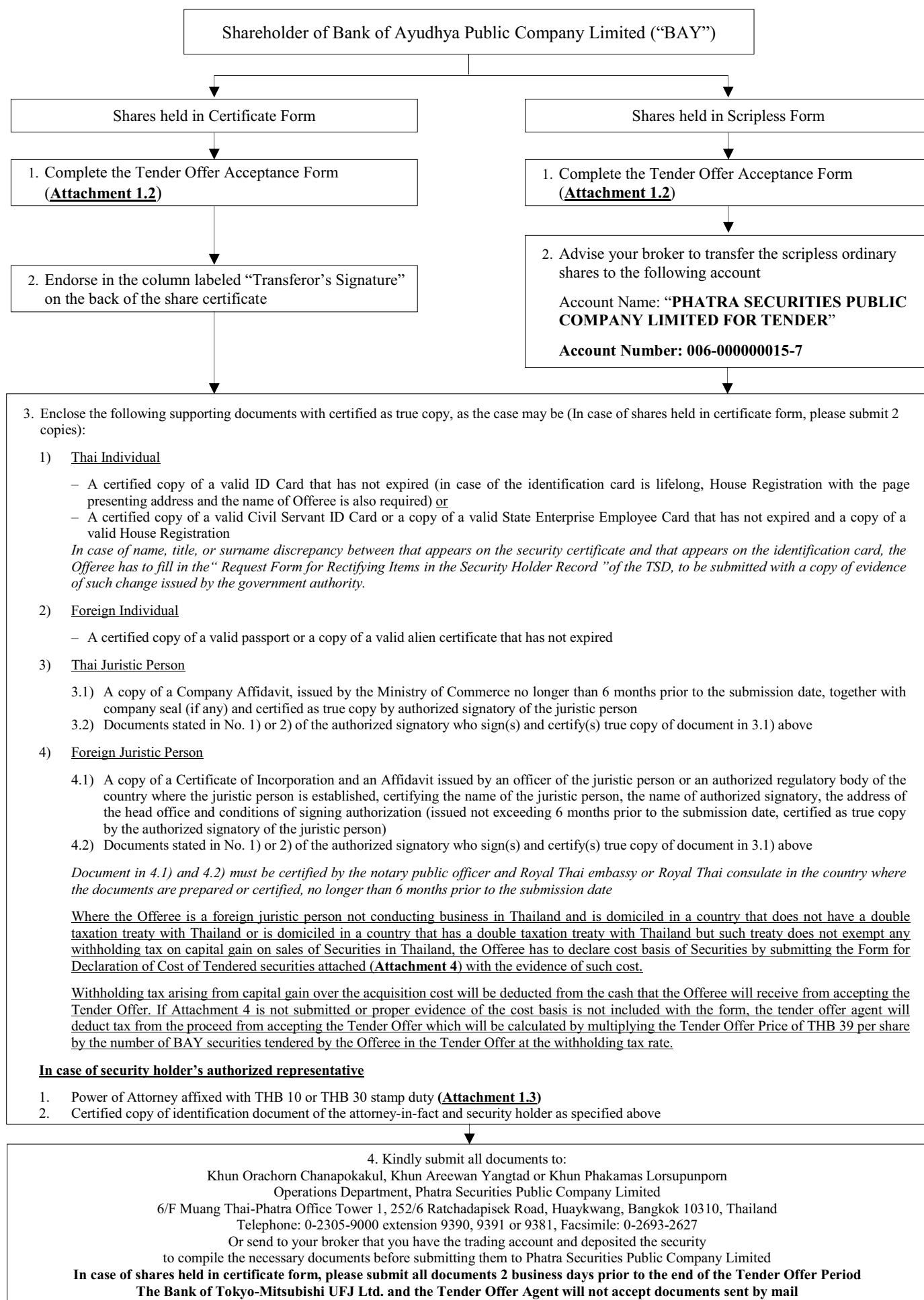
Phatra Securities Public Company Limited

(Trairak Tengtrirat)
Managing Director

The Tender Offer Preparer and the Tender Offer Agent

(Supachoke Supabundit)
Assistant Managing Director

Tender Offer Acceptance Procedures – Ordinary Shares



Tender Offer Acceptance Form for Ordinary Shares of Bank of Ayudhya Public Company Limited ("BAY")

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd. as the Offeror and
Phatra Securities Public Company Limited as the Tender Offer Agent

Acceptance Form No. _____

I/We, as the Offeree, (Mr./Mrs./Ms./Company) _____ Nationality _____

Contact Address (that can be reached via mail) _____

Postal Code _____ Country _____ Contact Telephone _____

Tax Payer ID No. _____ Occupation _____

☐ House Registration Address same as above ☐ House Registration Address different from above (Please specify)

House Registration Address _____

Postal Code _____ Country _____ Contact Telephone _____

Please specify type of the seller of ordinary shares of BAY:

☐ Natural Person of Thai Nationality ID Card No. / Civil Servant ID Card / State Enterprise Card No. _____

☐ Natural Person of Foreign Nationality Alien Card / Passport/ID No. _____

☐ Juristic Person of Thai Nationality Company Registration No. _____

☐ Juristic Person of Foreign Nationality Company Registration No. _____

I/We hereby accept to sell _____ (_____) ordinary shares of BAY at the Tender Offer Price of THB 39 (thirty-nine baht) per share. I/We acknowledge that the sale is subject to a Tender Offer Agent fee at the following rate:

(i) For 1st share to 50,000,000th share: the Tender Offer Agent fee at 0.250% of the Tender Offer Price, plus the value added tax (VAT) at 7% on the Tender Offer Agent fee per one Tender Offer Acceptance form. The net amount to be received by the Offeree will be THB 38.8957 (thirty eight point eight nine five seven baht) per share.

(ii) For 50,000,001st share onward: the Tender Offer Agent fee at 0.225% of the Tender Offer Price, plus the value added tax (VAT) at 7% on the Tender Offer Agent fee per one Tender Offer Acceptance form. The net amount to be received by the Offeree will be THB 38.9061 (thirty eight point nine zero six one baht) per share.

A total value of THB _____ subject to terms and conditions stated in Tender Offer for securities of BAY by the Offeror. The maximum Tender Offer Agent fee per one Tender Offer Acceptance Form is THB 50,000,000 (fifty million baht), inclusive of VAT. The Offeree will receive a total payment in a THB amount plus two decimal points in satang unit. If a fraction is equal to or more than THB 0.005, it will be rounded up. If the fraction is less than THB 0.005, it will be disregarded.

I/We understand that the Tender Offer Acceptance is irrevocable and I/we shall not cancel or revoke the Tender Offer Acceptance in any circumstance except for the cancellation or revocation under the terms and conditions stated in the Tender Offer Document.

I/We hereby appoint the Tender Offer Agent as my/our Attorney to sell, transfer, deliver ordinary shares of BAY, arrange the payment procedure and process other necessary matters relevant to the Tender Offer Acceptance.

☐ Share Certificate		☐ Scripless Transfer			Number of Shares
Name of Shareholders (Registered)	Certificate No.	From Broker No.	Transfer Slip No.	Transfer Date	
Total					

Payment Condition

- ☐ 1. Automatic transfer payment to my account at
- ☐ 1. Bank of Ayudhya PCL ☐ 2. Siam Commercial Bank PCL ☐ 3. Bangkok Bank PCL
- ☐ 4. Krung Thai Bank PCL ☐ 5. KasikornBank PCL ☐ 6. TMB Bank PCL
- ☐ 7. United Overseas Bank PCL ☐ 8. CIMB Thai Bank PCL ☐ 9. Thanachart Bank PCL

Branch _____ Type of Account _____ Account Number _____

The account name has to be the same as the Offeree name. Please also attach a certified copy of saving account book or current account statement with this form. The Tender Offer Agent shall process the transfer of money to the specified account on 18 December 2013 or 3 business days after the last day of the Tender Offer Period

- ☐ 2. I/We will come to collect payment cheque at the head office of Phatra Securities Public Company Limited in person. The payment cheque will become available for collection beginning on 18 December 2013 or 3 business days after the last day of the Tender Offer Period.
- ☐ 3. Please send payment cheque to the above address by registered mail. The Offeree may receive the payment cheque later than 18 December 2013.

I/We hereby attach the following document for the Tender Offer Acceptance including endorsed share certificate and/or evidence of ordinary shares transfer through TSD to the account of "PHATRA SECURITIES PUBLIC COMPANY LIMITED FOR TENDER" Account No. 006-00000015-7 as well as proof of identity in respect to the transferor with certified true copy as indicated in the details of the Tender Offer Document. I/We certify, represent and warrant that I am/we are the legal and beneficial owner(s) of all such tendered securities and such tendered securities are free from any mortgage, charge, pledge, encumbrance, liability or third party right ("Encumbrance") and I/we sell such tendered securities as beneficial owner(s) thereof free from any and all Encumbrances.

For Operational Use Only

Receiver	Initial	Verify

Signature _____ Tender Offeree or
(_____) Attorney-in-fact

Date _____

Receipt of Share Certificate(s) / Transfer Slip / Tender Offer Acceptance Form of Ordinary Shares of Bank of Ayudhya Public Company Limited

Date _____ Receipt no. _____

Phatra Securities Public Company Limited in the capacity as the Tender Offer Agent has received Form for Tender Offer Acceptance of Ordinary Shares of Bank of Ayudhya Public Company Limited together with share certificate(s) and/or transfer slip through TSD, totaling _____ shares from (Mr./Mrs./Miss/Company) _____

The offeree will receive the money by:

☐ Automatic transfer to bank a/c (18 December 2013)

☐ 1. BAY ☐ 2. SCB ☐ 3. BBL ☐ 4. KTB ☐ 5. KBANK ☐ 6. TMB

☐ 7. UOB ☐ 8. CIMBT ☐ 9. TBANK

☐ Receive cheque at Phatra in person (from 18 December 2013 to 26 December 2013)

☐ Receive the cheque by mail (Maybe later than 18 December 2013)

Signature _____ Tender Offer Agent

POWER OF ATTORNEY

For Tender Offer Acceptance – Ordinary Shares

Stamp Duty
THB 10
Or
THB 30

Made at _____

Date _____

I / We _____ Age _____

Nationality _____ ID Card No. / Passport No. _____

Resides at (address that can be reached by mail) _____

Zip/Postal Code _____ Country _____

hold(s) _____ shares of Bank of Ayudhya Public Company Limited ("BAY")

hereby authorize (Mr. / Miss / Mrs.) _____ Age _____

Nationality _____ ID Card No. / Passport No. _____

Resides at (address that can be reached by mail) _____

House Registration Address ☐ House Registration Address same as above ☐ House Registration Address different from above (Please specify)

House Registration Address _____

Zip/Postal Code _____ Country _____ to act as my/our attorney

☐ Sell, transfer, endorse and deliver such securities of BAY through the Tender Offer Agent

☐ To receive cheque at Phatra Securities Public Company Limited in person as payment due to acceptance of tender offer (for the case where I/We choose to collect the cheque in person)

and to be authorized to do and execute all such other matters in connection with the aforesaid mentioned on my/our behalf until its completion.

Any act taken by my/our attorney shall be deemed to be taken by myself/ourselves in every respect.

() Grantor

() Attorney-in-fact

() Witness

() Witness

Note: Please attach herewith a certified true copy of an Identification Card of the Grantor or a Certificate of Incorporation, a copy of Identification Card of the authorized person(s) in the case of a Juristic Person and a copy of Identification Card of Authorized Agent.

THB 10.00 in value for an authorized transaction for Securities, transfer, or delivery of shares

THB 30.00 in value for multiple authorized transactions for Securities, transfer, or delivery of shares / collection of the payment cheque /
cancellation of the Tender Offer Acceptance Form



● MRT Station

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Attachment 2 Tender Offer Acceptance Procedures and Forms for Holders of NVDR

- 2.1 Tender Offer Acceptance Procedures
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- 2.3 Power-of-Authority for Tender Offer Acceptance

Attachment 3 Tender Offer Revocation Procedures and Forms

- 3.1 Tender Offer Revocation Procedures
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Attachment 4 Form for Declaration of Cost of Tendered Securities

Attachment 5 Request Form for Rectifying Items in the Security Holder Record

Attachment 6 Certification of the Sources of Funds for the Voluntary Tender Offer

Attachment 7 Audited Financial Statements of The Bank of Tokyo-Mitsubishi UFJ, Ltd.

To: All securities holders of Bank of Ayudhya Public Company Limited

We, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“**BTMU**” or the “**Offeror**”), would like to offer to purchase total issued shares and all NVDR units (collectively referred as “**Securities**”) of Bank of Ayudhya Public Company Limited (“**Krungsri**” or the “**Business**”) as per the following details:

Part 1

Executive Summary of the Tender Offer

1. Date of Submission of the Tender Offer

5 November 2013

2. Name of the Offeror

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

3. Name of the Preparer of the Tender Offer

Phatra Securities Public Company Limited (“**Phatra**” or the “**Tender Offer Preparer**” or the “**Tender Offer Agent**”)

4. Objective of the Tender Offer

On 2 July 2013, BTMU has entered into a Share Tender Agreement (“**STA**”) with GE Capital International Holdings Corporation (“**GECIH**”) whereby BTMU agrees to launch a voluntary tender offer (“**VTO**”) in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011 (as amended) (the “**Notification of Capital Market Supervisory Board No. TorChor. 12/2554**”) in order to purchase all Securities of Krungsri and GECIH agrees to sell to BTMU in the VTO its entire stake of 1,538,365,000 ordinary shares in Krungsri representing approximately 25.33% of the total issued shares. The launch of VTO is subject to the fulfillment of, among others, the key conditions precedent set forth in the STA. On 31 October 2013, all conditions precedent were satisfied or waived.

- 1) Krungsri having obtained the requisite approvals from its shareholders at an extraordinary general meeting to amend the Articles of Association of Krungsri in order to allow the VTO without any conditions which would materially restrict the ability of BTMU to acquire a majority interest in Krungsri;
- 2) Krungsri Group and/or its affiliated companies and/or BTMU or Mitsubishi UFJ Financial Group, Inc. (“**MUFG**”), as applicable, having obtained the following approvals in relation to the VTO without any conditions which impact materially on the ability of BTMU to implement and carry out the VTO:
 - 2.1) Approval from the Bank of Thailand (the “**BOT**”) under Section 35(1) of Financial Institution Business Act B.E. 2551 (the “**FIBA**”) for BTMU to hold Krungsri Shares;

- 2.2) Approval from the BOT under Section 18 of FIBA for BTMU to hold, directly or indirectly, more than 10% of the total issued Krungsri shares;
- 2.3) Approval from the BOT and the Ministry of Finance of Thailand (the “**MOF**”) under Section 16 of FIBA for the increase of the foreign shareholding limit applying to Krungsri;
- 2.4) Approval from the Financial Services Agency of Japan under Article 16-2 (4) of the Banking Act of Japan (Act No. 59 of 1981) (the “**Banking Act**”) to allow BTMU to hold Krungsri Group as subsidiaries and under Article 52-23(3) of the Banking Act for MUFG to hold Krungsri Group as subsidiaries; and
- 2.5) Approval in principle from the Ministry of Commerce of Thailand (the “**MOC**”) for Krungsri and its relevant subsidiaries and other companies within the Krungsri Group which will become foreign majority owned companies post completion of the VTO under the STA with respect to an application for a foreign business license under the Foreign Business Act B.E. 2542.

As a result, BTMU shall make the VTO for the entire Krungsri’s Securities pursuant to the STA and the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554.

In addition, BTMU has also entered into the Conditional Branch Purchase Agreement (the “**BPA**”) with Krungsri whereby, conditional upon, among other things, the completion of the VTO, BTMU agrees to transfer the business, assets and liabilities of BTMU Bangkok Branch (“**BTMU Bangkok Branch**”) to Krungsri (the “**Branch Transfer**”) in accordance with the terms of the BPA and in compliance with the FIBA and the One Presence Policy of the BOT. As a consideration for the Branch Transfer, Krungsri will issue its new ordinary shares to BTMU.

Apart from the acquisition of shares in the VTO and as a consideration for the Branch Transfer, BTMU may consider to purchase additional shares in Krungsri by (i) subscribing for new shares to be issued and offered to BTMU by Krungsri on a private placement basis as approved by Krungsri’s shareholders’ meeting on 31 October 2013; and / or (ii) purchasing additional secondary shares at the price of not higher than the price offered in the VTO through the Stock Exchange of Thailand (the “**SET**”) from the existing shareholders of Krungsri.

These two alternatives (collectively referred to as the “**Additional Share Acquisition**”) will be undertaken:

- (a) only in the circumstance where the combined number of shares BTMU acquired through the VTO and the estimated number of shares to be issued as consideration of the Branch Transfer is less than or equal to 50% of the total issued shares of Krungsri; and
- (b) within six months after the end of the VTO period.

Nevertheless, in connection with the purchase of additional secondary shares through the SET, the ability of BTMU to purchase those secondary shares will be limited, subject to (i) the available trading period which will not result in a breach of insider dealing restriction and (ii) trading liquidity in the market at that time. Accordingly, please note that BTMU may or may not purchase additional secondary shares through the SET.

The share acquisition through the VTO and the Branch Transfer between Krungsri and BTMU are regarded as a single transaction, regardless of the different chronological periods in which they will be completed. Although such transaction may result in BTMU becoming a shareholder up to or over 50%

or up to 75% (as the case may be) of all voting shares of Krungsri after the receipt of shares as a consideration for the Branch Transfer. BTMU will not launch a Mandatory Tender Offer (“**MTO**”) to the shareholders of Krungsri as BTMU is granted a waiver from the obligation to make a MTO from the Securities and Exchange Commission (the “**SEC**”) under Clause 4 of the Notification No. TorChor. 12/2554.

5. Type and Class of the Securities under the Tender Offer

As of the date of the submission of this Form 247-4, BTMU does not hold any Securities in Krungsri. BTMU will offer to purchase all securities of Krungsri totalling of 6,074,143,747 ordinary shares, representing 100% of the total issued shares of Krungsri and 100% of the total voting rights of Krungsri (equivalent to 6,074,143,747 votes).

6. Tender Offer Price

The offer price is THB 39 (thirty-nine baht) per share (“**Tender Offer Price**”) (the par value equalling THB 10 per share). The Offerees intending to sell their Securities must pay the Tender Offer Agent fee, applying to one “**Tender Offer Acceptance Form for Holders of Ordinary Shares**” (**Attachment 1.2**) or one “**Tender Offer Acceptance Form for Holders of NVDRs**” (**Attachment 2.2**) (collectively referred as the “**Tender Offer Acceptance Form**”), at the following rate:

- (i) For 1st shares to 50,000,000th shares: the Tender Offer Agent fee at 0.250% of the Tender Offer Price, plus the value added tax (“**VAT**”) at 7% on the Tender Offer Agent fee. However, to allow for convenience, the Tender Offer Agent fee (including VAT) shall be set off against the Tender Offer Price and thereby the net amount to be received by the Offeree will be THB 38.8957 (thirty eight point eight nine five seven baht) per share.
- (ii) For 50,000,001st onward: the Tender Offer Agent fee at 0.225% of the Tender Offer Price, plus the VAT at 7% on the Tender Offer Agent fee. However, to allow for convenience, the Tender Offer Agent fee (including VAT) shall be set off against the Tender Offer Price and thereby the net amount to be received by the Offeree will be THB 38.9061 (thirty eight point nine zero six one baht) per share.

A maximum Tender Offer Agent fee per one Tender Offer Acceptance Form is THB 50,000,000 (fifty million baht), inclusive of VAT.

The Offeree will receive a total payment in a THB amount plus two decimal points in a satang unit. In calculation of the two decimal points for the satang amount, if a fraction is equal to or more than THB 0.005, it will be rounded up. If the fraction is less than THB 0.005, it will be disregarded. Such Tender Offer Price is:

- (✓) the final Tender Offer Price without further change (Final Offer) (except as per the notified conditions under Section 8).
- () not the final Tender Offer Price and may be revised by BTMU.

Under the Revenue Code, any gains from the sale of Securities by a foreign juristic entity are subject to withholding tax at the rate of 15%, unless the applicable Double Taxation Agreement specifies otherwise. The withholding tax will be calculated based on capital gain arising from the Security sale (i.e. the difference between the selling price and the cost of purchase). Such foreign juristic entity offerees must notify the cost of purchase to the Tender Offer Agent as required in the **Form for**

Declaration of Cost of Tendered Securities (Attachment 4). If the foreign juristic entity offerees fail to declare the cost of purchase and to submit proper evidence of the cost of purchase, the Tender Offer Agent will determine the withholding tax based on the entire proceeds of the sale of the Securities and deduct taxes accordingly as if the cost of purchase is THB 0 (zero baht).

Note: Thai juristic person is responsible for 3% withholding tax on the Tender Offer Agent fee and must issue Withholding Tax Certificate to the Tender Offer Agent, which is Phatra Securities Public Company Limited.

7. Tender Offer Period

The Tender Offer Period is 25 business days commencing on 7 November 2013 and ending on 13 December 2013, from 8.30 a.m. to 4.30 p.m. on each business day during the Tender Offer Period. This period:

- ☒ is the final Tender Offer period without further extension (except if a change is required because of the notified conditions under Section 8).
- ☐ is not the final Tender Offer period and may be extended by BTMU.

8. Conditions for Amendment to the Tender Offer

- ☐ There are no conditions for amendment to the Tender Offer.
- ☒ There are conditions for amendment to the Tender Offer as follows:
 - ☒ BTMU may reduce the Tender Offer Price or extend the Tender Offer Period if any event occurs that may have a material adverse effect on the condition or assets of Krungsri during the Tender Offer Period.
 - ☒ BTMU may amend the Tender Offer or extend the Tender Offer Period if any person files a Tender Offer to purchase Krungsri's Securities during the Tender Offer Period.

9. Conditions for Cancellation of the Tender Offer

BTMU may cancel the Tender Offer to purchase the Krungsri's Securities if any of the following events occur:

- 9.1 any event occurs or any act is done after the statement of this Tender Offer is filed with the SEC and during the Tender Offer Period that results in or is likely to result in severe damage to the condition or assets of Krungsri, provided that such event or act is not caused by BTMU or any person for whom BTMU is responsible; or
- 9.2 Krungsri performs any act after the statement of this Tender Offer is filed with the SEC and during the Tender Offer Period that results in a substantial reduction in the price of Krungsri's Securities.

10. Period During which Securities holders may Revoke their Acceptance of the Tender Offer

Each Offeree may revoke its Tender Offer Acceptance upon compliance with the procedures and conditions described herein and by properly completing and submitting the **"Tender Offer**

Revocation Form” attached hereto as **Attachment 3.2**, together with other supporting documents, at the office of the Tender Offer Agent from 8.30 a.m. to 4.30 p.m. of each business day commencing on 7 November 2013 and ending on 4 December 2013 (totalling 20 business days after the beginning of the Tender Offer Period).

11. Allocation of the Purchased Amount in the Event that the Amount Tendered is Either More or Less than the Amount Offered to Purchase

Not applicable. BTMU will purchase all Securities of Krungsri that any Offeree intends to sell.

12. Sources of Funds to Finance the Tender Offer

The total consideration for the Tender Offer will be financed using the internal funds of BTMU. Under the Tender Offer, BTMU offers to purchase all securities of Krungsri totalling of 6,074,143,747 shares, representing 100% of the total issued shares of Krungsri, for the Tender Offer Price of THB 39 per Krungsri share. Assuming full acceptance of the Tender Offer, the total consideration payable under the Tender Offer would be THB 236,892 million.

As at 31 March 2013, BTMU has total assets and shareholders' equity of JPY 181,625,557 million (equivalent to THB 56,581,170 million) and JPY 10,658,841 million (equivalent to THB 3,320,511 million), respectively. This serves to illustrate that BTMU has adequate financing to fund THB 236,892 million required to acquire all Krungsri Securities under the Tender Offer. (JPY/THB =3.21, as of 31 March 2013)

Phatra Securities Public Company Limited, in its capacity as Tender Offer Preparer, has reviewed the financial position of BTMU from the latest audited financial statement of BTMU for Fiscal Year ended 31 March 2013 and has discussed additional information with BTMU's management. In addition, Phatra has also received the Fund Confirmation Letter in connection with the VTO, dated as of 23 October 2013 (please refer to **Attachment 6**) and considers that BTMU has sufficient funds to conduct and complete this Tender Offer.

13. Name of the Tender Offer Agent

Address for receiving and submitting the Tender Offer Acceptance Form:

Name:	Phatra Securities Public Company Limited
Address:	6th Floor, Muang Thai-Phatra Office Tower 1 252/6 Ratchadapisek Road, Huaykwang, Bangkok 10310, Thailand
Contact Person:	Khun Orachorn Chanapokakul, Khun Areewan Yangtad and Khun Phakamas Lorsupunporn Operations Department
Telephone:	0-2305-9000 extension 9390, 9391 or 9381
Facsimile:	0-2693-2627
Settlement Date:	18 December 2013 (the 3 rd business day from the last date of the tender offer period)

Part 2

Details of the Offeror

1. Information of the Offeror

1.1 General Information

Name: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Address: 2-7-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

Telephone: +81-3-3240-1111

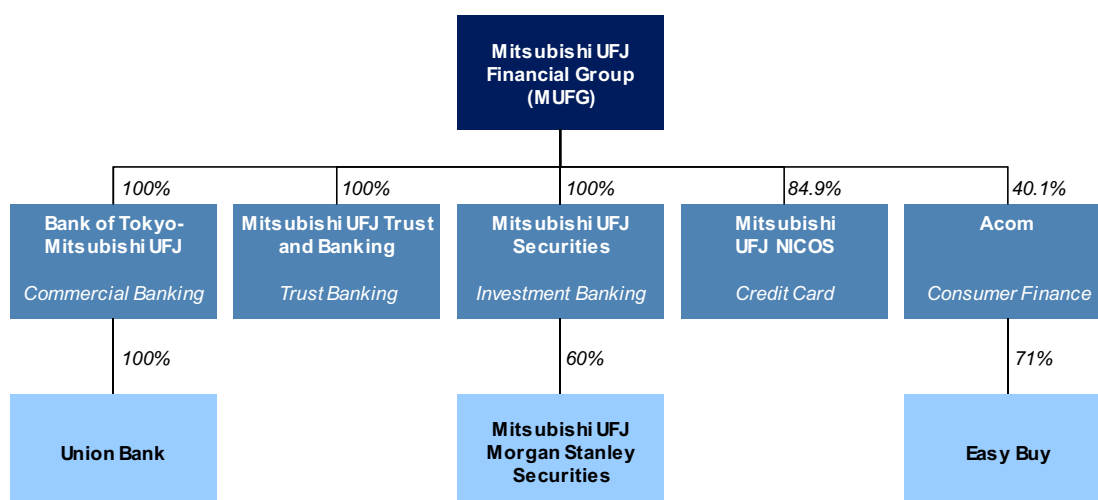
Website: www.bk.mufg.jp/global

Corporate Registration Number: 0100-01-008846

1.2 Business Information and Other Details

1.2.1 Type of Business

BTMU was founded in Japan as a commercial bank. BTMU is a subsidiary of MUFG, which currently is the largest financial group in Japan and one of the most diversified financial groups in the world. MUFG is listed in the New York Stock Exchange and the Stock Exchanges in Japan. The Information of MUFG, including its major shareholder list, can be found at www.mufg.jp/english. MUFG has a market value of JPY 8,880,678 million (equivalent to THB 2,828,241 million) as of 30 September 2013. (JPY/THB= 3.14, as of 30 September 2013). The group structure of MUFG is as follows:



BTMU is a joint stock company incorporated in Japan under the Commercial Code (Law No. 48 of 1899), which is the predecessor of the Company Law of Japan (Law No. 86 of 2005, also known as the Companies Act or the Corporation Act). BTMU has been operating the banking business and other related businesses in many countries around the world.

Since its establishment, BTMU has been determined to continuously improve its quality of services to meet the changing customer needs and to leverage its preeminent global network and MUFG's comprehensive financial services through collaboration across the group, including Mitsubishi UFJ Trust and Banking and Mitsubishi UFJ Securities Holdings. Meanwhile, BTMU intends to continue reinforcing its management base through the pursuing of enhanced business efficiency and the building of a solid financial base.

BTMU has set its vision to "Be the world's most trusted financial group" and BTMU aims to continuously provide a level of service quality that exceeds customer expectations and to become the most trusted financial group chosen by the customers, not only in Japan and Asia but, globally. BTMU has been determined to build long-term relationships with customers, promote real economic growth, and contribute to the capital markets that serve societies.

MUFG's operation in Thailand

BTMU Bangkok Branch

BTMU established its business in Thailand as a branch of a foreign bank (full branch), which has been permitted in accordance with the relevant laws. BTMU Bangkok Branch is a segment of BTMU incorporated in Japan and is not a separate legal entity.

BTMU Bangkok Branch has been operating the business of providing financial services and has been offering various financial products to customers with the determination to continuously improve the quality of its customer services for more than 50 years.

Of all the Southeast Asian countries, BTMU positions Thailand as its top priority because of Thailand's high growth potential that is supported by the strong demographics. BTMU established its presence in Thailand since 1952 and has continuously expanded its operation since the opening of its branch in 1962 and has grown BTMU Bangkok Branch to its current position gaining a strong presence in the Thai banking sector.

BTMU Bangkok Branch, with total assets of THB 583,443 million as of 31 March 2013 and a workforce of over 600 employees, is the largest foreign bank in Thailand ranked No. 8 in Thai banks and No. 1 in foreign banks operating in Thailand (by total assets). BTMU Bangkok Branch focuses on corporate banking by leveraging its deep and broad relationship with Japanese clients as well as long-standing commercial relationship with Thai blue-chip corporates. As of 31 March 2013, BTMU Bangkok Branch provides services through its single branch and 3 ATMs to its 1,218 credit customers and its 5,865 total customers.

The business scope of BTMU Bangkok Branch includes taking deposits, providing commercial loans, buying discount bills, money transfer, foreign currency exchange, trade services, trade finance, cash management, supply chain finance, derivatives, etc. Moreover, it has also been operating other related businesses, i.e. bill collections, issuance of letters of guarantee, acceptance of letters of credit, e-banking business and investment banking business. The diverse service businesses of BTMU Bangkok Branch were supported by the worldwide network of BTMU and MUFG.

Consumer Finance Business (Easy Buy)

MUFG also operates a consumer finance business through Easy Buy Public Company Limited ("Easy Buy") in Thailand, which was incorporated in 1996 by the form of joint venture between top leading Thai companies and is a subsidiary of ACOM Co., Ltd. ("ACOM"), MUFG's leading consumer financial company in Japan. Easy Buy with more than 2,200

employees provides financial service conveniences to more than 2 million customers for over 15 years.

1.2.2 Paid-up Capital

As of 31 March 2013, the paid up capital of BTMU is JPY 1,711,958 million (equivalent to THB 533,320 million) (Ordinary shares JPY 1,586,958 million (equivalent to THB 494,379 million), Preferred shares JPY 125,000 million (equivalent to THB 38,941 million)). (JPY/THB= 3.21, as of 31 March 2013)

1.2.3 List of Shareholders as Shown in its Latest Register of Shareholders as of 31 March 2013

As of 31 March 2013, major shareholder of BTMU is as follows:

Name	Number of Ordinary Shares	% of Total Issued Ordinary Shares	% of Total Voting Rights
Mitsubishi UFJ Financial Group	12,350,038,122	100%	100%

As of 31 March 2013, major shareholders of MUFG are as follows:

Name	Number of Ordinary Shares	% of Total Issued Shares
Japan Trustee Services Bank, Ltd. (Trust account) ⁽¹⁾	798,790,300	5.64%
The Master Trust Bank of Japan, Ltd. (Trust account) ⁽¹⁾	616,039,200	4.35%
SSBT OD05 Omnibus Account—Treaty Clients	365,558,591	2.58%
Japan Trustee Services Bank, Ltd. (Trust account 9) ⁽¹⁾	279,460,500	1.97%
State Street Bank and Trust Company	241,263,142	1.70%
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	231,783,920	1.63%
Nippon Life Insurance Company	214,203,153	1.51%
Meiji Yasuda Life Insurance Company ⁽²⁾	175,000,000	1.23%
The Bank of New York Mellon as Depositary Bank for DR Holders ⁽³⁾	162,891,870	1.15%
Toyota Motor Corporation	149,263,153	1.05%
Total	3,234,253,829	22.84%

Notes:

(1) Includes the shares held in trust accounts, which do not disclose the names of beneficiaries.

(2) These shares are those held in a pension trust account with The Master Trust Bank of Japan, Ltd. for the benefit of retirement plans with voting rights retained by Meiji Yasuda Life Insurance Company.

(3) An owner of record for MUFG's American depositary shares

Source: Form 20-F filed with the U.S. Securities and Exchange Commission on 22 July 2013

1.2.4 List of Board of Directors

BTMU's list of board of directors as of 26 June 2013 is detailed as follows:

Name	Position
Katsunori Nagayasu	Chairman
Takamune Okihara	Deputy Chairman
Nobuyuki Hirano	President
Takashi Morimura	Deputy President
Takashi Nagaoka	Deputy President
Kiyoshi Sono	Deputy President
Takeshi Ogasawara	Deputy President
Hitoshi Suzuki	Deputy President
Hidekazu Fukumoto	Senior Managing Director
Takashi Morisaki	Senior Managing Director
Tadachiyo Osada	Managing Director
Saburo Araki	Managing Director
Satoshi Murabayashi	Managing Director
Takehiko Shimamoto	Managing Director
Taihei Yuki*	Director
Kunio Ishihara*	Director
Teruo Ozaki*	Director

Note: * Messrs. Taihei Yuki, Kunio Ishihara and Teruo Ozaki are outside directors defined in Article 2, Item 15 of the Corporation Act.

1.2.5 Summary of Financial Condition and Operating Results of BTMU

Summary of BTMU's audited financial statements and operating results during the past three years for the fiscal years ended 31 March 2011, 2012, and 2013 are set out as follows:

(Billion Japanese Yen unless otherwise stated)

	For the Year Ended 31 March					
	2011		2012		2013	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
Total Assets	163,123	153,453	171,664	161,441	181,626	169,305
Securities	58,457	58,303	63,714	63,452	63,335	63,071
Loans and Bills Discounted	70,172	64,982	74,828	69,386	80,947	74,105
Total Liabilities	154,216	146,060	162,402	153,546	170,967	160,397
Deposit	112,139	105,855	113,073	106,681	120,154	112,154
Borrowed Money	4,800	6,573	7,154	8,542	6,628	7,968
Shareholders' Equity	8,907	7,394	9,262	7,895	10,659	8,908
Paid up Capital	1,712	1,712	1,712	1,712	1,712	1,712
Net Interest Income ⁽¹⁾	1,546	1,248	1,496	1,204	1,504	1,173
Non-interest Income ⁽²⁾	1,357	1,119	1,453	1,226	1,529	1,275
Total Operating Income	3,271	2,736	3,309	2,769	3,436	2,826
Total Operating Expense ⁽³⁾	2,410	2,062	2,391	2,039	2,363	1,948

Net Profit	720	639	544	469	674	585
Earnings per Ordinary Share (Yen)	56.78	50.29	42.57	36.50	53.07	45.91
Dividend per Ordinary Share (Yen)	19.96	19.96	11.64	11.64	11.19	11.19
Book Value per Ordinary Share (Yen)	579.24	565.91	620.62	606.52	729.93	689.01

Notes:

(1) Net interest income is the difference of interest income and interest expenses

(2) Non-interest income consists of net fee and service income, gain (losses) on tradings and foreign exchange transactions, gains (losses) on investments and other operating incomes

(3) Total operating expense consists of employee's expenses, equipment expense, taxes and duties, and others

BTMU does not publish interim financial statements.

1.2.6 Commitments and Contingent Liabilities

Overdraft facilities and commitment lines of credit are binding contracts under which BTMU has obligations to disburse funds up to predetermined limits upon the borrower's request as long as there has been no breach of contract. The total amounts of the unused portion of these facilities were JPY 61,216,101 million (equivalent to THB 19,070,436 million) and JPY 58,391,247 million (equivalent to THB 18,190,419 million) as of 31 March 2013 and 2012, respectively (JPY/THB= 3.21, as of 31 March 2013). The total amount of the unused portion does not necessarily represent actual future cash requirements because many of these contracts are expected to expire without being drawn upon. In addition, most of these contracts include clauses which allow BTMU to decline the borrower's request for disbursement or decrease contracted limits for cause, such as changes in financial conditions or deterioration in the borrower's creditworthiness. BTMU may request the borrowers to pledge real property and/or securities as collateral upon signing of the contract and will perform periodic monitoring on the borrower's business conditions in accordance with internal procedures, which may lead to renegotiation of the terms and conditions of the contracts and/or initiate the request for additional collateral and/or guarantees.

Reserve for contingent losses is provided for possible losses from contingent events related to off-balance sheet and other transactions, and is calculated by estimating the impact of such contingent events. For the fiscal year ended 31 March 2013, the amount of Reserve for contingent losses is JPY 50,575 million (equivalent to THB 15,755 million) (JPY/THB= 3.21, as of 31 March 2013)

1.2.7 Criminal Offense Records

No criminal offense records.

1.2.8 Outstanding Legal Disputes

Currently BTMU has no material outstanding legal disputes which materially and adversely impact the financial conditions or operating results of BTMU.

However, BTMU has received requests and subpoenas for information from government agencies in some jurisdictions that are conducting investigations into past submissions made by panel members, including us, to the bodies that set various interbank benchmark rates. BTMU is cooperating with these investigations and has been conducting an internal investigation among other things. In connection with these matters, BTMU and other panel members have been named as defendants in a number of civil lawsuits, including putative class actions, in the United States. In June 2013, BTMU was censured by the Monetary

Authority of Singapore for deficiencies in governance, risk management and internal controls for its involvement in benchmark submissions and were directed, among other things, to adopt measures to address these deficiencies.

2. Details of the Tender Offer Preparer and the Tender Offer Agent

Name: Phatra Securities Public Company Limited

Address: 6th, 8th – 11th Floor 252/6 Muang Thai-Phatra Office Tower 1,
Ratchadaphisek Rd, Huaykwang, Bangkok 10310, Thailand

Telephone: 0-2305-9000

Facsimile: 0-2693-2627

3. Details of Other Advisor

Name: Allen & Overy (Thailand) Company Limited

Status: Legal advisor

Address: 22nd Floor, Sindhorn Building Tower III, 130-132 Wireless Road
Lumpini, Phatumwan, Bangkok 10330, Thailand

Telephone: 0-2263-7600

Facsimile: 0-2263-7699

4. Relationship Between the Offeror and the Business, Major Shareholders or Directors of the Business

4.1 Summarize the material information of any contract/agreement/memorandum of understanding, entered into by the Offeror prior to making the Tender Offer for the purpose of sale or purchase securities of the Business, regardless of whether or not such contract/agreement/memorandum of understanding is entered into for the trading of securities in the tender offer

With regard to the Tender Offer scheme, BTMU has entered into key agreements with the relevant parties. The key information of such agreements can be summarized as follows.

4.1.1 Share Tender Agreement (STA)

(a) Parties to the STA

BTMU and GECIH

(b) Execution date of the STA

2 July 2013

(c) Related securities under the STA

Type of Securities	Class	Number of Securities (Shares)	% of Securities Compared to Total Paid-up Securities in that Type/ Class	% of Securities Compared to Total Voting Rights of Krungsri
Ordinary Shares	-	1,538,365,000	25.33%	25.33%
		Total	25.33%	25.33%

(d) Advisor(s) for the STA preparation

King & Wood Mallesons (Sydney, Australia) and Thanathip & Partners (Legal Advisor to GECIH); and

Allen & Overy (Thailand) Company Limited (Legal Advisor to BTMU)

(e) Key terms and conditions of the STA, including obligations of the parties

Subject to the completion of conditions precedent set out in the STA, BTMU agrees to launch a VTO to purchase all Securities in Krungsri, including those shares held by GECIH currently equal to 1,538,365,000 shares which represent approximately 25.33% of the total issued shares of Krungsri, and GECIH agrees to sell such shares to BTMU as part of the VTO. The purchase price is THB 39 per share which is the same price offered to other shareholders in the VTO.

(f) Conditions precedent and term of the STA

The launch of VTO under the STA is subject to the fulfillment of conditions precedent set forth therein. The key conditions precedent under the STA are as described in Section 4 of Part 1 of this document. The transfer of shares under STA will be made at the same time as the Securities tendered by other existing shareholders in accordance with the procedures and conditions of the VTO under this Tender Offer document.

4.1.2 Conditional Branch Purchase Agreement (BPA)

(a) Parties to the BPA

BTMU as the transferor and Krungsri as the transferee

(b) Execution date of the BPA

18 September 2013

(c) Related securities under the BPA

Type of Securities	Class	Number of Securities (Shares)	% of Securities Compared to Total Paid-up Securities in that Type/ Class	% of Securities Compared to Total Voting Rights of Krungsri
Ordinary Shares	-	up to 1,500,000,000	up to 19.80%	up to 19.80%
		Total	up to 19.80%	up to 19.80%

(d) Advisor(s) for the BPA preparation

Allen & Overy (Thailand) Company Limited (Legal Advisor to BTMU); and

Baker & McKenzie Co., Ltd. (Legal Advisor to Krungsri)

(e) Key terms and conditions of the BPA, including the obligations of the parties

BTMU agrees to transfer, and Krungsri agrees to accept the transfer of, the business, assets and liabilities of BTMU Bangkok Branch to Krungsri in accordance with the terms of the BPA and in compliance with FIBA and the One Presence Policy of the BOT. The Branch Transfer is conditional, among others, upon completion of the VTO, BTMU having become a shareholder holding more than 25% of the total issued and outstanding shares of Krungsri, along with other conditions precedent set forth in the BPA. In this regard, Krungsri will issue new ordinary shares to BTMU as consideration in exchange of the Branch Transfer. The number of new ordinary shares to be issued shall be the lower of (i) the value of BTMU Bangkok Branch divided by Krungsri share price as at the specified cut-off date and (ii) 1,500,000,000 new shares less any new shares allotted to BTMU on a private placement basis, if any, pursuant to the terms and conditions specified in the BPA.

(f) Term of the BPA

The completion of Branch Transfer to Krungsri shall take place on the date that is one year after the completion of VTO, unless agreed otherwise by the parties taking into account (i) the period imposed or as may be extended by the BOT in relation to the Branch Transfer and (ii) the period permitted by the SEC with respect to the share issuance as consideration for the Branch Transfer (**Completion Date**).

4.1.3 Funding Support Agreement (FSA)**(a) Parties to the FSA**

BTMU and Krungsri

(b) Execution date of the FSA

18 September 2013

(c) Related securities under the FSA

- None -

(d) Advisor(s) for the FSA preparation

Allen & Overy (Thailand) Company Limited (Legal Advisor to BTMU)

Baker & McKenzie Co., Ltd. (Legal Advisor to Krungsri)

(e) Key terms and conditions of the FSA, including the obligations of the parties

During the term of the FSA, Krungsri may request funding support from BTMU and BTMU shall make reasonable efforts to provide such funding support, subject further to the terms and conditions under the FSA. The funding support may be provided in various forms, including loans, deposits, credit lines, bonds, commercial papers, investments or derivatives, swaps, hedging transactions, which BTMU has provided to its Bangkok Branch prior to the Completion Date under the BPA.

If BTMU agrees to provide funding support, Krungsri and BTMU shall mutually discuss and agree on the type, amount, term and interest rate for such funding support and BTMU shall provide such funding support to Krungsri in accordance with such agreed terms.

(f) Term of the FSA

The FSA will be effective beginning on the Completion Date under BPA and ending on the later of the date that is (i) 10 years from the Completion Date under BPA; or (ii) the date on which BTMU ceases to be a majority shareholder in Krungsri.

4.1.4 Master Service Agreement (MSA)**(a) Parties to the MSA**

BTMU as service provider and Krungsri as service receiver

(b) Execution date of the MSA

18 September 2013

(c) Related securities under the MSA

- None -

(d) Advisor(s) for the MSA preparation

Allen & Overy (Thailand) Company Limited (Legal Advisor to BTMU)

(e) Key terms and conditions of the MSA, including the obligations of the parties

From the Completion Date under BPA, BTMU shall provide the services, which it previously provided to BTMU Bangkok Branch, to Krungsri for the continuity of providing, or procuring the provision of, the services required by the business of BTMU Bangkok Branch to be transferred to Krungsri under BPA. Under the scope of

the MSA, Krungsri and BTMU have entered into relevant service agreements, which include, among others, general service agreement, trademark license agreement and software license agreement.

In addition, Krungsri may request additional services that are required for the purpose of carrying on Krungsri's business operation into which the business of BTMU Bangkok Branch has been integrated. On that basis, the parties will further enter into one or more relevant service agreements and the service charge will be paid to BTMU in accordance with the terms and conditions of such service agreement(s).

The service charge will be paid to BTMU in accordance with the terms and conditions of each service agreement under normal commercial terms and on an arm's length basis but shall not exceed a total of THB 1,500 million for the period of 5 years.

(f) Term of the MSA

MSA will be effective from the Completion Date under BPA. The rights of the parties to terminate the MSA and the relevant service agreements are in accordance with provisions set out in the MSA and each relevant service agreement.

4.1.5 Shareholders' Agreement (SHA)

(a) Parties to the SHA

BTMU and a group of existing shareholders of Krungsri holding, in aggregate, approximately 25% of the total issued shares of Krungsri.

(b) Execution date of the SHA

2 July 2013

(c) Advisor(s) for the SHA preparation

Allen & Overy (Thailand) Company Limited (Legal Advisor to BTMU)

Baker & McKenzie Co., Ltd. (Legal Advisor to the group of existing shareholders of Krungsri)

(d) Key terms and conditions of the SHA, including obligations of the parties

The parties agree to regulate their relationship in relation to Krungsri in accordance with the terms and conditions of the SHA. The SHA contains terms and provisions covering, among other things, the agreement of the parties in relation to compositions of the board of directors and other committees of Krungsri, the procedure of the board of directors' meeting, consultation matters, rights of first refusal, tag along rights, and etc.

(e) Conditions precedent and term of the SHA

The SHA shall become effective upon completion of the VTO and related settlement process. The SHA shall be in effect until terminated upon the events stipulated in the SHA.

4.2 Direct or Indirect Securities holding of the Offeror or its Authorised Representative (if the Offeror is a Juristic Person) in the Business; or the Major Shareholder of the Business

- None -

4.3 Direct or Indirect Securities holding of the Business or its Major Shareholders or Directors in the Offeror (if the Offeror is a Juristic Person)

- None -

4.4 Other Forms of Relationships

1) Common Director

- None -

2) Connected Transactions

Apart from the agreements mentioned above, Krungsri and BTMU have been engaging in banking business transactions such as, foreign exchange transactions and derivatives (swap) transactions. These transactions are normal business transactions which are customary to banking business and are done on an arm's length basis.

3) Joint Business Operations or Joint Ventures in Other Companies

- None -

4) Others

- None -

5. Other Relevant Information for Krungsri Shareholders' Decision-Making

5.1 Securities of Krungsri held by BTMU prior to Making the Tender Offer and securities to be acquired in the future under other agreements

5.1.1 Shares

In addition to the VTO, BTMU has also entered into the BPA with Krungsri whereby, conditional upon, among other things, the completion of the VTO, BTMU agrees to undertake the Branch Transfer in compliance with the FIBA and the One Presence Policy of the BOT. As to consideration for the Branch Transfer, Krungsri will issue its new ordinary shares to BTMU.

Apart from the acquisition of shares in the VTO and as consideration for the Branch Transfer, BTMU may consider to purchase additional shares in Krungsri through the Additional Share Acquisition i.e., by (i) subscribing for new shares to be issued and offered to BTMU by

Krungsri on a private placement basis as approved by Krungsri's shareholders' meeting on 31 October 2013; and / or (ii) purchasing additional secondary shares at the price of not higher than the price offered in the VTO through the SET from the existing shareholders of Krungsri.

The Additional Share Acquisition will be undertaken:

- (a) only in the circumstance where the number of shares BTMU acquired through the VTO and the estimated number of shares to be issued as consideration of the Branch Transfer is less than or equal to 50% of the total issued shares of Krungsri; and
- (b) within six months after the end of the VTO period.

In addition, in connection with the purchase of additional secondary shares through the SET, the ability of BTMU to purchase those secondary shares will be limited, subject to (i) the available trading period which will not result in a breach of insider dealing restriction and (ii) trading liquidity in the market at that time. Accordingly, please note that BTMU may or may not purchase additional secondary shares through the SET.

The share acquisition through the VTO and the Branch Transfer between Krungsri and BTMU are regarded as a single transaction, regardless of the different chronological periods in which they will be completed. Although such transaction may result in BTMU becoming a shareholder up to or over 50% or up to 75% (as the case may be) of all voting shares of Krungsri after the receipt of shares as a consideration for the Branch Transfer. BTMU will not launch the MTO to the shareholders of Krungsri as BTMU has obtained a waiver from the obligation to make a MTO from the SEC under Clause 4 of Notification No. TorChor. 12/2554.

5.1.2 Convertible Securities

- None -

5.1.3 Others

- None -

5.2 Sources of Funds Used to Finance the Tender Offer

The total consideration for the Tender Offer will be financed using the internal funds of BTMU. Under the Tender Offer, BTMU offers to purchase all securities of Krungsri totalling of 6,074,143,747 shares, representing 100% of the total issued shares of Krungsri, for the Tender Offer Price of THB 39 per Krungsri share. Assuming full acceptance of the Tender Offer, the total consideration payable under the Tender Offer would be THB 236,892 million.

As at 31 March 2013, BTMU has total assets and shareholders' equity of JPY 181,625,557 million (equivalent to THB 56,581,170 million) and JPY 10,658,841 million (equivalent to THB 3,320,511 million), respectively. This serves to illustrate that BTMU has adequate financing to fund the THB 236,892 million required to acquire all Krungsri shares under the Tender Offer. (JPY/THB=3.21, as of 31 March 2013)

Phatra Securities Public Company Limited, in its capacity as Tender Offer Preparer, has reviewed the financial position of BTMU from the latest audited financial statement of BTMU

for Fiscal Year ended 31 March 2013, and has discussed additional information with BTMU's management. In addition, Phatra has also received the Fund Confirmation Letter in connection with the VTO, dated as of 23 October 2013 (please refer to **Attachment 6**) and considers that BTMU has sufficient funds to conduct and complete this Tender Offer.

5.3 Share Sale Plan

Under the current circumstance, BTMU has no intention to either sell or transfer a significant amount of Krungsri shares within one year from the end of the Tender Offer period. However, this does not include the following: (i) the sale or transfer of such shares to any members of its company group or any persons under section 258 of the Securities and Exchange Act B.E.2535 (1992); or (ii) the compliance by BTMU with applicable laws, rules and/or regulations in effect at that time.

5.4 Other Essential Information

5.4.1 Key Steps and Indicative Timetable for the VTO, the Additional Share Acquisition, and the Branch Transfer

7 November 2013	The VTO period begins
13 December 2013	The VTO period ends
18 December 2013	Payment date for all Securities tendered through the VTO and BTMU becomes a shareholder of Krungsri
Mid-December 2013 through Mid-June 2014	BTMU may consider to purchase additional shares in Krungsri as follows: (i) subscribing for new shares to be issued and offered to BTMU by Krungsri on a private placement basis as approved by Krungsri's shareholders' meeting on 31 October 2013 (ii) purchasing additional secondary shares at the price of not higher than the price offered in the VTO through the SET from the existing shareholders of Krungsri However, BTMU will not subscribe for or purchase additional shares if the combined number of shares BTMU acquired through the VTO and the estimated number of shares to be issued as consideration of the Branch Transfer is more than 50% of the total issued shares of Krungsri.
Within one year after BTMU becomes a shareholder of Krungsri through the VTO, unless extended by the BOT due to necessity	The Branch Transfer is completed, i.e. Krungsri issues and offers its new shares to BTMU in consideration of the Branch Transfer.

5.4.2 Implications of the VTO, the Additional Share Acquisition, and the Branch Transfer

Following the completion of Tender Offer, BTMU will subscribe for new shares of Krungsri to be issued as consideration for the Branch Transfer, along with the Additional Share Acquisition, if any. As a result, BTMU's shareholding may increase up to approximately 80% of Krungsri's total issued shares, post share issuance due to the Branch Transfer assuming the percentage of the shareholders accepting the VTO of approximately 75%. In case where subsequent to the Branch Transfer, BTMU's shareholding reaches or exceeds 50% or 75% (as the case may be) of the total shares in Krungsri, unless waived otherwise, BTMU will have an obligation under the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 to make a MTO to acquire all Securities in Krungsri.

In this connection, BTMU has requested and obtained the relevant waivers from the SEC as follows:

- (i) to release BTMU from an obligation to undertake a MTO as required by clause 4(3) of the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 in the case that BTMU acquires or holds 50% or 75% (as the case may be) or more of the total voting shares in Krungsri after subscribing for the new shares as consideration for the Branch Transfer; and
- (ii) to allow the fixation of the "day 1" for the 6-month period of share acquisition under (i) above to start from the date on which BTMU obtains the relevant approval from the Financial Services Agency of Japan (JFSA) with respect to the Branch Transfer, instead of the date on which the waiver is granted pursuant to the Capital Market Supervisory Board No. TorChor. 12/2554, so as to allow BTMU to undertake the Branch Transfer, including the subscription of Krungsri new shares as consideration, within the Branch Transfer period as determined or extended by the BOT.

BTMU requested for such waivers on the basis that the share acquisition through the VTO and the Branch Transfer between Krungsri and BTMU are regarded as a single transaction, regardless of the different chronological periods in which they will be completed. In addition, to ensure that transaction is transparent and Krungsri's shareholders are fully informed of this matter, when seeking approval from the extraordinary general meeting of shareholders No.1/2013, dated 31 October 2013 to enter into the Branch Transfer, Krungsri has duly notified and disclosed the relevant information and overall picture of the transaction to its shareholders as follows:

- (i) the information relating to the number of new shares that Krungsri will issue to BTMU in consideration for the Branch Transfer;
- (ii) the Additional Share Acquisition
- (iii) the number of those new shares, combined with the number of shares to be acquired by BTMU under the Tender Offer and the Additional Share Acquisition, which may cause BTMU to hold more than 50% or 75% (as the case may be) of the total issued shares in Krungsri; and

the Branch Transfer (coupled with the payment-in-kind for the Branch Transfer) being the requirement under the FIBA and the One Presence Policy. As a result, BTMU will not launch the MTO to the shareholders of Krungsri after the receipt of shares as a consideration for the Branch Transfer as BTMU has obtained a waiver from the obligation to make a MTO from the SEC under Clause 4 of Notification No. TorChor. 12/2554.

Part 3

Details of the Business

1. Company Profile

The information pertaining to Krungsri under this section has been excerpted from the Annual Disclosure Form (Form 56-1), Annual Report for the year ended 31 December 2012, Financial Statements, Analysts' Presentation of Krungsri, the Information Memorandum on the Acquisition of Assets and Connected Transaction of Krungsri released on Krungsri's website on 7 October 2013 and the SET on 18 September 2013, and SET Market Analysis and Reporting Tool (SETSMART) for the purpose of facilitating preliminary study of the profile of Krungsri.

1.1 Brief Description of the Business

Krungsri was officially established on 1 April 1945. The Bank quickly carved out a solid niche in the market, grew rapidly and listed on the SET on 26 September 1977. Today, Krungsri is Thailand's fifth-largest universal bank in terms of assets and loans.

Krungsri is constantly evolving to provide for the ever-changing needs of its broad customer base by offering a comprehensive range of universal banking financial products and services to three key target groups: Corporate, SME and Consumer. Krungsri also provide related financial services through its subsidiaries and associated companies, which are involved in wealth management, credit cards, non-life insurance, asset management, securities trading, auto hire purchase, equipment leasing, factoring, micro-finance and installment loans.

Corporate Banking Group - Krungsri's Corporate Banking Group provides a wide range of financial services to meet the varied and complex needs of its increasingly diverse body of domestic and international corporate clients, who each have an annual turnover of more than THB 500 million. Corporate banking is one of Krungsri's key revenue streams, combining interest and fee income from credit facilities and cross-selling relevant products. The group's assets totaled THB 205,887 million, or 24% of Krungsri's total loan portfolio, as of 30 June 2013.

SME Banking Group – As of 30 June 2013, Krungsri operates 48 SME banking business centers and 603 branches nationwide. In the end of 2012, the SME loans were THB 213,038 million and have grown to THB 216,246 million in June 2013. Newly acquired customers accounted for 50% of its total client base.

Consumer Banking - Consumer Banking division provides a diverse range of products and services to suit the needs, lifestyles and investment appetites of consumer groups and individual customers. Core service areas are wealth management, which includes savings and investments; bancassurance; Krungsri Exclusive for high net worth individuals; ATM, debit and credit card services; personal loans, overdrafts, auto loans and mortgages; and microfinance

1.2 Financial Position and Operational Performance

A summary of Krungsri's financial position and operating results during the past three years for the fiscal years ended 31 December 2010, 2011, and 2012 and for the 6-month period ended 30 June 2012 and 2013 are set forth below:

(THB Million unless otherwise stated)

	For the Year Ended 31 December						For the 6-Month Period Ended As at 30 June			
	2010		2011		2012		2012		2013	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
Total Assets	869,834	828,727	947,797	886,823	1,071,965	986,467	1,034,541	962,575	1,130,156	1,026,783
Interbank and Money Market, net	74,527	72,977	81,818	80,519	79,390	78,156	99,571	98,254	109,446	107,952
Net Loans and Accrued Interest Receivables	616,731	567,547	690,087	623,096	801,236	715,823	728,778	652,989	832,195	729,713
Total Liabilities	770,730	736,839	845,102	794,271	958,479	891,210	926,594	869,004	1,010,533	928,486
Deposits	576,479	581,241	560,540	564,179	687,159	692,994	622,391	626,154	731,731	736,965
Borrowings	99,365	82,865	208,263	172,045	154,629	103,739	197,639	154,683	159,558	93,676
Total Equity	99,104	91,888	102,696	92,552	113,486	95,257	107,947	93,571	119,622	98,296
Authorized Share Capital	70,894	70,894	70,894	70,894	70,894	70,894	70,894	70,894	70,894	70,894
Issued and Fully Paid-up Share Capital	60,741	60,741	60,741	60,741	60,741	60,741	60,741	60,741	60,741	60,741
Interest Income	47,275	29,043	56,428	37,399	64,640	43,483	31,429	21,366	34,364	22,335
Fees and Service Income	12,898	6,232	13,838	6,374	16,434	7,234	7,859	3,527	9,362	3,881
Other Operating Income ⁽¹⁾	4,993	6,642	4,837	7,231	5,323	5,046	2,585	1,999	2,813	2,973
Interest Expenses	12,647	11,959	18,963	17,977	24,687	23,215	11,997	11,388	12,769	11,759
Fees and Service Expenses	2,819	1,559	3,051	1,334	3,699	1,518	1,727	718	2,096	897
Other Operating Expenses	26,796	15,887	27,477	16,686	30,798	18,671	14,652	8,918	15,943	9,383
Bad and Doubtful Debts and Impairment Losses	12,391	5,565	12,214	6,408	11,385	4,475	5,702	2,425	8,988	2,850
Bad Debt Recovery	1,826	14	2,215	9	3,178	186	1,523	154	2,233	618
Income Tax Expenses	3,524	918	6,310	2,557	4,337	1,574	2,161	751	1,827	826
Net Profit (Loss)	8,816	6,043	9,304	6,051	14,669	6,496	7,157	2,845	7,148	4,093
Earnings per Share (THB)	1.45	0.99	1.53	1.00	2.41	1.07	1.17	0.47	1.17	0.67
Dilutive Earnings per Shares (THB)	1.45	0.99	1.53	1.00	2.41	1.07	1.17	0.47	1.17	0.67
Dividend per Share (THB)	0.57	-	0.70	-	0.80	-	0.40	-	0.40	-
Book Value per Share (THB)	16.32	15.13	16.91	15.24	18.68	15.68	17.77	15.40	19.69	16.18

Note:

(1) Other Operating Income Includes Gain(Loss) on Trading and Foreign Currency Exchange, Gain(Loss) on Selling Investments, Share of Profit (Loss) From Investments Accounted for Using the Equity Method, bad debt recovery, and Other Operating Income

1.3 Shareholder Structure

1.3.1 Krungsri's ten largest shareholders according to the latest share register book as of 10 October 2013 are as follows:

No.	Shareholders	Number of Share	% of Total Issued Shares
1.	GE Capital International Holdings Corporation	1,538,365,000	25.33
2.	Thai NVDR Company Limited	832,023,934	13.70
3.	Morgan Stanley & Co. International Plc	242,960,955	4.00
4.	State Street Bank Europe Limited	199,531,614	3.28
5.	HSBC (Singapore) Nominees Pte Ltd.	195,545,900	3.22
6.	Stronghold Asset Company Limited	166,536,980	2.74
7.	The Great Luck Equity Company Limited	166,478,940	2.74
8.	GL Asset Company Limited	166,414,640	2.74
9.	BBTV Satelvision Company Limited	166,151,114	2.74
10.	BBTV Asset Management Company Limited	163,112,900	2.69
	Total shares from top 10 shareholders	3,837,121,977	63.18

Source: SETSMART

1.3.2 Expected Shareholder Structure Following the Completion of the Tender Offer

After the completion of the VTO, BTMU may become a major shareholder of Krungsri, with a shareholding of 25.33 percent up to approximately 75 percent of the total issued shares of Krungsri. Assuming the percentage of the shareholders accepting the VTO of approximately 75 percent of Krungsri's issued shares, BTMU's maximum shares in Krungsri could reach approximately 80 percent of the total issued shares of Krungsri after the execution of BTMU's investment plan as approved by the MOF and the BOT.

1.4 Board of Directors

1.4.1 Board of Directors before the submission of the Tender Offer are as follows:

Name	Position
Mr. Veraphan Teepsuwan	Chairman of The Board
Mrs. Janice Rae Van Ekeren	Chief Executive Officer, Director
Mr. Philip Tan Chen Chong	President
Mr. Pornsanong Tuchinda	Director
Mr. Pongpinit Tejagupta	Director
Mr. Virojn Srethapramotaya	Director
Miss Nopporn Tirawattanagool	Director
Mr. Xavier Pascal Durand	Director
Miss Potjanee Thanavarani	Independent Director, Chairman of The Audit Committee
Mr. Virat Phairatphiboon	Independent Director, Audit Committee
Mr. Karun Kittisataporn	Independent Director
Mr. Phong-Adul Kristnaraj	Independent Director, Audit Committee

Source: SETSMART

1.4.2 Board of Directors after the Completion of the Tender Offer

There is a possibility of a change in the Board of Directors structure after the completion of the VTO depending on the VTO result and as deemed appropriate. Any changes to the Board of Directors of Krungsri will be made in compliance with relevant laws and regulations including Krungsri's internal policy Board of Directors' meeting and shareholders' meeting.

1.5 The highest and the lowest prices of Krungsri shares in each quarter over the past three years

Year	Quarter	Highest and Lowest	
		Highest	Lowest
2013	July – September	38.25	36.25
	April – June	37.00	28.50
	January – March	36.25	31.50
2012	October – December	33.50	28.00
	July – September	37.00	29.50
	April – June	29.75	24.50
	January – March	27.50	19.80
2011	October – December	23.00	17.80
	July – September	30.50	19.60
	April – June	29.25	24.90
	January – March	28.25	23.40
2010	October – December	26.00	22.40
	July – September	25.25	19.50
	April – June	21.90	18.00
	January – March	22.80	18.50

Source: SETSMART

2. Business Plan after the Business Takeover

2.1 Status of the Business

After the completion of the Tender Offer, BTMU has no intention to delist Krungsri shares from the SET within 12 months after the last day of tender offer period unless BTMU has a legal obligation to follow with applicable laws, rules and/or regulations in effect at that time.

2.2 Policies and Plans of Business Operations

After the Tender Offer, BTMU currently has no plan to liquidate Krungsri's core assets, change the nature of Krungsri's core business, capital structure, as well as Krungsri's dividend policy.

On 31 October 2013, Krungsri's shareholders approved the Branch Transfer for a share consideration of no more than 1,500 million shares at THB 39 per share pursuant to the One Presence Policy of the BOT. The Branch Transfer is conditional on the completion of the VTO provided that upon completion of the VTO, BTMU has become a shareholder holding more than 25% of the total issued and outstanding shares of Krungsri.

As a result of the above, BTMU intends to undertake a corporate restructuring to combine the businesses of Krungsri and BTMU Bangkok Branch. On 30 September 2013, the Business

Integration Application and Plan was approved by the BOT pursuant to sections 73 and 74 of the FIBA. Krungsri and BTMU are in the process to establish a joint working group and/or steering group to work on the details of the business integration plan and the implementation to ensure smooth operational transition whilst preserving the interest of key stakeholders including but are not limited to customers, employee, depositors, and regulators.

For MUFG's existing businesses that are not part of the transaction, such as its consumer finance business (Easy Buy), MUFG intends to carry on its operations under the existing structure in order to continue to serve its customer with the same level of services.

In addition to the Branch Transfer between Krungsri and BTMU, as previously disclosed in BTMU / Krungsri Strategic Partnership dated 2 July 2013, BTMU has a plan to leverage Krungsri platform to expand a footprint across the Greater Mekong (i.e. the Republic of the Union of Myanmar, the Lao People's Democratic Republic and the Kingdom of Cambodia) as well as to create synergy from Krungsri's existing customer base, supply chain approach, and cross-sell retail banking services. Krungsri and BTMU will work collaboratively in exploring the potential business opportunity in greater details post-integration.

2.3 Connected Transaction

At present, Krungsri has a policy and procedure regarding the related party transaction which conforms with the Securities and Exchange Act B.E. 2535 (as amended) (the "SEC Act"), rules and regulations of the SET and the Capital Market Supervisory Board to prevent any conflict of interests arising from the related party transaction between Krungsri and its subsidiaries, associated companies, related companies and/or persons with conflict of interests. After the VTO is completed, BTMU or any related person of BTMU pursuant to section 258 of the SEC Act has no intention to materially change Krungsri's policy regarding the related party transactions. Any current and future related party transactions will be carefully considered and ensured that the terms and conditions of such transactions will be similar to those of arm's length transactions and in compliance with the SEC Act, the rules and regulations of the Capital Market Supervisory Board and the SET as well as any other applicable rules and regulations.

In this regard, please note that on 31 October 2013, Krungsri's shareholders approved (i) the entry into the BPA with BTMU whereby BTMU will transfer the business, assets and liabilities of BTMU Bangkok Branch to Krungsri in exchange for Krungsri's newly-issued shares and (ii) the allocation of newly issued shares to BTMU on a private placement basis, which are considered a connected transaction.

Apart from the BPA mentioned above, Krungsri and BTMU have also entered into other ancillary agreements in order for Krungsri to continue carrying out its businesses after the Branch Transfer. Such ancillary agreements include, but not limited to, (i) the MSA which set the basis for the provision of existing services of which the terms and conditions shall be substantially the same as the terms and conditions upon which any comparable services are provided by BTMU to any other affiliate, and (ii) the FSA whereby Krungsri may request funding support from BTMU and BTMU shall make reasonable efforts to provide such funding support, subject further to the terms and conditions under the FSA.

In addition, Krungsri and BTMU have been engaging in banking business transactions such as, foreign exchange transactions and derivatives (swap) transactions. These transactions are normal business transactions which are customary to banking business and are done on an arm's length basis.

Part 4

Additional Information about the Tender Offer

1. Tender Offer Acceptance Procedures

To accept the Tender Offer, the Offeree shall comply with the following procedures:

1.1 Read the “**Tender Offer Acceptance Procedures**” enclosed in **Attachment 1.1** for Holders of Ordinary Shares and **Attachment 2.1** for Holders of NVDR Complete and sign, correctly and clearly, the “**Tender Offer Acceptance Form for Holders of Ordinary Share**” enclosed in **Attachment 1.2** and “**Tender Offer Acceptance Form for Holders of NVDR**” enclosed in **Attachment 2.2** as the case may be.

1.2 Enclose the Following Documents:

1.2.1 If shares are held in certificate form, the Offeree must properly and correctly endorse on the back of the share certificate in the column marked “Transferor’s Signature”, and attach 2 copies of any supporting document as specified in Section 1.2.4, as the case may be. The signature affixed to the back of the share certificate and all other supporting documents of the Offeree must be the same. The Offeree must submit the Tender Offer Acceptance Form under Section 1.1 and all other supporting documents under Section 1.2.4 by 13 December 2013, unless BTMU has extended the Tender Offer Period (in which case BTMU shall notify the Offeree of such extension). It is recommended that the Offeree submit the Tender Offer Acceptance Form under Section 1.1 and all other supporting documents under Section 1.2.4 by 11 December 2013 (or at least 2 business days before the last day of the Tender Offer Period) to allow a sufficient time in processing the share certificate. This is because the Tender Offer Agent must inspect the share certificate and deposit it with Thailand Securities Depository Company Limited (“**TSD**”), which is the securities registrar. If such share certificate is rejected by the TSD, the Tender Offer Agent shall notify the Offeree to collect the share certificate.

- In the case where the title, name or surname of the Offeree that appears on the share certificate differs from the title, name or surname on the identification card, the civil servant identification card or the state enterprise official identification card, the Offeree must fill in the “**Request Form for Rectifying Items in the Security Holder Record**” of the TSD, attached hereto as **Attachment 5** and attach a copy of evidence of such change issued by a government authority, certified as a true copy. The new information must be the same as the information that appears on the identification card, the civil servant identification card or the state enterprise official identification card.
- In the case where the Offeree is an estate administrator, the Offeree must provide a copy of the court order evidencing the appointment of the estate administrator issued not more than 1 year prior to the submission date of the Tender Offer Acceptance Form, a copy of the death certificate, a copy of the identification card of the estate administrator and a copy of the house registration of the estate administrator, certified as true copies, together with the share certificate endorsed by the estate administrator.

- In the case where the Offeree is a minor, his or her parents must endorse the share certificate and attach copies of their identification cards and copies of house registration of the parents and the Offeree, certified as true copies.
- In the case of loss of a share certificate, the Offeree should contact the TSD to ask for reissuance of a new share certificate. However, such process would take approximately 2 weeks. Thus, the Offeree should contact the TSD at least 2 weeks before the expiry of the Tender Offer Period.

Note: In the case of a share certificate, the Tender Offer Acceptance Form will be deemed complete only after the TSD verifies and accepts a deposit of such share certificate. If such share certificate is rejected by the TSD, the Tender Offer Agent shall notify the Offeree to collect the share certificate.

- 1.2.2** **If shares are deposited with TSD in scripless form,** the Offeree must contact the broker with whom the Offeree has deposited Krungsri shares in his or her securities trading account to express the intention to sell and transfer Krungsri shares to the following account:

For all shareholders

**“PHATRA SECURITIES PUBLIC COMPANY LIMITED FOR TENDER”
Account No. 006-000000015-7**

The Offeree can submit the Tender Offer Acceptance Form along with evidence of the transfer of Krungsri ordinary shares and any supporting documents to the broker with whom the Offeree has a securities trading account, and the broker will collect and submit such Tender Offer Acceptance Form to the Tender Offer Agent.

- 1.2.3** **In the case of Krungsri shares held in NVDRs form,** the Offeree must contact the broker with whom the Offeree has deposited NVDRs in his or her securities trading account to express the intention to sell and transfer the NVDRs to **“PHATRA SECURITIES PUBLIC COMPANY LIMITED FOR TENDER” Account No. 006-000000015-7**. The Offeree must submit the Tender Offer Acceptance Form under Section 1.1 and all other supporting documents for the Tender Offer Acceptance under Section 1.2.4 by 12 December 2013 (or at least one business day before the last day of the Tender Offer Period), unless BTMU has extended the Tender Offer Period (in which case BTMU shall notify the Offeree of such extension), as the Tender Offer Agent needs the last business day of the Tender Offer Period to transfer the ordinary shares and NVDRs to Thai NVDR Co., Ltd. (**“Thai NVDR”**) for the foregoing procedures.

- 1.2.4** Identification documents of the Offeree:

(a) Thai individual

A certified true copy of a valid identification card (or an unexpired civil servant identification card or an unexpired state enterprise official identification card and a certified true copy of a house registration) with affixed signature is needed. In the case of life long identification card, please also attach House Registration with the page presenting the address and the name of the Offeree. The signature affixed

to the certified true copy of these documents must be the same as the signature shown in all other supporting documents for the Tender Offer Acceptance Form.

(b) Foreign individual

A certified true copy of a valid alien certificate or a valid passport is needed. The signature affixed to the certified true copy of this document must be the same as the signature shown in all other supporting documents for the Tender Offer acceptance.

(c) Thai juristic person

A certified true copy of an affidavit with the most updated information, issued by the Ministry of Commerce no longer than 6 months prior to the submission date of the Tender Offer Acceptance Form, signed by an authorized signatory of the juristic person affixed with the company seal (if any), together with a certified true copy of a valid identification card, a civil servant identification card or a state enterprise official identification card of the authorized signatory of the juristic person (however, if the civil servant identification card or state enterprise official identification card does not state the ID card no., a certified true copy of a house registration is also required) must be submitted. In the case of life long identification card, please also attach House Registration with the page presenting the address and the name of the Offeree. If the authorized signatory is a foreigner, a certified true copy of his or her alien certificate or passport as specified in Section 1.2.4 (a) or (b), as the case may be, is required.

(d) Foreign juristic person

Certified true copies of a certificate of incorporation and an affidavit issued by an officer of the juristic person or an authorized regulatory body of the country where the juristic person is established, certifying the name of the juristic person, the name of the authorized signatory of juristic person, the address of the head office and conditions of signing authorization, issued not more than 6 months prior to the submission date of the Tender Offer Acceptance Form, signed by the authorized signatory of the juristic person combined with the company's seal (if any), together with the supporting documents of the authorized signatory of the company who signs the document above pursuant to Section 1.2.4 (a) or (b), as the case may be, must be submitted.

For all supporting documents that have been certified as true copies, the signature thereon must be certified by a Notary Public or any other authorized agency in the country where the documents are prepared or certified and then authenticated by an official of the Royal Thai Embassy or the Royal Thai Consulate in the country where the documents are prepared or certified, no longer than 6 months prior to the submission date of the Tender Offer Acceptance Form.

Where the Offeree is a foreign juristic person not conducting business in Thailand and is domiciled in a country that does not have a double taxation treaty with Thailand or is domiciled in a country that has a double taxation treaty with Thailand but such treaty does not exempt any withholding tax on capital gain on sales of shares in Thailand, such Offeree must fill in details of the cost basis of the tendered Securities in the “Form for Declaration of Cost of Tendered Securities” (“Cost Declaration Form”) attached hereto as Attachment 4 for withholding tax purposes for the Securities, and attach evidence of such cost and

make the withholding tax payment. If the Offeree fails to declare the cost and to submit proper evidence, the Tender Offer Agent will calculate and deduct the withholding tax based on the entire proceeds from the sale of the Securities receivable by the Offeree as if the cost of purchase is THB 0 (zero baht).

- 1.2.5** Where the Offeree is represented by an authorized representative, the documents required are the Power-of-Attorney appointing the authorized representative as stated in **Attachment 1.3** for ordinary shares or **Attachment 2.3** for NVDRs affixed with THB 10 or THB 30 stamp duty (as case maybe) and a certified copy of each of document set out in Part 1.2.4 as the case may be.

In the case of the Power of Attorney is given to a custodian to exercise on behalf of the Offeree, the Power of Attorneys document of custodian is required whereby the document as aforementioned in clause 1.1 and 1.2 will be signified by the custodian along with the document specifying the authorized person of such custodian and certified true copy of identification documents as elaborated in clause 1.24 of such authorized person

- 1.2.6** Other documents which the Tender Offer Agent may require. Should there be any questions regarding the Tender Offer acceptance procedure, please contact:

Orachorn Chanapokakul, Areewan Yangtad or Phakamas Lorsupunporn

Phatra Securities Public Company Limited

Operations Department

6th Floor 252/6 Muang Thai-Phatra Office Tower 1,

Ratchadapisek Road, Huaykwang,

Bangkok 10310, Thailand

Tel: 66 (0) 0305-9000 ext. 9390, 9391 or 9381

Fax: 66 (0) 2693-2627

1.3 Submission of the Tender Offer Acceptance Form

- 1.3.1** **If the shares are held in certificate form**, the Offeree shall submit the completed Tender Offer Acceptance Form under Section 1.1 together with 2 copies of the required supporting documents as stated under section 1.2 above at the Tender Offer Agent's Office on any business day from 7 November 2013 until 13 December 2013 between 8.30 a.m. and 4.30 p.m.

The Offeree must properly and correctly endorse on the back of the share certificate in the column marked "Transferor's Signature", and attach any supporting document as specified in Section 1.2.4, as the case may be. The signature affixed to the back of the share certificate and all other supporting documents of the Offeree must be the same. The Offeree must submit the Tender Offer Acceptance Form under Section 1.1 and all other supporting documents under Section 1.2.4 by 13 December 2013, unless BTMU has extended the Tender Offer Period (in which case BTMU shall notify the Offeree of such extension). It is recommended that the Offeree submit the Tender Offer Acceptance Form under Section 1.1 and all other supporting documents under Section 1.2.4 by 11 December 2013 (or at least 2 business days before the last day of the Tender Offer Period) to allow a sufficient time in processing the share certificate.

This is because the Tender Offer Agent must inspect the share certificate and deposit it with TSD, which is the securities registrar. If such share certificate is rejected by the TSD, the Tender Offer Agent shall notify the Offeree to collect the share certificate from the Tender Offer Agent at the following address:

Orachorn Chanapokakul, Areewan Yangtad or Phakamas Lorsupunporn

Phatra Securities Public Company Limited

Operations Department

6th Floor 252/6 Muang Thai-Phatra Office Tower 1,

Ratchadapisek Road, Huaykwang,

Bangkok 10310, Thailand

Tel: 66 (0) 0305-9000 ext. 9390, 9391 or 9381

Fax: 66 (0) 2693-2627

The Tender Offer Agent will not accept any documents in connection with this Tender Offer that are submitted by mail.

- 1.3.2 If the shares are held in scripless form**, the Offeree may submit the Tender Offer Acceptance Form under Section 1.1 along with any supporting documents under Section 1.2 to his/her brokerage company within the date specified by such broker so that the broker can collect and pass such documents to the Tender Offer Agent within the Tender Offer Period, unless it is extended (in which case BTMU must notify the Offeree of such extension)
- 1.3.3 For holders of NVDR**, the Offeree must follow the procedures for accepting the Tender Offer for NVDRs set forth in **Attachment 2.1**. Each holder of NVDRs must submit the Tender Offer Acceptance Form under Section 1.1 and all other supporting documents under Section 1.2 by 12 December 2013 (or one business day before the last day of the Tender Offer Period), unless BTMU has extended the Tender Offer Period (in which case BTMU shall notify the Offeree of such extension), as the Tender Offer Agent needs the last business day of the Tender Offer Period to transfer the ordinary shares and NVDRs to Thai NVDR in order to follow the Tender Offer acceptance procedures.
- 1.4** In Case the tendered Securities are under pledge or any other encumbrances, the Offeree must completely release the pledge or any other encumbrances before accepting this Tender Offer and complying with Section 1.1 to 1.3 above.
- 1.5** If the Offeree is a foreign juristic person not conducting business in Thailand and is domiciled in a country that does not have a double taxation treaty with Thailand or is domiciled in a country that has a double taxation treaty with Thailand but such treaty does not exempt any withholding tax on capital gain on sales of Securities in Thailand, the withholding tax will be collected from the cash consideration to be paid to the Offeree. If the Offeree is unable to state the cost of the tendered Securities or enclose the evidence of that cost with the Cost Declaration Form in relation to Krungsri Securities to be tendered, the Tender Offer Agent will calculate and deduct the withholding tax based on the entire proceeds from the sale of the shares receivable by the Offeree as if the cost of purchase is THB 0 (zero baht) at the withholding tax rate of 15%.

- 1.6 If the Offeree fails to follow the procedures for accepting the Tender Offer or the supporting documents for the Tender Offer are not properly completed and duly executed, the Tender Offer Agent has the right to reject the Tender Offer Acceptance Form at the discretion of the Tender Offer Agent. In addition, BTMU and/or the Tender Offer Agent reserve the right to amend the procedures for acceptance of the Tender Offer set forth in this document as deemed appropriate if there are any problems, obstacles or limitations affecting the completion of the procedures, in order to fairly facilitate and provide assistance to the Offeree.

2. Procedure for the Purchase of Securities

All Tendered Securities will be purchased except in case BTMU cancels the Tender Offer as conditioned in Section 9 part 1.

3. Settlement and Payment Procedure

BTMU will make the payment or arrange the payment to be made through the Tender Offer Agent for all tendered Securities and the Offeree can choose a method of receiving payment as specified in the Tender Acceptance Form as follows:

3.1 Auto Transfer System (ATS)

This method applies to a savings or current account opened with any of the following banks only: (1) **Bank of Ayudhya Public Company Limited**, (2) **Siam Commercial Bank Public Company Limited**, (3) **Bangkok Bank Public Company Limited**, (4) **Krungthai Bank Public Company Limited**, (5) **Kasikornbank Public Company Limited**, (6) **TMB Bank Public Company Limited**, (7) **United Overseas Bank Public Company Limited**, (8) **CIMB Thai Bank Public Company Limited**, or (9) **Thanachart Bank Public Company Limited**. The name of the account holder must be the same as the name of the Offeree stated in the Tender Offer Acceptance Form. The Offeree must provide either a certified copy of the first page of the savings deposit pass book which shows the account name and account number or a certified copy of the current account statement.

The Offeree will receive a transfer of money to his or her bank account on the 3rd business day after the last day of the Tender Offer Period (which is on 18 December 2013, assuming there will be no extension of Tender Offer Period) (“**Payment Date**”). If the Tender Offer Agent is unable to transfer the money to the Offeree's bank account for any reason, the Tender Offer Agent reserves the right to pay by cheque. In that event, the Tender Offer Agent will notify the Offeree to collect the cheque in accordance with Section 3.2(a). If the Offeree does not collect the cheque within 7 business days after the Payment Date the Tender Offer Agent will send the cheque to the Offeree at the address stated in the Tender Offer Acceptance Form by registered mail.

3.2 Payment by Cheque

The Tender Offer Agent will issue a crossed cheque of **Kasikorn Bank Public Company Limited, Ratchadapisek Huaykwang Branch**, in the Offeree's name. If the Offeree wishes to deposit the cheque in a bank account outside the area of the clearing house in Bangkok, the cashing process may take approximately 5 business days (however, the period may vary depending on each bank's normal practice). The Offeree may select to receive the cheque by any of the following methods:

- (a) Collecting Cheque in Person

The offeree may collect the payment by a crossed cheque payable to the Offeree at the Tender Offer Agent's place of business as detailed below from the Payment Date (only on business days from 8.30 a.m. to 4.30 p.m).

Orachorn Chanapokakul, Areewan Yangtad or Phakamas Lorsupunporn

Phatra Securities Public Company Limited

Operations Department

6th Floor 252/6 Muang Thai-Phatra Office Tower 1,

Ratchadapisek Road, Huaykwang,

Bangkok 10310, Thailand

Tel: 66 (0) 0305-9000 ext. 9390, 9391 or 9381

Fax: 66 (0) 2693-2627

If the Offeree authorizes a representative to collect the cheque, it is required that a Power-of-Attorney appointing the authorized representative (**Attachment 1.3** for ordinary shares and **Attachment 2.3** for NVDRs) affixed with THB 10 or THB 30 stamp duty (as case maybe) and certified copies of each document of the Offeree and the authorized representative, as set out in Section 1.2, shall be presented to the Tender Offer Agent on the date which the authorized attorney is present to collect the cheque from the Tender Offer Agent.

If the Offeree does not collect the cheque within 7 days after the Payment Date, the Tender Offer Agent will send the cheque to the Offeree at the address stated in the Tender Offer Acceptance Form by registered mail within 8 business days after the Payment Date. Under any circumstance, after the payment cheque has been sent to the Offeree by registered mail at the address stated in the Tender Offer Acceptance Form, it is understood that the Offeree has received the full proceeds from accepting the Tender Offer and the Offeree does not have the right to request for any interest and/or any damage repayment.

(b) Delivery of the cheque by registered mail

The Offeree may instruct the Tender Offer Agent to send the cheque by registered mail to the address stated in the Tender Offer Acceptance Form. However, the Offeree may receive the cheque later than the Payment Date. The Tender Offer Agent will pay by a cheque of **Kasikornbank Public Company Limited, Ratchadapisek Huaykwang Branch**. If the Offeree is in an upcountry area, the honouring of the cheque takes approximately 5 business days (however, the period may vary depending on each bank's normal practice).

Note: If the Tendered shares are in certificate form, BTMU or the Tender Offer Agent will pay the consideration to the Offeree only after the relevant share certificate is verified by and deposited with TSD. If TSD rejects the share certificate, BTMU or the Tender Offer Agent will not pay the consideration and the Offeree will be notified to collect all the documents from the Tender Offer Agent at the address stated above.

4. Rights of Shareholders who have Expressed their Intention to Tender their Securities

BTMU will make the payment or arrange the payment to be made through the Tender Offer Agent for all tendered Securities under the method of payment selected by the Offeree as stated in Section 3, unless agreed otherwise together between BTMU, any Offeree, and the Tender Offer Agent. If any events that will result in changes to the Tender Offer Price occur as stated in Part 1 Section 8, BTMU will carry out the following procedures:

- 4.1 In the case that the Tender Offer Price is reduced, BTMU will make payment at the reduced price to an Offeree.
- 4.2 In the case that the Tender Offer Price is increased, BTMU will pay the consideration based on the increased price to every Offeree.

5. Procedure for Cancellation of the Intention to Tender Securities

- 5.1 The Offeree may revoke the Tender Offer Acceptance anytime within the Tender Offer Period from 8.30 a.m. to 4.30 p.m. of every business day, commencing on 7 November 2013 and ending on 4 December 2013, or within the initial 20 business days of the Tender Offer Period including any extended period (“**Revocation Period**”).

5.2 Cancellation Procedures

- 5.2.1 Read the “**Tender Offer Revocation Procedures**” attached in **Attachment 3.1**. Properly complete and duly execute the “**Tender Offer Revocation Form**” attached hereto as **Attachment 3.2** together with signature of the Offeree.

- 5.2.2 Ensure that the following supporting documents are attached to the form:

- (1) Evidence of the receipt of any of the following documents: (i) a share certificate issued by the Tender Offer Agent, (ii) a share transfer slip issued by the TSD or (iii) an NVDR transfer slip issued by the Offeree's broker, together with the Tender Offer Acceptance Form.
- (2) Where the Offeree who cancels the intention to Tender Securities is;

- a) A Thai Individual

A certified true copy of a valid identification card (or an unexpired civil servant identification card or an unexpired state enterprise official identification card and a certified true copy of a house registration) with affixed signature are needed. In the case of life long identification card, please also attach House Registration with the page presenting the address and the name of the Offeree. The signature affixed to the certified true copy of these documents must be the same as the signature shown in all other supporting documents for the Tender Offer acceptance.

- b) A Foreign Individual

A certified true copy of a valid alien certificate or a valid passport must be submitted. The signature affixed to the certified true copy of this

document must be the same as the signature shown in all other supporting documents for the Tender Offer acceptance.

c) A Thai Juristic Person

A certified true copy of an affidavit with the most updated information, issued by the Ministry of Commerce no longer than 6 months prior to the submission date of the Tender Offer Acceptance Form, signed by an authorized signatory of the juristic person affixed with the company seal (if any), together with a certified true copy of a valid identification card (or an unexpired civil servant identification card or an unexpired state enterprise official identification card and a certified true copy of a house registration) must be submitted. In the case of life long identification card, please also attach House Registration with the page presenting the address and the name of the Offeree. If the authorized signatory is a foreigner, a certified true copy of his or her alien certificate or passport is required.

d) A Foreign Juristic Person

Certified true copies of a certificate of incorporation and an affidavit issued by an officer of the juristic person or an authorized regulatory body of the country where the juristic person is established, certifying the name of the juristic person, the name of the authorized signatory of juristic person, the address of the head office and conditions of signing authorization, issued not more than 6 months prior to the submission date of the Tender Offer Revocation Form, signed by the authorized signatory of the juristic person combined with the company's seal (if any), together with the supporting documents of the authorized signatory of the company who signs the document above pursuant to Section 5.2.2 (a) or (b), as the case may be, must be submitted.

For all supporting documents that have been certified as true copy, the signature thereon must be certified by a Notary Public or any other authorized agency in the country where the documents are prepared or certified and then authenticated by an official of the Royal Thai Embassy or the Royal Thai Consulate in the country where the documents are prepared or certified, no longer than 6 months prior to the submission date of the Tender Offer Acceptance Form.

- (3) If the Offeree is unable to be present in person, please submit the Power-of-Attorney for the cancellation of the Tender Offer Acceptance affixed with THB 10, together with certified true copies of the identity documents of the grantor and the authorized attorney under Section 5.2.2.

- 5.2.3 Submit the completed Tender Offer Revocation Form together with any supporting documents specified in Section 5.2 at the Tender Offer Agent's office set forth in Section 1.3.1.

BTMU and the Tender Offer Agent will not accept any documents related to the Tender Offer Revocation submitted by mail.

- 5.2.4 Upon the receipt and the verification of a Tender Offer Revocation Form and any other supporting documents, properly completed and duly executed, set forth in

Section 5.2 within the Revocation Period, the Tender Offer Agent will proceed as follows:

- **Share Certificates**: The Tender Offer Agent will return the share certificates to the Offeree making the cancellation on the business day following the submission of the Tender Offer Cancellation Form submitted together with the required supporting documents set forth in section 5.2.2. The share certificates can be collected by the Offeree at the office of the Tender Offer Agent.
- **Scripless Securities (for Transferring Securities to the Offeree's Broker Account)**: Any Offeree wishing to revoke the Tender Offer Acceptance must pay a transfer fee relating to those Securities at the rate of THB 20 per transaction and will receive back the Securities only through the TSD via the scripless system. The Tender Offer Agent will transfer the Tendered shares or NVDRs through the TSD via the scripless system within the next business day from the day on which the Offeree or his or her authorized attorney revokes the Tender Offer Acceptance for the shares or NVDRs.

An Offeree making a cancellation shall receive Securities only in the form in which such Securities were tendered, and cannot request a change in the form of the Securities.

6. Procedure for returning the Securities to Offeree in case of Cancellation of the Tender Offer

BTMU may cancel the Tender Offer upon the occurrence of the following events:

- (a) any event occurs or any act is done after the statement of this Tender Offer is filed at the SEC and during the Tender Offer Period, that results or is likely to result in severe damage to the condition or assets of Krungsri, provided that such event or act is not caused by BTMU or any person for whom BTMU is responsible; or
- (b) Krungsri performs any act after the statement of this Tender Offer is filed at the SEC and during Tender Offer Period that results in a substantial reduction in the price of Krungsri's ordinary shares.

BTMU will return the tendered Securities to the shareholders of Krungsri who have accepted the Tender Offer and submitted the completed Tender Offer Acceptance Form as set forth in Section 1.1 and the supporting documents for the Tender Offer Acceptance as set forth in Section 1.2. The Offeree who has submitted the Tender Offer Acceptance Form as set forth in Section 1.1 and the supporting documents for the Tender Offer Acceptance as set forth in Section 1.2 will receive back the shares or NVDRs tendered, as the case may be. BTMU will deliver the tendered Securities through the following methods:

If the Offeree has a securities trading account

The Tender Offer Agent will transfer the tendered Securities via the TSD to the Offeree's securities trading account as specified in the Tender Offer Acceptance Form to be deposited with the broker with whom the Offeree has a securities trading account within the next business day after the date on which BTMU notifies the cancellation of the Tender Offer.

If the Offeree does not have a securities trading account and submits Krungsri shares in a certificate form

The Offeree may ask for the return of the share certificate at the Tender Offer Agent's office within the next business day after the date on which BTMU notifies the cancellation of the Tender Offer.

BTMU will send a written notice cancelling the Tender Offer to the SEC, the SET and Krungsri on the next business day after the end of the Tender Offer Period.

7. Determination of the Tender Offer Price

7.1 Basis of the Tender Offer Price

The Tender Offer Price of THB 39 per share (thirty-nine baht) is the price agreed between BTMU and GECIH pursuant to the STA with respect to the launch of the VTO. The price has been derived through several valuation methodologies that are customary to a transaction of this nature, including the use of Dividend Discount Model, Market Multiples Analysis, and through the negotiation between BTMU and GECIH.

7.2 If the Offeror or its affiliated person under section 258 of the Securities and Exchange Act has acquired those securities within 90 days before the filing of the statement of Tender Offer to the SEC.

- None -

8 Acquisition of Securities before Submission of the Tender Offer (only in case of partial Tender Offer under Chapter 5 of the Capital Market Supervisory Board's Notification No. TorChor. 12/2554)

Inapplicable to this Tender Offer as BTMU offers to purchase all Securities of Krungsri.

Part 5**Certification of Information**

We, hereby, certify that

- 1) We intend to conduct this Tender Offer;
- 2) The Tender Offer Price is in accordance with the provision of the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554;
- 3) We intend to comply with the plan specified in this Tender Offer; and
- 4) All information contained in this Tender Offer is complete and accurate and there is no information contained herein that may mislead other persons in any material respect and no concealment is made of any material information.

The Bank of Tokyo-Mitsubishi UFJ Ltd.



(Takashi Morimura)

Deputy President, Chief Executive, Global Business Unit

The Offeror

We, as the Tender Offer Preparer, have complied with the requirements as set out in the Notification of the SEC Re: Approval for Financial Advisor and a Scope of Work B.E. 2552 dated 3 August 2009 (as amended) and hereby certify that;

- 1) We have reviewed and considered that the information about BTMU disclosed in the Tender Offer is accurate and complete and there is no information that may lead to misunderstanding in any material respect and no concealment is made of any material information.
- 2) We have reviewed the financial evidence and are of the view that BTMU has sufficient fund to fulfill its obligations under the above Tender Offer.
- 3) We have reviewed BTMU's business operation policy and plan as shown in Section 2 of Part 3 regarding details of the Business and are of the view that:
 - a) BTMU can carry out the policies and plans for business operation as mentioned;
 - b) The assumptions for making the policies and plans of business operation have been prepared on a reasonable basis; and
 - c) The effects on Krungsri or the risks that may affect Krungsri or the shareholders are clearly and adequately explained;
- 4) We have examined the evidence of the acquisition of Krungsri's Securities by BTMU or persons prescribed under Section 258 during the 90 day period prior to the submission of the Tender Offer document. We have examined the Tender Offer Price and there is no reason to doubt that it conforms to the regulation under the Capital Market Supervisory Board's Notification No. TorChor. 12/2554 re: Requirements, Conditions and Procedures in Acquisition of Securities for Business Takeovers.
- 5) We have carefully and prudently studied and reviewed the completeness and accuracy of the information contained in the Tender Offer and are of the view that the information is complete and accurate and that there is no information contained herein that may mislead other persons in material aspects and no concealment is made on any material information.



Phatra Securities Public Company Limited

T. Tengtrirat

(Trairak Tengtrirat)

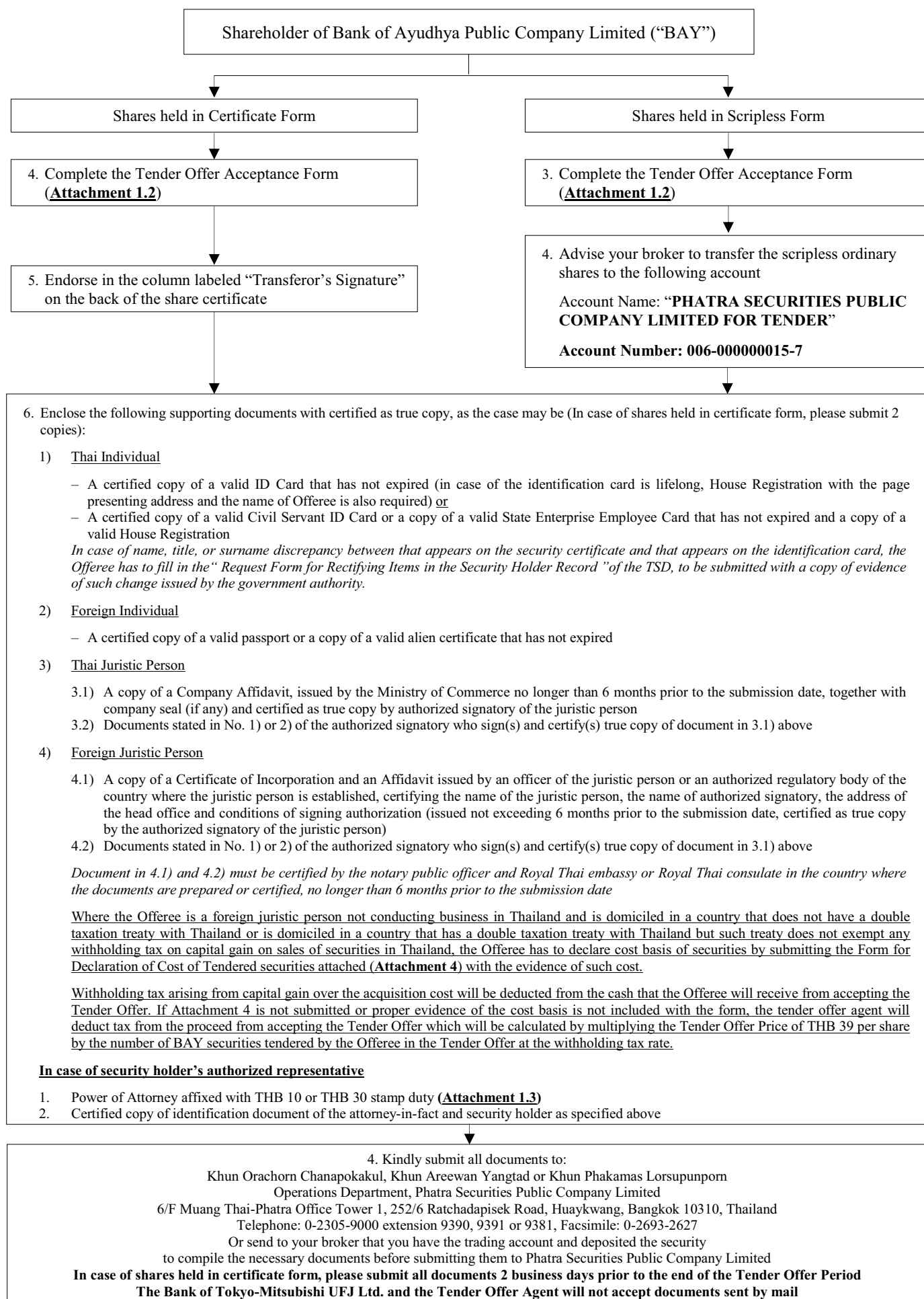
Managing Director

Supachoke Supabundit

(Supachoke Supabundit)

Assistant Managing Director

The Tender Offer Preparer

Tender Offer Acceptance Procedures – Ordinary Shares

Tender Offer Acceptance Form for Ordinary Shares of Bank of Ayudhya Public Company Limited ("BAY")

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd. as the Offeror and
Phatra Securities Public Company Limited as the Tender Offer Agent

Acceptance Form No. _____

I/We, as the Offeree, (Mr./Mrs./Ms./Company) _____ Nationality _____

Contact Address (that can be reached via mail) _____

Postal Code _____ Country _____ Contact Telephone _____

Tax Payer ID No. _____ Occupation _____

☐ House Registration Address same as above ☐ House Registration Address different from above (Please specify)

House Registration Address _____

Postal Code _____ Country _____ Contact Telephone _____

Please specify type of the seller of ordinary shares of BAY:

☐ Natural Person of Thai Nationality ID Card No. / Civil Servant ID Card / State Enterprise Card No. _____

☐ Natural Person of Foreign Nationality Alien Card / Passport/ID No. _____

☐ Juristic Person of Thai Nationality Company Registration No. _____

☐ Juristic Person of Foreign Nationality Company Registration No. _____

I/We hereby accept to sell _____ (_____) ordinary shares of BAY at the Tender

Offer Price of THB 39 (thirty-nine baht) per share. I/We acknowledge that the sale is subject to a Tender Offer Agent fee at the following rate:

- For 1st share to 50,000,000th share: the Tender Offer Agent fee at 0.250% of the Tender Offer Price, plus the value added tax (VAT) at 7% on the Tender Offer Agent fee per one Tender Offer Acceptance form. The net amount to be received by the Offeree will be THB 38.8957 (thirty eight point eight nine five seven baht) per share.
- For 50,000,001st share onward: the Tender Offer Agent fee at 0.225% of the Tender Offer Price, plus the value added tax (VAT) at 7% on the Tender Offer Agent fee per one Tender Offer Acceptance form. The net amount to be received by the Offeree will be THB 38.9061 (thirty eight point nine zero six one baht) per share.

A total value of THB _____ subject to terms and conditions stated in Tender Offer for securities of BAY by the Offeror. The maximum Tender Offer Agent fee per one Tender Offer Acceptance Form is THB 50,000,000 (fifty million baht), inclusive of VAT. The Offeree will receive a total payment in a THB amount plus two decimal points in satang unit. If a fraction is equal to or more than THB 0.005, it will be rounded up. If the fraction is less than THB 0.005, it will be disregarded.

I/We understand that the Tender Offer Acceptance is irrevocable and I/we shall not cancel or revoke the Tender Offer Acceptance in any circumstance except for the cancellation or revocation under the terms and conditions stated in the Tender Offer Document.

I/We hereby appoint the Tender Offer Agent as my/our Attorney to sell, transfer, deliver ordinary shares of BAY, arrange the payment procedure and process other necessary matters relevant to the Tender Offer Acceptance.

☐ Share Certificate		☐ Scripless Transfer			Number of Shares
Name of Shareholders (Registered)	Certificate No.	From Broker No.	Transfer Slip No.	Transfer Date	
Total					

Payment Condition

- ☐ 1. Automatic transfer payment to my account at
- ☐ 1. Bank of Ayudhya PCL ☐ 2. Siam Commercial Bank PCL ☐ 3. Bangkok Bank PCL
- ☐ 4. Krung Thai Bank PCL ☐ 5. KasikornBank PCL ☐ 6. TMB Bank PCL
- ☐ 7. United Overseas Bank PCL ☐ 8. CIMB Thai Bank PCL ☐ 9. Thanachart Bank PCL

Branch _____ Type of Account _____ Account Number _____

The account name has to be the same as the Offeree name. Please also attach a certified copy of saving account book or current account statement with this form. The Tender Offer Agent shall process the transfer of money to the specified account on 18 December 2013 or 3 business days after the last day of the Tender Offer Period

- ☐ 2. I/We will come to collect payment cheque at the head office of Phatra Securities Public Company Limited in person. The payment cheque will become available for collection beginning on 18 December 2013 or 3 business days after the last day of the Tender Offer Period.
- ☐ 3. Please send payment cheque to the above address by registered mail. The Offeree may receive the payment cheque later than 18 December 2013.

I/We hereby attach the following document for the Tender Offer Acceptance including endorsed share certificate and/or evidence of ordinary shares transfer through TSD to the account of "PHATRA SECURITIES PUBLIC COMPANY LIMITED FOR TENDER" Account No. 006-000000015-7 as well as proof of identity in respect to the transferor with certified true copy as indicated in the details of the Tender Offer Document. I/We certify, represent and warrant that I am/we are the legal and beneficial owner(s) of all such tendered securities and such tendered securities are free from any mortgage, charge, pledge, encumbrance, liability or third party right ("Encumbrance") and I/we sell such tendered securities as beneficial owner(s) thereof free from any and all Encumbrances.

For Operational Use Only

Receiver	Initial	Verify

Signature _____ Tender Offeree or

(_____) Attorney-in-fact

Date _____

Receipt of Share Certificate(s) / Transfer Slip / Tender Offer Acceptance Form of Ordinary Shares of Bank of Ayudhya Public Company Limited ("BAY")

Date _____ Receipt no. _____

Phatra Securities Public Company Limited in the capacity as the Tender Offer Agent has received Form for Tender Offer Acceptance of Ordinary Shares of Bank of Ayudhya Public Company Limited together with share certificate(s) and/or transfer slip through TSD, totaling _____ shares

from (Mr./Mrs./Miss/Company) _____

The offeree will receive the money by:

☐ Automatic transfer to bank a/c (18 December 2013)

☐ 1. BAY

☐ 2. SCB

☐ 3. BBL

☐ 4. KTB

☐ 5. KBANK

☐ 6. TMB

☐ 7. UOB

☐ 8. CIMBT

☐ 9. TBANK

☐ Receive cheque at Phatra in person (from 18 December 2013 to 26 December 2013)

☐ Receive the cheque by mail (Maybe later than 18 December 2013)

Signature _____ Tender Offer Agent

POWER OF ATTORNEY

For Tender Offer Acceptance – Ordinary Shares

Stamp Duty
THB 10
Or
THB 30

Made at _____

Date _____

I / We _____ Age _____

Nationality _____ ID Card No. / Passport No. _____

Resides at (address that can be reached by mail) _____

Zip/Postal Code _____ Country _____

hold(s) _____ shares of Bank of Ayudhya Public Company Limited ("BAY")

hereby authorize (Mr. / Miss / Mrs.) _____ Age _____

Nationality _____ ID Card No. / Passport No. _____

Resides at (address that can be reached by mail) _____

House Registration Address ☐ House Registration Address same as above ☐ House Registration Address different from above (Please specify)

House Registration Address _____

Zip/Postal Code _____ Country _____ to act as my/our attorney

☐ Sell, transfer, endorse and deliver such securities of BAY through the Tender Offer Agent

☐ To receive cheque at Phatra Securities Public Company Limited in person as payment due to acceptance of tender offer (for the case where I/We choose to collect the cheque in person)

and to be authorized to do and execute all such other matters in connection with the aforesaid mentioned on my/our behalf until its completion.

Any act taken by my/our attorney shall be deemed to be taken by myself/ourselves in every respect.

() Grantor

() Attorney-in-fact

() Witness

() Witness

Note: Please attach herewith a certified true copy of an Identification Card of the Grantor or a Certificate of Incorporation, a copy of Identification Card of the authorized person(s) in the case of a Juristic Person and a copy of Identification Card of Authorized Agent.

THB 10.00 in value for an authorized transaction for sale, transfer, or delivery of Securities

THB 30.00 in value for multiple authorized transactions for sale, transfer, or delivery of Securities / collection of the payment cheque /
cancellation of the Tender Offer Acceptance Form

Tender Offer Acceptance Procedures – NVDR Units

NVDR holder of Bank of Ayudhya Public Company Limited (“BAY-R”)

1. Complete the Tender Offer Acceptance Form for NVDR (**Attachment 2.2**)

2. Advise your broker to transfer the Scripless NVDR units to the following account
“PHATRA SECURITIES PUBLIC COMPANY LIMITED FOR TENDER” Account number 006-000000015-7

3. Enclose the evidence of transferring NVDR as specified in **Attachment 2.2**

4. Enclose the following supporting documents with certified as true copy, as the case may be:

1) **Thai Individual**

- A certified copy of a valid ID Card that has not expired (in case of the identification card is lifelong, House Registration with the page presenting address and the name of Offeree is also required) or
- A certified copy of a valid Civil Servant ID Card or a copy of a valid State Enterprise Employee Card that has not expired and a copy of a valid House Registration

In case of name, title, or surname discrepancy between that appears on the security certificate and that appears on the identification card, the Offeree has to fill in the “Request Form for Rectifying Items in the Security Holder Record” of the TSD, to be submitted with a copy of evidence of such change issued by the government authority.

2) **Foreign Individual**

- A certified copy of a valid passport or a copy of a valid alien certificate that has not expired

3) **Thai Juristic Person**

- 3.1) A copy of a Company Affidavit, issued by the Ministry of Commerce no longer than 6 months prior to the submission date, together with company seal (if any) and certified as true copy by authorized signatory of the juristic person
- 3.2) Documents stated in No. 1) or 2) of the authorized signatory who sign(s) and certify(s) true copy of document in 3.1) above

4) **Foreign Juristic Person**

- 4.1) A copy of a Certificate of Incorporation and an Affidavit issued by an officer of the juristic person or an authorized regulatory body of the country where the juristic person is established, certifying the name of the juristic person, the name of authorized signatory, the address of the head office and conditions of signing authorization (issued not exceeding 6 months prior to the submission date, certified as true copy by the authorized signatory of the juristic person)
- 4.2) Documents stated in No. 1) or 2) of the authorized signatory who sign(s) and certify(s) true copy of document in 3.1) above

Document in 4.1) and 4.2) must be certified by the notary public officer and Royal Thai embassy or Royal Thai consulate in the country where the documents are prepared or certified, no longer than 6 months prior to the submission date

Where the Offeree is a foreign juristic person not conducting business in Thailand and is domiciled in a country that does not have a double taxation treaty with Thailand or is domiciled in a country that has a double taxation treaty with Thailand but such treaty does not exempt any withholding tax on capital gain on sales of Securities in Thailand, the Offeree has to declare cost basis of Securities by submitting the Form for Declaration of Cost of Tendered securities attached (**Attachment 4**) with the evidence of such cost.

Withholding tax arising from capital gain over the acquisition cost will be deducted from the cash that the Offeree will receive from accepting the Tender Offer. If Attachment 4 is not submitted or proper evidence of the cost basis is not included with the form, the Tender Offer Agent will deduct tax from the proceed from accepting the Tender Offer which will be calculated by multiplying the Tender Offer Price of THB 39 per share by the number of BAY-R units tendered by the Offeree in the Tender Offer at the withholding tax rate.

In case of security holder’s authorized representative

- 1. Power of Attorney affixed with THB 10 or THB 30 stamp duty (**Attachment 2.3**)
- 2. Certified copy of identification document of the attorney-in-fact and security holder as specified above

5. Kindly submit all documents to:

Khun Orachorn Chanapokakul, Khun Areewan Yangtad or Khun Phakamas Lorsupunporn
Operations Department, Phatra Securities Public Company Limited
6/F Muang Thai-Phatra Office Tower 1, 252/6 Ratchadapisek Road, Huaykwang, Bangkok 10310, Thailand
Telephone: 0-2305-9000 extension 9390, 9391 or 9381, Facsimile: 0-2693-2627

Or send to your broker that you have the trading account and deposited the security

to compile the necessary documents before submitting them to Phatra Securities Public Company Limited

All NVDR holders, please submit the Tender Offer Acceptance Form at least 1 business day before the last tender date

The Bank of Tokyo-Mitsubishi UFJ Ltd. and the Tender Offer Agent will not accept documents sent by mail

Tender Offer Acceptance Form for NVDRs of Bank of Ayudhya Public Company Limited ("BAY-R")

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd. as the Offeror and

Phatra Securities Public Company Limited as the Tender Offer Agent

Acceptance Form No. _____

I/We, as the Offeree, (Mr./Mrs./Ms./Company) _____ Nationality _____

Contact Address (that can be reached via mail) _____

Postal Code _____ Country _____ Contact Telephone _____

Tax Payer ID No. _____ Occupation _____

☐ House Registration Address same as above ☐ House Registration Address different from above (Please specify)

House Registration Address _____

Postal Code _____ Country _____ Contact Telephone _____

Please specify type of the seller of NVDR of BAY-R and the subscriber for NVDR of the Offeror:

☐ Natural Person of Thai Nationality ID Card No / Civil Servant ID Card / State Enterprise Card No. _____

☐ Natural Person of Foreign Nationality Alien Card / Passport/ID No. _____

☐ Juristic Person of Thai Nationality Company Registration No. _____

☐ Juristic Person of Foreign Nationality Company Registration No. _____

I/We hereby accept to sell _____ (_____) NVDRs of BAY-R at the Tender Offer Price

of THB 39 (thirty-nine baht) per share. I/We acknowledge that the sale is subject to a Tender Offer Agent fee at the following rate:

- (i) For 1st share to 50,000,000th share: the Tender Offer Agent fee at 0.250% of the Tender Offer Price, plus the value added tax (VAT) at 7% on the Tender Offer Agent fee per one Tender Offer Acceptance form. The net amount to be received by the Offeree will be THB 38.8957 (thirty eight point eight nine five seven baht) per share.
- (ii) For 50,000,001st share onward: the Tender Offer Agent fee at 0.225% of the Tender Offer Price, plus the value added tax (VAT) at 7% on the Tender Offer Agent fee per one Tender Offer Acceptance form. The net amount to be received by the Offeree will be THB 38.9061 (thirty eight point nine zero six one baht) per share.

A total value of THB _____ subject to terms and conditions stated in Tender Offer for securities of BAY-R by the Offeror. The maximum Tender Offer Agent fee per one Tender Offer Acceptance Form is THB 50,000,000 (fifty million baht) (inclusive of VAT). The Offeree will receive a total payment in a THB amount plus two decimal points in satang unit. If a fraction is equal to or more than THB 0.005, it will be rounded up. If the fraction is less than THB 0.005, it will be disregarded.

I/We understand that the Tender Offer Acceptance is irrevocable and I/we shall not cancel or revoke the Tender Offer Acceptance in any circumstance except for the cancellation or revocation under the terms and conditions stated in the Tender Offer Document.

I/We hereby appoint the Tender Offer Agent as my/our Attorney to sell, transfer, deliver NVDRs of BAY-R, arrange the payment procedure and process other necessary matters relevant to the Tender Offer Acceptance.

Transfer Scrippless NVDR			
TSD Participant No.	Transfer Slip No.	Transfer Date	Number of NVDR
Total NVDR			

Payment Condition

- ☐ 1. Automatic transfer payment to my account at
- | | | |
|--|--|---|
| ☐ 1. Bank of Ayudhya PCL | ☐ 2. Siam Commercial Bank PCL | ☐ 3. Bangkok Bank PCL |
| ☐ 4. Krung Thai Bank PCL | ☐ 5. KasikornBank PCL | ☐ 6. TMB Bank PCL |
| ☐ 7. United Overseas Bank PCL | ☐ 8. CIMB Thai Bank PCL | ☐ 9. Thanachart Bank PCL |

Branch _____ Type of Account _____ Account Number _____

The account name has to be the same as the Offeree name. Please also attach a certified copy of saving account book or current account statement with this form. The

Tender Offer Agent shall process the transfer of money to the specified account on 18 December 2013 or 3 business days after the last day of the Tender Offer Period

- ☐ 2. I/We will come to collect payment cheque at the head office of Phatra Securities Public Company Limited in person. The payment cheque will become available for collection beginning on 18 December 2013 or 3 business days after the last day of the Tender Offer Period.

- ☐ 3. Please send payment cheque to the above address by registered mail. The Offeree may receive the payment cheque later than 18 December 2013.

I/We hereby attach the following document for the Tender Offer Acceptance including evidence of NVDR transfer through TSD to the account of "PHATRA SECURITIES PUBLIC COMPANY LIMITED FOR TENDER" Account No. 006-000000015-7 as well as proof of identity in respect to the transferor with certified true copy as indicated in the details of the Tender Offer Document. I/We certify, represent and warrant that I am/we are the legal and beneficial owner(s) of all such tendered securities and such tendered securities are free from any mortgage, charge, pledge, encumbrance, liability or third party right ("Encumbrance") and I/we sell such tendered securities as beneficial owner(s) thereof free from any and all Encumbrances.

For Operational Use Only

Receiver	Initial	Verify

Signature _____ Tender Offeree or
(_____) Attorney-in-fact

Date _____

Receipt of Transfer Scrippless NVDR and Form for Tender Offer Acceptance of NVDRs of Bank of Ayudhya Public Company Limited ("BAY-R")

Date _____ Receipt no. _____

Phatra Securities Public Company Limited in the capacity as the Tender Offer Agent has received transfer scrippless NVDR and Form for Tender Offer Acceptance of NVDRs of Bank of Ayudhya Public Company Limited together with transfer slip through TSD No., totaling _____ units from (Mr./Mrs./Ms./Company) _____

The offeree will receive the money by:

- ☐ Automatic transfer to bank a/c (18 December 2013)

- | | | | | | |
|---------------------------------|-----------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| ☐ 1. BAY | ☐ 2. SCB | ☐ 3. BBL | ☐ 4. KTB | ☐ 5. KBANK | ☐ 6. TMB |
| ☐ 7. UOB | ☐ 8. CIMBT | ☐ 9. TBANK | | | |

- ☐ Receive cheque at Phatra in person (from 18 December 2013 to 26 December 2013)

- ☐ Receive the cheque by mail (Maybe later than 18 December 2013)

Signature _____ Tender Offer Agent

POWER OF ATTORNEY
For Tender Offer Acceptance - NVDR

Stamp Duty
THB 10
Or
THB 30

Made at _____

Date _____

I / We _____ Age _____

Nationality _____ ID Card No. / Passport No. _____

Resides at (address that can be reached by mail) _____

Zip/Postal Code _____ Country _____

hold(s) _____ units of NVDR of Bank of Ayudhya Public Company Limited ("BAY-R")

hereby authorize (Mr. / Miss / Mrs.) _____ Age _____

Nationality _____ ID Card No. / Passport No. _____

Resides at (address that can be reached by mail) _____

House Registration Address ☐ House Registration Address same as above ☐ House Registration Address different from above (Please specify)

House Registration Address _____

Zip/Postal Code _____ Country _____ to act as my/our attorney

- ☐ Sell, transfer, endorse and deliver such securities of BAY-R through the Tender Offer Agent
- ☐ To receive cheque at Phatra Securities Public Company Limited in person as payment due to acceptance of tender offer (for the case where I/We choose to collect the cheque in person)

and to be authorized to do and execute all such other matters in connection with the aforesaid mentioned on my/our behalf until its completion.

Any act taken by my/our attorney shall be deemed to be taken by myself/ourselves in every respect.

() Grantor

() Attorney-in-fact

() Witness

() Witness

Note: Please attach herewith a certified true copy of an Identification Card of the Grantor or a Certificate of Incorporation, a copy of Identification Card of the authorized person in the case of a Juristic Person and a copy of Identification Card of Authorized Agent.

THB 10.00 in value for an authorized transaction for sale, transfer, or delivery of Securities

THB 30.00 in value for multiple authorized transactions for sale, transfer, or delivery of Securities / collection of the payment cheque / cancellation of the Tender Offer Acceptance Form

Tender Offer Revocation Procedures

Shareholders of Bank of Ayudhya Public Company Limited (“BAY”)

1. Complete the Tender Offer Revocation Form (**Attachment 3.2**) and enclose receipt of Share Certificate(s) / Transfer Slip / Tender Offer Acceptance as well as cash in the amount of Baht 20 for securities transfer fee (per transfer)

2. Enclose the following supporting documents with certified as true copy, as the case may be:

1) Thai Individual

- A certified copy of a valid ID Card that has not expired (in case of the identification card is lifelong, House Registration with the page presenting address and the name of Offeree is also required) or
- A certified copy of a valid Civil Servant ID Card or a copy of a valid State Enterprise Employee Card that has not expired and a copy of a valid House Registration

2) Foreign Individual

- A certified copy of a valid passport or a copy of a valid alien certificate that has not expired

3) Thai Juristic Person

- 3.1) A copy of a Company Affidavit, issued by the Ministry of Commerce no longer than 6 months prior to the submission date, together with company seal (if any) and certified as true copy by authorized signatory of the juristic person
- 3.2) Documents stated in 1) or 2) of the authorized signatory who sign(s) and certify(s) true copy of document in 3.1) above

4) Foreign Juristic Person

- 4.1) A copy of a Certificate of Incorporation and an Affidavit issued by an officer of the juristic person or an authorized regulatory body of the country in which the juristic person is established, certifying the name of the juristic person, the name of authorized signatory, the address of the head office and conditions of signing authorization (issued not exceeding 6 months prior to the submission date, certified as true copy by the authorized signatory of the juristic person)
- 4.2) Documents stated in 1) or 2) of the authorized signatory who sign(s) and certify(s) true copy of document in 4.1) above

Document in 4.1) and 4.2) must be certified by the notary public officer and Royal Thai embassy or Royal Thai consulate in the country where the documents are prepared or certified, no longer than 6 months prior to the submission date

In case of security holder’s authorized representative

- 1. Power of Attorney affixed with THB 10 stamp duty (**Attachment 3.3**)
- 2. Certified copy of identification document of the attorney-in-fact and security holder as specified above

3. Kindly submit all documents before 4 December 2013 to:

Khun Orachorn Chanapokakul, Khun Areewan Yangtad or Khun Phakamas Lorsupunporn
Operations Department, Phatra Securities Public Company Limited

6/F Muang Thai-Phatra Office Tower 1, 252/6 Ratchadapisek Road, Huaykwang, Bangkok 10310, Thailand
Telephone: 0-2305-9000 extension 9390, 9391 or 9381, Facsimile: 0-2693-2627

Bank of Tokyo-Mitsubishi UFJ Ltd. and the Tender Offer Agent will not accept documents sent by post

Tender Offer Revocation Form with respect to the Securities of Bank of Ayudhya Public Company Limited ("BAY")

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd. as the Offeror and

Phatra Securities Public Company Limited as the Tender Offer Agent

Revocation Form No. _____

I/We (Mr./Mrs./Ms./Company) _____ Nationality _____

Contact Address (that can be reached via mail) _____

Postal Code _____ Country _____ Contact Telephone _____ Facsimile _____

☐ House Registration Address same as above ☐ House Registration Address different from above (Please specify)

House Registration Address _____

Postal Code _____ Country _____ Contact Telephone _____

hereby revoke the intention to sell the securities of BAY, subject to the terms and conditions stated in the Tender Offer Document.

☐ Ordinary Shares of BAY Amount _____ Shares☐ Non-Voting Depository Receipt ("NVDR") of BAY Amount _____ Units

I/We submitted the Tender Offer Acceptance Form for securities of BAY on (date) _____ Acceptance Form No. _____

I/We agree to receive the returned ordinary shares or NVDR by having either one of the following actions taken:

☐ Transferring of returned securities via Thailand Securities Depository Company Limited ("TSD") to Participant Name (name of broker) _____

Participant No. _____ to deposit those securities with TSD for Trading Account Name _____

Trading Account No. _____

☐ Returning securities in certificate form which will become available for collection on the next business at Phatra Securities Public Company Limited after the day

I/We submitted the Tender Offer Revocation Form. (For the case where the tendered shares are in certificate form)

I/We have enclosed fees of THB 20 per item for transfer of securities

Phatra Securities will transfer the securities to trading account within the business day after the Offeree or its attorney submitted Tender Offer Revocation Form or return the securities in certificate form which will become available for collection at Phatra Securities Public Company Limited on the next business day after the Offeree or its attorney submitted Tender Offer Revocation Form.

I/We hereby agree to accept all terms and conditions stated in the Tender Offer Document.

Sign _____ Offeree or

(_____) Attorney-in-fact

Date _____



Receipt of Tender Offer Revocation Form of the Securities of Bank of Ayudhya Public Company Limited ("BAY")

Date _____ Revocation Form No. _____

Phatra Securities Public Company Limited has received Tender Offer Revocation Form of the securities of BAY for:

☐ Ordinary Shares Amount _____ Shares☐ Non-Voting Depository Receipt ("NVDR") Amount _____ Units

from (Mr./Mrs./Ms./Company) _____ The securities will be returned to the Offeree by way of:

☐ Transferring the securities to Participant Name (name of broker) _____ To be deposited to Trading Account No. _____☐ Returning securities in certificate form which will become available for collection on the next business at Phatra Securities Public Company Limited after the day

I/We submitted the Tender Offer Revocation Form.

Sign _____ Agent Authorizer

For more information please contact; Khun Orachorn Chanapokakul, Khun Areewan Yangtad or Khun Phakamas Lprsupunporn, Operations Department

Phatra Securities Public Company Limited, 6/F Muang Thai-Phatra Office Tower 1, 252/6 Ratchadapisek Road, Huaykwang, Bangkok 10310

Tel: (66) 2305-9000 extension 9390, 9391 or 9381, Fax (66) 2693-2627

Stamp Duty
THB 10

POWER OF ATTORNEY

For Revocation of Tender Offer Acceptance

Made at _____

Date _____

I / We _____ Age _____

Nationality _____ ID Card No. / Passport No. _____

Resides at (address that can be reached by mail) _____

Zip/Postal Code _____ Country _____

hereby authorize (Mr. / Miss / Mrs.) _____ Age _____

Nationality _____ ID Card No. / Passport No. _____

Resides at (address that can be reached by mail) _____

House Registration Address ☐ House Registration Address same as above ☐ House Registration Address different from above (Please specify)

House Registration Address _____

Zip/Postal Code _____ Country _____ to act as my/our attorney to
revoke the tender offer of securities of Bank of Ayudhya Public Company Limited and to be authorized to do and execute all such other matter in
connection with the afore mentioned on my behalf until the completion.

Any act taken by my/our attorney shall be deemed to be taken by myself/ourselves in every respect.

() Grantor

() Attorney-in-fact

() Witness

() Witness

Note: Please attach herewith a certified true copy of an Identification Card of the Grantor or a Certificate of Incorporation, a copy of Identification Card of the authorized person in the case of a Juristic Person and a copy of Identification Card of Authorized Agent.

Form for Declaration of Cost of Tendered Securities

(For Foreign Juristic Person who is not exempted by an applicable tax treaty only)

Date_____

To: Phatra Securities Public Company Limited (the “Tender Offer Agent”)

I/We_____Nationality_____

Tax Identification No. (if any)_____would like to declare the cost of securities of Bank of Ayudhya Public Company Limited (“BAY”), which are the securities being tendered hereto as follows:

Share certificate no. / Transfer slip no.	Name of securities holders as appeared in the Registration	No. of ordinary share or No. of NVDR units	Cost per share (Baht)
Total			

I/We hereby, attached _____,

a total of _____, as evidence(s) of cost for withholding tax calculation.

I/we hereby certify that the above statements are true.

Sign_____Offeree
()

Remarks:

Withholding tax arising from capital gain from the Tender Offeree’s cost of purchase will be deducted from the cash that the Offeree will receive from accepting the Tender Offer to sell its securities. If attachment 4 is not submitted or proper evidence for the cost of purchase is not included with the form, the tender offer agent will deduct the withholding tax from the Offeree’s entire proceeds which will be calculated by multiplying the Tender Offer Price of Baht 39 per share by the number of BAY securities tendered by the Offeree in the Tender Offer at the withholding tax rate.



Thailand Securities Depository

TSD-301

Amending securities holder records

Revenue stamp

THB 10

(in case proxy is given)

Date.....

I/We.....

national I.D. card/passport/company registration no.....

hereby request the Thailand Securities Depository Co., Ltd. ("TSD") amend the following information pertaining to myself.

Type of information	Previous information	Amended information
☐ Honoric (Mr./Mrs./Miss)	➤	➤
☐ First name - last name	➤	➤
☐ Mailing address	➤	➤
☐ Postal code	➤	➤
☐ Home telephone no.	➤	➤
☐ Office telephone no.	➤	➤
☐ Mobile telephone no.	➤	➤
☐ Fax no.	➤	➤
☐ e-mail address	➤	➤
☐ Other.....	➤	➤

- To be effective in time for the book closing date, TSD must receive all documentation at least five working days prior to such date. If the securities holder has deposited the securities in question with his/her broker/custodian, the securities holder should contact that broker/custodian.
- The given above mailing address must be able to receive documents and must not be a post office number.

I/We hereby certify that the aforementioned statements are complete and true. Should TSD incur any direct or indirect damage, obligation or expense due to complying with my request as given above, I/we shall be fully responsible and shall unconditionally compensate TSD in full.

Please turn page over for list of required documents ➡

Signature.....Securities holder

(.....) Phone no.....

(If a proxy has been assigned, please sign as both the securities holder and the grantor.)

I/We here by authorize.....national I.D. card/ passport no.....

as my/our representative, with full authority to file this application.

Signature.....Grantor

Signature.....Grantee

(.....)

(.....) Phone no.....

For official use only

Date.....Transaction No.Checker.....

I have already checked all original identification documents

Signature.....Officer



Thailand Securities Depository

Documents to be submitted for amending securities holder records

1. Application for amending securities holder records signed by securities holder.
2. If requesting a change name/ surname, please attach the original share certificate and a copy of the certificate showing a change of name or surname or marriage or divorce certificate as the case may be.
3. Identification documents, according to the type of person. (For more detail, please visit : www.tsd.co.th or contact TSD Call Center at 66 2 229 2888)

Type of person	Documents to support request to change name/ surname	Documents for other types of requests
Individual person -Thai Nationality	-The original and a copy of the person's Thai national I.D. card, certified true with an original signature <u>* If the original of the person's Thai national I.D. card cannot be shown, or the documents are being submitted by registered mail,</u> please attach a copy of the person's Thai national I.D. card, certified true with an original signature and the original of the document issued by the sub-district or district office to use instead of the original Thai national I.D. card, certified within the past 90 days, as the case may be.	- A copy of the person's Thai national I.D. card, certified true with an original signature.
Individual person -Other Nationalities	-The original and a copy of the signatory's alien identity card or passport, certified true with an original signature. <u>* If the original passport cannot be shown or the documents are being submitted by registered mail,</u> - The copy of the passport has to been certified by a notary public, and both the copy and notary public stamp certified by the Thai embassy or consulate within the past 12 months before being submitted to TSD.	- A copy of the signatory's alien identity card or passport, certified true with an original signature.
Juristic person - Thai Nationality	1. A copy of the juristic person certificate issued by the Ministry of Commerce within the past 12 months, with the original signatures of directors authorized to represent the company or their representatives, following the company's conditions. 2. A copy of the national I.D. card of directors who are authorized to represent the company, certified true with original signatures.	
Juristic person - Other Nationalities	1. A copy of the company's registration certificate issued by the regulating government agency. 2. A copy of the juristic person's affidavit of incorporation showing directors authorized to bind the company and conditions relating thereto, showing the company's headquarters location and authority of the signatory. This affidavit must be issued by an authorized official of the juristic person or the government agency having jurisdiction over the juristic person. 3. A copy of the passport or other official identity document of each authorized director signing this document, certified true with original signature. <u>All documents for "Other Nationalities" above, must have been :</u> 1. Certified true by a notary public or agency of the government having jurisdiction where the document was executed, 2. Certified true by the Thai embassy or consulate in the country having jurisdiction over the affidavit of incorporation and notary public whose stamp has been affixed. 3. Certified within the past 12 months before being submitted to TSD. 4. Translated into English if necessary.	



23 October 2013

Subject: Certification of the Sources of Funds for the Voluntary Tender Offer to Purchase the Securities of Bank of Ayudhya Public Company Limited

To: Phatra Securities Public Company Limited

Reference is made to the intention expressed by The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") to make a voluntary tender offer ("VTO") for the securities of Bank of Ayudhya Public Company Limited ("Krungsri"). BTMU hereby certifies and confirms that the entire consideration, which amounts to THB 236,892 million (assuming full acceptance of the VTO), will be financed using internal funds of BTMU. As of the date of this letter, BTMU has reserved a portion of its current cash balance in the amount that can cover the entire consideration solely for the purpose of the VTO.

As of 31 March 2013, BTMU has total assets and shareholders' equity of JPY 181,626 billion (equivalent to THB 56,581 billion) and JPY 10,658 billion (equivalent to THB 3,320 billion), respectively. This serves to illustrate that BTMU has adequate financing to fund the THB 236,892 million required to acquire all shares of Krungsri under the VTO. (JPY/THB = 3.21, as of 31 March 2013)

Yours sincerely,

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

A handwritten signature in black ink, appearing to read 'T. Morimura', with a long horizontal stroke extending to the right.

Takashi Morimura

Deputy President, Chief Executive
Global Business Unit

Authorized Signature

**Audited Financial Statements of
The Bank of Tokyo-Mitsubishi UFJ, Ltd.**



Deloitte Touche Tohmatsu LLC
 MS Shibaura Building
 4-13-23, Shibaura
 Minato-ku, Tokyo 108-8530
 Japan

Tel: +81 (3) 3457 7321
 Fax: +81 (3) 3457 1594
www.deloitte.com/jp

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd.:

We have audited the accompanying consolidated balance sheets of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the "Bank") and its subsidiaries as of March 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended March 31, 2013, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Bank and its subsidiaries as of March 31, 2013 and 2012, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2013, in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

June 26, 2013

Member of
 Deloitte Touche Tohmatsu Limited

Consolidated Financial Statements

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

Consolidated Balance Sheets

March 31, 2013 and 2012

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	2013
ASSETS:			
Cash and due from banks (Notes 3, 4, 11 and 25)	¥ 9,420,885	¥ 6,866,983	\$ 100,169
Call loans and bills bought (Note 25)	416,849	275,256	4,432
Receivables under resale agreements (Note 25)	1,121,637	890,835	11,926
Receivables under securities borrowing transactions (Note 25)	724,782	307,498	7,706
Monetary claims bought (Notes 4, 11 and 25)	3,330,246	2,920,376	35,409
Trading assets (Notes 4, 11 and 25)	6,109,570	5,874,039	64,961
Money held in trust (Notes 5 and 25)	343,074	293,133	3,648
Securities (Notes 4, 6, 11 and 25)	63,334,714	63,714,303	673,415
Loans and bills discounted (Notes 7, 11, 12, 25 and 28)	80,947,236	74,827,752	860,683
Foreign exchange assets (Note 25)	1,413,258	1,470,588	15,027
Tangible fixed assets (Notes 8 and 27):	1,146,190	1,080,266	12,187
Buildings	226,987	220,993	2,413
Land (Note 9)	590,525	595,525	6,279
Lease assets (Note 22)	14,081	12,986	150
Construction in progress	17,725	17,264	188
Other tangible fixed assets	296,870	233,495	3,157
Intangible fixed assets:	661,701	601,093	7,036
Software	283,798	280,377	3,017
Goodwill (Note 27)	258,874	227,879	2,753
Lease assets (Note 22)	87	186	1
Other intangible fixed assets	118,940	92,649	1,265
Deferred tax assets (Note 21)	13,171	461,474	140
Customers' liabilities for acceptances and guarantees (Note 10)	7,383,402	6,922,725	78,505
Other assets (Notes 11 and 28)	6,179,368	6,095,737	65,703
Allowance for credit losses (Note 25)	(920,534)	(938,125)	(9,787)
Total assets	¥ 181,625,557	¥ 171,663,939	\$ 1,931,160

See the accompanying notes to consolidated financial statements.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2013 and 2012

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2013	2012	2013
LIABILITIES:			
Deposits (Notes 11 and 25)	¥ 120,153,990	¥ 113,072,605	\$ 1,277,554
Negotiable certificates of deposit (Note 25)	9,731,585	9,160,933	103,472
Call money and bills sold (Notes 11 and 25)	3,078,930	2,097,337	32,737
Payables under repurchase agreements (Note 25)	7,326,949	6,133,170	77,905
Payables under securities lending transactions (Note 25)	1,139,726	2,172,091	12,118
Commercial paper (Notes 13 and 25)	838,990	434,195	8,921
Trading liabilities (Notes 11 and 25)	4,273,508	4,183,123	45,439
Borrowed money (Notes 11, 13 and 25)	6,627,666	7,153,616	70,470
Foreign exchange liabilities (Note 25)	908,428	881,938	9,659
Short-term bonds payable (Notes 14 and 25)	109,946	98,952	1,169
Bonds payable (Notes 14 and 25)	4,689,978	5,349,929	49,867
Reserve for bonuses	23,180	22,057	246
Reserve for bonuses to directors	141	145	2
Reserve for retirement benefits (Note 15)	63,398	57,065	674
Reserve for retirement benefits to directors	434	475	5
Reserve for loyalty award credits	1,161	897	12
Reserve for contingent losses	50,575	57,162	538
Reserve under special laws	948	809	10
Acceptances and guarantees (Notes 10 and 11)	7,383,402	6,922,725	78,505
Deferred tax liabilities (Note 21)	17,985	15,737	191
Deferred tax liabilities for land revaluation (Note 9)	152,262	154,420	1,619
Other liabilities (Notes 11, 13 and 28)	4,393,522	4,432,379	46,715
Total liabilities	¥ 170,966,715	¥ 162,401,770	\$ 1,817,828
EQUITY (Notes 16, 17 and 24):			
Common stock:			
Authorized, 33,000,000 thousand shares;			
Issued, 12,350,038 thousand shares in 2013 and 2012, with no stated value	¥ 1,586,958	¥ 1,586,958	\$ 16,874
Preferred stock:			
Authorized, 357,700 thousand shares;			
Issued, 357,700 thousand shares in 2013 and 2012, with no stated value	125,000	125,000	1,329
Capital surplus	3,878,275	3,878,275	41,236
Retained earnings	3,150,671	2,635,211	33,500
Treasury stock-at cost, 201,700 shares in 2013 and 200,700 shares in 2012	(255,700)	(250,000)	(2,719)
Total shareholders' equity	8,485,205	7,975,445	90,220
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities (Notes 4 and 6)	825,440	227,725	8,777
Deferred gain on derivatives under hedge accounting	101,029	60,071	1,074
Land revaluation surplus (Note 9)	229,004	232,900	2,435
Foreign currency translation adjustments	(167,028)	(373,450)	(1,776)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries	(59,902)	(52,831)	(637)
Total accumulated other comprehensive income	928,542	94,414	9,873
Minority interests	1,245,093	1,192,309	13,239
Total equity	10,658,841	9,262,169	113,332
Total liabilities and equity	¥ 181,625,557	¥ 171,663,939	\$ 1,931,160

See the accompanying notes to consolidated financial statements.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

Consolidated Statements of Income
Years Ended March 31, 2013, 2012 and 2011

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2013	2012	2011	2013
INCOME:				
Interest income:				
Interest on loans and bills discounted	¥ 1,263,266	¥ 1,198,182	¥ 1,214,377	\$ 13,432
Interest and dividends on securities	493,926	487,401	469,793	5,252
Interest on call loans and bills bought	7,379	6,419	4,899	78
Interest on receivables under resale agreements	29,052	27,103	13,864	309
Interest on receivables under securities borrowing transactions	2,398	2,166	2,625	25
Interest on due from banks	26,899	35,583	26,236	286
Other interest income	83,677	99,202	182,559	890
Trust fees	10,276	10,296	10,863	109
Fees and commissions	687,006	642,781	638,253	7,305
Trading income	142,756	126,762	116,206	1,518
Other operating income	514,666	504,253	397,306	5,472
Other income (Note 19)	174,473	168,738	194,306	1,855
Total income	3,435,779	3,308,892	3,271,292	36,531
EXPENSES:				
Interest expenses:				
Interest on deposits	156,518	149,166	163,671	1,664
Interest on negotiable certificates of deposit	40,365	35,108	40,438	429
Interest on call money and bills sold	5,611	6,648	4,193	60
Interest on payables under repurchase agreements	22,792	18,847	14,821	242
Interest on payables under securities lending transactions	1,975	1,751	1,460	21
Interest on commercial paper	1,837	693	604	19
Interest on borrowed money	30,901	37,282	32,147	329
Interest on short-term bonds payable	456	429	434	5
Interest on bonds payable	82,848	91,290	99,961	881
Other interest expenses	59,631	18,403	10,957	634
Fees and commissions	125,956	126,118	126,788	1,339
Trading expenses	—	—	2,002	—
Other operating expenses	160,717	150,150	90,439	1,709
General and administrative expenses	1,425,385	1,341,083	1,330,658	15,156
Provision of allowance for credit losses	20,752	75,180	130,919	220
Other expenses (Note 20)	227,113	338,677	360,787	2,415
Total expenses	2,362,866	2,390,833	2,410,285	25,123
Income before income taxes and minority interests	1,072,913	918,059	861,006	11,408
Income taxes (Note 21):				
Current	143,588	191,214	99,345	1,527
Deferred	195,654	124,462	(21,463)	2,080
Total income taxes	339,242	315,677	77,882	3,607
Net income before minority interests	733,670	602,382	783,124	7,801
Minority interests in net income	60,156	58,058	63,328	640
Net income	¥ 673,514	¥ 544,324	¥ 719,795	\$ 7,161
	Yen			U.S. Dollars
Per share of common stock (Note 24):				
Basic net income per common share	¥ 53.07	¥ 42.57	¥ 56.78	\$ 0.56
Diluted net income per common share	53.07	42.57	—	0.56
Cash dividends applicable to the year per common share	11.19	11.64	19.96	0.12

See the accompanying notes to consolidated financial statements.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended March 31, 2013, 2012 and 2011

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2013	2012	2011	2013
Net income before minority interests	¥ 733,670	¥ 602,382	¥ 783,124	\$ 7,801
Other comprehensive income (Note 23):				
Unrealized gain (loss) on available-for-sale securities	588,952	222,668	(223,227)	6,262
Deferred gain (loss) on derivatives under hedge accounting	42,254	12,473	(57,690)	449
Land revaluation surplus	(143)	21,360	—	(1)
Foreign currency translation adjustments	202,877	(58,223)	(108,932)	2,157
Pension liability adjustments under US GAAP recognized at foreign subsidiaries	(7,071)	(18,140)	2,239	(75)
Share of other comprehensive income in associates accounted for using the equity method	12,907	411	(5,306)	137
Total other comprehensive income	839,776	180,549	(392,917)	8,929
Comprehensive income	¥ 1,573,447	¥ 782,932	¥ 390,207	\$ 16,730
Total comprehensive income attributable to:				
Owners of the parent	¥ 1,511,394	¥ 725,188	¥ 326,988	\$ 16,070
Minority interests	62,053	57,743	63,218	660

See the accompanying notes to consolidated financial statements.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity Years Ended March 31, 2013, 2012 and 2011

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2013	2012	2011	2013
Capital stock:				
Beginning of year	¥ 1,711,958	¥ 1,711,958	¥ 1,711,958	\$ 18,203
End of year	¥ 1,711,958	¥ 1,711,958	¥ 1,711,958	\$ 18,203
Capital surplus:				
Beginning of year	¥ 3,878,275	¥ 3,878,275	¥ 3,878,275	\$ 41,236
End of year	¥ 3,878,275	¥ 3,878,275	¥ 3,878,275	\$ 41,236
Retained earnings:				
Beginning of year	¥ 2,635,211	¥ 2,299,904	¥ 1,854,127	\$ 28,019
Cash dividends	(158,323)	(214,146)	(274,820)	(1,683)
Net income	673,514	544,324	719,795	7,161
Reversal of land revaluation surplus	3,752	5,128	802	40
Change in scope of application of the equity method	(3,482)	—	—	(37)
End of year	¥ 3,150,671	¥ 2,635,211	¥ 2,299,904	\$ 33,500
Treasury stock:				
Beginning of year	¥ (250,000)	¥ (250,000)	¥ —	\$ (2,658)
Purchase of treasury stock	(5,700)	—	(250,000)	(61)
End of year	¥ (255,700)	¥ (250,000)	¥ (250,000)	\$ (2,719)
Total shareholders' equity:				
Beginning of year	¥ 7,975,445	¥ 7,640,138	¥ 7,444,361	\$ 84,800
Cash dividends	(158,323)	(214,146)	(274,820)	(1,683)
Net income	673,514	544,324	719,795	7,161
Purchase of treasury stock	(5,700)	—	(250,000)	(61)
Reversal of land revaluation surplus	3,752	5,128	802	40
Change in scope of application of the equity method	(3,482)	—	—	(37)
End of year	¥ 8,485,205	¥ 7,975,445	¥ 7,640,138	\$ 90,220
Accumulated other comprehensive income:				
Unrealized gain on available-for-sale securities:				
Beginning of year	¥ 227,725	¥ 2,568	¥ 226,987	\$ 2,422
Net change in the year	597,714	225,156	(224,418)	6,355
End of year	¥ 825,440	¥ 227,725	¥ 2,568	\$ 8,777
Deferred gain on derivatives under hedge accounting:				
Beginning of year	¥ 60,071	¥ 48,332	¥ 105,955	\$ 639
Net change in the year	40,958	11,738	(57,622)	435
End of year	¥ 101,029	¥ 60,071	¥ 48,332	\$ 1,074
Land revaluation surplus:				
Beginning of year	¥ 232,900	¥ 216,668	¥ 217,470	\$ 2,476
Net change in the year	(3,895)	16,231	(802)	(41)
End of year	¥ 229,004	¥ 232,900	¥ 216,668	\$ 2,435
Foreign currency translation adjustments:				
Beginning of year	¥ (373,450)	¥ (314,199)	¥ (201,194)	\$ (3,971)
Net change in the year	206,422	(59,251)	(113,004)	2,195
End of year	¥ (167,028)	¥ (373,450)	¥ (314,199)	\$ (1,776)
Pension liability adjustments under US GAAP recognized at foreign subsidiaries:				
Beginning of year	¥ (52,831)	¥ (34,691)	¥ (36,930)	\$ (562)
Net change in the year	(7,071)	(18,140)	2,239	(75)
End of year	¥ (59,902)	¥ (52,831)	¥ (34,691)	\$ (637)
Total accumulated other comprehensive income:				
Beginning of year	¥ 94,414	¥ (81,320)	¥ 312,288	\$ 1,004
Net change in the year	834,127	175,735	(393,609)	8,869
End of year	¥ 928,542	¥ 94,414	¥ (81,320)	\$ 9,873
Minority interests:				
Beginning of year	¥ 1,192,309	¥ 1,348,627	¥ 1,543,922	\$ 12,678
Net change in the year	52,784	(156,318)	(195,294)	561
End of year	¥ 1,245,093	¥ 1,192,309	¥ 1,348,627	\$ 13,239
Total equity:				
Beginning of year	¥ 9,262,169	¥ 8,907,445	¥ 9,300,572	\$ 98,482
Cash dividends	(158,323)	(214,146)	(274,820)	(1,683)
Net income	673,514	544,324	719,795	7,161
Purchase of treasury stock	(5,700)	—	(250,000)	(61)
Reversal of land revaluation surplus	3,752	5,128	802	40
Change in scope of application of the equity method	(3,482)	—	—	(37)
Net change in the year	886,912	19,416	(588,904)	9,430
End of year	¥ 10,658,841	¥ 9,262,169	¥ 8,907,445	\$ 113,332

See the accompanying notes to consolidated financial statements.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended March 31, 2013, 2012 and 2011

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2013	2012	2011	2013
OPERATING ACTIVITIES:				
Income before income taxes and minority interests	¥ 1,072,913	¥ 918,059	¥ 861,006	\$ 11,408
Adjustments for:				
Income taxes-paid, net of refund	(249,626)	(115,751)	(62,790)	(2,654)
Depreciation and amortization	170,397	155,843	151,352	1,812
Impairment loss on long-lived assets	5,142	18,211	5,439	55
Amortization of goodwill	14,867	14,344	37,891	158
Gain on negative goodwill	—	—	(1,540)	—
Equity in (earnings) losses of the equity method investees	(15,665)	(6,312)	3,615	(167)
(Decrease) increase in allowance for credit losses	(26,940)	14,036	(21,399)	(286)
Increase in reserve for bonuses	1,122	209	65	12
(Decrease) increase in reserve for bonuses to directors	(4)	3	0	(0)
Increase in reserve for retirement benefits	1,200	24,278	2,204	13
Decrease in reserve for retirement benefits to directors	(11)	(46)	(26)	(0)
Increase (decrease) in reserve for loyalty award credits	263	(4)	44	3
(Decrease) increase in reserve for contingent losses	(7,308)	3,169	(5,068)	(78)
Interest income (accrual basis)	(1,906,599)	(1,856,060)	(1,914,356)	(20,272)
Interest expenses (accrual basis)	402,939	359,623	368,689	4,284
Gains on securities	(255,102)	(170,122)	(166,540)	(2,712)
Losses on money held in trust	2,219	5,301	2,594	24
Foreign exchange (gains) losses	(1,710,143)	(172,828)	633,765	(18,183)
Losses on disposition of fixed assets	3,653	2,978	2,582	39
(Increase) decrease in trading assets	(216,090)	879,726	854,840	(2,298)
Increase (decrease) in trading liabilities	75,633	(113,509)	(618,140)	804
Adjustment of unsettled trading accounts	69,375	93,188	(112,358)	738
Net (increase) decrease in loans and bills discounted	(5,068,172)	(4,919,442)	4,068,946	(53,888)
Net increase in deposits	5,795,599	1,235,515	1,217,529	61,623
Net increase (decrease) in negotiable certificates of deposit	532,096	991,356	(1,078,833)	5,658
Net (decrease) increase in borrowed money (excluding subordinated borrowings)	(516,415)	2,368,478	1,881,642	(5,491)
Net (increase) decrease in due from banks (excluding cash equivalents)	(1,863,025)	1,010,616	(2,041,553)	(19,809)
Net (increase) decrease in call loans, bills bought and receivables under resale agreements	(721,366)	(313,702)	116,126	(7,670)
Net (increase) decrease in receivables under securities borrowing transactions	(417,284)	443,984	4,076,399	(4,437)
Net increase in call money, bills sold and payables under repurchase agreements	2,123,632	2,183,516	231,429	22,580
Net increase (decrease) in commercial paper	380,063	337,186	(72,554)	4,041
Net (decrease) increase in payables under securities lending transactions	(1,032,364)	1,547,380	(2,056,848)	(10,977)
Net decrease (increase) in foreign exchange assets	51,491	(342,126)	(86,674)	547
Net increase (decrease) in foreign exchange liabilities	24,145	194,975	(39,248)	257
Net increase in short-term bonds payable	10,993	1,994	17,493	117
Increase in straight bonds issuance and redemption	11,872	273,999	178,806	126
Interest and dividends received (cash basis)	1,968,597	1,902,134	1,972,822	20,931
Interest paid (cash basis)	(420,547)	(376,768)	(394,800)	(4,472)
Other-net	99,457	24,933	(137,108)	1,057
Total adjustments	(2,681,901)	5,700,313	7,014,441	(28,515)
Net cash (used in) provided by operating activities	¥ (1,608,988)	¥ 6,618,372	¥ 7,875,448	\$ (17,107)

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended March 31, 2013, 2012 and 2011

	Millions of Yen			Millions of U.S. Dollars (Note 1)
	2013	2012	2011	2013
INVESTING ACTIVITIES:				
Purchases of securities	¥ (152,670,963)	¥ (177,686,053)	¥ (95,313,917)	\$ (1,623,296)
Proceeds from sales of securities	139,099,789	158,468,779	63,915,971	1,478,998
Proceeds from redemption of securities	17,049,139	13,264,746	24,634,132	181,277
Increase in money held in trust	(718,988)	(546,824)	(404,654)	(7,645)
Decrease in money held in trust	587,199	477,127	362,563	6,244
Purchases of tangible fixed assets	(117,700)	(84,443)	(61,424)	(1,251)
Purchases of intangible fixed assets	(120,298)	(110,240)	(90,154)	(1,279)
Proceeds from sales of tangible fixed assets	29,209	17,132	18,283	311
Proceeds from sales of intangible fixed assets	197	272	129	2
Payments for business acquisitions	(1,084)	(230)	(103,964)	(12)
Proceeds from business acquisitions	72,430	—	—	770
Purchases of equity of subsidiaries	(14,711)	—	—	(156)
Proceeds from sales of equity of subsidiaries	—	1,600	—	—
Payments for purchases of subsidiaries' equity affecting scope of consolidation	(67,765)	(739)	—	(721)
Other-net	(2,555)	(300)	(314)	(27)
Net cash provided by (used in) investing activities	3,123,896	(6,199,174)	(7,043,348)	33,215
FINANCING ACTIVITIES:				
Increase in subordinated borrowings	32,001	63,000	113,000	340
Decrease in subordinated borrowings	(71,000)	(55,500)	(55,000)	(755)
Proceeds from issuance of subordinated bonds and bonds with subscription rights to shares	190,000	465,500	386,600	2,020
Payments for redemption of subordinated bonds and bonds with subscription rights to shares	(914,066)	(622,196)	(666,592)	(9,719)
Proceeds from issuance of common stock to minority shareholders	1,069	637	2,500	11
Repayments to minority shareholders	(1,177)	(236)	(443)	(12)
Payments for redemption of preferred stock	—	(120,000)	(165,000)	—
Cash dividends paid	(158,323)	(214,146)	(274,820)	(1,683)
Cash dividends paid to minority shareholders	(64,206)	(55,902)	(65,625)	(683)
Purchase of treasury stock	(5,700)	—	(250,000)	(61)
Purchases of subsidiaries' treasury stock	(970)	—	(8,726)	(10)
Proceeds from sales of subsidiaries' treasury stock	—	—	8	—
Net cash used in financing activities	(992,372)	(538,844)	(984,100)	(10,552)
Effect of foreign exchange rate changes on cash and cash equivalents	153,105	(27,657)	(125,678)	1,628
Net increase (decrease) in cash and cash equivalents	675,641	(147,303)	(277,679)	7,184
Cash and cash equivalents, beginning of year	3,024,292	3,171,595	3,449,274	32,156
Decrease in cash and cash equivalents due to deconsolidation of subsidiaries	(7,275)	—	—	(77)
Cash and cash equivalents, end of year (Note 4)	¥ 3,692,657	¥ 3,024,292	¥ 3,171,595	\$ 39,263

See the accompanying notes to consolidated financial statements.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Subsidiaries

Notes to Consolidated Financial Statements Years Ended March 31, 2013, 2012 and 2011

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the “Bank”), which is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc., have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations concerning preparation of consolidated financial statements, Ordinance for Enforcement of the Banking Law, and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards (“IFRSs”).

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications and rearrangements have been made in the 2012 and 2011 consolidated financial statements to conform to the classifications used in 2013.

In accordance with the Companies Act of Japan (the “Companies Act”), all Japanese yen figures in the consolidated financial statements have been rounded down to the nearest million yen, except for per share information. Accordingly, the total of each account may not be equal to the combined total of individual items.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and mainly operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥94.05 to U.S. \$1, the approximate rate of exchange as of March 31, 2013. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Consolidation

The consolidated financial statements include the accounts of the Bank and its subsidiaries (together, the “Group”). There were 144 and 133 subsidiaries as of March 31, 2013 and 2012, respectively.

Under the control or influence concept, the companies over which the Bank, directly or indirectly, is able to exercise control are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for using the equity method.

Investments in 57 and 53 affiliates were accounted for using the equity method as of March 2013 and 2012, respectively. Investments in the remaining affiliates are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

“Goodwill” is amortized using the straight-line method over a period of 20 years. Insignificant amounts of goodwill are fully charged to income in the fiscal year when it is incurred.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profits and losses resulting from intercompany transactions were eliminated.

1) Scope of consolidation

- A) Major subsidiaries as of March 31, 2013 and 2012 were as follows:
 kabu.com Securities Co., Ltd.
 UnionBanCal Corporation (“UNBC”)

Changes in the subsidiaries in the fiscal year ended March 31, 2013 were as follows:

20 companies including BTMU Liquidity Reserve Investment Limited were newly included due to incorporation. In addition, 9 companies including Mitsubishi UFJ Merrill Lynch PB Securities Co., Ltd. were excluded from the scope of consolidation due to a transfer to affiliates, liquidation, etc.

Changes in the subsidiaries in the fiscal year ended March 31, 2012 were as follows:

Three companies including BTMU LF Capital LLC were newly included due to incorporation. In addition, five companies including BTMU Preferred Capital Limited were excluded from the scope of consolidation due to liquidation.

- B) There were no unconsolidated subsidiaries as of March 31, 2013 and 2012.
 - C) There were no companies which were not regarded as subsidiaries, although the majority of voting rights (execution rights) was owned by the Bank as of March 31, 2013 and 2012.
 - D) There were no special purpose entities which were excluded from the scope of consolidation pursuant to Article 8, Paragraph 7 of the “Financial Statements Regulations for Terminology, Forms and Preparation of Financial Statements” (the “Financial Statements Regulations”), which does not regard a special purpose entity as a subsidiary of an investor irrespective of indicators of control if the entity is established and operated for the purpose of asset securitization and satisfies certain eligible criteria as of March 31, 2013 and 2012.
- 2) Application of the equity method
- A) Major affiliates accounted for using the equity method as of March 31, 2013 and 2012 were as follows:

As of March 31, 2013
The Chukyo Bank, Ltd.
Jibun Bank Corporation

As of March 31, 2012
Senshu Ikeda Holdings, Inc.
The Chukyo Bank, Ltd.

Changes in the affiliates accounted for using the equity method in the fiscal year ended March 31, 2013 were as follows:

Seven companies including Mitsubishi UFJ Merrill Lynch PB Securities Co., Ltd. were newly included in affiliates accounted for using the equity method due to a transfer from subsidiaries, incorporation, etc. In addition, three companies including Senshu Ikeda Holdings, Inc. were excluded from affiliates accounted for using the equity method since these companies have not met the definition of affiliates due to the decrease in ownerships resulting from the sales of shares.

Changes in the affiliates accounted for using the equity method in the fiscal year ended March 31, 2012 were as follows:

Five companies including BOT Lease (Tianjin) Co., Ltd. were newly included in affiliates accounted for using the equity method due to incorporation, etc.

- B) There were no unconsolidated subsidiaries which were not accounted for using the equity method as of March 31, 2013 and 2012.
- C) There were no affiliates not accounted for using the equity method as of March 31, 2013 and 2012.

- D) The following companies of which the Group owns the voting rights (execution rights) between 20% and 50% were not recognized as affiliates accounted for using the equity method, since the Bank's subsidiaries hold such ownerships as venture capital for the purpose of incubating their investees or earning capital gains through business revitalization, not for the purpose of controlling those entities:

As of March 31, 2013
 Kyoto Constella Technologies Co., Ltd.
 Pharma Frontier Co., Ltd.
 TECHTOM Ltd.
 ERIMAKEE Co., Ltd.
 Bio-VisiQ Japan, Inc.

As of March 31, 2012
 Kyoto Constella Technologies Co., Ltd.
 Pharma Frontier Co., Ltd.
 Spring Co., Ltd.
 TECHTOM Ltd.
 ERIMAKEE Co., Ltd.
 Bio-VisiQ Japan, Inc.

- 3) The fiscal year ending dates of subsidiaries

- A) The fiscal year ending dates of subsidiaries are as follows:

	Number of subsidiaries	
	2013	2012
September 1	–	1
October 31	1	1
December 31	99	87
January 24	8	8
January 31	1	1
March 31	35	35

- B) A subsidiary with fiscal year ending October 31 is consolidated based on the preliminary financial statements as of January 31.

Other subsidiaries are consolidated based on the financial information as of their fiscal year ending dates.

Adjustments are made in the consolidated financial statements to reflect significant transactions occurring in the period between the fiscal year ending dates of subsidiaries and March 31, 2013 and 2012, respectively.

(2) Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

The Accounting Standards Board of Japan (“ASBJ”) issued Practical Issues Task Force (“PITF”) No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No.18, May 17, 2006). This PITF permits foreign subsidiaries’ financial statements prepared in accordance with either IFRSs or generally accepted accounting principles in the United States of America (“US GAAP”) to be used for the consolidation process with certain limitations. PITF No. 18 is applicable to fiscal years beginning on or after April 1, 2008, and the Group adopted this practical solution starting in the year ended March 31, 2009.

Financial statements of foreign subsidiaries prepared in accordance with IFRSs or US GAAP are used in the consolidation. However, when the financial statements of foreign subsidiaries are prepared in accordance with the generally accepted accounting principles in each domicile country which are different from IFRSs or US GAAP, they are adjusted to conform to US GAAP. In addition, necessary adjustments for consolidation are made, if any.

(3) Cash and Cash Equivalents

For the purpose of the consolidated statements of cash flows, "Cash and cash equivalents" represent "Cash and due from banks" excluding time deposits and negotiable certificates of deposit included in "Due from banks."

(4) Trading Assets or Liabilities, Securities and Money Held in Trust

Securities other than investments in affiliates are classified into three categories, based principally on the Group's intent, as follows:

- 1) Trading assets or liabilities which are held for the purpose of earning capital gains arising from short-term fluctuations in interest rates, currency exchange rates or market prices and other market indices in the financial instruments or from variation among markets are reported as "Trading assets" or "Trading liabilities" in the consolidated balance sheets at fair value. The related unrealized or realized gains and losses are included in "Trading income (expenses)" in the consolidated statements of income.
- 2) Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost (using the straight-line method) based on the moving-average method.
- 3) Available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gain (loss), net of applicable taxes, reported in a separate component of equity, except for unrealized gain (loss) on embedded derivatives combined with the host contracts which are charged to income.

The cost of available-for-sale securities sold is determined based on the moving-average method.

Available-for-sale securities without readily determinable fair value are reported at acquisition cost or amortized cost based on the moving-average method.

For declines in fair value that are not recoverable, securities are reduced to net realizable value by a charge to income.

Securities included in "Money held in trust" are also classified into the three categories outlined above.

The components of trust assets in "Money held in trust" are accounted for based on the standard appropriate for each asset type. Instruments held in trust for trading purposes are recorded at fair value and unrealized gain (loss) is recorded in "Other income (expenses)." Securities as components of trust assets in "Money held in trust" which are held for purposes other than trading or held-to-maturity are recorded at fair value with the unrealized gain (loss) recorded in a separate component of equity. Instruments held in trust classified as held to maturity are carried at amortized cost.

(5) Tangible Fixed Assets

"Tangible fixed assets" are stated at cost less accumulated depreciation. Depreciation of "Tangible fixed assets" of the Bank, except for "Lease assets," is computed using the declining-balance method over the estimated useful lives of the assets. The range of useful lives is principally from 15 to 50 years for "Buildings" and from 2 to 20 years for equipment included in "Other tangible fixed assets."

Depreciation of "Tangible fixed assets" of the subsidiaries is mainly computed using the straight-line method over the estimated useful lives.

Depreciation of "Lease assets" included in "Tangible fixed assets" is computed using the straight-line method over respective lease periods. The residual value of "Lease Assets" is determined using the guaranteed residual value provided by the lease contracts or otherwise no value.

Change in accounting policies which are difficult to distinguish from changes in accounting estimates:
Pursuant to the amendments to the Corporation Tax Act, the Bank and its domestic consolidated subsidiaries changed the depreciation method for the tangible fixed assets acquired on or after April 1, 2012 to the depreciation method provided by the amended Corporation Tax Act.
The effect of this change on the consolidated statement of income and others is immaterial.

(6) Intangible Fixed Assets

Amortization of "Intangible fixed assets," except for "Lease assets," is calculated using the straight-line method. The capitalized cost of computer software developed/obtained for internal use is amortized using the straight-line method over the estimated useful lives (mainly 3 to 10 years) determined by the Bank or its subsidiaries.

Amortization of “Lease assets” included in “Intangible fixed assets” is computed using the straight-line method over respective lease periods.

(7) *Deferred Charges*

Bond and stock issuance costs are charged to expense as incurred.

Discounts on bonds issued prior to March 31, 2006 are amortized using the straight-line method over the terms of the bonds. The unamortized portion is deducted from the bonds in accordance with ASBJ PITF No.19 “Tentative Solution on Accounting for Deferred Assets” (August 11, 2006).

(8) *Allowance for Credit Losses*

The Bank and its domestic subsidiaries determine the amount of the “Allowance for credit losses” in accordance with the predetermined self-assessment standards and internal standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (“bankrupt borrowers”) or borrowers that are not legally or formally insolvent but are regarded as substantially in a similar situation (“virtually bankrupt borrowers”), an allowance is provided based on the amount of claims, after the write-offs as stated below, net of the expected amounts of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy (“likely to become bankrupt borrowers”), where cash flows from collection of principal and interest cannot be reasonably estimated, an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are likely to become bankrupt and borrowers requiring close monitoring whose cash flows from collection of principal and interest can be reasonably estimated, an allowance is provided based on the difference between the relevant cash flows discounted by the initial contractual interest rate and the carrying value of the claims.

For other claims, an allowance is provided based on the historical credit losses ratio during the defined periods.

For specified overseas claims, an additional allowance is provided based on the estimated loss resulting from the political and economic conditions of those countries.

The operating branches and assessment divisions implement the self-assessment for all claims in accordance with the Bank’s self-assessment standards. The Internal Audit & Credit Examination Division, which is independent from operating divisions, conducts verifications of these assessments.

For collateralized or guaranteed claims of bankrupt borrowers or virtually bankrupt borrowers, the amount of claims less the expected amount of recoveries from collateral and guarantee is deemed to be uncollectible and written off against the outstanding amount of claims. The amount of write-offs was ¥501,617 million (\$5,334 million), ¥550,845 million and ¥798,744 million as of March 31, 2013, 2012 and 2011, respectively.

Other subsidiaries determine the “Allowance for credit losses” based on the necessary amounts considering the historical loss ratio for general claims and the uncollectible amount estimated considering the specific collectability for specific deteriorated claims.

(9) *Reserve for Bonuses*

“Reserve for bonuses” is provided for estimated payment of bonuses to employees attributable to the respective fiscal year.

(10) *Reserve for Bonuses to Directors*

“Reserve for bonuses to directors” is provided for estimated payment of bonuses to directors attributable to the respective fiscal year.

(11) *Reserve for Retirement Benefits*

“Reserve for retirement benefits,” which is provided for future pension payments to employees, is recorded

in the amount deemed accrued at the fiscal year end date based on the projected benefit obligation and the estimated plan assets amount at the end of each fiscal year.

Unrecognized prior service cost is amortized using the straight-line method for a period within the employees' average remaining service period, primarily over ten years, commencing in the fiscal year in which the cost is incurred.

Unrecognized net actuarial gain (loss) is amortized using the straight-line method for a period within the employees' average remaining service period, primarily over ten years, commencing on the fiscal year immediately following the fiscal year in which the gain (loss) is incurred.

(12) *Reserve for Retirement Benefits to Directors*

"Reserve for retirement benefits to directors," which is provided for payments of retirement benefits to directors of certain subsidiaries, is recorded in the amount deemed accrued at the fiscal year end date based on the estimated amount of benefits.

(13) *Reserve for Loyalty Award Credits*

"Reserve for loyalty award credits," which is provided to meet future use of points granted to "Super IC Card" customers, is recorded based on the estimated future use of unused points.

(14) *Reserve for Contingent Losses*

"Reserve for contingent losses," which is provided for possible losses from contingent events related to off-balance sheet and other transactions, is calculated by estimating the impact of such contingent events.

(15) *Reserve under Special Laws*

"Reserve under special laws" represents a reserve for contingent liabilities from financial instruments transactions set aside in accordance with Article 46-5-1 and Article 48-3-1 of the Financial Instruments and Exchange Act and Article 175 and 189 of the Cabinet Office Ordinance on Financial Instruments Business.

(16) *Assets and Liabilities Denominated in Foreign Currencies*

Assets and liabilities denominated in foreign currencies and accounts of the overseas branches of the Bank are translated into Japanese yen primarily at exchange rates in effect on the fiscal year end date, except for investments in affiliates which are translated into Japanese yen at exchange rates in effect on the acquisition dates.

Assets and liabilities denominated in foreign currencies of the subsidiaries are translated into Japanese yen at the exchange rates in effect on the respective fiscal year end date.

(17) *Leases*

(As lessee)

The Bank and its domestic subsidiaries' finance leases, other than those that are deemed to transfer the ownership of leased property to the lessees which commenced in fiscal years beginning on or after April 1, 2008, are accounted for in a similar way to purchases, and depreciation of "Lease assets" is computed using the straight-line method over the lease term with zero residual value unless residual value is guaranteed in the corresponding lease contracts.

Finance leases other than those that are deemed to transfer the ownership of leased property to the lessees, which commenced in fiscal years beginning prior to April 1, 2008, are accounted for in a similar way to operating leases.

(As lessor)

Finance leases other than those that are deemed to transfer the ownership of leased property to the lessees are accounted for in a similar way to sales, and income and expenses related to such leases are recognized by allocating interest equivalents to applicable fiscal periods instead of recording sales and costs of goods sold.

(18) *Income Taxes*

The provision for "Income taxes" is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the

temporary differences.

(19) Derivatives and Hedging Activities

Derivatives are stated at fair value.

1) Hedge accounting for interest rate risks

A) The Bank has adopted the deferred hedge accounting method for hedging transactions for interest rate risks arising from monetary assets and liabilities. Individual hedging or portfolio hedging, as described in the Japanese Institute of Certified Public Accountants (“JICPA”) Industry Audit Committee Report No. 24, “Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (February 13, 2002) and JICPA Accounting Committee Report No. 14, “Practical Guidelines for Accounting for Financial Instruments” (January 31, 2000), are primarily applied to determine hedged items.

B) With respect to hedging transactions to offset fluctuations in the fair value of fixed rate deposits, loans and other instruments, hedging instruments (e.g. interest rate swaps) are designated to hedged items individually or collectively by their maturities in accordance with Industry Audit Committee Report No. 24. With respect to hedging transactions to offset fluctuations in fair value of fixed rate bonds classified as available-for-sale securities, hedging instruments (e.g. interest rate swaps) are designated to hedged items collectively by bond type.

Since material terms related to hedged items and hedging instruments are substantially identical, and such hedging transactions are deemed highly effective, the assessment of effectiveness is based on the similarity of the terms.

C) With respect to hedging transactions to fix the cash flows of forecasted transactions related to floating rate deposits and loans as well as short-term fixed rate deposits, loans and other instruments, hedging instruments (e.g. interest rate swaps) are designated to hedged items collectively by interest rate indices and definite interest rate reset terms in accordance with Industry Audit Committee Report No. 24. Since material terms related to hedged items and hedging instruments are substantially identical, and such hedging transactions are deemed highly effective, the assessment of effectiveness is based on the similarity of the terms. The effectiveness of hedging transactions is also assessed by verifying the correlation of interest rate movement factors.

D) As of March 31, 2003, deferred hedge losses and gains were recorded in the consolidated balance sheet as a result of the application of macro hedge accounting based on JICPA Industry Audit Committee Report No. 15 “Tentative Treatment for Accounting and Auditing in Adoption of Accounting Standards for Banking Industry” (February 15, 2000), under which the overall interest rate risks arising from numerous deposits, loans and other instruments are hedged collectively by derivative transactions. These losses and gains are amortized as expense or income over the remaining lives of the macro hedging instruments (for a maximum period of 14 years from April 1, 2003). Deferred hedge losses and gains attributable to macro hedge accounting were losses of ¥29 million (\$0 million) (before tax effect adjustment) and gains of ¥0 million (\$0 million) (before tax effect adjustment) as of March 31, 2013, losses of ¥235 million (before tax effect adjustment) and gains of ¥314 million (before tax effect adjustment) as of March 31, 2012, losses of ¥2,322 million (before tax effect adjustment) and gains of ¥1,801 million (before tax effect adjustment) as of March 31, 2011.

2) Hedge accounting for foreign currency risks

A) The Bank has adopted the deferred hedge accounting method for hedging transactions for foreign currency risks arising from monetary assets and liabilities denominated in foreign currencies. Portfolio hedging is applied to determine hedged items as described in JICPA Industry Audit Committee Report No. 25 “Treatment of Accounting and Auditing concerning Accounting for Foreign Currency Transactions in the Banking Industry” (July 29, 2002). Hedging instruments (e.g. currency swaps and forward exchange contracts) are designated to hedged items collectively by currency.

B) The Bank also has adopted the deferred hedge accounting method for hedging transactions for foreign currency risks arising from investments in affiliates denominated in foreign currencies while adopting the fair value hedge accounting method for hedging transactions for foreign currency risks arising from foreign currency denominated securities (other than bonds). Portfolio hedging and individual hedging are applied to specific hedged items. Liabilities denominated in foreign currencies and forward exchange contracts are used as hedging instruments.

3) Transactions among consolidated companies

Derivative transactions, including interest rate swaps and currency swaps which are designated as hedging instruments, among consolidated companies or between trading accounts and other accounts (or among internal sections) are not eliminated from the consolidated statements of income and related gains and losses are recognized or deferred under hedge accounting because these derivative transactions are executed, meeting certain criteria under JICPA Industry Audit Committee Reports No. 24 and No. 25 to be regarded as equivalent to external third party transactions.

(20) Consumption Taxes

National and local consumption taxes are excluded from transaction amounts. Non-deductible portions of consumption taxes on the purchases of “Tangible fixed assets” are expensed when incurred.

(21) Per Share Information

Basic net income per common share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per common share reflects the potential dilution that could occur if securities were exercised or converted into common shares. Diluted net income per common share assumes full conversion of the outstanding convertible notes and bonds at the beginning of the fiscal year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per common share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

(22) Accounting Changes and Error Corrections

In December 2009, ASBJ issued ASBJ Statement No. 24 “Accounting Standard for Accounting Changes and Error Corrections” and ASBJ Guidance No. 24 “Guidance on Accounting Standard for Accounting Changes and Error Corrections.” Accounting treatments under this standard and guidance are as follows:

- 1) **Changes in Accounting Policies:**
When a new accounting policy is applied with revision of accounting standards, the new policy is applied retrospectively unless the revised accounting standards include specific transitional provisions. When the revised accounting standards include specific transitional provisions, an entity shall comply with the specific transitional provisions.
- 2) **Changes in Presentations:**
When the presentation of financial statements is changed, prior period financial statements are reclassified in accordance with the new presentation.
- 3) **Changes in Accounting Estimates:**
A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods.
- 4) **Corrections of Prior Period Errors:**
When an error in prior period financial statements is discovered, those statements are restated.

This accounting standard and the guidance were applicable to accounting changes and corrections of prior period errors which were made from the beginning of the fiscal year that began on or after April 1, 2011. Effective April 1, 2011, the Group adopted this accounting standard.

(23) New Accounting Pronouncements

Accounting Standard for Retirement Benefits - On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, “Accounting Standard for Retirement Benefits” and ASBJ Guidance No. 25, “Guidance on Accounting Standard for Retirement Benefits”, which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and followed by partial amendments from time through 2009.

Major changes from current requirements are as follows:

- 1) **Treatment of actuarial gains and losses and past service costs**
 - A) **Treatment in the balance sheet**
Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, “deficit or surplus”), adjusted by such

unrecognized amounts, is recognized as a liability or asset.

Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within equity (accumulated other comprehensive income ("AOCI")), after adjusting for tax effects, and the deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits) without any adjustments.

B) Treatment in the statement of income and the statement of comprehensive income

The revised accounting standard shall not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives of the employees.

However, actuarial gains and losses and past service costs that arose in the current period and have yet to be recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in AOCI in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

2) Others changes

Other changes include the method of determination of retirement benefit obligations and current service costs, enhanced disclosures such as the analysis of changes in retirement benefit obligations and amendments to the treatment of multi-employer plans, etc.

The accounting standard and the guidance are effective for the end of fiscal years beginning on or after April 1, 2013 with earlier adoption being permitted from the beginning of fiscal years beginning on or after April 1, 2013. However no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Group expects to apply the change of treatment of actuarial gains and losses and past service costs from the beginning of the fiscal year beginning on April 1, 2013, and other changes will be applied from the beginning of the fiscal year beginning on April 1, 2014.

3. CASH AND CASH EQUIVALENTS

The reconciliation of “Cash and cash equivalents” at the end of the fiscal year and “Cash and due from banks” in the consolidated balance sheets as of March 31, 2013 and 2012 were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars	
	2013	2012	2013	
Cash and due from banks	¥ 9,420,885	¥ 6,866,983	\$ 100,169	
Less: Time deposits and negotiable certificates of deposit included in due from banks	(5,728,227)	(3,842,691)	(60,906)	
Cash and cash equivalents at the end of year	¥ 3,692,657	¥ 3,024,292	\$ 39,263	

4. TRADING ASSETS OR LIABILITIES AND SECURITIES

Securities as of March 31, 2013 and 2012 include equity securities in affiliates of ¥182,816 million (\$1,944 million) and ¥190,042 million, respectively and capital subscriptions to entities such as limited liability companies of ¥3,443 million (\$37 million) and ¥5,645 million, respectively. As of March 31, 2012, investments in jointly controlled entities in the amount of ¥14,521 million were included in the above, while as of March 31, 2013, there was no investment in jointly controlled entities.

Securities loaned under unsecured securities lending transactions amounted to ¥79,981 million (\$850 million) and ¥79,936 million as of March 31, 2013 and 2012, respectively.

For securities borrowed and purchased under resale agreements where the secured parties are permitted to sell or re-pledge the securities without restrictions, ¥1,224,467 million (\$13,019 million) and ¥221,105 million of such securities were re-pledged as of March 31, 2013 and 2012, respectively. As of March 31, 2012, ¥117 million of such securities were re-loaned, while as of March 31, 2013, no securities were re-loaned. The remaining ¥2,954,240 million (\$31,411 million) and ¥1,856,351 million of these securities were held without disposition as of March 31, 2013 and 2012, respectively.

The following tables include trading securities, short-term bonds, etc. in “Trading assets,” negotiable certificates of deposit in “Cash and due from banks” and beneficial interests in trusts in “Monetary claims bought” in addition to “Securities.”

(1) Trading securities:

Net unrealized gains on trading securities were ¥ 469 million (\$5 million) and ¥ 182 million for the years ended March 31, 2013 and 2012, respectively.

(2) Held-to-maturity debt securities with fair value:

Millions of Yen					
2013					
March 31	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥ —	¥ —	¥ —	¥ —	¥ —
Foreign bonds	89,323	91,602	2,279	2,289	(10)
Other	1,458,103	1,509,489	51,385	51,385	—
Total	¥ 1,547,426	¥ 1,601,091	¥ 53,664	¥ 53,675	¥ (10)

Millions of Yen					
2012					
March 31	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	¥ 250,048	¥ 251,425	¥ 1,376	¥ 1,376	¥ —
Foreign bonds	2,343	3,526	1,182	1,182	—
Other	1,141,844	1,179,080	37,236	39,201	(1,964)
Total	¥ 1,394,236	¥ 1,434,032	¥ 39,795	¥ 41,760	¥ (1,964)

Millions of U.S. Dollars					
2013					
March 31	Carrying amount	Fair value	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Japanese government bonds	\$ —	\$ —	\$ —	\$ —	\$ —
Foreign bonds	950	974	24	24	(0)
Other	15,503	16,050	547	547	—
Total	\$ 16,453	\$ 17,024	\$ 571	\$ 571	\$ (0)

Note: Fair value is stated using mainly quoted market prices at fiscal year end date.

(3) Available-for-sale securities with fair value:

Millions of Yen					
2013					
March 31	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥ 3,148,214	¥ 2,432,605	¥ 715,609	¥ 860,592	¥ (144,983)
Domestic bonds	44,336,116	44,043,015	293,100	299,012	(5,911)
Japanese government bonds	41,758,049	41,528,623	229,425	230,316	(890)
Municipal bonds	212,006	203,075	8,930	8,934	(4)
Corporate bonds	2,366,059	2,311,315	54,744	59,761	(5,017)
Foreign equity securities	208,276	114,072	94,203	94,233	(30)
Foreign bonds	12,811,724	12,669,013	142,711	162,261	(19,550)
Other	2,642,312	2,582,712	59,600	90,842	(31,242)
Total	¥ 63,146,644	¥ 61,841,419	¥ 1,305,224	¥ 1,506,942	¥ (201,717)

Note: Unrealized loss in the table above includes a loss of ¥79 million resulting from the accounting treatment of embedded derivatives which are not separated from underlying securities.

Millions of Yen					
2012					
March 31	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	¥ 2,658,593	¥ 2,544,844	¥ 113,748	¥ 496,223	¥ (382,474)
Domestic bonds	45,569,335	45,391,687	177,648	189,912	(12,264)
Japanese government bonds	42,425,331	42,307,452	117,878	120,782	(2,903)
Municipal bonds	180,502	172,774	7,728	7,728	—
Corporate bonds	2,963,501	2,911,460	52,040	61,401	(9,360)
Foreign equity securities	162,348	111,869	50,478	50,493	(14)
Foreign bonds	13,171,227	13,018,271	152,956	167,153	(14,196)
Other	1,476,865	1,466,841	10,024	30,385	(20,360)
Total	¥ 63,038,370	¥ 62,533,514	¥ 504,856	¥ 934,167	¥ (429,310)

Millions of U.S. Dollars					
2013					
March 31	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Domestic equity securities	\$ 33,474	\$ 25,865	\$ 7,609	\$ 9,151	\$ (1,542)
Domestic bonds	471,410	468,294	3,116	3,179	(63)
Japanese government bonds	443,998	441,559	2,439	2,449	(10)
Municipal bonds	2,254	2,159	95	95	(0)
Corporate bonds	25,158	24,576	582	635	(53)
Foreign equity securities	2,215	1,213	1,002	1,002	(0)
Foreign bonds	136,222	134,705	1,517	1,725	(208)
Other	28,095	27,461	634	966	(332)
Total	\$ 671,416	\$ 657,538	\$ 13,878	\$ 16,023	\$ (2,145)

Note: Unrealized loss in the table above includes a loss of \$1 million resulting from the accounting treatment of embedded derivatives which are not separated from underlying securities.

- (4) Proceeds from sales of available-for-sale securities and related realized gains and losses for the years ended March 31, 2013 and 2012 were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Sales proceeds	¥ 137,982,468	¥ 158,489,406	\$ 1,467,118
Realized gains	410,286	418,195	4,362
Realized losses	89,495	183,711	952

- (5) Reclassified securities

An overseas subsidiary whose fiscal year end is December 31 reclassified its securitized products of ¥96,319 million (\$1,024 million) which had been previously classified as “Held-to-maturity debt securities” to “Available-for-sale securities” during the year ended March 31, 2013 in accordance with Accounting Standards Codification (“ASC”) 320 “Investments—Debt and Equity Securities” released by the Financial Accounting Standards Board of the U.S.

This change was made because their management considered it to be more appropriate to classify these securities as “Available-for-sale securities” as they no longer have the intent to hold to maturity due to the change of risk weight to be used for determining the net asset ratio.

As a result of this change, “Available-for-sale securities” and “Unrealized gain (loss) on available-for-sale securities” increased by ¥118,082 million (\$1,256 million) and ¥12,939 million (\$138 million), respectively.

An overseas subsidiary whose fiscal year end is December 31 reclassified its securitized products of ¥13,416 million (\$143 million) at the market value which had been previously classified as “Available-for-sale securities” to “Held-to-maturity securities” during the year ended March 31, 2013 in accordance with ASC 320 “Investments—Debt and Equity Securities”.

This change was made because their management considered it to be more appropriate to classify these securities as “Held-to-maturity securities” since they had the ability and intent to hold to maturity.

The following securities were reclassified from “Available-for-sale securities” to “Held-to-maturity securities” as of March 31, 2013:

Millions of yen			
Unrealized gain (loss) on available-for-sale securities recorded on the consolidated balance sheet			
March 31, 2013	Fair value	Carrying amount	
Foreign debt securities	¥ 11,473	¥ 11,344	¥ 395

Millions of U.S. dollars				
March 31, 2013	Fair value	Carrying amount	Unrealized gain (loss) on available-for-sale securities recorded on the consolidated balance sheet	
Foreign debt securities	\$ 122	\$ 121		\$ 4

(6) Impairment loss on securities

Securities other than trading securities and investments in affiliates (excluding those securities without readily determinable fair value), whose fair value significantly declined compared with the acquisition cost, and is considered to be other than recoverable decline, were written down to the respective fair value which is recorded as the carrying amount on the consolidated balance sheets.

Impairment losses for the years ended March 31, 2013 and 2012 were ¥71,890 million (\$764 million) consisting of ¥66,055 million (\$702 million) on equity securities and ¥5,834 million (\$62 million) on bonds and ¥64,434 million, consisting of ¥56,840 million on equity securities and ¥7,594 million on bonds, respectively.

The criteria for determining whether the fair value is “significantly declined” are defined based on the asset classification of the issuer in the Bank’s internal standards for asset quality self-assessment as follows:

- (a) Bankrupt, virtually bankrupt, likely to become bankrupt issuers: Fair value is lower than acquisition cost.
- (b) Issuers requiring close monitoring: Fair value has declined by 30% or more of the acquisition cost.
- (c) Normal issuers: Fair value has declined by 50% or more of the acquisition cost.

“Bankrupt issuer” means an issuer who has entered into bankruptcy, special liquidation proceedings or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses. “Virtually bankrupt issuer” means an issuer who is not legally or formally bankrupt but regarded as substantially in a similar condition. “Likely to become bankrupt issuer” means an issuer who is not legally bankrupt but deemed to have high possibility of becoming bankrupt. “Issuer requiring close monitoring” means an issuer who requires close monitoring of the management. “Normal issuer” means an issuer other than “Bankrupt issuer,” “Virtually bankrupt issuer,” “Likely to become bankrupt issuer” or “Issuer requiring close monitoring.”

5. MONEY HELD IN TRUST

“Money held in trust” classified as trading as of March 31, 2013 and 2012 were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Carrying amount	¥ 58,028	¥ 57,986	\$ 617
Net unrealized gain	131	115	1

There were no “Money held in trust” classified as held-to-maturity as of March 31, 2013 and 2012.

“Money held in trust” classified as other than trading and held-to-maturity as of March 31, 2013 and 2012 were as follows:

March 31	Millions of Yen				
	2013				
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	¥ 285,046	¥ 284,555	¥ 490	¥ 490	¥ –

March 31	Millions of Yen				
	2012				
	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	¥ 235,146	¥ 234,978	¥ 167	¥ 167	¥ –

	Millions of U.S. Dollars				
	2013				
March 31	Carrying amount	Acquisition cost	Net unrealized gain (loss)	Unrealized gain	Unrealized loss
Money held in trust classified as other than trading and held-to-maturity	\$ 3,031	\$ 3,026	\$ 5	\$ 5	\$ –

Note: Carrying amount on the consolidated balance sheets is determined based on the fair value calculated using quoted market prices and other information.

6. UNREALIZED GAIN (LOSS) ON AVAILABLE-FOR-SALE SECURITIES

Unrealized gain (loss) on available-for-sale securities as of March 31, 2013 and 2012 consisted of the following:

March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Unrealized gain:	¥ 1,254,204	¥ 411,487	\$ 13,336
Available-for-sale securities	1,309,389	509,462	13,923
Money held in trust except for trading and held-to-maturity purpose	490	167	5
Securities reclassified from available-for-sale securities into held-to-maturity debt securities	(55,675)	(98,143)	(592)
Deferred tax liabilities:	(437,808)	(184,083)	(4,655)
Unrealized gain on available-for-sale securities before adjustments by ownership share	816,396	227,403	8,681
Minority interests	12,986	14,810	138
Bank's ownership share in unrealized gain (loss) on available-for-sale securities held by affiliates accounted for using the equity method	(3,942)	(14,488)	(42)
Unrealized gain on available-for-sale securities	¥ 825,440	¥ 227,725	\$ 8,777

Notes:

1. Unrealized gain (loss) in the table above excludes ¥79 million (\$1 million) and ¥144 million of losses resulting from the accounting treatment for embedded derivatives as of March 31, 2013 and 2012, respectively.
2. Unrealized gain (loss) in the table above includes ¥6,169 million (\$66 million) and ¥4,457 million of unrealized gain on available-for-sale securities invested in limited partnerships as of March 31, 2013 and 2012, respectively.

7. LOANS AND BILLS DISCOUNTED

Bills discounted and rediscounted are accounted for as financial transactions in accordance with “Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry” (JICPA Industry Audit Committee Report No. 24). The Bank has rights to sell or pledge these bills discounted. The total face value of bills discounted was ¥967,611 million (\$10,288 million) and ¥1,055,095 million as of March 31, 2013 and 2012, respectively. The total face value of foreign exchanges bills bought which were transferred due to rediscounts of bills amounted to ¥7,203 million (\$77 million) and ¥5,788 million as of March 31, 2013 and 2012, respectively.

“Loans and bills discounted” as of March 31, 2013 and 2012 included the following loans:

March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Loans to bankrupt borrowers	¥ 70,661	¥ 32,491	\$ 751
Non-accrual delinquent loans	1,059,668	957,130	11,267
Loans past due for three months or more	35,396	74,361	377
Restructured loans	510,388	495,958	5,427
Total	¥ 1,676,114	¥ 1,559,942	\$ 17,822

Note: The amounts above are stated before the reduction of the allowance for credit losses.

Loans to bankrupt borrowers are loans, after write-offs, to bankrupt borrowers as defined in Article 96-1-3-1 to 5 or 96-1-4 of “the Order for Enforcement of the Corporation Tax Act” (No. 97 in 1965) on which accrued interest income is not recognized (“Non-accrual loans”) as there is substantial doubt as to the collection of principal and/or interest because of delinquencies in payment of principal and/or interest for a significant period of time or for some other reasons.

Non-accrual delinquent loans represent non-accrual loans other than loans to bankrupt borrowers and loans renegotiated at concessionary terms, which includes reduction or deferral of interest due to the borrower’s weakened financial condition.

Loans past due for three months or more represent loans whose principal and/or interest payments have been past due for three months or more, excluding loans to bankrupt borrowers and non-accrual delinquent loans.

Restructured loans represent loans renegotiated at concessionary terms, including reduction or deferral of interest or principal and waiver of the claims, due to the borrower’s weakened financial condition, excluding loans to bankrupt borrowers, non-accrual delinquent loans and loans past due for three months or more.

8. TANGIBLE FIXED ASSETS

The accumulated depreciation of “Tangible fixed assets” as of March 31, 2013 and 2012 amounted to ¥918,385 million (\$9,765 million) and ¥893,893 million, respectively.

Deferred gains on “Tangible fixed assets” not recognized for tax purposes as of March 31, 2013 and 2012 amounted to ¥78,405 million (\$834 million) and ¥79,070 million, respectively.

9. LAND REVALUATION SURPLUS

In accordance with the “Act on Revaluation of Land” (the “Act”) (No. 34, March 31, 1998), land used for business operations of the Bank has been revalued as of the dates indicated below. The excess of revaluation to carrying value at the time of revaluation, net of income taxes corresponding to the excess which are recognized as “Deferred tax liabilities for land revaluation,” is stated as “Land revaluation surplus” in equity.

Date of revaluation: March 31, 1998

The method of revaluation of assets is set forth in Article 3, Paragraph 3 of the “Act”:

Fair values are determined based on (1) “Published land price under the Land Price Publication Law” stipulated in Article 2-1 of “Order for Enforcement on Law on Revaluation of Land” (“Order”) (No. 119, March 31, 1998), (2) “Standard land price determined on measurement spots under Order for Enforcement of the National Land Planning Law” stipulated in Article 2-2 of the “Order,” (3) “Land price determined using the method established and published by the Director General of the National Tax Agency in order to calculate land value which is used for determining taxable amounts subject to landholding tax articulated in Article 16 of the Landholding Tax Law” stipulated in Article 2-4 of “Order” with price adjustments by shape and time.

The difference between the total fair value of land used for business operations revalued pursuant to article 10 of the “Act” and book value after revaluation of the relevant land as of March 31, 2013 and 2012 was ¥55,313 million (\$588 million) and ¥59,063 million, respectively.

10. CUSTOMERS’ LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities arising from acceptances and guarantees are reflected in “Customers’ liabilities for acceptances and guarantees.” “Acceptances and guarantees” are shown as contra assets, representing the Bank’s right to receive indemnity from the applicants.

Guarantee obligations for private placement bonds included in “Securities” (provided in accordance with the Article 2-3 of the “Financial Instruments and Exchange Act”) as of March 31, 2013 and 2012 were ¥1,073,742 million (\$11,417 million) and ¥1,577,107 million, respectively.

In accordance with the Cabinet Office Ordinance for the Partial Revision of Ordinance for Enforcement of the Banking Law (Cabinet Office Ordinance No. 38, April 17, 2007), “Customers’ liabilities for acceptances and guarantees” and “Acceptances and guarantees” of the bonds stated above are offset.

11. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral and their relevant liabilities as of March 31, 2013 and 2012 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Assets pledged as collateral:			
Cash and due from banks	¥ 1,300	¥ 13,134	\$ 14
Securities	1,242,083	1,044,587	13,206
Loans and bills discounted	4,913,989	5,748,094	52,249
Other assets	156,749	73,377	1,666
Tangible fixed assets	26,869	—	286
Total	¥ 6,340,992	¥ 6,879,194	\$ 67,421
Relevant liabilities to above assets:			
Deposits	¥ 220,756	¥ 175,975	\$ 2,347
Call money and bills sold	530,000	530,000	5,635
Trading liabilities	77,503	80,449	824
Borrowed money	4,718,201	5,654,423	50,167
Other liabilities	51,726	56,191	550
Acceptances and guarantees	244	467	3
Total	¥ 5,598,432	¥ 6,497,507	\$ 59,526

In addition to the above, the following assets are pledged as collateral for cash settlements and other transactions or as deposits for margin accounts of futures and other transactions:

	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Assets pledged as collateral:			
Cash and due from banks	¥ 1,852	¥ 1,372	\$ 20
Monetary claims bought	275,110	223,731	2,925
Securities	8,758,428	9,520,364	93,125
Loans and bills discounted	6,831,795	3,354,773	72,640
Total	¥ 15,867,187	¥ 13,100,242	\$ 168,710

Furthermore, trading assets and securities sold under repurchase agreements or loaned under securities lending with cash collateral were ¥1,053,933 million (\$11,206 million) and ¥6,464,407 million (\$68,734 million) as of March 31, 2013 and ¥772,502 million and ¥6,744,560 million as of March 31, 2012, respectively.

Relevant payables under resale agreements were ¥6,333,304 million (\$67,340 million) and ¥6,119,171 million as of March 31, 2013 and 2012, respectively.

Relevant payables under securities lending transactions were ¥1,106,591 million (\$11,766 million) and ¥2,154,100 million as of March 31, 2013 and 2012, respectively.

12. LOAN COMMITMENTS

Overdraft facilities and commitment lines of credit are binding contracts under which the Group has obligations to disburse funds up to predetermined limits upon the borrower's request as long as there has been no breach of contract. The total amount of the unused portion of these facilities were ¥61,216,101 million (\$650,889 million) and ¥58,391,247 million as of March 31, 2013 and 2012, respectively.

The total amount of the unused portion does not necessarily represent actual future cash requirements because many of these contracts are expected to expire without being drawn upon. In addition, most of these contracts include clauses which allow the Group to decline the borrower's request for disbursement or decrease contracted limits for cause, such as changes in financial conditions or deterioration in the borrower's creditworthiness. The Group may request the borrowers to pledge real property and/or securities as collateral upon signing of the contract and will perform periodic monitoring on the borrower's business conditions in accordance with internal procedures, which may lead to renegotiation of the terms and conditions of the

contracts and/or initiate the request for additional collateral and/or guarantees.

13. BORROWED MONEY, LEASE LIABILITIES AND COMMERCIAL PAPER

“Borrowed money,” “Lease liabilities” and “Commercial paper” as of March 31, 2013 and 2012 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Borrowings from banks and other, due 2012-2027, 0.46% on the average	¥ 6,627,666	¥ 7,153,616	\$ 70,470
Bills rediscounted	—	—	—
Total borrowed money	¥ 6,627,666	¥ 7,153,616	\$ 70,470
Lease liabilities, due 2012-2038	15,321	13,871	163
Commercial paper, 0.220% on the average	838,990	434,195	8,921

Notes:

1. The interest rates above are calculated using the weighted-average method based on the interest rate and balance as of March 31. The average interest rate of lease liabilities is not presented above because lease liabilities are recorded on the accompanying consolidated balance sheets at the total amount of lease payments including interest.
2. The borrowings above include subordinated borrowings in the amounts of ¥469,000 million (\$4,987 million) and ¥508,000 million as of March 31, 2013 and 2012, respectively.
3. Lease liabilities are included in “Other liabilities” in the accompanying consolidated balance sheets.
4. “Commercial paper” is issued in the form of promissory notes as a fund raising activity.

Annual maturities of borrowings as of March 31, 2013 were as follows:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2014	¥ 5,201,336	\$ 55,304
2015	376,112	3,999
2016	223,786	2,380
2017	43,140	459
2018	142,220	1,512
2019 and thereafter	641,070	6,816
Total	¥ 6,627,666	\$ 70,470

Annual maturities of lease liabilities as of March 31, 2013 were as follows:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2014	¥ 4,152	\$ 44
2015	3,065	33
2016	2,158	23
2017	1,575	17
2018	941	10
2019 and thereafter	3,428	36
Total	¥ 15,321	\$ 163

14. BONDS PAYABLE

Short-term and long-term bonds payable as of March 31, 2013 and 2012 consisted of the following:

Description	Issued	Millions of Yen		Millions of U.S. Dollars	Coupon rate (%)	Secured or unsecured	Due
		2013	2012	2013			
The Bank:							
9th-141st series of Straight bonds payable in yen	Feb. 2000-Jan. 2013	¥ 1,365,000 [240,000]	¥ 1,565,000 [390,000]	\$ 14,513 [2,552]	0.16-2.69	Unsecured	Apr. 2013-Apr. 2027
Euro bonds payable in US\$	Jul. 27, 2009	—	29,588 (USD 360 million) [29,588]	—	2.51	Unsecured	Jul. 27, 2012
Euro bonds payable in A\$	Jul.27, 2009	—	17,090 (AUD 200 million) [17,090]	—	5.40	Unsecured	Jul. 27, 2012
Senior bonds payable in US\$	Jan.22, 2010	—	82,187 (USD 1,000 million) [82,187]	—	2.60	Unsecured	Jan. 22, 2013
Senior bonds payable in US\$	Jan.22, 2010	94,036 (USD 1,000 million)	82,171 (USD 1,000 million)	1,000	3.85	Unsecured	Jan. 22, 2015
Senior bonds payable in US\$	Sep. 15, 2010	70,536 (USD 750 million) [70,536]	61,640 (USD 750 million) [—]	750 [750]	1.60	Unsecured	Sep. 11, 2013
Senior bonds payable in US\$	Sep. 15, 2010	117,459 (USD 1,249 million)	102,609 (USD 1,248 million)	1,249	2.45	Unsecured	Sep. 11, 2015
Euro senior bonds payable in A\$	Jan. 24, 2011	53,861 (AUD 550 million) [53,861]	46,997 (AUD 550 million) [—]	573 [573]	5.58	Unsecured	Jan. 24, 2014
Senior bonds payable in US\$	Feb. 24, 2011	47,025 (USD 500 million) [47,025]	41,095 (USD 500 million) [—]	500 [500]	0.94	Unsecured	Feb. 24, 2014
Senior bonds payable in US\$	Feb. 24, 2011	47,023 (USD 500 million) [47,023]	41,092 (USD 500 million) [—]	500 [500]	2.25	Unsecured	Feb. 24, 2014
Euro senior bonds payable in A\$	Jul. 27, 2011	26,441 (AUD 270 million)	23,071 (AUD 270 million)	281	4.87	Unsecured	Jul. 25, 2014
Euro senior bonds payable in US\$	Jul. 27, 2011	15,988 (USD 170 million)	13,972 (USD 170 million)	170	2.13	Unsecured	Jul. 25, 2016
Euro senior bonds payable in A\$	Sep. 29, 2011	13,710 (AUD 140 million)	11,963 (AUD 140 million)	146	4.23	Unsecured	Sep. 16, 2014
Euro senior bonds payable in US\$	Sep. 29, 2011	9,405 (USD 100 million)	8,219 (USD 100 million)	100	1.67	Unsecured	Sep. 16, 2016
Euro senior bonds payable in A\$	Jan. 24, 2012	16,648 (AUD 170 million)	14,526 (AUD 170 million)	177	4.91	Unsecured	Jan. 19, 2016
Euro senior bonds payable in US\$	Jan. 24, 2012	14,107 (USD 150 million)	12,328 (USD 150 million)	150	1.82	Unsecured	Jan. 19, 2017
Senior bonds payable in US\$	Feb. 23, 2012	94,009 (USD 1,000 million)	82,145 (USD 1,000 million)	1,000	2.35	Unsecured	Feb. 23, 2017
Senior bonds payable in A\$	Mar. 16, 2012	29,379 (AUD 300 million)	25,635 (AUD 300 million)	312	4.38	Unsecured	Mar. 16, 2015
Euro senior bonds payable in US\$	Jul. 30, 2012	14,107 (USD 150 million)	—	150	1.36	Unsecured	Jul. 18, 2017
Euro senior bonds payable in A\$	Jul. 30, 2012	17,627 (AUD 180 million)	—	187	4.05	Unsecured	Jul. 18, 2017
Senior bonds payable in US\$	Feb. 26, 2013	47,025 (USD 500 million)	—	500	0.73	Unsecured	Feb. 26, 2016
Senior bonds payable in US\$	Feb. 26, 2013	46,996 (USD 500 million)	—	500	1.00	Unsecured	Feb. 26, 2016
Senior bonds payable in US\$	Feb. 26, 2013	70,436 (USD 749 million)	—	749	1.65	Unsecured	Feb. 26, 2018
Senior bonds payable in US\$	Feb. 26, 2013	46,930 (USD 499 million)	—	499	3.20	Unsecured	Feb. 26, 2023
3rd series of Subordinated bonds payable in yen	Jun. 25, 2002	—	50,000 [50,000]	—	2.39	Unsecured	Jun. 25, 2012
3rdNo. 2 series of Subordinated bonds payable in yen	Jun. 26, 2003	80,000 [80,000]	80,000 [—]	851 [851]	1.30	Unsecured	Jun. 26, 2013
4th series of Subordinated bonds payable in yen	May 22, 2003	100,000 [100,000]	100,000 [—]	1,063 [1,063]	1.13	Unsecured	May 22, 2013
6th series of Subordinated bonds payable in yen	Dec. 22, 2004	70,000	70,000	744	1.73	Unsecured	Dec. 22, 2014
7th series of Subordinated bonds payable in yen	Dec. 22, 2004	30,000	30,000	319	2.11	Unsecured	Dec. 20, 2019
8th series of Subordinated bonds payable in yen	Jul. 22, 2005	60,000	60,000	638	1.64	Unsecured	Jul. 22, 2015
9th series of Subordinated bonds payable in yen	Jul. 22, 2005	20,000	20,000	213	2.01	Unsecured	Jul. 22, 2020
11th series of Subordinated bonds payable in yen	Oct. 31, 2006	50,000	50,000	532	2.28	Unsecured	Oct. 31, 2016
12th series of Subordinated bonds payable in yen	Jul. 30, 2007	50,000	50,000	532	2.16	Unsecured	Jul. 28, 2017
13th series of Subordinated bonds payable in yen	Nov. 16, 2007	10,000	10,000	106	2.04	Unsecured	Nov. 16, 2022
14th series of Subordinated bonds payable in yen	Apr. 15, 2008	40,000	40,000	425	0.89	Unsecured	Apr. 16, 2018
16th series of Subordinated bonds payable in yen	Dec. 26, 2008	34,000	34,000	361	2.49	Unsecured	Dec. 26, 2018
17th series of Subordinated bonds payable in yen	Dec. 18, 2008	35,300	35,300	375	2.49	Unsecured	Dec. 18, 2018
18th series of Subordinated bonds payable in yen	Dec. 18, 2008	22,700	22,700	241	1.68	Unsecured	Dec. 18, 2018
19th series of Subordinated bonds payable in yen	Mar. 13, 2009	—	450,000	—	2.75	Unsecured	Apr. 25, 2017
20th series of Subordinated bonds payable in yen	Jun.10, 2009	52,000	52,000	553	1.99	Unsecured	Jun. 10, 2019
21st series of Subordinated bonds payable in yen	Jun.10, 2009	31,000	31,000	330	1.29	Unsecured	Jun. 10, 2019

Description	Issued	Millions of Yen		Millions of U.S. Dollars	Coupon rate (%)	Secured or unsecured	Due
		2013	2012	2013			
22nd series of Subordinated bonds payable in yen	Aug. 28, 2009	—	250,000	—	2.20	Unsecured	Aug. 28, 2017
23rd series of Subordinated bonds payable in yen	Oct. 16, 2009	30,000	30,000	319	2.91	Unsecured	Oct. 16, 2029
24th series of Subordinated bonds payable in yen	Sep. 27, 2010	25,000	25,000	266	2.27	Unsecured	Sep. 27, 2030
25th series of Subordinated bonds payable in yen	Nov. 12, 2010	55,000	55,000	585	1.31	Unsecured	Nov. 12, 2020
26th series of Subordinated bonds payable in yen	Nov. 12, 2010	42,000	42,000	447	1.95	Unsecured	Nov. 12, 2025
27th series of Subordinated bonds payable in yen	Nov. 12, 2010	23,000	23,000	244	2.28	Unsecured	Nov. 12, 2030
28th series of Subordinated bonds payable in yen	Jan. 20, 2011	65,000	65,000	691	1.56	Unsecured	Jan. 20, 2021
29th series of Subordinated bonds payable in yen	Jan. 20, 2011	20,000	20,000	213	2.16	Unsecured	Jan. 20, 2026
30th series of Subordinated bonds payable in yen	Jan. 20, 2011	16,000	16,000	170	2.46	Unsecured	Jan. 20, 2031
31st series of Subordinated bonds payable in yen	Mar. 11, 2011	85,000	85,000	904	1.77	Unsecured	Mar. 11, 2021
32nd series of Subordinated bonds payable in yen	Jun. 9, 2011	50,000	50,000	532	1.62	Unsecured	Jun. 9, 2021
33rd series of Subordinated bonds payable in yen	Jun. 9, 2011	20,000	20,000	213	2.21	Unsecured	Jun. 9, 2026
34th series of Subordinated bonds payable in yen	Jul. 28, 2011	160,000	160,000	1,701	1.11	Unsecured	Jul. 28, 2021
35th series of Subordinated bonds payable in yen	Jan. 26, 2012	65,000	65,000	691	1.52	Unsecured	Jan. 26, 2022
36th series of Subordinated bonds payable in yen	Feb. 22, 2012	152,000	152,000	1,616	1.10	Unsecured	Feb. 22, 2022
37th series of Subordinated bonds payable in yen	May 31, 2012	60,000	—	638	1.39	Unsecured	May 31, 2022
38th series of Subordinated bonds payable in yen	Sep. 3, 2012	130,000	—	1,382	0.93	Unsecured	Sep. 5, 2022
Subsidiaries¹:							
Short-term bonds payable	Jan. 2012-Mar. 2013	109,946	98,952	1,169	0.15-0.48	Unsecured	Apr. 2012-Jul. 2013
Straight bonds payable	Jun. 1997-Jun. 2012	[109,946] 201,284 (USD 2,308 million)	[98,952] 167,547 (USD 1,908 million) (CNY 1,000 million)	[1,169] 2,140 [655]	0.44-6.03	*2	Mar. 2012-Jun. 2022
Subordinated bonds payable	Aug. 1997-Dec. 2012	[61,578] 440,138 (USD 2,419 million)	[57,180] 536,656 (USD 2,850 million) (EUR 100 million)	4,680 [1,645]	0.46-6.75	*3	Apr 2012- Dec. 2036
Undated subordinated bonds payable	Sep. 2002-Nov. 2009	[154,682] 107,800 (—)	[—] 141,391 (USD 100 million)	1,146	0.88-3.26	Unsecured	—
Total		¥ 4,799,925	¥ 5,448,882	\$ 51,036			

Notes:

- The bonds payable above include subordinated bonds payable in the amounts of ¥2,230,938 million (\$23,721 million) and ¥2,921,047 million as of March 31, 2013 and 2012, respectively.
- *1 Subsidiaries include UNBC, BTMU (Curacao) Holdings N.V., UFJ Finance Aruba A.E.C., Bank of Tokyo Mitsubishi UFJ (China), Ltd., Nihon Business Lease and Tokyo Godo Finance.
- *2 The straight bonds payable include three issues of secured straight bonds payable issued by a subsidiary. Other issues are unsecured.
- *3 The subordinated bonds payable include two issues of secured subordinated bonds payable issued by the subsidiaries. All other bonds payable are unsecured.
- () denotes the amounts of foreign currency denominated bonds payable.
- [] denotes the amounts expected to be redeemed within one year.
- The following is a summary of maturities of bonds subsequent to March 31, 2013:

Year ending March 31	Millions of Yen	Millions of U.S. Dollars
2014	¥ 964,654	\$ 10,257
2015	524,133	5,573
2016	568,128	6,041
2017	537,847	5,719
2018	342,445	3,641
2019 and thereafter	1,862,715	19,805
Total	¥ 4,799,925	\$ 51,036

15. RESERVE FOR RETIREMENT BENEFITS

The Bank and its domestic subsidiaries have retirement benefit plans with defined benefits, such as defined benefit corporate pension plans, welfare pension funds and lump sum severance payment plans. In certain cases of severance of employees, additional severance benefits may be paid which are not included in retirement benefit obligations calculated actuarially pursuant to applicable accounting standard for retirement benefits.

Certain overseas branches of the Bank and certain overseas subsidiaries also have benefit plans with defined benefits.

“Reserve for retirement benefits” as of March 31, 2013 and 2012 consisted of the following:

March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Projected benefit obligation	¥ (1,587,728)	¥ (1,484,671)	\$ (16,882)
Plan assets	1,559,522	1,376,844	16,582
Overfunded projected benefit obligation	(28,205)	(107,827)	(300)
Unrecognized actuarial gain	254,750	366,527	2,709
Unrecognized prior service cost	(21,701)	(28,158)	(231)
Net amount recorded on the consolidated balance sheets	204,843	230,541	2,178
Prepaid pension cost	268,241	287,606	2,852
Reserve for retirement benefits	¥ (63,398)	¥ (57,065)	\$ (674)

Note: Some overseas branches of the Bank and some overseas subsidiaries adopt the simplified method in calculating the projected benefit obligation.

The components of net periodic retirement benefit costs for the years ended March 31, 2013 and 2012 were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Service cost	¥ 37,177	¥ 32,121	\$ 395
Interest cost	31,392	33,587	334
Expected return on plan assets	(46,782)	(50,082)	(498)
Amortization of unrecognized prior service cost	(6,339)	(7,905)	(67)
Amortization of unrecognized actuarial gain	53,577	41,835	570
Other (additional severance benefits temporary)	10,089	13,034	107
Net periodic retirement benefit costs	¥ 79,116	¥ 62,591	\$ 841

Note: Retirement benefit costs of some overseas branches of the Bank and some overseas subsidiaries which adopt the simplified method are included in “Service cost.”

Assumptions used for the years ended March 31, 2013 and 2012 are set forth as follows:

Years ended March 31		2013	2012
Discount rate	The Bank and domestic subsidiaries	0.30%-1.50%	0.60%-2.20%
	Overseas subsidiaries	3.80%-7.00%	4.60%-7.00%
Expected rate of return on plan assets	The Bank and domestic subsidiaries	0.95%-3.25%	1.21%-3.80%
	Overseas subsidiaries	3.80%-8.00%	4.00%-8.50%
Interperiod allocation method of estimated retirement benefits		Straight-line method over the period	
Amortization period of unrecognized prior service costs		Mainly ten years (using the straight-line method within the employees' average remaining service period upon the incurrence)	
Amortization period of unrecognized actuarial gain (loss)		Mainly ten years (using the straight-line method within the employees' average remaining service period, commencing on the following fiscal year of the incurrence)	

16. CAPITAL REQUIREMENT

Japanese banks are subject to the Banking Law and to the Companies Act.

The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(1) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all of the above criteria. The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to certain limitations and additional requirements. Interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Bank can do so because it stipulates this in its articles of incorporation. The Companies Act provides certain limitations on the amounts available for dividends or the purchases of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of equity after dividends must be maintained at no less than ¥3 million.

(2) Increases/Decreases and Transfer of Capital Stock, Reserve and Surplus

The Banking Law requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as capital reserve (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of the aggregate amount of legal reserve and capital reserve equals 100% of capital stock.

Under the Companies Act and the Banking Law, the aggregate amount of capital reserve and legal reserve that exceeds 100% of the capital stock may be made available for dividends by resolution of the shareholders after transferring such excess to other capital surplus and other retained earnings in accordance with the Companies Act. Under the Companies Act, the total amount of capital reserve and legal reserve may be reversed without limitation. The Companies Act also provides that capital stock, legal reserve, capital reserve, other capital surplus and other retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(3) Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

17. CAPITAL STOCK AND DIVIDENDS PAID

Capital stock consists of common stock and preferred stock. The changes in the number of issued shares of common stock and preferred stock during the years ended March 31, 2013 and 2012 were as follows:

	Number of shares in thousands				Note
	April 1, 2012	Increase	Decrease	March 31, 2013	
Outstanding shares issued:					
Common stock	12,350,038	—	—	12,350,038	
Preferred stock—first series of Class 2	100,000	—	—	100,000	
Preferred stock—first series of Class 4	79,700	—	—	79,700	
Preferred stock—first series of Class 6	1,000	—	—	1,000	
Preferred stock—first series of Class 7	177,000	—	—	177,000	
Total	12,707,738	—	—	12,707,738	
Treasury stock:					
Preferred stock—first series of Class 2	100,000	—	—	100,000	
Preferred stock—first series of Class 4	79,700	—	—	79,700	
Preferred stock—first series of Class 6	—	1,000	—	1,000	1
Preferred stock—first series of Class 7	21,000	—	—	21,000	
Total	200,700	1,000	—	201,700	

	Number of shares in thousands				Note
	April 1, 2011	Increase	Decrease	March 31, 2012	
Outstanding shares issued:					
Common stock	12,350,038	—	—	12,350,038	
Preferred stock—first series of Class 2	100,000	—	—	100,000	
Preferred stock—first series of Class 4	79,700	—	—	79,700	
Preferred stock—first series of Class 6	1,000	—	—	1,000	
Preferred stock—first series of Class 7	177,000	—	—	177,000	
Total	12,707,738	—	—	12,707,738	
Treasury stock:					
Preferred stock—first series of Class 2	100,000	—	—	100,000	
Preferred stock—first series of Class 4	79,700	—	—	79,700	
Preferred stock—first series of Class 7	21,000	—	—	21,000	
Total	200,700	—	—	200,700	

Note: Increase in treasury stock of preferred stock—first series of Class 6 results during the year ended March 31, 2013 from acquisition of all the shares of 1,000 thousand pursuant to the provision of call.

There was no issuance of stock acquisition rights and treasury stock acquisition rights.

The Bank paid the following cash dividends during the fiscal years ended March 31, 2013 and 2012:

Year ended March 31, 2013:

The following cash dividend payments were approved at the shareholders' meeting held on June 27, 2012:

Cash dividends approved at the shareholders' meeting held on June 27, 2012:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 71,012	¥ 5.75	Mar. 31, 2012	Jun. 27, 2012
Preferred stock—first series of Class 6	105	105.45	Mar. 31, 2012	Jun. 27, 2012
Preferred stock—first series of Class 7	8,970	57.50	Mar. 31, 2012	Jun. 27, 2012
Total	¥ 80,088			

Cash dividends approved at the Board of Directors' meeting held on November 14, 2012:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 69,160	¥ 5.60	Sep. 30, 2012	Nov. 15, 2012
Preferred stock—first series of Class 6	105	105.45	Sep. 30, 2012	Nov. 15, 2012
Preferred stock—first series of Class 7	8,970	57.50	Sep. 30, 2012	Nov. 15, 2012
Total	¥ 78,235			

Year ended March 31, 2012:

The following cash dividend payments were approved at the shareholders' meeting held on June 28, 2011:

Cash dividends approved at the shareholders' meeting held on June 28, 2011:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 123,253	¥ 9.98	Mar. 31, 2011	Jun. 28, 2011
Preferred stock—first series of Class 6	105	105.45	Mar. 31, 2011	Jun. 28, 2011
Preferred stock—first series of Class 7	8,970	57.50	Mar. 31, 2011	Jun. 28, 2011
Total	¥ 132,328			

Cash dividends approved at the Board of Directors' meeting held on November 14, 2011:	Total amount (Millions of Yen)	Per share amount (Yen)	Dividend record date	Effective date
Common stock	¥ 72,741	¥ 5.89	Sep. 30, 2011	Nov. 15, 2011
Preferred stock—first series of Class 6	105	105.45	Sep. 30, 2011	Nov. 15, 2011
Preferred stock—first series of Class 7	8,970	57.50	Sep. 30, 2011	Nov. 15, 2011
Total	¥ 81,817			

18. STOCK OPTIONS

The stock options are granted by kabu.com Securities Co., Ltd., which is a subsidiary.

The stock options outstanding as of March 31, 2013 are as follows:

2006 Stock Option	
Persons granted	1 director 1 officer 31 employees
Number of options granted ^{*1 and 2}	Common stock: 862,800 shares
Date of grant	March 31, 2006
Vesting conditions	Those who were granted stock options shall be in the position of a director, an officer or an employee at the time of exercise.
Eligible service period	Not defined
Exercise period	From July 1, 2007 to June 30, 2012

Notes:

*1 The number of options granted is translated into the number of the shares.

*2 The number of options was adjusted by reflecting the 200 for one stock splits effective on April 1, 2010.

The stock option activity is as follows:

a. Number of stock options (in shares)	2006 Stock Option
Non-vested:	
March 31, 2011-Outstanding	—
Granted	—
Forfeited	—
Vested	—
March 31, 2012-Outstanding	—
Granted	—
Forfeited	—
Vested	—
March 31, 2013-Outstanding	—
Vested:	
March 31, 2011-Outstanding	500,400
Vested	—
Exercised	—
Forfeited	26,400
March 31, 2012-Outstanding	474,000
Vested	—
Exercised	—
Forfeited	474,000
March 31, 2013-Outstanding	—
b. Price information (in Japanese yen per share)	
Exercise price ^{*1}	¥1,636
Average stock price at exercise	—
Fair value at grant date ^{*2}	—

Notes:

*1 The exercise price was adjusted by reflecting the 200 for one stock splits effective on April 1, 2010.

*2 The fair value at grant date is not presented since these options were granted before the enforcement of the Companies Act.

19. OTHER INCOME

Other income for the years ended March 31, 2013, 2012 and 2011 consisted of the following:

Years ended March 31	Millions of Yen			Millions of U.S. Dollars
	2013	2012	2011	2013
Gains on sales of equity securities and other securities	¥ 20,917	¥ 35,234	¥ 52,885	\$ 222
Gains on sales of shares of affiliates	12,047	7,713	—	128
Gains on collection of bad debts	34,260	44,892	49,593	364
Other	107,248	80,897	91,827	1,141
Total	¥ 174,473	¥ 168,738	¥ 194,306	\$ 1,855

20. OTHER EXPENSES

Other expenses for the years ended March 31, 2013, 2012 and 2011 consisted of the following:

Years ended March 31	Millions of Yen			Millions of U.S. Dollars
	2013	2012	2011	2013
Losses on write-down or sales of equity securities and other securities	¥ 81,680	¥ 129,185	¥ 100,941	\$ 868
Loss on sales of shares of affiliates	1,099	—	—	12
Write-offs of loans	72,737	106,060	143,960	773
Loss on disposal of fixed assets	8,078	8,189	7,310	86
Impairment loss recognized for goodwill	—	—	21,524	—
Effect of applying the new accounting standard for asset retirement obligations	—	—	15,834	—
Other	63,517	95,242	71,214	676
Total	¥ 227,113	¥ 338,677	¥ 360,787	\$ 2,415

21. INCOME TAXES

The Bank and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in normal effective statutory tax rates of approximately 38.01% for the year ended March 31, 2013 and 40.57% for the years ended March 31, 2012 and 2011.

The tax effects of significant temporary differences which resulted in “Deferred tax assets and liabilities” as of March 31, 2013, 2012 and 2011 were as follows:

	Millions of Yen			Millions of U.S. Dollars
	2013	2012	2011	2013
Deferred tax assets:				
Excess over deductible limit of provision of allowance for credit losses and written-off of loans	¥ 441,402	¥ 448,483	¥ 579,667	\$ 4,693
Revaluation loss on securities	137,570	181,123	274,761	1,463
Reserve for retirement benefits	97,302	90,168	96,130	1,034
Unrealized losses on available-for-sale securities	38,922	87,701	125,131	414
Tax loss carryforwards	9,181	25,056	50,425	98
Other	349,964	510,598	561,505	3,721
Subtotal	1,074,344	1,343,131	1,687,621	11,423
Less valuation allowances	(267,833)	(344,045)	(489,898)	(2,848)
Total	¥ 806,510	¥ 999,086	¥ 1,197,723	\$ 8,575
Deferred tax liabilities:				
Unrealized gains on available-for-sale securities	¥ (464,842)	¥ (261,025)	¥ (178,797)	\$ (4,942)
Gain on establishment of retirement benefit trust	(57,962)	(57,971)	(65,984)	(616)
Unrealized gain on lease transactions	(59,845)	(54,717)	(61,993)	(636)
Deferred gains on derivatives under hedge accounting	(62,310)	(45,624)	(44,702)	(662)
Revaluation gain on securities at merger	(67,615)	(40,654)	(49,505)	(719)
Retained earnings of overseas subsidiaries	(24,416)	(21,141)	(21,127)	(260)
Other	(74,331)	(72,214)	(88,624)	(791)
Total	¥ (811,324)	¥ (553,349)	¥ (510,735)	\$ (8,626)
Net deferred tax assets	¥ (4,813)	¥ 445,737	¥ 686,988	\$ (51)

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the years ended March 31, 2013, 2012 and 2011 were as follows:

	2013	2012	2011
Normal effective statutory tax rate	38.01%	40.57%	40.57%
Change in valuation allowances	(3.36)	(6.69)	(30.14)
Tax rate difference of overseas subsidiaries	(2.44)	(3.33)	(3.68)
Permanent non-taxable differences (e.g. Non-taxable dividend income)	(1.59)	(1.83)	(2.08)
Foreign taxes	(0.36)	(1.00)	3.34
Elimination of dividends received from subsidiaries	0.12	0.26	0.36
Reduction of deferred tax assets resulting from tax rate changes	—	4.99	—
Other-net	1.23	1.41	0.67
Actual effective tax rate	31.61%	34.38%	9.04%

Following the promulgation on December 2, 2011, of the “Act for Partial Amendment to the Income Tax Act, etc. for the purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117 of 2011), effective from the fiscal year beginning on or after April 1, 2012, the corporate tax rate has been reduced and the special corporate tax for reconstruction has been imposed. In accordance with this tax reform, the effective statutory tax rate has been reduced from 40.57% to 38.01% for the period from April 1, 2012 through March 31, 2015 and 35.64% on or after April 1, 2015.

22. LEASES

(1) Lessee

Finance leases

The Group leases various tangible and intangible fixed assets under finance lease arrangements.

The Bank and its domestic subsidiaries accounts for finance leases other than those that are deemed to transfer the ownership of leased property to the lessee, which commenced in fiscal years beginning before April 1, 2008, in a similar way to operating leases as permitted by the revised accounting standard.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, liabilities under finance leases and depreciation expense of finance leases that existed at April 1, 2008 and other than those that are deemed to transfer the ownership of leased property to the lessee on an “as if capitalized” basis for the years ended March 31, 2013 and 2012 was as follows:

Note that leased property of certain foreign subsidiaries which account for finance leases as purchase transactions is excluded from the following table:

March 31	Millions of Yen					
	2013			2012		
	Acquisition cost	Accumulated depreciation	Net leased property	Acquisition cost	Accumulated depreciation	Net leased property
Tangible fixed assets	¥ 16,399	¥ 12,928	¥ 3,470	¥ 24,235	¥ 17,888	¥ 6,346
Intangible fixed assets	182	152	30	249	181	67
Total	¥ 16,582	¥ 13,080	¥ 3,501	¥ 24,484	¥ 18,070	¥ 6,414

March 31	Millions of U.S. Dollars		
	2013		
	Acquisition cost	Accumulated depreciation	Net leased property
Tangible fixed assets	\$ 174	\$ 137	\$ 37
Intangible fixed assets	2	2	0
Total	\$ 176	\$ 139	\$ 37

Note1: The acquisition costs include interest expense since the future lease payments are immaterial when compared to the balance of the “Tangible fixed assets” as of March 31, 2013 and 2012.

Note2: Future lease payments include interest expense since the future lease payments are immaterial when compared to the balance of the “Tangible fixed assets” as of March 31, 2013 and 2012.

Liabilities under finance leases:

March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Due within one year	¥ 1,762	¥ 2,777	\$ 19
Due after one year	1,738	3,636	18
Total	¥ 3,501	¥ 6,414	\$ 37

Total lease payments under finance leases for the years ended March 31, 2013 and 2012 were ¥2,738 million (\$29 million) and ¥6,252 million, respectively.

Depreciation expense under finance leases:

Year ended March 31	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Depreciation expense	¥ 2,738	¥ 6,252	\$ 29

Depreciation expense, which is not reflected in the accompanying consolidated statements of income, is computed using the straight-line method over the lease term with zero residual value.

Operating leases

Future lease payments including interest expense under non-cancelable operating leases as of March 31, 2013 and 2012 were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars	
	2013	2012	2013	
Due within one year	¥ 32,707	¥ 24,731	\$ 348	
Due after one year	201,073	130,278	2,138	
Total	¥ 233,781	¥ 155,009	\$ 2,486	

(2) Lessor*Operating leases*

Future lease receivables including interest receivables under non-cancelable operating leases as of March 31, 2013 and 2012 were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars	
	2013	2012	2013	
Due within one year	¥ 22,999	¥ 18,374	\$ 245	
Due after one year	75,749	65,918	805	
Total	¥ 98,749	¥ 84,293	\$ 1,050	

23. COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2013 and 2012 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2013	2012	2013
Unrealized gain (loss) on available-for-sale securities:			
Gain arising during the year	¥ 1,079,320	¥ 508,929	\$ 11,476
Reclassification adjustments to profit or loss	(235,970)	(164,550)	(2,509)
Amount before income tax effect	843,349	344,378	8,967
Income tax effect	(254,397)	(121,710)	(2,705)
Total	588,952	222,668	6,262
Deferred gain (loss) on derivatives under hedge accounting:			
Gain arising during the year	46,954	43,592	499
Reclassification adjustments to profit or loss	19,401	(29,197)	206
Amount before income tax effect	66,356	14,394	705
Income tax effect	(24,101)	(1,921)	(256)
Total	42,254	12,473	449
Land revaluation surplus:			
Gain arising during the year	—	—	—
Reclassification adjustments to profit or loss	—	—	—
Amount before income tax effect	—	—	—
Income tax effect	(143)	21,360	(1)
Total	(143)	21,360	(1)
Foreign currency translation adjustments:			
Loss arising during the year	202,899	(61,174)	2,157
Reclassification adjustments to profit or loss	(22)	2,950	(0)
Amount before income tax effect	202,877	(58,223)	2,157
Income tax effect	—	—	—
Total	202,877	(58,223)	2,157
Pension liability adjustments under US GAAP recognized at foreign subsidiaries:			
Loss arising during the year	(17,500)	(36,563)	(186)
Reclassification adjustments to profit or loss	10,233	5,473	109
Amount before income tax effect	(7,267)	(31,089)	(77)
Income tax effect	195	12,949	2
Total	(7,071)	(18,140)	(75)
Share of other comprehensive income in associates accounted for using the equity method:			
Gain arising during the year	14,163	1,277	150
Reclassification adjustments to profit or loss	(1,255)	(866)	(13)
Total	12,907	411	137
Total other comprehensive income	¥ 839,776	¥ 180,549	\$ 8,929

The corresponding information for the year ended March 31, 2011 was not required under the accounting standard for presentation of comprehensive income as an exemption for the first year of adopting that standard and not disclosed herein.

24. PER SHARE INFORMATION

March 31	Yen			U.S. Dollars
	2013	2012	2011	2013
Total equity per share	¥ 729.93	¥ 620.62	¥ 579.24	\$ 7.76

Years ended March 31	Yen			U.S. Dollars
	2013	2012	2011	2013
Net income per common share	¥ 53.07	¥ 42.57	¥ 56.78	\$ 0.56
Diluted net income per common share	53.07	42.57	—	0.56

*Diluted net income per share for the year ended March 31, 2011 was not recorded since the potential shares do not have dilutive effect.

Note: Net income per share and diluted net income per share are calculated based on the following:

Years ended March 31	Millions of Yen			Millions of U.S. Dollars
	2013	2012	2011	2013
Net income	¥ 673,514	¥ 544,324	¥ 719,795	\$ 7,161
Amount not attributable to common shareholders	(18,045)	(18,478)	(18,540)	(192)
Of which, preferred dividends	(18,045)	(18,478)	(18,540)	(192)
Net income attributable to common shares	655,468	525,846	701,255	6,969

Years ended March 31	Number of shares in thousands		
	2013	2012	2011
Average number of common shares during the year	12,350,038	12,350,038	12,350,038

Years ended March 31	Millions of Yen			Millions of U.S. Dollars
	2013	2012	2011	2013
Diluted net income per share				
Adjustment to net income	¥ (3)	¥ (0)	¥ —	\$ (0)

Outline of dilutive shares which were not included in the calculation of “Diluted net income per share” for the years ended March 31, 2012 and 2011, since they do not have dilutive effect were as follows:

Year ended March 31, 2012

- Stock options issued by a subsidiary
kabu.com Securities Co., Ltd.

2006 Stock Option	
Date of grant	March 31, 2006
Expiry date	June 30, 2012
Exercise price	¥ 1,636
Number of options initially granted	1,438
Outstanding number of options as of March 31, 2012	790

Year ended March 31, 2011

- Stock options issued by a subsidiary
kabu.com Securities Co., Ltd.

2006 Stock Option	
Date of grant	March 31, 2006
Expiry date	June 30, 2012
Exercise price	¥ 1,636
Number of options initially granted	1,438
Outstanding number of options as of March 31, 2011	834

Total equity per share is calculated based on the following:

March 31	Millions of Yen			Millions of U.S. Dollars
	2013	2012	2011	2013
Total equity	¥ 10,658,841	¥ 9,262,169	¥ 8,907,445	\$ 113,332
Deductions from total equity:				
Minority interests	1,245,093	1,192,309	1,348,627	13,239
Preferred shares	390,000	395,700	395,700	4,147
Preferred dividends	8,970	9,402	9,464	95
Total	1,644,063	1,597,411	1,753,792	17,481
Total equity attributable to common shares	¥ 9,014,777	¥ 7,664,757	¥ 7,153,652	\$ 95,851

March 31	Number of shares in thousands		
	2013	2012	2011
Number of common shares used in computing total equity per share at the fiscal year end	12,350,038	12,350,038	12,350,038

25. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Disclosures on Financial Instruments

1) Policy on Financial Instruments

The Group provides comprehensive financial services such as deposit-taking and lending services, securities investment and other securities services and foreign exchange services. In order to prevent these businesses from being negatively affected by fluctuations in interest and foreign exchange rates, the Group conducts comprehensive asset and liability management (ALM) by adjusting market exposure and the balance between short-term and long-term assets and liabilities. To do so, among other things, the Group raises capital from the market and hedges risks through derivative transactions.

2) Nature and Extent of Risks Arising from Financial Instruments

The Bank holds various types of financial instruments such as loans, securities, and derivatives and is thus exposed to credit and market risks.

Credit risk is the risk of loss on receivables such as loans due to nonperformance of contractual obligations caused by factors such as deterioration in the financial condition of a borrower.

Market risk mainly arises from changes in domestic and overseas interest rates, foreign exchange rates, and fluctuations in market prices of stocks and bonds. For example, an increase in domestic and overseas interest rates would reduce the value of the Bank's bond portfolio consisting of government and other bonds, and a rise in Japanese yen would reduce the value of foreign currency denominated securities and other assets when converted into Japanese yen. The Bank also invests in marketable equity securities, and a fall in the market price would decrease the fair value of these securities. As part of trading and ALM activities, the Bank holds derivative products such as interest rate swaps. A significant change in foreign exchange or interest rates may cause a significant fluctuation in the fair value of these derivative products. In conducting transactions for purposes of hedging risks associated with derivative products, the Bank hedges against interest rate risks with instruments including forecasted transactions involving fixed and variable rate deposits, loans, and bonds through designated hedging methods including interest rate swaps. The Bank hedges against foreign exchange rate fluctuation risks associated with instruments such as foreign currency denominated monetary assets and liabilities through hedging methods including currency swap transactions and forward exchange contracts. In lieu of effectiveness determination, the Bank designs hedging activities so that the material terms of the hedging methods are almost identical to those of the hedged items. In limited circumstances, effectiveness of hedging activities is assessed based on the correlation between factors that cause changes in interest rates.

3) Risk Management for Financial Instruments

Credit Risk Management

The Bank regularly monitors and assesses the credit portfolios and uses credit rating systems and asset self-assessment systems to ensure timely and proper evaluation of credit risk. Based on the credit risk control rules, the Bank has established a credit risk control system throughout the Bank. In addition, the Bank controls credit risks of the whole Group through guidance to the Group companies on each credit risk control system. In screening individual transactions and managing credit risk, the Bank has in place

a check-and-balance system in which the credit administration section and the business promotion section are kept separate. The Bank holds regular management committee meetings to ensure full reporting and discussion on important credit risk management and administration matters. In addition to providing check and balance between different sections and conducting management level deliberations, the audit department also undertakes to verify credit operations to ensure appropriate credit administration.

Market Risk Management

A) Risk Management System

The Bank has established back offices (the operations administration section) and middle offices (the risk control section) which are independent from front offices (the market department), by which checks and balances are maintained. As part of risk control by management, the Board of Directors establishes the framework for the market risk management system while authorities relating to market operations are defined at management meetings. Furthermore, the Bank allocates economic capital corresponding to the volume of market risk within the scope of the Bank's capital base, and establishes quantitative limits on market risk based on the allocated economic capital as well as limits on losses to contain the Bank's exposure to risks and losses within a certain range.

B) Market Risk Management

The Bank reports daily the status on the exposure to market risk and compliance with quantitative limits on market risk and losses to its risk management officer and also regularly reports to the ALM Committee and the Corporate Risk Management Committee, conducting comprehensive analyses on risk profiles including stress testing. The Bank administers risks at each business unit by hedging against interest rate and exchange rate fluctuation risks associated with marketable assets and liabilities with various hedging transactions using securities and derivatives as appropriate. With respect to trading account transactions and their administration, the Bank documents the process and periodically verifies through internal audits that the valuation methods and operation of such transactions are appropriate.

C) Market Risk Measurement Model

Since the daily variation in market risk is significantly greater than that in other types of risks, the Bank measures and manages market risk using the Value at Risk (the "VaR"), and Value at Idiosyncratic Risk (VaI) on a daily basis. Market risk for both trading and banking activities (excluding strategic equity securities and UnionBanCal Corporation ("UNBC")) is measured using a uniform market risk measurement model. The principal model used for these activities is historical simulation model (holding period — 10 business days; confidence interval — 99%; and observation period — 701 business days).

- * Market risk can be classified into "general market risk" defined as the risk of suffering loss due to the volatility in the general market trend, and "specific market risk" defined as the risk of suffering loss due to the volatility of specific financial instruments such as debt securities or shares, independent of the general market trend. The amount of general market risk calculated by a market risk measurement model is called VaR (Value at Risk), while the amount of specific market risk is called VaI (Value at Idiosyncratic Risk).
- * The historical simulation method calculates VaR and VaI amount by estimating the profit and loss on the current portfolio by applying actual fluctuations in market rates and prices that occurred over a fixed period in the past. The noted features of the historical simulation method include the ability to directly reflect the characteristics of the market fluctuations and the ability to rigorously measure the risk arising from options. However, because VaR and VaI measure market risk volume with a fixed event probability calculated statistically based on past market changes, they may not be able to ascertain risks when market volatility reaches abnormal levels.
- * For banking activities of UNBC, the market risk volume is identified using EaR (Earnings at Risk).
- * EaR is an index presenting the volatility of NII (net interest income) associated with the changes in interest rates and is presented by the percent change (%) against NII of the standard scenario. UNBC sets two types of scenarios of +200 basis points (+2.00%) and -100 basis points (-1.00%) of interest rate changes in making a trial calculation of EaR.
- * NII represents the difference between interest income and interest expenses, which is net income generated from total fund.

D) Quantitative Information in Respect of Market Risk

- (i) Amount of Market Risk Associated with Trading Activities

The amount of consolidated market risk associated with trading activities across the Group was ¥5,907 million (\$63 million) and ¥3,812 million as of March 31, 2013 and 2012, respectively.

(ii) Amount of Market Risk Associated with Banking Activities

The amount of consolidated market risk associated with banking activities (excluding strategic equity securities and UNBC) across the Group was ¥341,228 million (\$3,628 million) and ¥424,758 million as of March 31, 2013 and 2012, respectively. As an appropriate identification of interest rate risk is vital to banking activities (excluding strategic equity securities and UNBC), the risk is managed based on the following assumptions for appropriate measurement of core deposit and prepayment in loans and deposits. For a certain part of the deposits without contractual maturities (so called core deposit), interest rate risk is recognized by allocating maturities of various terms (no longer than five years but approximately two and a half years on an average), taking into account the results of the statistical analysis using the data on the transition of balance by product, prospective of deposit interest rate and other business judgments. The amount of core deposits and the method of allocating maturities are reviewed on a regular basis. Meanwhile, the deposits and loans with contractual maturities involve risks associated with premature repayment or cancellation. These risks are reflected in interest rate risks by estimating the ratio of cancellations through the statistical analysis based on the factors including interest rate change and actual repayments and cancellations.

EaR of banking activities of UNBC as of December 31, 2012 and 2011 was +4.42% and +3.98%, respectively, at the time of interest rate changes of +200 basis points (+2.00%) and -1.83% and -2.55%, respectively, at the time of interest rate changes of -100 basis points (-1.00%).

(iii) Risk of strategic equity portfolio

The market value of the strategically held stocks (publicly traded) of the Bank as of March 31, 2013 and 2012 was subject to a variation of approximately ¥3,024 million (\$32 million) and ¥3,098 million, respectively, when the TOPIX index moves one point in either direction.

E) Backtesting

The Bank conducts backtesting in which a one-day holding period of VaR computed by the model is compared with hypothetical profit or loss on a daily basis to verify the accuracy of the market risk measurement model. The Bank also endeavors to secure the accuracy by verifying the reasonableness of assumptions used by the market risk measurement model and identifying the characteristics of the market risk measurement model in use from diversified viewpoints.

The results of backtesting for the year ended March 31, 2013 in the trading activities of the Bank showed that hypothetical profit or loss never exceeded VaR (twice for the year ended March 31, 2012). Since the frequency of the excess falls within four times, it is considered that the Bank's VaR model provided reasonably accurate measurements of market risk.

F) Stress Testing

The Bank's VaR measured using market risk measurement model measures the risk volume at a certain probability of incidence computed statistically based on the past market fluctuations and is not designed to capture the risk under certain abnormal market fluctuations. In order to provide for the risk, the Bank implements stress testing on potential losses using various scenarios. The Bank implements diversified stress testing considering the future prospects and endeavors to capture presence of the risk. In addition, daily stress testing at the Bank estimates maximum potential losses on the current trading portfolio based on the actual volatility in each market recorded during the ten-business-day VaR observation period.

Management of Liquidity Risk Associated with Fund Raising Activities

The Bank strives to secure appropriate liquidity in both Japanese yen and foreign currencies by managing the sources of capital and liquidity gap, liquidity-supplying products such as commitment lines, as well as buffer assets that help maintain liquidity level. Specifically, the Board of Directors provides the framework for liquidity risk management, operates businesses in various stages according to the urgency of funding needs and exercises management at each such stage. The liquidity risk management department independent from others is designed to perform checking functions. The department reports to the ALM Committee and the Board of Directors the results from its activities such as evaluation of funding urgency and monitoring of compliance with quantitative limits. The department responsible for funding management performs funding and management activities, and regularly reports the current funding status and forecast as well as the current liquidity risk status to the department responsible for liquidity risk management and other appropriate bodies such as the ALM Committee.

4) Supplementary Explanation on Fair Value, etc. of Financial Instruments

The fair value of financial instruments includes, in addition to the value determined based on the market price, a valuation 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.

(2) Fair value of financial instruments

The following table summarizes the carrying amount and the fair value of financial instruments as of March 31, 2013 and 2012 together with their differences. Note that the following table does not include unlisted equity securities or certain other securities whose fair value is extremely difficult to determine (see Note 2).

March 31, 2013	Millions of Yen		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and due from banks	¥ 9,420,885	¥ 9,420,885	¥ —
(2) Call loans and bills bought	416,849	416,849	—
(3) Receivables under resale agreements	1,121,637	1,121,637	—
(4) Receivables under securities borrowing transactions	724,782	724,782	—
(5) Monetary claims bought (*1)	3,330,246	3,381,631	51,385
(6) Trading assets	1,821,268	1,821,268	—
(7) Money held in trust	343,074	343,074	—
(8) Securities:			
Held-to-maturity securities	89,323	91,602	2,279
Available-for-sale securities	62,624,653	62,624,653	—
(9) Loans and bills discounted	80,947,236		
Allowance for credit losses (*1)	(773,531)		
	80,173,705	81,233,770	1,060,064
(10) Foreign exchange assets (*1)	1,413,258	1,413,258	—
Total assets	¥ 161,479,684	¥ 162,593,414	¥ 1,113,729
(1) Deposits	¥ 120,153,990	¥ 120,195,318	¥ 41,327
(2) Negotiable certificates of deposit	9,731,585	9,736,963	5,378
(3) Call money and bills sold	3,078,930	3,078,930	—
(4) Payables under repurchase agreements	7,326,949	7,326,949	—
(5) Payables under securities lending transactions	1,139,726	1,139,726	—
(6) Commercial paper	838,990	838,990	—
(7) Trading liabilities	10,151	10,151	—
(8) Borrowed money	6,627,666	6,675,675	48,008
(9) Foreign exchange liabilities	908,428	908,428	—
(10) Short-term bonds payable	109,946	109,946	—
(11) Bonds payable	4,689,978	4,839,606	149,628
Total liabilities	¥ 154,616,344	¥ 154,860,687	¥ 244,343
Derivatives (*2):			
To which hedge accounting is not applied	¥ 315,779	¥ 315,779	¥ —
To which hedge accounting is applied	(98,161)	(98,161)	—
Total derivatives	¥ 217,618	¥ 217,618	¥ —

March 31, 2012	Millions of Yen		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and due from banks	¥ 6,866,983	¥ 6,866,983	¥ —
(2) Call loans and bills bought	275,256	275,256	—
(3) Receivables under resale agreements	890,835	890,835	—
(4) Receivables under securities borrowing transactions	307,498	307,498	—
(5) Monetary claims bought (*1)	2,920,376	2,957,612	37,236
(6) Trading assets	1,670,340	1,670,340	—
(7) Money held in trust	293,133	293,133	—
(8) Securities:			
Held-to-maturity securities	252,392	254,951	2,559
Available-for-sale securities	62,765,346	62,765,346	—
(9) Loans and bills discounted	74,827,752		
Allowance for credit losses (*1)	(767,053)		
	74,060,699	74,800,945	740,245
(10) Foreign exchange assets (*1)	1,470,588	1,470,588	—
Total assets	¥ 151,773,450	¥ 152,553,492	¥ 780,041
(1) Deposits	¥ 113,072,605	¥ 113,114,603	¥ 41,997
(2) Negotiable certificates of deposit	9,160,933	9,166,704	5,771
(3) Call money and bills sold	2,097,337	2,097,337	—
(4) Payables under repurchase agreements	6,133,170	6,133,170	—
(5) Payables under securities lending transactions	2,172,091	2,172,091	—
(6) Commercial paper	434,195	434,195	—
(7) Trading liabilities	27,810	27,810	—
(8) Borrowed money	7,153,616	7,181,717	28,100
(9) Foreign exchange liabilities	881,938	881,938	—
(10) Short-term bonds payable	98,952	98,952	—
(11) Bonds payable	5,349,929	5,439,950	90,020
Total liabilities	¥ 146,582,581	¥ 146,748,471	¥ 165,890
Derivatives (*2):			
To which hedge accounting is not applied	¥ 208,612	¥ 208,612	¥ —
To which hedge accounting is applied	(65,871)	(65,871)	—
Total derivatives	¥ 142,740	¥ 142,740	¥ —

Millions of U.S. Dollars			
March 31, 2013	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and due from banks	\$ 100,169	\$ 100,169	\$ —
(2) Call loans and bills bought	4,432	4,432	—
(3) Receivables under resale agreements	11,926	11,926	—
(4) Receivables under securities borrowing transactions	7,706	7,706	—
(5) Monetary claims bought (*1)	35,409	35,955	546
(6) Trading assets	19,365	19,365	—
(7) Money held in trust	3,648	3,648	—
(8) Securities:			
Held-to-maturity securities	950	974	24
Available-for-sale securities	665,866	665,866	—
(9) Loans and bills discounted	860,683		
Allowance for credit losses (*1)	(8,225)		
	852,458	863,729	11,271
(10) Foreign exchange assets (*1)	15,027	15,027	—
Total assets	\$ 1,716,956	\$ 1,728,797	\$ 11,841
(1) Deposits	\$ 1,277,554	\$ 1,277,994	\$ 440
(2) Negotiable certificates of deposit	103,472	103,529	57
(3) Call money and bills sold	32,737	32,737	—
(4) Payables under repurchase agreements	77,905	77,905	—
(5) Payables under securities lending transactions	12,118	12,118	—
(6) Commercial paper	8,921	8,921	—
(7) Trading liabilities	108	108	—
(8) Borrowed money	70,470	70,980	510
(9) Foreign exchange liabilities	9,659	9,659	—
(10) Short-term bonds payable	1,169	1,169	—
(11) Bonds payable	49,867	51,458	1,591
Total liabilities	\$ 1,643,980	\$ 1,646,578	\$ 2,598
Derivatives (*2):			
To which hedge accounting is not applied	\$ 3,358	\$ 3,358	\$ —
To which hedge accounting is applied	(1,044)	(1,044)	—
Total derivatives	\$ 2,314	\$ 2,314	\$ —

(*1) General and specific allowances for credit losses corresponding to loans are deducted. However, with respect to items other than loans, the carrying amount is shown because the amount of allowance for credit losses corresponding to these items is insignificant.

(*2) Derivatives in trading assets and liabilities and in other assets and liabilities are shown together. Assets and liabilities arising from derivative transactions are presented on a net basis. Net liabilities are presented in parentheses.

(Note 1) Method used for determining the fair value of financial instruments

Assets

(1) “Cash and due from banks”

For deposits without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. For deposits with maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the remaining maturity period of the majority of such deposits is short (maturity within one year).

(2) “Call loans and bills bought,” (3) “Receivables under resale agreements,” and (4) “Receivables under securities borrowing transactions”

For each of these items, the majority of transactions are short contract terms (one year or less). Thus, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(5) “Monetary claims bought”

The fair value of “Monetary claims bought” is determined based on the price quoted by the financial institutions from which these claims were purchased or on the amount reasonably calculated based on the reasonable estimation. For certain

“Monetary claims bought” to which these methods do not apply, the carrying amount is presented as the fair value, as the fair value approximates such carrying value.

(6) “Trading assets”

For securities such as bonds that are held for trading purposes, the fair value is determined based on the market price at the exchange, the price quoted by the financial institutions from which these securities were purchased or the present value of the expected future cash flows discounted at the interest rate which is the adjusted market interest rate on the evaluation date.

(7) “Money held in trust”

For securities that are part of trust property in an independently managed monetary trust with the primary purpose to manage securities, the fair value is determined based on the price quoted by the financial institutions from which these securities were purchased.

See Note 5 “Money Held in Trust” for notes on “Money held in trust” by categories based on different holding purposes.

(8) “Securities”

The fair value of equity securities is determined based on the price quoted by the exchange and the fair value of bonds is determined based on the price quoted by the exchange or the financial institutions from which they were purchased. The fair value of investment trusts is determined based on the publicly available price. For privately placed guaranteed bonds held by the Bank, the fair value is determined based on the present value of expected future cash flows, which is adjusted to reflect default risk, amount to be collected from collateral, guarantees, guarantee fees, and discounted at an interest rate based on the market interest rate as of the date of evaluation with certain adjustments. With respect to variable rate Japanese government bonds that are included in “Securities” in the table above, the Bank values them at an amount calculated on a reasonable basis according to ASBJ PITF No. 25 “Practical Solution on Measurement of Fair Value for Financial Assets” (issued on October 28, 2008 by the ASBJ), as the Bank determined that taking into account the recent market conditions, the market price of these securities as of the fiscal year end date cannot be regarded as the fair value. The value of variable rate Japanese government bonds calculated on a reasonable basis is determined by discounting the expected future cash flow estimated based on factors such as the yield of government bonds, and the discounting rate is based on the yield of such government bonds, the value of embedded options and the liquidity premium based on the actual market premiums observed in the past.

For certain securitized products whose underlying assets are corporate loan receivables, the fair value is determined by taking into account an amount calculated by discounting the expected future cash flow, which is derived from such factors as default probability and prepayment rate derived from analyses of the underlying assets and discounted at a rate, which is the yield of such securitized products adjusted for the liquidity premium based on the actual historical market data, as well as the price obtained from external parties (brokers or information vendors). For other securitized products, the fair value is determined based on the price obtained from external parties after considering the result of periodic confirmation of the current status of these products, including price comparison with similar products, time series data comparison of the same product, and analysis of consistency with publicly available market indices. See Note 4 “Trading Assets or Liabilities and Securities” for notes on securities by categories based on holding purposes.

(9) “Loans and bills discounted”

With respect to loans, for each category of loans based on types of loans, internal ratings and maturity length, the fair value is determined based on the present value of expected future cash flows, which is adjusted to reflect default risk and expected amount to be collected from collateral and guarantees and discounted at an interest rate based on the market interest rate as of the date of evaluation with certain adjustments. For loans with variable interest rates such as certain residential loans provided to individual homeowners, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount, unless the creditworthiness of the borrower has changed significantly since the loan origination. For receivables from “bankrupt,” “virtually bankrupt,” and “likely to become bankrupt” borrowers, credit loss is estimated based on factors such as the present value of expected future cash flow or the expected amount to be collected from collateral and guarantees. Since the fair value of these items approximates the net amount of receivables after the deduction of allowance for credit losses on the consolidated balance sheet as of the consolidated balance sheet date, such amount is presented as the fair value.

(10) “Foreign exchange assets”

“Foreign exchange assets” consist of foreign currency deposits with other banks (due from foreign banks (our accounts)), short-term loans involving foreign currencies (due from foreign banks (their accounts)), export bills and traveler’s checks, etc. (foreign bills bought), and loans on notes using import bills (foreign bills receivable). For these items, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because most of 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 demand deposits, the amount payable on demand as of the fiscal year end date (i.e., the carrying amount) is considered to be the fair value. For variable rate time deposits, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the market interest rate is reflected in such deposits within a short time period. Fixed rate time deposits are grouped by certain maturity lengths. The fair value of such deposits is the present value of discounted expected future cash flow. The discount rate used is the interest rate that would be applied to newly accepted deposits.

(3) “Call money and bills sold,” (4) “Payables under repurchase agreements,” (5) “Payables under securities lending transactions” and (6) “Commercial paper”

For these items, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the majority of them are short contract terms (one year or less).

(7) “Trading liabilities”

For securities such as bonds that are sold short for trading purposes, the fair value is determined based on the price quoted by the exchange or the financial institutions to which these securities were sold.

(8) "Borrowed money"

For floating rate borrowings, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. This is done so on the basis that the market interest rate is reflected in the fair value set within a short time period for such floating rate borrowings and that there has been no significant change in the Bank's nor the subsidiaries' creditworthiness after such borrowings were made. For fixed rate borrowings, the fair value is calculated as the present value of expected future cash flow from these borrowings grouped by certain maturity lengths, which is discounted at an interest rate generally applicable to similar borrowings reflecting the premium applicable to the Bank or subsidiaries.

(9) "Foreign exchange liabilities"

Among foreign exchange contracts, foreign currency deposits accepted from other banks and non-resident Japanese yen deposits are deposits without maturity (due to other foreign banks). Moreover, foreign currency short-term borrowings have short contract terms (one year or less). Thus, the carrying amount is presented as the fair value for these contracts as the fair value approximates such carrying amount.

(10) "Short-term bonds payable"

For "Short-term bonds payable," the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because they carry short contract terms (one year or less).

(11) "Bonds payable"

The fair value of corporate bonds issued by the Group is determined based on their market price. For certain corporate bonds, the fair value is calculated as the present value of expected future cash flow discounted at an interest rate generally applicable to issuance of similar corporate bonds. For variable rate corporate bonds without market prices, the carrying amount of such bonds is presented as the fair value, as the fair value approximates such carrying amount. This is on the basis that the market interest rate is reflected in the fair value of such corporate bonds because such bond terms were set within a short time period and that there has been no significant change in the creditworthiness of the Group after the issuance. For fixed rate corporate bonds, the fair value is the present value of expected future cash flow from these borrowings, which is discounted at an interest rate generally applicable to similar borrowings reflecting the premium applicable to the Bank or its subsidiaries.

(Note 2) The following table summarizes financial instruments whose fair value is extremely difficult to estimate (before deducting valuation allowance): These securities are not included in the amount presented under the line item "Assets-Available-for-sale securities" in the table summarizing fair value of financial instruments.

	Carrying amount	
	Millions of Yen	Millions of U.S. Dollars
March 31, 2013		
Unlisted equity securities (*1) (*2)	¥ 274,249	\$ 2,916
Investment in partnerships, etc. (*2) (*3)	159,837	1,700
Other (*2)	391	4
Total	¥ 434,477	\$ 4,620
	Carrying amount	
	Millions of Yen	
March 31, 2012		
Unlisted equity securities (*1) (*2)	¥ 336,709	
Investment in partnerships, etc. (*2) (*3)	163,770	
Other (*2)	396	
Total	¥ 500,877	

(*1) Unlisted equity securities do not carry quoted market prices. Since it is extremely difficult to estimate the fair value of these securities, their fair value is not disclosed.

(*2) With respect to unlisted equity securities, an impairment loss of ¥4,810 million (\$51 million) and ¥10,321 million was recorded in the fiscal years ended March 31, 2013 and 2012, respectively.

(*3) Investments in partnerships mainly include anonymous partnerships and investment business partnerships, etc. Since it is extremely difficult to estimate the fair value of these securities, their fair value is not disclosed.

(Note 3) Maturity analysis for financial assets and securities with contractual maturities

Millions of Yen						
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
March 31, 2013						
Securities (*1)(*2):	¥ 15,556,619	¥ 10,182,234	¥ 18,351,378	¥ 2,418,788	¥ 6,064,543	¥ 6,554,558
Held-to-maturity securities:	—	710	13,035	129,452	958,843	420,255
Japanese government bonds	—	—	—	—	—	—
Foreign bonds	—	—	—	1,822	779	86,721
Other	—	710	13,035	127,630	958,064	333,533
Available-for-sale securities with contractual maturities:	15,556,619	10,181,523	18,338,343	2,289,335	5,105,699	6,134,302
Japanese government bonds	13,500,613	8,349,209	13,502,673	1,180,303	3,647,153	1,578,095
Municipal bonds	27,482	28,469	71,540	48,081	36,037	394
Corporate bonds	288,802	632,645	331,358	184,358	98,921	830,191
Foreign bonds	1,739,191	1,083,526	4,283,960	813,482	1,273,078	3,595,642
Other	528	87,672	148,809	63,109	50,508	129,979
Loans (*1)(*3)	36,858,169	12,941,157	10,315,772	4,077,610	4,191,143	11,433,051
Total	¥ 52,414,789	¥ 23,123,392	¥ 28,667,151	¥ 6,496,399	¥ 10,255,687	¥ 17,987,610

Millions of U.S. Dollars						
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
March 31, 2013						
Securities (*1)(*2):	\$ 165,408	\$ 108,264	\$ 195,124	\$ 25,718	\$ 64,482	\$ 69,692
Held-to-maturity securities:	—	8	139	1,376	10,195	4,468
Japanese government bonds	—	—	—	—	—	—
Foreign bonds	—	—	—	19	8	922
Other	—	8	139	1,357	10,187	3,546
Available-for-sale securities with contractual maturities:	165,408	108,256	194,985	24,342	54,287	65,224
Japanese government bonds	143,547	88,774	143,569	12,550	38,779	16,780
Municipal bonds	292	303	761	511	383	4
Corporate bonds	3,071	6,726	3,523	1,960	1,052	8,827
Foreign bonds	18,492	11,521	45,550	8,650	13,536	38,231
Other	6	932	1,582	671	537	1,382
Loans (*1) (*3)	391,900	137,599	109,684	43,356	44,563	121,564
Total	\$ 557,308	\$ 245,863	\$ 304,808	\$ 69,074	\$ 109,045	\$ 191,256

(*1) The amounts above are stated using the carrying amounts.

(*2) Securities include trust beneficiaries of “Monetary claims bought.”

(*3) Loans do not include those amounts whose repayment schedules cannot be determined including due from “bankrupt” borrowers, “virtually bankrupt” borrowers and “likely to become bankrupt” borrowers amounting to ¥1,130,330 million (\$12,018 million).

(Note 4) Maturity analysis for “Time deposits,” “Negotiable certificates of deposit” and other interest bearing liabilities

Millions of Yen						
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
March 31, 2013						
Time deposits and negotiable certificates of deposit (*1)	¥ 45,794,431	¥ 5,678,770	¥ 910,207	¥ 83,942	¥ 59,049	¥ 2,270
Borrowed money (*1)(*2)(*3)	5,201,336	599,898	185,360	181,000	248,450	211,620
Bonds (*1)(*2)	854,708	1,092,262	880,292	396,800	1,083,030	382,884
Total	¥ 51,850,475	¥ 7,370,931	¥ 1,975,860	¥ 661,742	¥ 1,390,530	¥ 596,775

Millions of U.S. Dollars						
	Due in one year or less	Due after one year through three years	Due after three years through five years	Due after five years through seven years	Due after seven years through ten years	Due after ten years
March 31, 2013						
Time deposits and negotiable certificates of deposit(*1)	\$ 486,916	\$ 60,380	\$ 9,678	\$ 892	\$ 628	\$ 24
Borrowed money(*1) (*2) (*3)	55,304	6,378	1,971	1,925	2,642	2,250
Bonds(*1) (*2)	9,088	11,614	9,360	4,219	11,515	4,071
Total	\$ 551,308	\$ 78,372	\$ 21,009	\$ 7,036	\$ 14,785	\$ 6,345

(*1) The amounts above are stated at the carrying amount.

(*2) “Borrowed money” and “Bonds” whose maturities are not defined are recorded under “Due after ten years.”

(*3) There was no outstanding balance of rediscounted bills as of March 31, 2013.

26. DERIVATIVES

The Bank uses derivatives primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives to meet the needs of its clients, and enters into derivative contracts as a part of its trading activities.

The Group enters into futures contracts on interest rate, currency, forward contracts on interest rate and currency, foreign exchange forward contracts, swaps contracts on interest rate, currency, and option contracts on interest rate, currency.

The Bank uses derivatives for the following purposes based on the internally defined risk management and operating policies.

- To provide clients with hedge instruments
- Trading based on the short-term prospect on foreign exchange, interest rate, etc.
- Adjustments or hedging of foreign exchange risk and interest rate risk associated with assets and liabilities

For hedging activities, the Bank classified instruments such as forecasted transactions involving fixed and variable rate deposits, loans, and bonds as hedged items, and instruments such as interest rate swaps as hedging instruments. Regarding effectiveness of hedging, since hedged items and hedging instruments may be almost identical, the Bank considers the hedges to be highly effective. In addition, the Bank may assess effectiveness based on the correlation of floating elements of interest rate.

Significant risk related to derivatives includes market risk and credit risk to be incurred in the course of transactions.

Market risk is the possibility that future changes in market indices make the financial instruments less valuable and credit risk is the possibility that a loss may result from a counterparty's failure to perform according to terms and conditions of the contract, which may exceed the value of underlying collateral. The

Bank measures and manages its exposure on derivatives as well as other transactions using a uniform method as much as possible for market risk and credit risk.

As for market risk, the Management Committee grants an authority with Value-at-Risk (VaR) (risk index which estimates statistically maximum probable loss to be incurred in the portfolios within a holding period) to the Corporate Risk Management Division. The Corporate Risk Management Division measures and manages overall exposures across the Bank on a global and consolidation basis and reports directly to the Bank's management.

As for credit risk, the Bank identifies and manages credit balances considering the replacement cost and future changes in the replacement cost using a system based on the judgment of the credit risk management division independent from front office function.

Derivative transactions with the same counterparty are recorded in the financial statements on a gross basis without offsetting derivative assets and liabilities regardless of whether there is a legal valid master netting agreement between the two parties.

The Bank has the following derivative contracts outstanding as of March 31, 2013, 2012 and 2011:

Derivatives to which hedge accounting is not applied:

With respect to derivatives to which hedge accounting is not applied, contract amount or notional principal, fair value and the related valuation gain (loss) at the fiscal year end date by transaction type and valuation method of fair value are as follows: Note that contract amounts do not represent the market risk exposure associated with derivatives.

(1) Interest rate related derivatives

		Millions of Yen				
		2013				
		Contract amount			Valuation gain	
March 31		Total	Over one year	Fair value	(loss)	
Transactions listed on exchange:						
Interest rate futures	Sold	¥ 2,963,060	¥ 2,214,775	¥ (2,035)	¥ (2,035)	
	Bought	1,597,109	1,045,958	(10)	(10)	
Interest rate options	Sold	54,882,896	—	(2,775)	5,088	
	Bought	28,032,446	865	2,706	(5,195)	
Over-the-counter "OTC" transactions:						
Forward rate agreements	Sold	—	—	—	—	
	Bought	22,383	3,950	(52)	(52)	
Interest rate swaps	Receivable fixed rate/ Payable floating rate	90,289,342	70,049,902	3,278,337	3,278,337	
	Receivable floating rate/ Payable fixed rate	93,098,005	71,293,209	(3,144,657)	(3,144,657)	
	Receivable floating rate/ Payable floating rate	35,179,263	27,507,588	21,245	21,245	
	Receivable fixed rate/ Payable fixed rate	434,435	289,927	(994)	(994)	
	Interest rate swaptions	Sold	7,899,443	3,031,241	(124,116)	(104,186)
	Bought	3,997,928	1,910,518	89,340	79,268	
Other	Sold	2,035,616	1,792,217	(6,049)	(3,294)	
	Bought	1,956,873	1,753,528	10,809	9,167	
Total		—	—	¥ 121,747	¥ 132,680	

		Millions of Yen			
		2012			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	¥ 2,028,885	¥ 1,546,519	¥ (1,120)	¥ (1,120)
	Bought	888,993	405,789	361	361
Interest rate options	Sold	37,546,493	63,864	(5,198)	5,283
	Bought	19,775,285	63,864	7,059	(4,433)
OTC transactions:					
Forward rate agreements	Sold	640,342	—	—	—
	Bought	731,573	—	—	—
Interest rate swaps	Receivable fixed rate/ Payable floating rate	101,642,641	72,884,681	3,158,847	3,158,847
	Receivable floating rate/ Payable fixed rate	97,651,382	71,271,048	(3,041,762)	(3,041,762)
	Receivable floating rate/ Payable floating rate	30,529,981	23,026,585	40,164	40,164
	Receivable fixed rate/ Payable fixed rate	433,234	289,927	(788)	(788)
Interest rate swaptions	Sold	11,278,963	3,627,181	(119,374)	(69,272)
	Bought	5,650,818	3,172,496	87,512	60,435
Other	Sold	2,062,349	1,650,559	(8,093)	(1,613)
	Bought	1,850,434	1,675,404	13,919	3,706
Total		—	—	¥ 131,525	¥ 149,806

		Millions of Yen			
		2011			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Interest rate futures	Sold	¥ 639,112	¥ 140,512	¥ 244	¥ 244
	Bought	818,082	217,703	145	145
Interest rate options	Sold	2,062,061	—	(469)	69
	Bought	2,736,602	—	528	(380)
OTC transactions:					
Forward rate agreements	Sold	1,694,430	—	81	81
	Bought	1,464,022	—	(173)	(173)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	125,562,897	85,180,691	3,094,243	3,094,243
	Receivable floating rate/ Payable fixed rate	125,155,579	85,541,044	(2,980,416)	(2,980,416)
	Receivable floating rate/ Payable floating rate	28,184,954	21,542,726	27,198	27,198
	Receivable fixed rate/ Payable fixed rate	335,784	291,257	(916)	(916)
Interest rate swaptions	Sold	6,526,954	3,248,896	(111,078)	(84,361)
	Bought	4,686,255	2,344,238	101,463	79,378
Other	Sold	1,617,888	1,177,554	(8,208)	(4,593)
	Bought	1,214,959	868,912	10,391	8,170
Total		—	—	¥ 133,030	¥ 138,688

		Millions of U.S. Dollars			
		2013			
		Contract amount			Valuation gain (loss)
March 31		Total	Over one year	Fair value	
Transactions listed on exchange:					
Interest rate futures	Sold	\$ 31,505	\$ 23,549	\$ (22)	\$ (22)
	Bought	16,981	11,121	(0)	(0)
Interest rate options	Sold	583,550	—	(30)	54
	Bought	298,059	9	29	(55)
OTC transactions:					
Forward rate agreements	Sold	—	—	—	—
	Bought	238	42	(0)	(0)
Interest rate swaps	Receivable fixed rate/ Payable floating rate	960,014	744,816	34,857	34,857
	Receivable floating rate/ Payable fixed rate	989,878	758,035	(33,436)	(33,436)
	Receivable floating rate/ Payable floating rate	374,049	292,478	226	226
	Receivable fixed rate/ Payable fixed rate	4,619	3,083	(11)	(11)
Interest rate swaptions	Sold	83,992	32,230	(1,320)	(1,108)
	Bought	42,509	20,314	950	843
Other	Sold	21,644	19,056	(64)	(35)
	Bought	20,807	18,645	115	98
Total		—	—	\$ 1,294	\$ 1,411

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values of transactions listed on exchange are calculated using the last quoted market price at the Tokyo Financial Exchange Inc. or other exchanges at the fiscal year end date. Fair values of OTC transactions are calculated using the discounted present value, the option pricing models or other methods.

(2) Currency related derivatives

		Millions of Yen			
		2013			
		Contract amount			Valuation gain (loss)
March 31		Total	Over one year	Fair value	
Transactions listed on exchange:					
Currency futures	Sold	¥ 88,041	¥ 4,954	¥ 267	¥ 267
	Bought	20,740	—	59	59
OTC transactions:					
Currency swaps		28,055,368	20,293,334	122,251	122,251
Forward contracts on	Sold	36,380,931	1,434,389	(769,916)	(769,916)
foreign exchange	Bought	34,675,049	1,484,990	870,134	870,134
Currency options	Sold	9,182,226	3,672,753	(316,101)	97,410
	Bought	8,830,059	3,617,165	288,372	(70,617)
Total		—	—	¥ 195,066	¥ 249,588

		Millions of Yen			
		2012			
		Contract amount			Valuation gain (loss)
March 31		Total	Over one year	Fair value	
Transactions listed on exchange:					
Currency futures	Sold	¥ 21,645	¥ —	¥ 27	¥ 27
	Bought	14,970	—	58	58
OTC transactions:					
Currency swaps		23,948,764	17,470,952	28,884	28,884
Forward contracts on	Sold	31,753,388	1,052,850	(330,948)	(330,948)
foreign exchange	Bought	29,533,455	1,111,327	229,208	229,208
Currency options	Sold	6,919,640	3,286,726	(265,475)	60,293
	Bought	6,755,766	3,351,053	409,078	124,652
Total		—	—	¥ 70,833	¥ 112,176

		Millions of Yen			
		2011			
		Contract amount			Valuation gain (loss)
March 31		Total	Over one year	Fair value	
Transactions listed on exchange:					
Currency futures	Sold	¥ 28,841	¥ –	¥ (137)	¥ (137)
	Bought	12,035	–	(0)	(0)
OTC transactions:					
Currency swaps		25,632,906	18,530,397	(110,151)	(110,151)
Forward contracts on	Sold	29,452,001	736,516	(167,197)	(167,197)
foreign exchange	Bought	29,489,991	774,117	(41,970)	(41,970)
Currency options	Sold	7,385,338	3,704,976	(353,121)	31,508
	Bought	7,505,393	3,868,982	630,623	300,274
Total		–	–	¥ (41,955)	¥ 12,325

		Millions of U.S. Dollars			
		2013			
		Contract amount			Valuation gain (loss)
March 31		Total	Over one year	Fair value	
Transactions listed on exchange:					
Currency futures	Sold	\$ 936	\$ 53	\$ 3	\$ 3
	Bought	221	—	0	0
OTC transactions:					
Currency swaps		298,303	215,772	1,300	1,300
Forward contracts on	Sold	386,825	15,251	(8,186)	(8,186)
foreign exchange	Bought	368,687	15,789	9,252	9,252
Currency options	Sold	97,631	39,051	(3,361)	1,036
	Bought	93,887	38,460	3,066	(751)
Total		—	—	\$ 2,074	\$ 2,654

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values are calculated using discounted present value or other methods.

(3) Equity related derivatives

		Millions of Yen			
		2013			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	¥ 1,283	¥ –	¥ (7)	¥ (7)
	Bought	901	–	4	4
OTC transactions:					
OTC options on securities	Sold	157,176	152,146	(8,941)	(7,180)
	Bought	157,176	152,146	8,904	7,142
Total return swaps	Sold	–	–	–	–
	Bought	2,836	2,836	(220)	(220)
Total		–	–	¥ (261)	¥ (261)

		Millions of Yen			
		2012			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	¥ –	¥ –	¥ –	¥ –
	Bought	252	–	0	0
OTC transactions:					
OTC options on securities	Sold	118,208	114,676	(6,746)	(5,561)
	Bought	118,208	114,676	6,746	5,561
Total		–	–	¥ 0	¥ 0

		Millions of Yen			
		2011			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
OTC options on securities	Sold	¥ 53,494	¥ 53,208	¥ (4,063)	¥ 368
	Bought	53,494	53,208	4,063	(368)
Total		–	–	¥ –	¥ –

		Millions of U.S. Dollars			
		2013			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Stock index futures	Sold	\$ 14	\$ –	\$ (0)	\$ (0)
	Bought	10	–	0	0
OTC transactions:					
OTC options on securities	Sold	1,671	1,618	(95)	(76)
	Bought	1,671	1,618	95	76
Total return swaps	Sold	–	–	–	–
	Bought	30	30	(3)	(3)
Total		–	–	\$ (3)	\$ (3)

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values of transactions listed on the exchanges are calculated using the last quoted market price at the Tokyo Stock Exchange or others.
Fair values of OTC transactions are determined using option pricing models or other methods.

(4) Bond related derivatives

		Millions of Yen			
		2013			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	¥ 704,406	¥ —	¥ (770)	¥ (770)
	Bought	2,024,027	—	3,569	3,569
Bond futures options	Sold	3,857,803	—	(5,564)	2,139
	Bought	2,936,304	—	2,572	(6,028)
OTC transactions:					
Bond OTC options	Sold	—	—	—	—
	Bought	450,000	—	417	(7)
Bond forward contracts	Sold	77,308	—	(91)	(91)
	Bought	133,503	—	50	50
Total		—	—	¥ 184	¥ (1,136)

		Millions of Yen			
		2012			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	¥ 809,619	¥ —	¥ (209)	¥ (209)
	Bought	777,102	—	1,101	1,101
Bond futures options	Sold	533,702	—	(1,836)	(378)
	Bought	648,232	—	1,763	(1,734)
OTC transactions:					
Bond forward contracts	Sold	82,190	—	(391)	(391)
	Bought	152,051	—	(424)	(424)
Total		—	—	¥ 3	¥ (2,036)

		Millions of Yen			
		2011			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	¥ 264,014	¥ —	¥ 63	¥ 63
	Bought	245,485	—	(210)	(210)
Bond futures options	Sold	154,392	—	(243)	295
	Bought	105,266	—	192	33
Total		—	—	¥ (198)	¥ 182

		Millions of U.S. Dollars			
		2013			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
Transactions listed on exchange:					
Bond futures	Sold	\$ 7,490	\$ —	\$ (8)	\$ (8)
	Bought	21,521	—	38	38
Bond futures options	Sold	41,019	—	(59)	22
	Bought	31,221	—	27	(64)
OTC transactions:					
Bond OTC options	Sold	—	—	—	—
	Bought	4,785	—	4	0
Bond forward contracts	Sold	822	—	(1)	(1)
	Bought	1,419	—	1	1
Total		—	—	\$ 2	\$ (12)

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values are calculated using the last quoted market price at the Tokyo Stock Exchange or others.

(5) Commodity related derivatives

		Millions of Yen							
		2013							
		Contract amount							
March 31		Total		Over one year		Fair value		Valuation gain (loss)	
OTC transactions:									
Commodity swaps	Receivable index volatility/	¥	134,199	¥	65,786	¥	(24,121)	¥	(24,121)
	Payable floating rate								
	Receivable floating rate/		149,960		67,751		24,515		24,515
Commodity options	Payable index volatility								
	Sold		162,508		91,771		(4,248)		(4,191)
	Bought		162,506		91,771		4,254		4,198
Total			—		—	¥	399	¥	400

		Millions of Yen							
		2012							
		Contract amount							
March 31		Total		Over one year		Fair value		Valuation gain (loss)	
OTC transactions:									
Commodity swaps	Receivable index volatility/	¥	124,326	¥	96,393	¥	(39,150)	¥	(39,150)
	Payable floating rate								
	Receivable floating rate/		142,683		108,162		39,610		39,610
Commodity options	Payable index volatility								
	Sold		136,664		130,340		(6,319)		(6,303)
	Bought		136,661		130,340		6,325		6,310
Total			—		—	¥	466	¥	467

		Millions of Yen							
		2011							
		Contract amount							
March 31		Total		Over one year		Fair value		Valuation gain (loss)	
OTC transactions:									
Commodity swaps	Receivable index volatility/	¥	134,504	¥	90,620	¥	(53,054)	¥	(53,054)
	Payable floating rate								
	Receivable floating rate/		158,157		109,372		54,772		54,772
Commodity options	Payable index volatility								
	Sold		125,398		94,018		(6,990)		(6,977)
	Bought		125,398		94,018		6,990		6,977
Total			—		—	¥	1,718	¥	1,718

		Millions of U.S. Dollars							
		2013							
		Contract amount							
March 31		Total		Over one year		Fair value		Valuation gain (loss)	
OTC transactions:									
Commodity swaps	Receivable index volatility/	\$	1,427	\$	699	\$	(257)	\$	(257)
	Payable floating rate								
	Receivable floating rate/		1,594		720		261		261
Commodity options	Payable index volatility								
	Sold		1,728		976		(45)		(45)
	Bought		1,728		976		45		45
Total			—		—	\$	4	\$	4

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values are calculated using the price, contract period of the underlying transactions and other factors composing the transactions.
3. Commodity is mainly related to oil.

(6) Credit related derivatives

		Millions of Yen			
		2013			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥ 515,577	¥ 395,730	¥ (107)	¥ (107)
	Bought	911,564	572,289	(1,336)	(1,336)
Total		—	—	¥ (1,443)	¥ (1,443)

		Millions of Yen			
		2012			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥ 703,392	¥ 426,590	¥ 1,108	¥ 1,108
	Bought	1,163,370	654,010	4,675	4,675
Total		—	—	¥ 5,783	¥ 5,783

		Millions of Yen			
		2011			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	¥ 1,781,600	¥ 677,570	¥ 5,794	¥ 5,794
	Bought	2,262,031	820,329	(5,498)	(5,498)
Other	Sold	4,889	4,889	(1,166)	(1,166)
	Bought	—	—	—	—
Total		—	—	¥ (870)	¥ (870)

		Millions of U.S. Dollars			
		2013			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Credit default options	Sold	\$ 5,482	\$ 4,208	\$ (1)	\$ (1)
	Bought	9,692	6,085	(14)	(14)
Total		—	—	\$ (15)	\$ (15)

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values are calculated using discounted present value, option pricing models or others.
3. "Sold" refers to transactions underwriting credit risk and "Bought" refers to transactions delivering credit risk.

(7) Other

		Millions of Yen			
		2013			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	¥ 7,000	¥ 7,000	¥ (309)	¥ 63
	Bought	7,000	7,000	309	(63)
SVF Wrap Products	Sold	802,463	802,463	(0)	(0)
	Bought	—	—	—	—
Other	Sold	—	—	—	—
	Bought	8,015	8,015	87	87
Total		—	—	¥ 86	¥ 86

		Millions of Yen			
		2011			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Weather derivatives	Sold	¥ 5	¥ —	¥ (1)	¥ 1
	Bought	—	—	—	—
Total		—	—	¥ (1)	¥ 1

		Millions of U.S. Dollars			
		2013			
		Contract amount			
March 31		Total	Over one year	Fair value	Valuation gain (loss)
OTC transactions:					
Earthquake derivatives	Sold	\$ 74	\$ 74	\$ (3)	\$ 1
	Bought	74	74	3	(1)
SVF Wrap Products	Sold	8,532	8,532	(0)	(0)
	Bought	—	—	—	—
Other	Sold	—	—	—	—
	Bought	85	85	1	1
Total		—	—	\$ 1	\$ 1

Notes:

1. The transactions above are stated at fair value and the related valuation gain (loss) is reported in the consolidated statements of income.
2. Fair values are calculated using option pricing models or other methods.
3. SVF Wrap Products are derivative instruments which the Bank guarantees payment of the principal to the 401(k) investors who invest in Stable Value Fund.
4. There was no outstanding transaction as of March 31, 2012.

Derivatives to which hedge accounting is applied:

With respect to derivatives to which hedge accounting is applied, contract amount or notional principal and fair value at the fiscal year end date by transaction type and hedge accounting method and valuation method of fair value are as follows: Note that contract amounts do not represent the market risk exposure associated with derivatives.

(1) Interest rate related derivatives

			Millions of Yen		
			2013		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits, etc.	¥ 8,811,494	¥ 7,749,597	¥ 241,155
	Receivable floating rate/ Payable fixed rate		6,455,189	5,348,152	(57,398)
	Receivable floating rate/ Payable floating rate		20,000	—	305
	Interest rate futures		2,053,301	69,249	713
	Other		268,398	12,987	0
Total			—	—	¥ 184,775

			Millions of Yen		
March 31			2012		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits, etc.	¥ 4,041,462	¥ 3,178,676	¥ 165,598
	Receivable floating rate/ Payable fixed rate		3,479,337	3,230,265	(72,728)
	Receivable floating rate/ Payable floating rate		20,000	20,000	611
	Interest rate futures		584,055	35,950	288
	Other		310,960	272,090	16
Total			—	—	¥ 93,788

			Millions of Yen		
March 31			2011		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits, etc.	¥ 5,220,549	¥ 4,151,979	¥ 124,549
	Receivable floating rate/ Payable fixed rate		3,050,220	2,925,080	(45,696)
	Receivable floating rate/ Payable floating rate		20,000	20,000	971
	Interest rate futures		1,494,994	24,344	1,649
	Other		325,960	325,960	536
Note 3	Interest rate swaps: Receivable floating rate/ Payable fixed rate	Borrowed money	336	—	Note 3
Total			—	—	¥ 82,010

			Millions of U.S. Dollars		
March 31			2013		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	Interest rate swaps:				
	Receivable fixed rate/ Payable floating rate	Interest bearing financial assets or liabilities such as loans, deposits, etc.	\$ 93,689	\$ 82,399	\$ 2,564
	Receivable floating rate/ Payable fixed rate		68,636	56,865	(610)
	Receivable floating rate/ Payable floating rate		213	—	3
	Interest rate futures		21,832	736	8
	Other		2,854	138	0
Total			—	—	\$ 1,965

Notes:

- These derivatives are mainly accounted for using the deferred hedge accounting in accordance with JICPA Industry Audit Committee Report No. 24 "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry."
- Fair values of transactions listed on exchange are calculated using the last quoted market price at the Tokyo Financial Exchange, Inc. or other exchanges at the fiscal year end date.
Fair values of OTC transactions are calculated using the discounted present value, the option pricing models or other methods.
- The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expenses of "Borrowed money" as hedged items. Accordingly, the fair value of the interest rate swaps is considered to be included in the fair value of "Borrowed money."

(2) Currency related derivatives

March 31			Millions of Yen		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	¥ 10,490,858	¥ 6,726,293	¥ (269,688)
March 31			Millions of Yen		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	¥ 9,111,841	¥ 4,953,090	¥ (159,212)
March 31			Millions of Yen		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	¥ 7,810,762	¥ 4,078,637	¥ 44,114
	Forward foreign currency contracts		192,921	—	26,501
Total			—	—	¥ 70,615
March 31			Millions of U.S. Dollars		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	Currency swaps	Loans, securities, deposits and others denominated in foreign currencies	\$ 111,546	\$ 71,518	\$ (2,867)

Notes:

- These derivatives are mainly accounted for using the deferred hedge accounting in accordance with JICPA Industry Audit Committee Report No. 25, "Accounting and Auditing Treatments for Foreign Currency Transactions in the Banking Industry."
- Fair values are calculated using discounted present value or other methods.

(3) Equity related derivatives

There were no equity related derivatives as of March 31, 2012 and 2011.

March 31			Millions of Yen		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Profit or loss on hedged items is recognized.	Total return swaps	Available-for-sale securities (equity securities)	¥ 8,720	¥ 8,720	¥ (47)
March 31			Millions of U.S. Dollars		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Profit or loss on hedged items is recognized.	Total return swaps	Available-for-sale securities (equity securities)	\$ 93	\$ 93	\$ (0)

Note: Fair values are calculated using discounted present value or other methods.

(4) Bond related derivatives

There were no bond related derivatives as of March 31, 2011.

March 31			Millions of Yen		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	OTC bond options	Available-for-sale securities (debt securities)	¥ 2,610,000	–	¥ (13,201)

			Millions of Yen		
March 31			2012		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	OTC bond options	Available-for-sale securities (debt securities)	¥ 1,708,000	¥ –	¥ (447)

			Millions of U.S. Dollars		
March 31			2013		
Hedge accounting method	Transaction type	Major hedged item	Contract amount	Contract amount due after one year	Fair value
Principle method	OTC bond options	Available-for-sale securities (debt securities)	\$ 27,751	\$ –	\$ (140)

Note: Fair values are calculated using option pricing models or other methods.

27. BUSINESS COMBINATIONS OR DIVESTITURES

There was neither a significant business combination nor a business divestiture to be disclosed for the years ended March 31, 2013 and 2012.

28. RELATED PARTY TRANSACTION

Related party transactions:

Related party transactions for the years ended March 31, 2013, 2012 and 2011 were as follows:

(1) Transactions between the Bank and its related parties

a. Parent company and major shareholders

Year ended March 31, 2013

Type	Name:	Location	Capital (Millions of Yen)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Parent	Mitsubishi UFJ Financial Group, Inc.	Tokyo	¥2,139,378	Bank holding company	Direct: 100.00%	Loans or others, Directors or others	Loans (Note 1) Receipt of interest (Note 1)	¥ – 14,628	Loans and bills discounted Other assets	¥ 1,857,381 253

Terms and conditions on transactions and transaction policy:

Note: The interest rate on loans is reasonably determined considering the market rate. Repayment term is the lump sum payment method at maturity. No pledged assets are received.

Year ended March 31, 2012

Type	Name:	Location	Capital (Millions of Yen)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Parent	Mitsubishi UFJ Financial Group, Inc.	Tokyo	¥2,138,487	Bank holding company	Direct: 100.00%	Loans or others, Directors or others	Loans (Note 1) Receipt of interest (Note 1)	¥ – 21,536	Loans and bills discounted Other assets	¥ 1,833,117 1,596

Terms and conditions on transactions and transaction policy:

Note: The interest rate on loans is reasonably determined considering the market rate. Repayment term is the lump sum payment method at maturity. No pledged assets are received.

Year ended March 31, 2011

Type	Name:	Location	Capital (Millions of Yen)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Parent	Mitsubishi UFJ Financial Group, Inc.	Tokyo	¥2,137,476	Bank holding company	Direct: 100.00%	Loans or others, Directors or others	Loans (Note 1) Receipt of interest (Note 1)	¥ 314,984 26,002	Loans and bills discounted Other assets	¥ 1,942,026 1,968

Terms and conditions on transactions and transaction policy:

Note: The interest rate on loans is reasonably determined considering the market rate. Repayment term is the lump sum payment method at maturity or installment method annually after a six year grace period. No pledged assets are received.

Year ended March 31, 2013

Type	Name:	Location	Capital (Millions of U.S. Dollars)	Business	Ownerships	Relationship	Transactions	Transaction amount (Millions of U.S. Dollars)	Account	Outstanding balance (Millions of U.S. Dollars)
Parent	Mitsubishi UFJ Financial Group, Inc.	Tokyo	\$ 22,747	Bank holding company	Direct: 100.00%	Loans or others, Directors or others	Loans (Note 1) Receipt of interest (Note 1)	\$ – 156	Loans and bills discounted Other assets	\$ 19,749 3

b. Unconsolidated subsidiaries and affiliates

There was no applicable transaction to be reported for the years ended March 31, 2013, 2012 and 2011.

c. Companies which are owned by the same parent company with the Bank (“sister company”) and other affiliates’ subsidiaries

There was no applicable transaction to be reported for the years ended March 31, 2013, 2012 and 2011.

d. Directors or major individual shareholders

Year ended March 31, 2013

Type	Name:	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Director	Kunio Ishihara	Director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	¥ – 1	Loans and bills discounted Other assets	¥ 47 0
Director	Tetsuya Nakagawa	Corporate auditor of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	– 0	Loans and bills discounted Other assets	– –

Terms and conditions on transactions and transaction policy:

Notes:

1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 19 years and six months.

Year ended March 31, 2012

Type	Name:	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Director	Kunio Ishihara	Director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	¥ – 1	Loans and bills discounted Other assets	¥ 49 0
Director	Tetsuya Nakagawa	Corporate auditor of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	– 0	Loans and bills discounted Other assets	18 0

Terms and conditions on transactions and transaction policy:

Notes:

1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 19 years and six months.

Year ended March 31, 2011

Type	Name:	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of Yen)	Account	Outstanding balance (Millions of Yen)
Director	Kunio Ishihara	Director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	¥ — 1	Loans and bills discounted Other assets	¥ 51 0
Director	Tetsuya Nakagawa	Corporate auditor of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	— 0	Loans and bills discounted Other assets	20 0

Terms and conditions on transactions and transaction policy:

Notes:

1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 19 years and six months.

Year ended March 31, 2013

Type	Name:	Occupation	Ownerships	Relationship	Transactions	Transaction amount (Millions of U.S. Dollars)	Account	Outstanding balance (Millions of U.S. Dollars)
Director	Kunio Ishihara	Director of the Bank	None	Loans	Loan (Note 1) Receipt of interest (Note 1)	\$ — 0	Loans and bills discounted Other assets	\$ 0 0
Director	Tetsuya Nakagawa	Corporate auditor of the Bank	None	Loans	Loan (Note 2) Receipt of interest (Note 2)	— 0	Loans and bills discounted Other assets	— —

Terms and conditions on transactions and transaction policy:

Notes:

1. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 25 years.
2. The interest rate on loans is determined considering the market rate and repayment term is the monthly equal payment method for 19 years and six months.

(2) Transactions between consolidated subsidiaries of the Bank and its related parties

There was no applicable transaction to be reported for the years ended March 31, 2013, 2012 and 2011.

Information about the parent company or significant affiliates:**(1) Information about the parent company:**

Mitsubishi UFJ Financial Group, Inc. (listed on Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange and New York Stock Exchange)

(2) Condensed financial information of significant affiliates:

There was no applicable information to be reported for the years ended March 31, 2013, 2012 and 2011.

29. SEGMENT INFORMATION

Notes:

- (1) “Ordinary income (expenses)” and “Ordinary profit (loss)” are defined as follows:
 - 1) “Ordinary profit (loss)” means “Ordinary income” less “Ordinary expenses.”
 - 2) “Ordinary income” means total income less certain special income included in “Other income” in the accompanying consolidated statements of income.
 - 3) “Ordinary expenses” means total expenses less certain special expenses included in “Other expenses” in the accompanying consolidated statements of income.
- (2) A reconciliation of the ordinary profit (loss) under the internal management reporting system for the years ended March 31, 2013, 2012 and 2011 to income before income taxes and minority interests shown on the accompanying consolidated statements of income were as follows:

March 31	Millions of Yen			Millions of U.S. Dollars
	2013	2012	2011	2013
Ordinary profit (loss):	¥ 1,070,928	¥ 931,709	¥ 849,766	\$ 11,387
Gain on sales of fixed assets	4,424	5,210	4,728	47
Gain on negative goodwill	—	—	1,540	—
Gain on collection of bad debts	—	—	49,593	—
Reversal of reserve under special laws	—	54	373	—
Gain on sales of shares of affiliates	12,047	7,713	—	128
Loss on disposal of fixed assets	(8,078)	(8,189)	(7,310)	(86)
Impairment loss	(5,142)	(18,211)	(5,439)	(54)
Provision for reserve under special laws	(166)	—	—	(2)
Loss on sales of shares of subsidiaries	—	(228)	—	—
Loss on sales of shares of affiliates	(1,099)	—	—	(12)
Impairment loss recognized for goodwill	—	—	(21,524)	—
Effect from adoption of the accounting standard for asset retirement obligations	—	—	(15,834)	—
Other-net	—	—	5,113	—
Income before income taxes and minority interests	¥ 1,072,913	¥ 918,059	¥ 861,006	\$ 11,408

For the years ended March 31, 2013, 2012 and 2011:

(1) Reportable segments

The reportable segments of the Bank are subject to the periodical review by the Board of Directors, which is the chief operating decision maker to determine the allocation of management resources and assess performances.

The Bank has established its business units according to the characteristics of customers and the nature of business. Each business unit engages in business activities based on comprehensive strategies developed for and aimed at respective targeted customers and businesses. Accordingly, the Bank’s operation comprises segments classified by customers and business, and “Retail Banking Business Unit,” “Corporate Banking Business Unit,” “Global Business Unit,” “Global Markets Unit” and “Other units” are identified as the reportable segments.

Retail Banking Business Unit	: Providing financial services to individual customers in Japan
Corporate Banking Business Unit	: Providing financial services to corporate customers in Japan
Global Business Unit	: Providing financial services to overseas individual and corporate customers
Global Markets Unit	: Foreign exchange, funds and securities transactions for customers and markets, liquidity and cash management
Other units	: Settlement and custody services, investments, internal coordination, etc.

(2) Calculation method of gross operating income and net operating income

Accounting policies adopted by the reportable segments are almost the same as those described in Note 2 “Summary of Significant Accounting Policies,” except for the scope of consolidation. The scope of consolidation is limited to the major subsidiaries. The figures used are based on the internal administration basis before consolidation adjustments including elimination of internal profits. The accounting methods for income and expenses over the multiple segments are based on the internal management accounting standards which are based on the market values.

From the year ended March 31, 2013, the Bank has changed the calculation method of business segment profit according to the changes in the internal performance management methods such as revision of jurisdiction of each business unit and changes in allocation method of income and expenses of business

segments.

Reportable segment disclosures for the years ended March 31, 2012 and 2011 are based on the calculation method after the changes.

(3) Reportable segment information for the years ended March 31, 2013, 2012 and 2011

Year ended March 31, 2013	Millions of Yen						
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit		Global Markets Unit	Other units	Total
			Total	(of which UNBC)			
Gross operating income	¥ 595,801	¥ 665,672	¥ 742,710	¥ 288,488	¥ 580,564	¥ (13,788)	¥ 2,570,960
Non-consolidated	496,166	637,220	359,790	—	570,430	(18,244)	2,045,364
Net interest income	404,085	324,967	182,211	—	205,912	48,742	1,165,918
Net non-interest income	92,081	312,253	177,579	—	364,518	(66,986)	879,445
Subsidiaries	99,635	28,451	382,920	288,488	10,133	4,455	525,596
Expenses	456,145	335,418	442,605	205,410	51,293	120,453	1,405,916
Net operating income	¥ 139,65	¥ 330,2	¥ 300,105	¥ 83,077	¥ 529,271	¥ (134,242)	¥ 1,165,043

Year ended March 31, 2012	Millions of Yen						
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit		Global Markets Unit	Other units	Total
			Total	(of which UNBC)			
Gross operating income	¥ 615,976	¥ 674,069	¥ 610,140	¥ 251,990	¥ 584,365	¥ 9,806	¥ 2,494,358
Non-consolidated	517,383	645,732	287,207	—	576,502	(8,434)	2,018,391
Net interest income	438,808	347,282	128,700	—	249,958	26,510	1,191,259
Net non-interest income	78,575	298,450	158,507	—	326,543	(34,944)	827,132
Subsidiaries	98,592	28,337	322,932	251,990	7,863	18,240	475,967
Expenses	460,864	338,909	362,054	172,990	45,084	118,114	1,325,026
Net operating income	¥ 155,112	¥ 335,160	¥ 248,085	¥ 79,000	¥ 539,281	¥ (108,307)	¥ 1,169,332

Year ended March 31, 2011	Millions of Yen						
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit		Global Markets Unit	Other units	Total
			Total	(of which UNBC)			
Gross operating income	¥ 636,367	¥ 682,499	¥ 567,776	¥ 267,221	¥ 560,787	¥ 17,749	¥ 2,465,181
Non-consolidated	533,501	654,492	241,603	—	556,131	549	1,986,278
Net interest income	463,154	365,314	109,392	—	272,847	22,410	1,233,120
Net non-interest income	70,347	289,177	132,211	—	283,283	(21,860)	753,158
Subsidiaries	102,865	28,007	326,172	267,221	4,656	17,199	478,902
Expenses	476,105	344,074	342,962	173,330	44,315	108,917	1,316,375
Net operating income	¥ 160,262	¥ 338,425	¥ 224,814	¥ 93,890	¥ 516,472	¥ (91,168)	¥ 1,148,805

Year ended March 31, 2013	Millions of U.S. Dollars						
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit		Global Markets Unit	Other units	Total
			Total	(of which UNBC)			
Gross operating income	\$ 6,335	\$ 7,078	\$ 7,897	\$ 3,067	\$ 6,173	\$ (147)	\$ 27,336
Non-consolidated	5,276	6,775	3,826	—	6,065	(194)	21,748
Net interest income	4,297	3,455	1,938	—	2,189	518	12,397
Net non-interest income	979	3,320	1,888	—	3,876	(712)	9,351
Subsidiaries	1,059	303	4,071	3,067	108	47	5,588
Expenses	4,850	3,567	4,706	2,184	545	1,281	14,949
Net operating income	\$ 1,485	\$ 3,511	\$ 3,191	\$ 883	\$ 5,628	\$ (1,428)	\$ 12,387

Notes:

1. "Gross operating income" corresponds to "Net Sales" of non-banking industries.
2. Gross operating income includes "Net interest income," "Net fees and commission," "Net trading income" and "Net other operating income."
3. "Expenses" includes personnel expenses and premise expenses.
4. Assets or liabilities by reportable segments are not shown since the Bank does not allocate assets or liabilities to segments for the purpose of internal control.
5. UNBC is a bank holding company which owns Union Bank, N.A. in the United States of America as a subsidiary.

(4) A reconciliation of the ordinary profit under the internal management reporting system and "Net operating income" on the table above is as follows:

March 31	Millions of Yen			Millions of U.S. Dollars
	2013	2012	2011	2013
Net operating income per reportable segment information	¥ 1,165,043	¥ 1,169,332	¥ 1,148,805	\$ 12,387
Net operating income of consolidated subsidiaries excluded from the reportable segment information	56,965	52,685	61,808	606
Provision of general allowance for credit losses	6,554	3,213	(94,713)	70
Credit related expenses	(109,634)	(183,333)	(178,218)	(1,166)
Reversal of reserve for contingent losses (credit related)	—	4,763	—	—
Gain on collection of bad debts	34,260	44,892	—	364
Losses on equity securities and other securities	(60,762)	(93,950)	(48,056)	(646)
Equity in losses (gains) of the equity method investees	15,665	6,312	(3,615)	167
Amortization of unrecognized actuarial gain	(53,577)	(41,835)	(33,234)	(570)
Gain on cancellation of sleeping deposit accounts	15,790	9,740	7,545	168
Other	623	(40,111)	(10,554)	7
Ordinary profit under the internal management reporting system	¥ 1,070,928	¥ 931,709	¥ 849,766	\$ 11,387

Notes:

1. “Credit related expenses” includes write-offs of loans and provision of specific allowance for credit losses.
2. “Losses on equity securities and other securities” includes gains or losses on sales of equity securities and losses on write-down of equity securities.

(5) Other segment related information

1) Information by services

Year ended March 31, 2013	Millions of Yen			Total
	Banking	Other		
Ordinary income from external customers	¥ 3,321,362	¥ 97,944	¥	3,419,307

Year ended March 31, 2012	Millions of Yen			Total
	Banking	Other		
Ordinary income from external customers	¥ 3,201,101	¥ 94,812	¥	3,295,914

Year ended March 31, 2011	Millions of Yen			Total
	Banking	Other		
Ordinary income from external customers	¥ 3,117,423	¥ 92,412	¥	3,209,835

Year ended March 31, 2013	Millions of U.S. Dollars			Total
	Banking	Other		
Ordinary income from external customers	\$ 35,315	\$ 1,041	\$	36,356

Note: “Ordinary income” corresponds to net sales of non-banking industries.

2) Information by geographic region

A) Ordinary income

Millions of Yen						
Year ended March 31, 2013						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 2,258,868	¥ 533,904	¥ 10,258	¥ 20,588	¥ 186,565	¥ 409,122	¥ 3,419,307

Millions of Yen						
Year ended March 31, 2012						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 2,376,314	¥ 429,226	¥ 6,152	¥ 13,633	¥ 157,326	¥ 313,261	¥ 3,295,914

Millions of Yen						
Year ended March 31, 2011						
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total
¥ 2,388,352	¥ 438,906	¥ 6,151	¥ 11,846	¥ 133,745	¥ 230,833	¥ 3,209,835

Millions of U.S. Dollars							
Year ended March 31, 2013							
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total	
\$ 24,018	\$ 5,677	\$ 109	\$ 219	\$ 1,983	\$ 4,350	\$ 36,356	

Notes:

1. "Ordinary income" corresponds to net sales of non-banking industries.
2. "Ordinary income" is classified into counties or geographic regions based on the locations of the head office or branches of the Bank and subsidiaries.

B) Tangible fixed assets

Millions of Yen							
As of March 31, 2013							
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total	
¥ 855,030	¥ 275,765	¥ 81	¥ 1,411	¥ 4,575	¥ 9,326	¥ 1,146,190	

Millions of Yen							
As of March 31, 2012							
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total	
¥ 862,875	¥ 206,115	¥ 72	¥ 649	¥ 3,680	¥ 6,872	¥ 1,080,266	

Millions of Yen							
As of March 31, 2011							
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total	
¥ 880,395	¥ 185,284	¥ 69	¥ 342	¥ 4,397	¥ 6,040	¥ 1,076,529	

Millions of U.S. Dollars							
As of March 31, 2013							
Japan	USA	North America	Latin America	Europe/Middle East	Asia/Oceania	Total	
\$ 9,091	\$ 2,932	\$ 1	\$ 15	\$ 49	\$ 99	\$ 12,187	

3) Information on loss on impairment of fixed assets by reportable segment

Loss on impairment of fixed assets is not allocated to the reportable segments. The loss on impairment was ¥5,142 million (\$55 million), ¥18,211 and ¥5,439 million for the years ended March 31, 2013, 2012 and 2011, respectively.

4) Information on amortization and unamortized balance of goodwill by reportable segment

Millions of Yen							
Year ended March 31, 2013	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit		Global Markets Unit	Other units	Total
			Total	(of which UNBC)			
Amortization	¥ 185	¥ 1	¥ 14,459	¥ 14,399	¥ –	¥ 205	¥ 14,851
Unamortized balance	2,689	41	256,144	255,010	–	–	258,874

Millions of Yen							
Year ended March 31, 2012	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit		Global Markets Unit	Other units	Total
			Total	(of which UNBC)			
Amortization	¥ 185	¥ 1	¥ 14,062	¥ 13,927	¥ –	¥ –	¥ 14,249
Unamortized balance	2,872	42	224,965	224,965	–	–	227,879

Millions of Yen							
Year ended March 31, 2011	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit		Global Markets Unit	Other units	Total
			Total	(of which UNBC)			
Amortization	¥ 23,867	¥ 1	¥ 13,972	¥ 13,972	¥ –	¥ 0	¥ 37,841
Unamortized balance	3,057	1	239,919	239,919	–	–	242,979

Year ended March 31, 2013	Millions of U.S. Dollars						
	Retail Banking Business Unit	Corporate Banking Business Unit	Global Business Unit		Global Markets Unit	Other units	Total
			Total	(of which UNBC)			
Amortization	\$ 2	\$ 0	\$ 154	\$ 153	\$ —	\$ 2	\$ 158
Unamortized balance	29	0	2,724	2,711	—	—	2,753

Amortization of goodwill which was not allocated to the reportable segments was ¥15 million (\$0 million), ¥95 million and ¥50 million for the years ended March 31, 2013, 2012 and 2011, respectively.

30. SUBSEQUENT EVENTS

Appropriations of Retained Earnings

The following appropriation of retained earnings as of March 31, 2013 was approved at the Bank's shareholders' meeting held on June 26, 2013.

	Millions of Yen	Millions of U.S. Dollars
Year-end cash dividends:		
Common stock, ¥5.59 (\$0.06) per share	¥ 69,036	\$ 734
Preferred stock-first series of Class 7, ¥57.50 (\$0.61) per share	8,970	95
Total	¥ 78,006	\$ 829

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