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Financial Results for the First Half of FY 2014  
Financial Highlights

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**RESONA**

**November 11, 2014**



**Resona Holdings, Inc.**

**I. Financial Highlights for the First Half of Fiscal Year 2014**

Posted Y132.7 bn of consolidated net interim income (Pages 1,2)

- => Increased by Y10.6 bn (+8.7%) YoY, and exceeded the forecast by Y58.7 bn (+79.3%)
- YoY increase mainly due to Y9.9 bn increase in gain from reversal of credit expenses
- Increase from the forecast mainly attributable to 1) stronger-than-expected top-line income, 2) net gains on stocks exceeding the forecast by Y18.4bn (total of 3 group banks) and 3) credit-related expenses below the forecast by Y35.6 bn.

Top-line income : Steady progress towards the goal of turning it around (Pages 2,3,4)

- => Actual net operating profit (total of 3 group banks) increased by Y1.3 bn (+1.1%) YoY and exceeded the forecast by Y11.4 bn (+10.5%)
- Loan balance has grown by Y350.1bn (+1.3%) YoY, with a trend of increase sustained.
- => Loan balance excluding loans to government-related entities increased by approx. Y430.0 bn (+1.7%) YoY.
- Loan-to-deposit spread (domestic operation, total of 3 group banks): 1.37%, declined 8bps YoY
- Fee income (total of 3 group banks): Increased by Y2.8 bn (+5.7%) YoY, insurance sale and real estate brokerage businesses expanded
- Posted Y9.4 bn<sup>1</sup> of net gains on bonds through accurate interpretation of the prevailing interest rate environment
- Reduced operating expenses (total of 3 group banks) by Y1.8bn through strengthened efforts for low-cost operation

Financial ground: Soundness strengthened even further (Page 5,7)

- NPL ratio as of Sep. 30, 2014 at 1.60% (total of 3 group banks), Classified claims (NPL, total of 3 group banks) steadily decreased
- Unrealized gain on available-for-sale securities as of Sep. 30, 2014: Y424.3 bn (total of 3 group banks), unrealized gain increased
- Consolidated capital adequacy ratio (Domestic Std.): 13.71% (preliminary)
- Consolidated common equity Tier1 ratio (Int'l Std.): 7.15% (reference)

Public funds: Fully repaid the public funds received under the Deposit Insurance Law (Page 6)

- => Total amount repaid: Y3tn (injected amount basis), Amount of public funds to be repaid: Y128.0 bn (injected amount basis)
- In June 2014: Paid Y32.0 bn (injected amount basis) as special preferred dividends for a repayment of RCC preferred shares
- In July 2014: Fully repaid the public funds injected under the Deposit Insurance Law by repurchasing and cancelling Y196.0 bn (injected amount basis) of DIC preferred shares

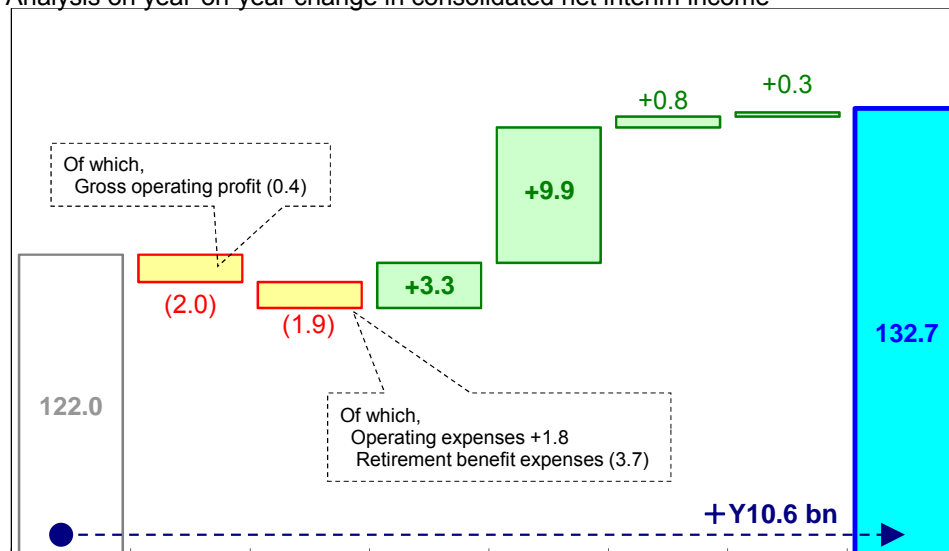
	Total of 3 group banks (Non-consolidated)			Resona Bank (Non-consolidated)			Saitama Resona Bank (Non-consolidated)			Kinki Osaka Bank (Non-consolidated)		
	1H FY2014	YoY change	Change from forecast	YoY change	Change from forecast	YoY change	Change from forecast	YoY change	Change from forecast	YoY change	Change from forecast	
Gross operating profit	285.3	(0.4)	+6.8	191.5	+2.4	+5.5	68.1	(0.8)	+0.6	25.7	(2.0)	+1.2
Operating expenses	(165.8)	+1.8	+4.7	(108.9)	+1.2	+3.1	(38.1)	+0.0	+0.4	(18.7)	+0.5	+0.7
Actual net operating profit*2	119.4	+1.3	+11.4	82.5	+3.6	+8.5	30.0	(0.8)	+1.0	6.9	(1.5)	+1.9
Cost income ratio (after NPL disposal in the trust account)	58.1%	(0.5)%		56.8%	(1.4)%		55.9%	+0.6%		73.0%	+3.4%	

\*1. Net gains/(losses) on bonds + derivatives (relating bonds)

\*2. Actual net operating profit: net operating profit before NPL disposal in the trust account and before provision to general reserve for possible loan losses

(Billions of Yen)

Analysis on year-on-year change in consolidated net interim income



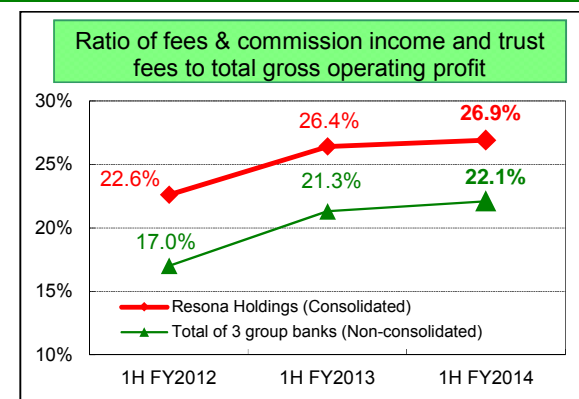
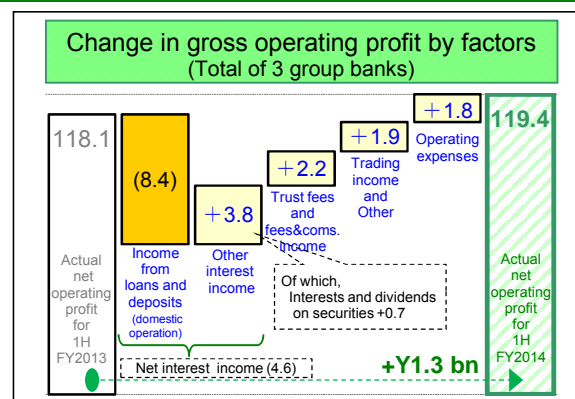
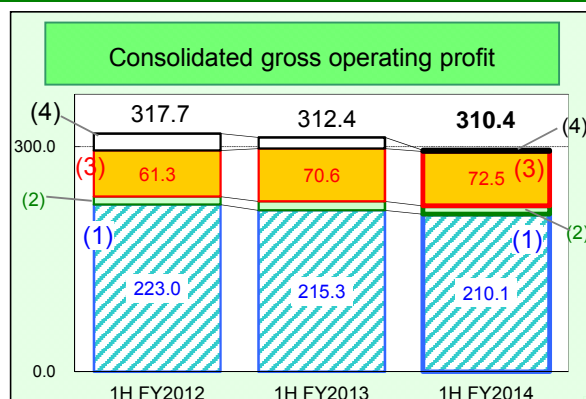
1H FY'13 net interim income    Gross operating profit    Operating expenses    Net gains on stocks    Net credit expenses    Other gains/losses, net    Income taxes and other    1H FY'14 net interim income

Resona Holdings (Consolidated)	1H FY2014 (Announced in May 2014)			Resona Holdings (Non-consolidated)	1H FY2014 (Announced in May 2014)		
	YoY change	Change from forecast			YoY change	Change from forecast	
Ordinary profit	187.7	+13.3	+71.2	Ordinary profit	24.1	(98.4)	+0.6
Net interim income	132.7	+10.6	+58.7	Net interim income	24.2	(99.0)	+0.7

(Billions of Yen)

## II. Outline of Financial Results for 1H of FY2014

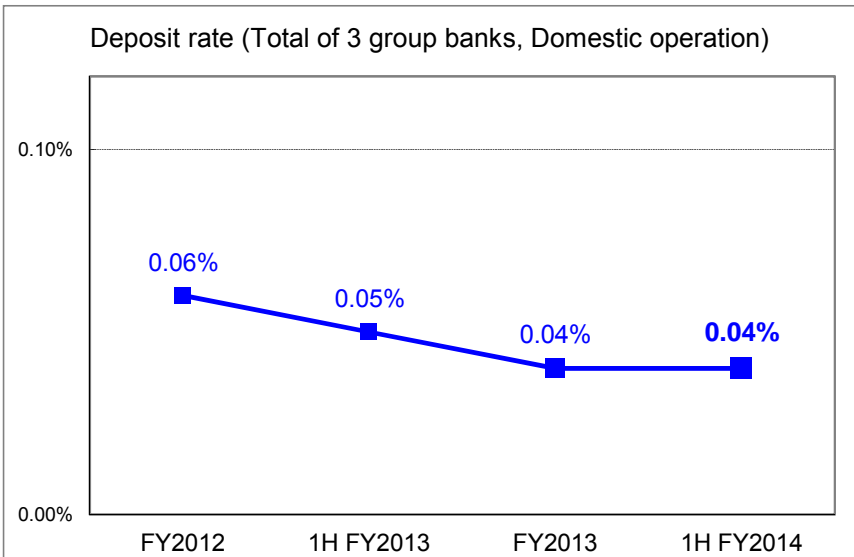
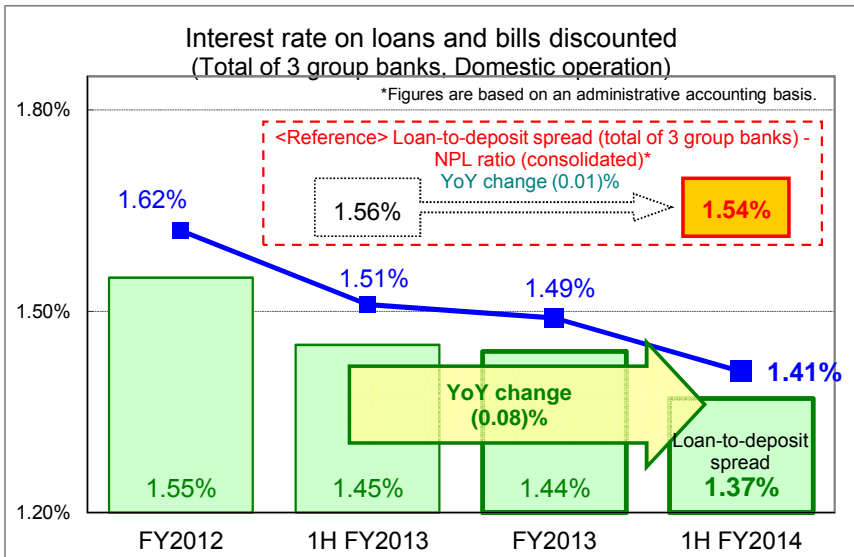
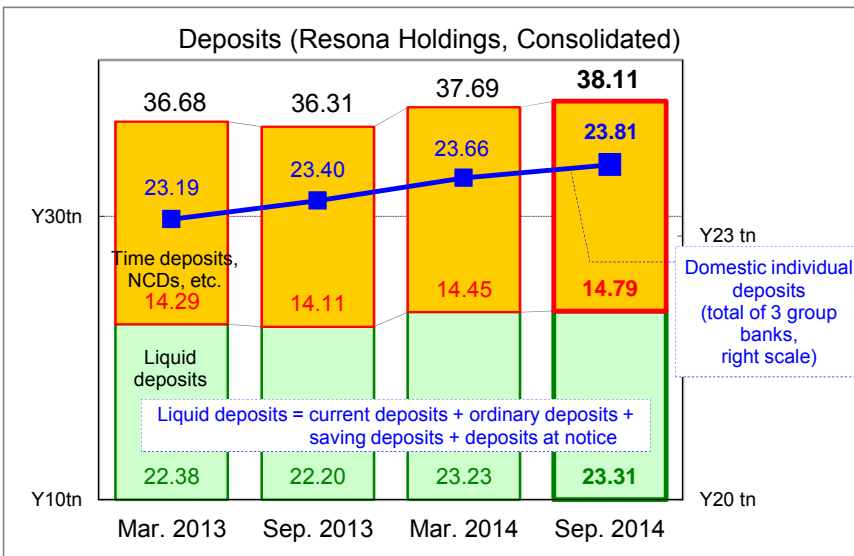
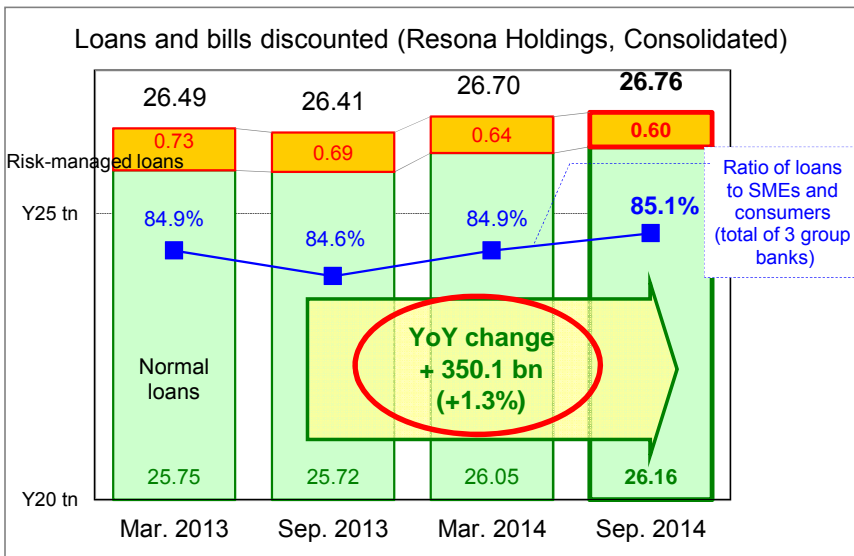
	Resona Holdings (Consolidated)		Difference (A) – (B)	Total of 3 group banks (Non-consolidated)			Factors accounting for the difference (A)-(B) (Approx. figures) RC: Resona Card, RG: Resona subsidiaries		
	(A)	YoY change		(B)	YoY change	Resona			
Gross operating profit	310.4	(2.0)	+25.0	285.3	(0.4)	191.5	68.1	25.7	
(1) Net interest income	210.1	(5.1)	+3.9	206.2	(4.6)	130.4	56.3	19.4	RC 1.2 bn and other
Income from loans and deposits				175.9	(8.4)	110.3	48.3	17.3	Domestic operations, Banking account and Deposits include NCDs
(2) Trust fees	11.2	(0.6)	(0.0)	11.2	(0.6)	11.2	—	—	
(3) Fees and commission income	72.5	+1.9	+20.6	51.9	+2.8	36.7	10.1	5.0	RG 13.5 bn, RC 6.6 bn and other
(4) Other operating income	16.4	+1.8	+0.4	15.9	+1.9	13.0	1.6	1.2	
Net gains/(losses) on bonds	9.4	(1.2)	—	9.4	(1.2)	7.0	1.2	1.1	Net gains on bonds + derivatives (relating bonds)
Actual net operating profit				119.4	+1.3	82.5	30.0	6.9	Net operating profit before NPL disposal in the trust account and before provision to general reserve for possible loan losses
Operating expenses (including non-recurring items)	(177.6)	(1.9)	(8.9)	(168.6)	(1.8)	(109.4)	(39.4)	(19.7)	RC (5.4) bn, RG (1.5) bn and other
Operating expenses				(165.8)	+1.8	(108.9)	(38.1)	(18.7)	
Net gains/(losses) on stocks	23.4	+3.3	+0.0	23.4	+3.3	23.5	(0.1)	0.0	
Credit related expenses, net	23.9	+9.9	+0.8	23.1	+8.2	21.1	0.3	1.6	RG 2.6 bn, RC (1.1) bn and other
Other gain/(loss), net	5.8	+0.8	+1.1	4.7	+2.1	3.6	1.0	(0.0)	
Income before income taxes	186.1	+10.2	+18.1	168.0	+11.3	130.4	29.9	7.6	
Income taxes and other	(53.4)	+0.3	(7.6)	(45.7)	+2.9	(34.2)	(10.3)	(1.2)	Minority interests in net income (2.5) bn, Income tax of RHD and other (5.1) bn
Net interim income	132.7	+10.6	+10.4	122.2	+14.3	96.2	19.5	6.4	



Note 1. Amounts less than 0.1 billion yen are rounded down

Note 2. In principle, figures are based on non-consolidated figures of group banks

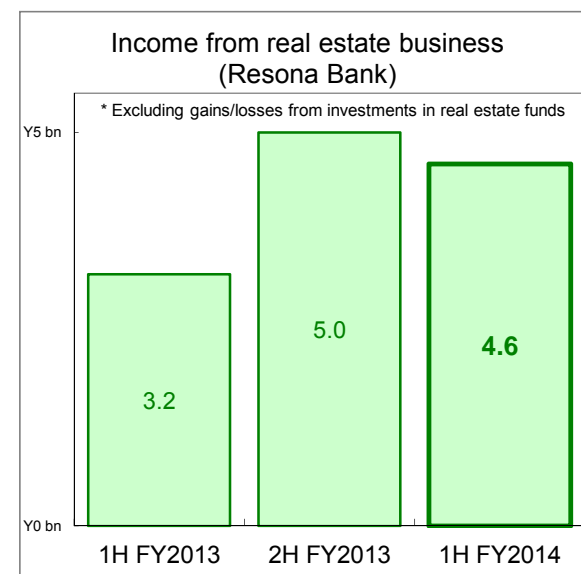
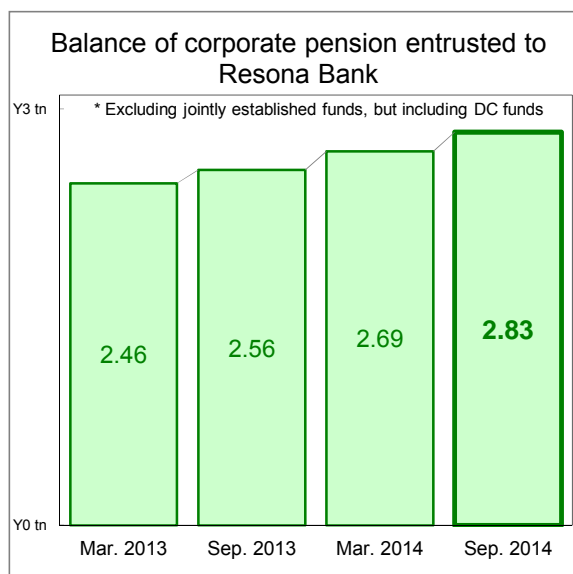
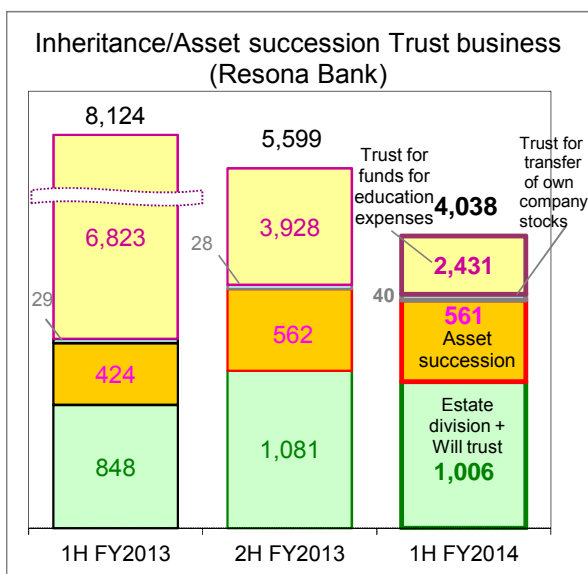
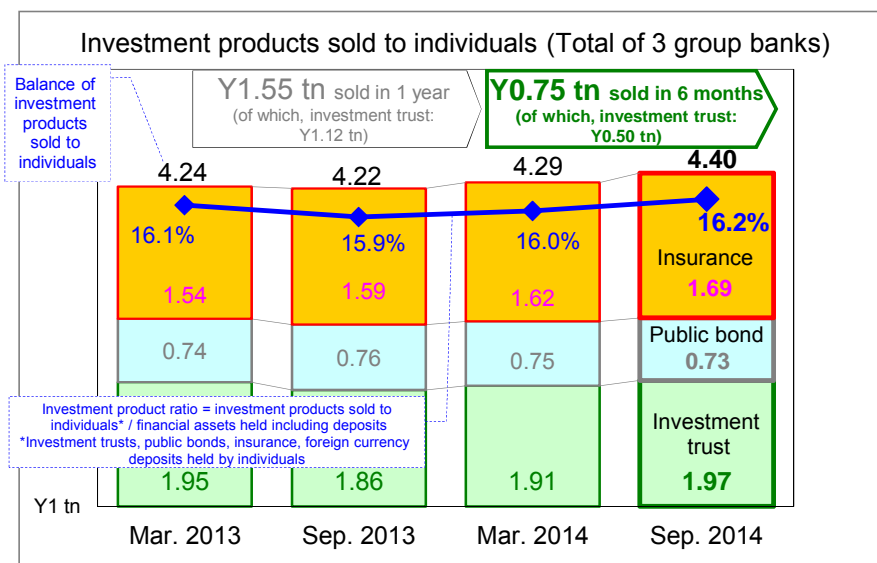
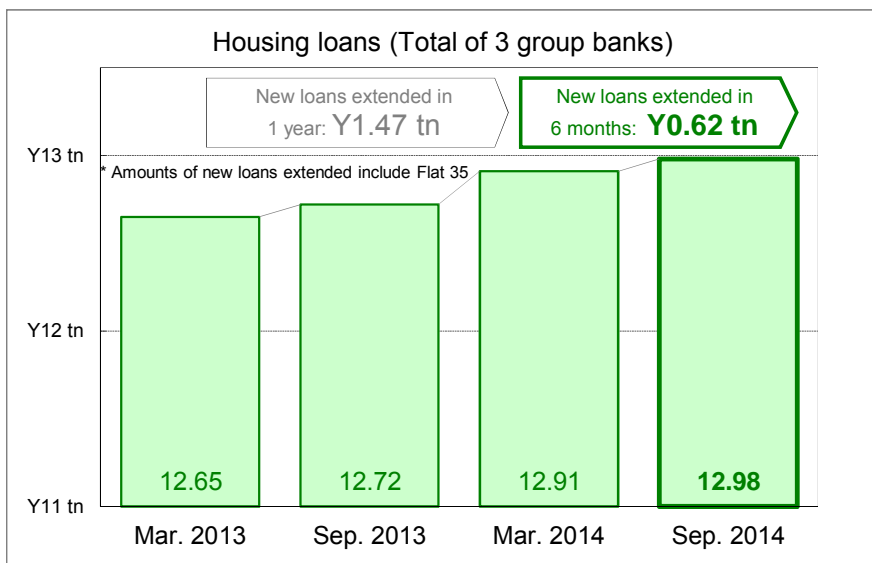
III. Deposits, Loans and Bills discounted



Note 1. Amounts less than 0.1 billion yen are rounded down  
 Note 2. In principle, figures are based on non-consolidated figures of group banks

**IV. Resona's Core Business**

\*Figures are based on an administrative accounting basis.



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(Billions of Yen)

## V. Classified Claims (NPL) and Credit Related Expenses

	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
<b>Total credit-related expenses</b>	<b>23.1</b>	21.1	0.3	1.6
Change from Sep. 30, '13	+8.2	+5.8	(0.4)	+2.8
(1) New bankruptcy, downward migration	<b>(14.5)</b>	(8.5)	(3.6)	(2.2)
Change from Sep. 30, '13	+0.9	(1.4)	+0.8	+1.4
(2) Upward migration	<b>4.0</b>	3.1	0.8	0.1
Change from Sep. 30, '13	(1.4)	(0.7)	(0.1)	(0.6)
(3) Off-balancing and other	<b>15.9</b>	13.4	1.3	1.0
Change from Sep. 30, '13	+3.4	+2.8	(0.6)	+1.2
(4) Provision of general reserve	<b>17.6</b>	13.1	1.8	2.6
Change from Sep. 30, '13	+5.3	+5.0	(0.5)	+0.7

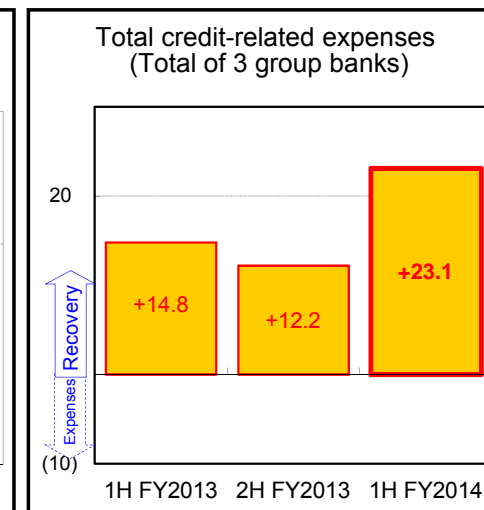
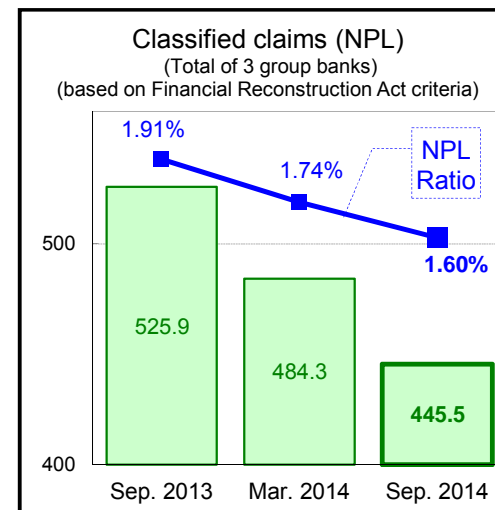
- (1) Loss from new bankruptcy or deterioration in borrower category, etc.  
(2) Reversal of loan loss reserve due to improvements in borrower category, etc.  
(3) Collection of claims from "doubtful" or lower category borrowers, gain from reversal of loan loss reserve due to off-balancing, and gain from recoveries of write-off claims  
(4) Net impact of actual transfer to and reversal from general reserve for possible loan losses

	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Unrecoverable or valueless claims	57.0	33.1	14.6	9.2
Risk claims	287.4	159.3	72.4	55.5
Special attention loans	101.0	64.1	23.3	13.5
<b>Total classified claims (NPL)</b>	<b>445.5</b>	256.6	110.4	78.4
Change from Mar. 31, '14	(38.8)	(29.0)	+0.1	(9.9)
<b>NPL ratio <sup>*1</sup></b>	<b>1.60%</b>	1.38%	1.62%	3.11%
Change from Mar. 31, '14	(0.14)%	(0.16)%	(0.01)%	(0.31)%

\*1. NPL ratio = Total classified claims / Total claims defined under the Financial Reconstruction Act. (Banking and trust accounts) (Total of 3 group banks)

\*2. Reported figures do not include stocks issued by subsidiaries and affiliated companies and unlisted stocks.

\*3. The presented figures only include marketable securities. The figures presented in the table include securities, negotiable certificates of deposit (NCDs) included in "cash and due from banks" and a portion of "monetary claims bought."



## VI. Unrealized gains/(losses) on securities

	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Held to maturity	69.1	41.0	21.6	6.4
<b>Available for sale <sup>*3</sup></b>	<b>424.3</b>	326.1	83.0	15.2
Change from Mar. 31, '14	+91.5	+74.7	+2.7	+4.0
Bonds	<b>15.2</b>	3.0	8.6	3.5
Stocks	<b>402.6</b>	321.6	73.7	7.2
Other	<b>6.4</b>	1.3	0.6	4.4
<b>Balance of stock held (acquisition cost) <sup>*2</sup></b>	<b>331.9</b>	263.9	63.5	4.4

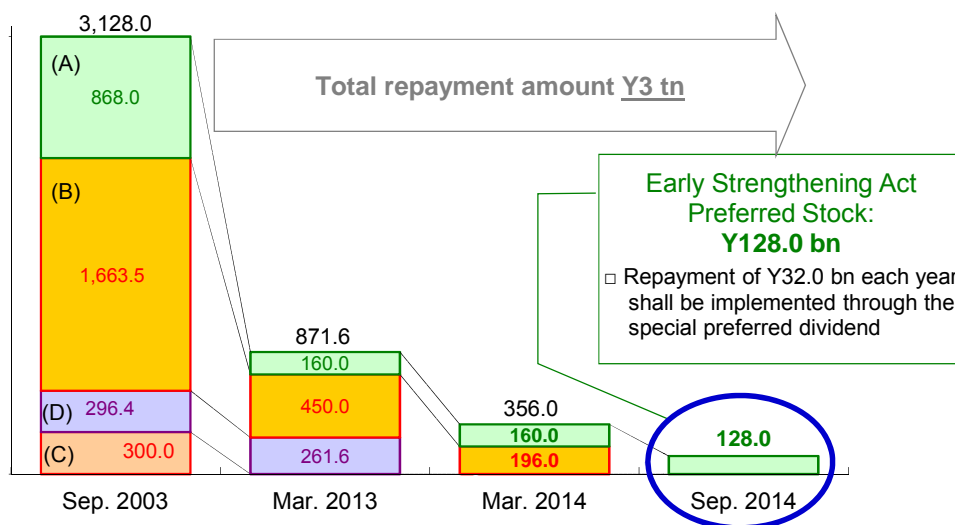
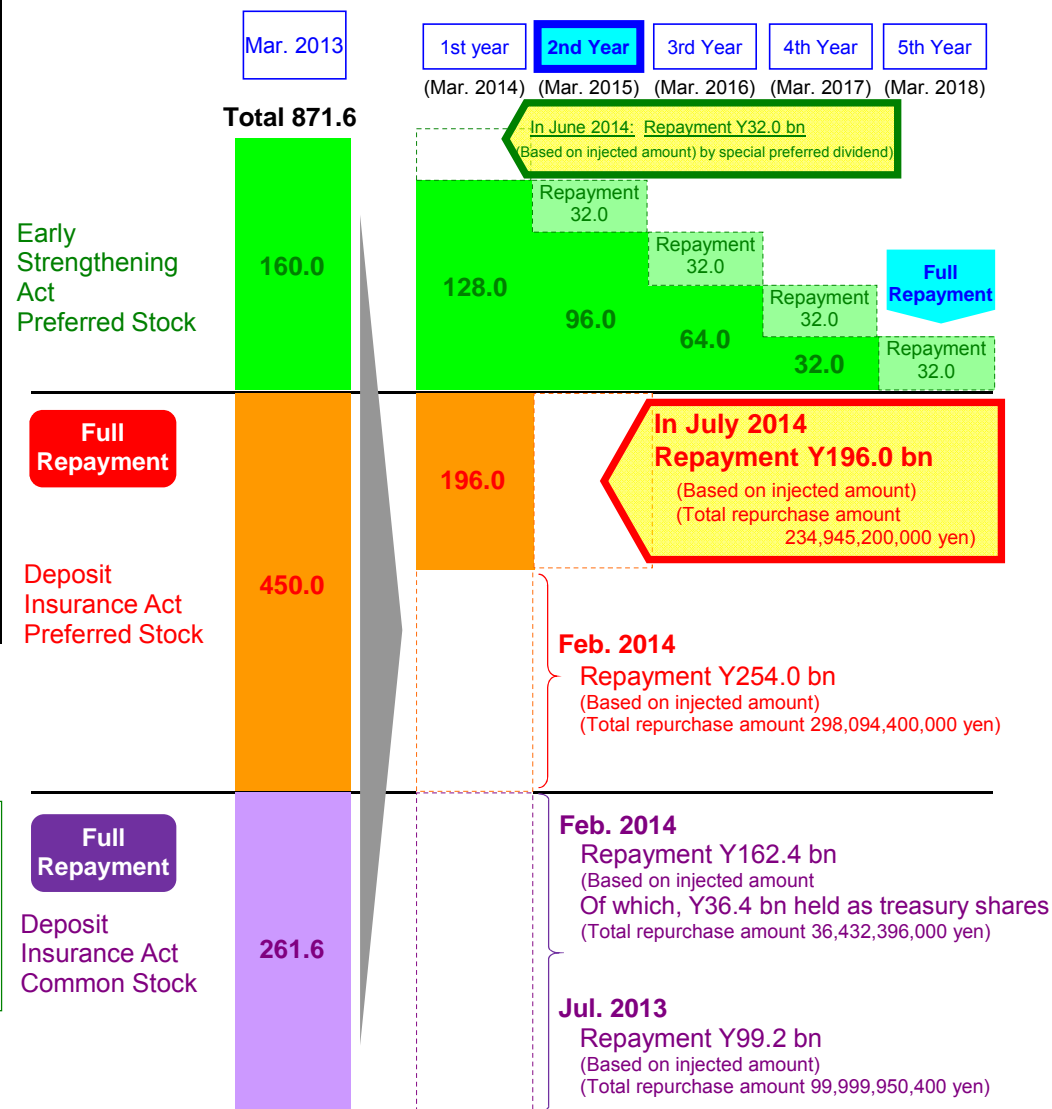
Note 1. Amounts less than 0.1 billion yen are rounded down

Note 2. In principle, figures are based on non-consolidated figures of group banks

VII. Status of Public Funds

	Amount Sep. 30, 2003 (1)	Amount Sep. 30, 2014 (2)	(2) - (1)	Time of Repayment
Total public funds received	3,128.0	128.0	(3,000.0)	
Preferred shares	2,531.5	128.0	(2,403.5)	
(A) Early Strengthening Act	868.0	128.0	(740.0)	
Class B	408.0	—	(408.0)	Fully repaid in Mar. '09
Class C	60.0	48.0	(12.0)	Repaid Y12.0bn in Jun. '14
Class E	300.0	—	(300.0)	Fully repaid in Mar. '09
Class F	100.0	80.0	(20.0)	Repaid Y20.0bn in Jun. '14
(B) Deposit Insurance Act	1,663.5	—	(1,663.5)	
Class 1	550.0	—	(550.0)	Fully repaid in Mar. '11
Class 2	563.5	—	(563.5)	Fully repaid in Mar. '11
Class 3	550.0	—	(550.0)	Fully repaid in Jul. '14
(C) Subordinated debts	300.0	—	(300.0)	
Financial Function Stabilization Act	200.0	—	(200.0)	Fully repaid in Oct. '05
Early Strengthening Act	100.0	—	(100.0)	Fully repaid in Mar. '09
(D) Common shares	296.4	—	(296.4)	Fully repaid in Feb. '14

Outline of "Public Funds Full Repayment Plan" (Announced in May 2013) and Progress to Date

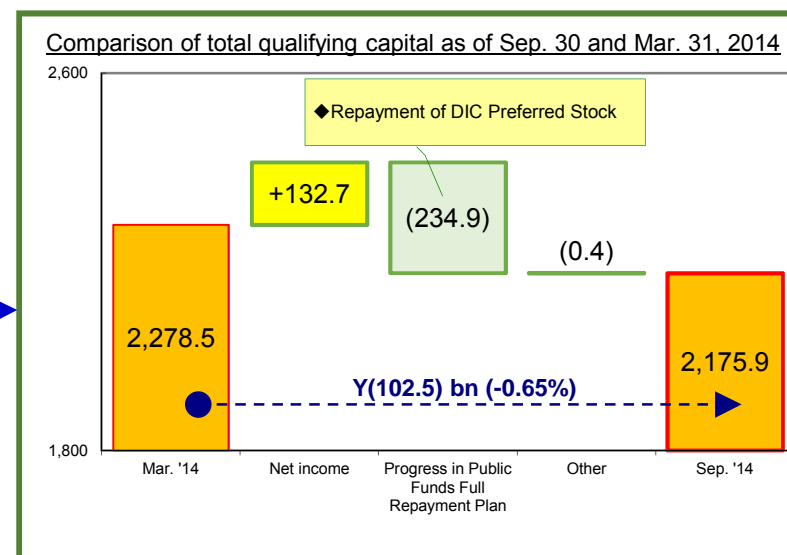


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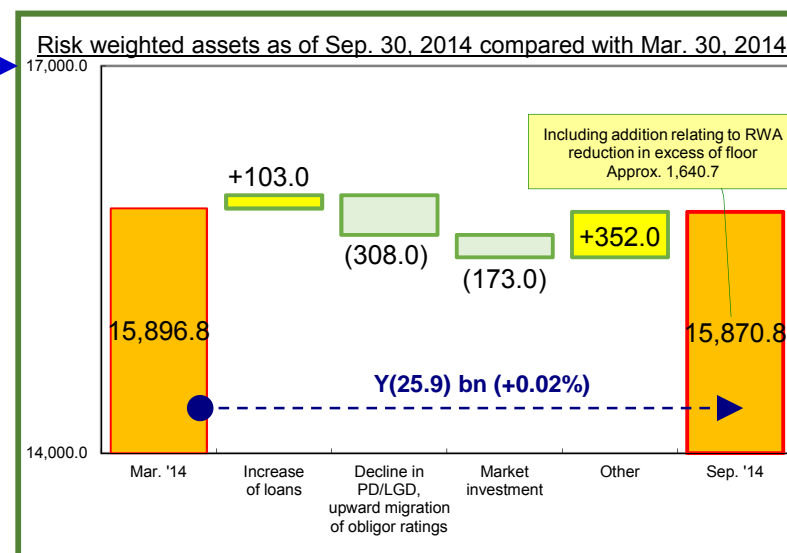
VIII. Capital Adequacy Ratio

Japanese Domestic Standard (Billions of Yen/ %)	Resona Holdings (Consolidated)			Regulatory minimum ratio
	Mar. 2014	Sep. 2014	Change from Mar. 2014	
Capital adequacy ratio <sup>*1</sup>	14.33%	<b>13.71%</b>	(0.62)%	4.0%
Total qualifying capital	2,278.5	2,175.9	(102.5)	
Core Capital: instruments and reserves	2,285.7	2,182.7	(103.0)	
Core Capital: regulatory adjustments	7.2	6.7	(0.4)	
Risk weighted assets <sup>*2</sup>	15,896.8	15,870.8	(25.9)	

Regulatory  
minimum  
ratio  
4.0%



(Reference) International Standard	Mar. 2014	Sep. 2014	Change from Mar. 2014
Common Equity Tier 1 ratio	7.73%	7.15%	(0.58)%
Tier 1 ratio	9.38%	8.79%	(0.59)%
Total capital adequacy ratio	13.68%	13.25%	(0.43)%



Japanese Domestic Standard (Billions of Yen/ %)	Resona (Consolidated)		Saitama Resona (Non-consolidated)		Kinki Osaka (Consolidated)	
	Mar. 2014	Sep. 2014	Mar. 2014	Sep. 2014	Mar. 2014	Sep. 2014
Capital adequacy ratio <sup>*1</sup>	13.37%	<b>14.28%</b>	13.40%	<b>13.60%</b>	13.20%	<b>11.25%</b>
Total qualifying capital	1,547.5	1,650.4	435.5	449.1	176.8	152.6
Core Capital: instruments and reserves	1,555.3	1,653.3	449.3	464.6	176.8	152.6
Core Capital: regulatory adjustments	7.7	2.9	13.8	15.4	-	-
Risk weighted assets <sup>*2</sup>	11,572.4	11,555.6	3,248.4	3,300.5	1,338.5	1,356.4

\*1. Capital adequacy ratio is calculated in accordance with the Notification on Capital Adequacy (Basel 3).

\*2. For the methodology to calculate the credit risk-weighted assets, Resona Holdings, Resona Bank and Saitama Resona Bank adopt the A-IRB approach, and Kinki Osaka Bank adopts the F-IRB approach.

Note 1. Amounts less than 0.1 billion yen are rounded down

Note 2. In principle, figures are based on non-consolidated figures of group banks



## IX. Earnings Forecasts for Fiscal Year Ending March 31, 2015

	Resona Holdings (Consolidated)			
	1H FY'14 (Actual)	Full year forecast	Change from original forecast	Change from previous year
Consolidated ordinary profit	187.7	<b>285.0</b>	+53.5	(27.1)
<b>Net (interim) income</b>	132.7	<b>190.0</b>	+40.0	(30.6)

	Resona Holdings (Non-consolidated)			
	1H FY'14 (Actual)	Full year forecast	Change from original forecast	Change from previous year
Operating income	27.4	<b>128.5</b>	—	(324.9)
Operating profit	23.8	<b>121.5</b>	—	(325.1)
Ordinary profit	24.1	<b>121.5</b>	—	(323.1)
<b>Net (interim) income</b>	24.2	<b>121.5</b>	—	(323.9)

Forecast for term-end per share dividend on common stock*	15 yen
Forecast for term-end per share dividend on preferred stock*	As pre-determined

\* For details of the status of dividend distribution, please refer to the "Consolidated Financial Results for the First Half of Fiscal Year 2014".

	Total of 3 group banks (approx. figures)				Resona Bank			Saitama Resona Bank			Kinki Osaka Bank		
	1H FY'14 (Actual)	Full year forecast	Change from original forecast	Change from previous year	Full year forecast	Change from original forecast	Change from previous year	Full year forecast	Change from original forecast	Change from previous year	Full year forecast	Change from original forecast	Change from previous year
Gross operating profit	285.3	<b>557.0</b>	—	+1.8	372.5	—	+4.5	135.0	—	(0.5)	49.5	—	(2.2)
Operating expenses	(165.8)	<b>(335.0)</b>	—	(2.4)	(220.5)	—	(1.5)	(76.5)	—	(1.1)	(38.5)	—	(0.4)
Actual net operating profit	119.4	<b>222.0</b>	—	(0.6)	152.0	—	+3.1	58.5	—	(1.5)	11.0	—	(2.6)
Ordinary profit	169.6	<b>258.0</b>	+50.0	(18.8)	197.0	+43.0	(11.4)	52.5	+2.5	(5.9)	8.5	+4.5	(1.3)
<b>Income before income taxes</b>	168.0	<b>252.0</b>	+49.0	(22.0)	191.5	+41.5	(14.8)	52.0	+2.5	(6.0)	8.5	+5.5	(1.0)
<b>Net (interim) income</b>	122.2	<b>172.0</b>	+37.0	(24.8)	132.0	+31.5	(21.4)	34.0	+2.0	(3.4)	6.5	+4.5	+0.6

Net gains/(losses) on stocks	23.4	<b>23.5</b>	+13.5	+1.2	23.5	+14.5	+3.1	—	—	(1.0)	—	(1.0)	(0.7)
Credit related expenses	23.1	<b>10.0</b>	+35.5	(17.1)	15.0	+28.0	(16.5)	(4.0)	+2.5	(2.9)	(0.5)	+5.5	+2.7

The forward-looking statements contained in this presentation may be subject to material change due to various factors. These factors may include changes in the level of stock price in Japan, any development and change related to the government's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group. These forward-looking statements are not intended to provide any guarantees of the Group's future performance. Please also note that the actual performance may differ from these statements.