

Business Results for 1st Half of FY2014 and Future Management Direction



 **Resona Holdings**
RESONA

November 17, 2014

Contents

Outline of Business Results for 1st Half of FY2014 and Updates on Major Businesses

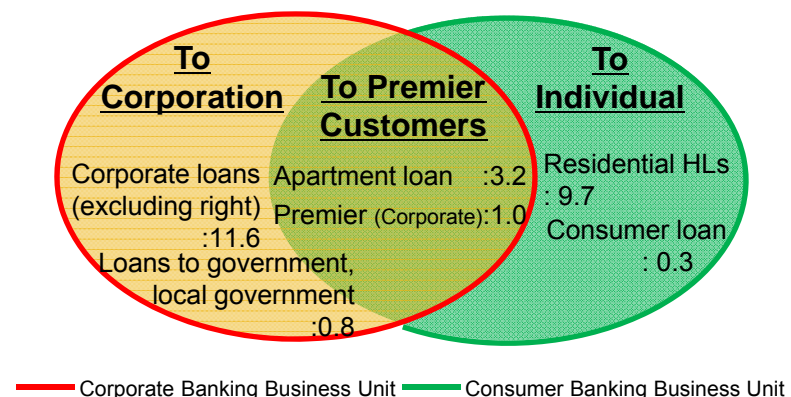
Efforts to Build Solid Foundation for Sustainable Growth

Progress in Public Funds Full Repayment Plan

Reference Material

1. In some pages of this material, names of Resona Group companies are shown in the following abbreviated forms: RHD: Resona Holdings, RB: Resona Bank, SR: Saitama Resona Bank, KO: Kinki Osaka Bank
2. Negative figures represent items that would reduce net income
3. Categorization of loans outstanding defined for a business administration purpose is shown in the right diagram

Total loans outstanding (Term-end balance): JPY26.8 tn*1



*1.Domestic account, Data compiled for a business administration purpose

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Outline of Business Results for 1st Half of FY2014 and Updates on Major Businesses

Efforts to Build Solid Foundation for Sustainable Growth

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Financial Highlights for 1H of FY2014

1. Posted Y132.7 bn of consolidated net interim income

- Increased by Y10.6 bn, or 8.7%, YoY
- Exceeded the forecast by Y58.7 bn, or 79.3%

2. Top-line Income: Steady progress towards a goal of turning it around

- Consolidated loan balance grew by Y350.1 bn, or 1.3%, YoY
 - Balance excluding those to governments and related entities increased by Y430 bn, or 1.7%
- Fee income (total of group banks) increased by Y2.8bn, or 5.7%, YoY
 - Insurance sale, real estate brokerage businesses expanded
- Posted Y9.4bn as net gains on bonds including futures

3. Financial ground: Soundness strengthened even further

- NPL ratio (total of group banks): 1.60%
- Unrealized gain on available-for-sale securities (consolidated): Y424.8bn
- Capital adequacy ratio: 13.71% (Consolidated, Domestic Std.)
- Common equity Tier 1 ratio: 7.15% (Consolidated, Int'l Std., Reference purpose only)

4. Public funds: Fully repaid the public funds received under the Deposit Insurance Law

- In June 2014: Paid Y32.0 bn 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 of DIC preferred shares
- Public funds to be repaid: Y128.0 bn

5. Per share information (Common stock)

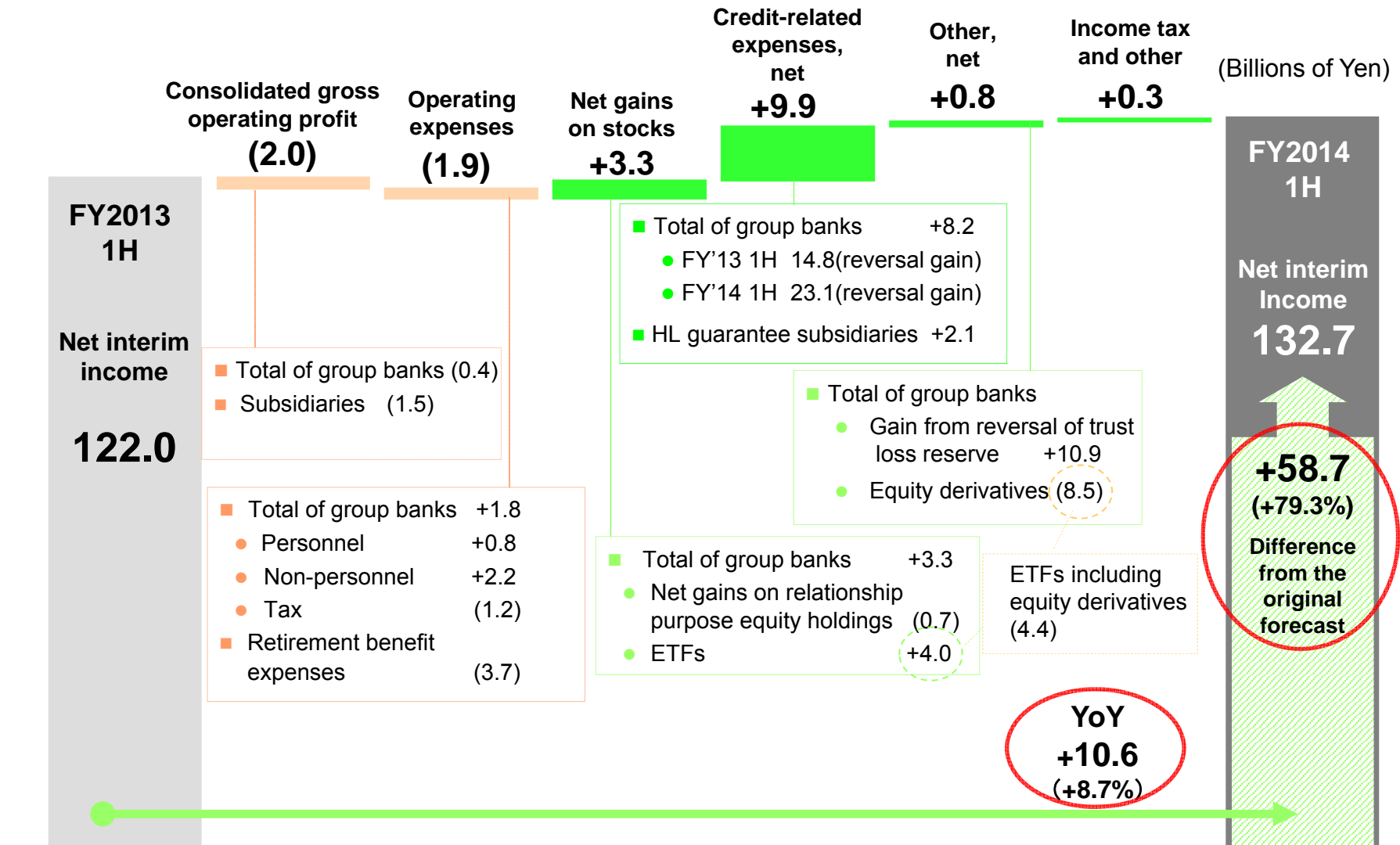
| | FY2013 1H | FY2014 1H |
|--|--------------|--------------|
| (1) Net interim income per share (EPS) | 51.47 yen | 60.67 yen |
| (2) Net assets per share (BPS) | 539.32 yen | 612.66 yen |
| (3) ROE ^{*1} = (1) / (2) above | 19.9% | 20.8% |
| (4) CET1 ROE ^{*2} | — | 20.8% |

*1. For the denominator, simple average of the BPS at the beginning and end of the interim period is used for the calculation.

*2. (Net interim income x 2 – Annual preferred dividends to be paid on non-convertible preferred shares) / CET1 capital
(Simple average of the amounts at the beginning and end of the interim period)

Outline of Results for 1H of FY2014 (RHD Consolidated)

Posted ¥132.7bn as net interim income, + ¥10.6bn YoY, and + ¥58.7bn against the forecast

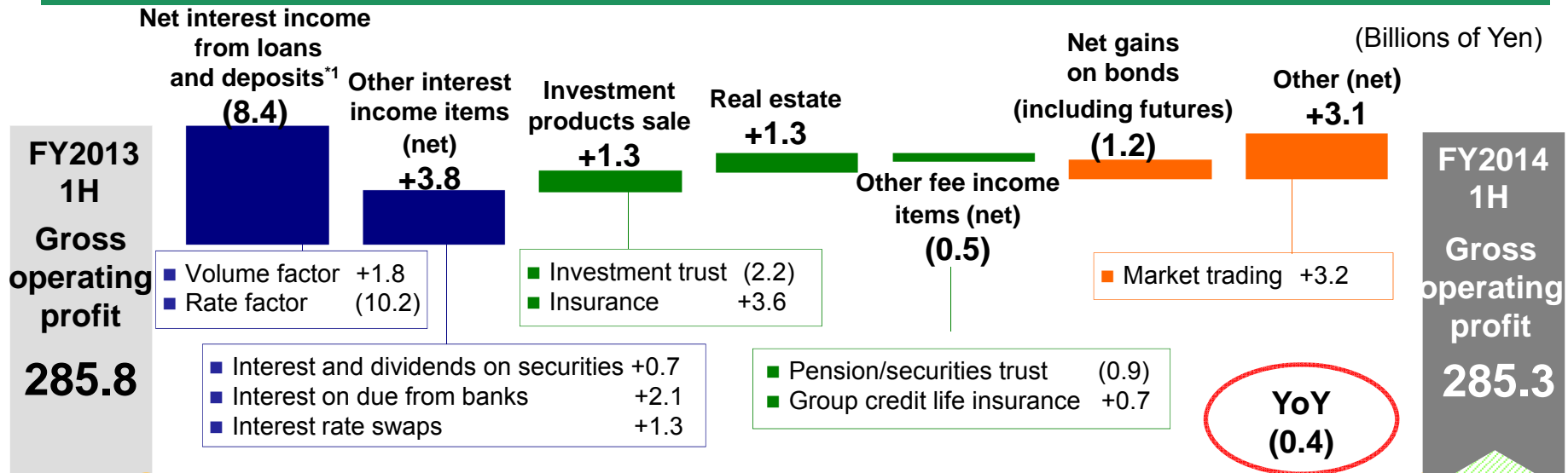


Outline of Financial Results for 1H of FY2014

| (Billions of Yen) | 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, GS: Guarantee subsidiaries | | | |
|--|-----------------------------------|------------|-------------------------|--|------------|--------|---|--------|--------|--|
| | (A) | YoY change | | (B) | YoY change | Resona | | | | Saitama Resona |
| Gross operating profit | (1) | 310.4 | (2.0) | +25.0 | 285.3 | (0.4) | 191.5 | 68.1 | 25.7 | |
| Net interest income | (2) | 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 | (3) | | | | 175.9 | (8.4) | 110.3 | 48.3 | 17.3 | Domestic operations, Banking account and Deposits include NCDs |
| Trust fees | (4) | 11.2 | (0.6) | (0.0) | 11.2 | (0.6) | 11.2 | — | — | |
| Fees and commission income | (5) | 72.5 | +1.9 | +20.6 | 51.9 | +2.8 | 36.7 | 10.1 | 5.0 | GS 13.5 bn, RC 6.6 bn and other |
| Other operating income | (6) | 16.4 | +1.8 | +0.4 | 15.9 | +1.9 | 13.0 | 1.6 | 1.2 | |
| Net gains/(losses) on bonds including futures | (7) | 9.4 | (1.2) | — | 9.4 | (1.2) | 7.0 | 1.2 | 1.1 | Net gains/losses on bonds and bond related derivatives |
| Actual net operating profit | (8) | | | | 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) | (9) | (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 | (10) | | | | (165.8) | +1.8 | (108.9) | (38.1) | (18.7) | |
| Net gains/(losses) on stocks | (11) | 23.4 | +3.3 | +0.0 | 23.4 | +3.3 | 23.5 | (0.1) | 0.0 | |
| Credit related expenses, net | (12) | 23.9 | +9.9 | +0.8 | 23.1 | +8.2 | 21.1 | 0.3 | 1.6 | GS 2.6 bn, RC (1.1) bn and other |
| Other gain/(loss), net | (13) | 5.9 | +0.8 | +1.1 | 4.7 | +2.1 | 3.6 | 1.0 | (0.0) | |
| Income before income taxes | (14) | 186.1 | +10.2 | +18.1 | 168.0 | +11.3 | 130.4 | 29.9 | 7.6 | |
| Income taxes and other | (15) | (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 | (16) | 132.7 | 10.6 | +10.4 | 122.2 | +14.3 | 96.2 | 19.5 | 6.4 | |

Gross Operating Profit for 1H of FY2014 Compared with 1H of FY2013 (Total of Group Banks)

Top-line Income has Steady progressed towards a goal of turning it around



| Net Interest Income (4.6) | | | Fees and Commission Income*2 +2.2 | | | Net Gains on Bonds and Other +1.9 | | |
|--------------------------------------|-----------|-----------|--------------------------------------|-----------|-----------|--|-----------|-----------|
| | FY2013 1H | FY2014 1H | | FY2013 1H | FY2014 1H | | FY2013 1H | FY2014 1H |
| Net interest income | 210.8 | 206.2 | Fees and commission income | 60.9 | 63.2 | Net gains on bonds and other | 14.0 | 15.9 |
| Loans and deposits*1 | 184.3 | 175.9 | Investment trust and Insurance sales | 24.0 | 25.4 | Net gains on bonds (including futures) | 10.6 | 9.4 |
| Interest and dividends on securities | 27.8 | 28.6 | Real estate*3 | 3.2 | 4.6 | Other (net) | 3.3 | 6.5 |
| Other (net) | (1.4) | 1.6 | Pension and securities trusts | 12.0 | 11.1 | | | |
| | | | Other (net) | 21.6 | 21.9 | | | |

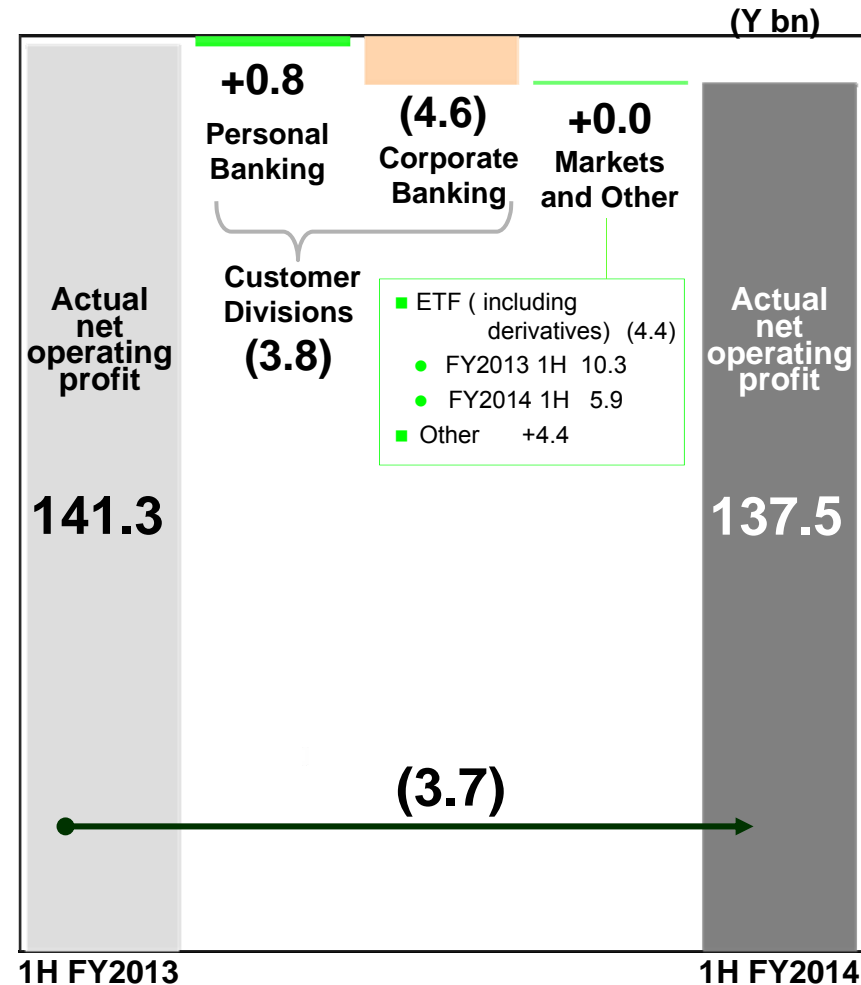
+6.8 (+2.4%) Difference from the original forecast

*1. Domestic operations (Deposits include NCDs)
 *2. Fees and commission income plus trust fees
 *3. Excluding equity investments

Outline of Results by Business Segments (1)

- Actual net operating profit of “Customer Divisions” decreased by Y3.8bn YoY
- Actual net operating profit of “Markets and Other” remained almost flat YoY despite a swing decrease in ETF trading gains

| (Billions of Yen) | | | 1H FY2013 | 1H FY2014 | Change |
|---------------------------|------|-----------------------------|-----------|-----------|--------|
| Customer Divisions | (1) | Gross operating profit | 275.1 | 269.5 | (5.6) |
| | (2) | Operating expense | (165.1) | (163.3) | +1.8 |
| | (3) | Actual net operating profit | 110.0 | 106.1 | (3.8) |
| Personal Banking | (4) | Gross operating profit | 133.6 | 132.0 | (1.6) |
| | (5) | Operating expense | (89.3) | (86.9) | +2.4 |
| | (6) | Actual net operating profit | 44.2 | 45.1 | +0.8 |
| Corporate Banking | (7) | Gross operating profit | 141.4 | 137.4 | (3.9) |
| | (8) | Operating expense | (75.7) | (76.4) | (0.6) |
| | (9) | Actual net operating profit | 65.7 | 61.0 | (4.6) |
| Markets and Other | (10) | Gross operating profit | 35.4 | 35.4 | (0.0) |
| | (11) | Operating expense | (4.1) | (4.0) | +0.1 |
| | (12) | Actual net operating profit | 31.3 | 31.3 | +0.0 |
| Total | (13) | Gross operating profit | 310.6 | 304.9 | (5.6) |
| | (14) | Operating expense | (169.3) | (167.3) | +1.9 |
| | (15) | Actual net operating profit | 141.3 | 137.5 | (3.7) |



Definition of management accounting

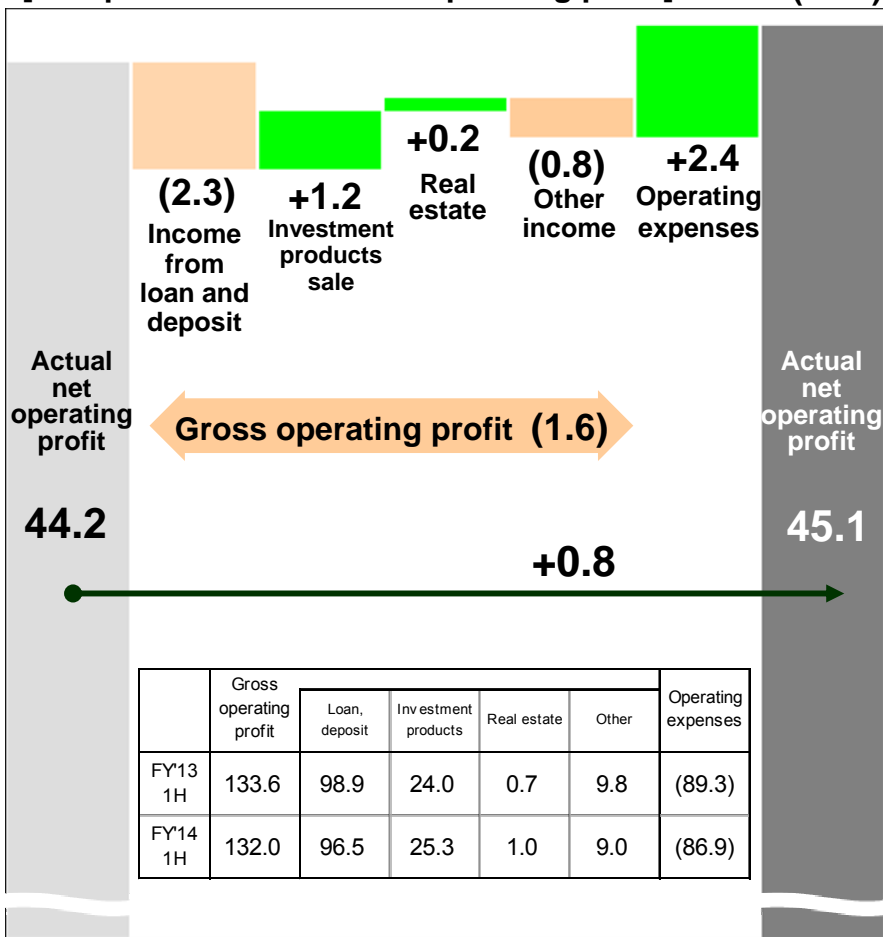
- Numbers reported above refer to 3 Resona Group banks and 3 loan guarantee subsidiaries.
- Gross operating profit of “Markets” segment includes a part of net gains on stocks.
- “Other” segment refers to the divisions in charge of management and business administration.

Outline of Results by Business Segments (2)

Personal Banking Segment

- Actual net operating profit increased by Y0.8bn
 - Investment products sale and real estate brokerage supplemented top-line income

[Comparison of actual net operating profit] (Y bn)



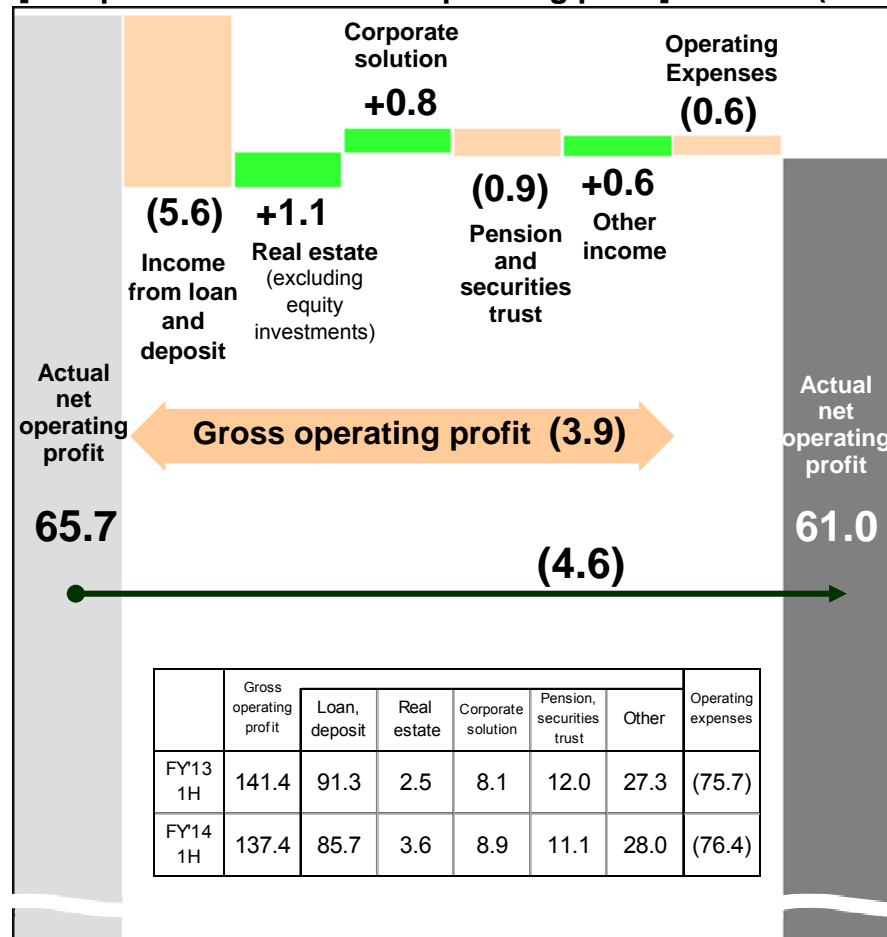
1H FY2013

1H FY2014

Corporate Banking Segment

- Actual net operating profit decreased by Y4.6bn
 - Net interest income from loan and deposit decreased, fee income increased steadily

[Comparison of actual net operating profit] (Y bn)



1H FY2013

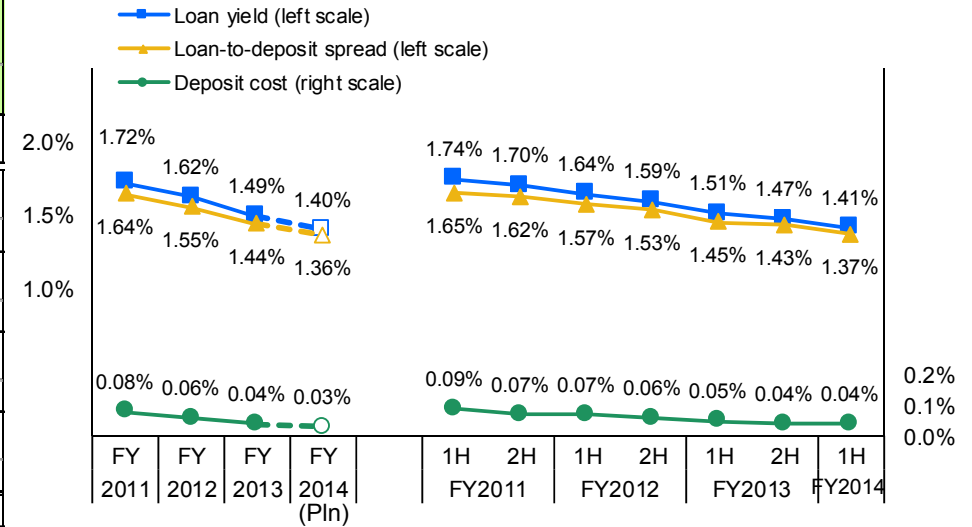
1H FY2014

Trend of Loan and Deposit (Total of Group Banks)

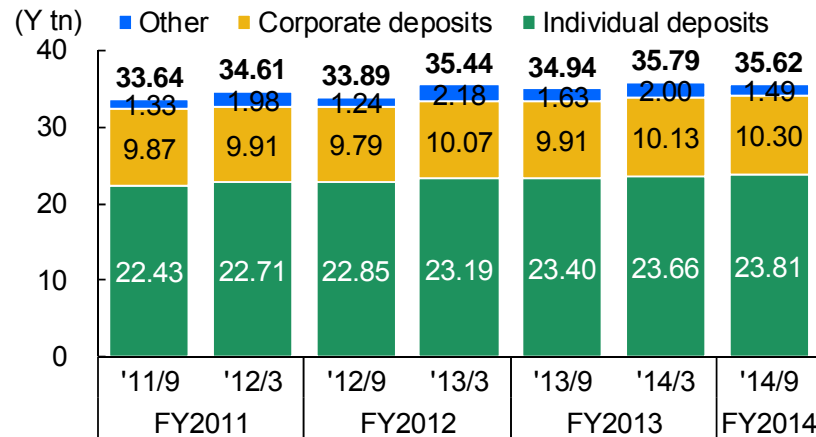
Average loan balance and spread

| (Trillion Yen) | | 1H FY2014 | | FY2014 | | |
|----------------------|------------------------------------|---------------------|---------------|---------------|------------|---------|
| | | (Act) | YoY change | (Plan) | YoY change | |
| Average loan balance | | (1) | 26.36 +1.18% | 26.59 | +1.73% | |
| Domestic acct. | Loans | Average balance (2) | 25.89 +1.08% | 26.15 | +1.74% | |
| | | Yield (3) | 1.41% (0.09)% | 1.39% | (0.09)% | |
| | Corporate Banking Business Unit *1 | Average balance (4) | 14.93 +0.72% | 15.10 | +1.50% | |
| | | Yield (5) | 1.30% (0.09)% | 1.28% | (0.09)% | |
| | Personal Banking Business Unit *1 | Average balance (6) | 10.01 +2.59% | 10.08 | +2.79% | |
| | | Yield (7) | 1.61% (0.09)% | 1.60% | (0.08)% | |
| | Deposits (Including NCDs) | Average balance (8) | 36.82 +2.75% | 36.61 | +1.68% | |
| | | Cost (9) | 0.04% (0.01)% | 0.04% | (0.00)% | |
| | Loan-to-deposit spread | | (10) | 1.37% (0.08)% | 1.35% | (0.08)% |

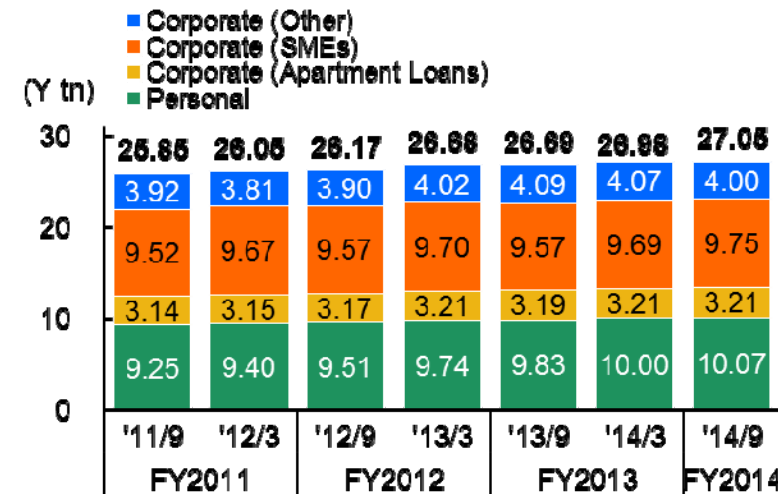
Loan and deposit rates and spread (Domestic Acct.)



Term-end deposit balance



Term-end loan balance

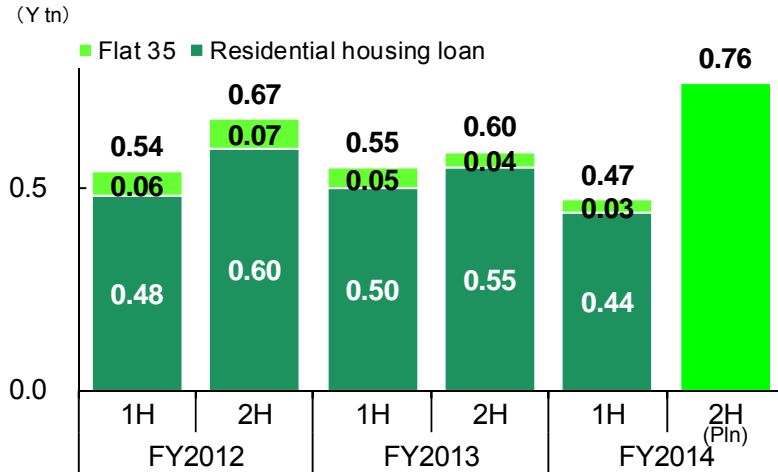


*1. Corporate Banking Business Unit : Corporate loans(excluding loans to governments) + Apartment loans
 Personal Banking Business Unit: Residential housing loans + Consumer loans

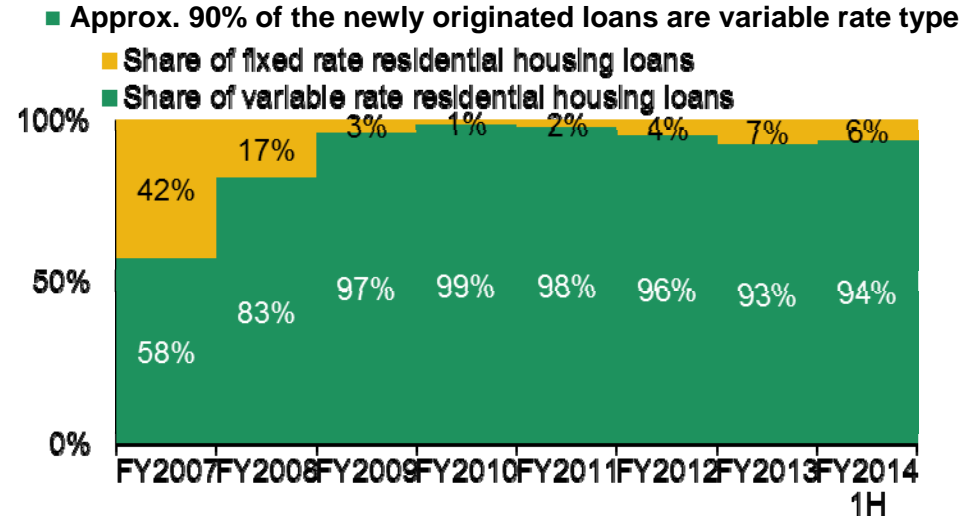
*2. Include the loan extended to Resona Holdings (Y0.27 tn as of '11/9, Y0.24 tn as of '12/3 and '12/9, Y0.19tn as of '13/3, and Y0.30tn as of '13/9, '14/3 and '14/9)

Trend of Residential Housing Loans (Total of Group Banks)

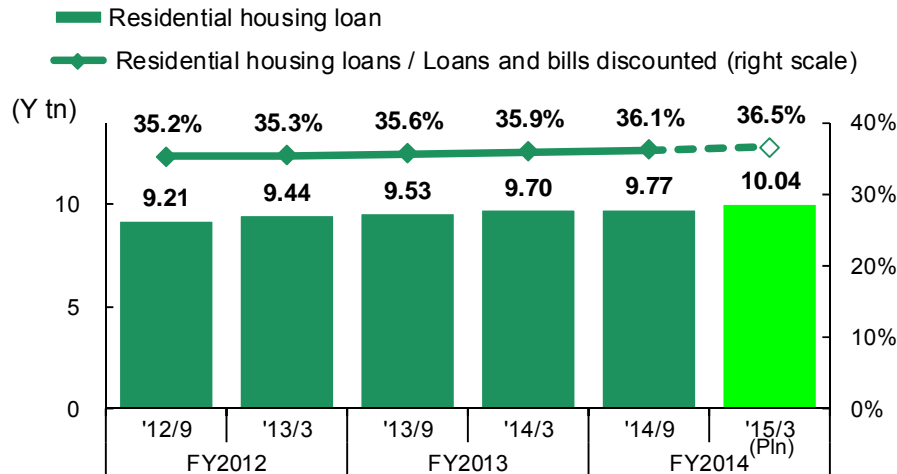
New loan origination



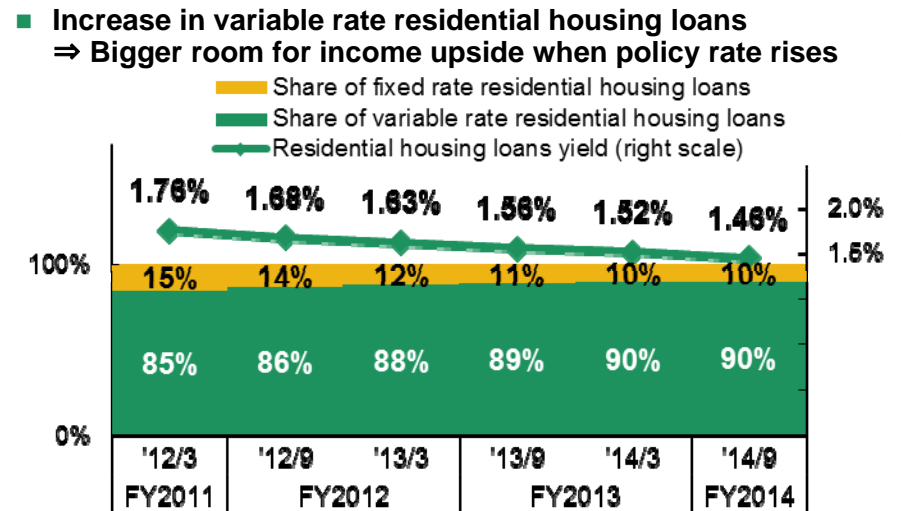
Composition of newly originated residential housing loans by interest rate type



Term-end loan balance

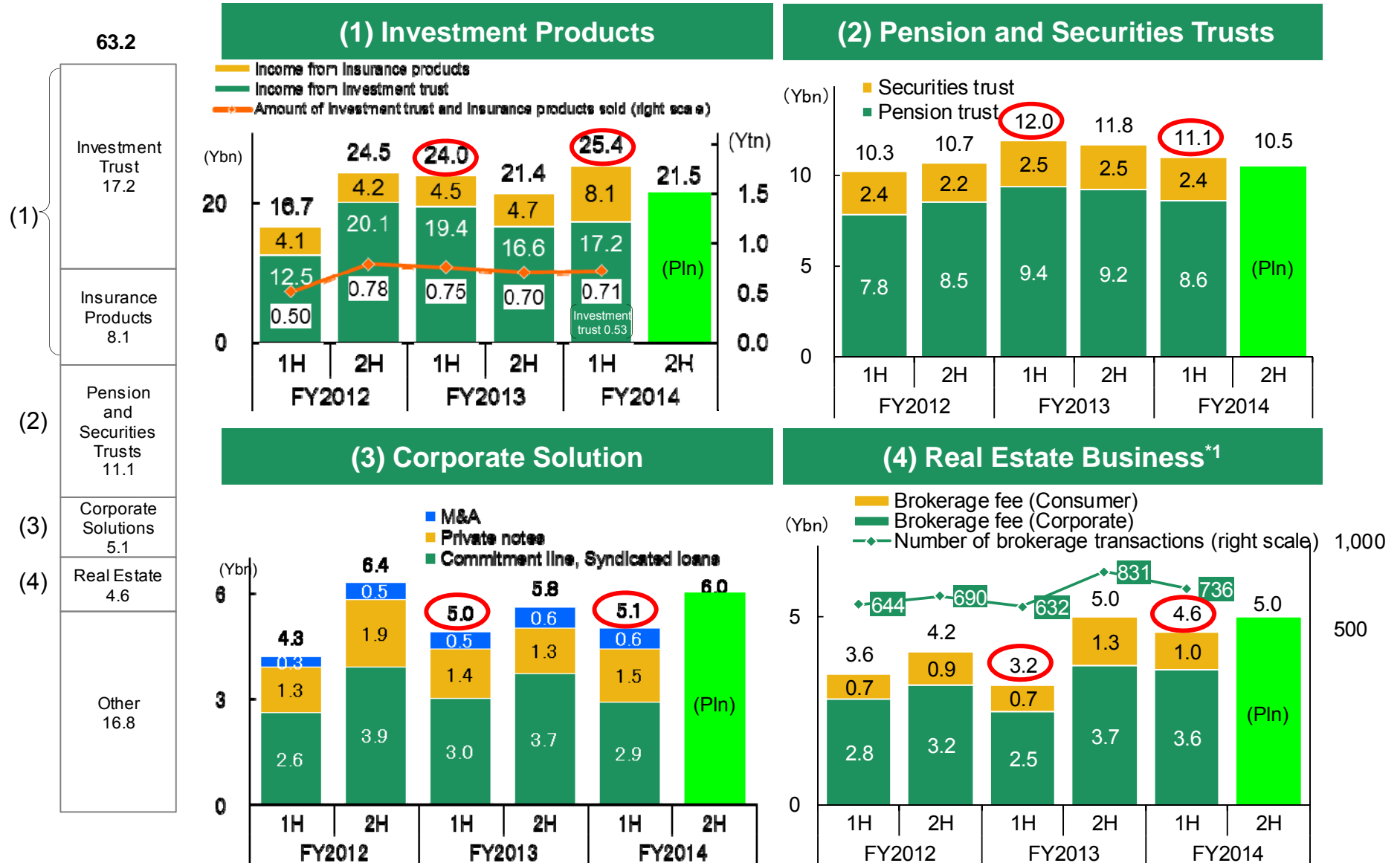


Loan yield on a stock basis and composition by interest rate type



Trend of Fee Businesses (Total of Group Banks)

Fees and commission income plus trust fees earned in 1H FY2014 : Y63.2bn



*1. Excluding gains from investments in real estate fund

Credit Costs and NPL

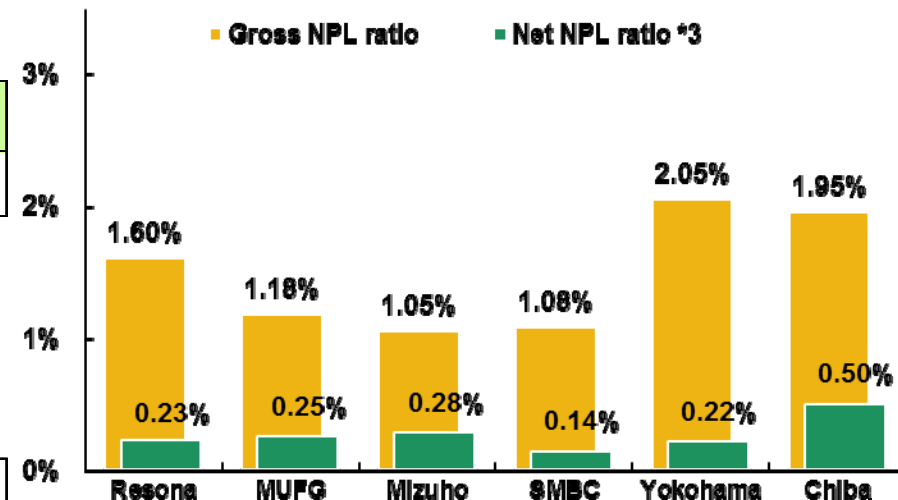
Trend of credit costs

(Note) Positive figures represent reversal gains

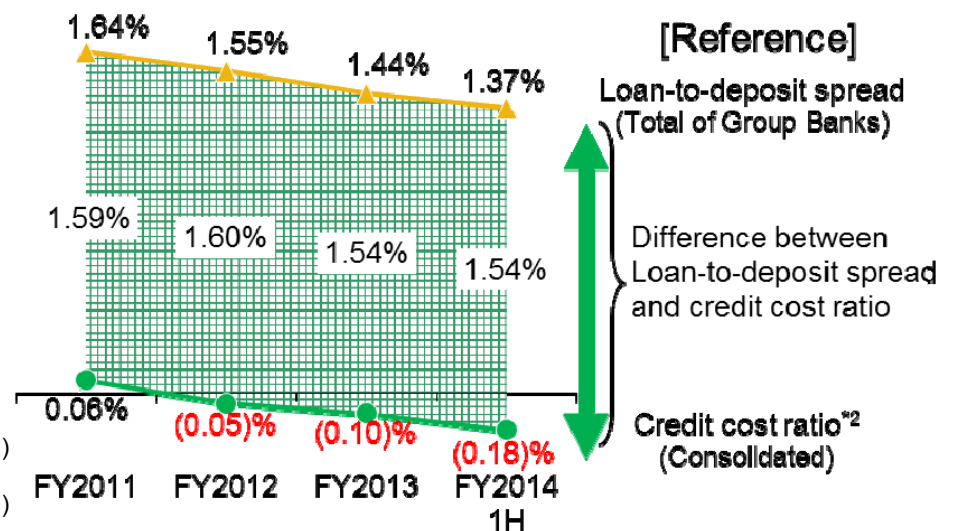
| (Y bn) | | FY2012 | FY2013 | | FY2014 | |
|---|------|--------|--------|--------|--------|-------|
| | | | 1Q | | 1Q | Plan |
| Net credit cost (Total of group banks (A)) | (1) | 21.4 | 14.8 | 27.1 | 23.1 | 10.0 |
| General reserve | (2) | 29.4 | 12.2 | 28.4 | 17.6 | |
| Specific reserve and other items | (3) | (7.9) | 2.5 | (1.3) | 5.4 | |
| New bankruptcy, downward migration | (4) | (45.2) | (15.4) | (36.8) | (14.5) | |
| Collection/upward migration | (5) | 37.2 | 18.0 | 35.4 | 20.0 | |
| Difference (B) - (A) | (6) | (8.3) | (0.8) | (0.6) | 0.8 | (1.5) |
| of which, HL guarantees subsidiaries | (7) | (5.7) | 0.5 | 1.4 | 2.6 | |
| of which, Resona Card | (8) | (1.1) | (1.3) | (1.4) | (1.1) | |
| Net credit cost (RHD consolidated (B)) | (9) | 13.0 | 13.9 | 26.4 | 23.9 | 8.5 |
| <Credit cost ratio> | | | | | | |
| Total of group banks ^{*1} | (10) | (7.9) | (10.8) | (9.8) | (16.6) | (3.5) |
| RHD consolidated ^{*2} | (11) | (4.9) | (10.3) | (9.7) | (17.5) | (3.1) |

- *1. Credit cost / total credits defined under the Financial Reconstruction Act (Simple average of the balances at the beginning and end of the term, annualized)
- *2. Credit cost / (Loans and bills discounted + acceptances and guarantees) (Simple average of the balances at the beginning and end of the term, annualized)
- *3. Net of collateral, guarantees and loan loss reserves

Comparison: Gross and net NPL ratio



Trend of Loan-to-deposit spread after credit cost



Securities Portfolio

Seeking to obtain additional income via flexible portfolio rebalancing in accordance with the prevailing market conditions

■ Trend of Securities Portfolio (HD consolidated)

| (Ybn) | | Mar.2003 | Mar.2007 | Mar..2014 | Sep..2014 | Unrealized gain |
|---|------|----------|----------|-----------|-----------|-----------------|
| Available-for-sale securities^{*1} | (1) | 6,005.1 | 6,396.5 | 6,201.1 | 5,412.2 | 424.8 |
| Stocks | (2) | 1,319.0 | 390.4 | 331.9 | 332.2 | 403.0 |
| Bonds | (3) | 4,433.0 | 4,951.7 | 5,553.5 | 4,763.3 | 15.2 |
| JGBs | (4) | 3,811.0 | 3,927.6 | 4,453.5 | 3,606.6 | 4.0 |
| Average duration (years) | (5) | | 1.2 | 3.1 | 3.4 | |
| (BPV) | (6) | | | (1.41) | (1.26) | |
| Local government and corporate bonds | (7) | 622.0 | 1,024.1 | 1,099.9 | 1,156.6 | 11.1 |
| Other | (8) | 253.0 | 1,054.4 | 315.6 | 316.6 | 6.4 |
| Foreign securities | (9) | 112.6 | 244.0 | 153.4 | 220.6 | 0.6 |
| Unrealized gain/(loss) | (10) | (25.8) | 432.9 | 333.2 | 424.8 | |
| Bonds held to maturity^{*2} | (11) | 2.5 | 148.4 | 2,150.7 | 2,324.9 | |
| Unrealized gain/(loss) | (12) | 0.0 | (0.3) | 67.8 | 69.1 | |

■ JGB Portfolio (Available-for-sale securities)

■ 1 year or less ■ 1-3 years ■ 3-5 years
■ 5-7 years ■ over 7 years

■ **Other**

- Foreign securities include Y188.7bn of U.S. treasuries

■ Stocks

- Breakeven Nikkei average: Approx. 5,900 yen
- Reduced relationship-purpose stock holdings by approx. Y1 trillion on an acquisition cost basis from the level in March 2003
- Continue efforts to reduce the balance further

[Historical stockholdings to total assets^{*3}]

| Period | Stockholdings (Resona) (Ybn) | Ratio to Total Assets (Resona) | Ratio to Total Assets (Avg. of megabank groups) |
|----------|------------------------------|--------------------------------|---|
| Mar. '03 | 1,397.0 | 3.10% | 3.10% |
| Mar. '04 | 693.0 | 1.65% | 2.40% |
| Mar. '13 | 336.9 | 0.78% | 1.41% |
| Mar. '14 | 331.6 | 0.74% | 1.34% |
| Sep. '14 | 331.9 | 0.73% | 1.28% |

■ Stockholdings (Resona)
—◆— Ratio to Total Assets (Resona)
-▲- Ratio to Total Assets (Avg. of megabank groups)

^{*1}. Acquisition cost basis. The presented figures include only marketable securities
^{*2}. Balance sheet amount basis. The presented figures include only marketable securities
^{*3}. Securities held as "available-for-sale securities" (Total of group banks)

Capital Adequacy Ratio (Consolidated, Domestic Standard)

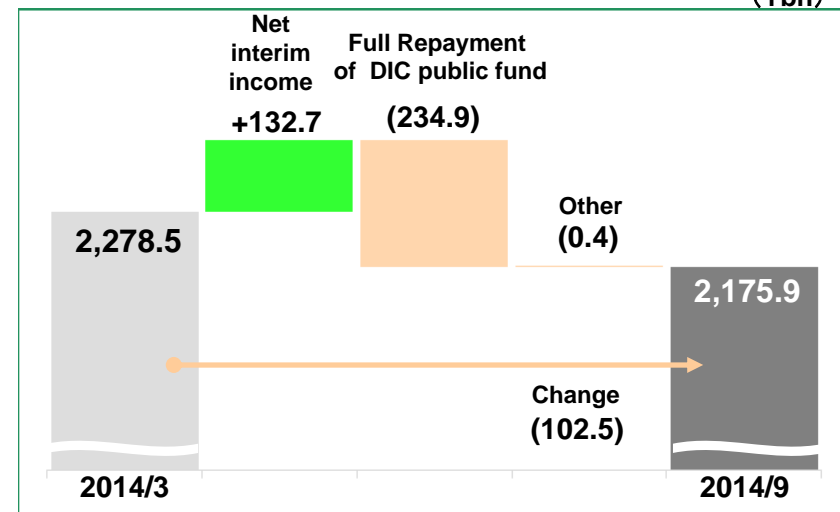
Capital adequacy ratio

- Adopted the Basel 3 from Mar. 31, 2014
- For the methodology to calculate the credit risk weighted assets, RHD/RB/SR started adopting the A-IRB approach from Mar. 31, 2014

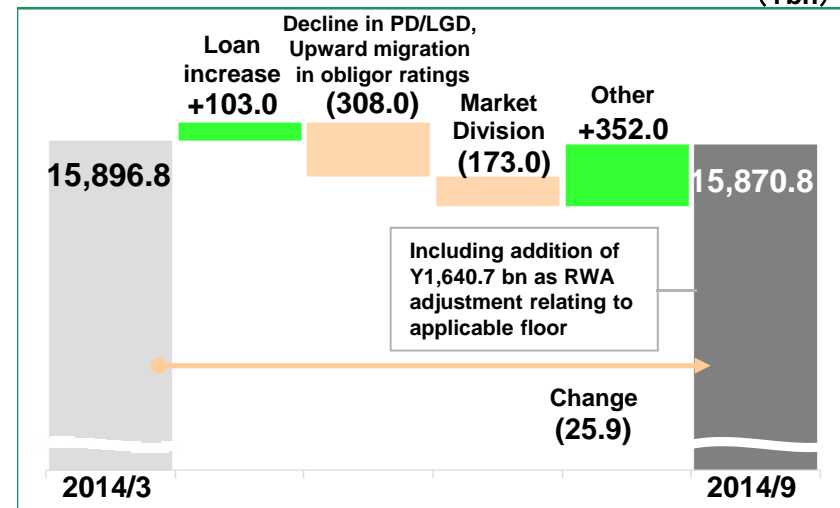
| (Ybn) | | Mar. 31, 2014 | Sep. 30, 2014 | Change |
|---|------|-----------------|-----------------|----------------|
| Capital adequacy ratio | (1) | 14.33% | 13.71% | (0.62)% |
| Total Capital | (2) | 2,278.5 | 2,175.9 | (102.5) |
| Core Capital: instruments and reserves | (3) | 2,285.7 | 2,182.7 | (103.0) |
| Directly issued qualifying common stock or preferred stock mandatorily convertible into common stock capital plus related capital surplus and retained earnings | (4) | 1,030.7 | 1,126.2 | +95.4 |
| Capital and capital surplus, retained earnings | (5) | 1,195.5 | 1,211.8 | +16.2 |
| Treasury stock | (6) | (85.8) | (85.5) | +0.2 |
| Planned distribution of income | (7) | (78.9) | - | +78.9 |
| DIC Preferred stock | (8) | 196.0 | - | (196.0) |
| Eligible non-cumulative perpetual preferred stock | (9) | 238.0 | 238.0 | - |
| Eligible capital instrument subject to transitional arrangement | (10) | 698.2 | 698.2 | - |
| Other | (11) | 122.8 | 120.2 | (2.5) |
| Core Capital: regulatory adjustments | (12) | 7.2 | 6.7 | (0.4) |
| Risk weighted assets | (13) | 15,896.8 | 15,870.8 | (25.9) |
| Credit risk weighted assets | (14) | 13,268.8 | 12,999.4 | (269.4) |
| Amount equivalent to market risk / 8% | (15) | 178.4 | 161.3 | (17.1) |
| Amount equivalent to operational risk / 8% | (16) | 1,080.8 | 1,069.3 | (11.4) |
| Credit risk weighted assets adjustments | (17) | 1,368.7 | 1,640.7 | +272.0 |

Factors for the change in 1H of FY2014

- Comparison of total capital as of Sep.30 and Mar. 31, 2014 (Ybn)



- Comparison of RWAs as of Sep. 30 and Mar. 31, 2014 (Ybn)



Capital Adequacy Ratio (Consolidated, International Standard)

Capital adequacy ratio

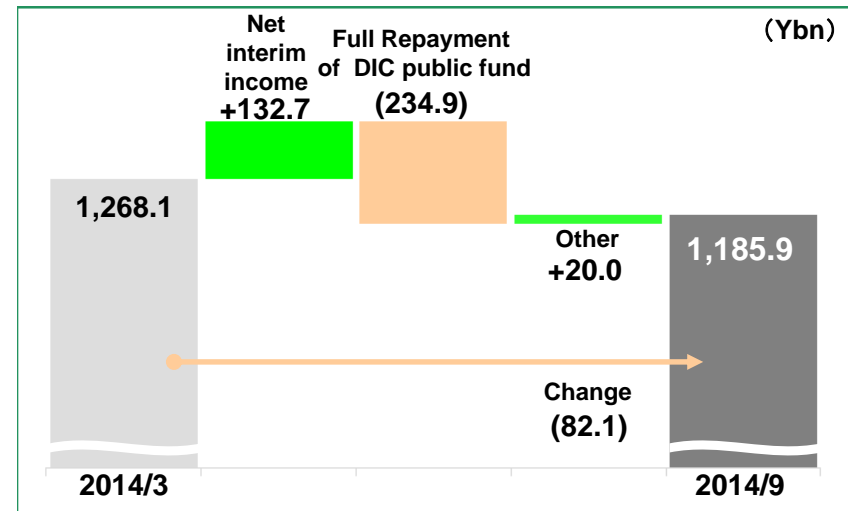
- Banks adopting the IRB approach to calculate credit risk weighted assets are required to satisfy:

- Minimum common equity Tier 1 ratio of 4.5% *2

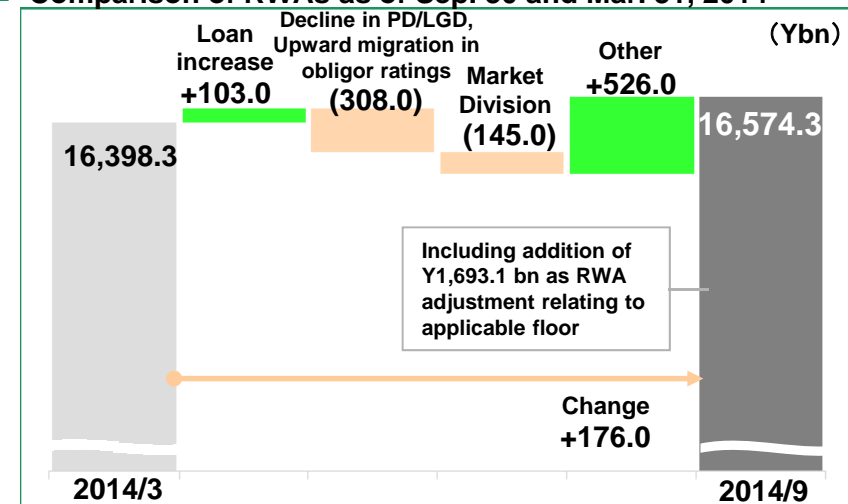
| (Ybn) | | Mar. 31, 2014 | Sep. 30, 2014 | Change |
|--|-------------|-----------------|-----------------|----------------|
| Common equity Tier 1 ratio | (1) | 7.73% | 7.15% | (0.58)% |
| Tier 1 ratio | (2) | 9.38% | 8.79% | (0.59)% |
| Total capital adequacy ratio | (3) | 13.68% | 13.25% | (0.43)% |
| Common equity Tier 1 capital | (4) | 1,268.1 | 1,185.9 | (82.1) |
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | (5) | 1,291.4 | 1,204.4 | (86.9) |
| Capital and capital surplus, retained earnings | (6) | 1,035.5 | 1,083.8 | +48.2 |
| Treasury stock | (7) | (85.8) | (85.5) | +0.2 |
| Planned distribution of income | (8) | (78.9) | - | +78.9 |
| Accumulated other comprehensive income | (9) | 54.6 | 68.4 | +13.7 |
| Public funds | (10) | 356.0 | 128.0 | (228.0) |
| Regulatory adjustments | (11) | 23.2 | 18.4 | (4.7) |
| Other Tier 1 capital | (12) | 270.5 | 270.9 | +0.3 |
| Tier1 capital | (13) | 1,538.7 | 1,456.9 | (81.8) |
| Tier2 capital | (14) | 705.6 | 740.4 | +34.7 |
| Total capital (Tier1+Tier2) | (15) | 2,244.4 | 2,197.3 | (47.1) |
| Risk weighted assets | (16) | 16,398.3 | 16,574.3 | +176.0 |
| Credit risk weighted assets | (17) | 13,706.1 | 13,650.5 | (55.6) |
| Amount equivalent to market risk / 8% | (18) | 178.4 | 161.3 | (17.1) |
| Amount equivalent to operational risk / 8% | (19) | 1,080.8 | 1,069.3 | (11.4) |
| Credit risk weighted assets adjustments | (20) | 1,432.8 | 1,693.1 | +260.2 |

Factors for the change in 1H of FY2014

- Comparison of CET1 ratio as of Sep.30 and Mar. 31, 2014



- Comparison of RWAs as of Sep. 30 and Mar. 31, 2014



*1. Capital ratios under the Basel 3 International Standard are disclosed for a reference purpose only.

*2. Minimum regulatory requirement of common equity Tier 1 ratio is 4.0% on and after Mar. 31, 2014, 4.5% on and after Mar. 31, 2015.

Earnings Forecasts for FY2014 (Released on November 2014)

(Billions of Yen)

| | | Resona Holdings (Consolidated) | | | |
|------------------------------|-----|--------------------------------|------------------------|-------------------------------------|------------------------------|
| | | 1H FY'14 (Actual) | Full year forecasts | Change from original forecast | Change from previous year |
| Consolidated ordinary profit | (1) | 187.7 | 285.0 | +53.5 | (27.1) |
| Net (interim) income | (2) | 132.7 | 190.0 | +40.0 | (30.6) |

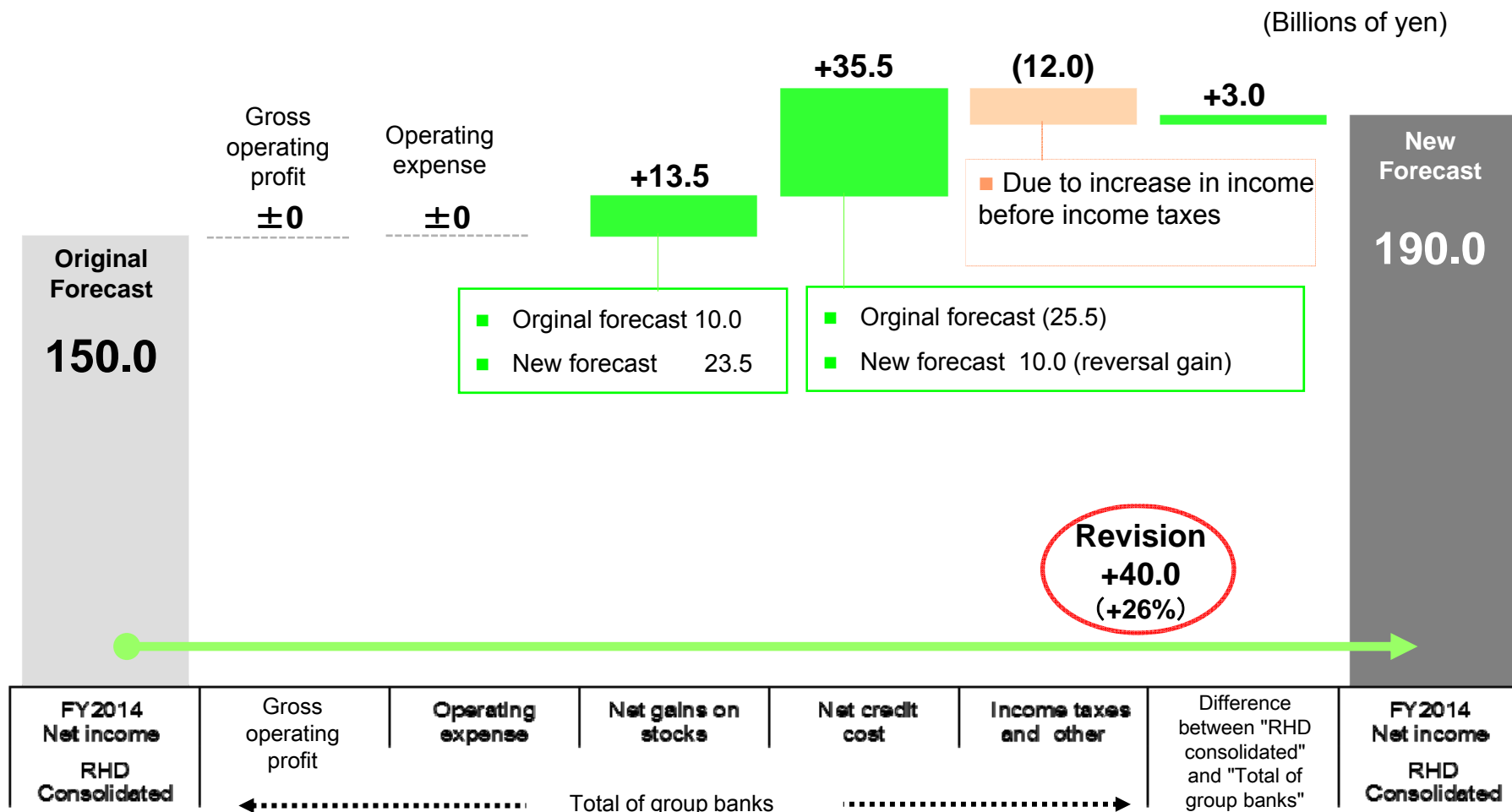
| | | Resona Holdings (Non-consolidated) | | | |
|----------------------|--|------------------------------------|------------------------|-------------------------------------|------------------------------|
| | | 1H FY'14 (Actual) | Full year forecasts | Change from original forecast | Change from previous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

| | | Total of 3 group banks (approx. figures) | | | | Resona Bank | | | Saitama Resona Bank | | | Kinki Osaka Bank | | |
|-----------------------------|-----|--|------------------------|-------------------------------------|------------------------------|------------------------|----------------------------------|------------------------------|------------------------|----------------------------------|------------------------------|------------------------|------------------------------|------------------------------|
| | | 1H FY'14 (Actual) | Full year forecasts | Change from original forecast | Change from previous year | Full year forecasts | Change from original forecast | Change from previous year | Full year forecasts | Change from original forecast | Change from previous year | Full year forecasts | Change from previous year | Change from previous year |
| Gross operating profit | (3) | 285.3 | 557.0 | - | +1.8 | 372.5 | - | +4.5 | 135.0 | - | (0.5) | 49.5 | - | (2.2) |
| Operating expenses | (4) | (165.8) | (335.0) | - | (2.4) | (220.5) | - | (1.5) | (76.5) | - | (1.1) | (38.5) | - | (0.4) |
| Actual net operating profit | (5) | 119.4 | 222.0 | - | (0.6) | 152.0 | - | +3.1 | 58.5 | - | (1.5) | 11.0 | - | (2.6) |
| Ordinary profit | (6) | 169.6 | 258.0 | +50.0 | (18.8) | 197.0 | +43.0 | (11.4) | 52.5 | +2.5 | (5.9) | 8.5 | +4.5 | (1.3) |
| Income before income taxes | (7) | 168.0 | 252.0 | +49.0 | (22.0) | 191.5 | +41.5 | (14.8) | 52.0 | +2.5 | (6.0) | 8.5 | +5.5 | (1.0) |
| Net (interim) income | (8) | 122.2 | 172.0 | +37.0 | (24.8) | 132.0 | +31.5 | (21.4) | 34.0 | +2.0 | (3.4) | 6.5 | +4.5 | +0.6 |

| | | | | | | | | | | | | | | |
|-------------------------|------|------|-------------|-------|--------|------|-------|--------|-------|------|-------|-------|-------|-------|
| Net gains on stocks | (9) | 23.4 | 23.5 | +13.5 | +1.2 | 23.5 | +14.5 | +3.1 | - | - | (1.0) | - | (1.0) | (0.7) |
| Credit related expenses | (10) | 23.1 | 10.0 | +35.5 | (17.1) | 15.0 | +28.0 | (16.5) | (4.0) | +2.5 | (2.9) | (0.5) | +5.5 | +2.7 |

Comparison of New and Original Consolidated Net Income Forecasts for FY2014

Forecasting Y190 bn of consolidated net income for FY'14 (Y40.0 bn upward revision to the Original)



**Outline of Business Results for 1st Half of FY2014
and Updates on Major Businesses**

Efforts to Build Solid Foundation for Sustainable Growth

Progress in Public Funds Full Repayment Plan

Reference Material

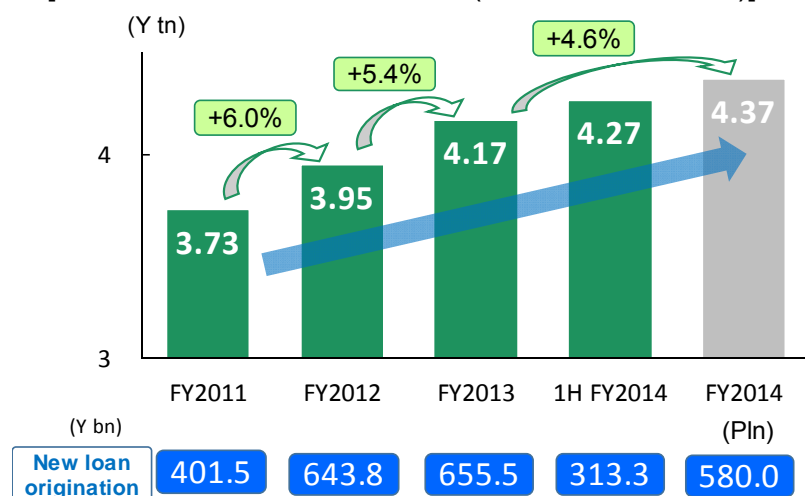
Efforts to Increase Loans and Improve Profitability: Business Loans (1)

Loans to Premier customers will likely grow strongly against the backdrop of rising needs for asset and business succession solutions

Mostly long-term and high quality loans

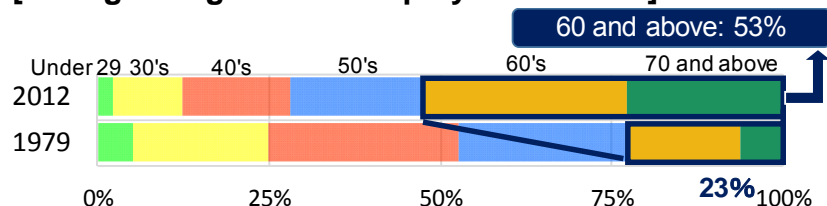
- Relatively high loan yield
- Relatively high coverage ratio

[Loans to Premier Customers (Term-end balance)]



Aging of SME owners

[Change in age of self-employed owners*1]



- One in two business owners over 60s have not prepared well for business succession*2

Resona Group's advantages

Solid base in the 2 largest urban areas

Business relationships with 0.43 million SMEs

About 75% of the inheritance tax is levied in the Tokyo and Osaka metropolitan areas*3

One-stop Offering

Manned branch network as a commercial bank

Functions and services as a commercial bank

Full-line trust and real estate-related functions

Concern for heavier inheritance tax burden

- Change in inheritance tax system (January 2015)
 - ✓ Base exemption to be reduced
 - ✓ The highest tax rate to be raised
- Rise in asset prices

Increasing need for preparations

*1. Compiled in reference to "Employment Status Survey" (Ministry of Internal Affairs and Communications) and "White Paper on Small and Medium Enterprise in Japan" (The Small and Medium Enterprise Agency).

*2. "White Paper on Small and Medium Enterprise in Japan" (The Small and Medium Enterprise Agency)

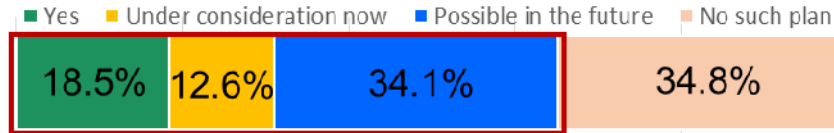
*3. Share of inheritance tax declared to the "Kanto-Shinetsu" "Tokyo" and "Osaka" Regional Taxation Bureaus (National Taxation Agency)

Efforts to Increase Loans and Improve Profitability: Business Loans (2)

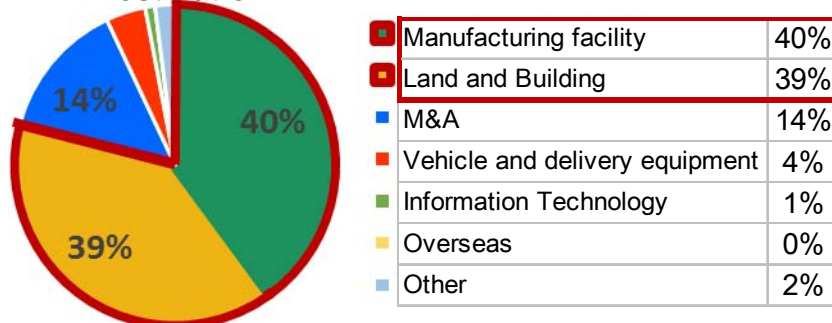
Discernible sign of possible pickup in demand for loans from corporate sector

- Two in three corporate customers of Resona Bank having intentions to increase Capex*1

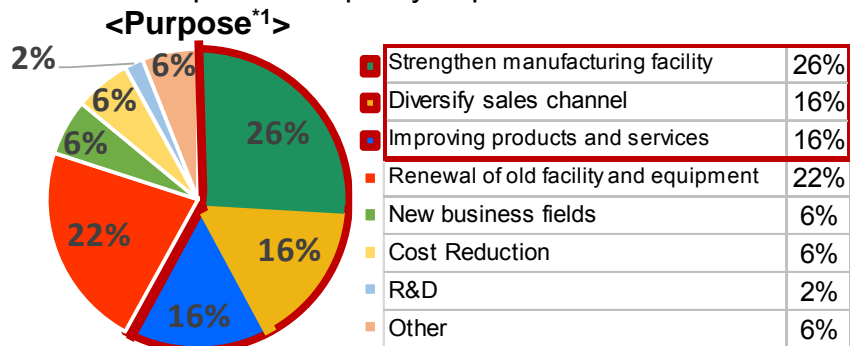
[Does your company have a plan for Capex?*1]



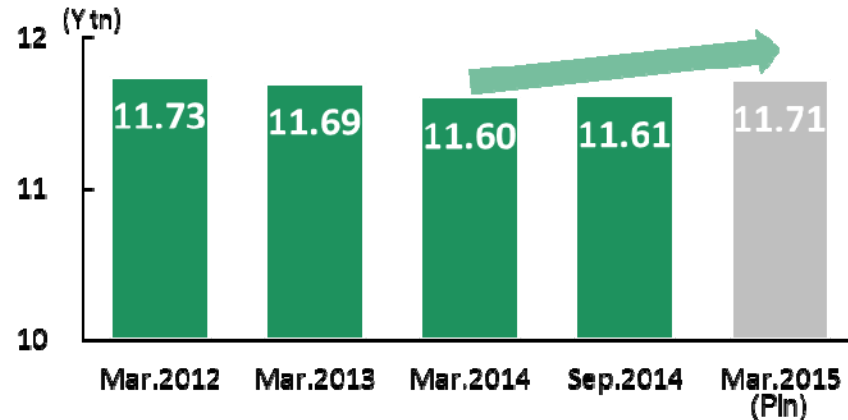
- About 80% for manufacturing facility, or land and building < Destination*1 >



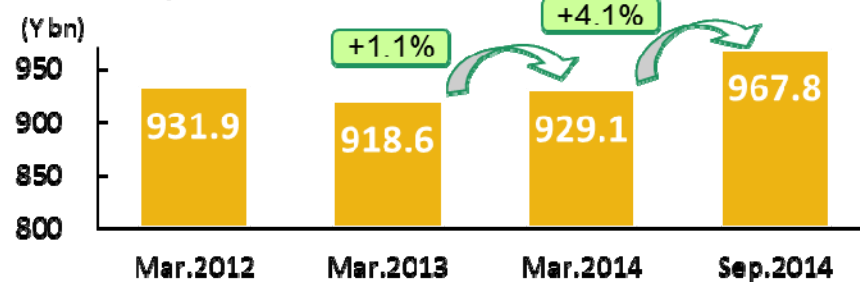
- About 60% for future-oriented purposes such as to strengthen manufacturing facility, diversify sales channel, and improve the quality of products and services



[Corporate loan (excluding loans to premier customer)]



[RB's Capex-related loans (excluding those to real estate industry)]



Multifaceted supports extended to SMEs

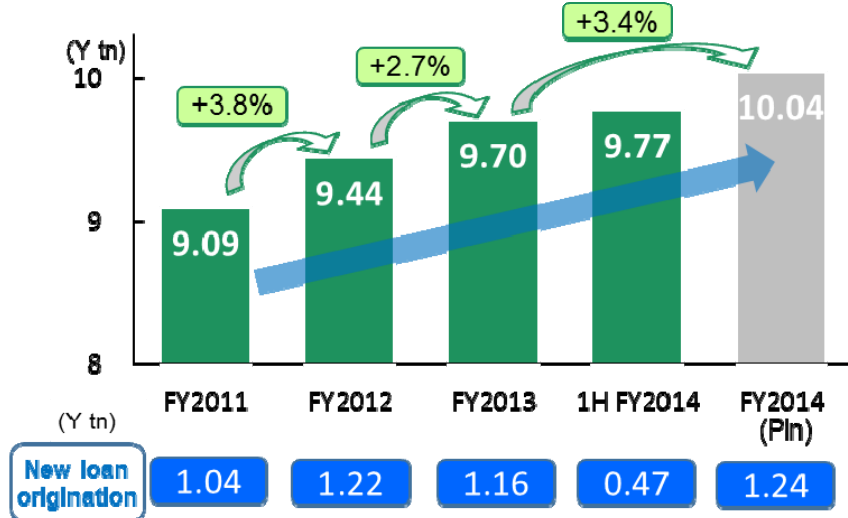
- Resona Manufacturers' Network
 - Link the SMEs' technological edges with the large corps' procurement needs
- Committee for Supporting Growth and Business Turnaround
 - Utilizing the Group's functions and know-how to extend supports
- Resona Management School
 - More than 1,800 alumni -> More than 600 such alumni became company presidents

*1. Results of the questionnaire survey which Resona Bank conducted to its corporate customers from May 2014 to July 2014. (Approximately 20 thousands customers responded. Conducted between May 2014 and July 2014)

Efforts to Increase Loans and Improve Profitability: Loans to Individuals (1)

Aggressive strategy to expand the volume of housing loan

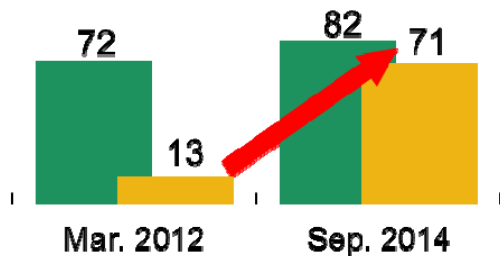
[Owner-occupied residential housing loan (Term-end balance)]



Growing number of LPs now open on holidays

- Around half of the loan contracts were concluded on holidays during the 1H FY2014
- Collaboration between LPs and adjacent branches => **Information on over 40% of new HL customers visiting LPs has been conveyed to adjacent branches to propose insurance products**

■ Number of LPs ■ Of which open on holidays



Strategic pricing to pursue volume

Risk pricing based on its own credit analysis model

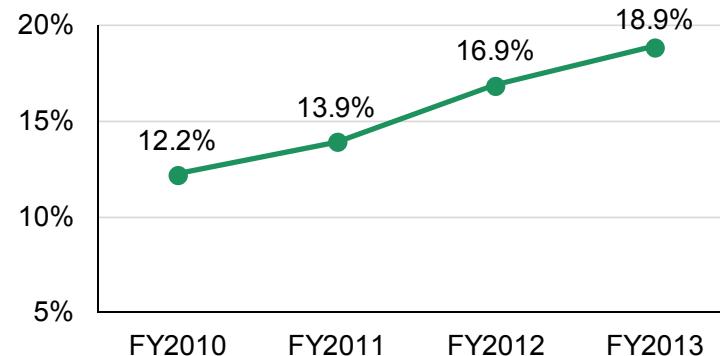
- Web application-only refinance loan (from July 2014)
 - New origination on the rise by offering the best pricing
 - Application submitted via web / consultation and contract signing via "real" channel

Measures to prevent refinancing by competitor banks

- Lump-sum repayments by refinancing in the 1H FY2014 were less than two thirds of the 1H FY2013
- Turn such occasion into a cross-selling opportunity

Explore the existing home market

[Ratio of the number of new loans extended to purchase existing homes]

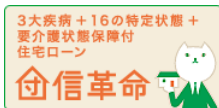


Efforts to Increase Loans and Improve Profitability: Loans to Individuals (2)

Strengthen efforts to maintain and improve the profitability of loans originated

Introduced high value-added, only one product

- *Danshin-Kakumei* (HL with wider coverage group life insurance) (From October 2013)
 - Became popular with its unique feature. Ratio of newly originated HLs with this product type in 1H FY2014 increased 50% from 2H FY2013.
 - Applicable rate is 30bps higher than the HLs with normal group life insurance



Continue stringent credit administration

- More active delinquency control / recovery efforts, etc.
- Net loss ratio*1 remains low



Housing loan as gateway to cross-selling

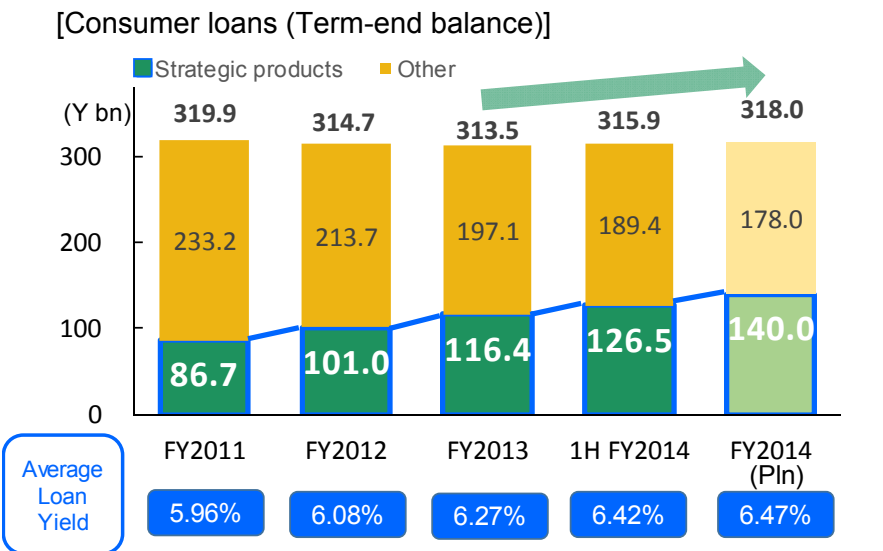
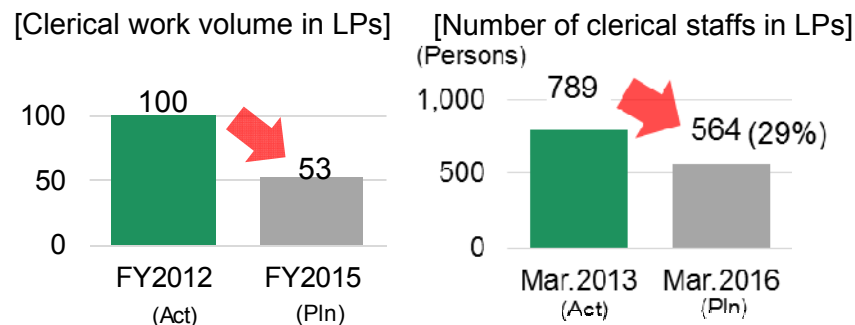
- Capture the financial needs relevant to respective life stages
 - Win-win cross-selling model at time of originating HLs => Need to optimize life insurance coverage
 - Cross-sell consumer loans to 0.55 million HL clients

Consumer loans to pick up again

- Average loan yield has been gradually improving driven by an increase in "strategic products"

HL operational reform

- 50% of the clerical work and 30% of the clerical staffs could be reduced (RB, SR)



*1. Ratio of subrogation by HL guarantee subsidiaries x (1 - recovery rate after subrogation) (Including apartment loan)

Achievements in Cross-selling Efforts Measured with KPIs (YTD)

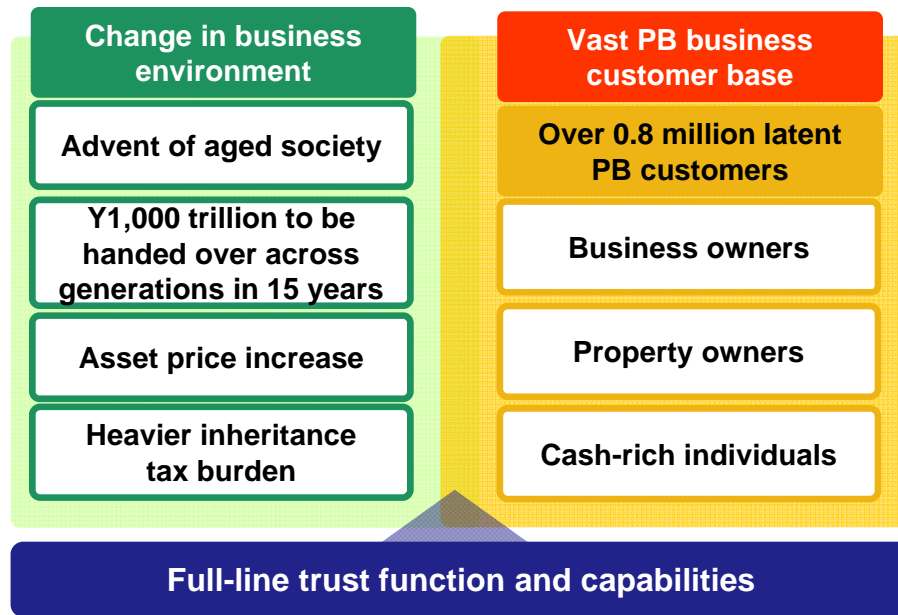
| Primary Index | | | ■ RLCs = Clients to whom the group have achieved cross-selling to some extent | | |
|------------------------------------|--------------------------------------|--|---|---------------|---------------|
| (Number of customers in thousands) | | | Sep. 30, 2013 | Sep. 30, 2014 | Change |
| (1) | Premier | AUM or condominium loan exceeding JPY50 million | 51 | 54 | +2.1 |
| (2) | Housing Loan | With housing loan for own home | 545 | 555 | +9.3 |
| (3) | Asset Management | AUM exceeding JPY10 million | 700 | 712 | +11.8 |
| (4) | Potential I | AUM exceeding JPY5 million | 792 | 794 | +2.6 |
| (5) | Potential II | AUM below JPY 5 million/ with 3 or more products sold | 4,610 | 4,729 | +119.3 |
| (6) | Resona Loyal Customers (RLCs) | | 6,698 | 6,844 | +145.4 |
| (7) | Potential III | AUM below JPY 5 million/ with 2 or less products sold | 6,079 | 5,932 | (147.7) |
| (8) | Total active customers | | 12,778 | 12,775 | (2.3) |

| Reference Indices | | ■ Covering the RLCs, measure the following reference indices on a regular basis | |
|----------------------|---|---|--|
| Lifetime Value (LTV) | Change in Past 1 Year | +85.7bn | Number of Products Sold |
| | <ul style="list-style-type: none"> ■ Under certain assumptions, try to measure the degree of incremental growth in top-line income brought about by new transactions captured through sales activities ■ Top-line income to be generated over a next 10 year period | Sep. 30, 2014 3.88 Products | |
| | | | <ul style="list-style-type: none"> ■ Indicator to show the degree of RLCs utilizing Resona Group banks as a main bank. ■ Base items such as account transfers, outward and inward remittances, loan and credit card items, savings and investment items are covered. |

Efforts to Strengthen Cross-selling: Making Best Use of Trust Capability and Existing Customer Base

Succession-related solutions as gateway to promoting cross-selling

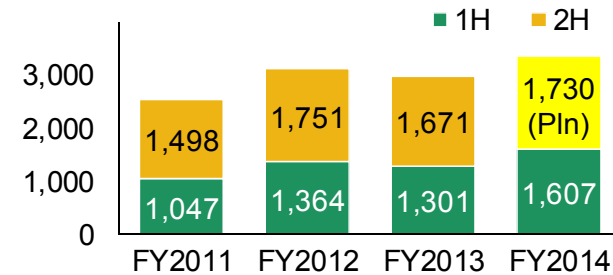
- Promising combination of Resona's trust capability and broad customer base



[Share of new entrustments among trust banks]

| | Mar. 2008 | Mar. 2014 |
|-----------------|-----------|-----------|
| Will Trust | 12.4% | 16.2% |
| Estate Division | 8.1% | 15.8% |

[Trust solutions offered for asset and business succession*1]

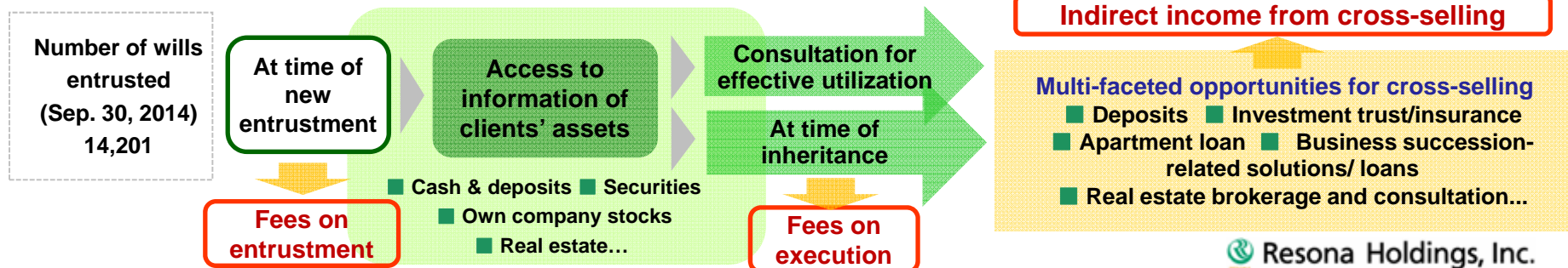


*1. Will trust, estate division, trust for asset transfer, trust for transfer of own company stocks

[Education fund trust entrusted as of Sep. 30, 2014]



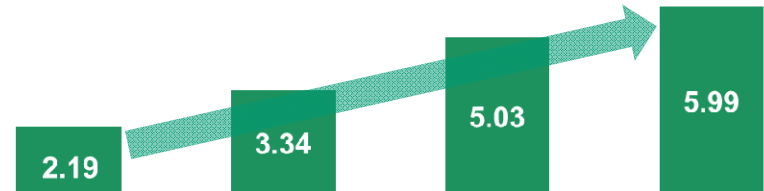
| | |
|---------------------|--|
| As of Sep. 30, 2014 | Approx. 13,000 entrustments amounting to Y78.9bn |
|---------------------|--|

- Newly entrusted wills eventually leading to various cross-selling



Efforts to Strengthen Cross-selling: Omni-Channel Strategy

- Deliver products and services of real value “at any time” and “on any channels” customers choose

| At any time | On any channels | | | | | | | | | | |
|--|---|---------------------------------|---------------------------------|-----------------|------|----------|------|-------------|------|--------------------|------|
| Branch open until 5:00 pm on business days | 1 to 1 web-based communication service | | | | | | | | | | |
| New channel open 365 days | <ul style="list-style-type: none"> Induce "internet-only" users to pay a visit to “real” channel <div style="display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 20px;"> <p>Information relevant to clients' respective life stages</p> <p>Stimulate financial needs</p> <p>Transactions on the Web</p> <p>Branch visit and face-to-face transaction</p> </div> </div> | | | | | | | | | | |
| <ul style="list-style-type: none"> 7 Days Plaza, nanoka <RB> Umekita, Abeno Harukas <SR> Omiya <KO> Umeda Plaza Give consideration to opening more “open 365 days” offices  | <div style="border: 1px solid #008000; border-radius: 10px; padding: 5px; background-color: #008000; color: white; margin-bottom: 10px;"> Significantly increased Resona Group ATMs </div> <ul style="list-style-type: none"> Approx. 8,100 ATMs (Approx. +2,300 in the past 3 years) | | | | | | | | | | |
| First 24H operator of manned call center among major Japanese banks | <div style="border: 1px solid #008000; border-radius: 10px; padding: 5px; background-color: #008000; color: white; margin-bottom: 10px;"> Average number of products sold to customers utilizing different channels </div> <ul style="list-style-type: none"> Multi-channel users tend to purchase more products | | | | | | | | | | |
| 24H real time settlement for intra-group account transfers (First among major Japanese banks) |  <table border="1" style="margin-top: 10px;"> <thead> <tr> <th>Channel Utilization</th> <th>Average Number of Products Sold</th> </tr> </thead> <tbody> <tr> <td>No channel used</td> <td>2.19</td> </tr> <tr> <td>ATM only</td> <td>3.34</td> </tr> <tr> <td>ATM + IB/TB</td> <td>5.03</td> </tr> <tr> <td>ATM + IB/TB + Real</td> <td>5.99</td> </tr> </tbody> </table> | Channel Utilization | Average Number of Products Sold | No channel used | 2.19 | ATM only | 3.34 | ATM + IB/TB | 5.03 | ATM + IB/TB + Real | 5.99 |
| Channel Utilization | | Average Number of Products Sold | | | | | | | | | |
| No channel used | 2.19 | | | | | | | | | | |
| ATM only | 3.34 | | | | | | | | | | |
| ATM + IB/TB | 5.03 | | | | | | | | | | |
| ATM + IB/TB + Real | 5.99 | | | | | | | | | | |
| <ul style="list-style-type: none"> Start offering the new service in April 2015 when ATM usage and other fees will be changed. | | | | | | | | | | | |
| 24 hours / 365 days Internet banking services | | | | | | | | | | | |
| <ul style="list-style-type: none"> As many as 4.3 million customers are using the IB services | | | | | | | | | | | |

* Compiled based on the actual usage of channels in the month of September 2014.

Backbone Sustaining Resona's Cross-selling Business Model

- Fully exploit the well-developed advantages in business infrastructure and human resources

Advantages in infrastructure

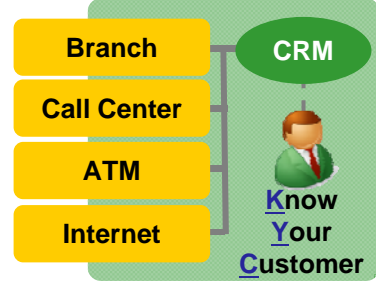
Next-generation Branch Office

- RB and SR completed a shift to Next-generation Branch Office at virtually all branches
- Branches were redefined as a place for sale
- Shifted personnel to the sales division via operational reform



CRM System

- Coordinated consistent sales approach across all channels
 - Sharing of customer profile, contact history, etc.
- Suggest recommended product
- Integrated use of corporate and individual CRM systems for fresh cross-selling ideas



New Communication Terminal

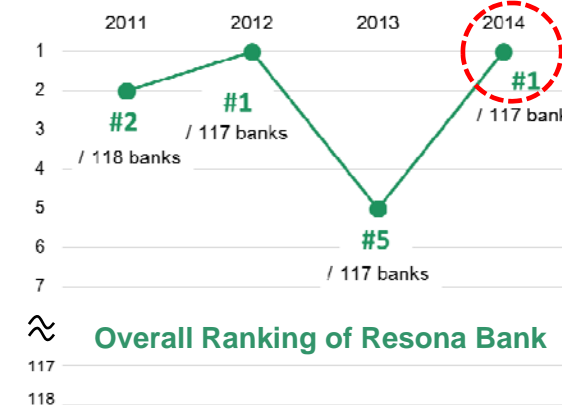
- Strengthened supports for tellers to sell investment products
 - Specially designed terminal connected to CRM system
- Higher convenience & safety
 - Electronic authentication
 - No seals, no slips required



Advantages in HR

Resona Bank Tops Nikkei's Retail Banking Survey

- Resona Bank was ranked No.1 in the 10th Nikkei's Retail Banking Survey jointly conducted by Nikkei Inc. and Nikkei Research Inc. (Out of 117 banks surveyed)
- Product offerings and customer service, among others, were highly evaluated.



| | |
|-----|--------------------------------|
| #1 | Resona Bank |
| #2 | Nishi-Nippon City Bank |
| #3 | SMTB |
| #4 | SMBC |
| #5 | Mizuho Bank |
| #6 | BTMU |
| #7 | Chiba Bank |
| #8 | Mitsubishi UFJ Trust & Banking |
| #9 | Iyo Bank |
| #10 | Bank of Yokohama |
| #11 | Saitama Resona Bank |
| ... | ... |
| #30 | Kinki Osaka Bank |
| ... | ... |

(117 banks surveyed)

Call Center Survey

- Resona's call center was ranked No.1 among 8 institutions surveyed with mystery calls by a third-party evaluator.

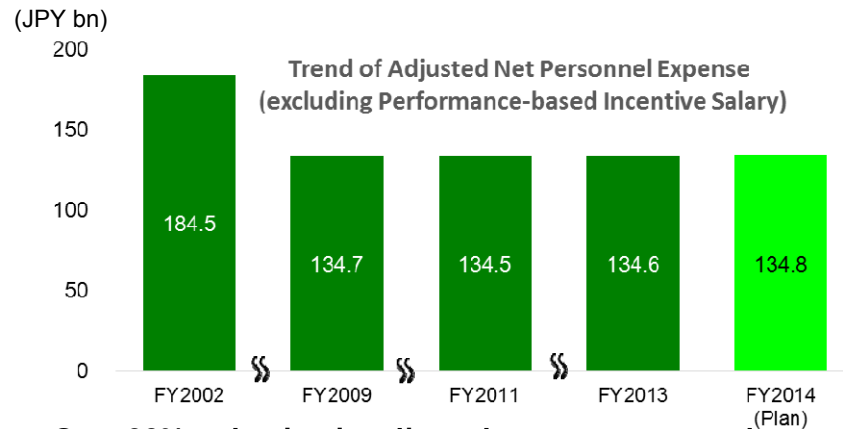


(Resona Call Center in Shimane)

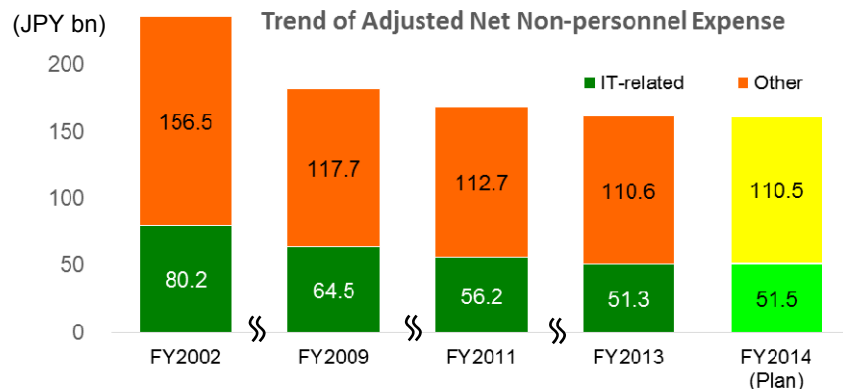
Further Streamlining Operation While Enhancing Competitiveness

Trend of adjusted net personnel and non-personnel expenses

- Adjusted net personnel expense will remain flat, absorbing an increase in social insurance premium through personnel expense reform
- Level of incentive salary could vary depending on actual business performance.



- Over 30% reduction in adjusted net non-personnel expenses from fiscal 2002
- Initiatives to upgrade the system with which investment decisions are made => Room for strategic investments



Measures to enhance competitiveness and curtail costs

IT Strategy

- Replacing the main system with state-of-the art mainframe-based system in January 2015
- Achieving better cost-performance and service quality, simultaneously
- Improved financial services and reliability (especially, security issue)

Administrative Cost Reduction

- Room for further reduction in the longer run through CRE strategy

Operational Reform

- Process reforms in housing and corporate loan administration and head office divisions

**Outline of Business Results for 1st Half of FY2014
and Updates on Major Businesses**

Efforts to Build Solid Foundation for Sustainable Growth

Progress in Public Funds Full Repayment Plan

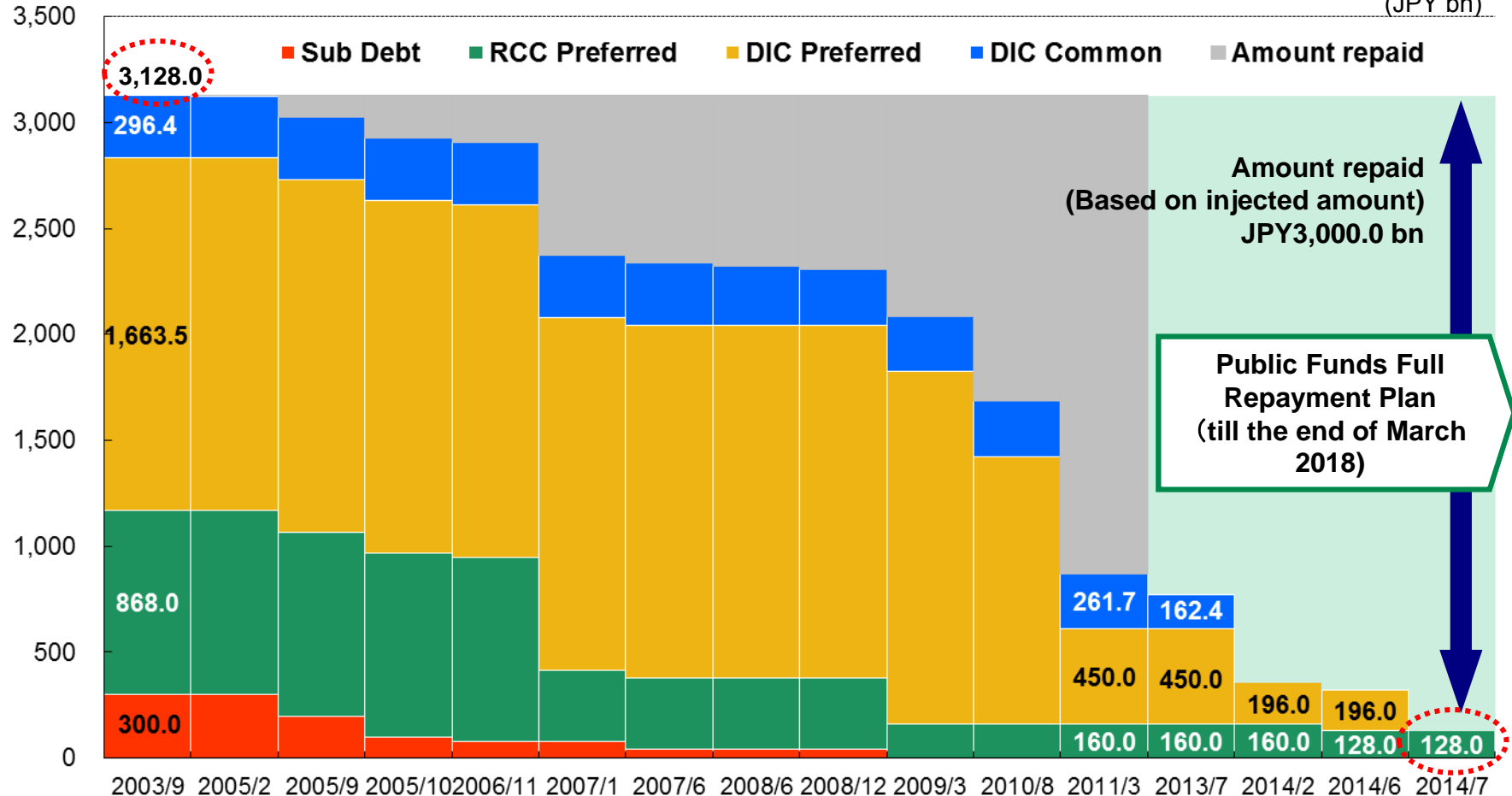
Reference Material

Repayment Efforts Entering the “Final Stage” to Complete Full Repayment

Fully repaid DIC Preferred stock, the balance of public funds has been reduced to Y128.0bn

■ Chronological repayment of public funds (based on injected amount)

(JPY bn)

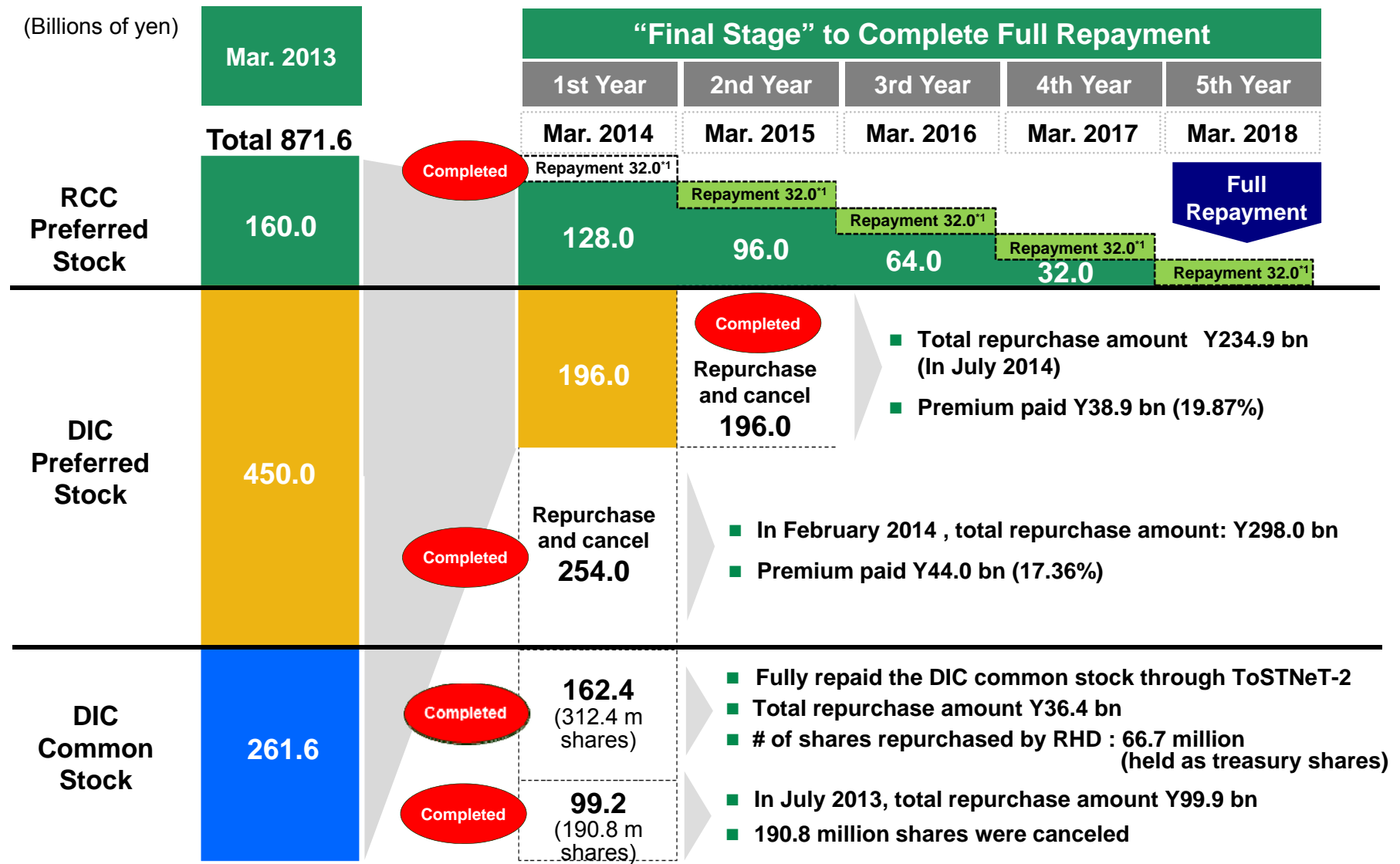


■ Resona HD’s dividend per share on common stock (annual)



*1. Adjusted to stock split in FY2007

Progress of “Public Funds Full Repayment Plan”



Maintain CET1 and Tier1 ratios above 5.5% and 7.0%, respectively, during the repayment period

*1. To be repaid with dividends distributed after each fiscal year-end

Direction of Resona's Capital Management

Capital Adequacy Ratio Management

- **Remain subject to the Japanese Domestic Standard**

- However, in order to secure reliable capital strength, Resona Group operates its business with a high CAR, taking reference to the International Standard.

- **Adoption of the Basel 3 and level of capital adequacy to be maintained while repaying public funds**

Following ratios are on a phase-in / phase-out rule basis.

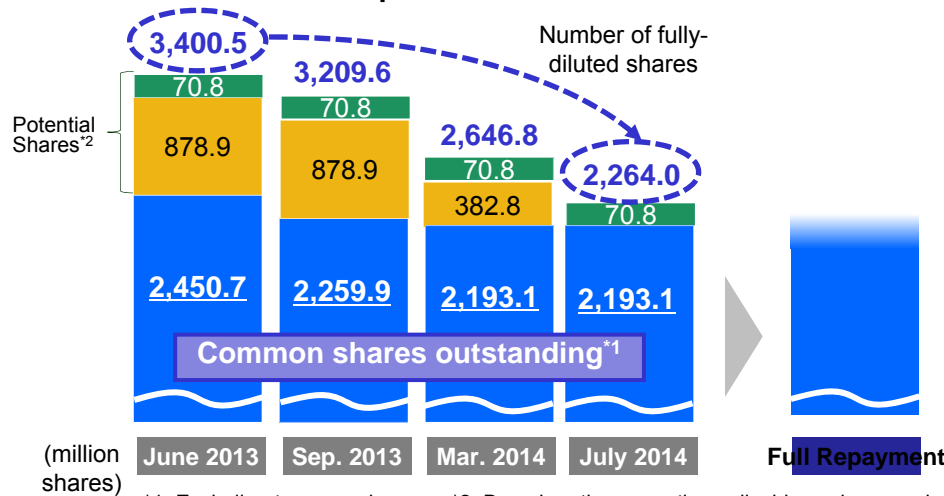
| RHD Consolidated (A-IRB based) | | Sep. 30, 2014 | Minimum ratios maintained while repayment | Regulatory minimum ratios | |
|--------------------------------|------------------------|---------------|---|---------------------------|------|
| Domestic Standard | Capital adequacy ratio | 13.71 % | | Approx. 5.5% | 4.0% |
| | CET1 ratio*1 | 7.15 % | | Approx. 7.0% | 4.5% |
| International Standard | Tier1 ratio*2 | 8.79 % | | | 6.0% |

*1. Required to satisfy the regulatory minimum ratio under the International Standard to adopt the internal rating-based (IRB) approach.

*2. Tier 1 ratio requirement under the International Standard is not applicable to Resona Group.

Preventing Dilution of Public Funds Preferred Shares

- **Dilution of public funds preferred shares has been and will be avoided as promised**



*1. Excluding treasury shares

*2. Based on the currently applicable exchange price and ratios

Shareholder Return

- Intend to maintain a stable @15 yen per annum common dividends for the time being
- Announce a new shareholder return policy after completing full repayment

| (Planned Annual Dividends) | FY2014 |
|--------------------------------|-----------------|
| Common | Y32.8 bn |
| Preferred | Y11.7 bn |
| Private Pref. | Y9.8 bn |
| Public Pref. | Y1.8 bn |
| Regular dividends total | Y44.5 bn |

**Outline of Business Results for 1st Half of FY2014
and Updates on Major Businesses**

Efforts to Build Solid Foundation for Sustainable Growth

Progress in Public Funds Full Repayment Plan

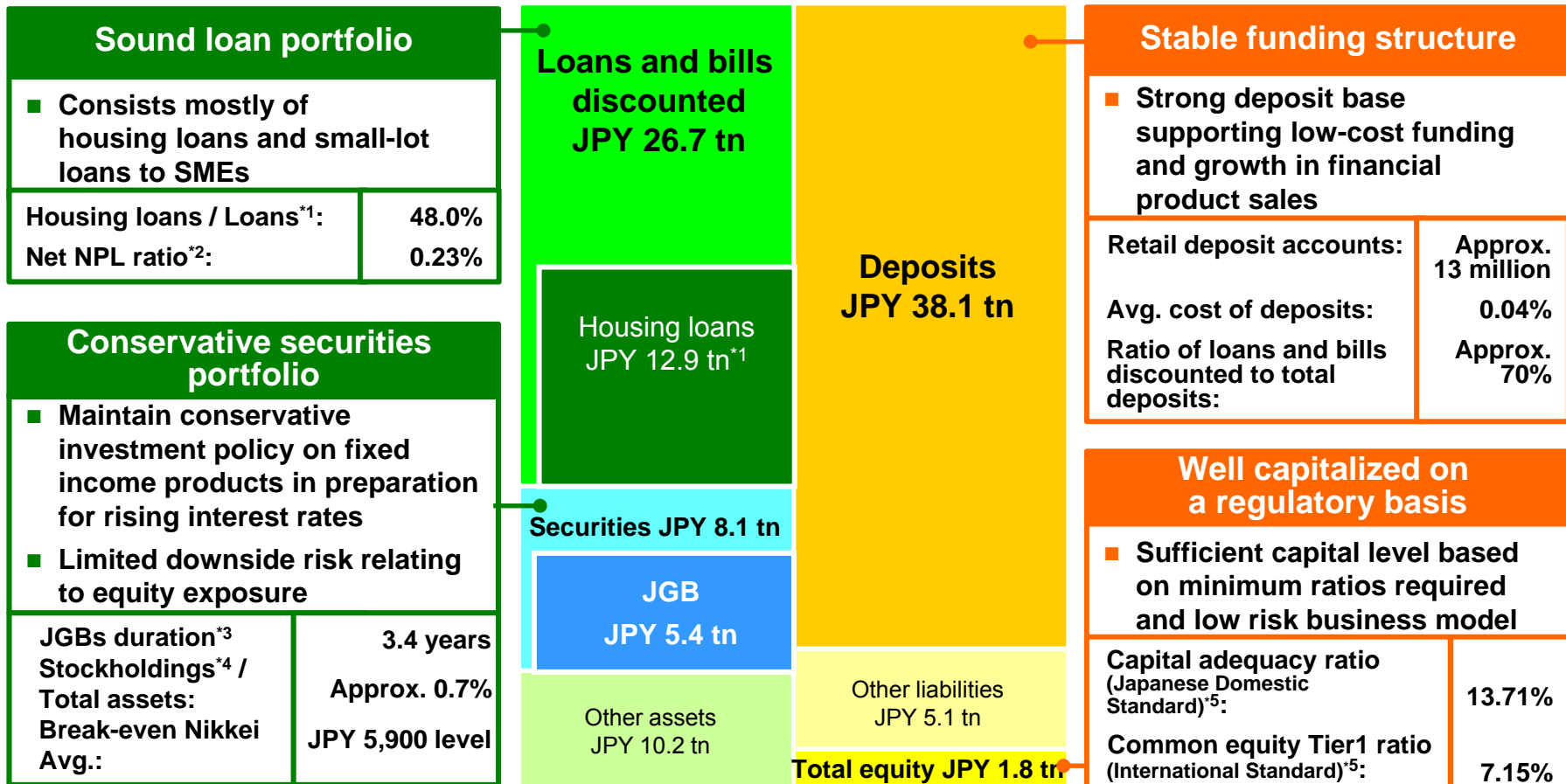
Reference Material

Sound Balance Sheet

- Sound assets backed by very stable deposit funding

Resona's consolidated balance sheet (as of September 30, 2014)

Total assets Y45.1 tn

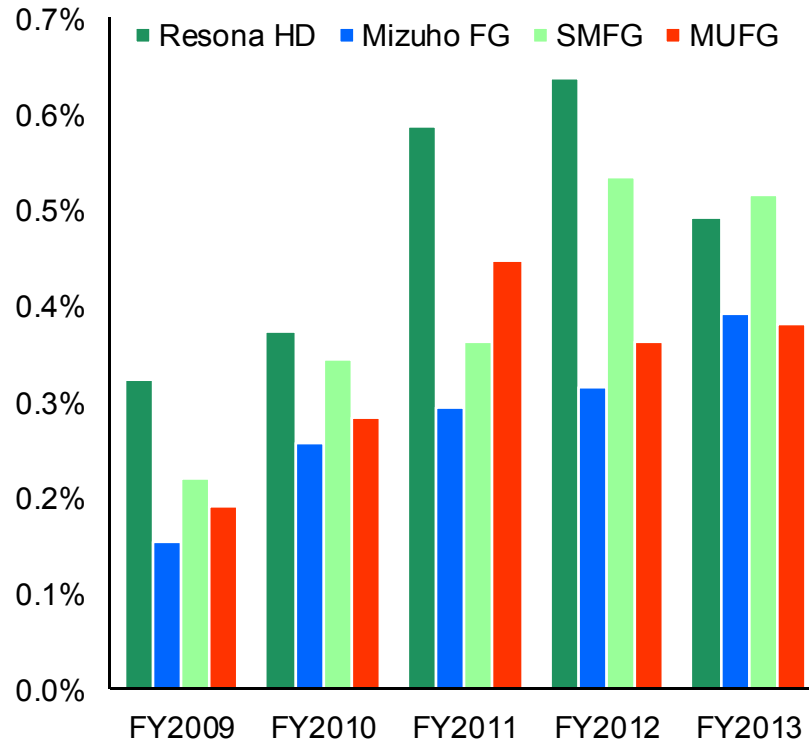


*1. Total of group banks (including trust account)
 *2. NPL ratio net of collateral / guarantees and loan loss reserves (Total of group banks)
 *3. JGBs in available-for-sale securities (Total of group banks)
 *4. At cost
 *5. Basel 3, Common equity Tier1 ratio is for a reference purpose only

Stable Earnings Trend and High Profitability

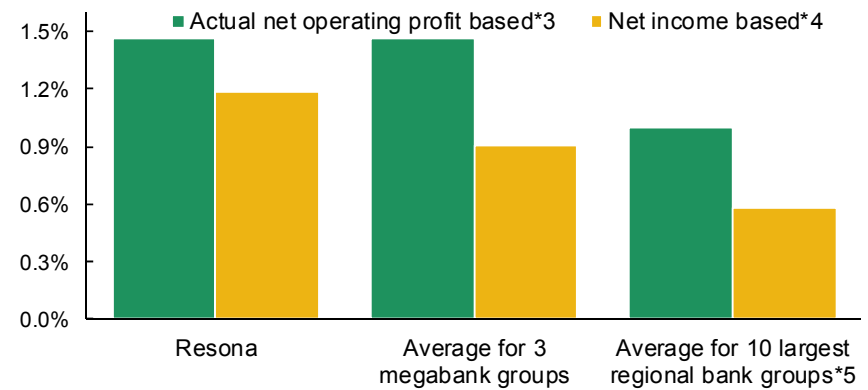
- Resona has consistently generated stable profits supported by our sound balance sheet
- Resona's 5-year average RORA and ROA are higher than the average for the 3 megabank groups and 10 largest regional bank groups

Historical Consolidated ROA*1

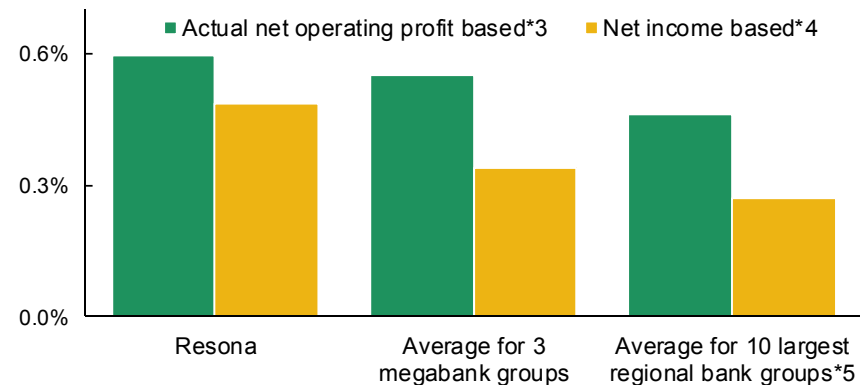


| Resona Group Net income | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 |
|-------------------------|---------|---------|---------|---------|---------|
| | 132.2bn | 160.0bn | 253.6bn | 275.1bn | 220.6bn |

RORA (5-year average)*2



ROA (5-year average)*6



*1. Source: Company disclosure *2. RORA (Return on Risk-weighted Assets)=(actual net operating profit or net income) / risk weighted-assets at period-end, simple average of each year. Risk-weighted assets for the megabank groups are based on the A-IRB approach. Risk-weighted assets for Resona are based on the A-IRB approach from the year ended March 2014. Consolidated basis *3. Based on net operating profits less credit cost and net gains / (losses) on stocks *4. Based on net income *5. Top 10 regional bank groups in terms of consolidated total assets (Fukuoka FG, Yokohama, Chiba, Hokuohoku FG, Shizuoka, Yamaguchi FG, Joyo, 77 Bank, Nishi-Nippon City, Kyoto) *6. ROA=(Actual net operating profit or net income) / total assets at period end, simple average of each year, consolidated basis

Business Results by Major Group Business Segments

- “RAROC” and “RVA”^{*1} as management indicators to measure profitability to allocated capital

Management Accounting by Major Group Business Lines (1H FY2014)

(Billions of Yen, %)

| Resona Group Business Segments | | Profitability | | | | Soundness | Net operating profit after a deduction of credit cost | | | | | | | | | |
|--------------------------------|-----|---|------------|---------------------------------|----------------------|--------------|---|------------|------------------------|-------|-------------------|-------|-------------|------------|------|-------|
| | | Net profit after a deduction of cost on capital | | Risk-adjusted return on capital | Cost to income ratio | Internal CAR | Actual net operating profit | | | | | | Credit cost | | | |
| | | RVA ^{*1} (Actual) | | RAROC (Actual) | OHR | | YoY Change | YoY Change | Gross operating profit | | Operating expense | | YoY Change | YoY Change | | |
| | | YoY Change | YoY Change | | | YoY Change | | | YoY Change | | | | | | | |
| Customer Divisions | (1) | 89.0 | +8.0 | 25.0% | 60.6% | 8.4% | 131.5 | +6.5 | 106.1 | (3.8) | 269.5 | (5.6) | (163.3) | +1.8 | 25.4 | +10.3 |
| Personal Banking | (2) | 35.6 | +1.4 | 32.5% | 65.8% | 8.2% | 47.3 | +3.0 | 45.1 | +0.8 | 132.0 | (1.6) | (86.9) | +2.4 | 2.2 | +2.2 |
| Corporate Banking | (3) | 53.4 | +6.6 | 22.1% | 55.5% | 8.5% | 84.1 | +3.4 | 61.0 | (4.6) | 137.4 | (3.9) | (76.4) | (0.6) | 23.1 | +8.1 |
| Markets | (4) | 27.7 | (1.9) | 42.0% | 10.6% | 21.1% | 34.2 | +1.2 | 34.2 | +1.2 | 38.3 | +1.1 | (4.0) | +0.1 | - | - |
| Total ^{*2} | (5) | 78.0 | (14.5) | 15.4% | 54.8% | 13.5% | 162.9 | +6.5 | 137.5 | (3.7) | 304.9 | (5.6) | (167.3) | +1.9 | 25.4 | +10.3 |

*1. RVA: Resona Value Added (Net profit after a deduction of cost on internally allocated capital)

*2. Total of 3 group banks on a non-consolidated basis plus profit and loss of loan guarantee subsidiaries

Consolidated Subsidiaries and Affiliated Companies

Consolidated domestic subsidiaries (excluding subsidiary banks)

(Billions of Yen)

| Name | Line of business | Capital contribution ratio | Net income | | (Ref) FY2013 Net Income |
|-------------------------------------|---|--|--------------|------------|-------------------------------|
| | | | FY2014 1H | YoY change | |
| Resona Guarantee Co., Ltd. | (1) Credit guarantee (Mainly housing loan) | Resona Group 100% | 9.3 | (2.4) | 19.1 |
| Daiwa Guarantee Co., Ltd. | (2) Credit guarantee (Mainly housing loan) | Resona Group 100% | 0.3 | (0.0) | 0.6 |
| Kinki Osaka Shinyo Hosho Co., Ltd. | (3) Credit guarantee (Mainly housing loan) | Resona Group 100% | 0.9 | (0.1) | 1.8 |
| Resona Card Co., Ltd. | (4) Credit card Credit guarantee | Resona Holdings 77.6% Credit Saison 22.4% | 0.8 | (0.1) | 2.4 |
| Resona Kessai Service Co., Ltd. | (5) Factoring | Resona Holdings 100% | 0.2 | (0.0) | 0.5 |
| Resona Research Institute Co., Ltd. | (6) Business consulting service | Resona Holdings 100% | 0.0 | +0.0 | 0.0 |
| Resona Capital Co., Ltd. | (7) Venture capital | Resona Holdings 100% | 0.1 | +0.1 | 0.3 |
| Resona Business Service Co., Ltd. | (8) Back office work | Resona Holdings 100% | 0.0 | +0.0 | 0.0 |
| Total | | | 12.0 | (2.5) | 25.1 |

Major consolidated overseas subsidiaries

| Name | Line of business | Capital contribution ratio | Net income | | (Ref) FY2013 ^{*1} (Dec. 2013) Net Income |
|-------------------------------|--------------------------------------|--|--|------------|--|
| | | | FY2014 1H ^{*1} (Jun. 2014) | YoY change | |
| P.T. Bank Resona Perdania | (9) Banking business (Indonesia) | Resona Group 43.4% (Effective control approach) | 1.0 | (2.4) | 4.3 |
| P.T. Resona Indonesia Finance | (10) Leasing business (Indonesia) | Resona Group 100% | 0.0 | (0.0) | 0.1 |
| Total | | | 1.1 | (2.4) | 4.4 |

Affiliated company accounted for by the equity method

| Name | Line of business | Capital contribution ratio | Net income | | (Ref) FY2013 Net Income |
|-----------------------------------|------------------------|--|--------------|------------|-------------------------------|
| | | | FY2014 1H | YoY change | |
| Japan Trustee Services Bank, Ltd. | (11) Banking and Trust | Resona Group 33.3% Sumitomo Mitsui Trust HD 66.6% | 0.2 | (0.0) | 0.4 |

*1. Fiscal year end of the two overseas subsidiaries is December 31. RHD's consolidated business results for the 1st half reflects the 1st half results of these subsidiaries which ended on June 30. Similarly, RHD's consolidated full year results reflect the accounts of these subsidiaries settled on December 31.

Capital Adequacy Ratio (Subsidiary Banks)

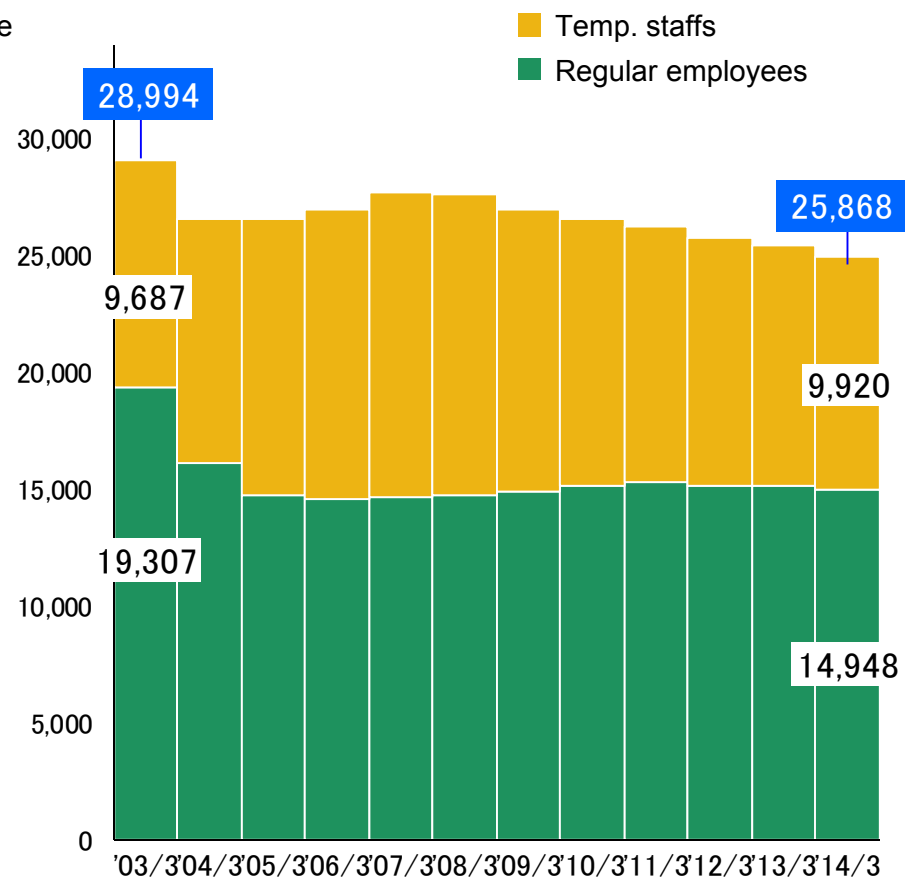
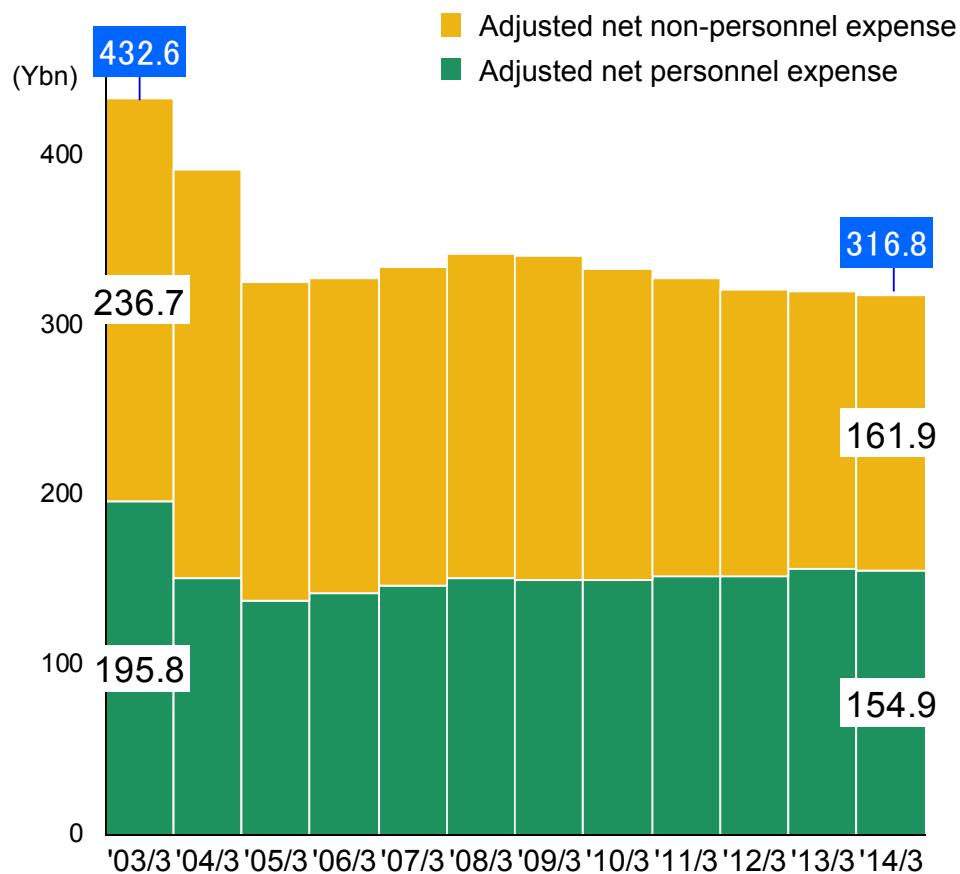
| Japanese Domestic Standard (Billions of Yen) | Resona Bank (Consolidated) [Basel 3 A-IRB] | | | Saitama Resona Bank (Non-consolidated) [Basel 3 A-IRB] | | | Kinki Osaka Bank (Consolidated) [Basel 3 F-IRB] | | |
|---|--|------------------|---------|--|------------------|--------|---|------------------|---------|
| | Mar. 31, 2014 | Sep. 30, 2014 | Change | Mar. 31, 2014 | Sep. 30, 2014 | Change | Mar. 31, 2014 | Sep. 30, 2014 | Change |
| Capital adequacy ratio | 13.37% | 14.28% | +0.91% | 13.40% | 13.60% | +0.20% | 13.20% | 11.25% | (1.95)% |
| Total qualifying capital | 1,547.5 | 1,650.4 | +102.8 | 435.5 | 449.1 | +13.5 | 176.8 | 152.6 | (24.1) |
| Core Capital: instruments and reserves | 1,555.3 | 1,653.3 | +98.0 | 449.3 | 464.6 | +15.2 | 176.8 | 152.6 | (24.1) |
| Core Capital: regulatory adjustments | 7.7 | 2.9 | (4.8) | 13.8 | 15.4 | +1.6 | - | - | - |
| Risk weighted assets | 11,572.4 | 11,555.6 | (16.7) | 3,248.4 | 3,300.5 | +52.1 | 1,338.5 | 1,356.4 | +17.8 |
| Credit risk weighted assets | 9,442.5 | 9,240.3 | (202.1) | 2,541.9 | 2,584.7 | +42.8 | 1,246.4 | 1,265.1 | +18.6 |
| Amount equivalent to market risk / 8% | 172.9 | 153.3 | (19.5) | 4.7 | 7.1 | +2.4 | 0.5 | 0.6 | +0.0 |
| Amount equivalent to operational risk /8% | 707.6 | 700.4 | (7.2) | 244.8 | 242.4 | (2.4) | 91.5 | 90.6 | (0.9) |
| Credit risk weighted assets floor adjustments | 1,249.2 | 1,461.4 | +212.2 | 456.8 | 466.2 | +9.3 | - | - | - |

Efficient Cost Structure: Personnel and Non-Personnel Expense (Total of Group Banks)

- Unavoidable increase in operating expenses including social insurance premium will be offset by continued efforts to reduce non-personnel expenses
- Strictly controlled personnel expenses including the cost associated with hiring temporary staffs

Adjusted net personnel and adjusted net non-personnel expenses*1

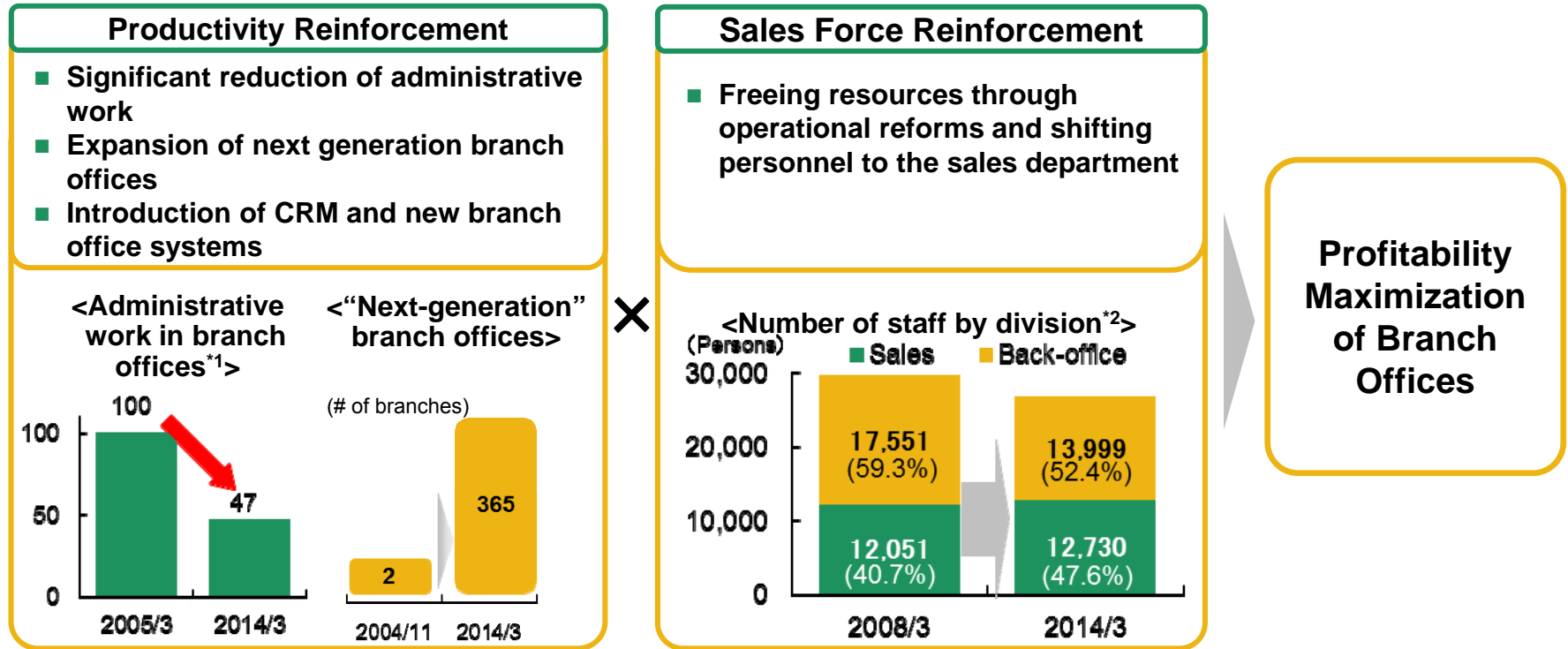
Number and composition of employees by hiring status



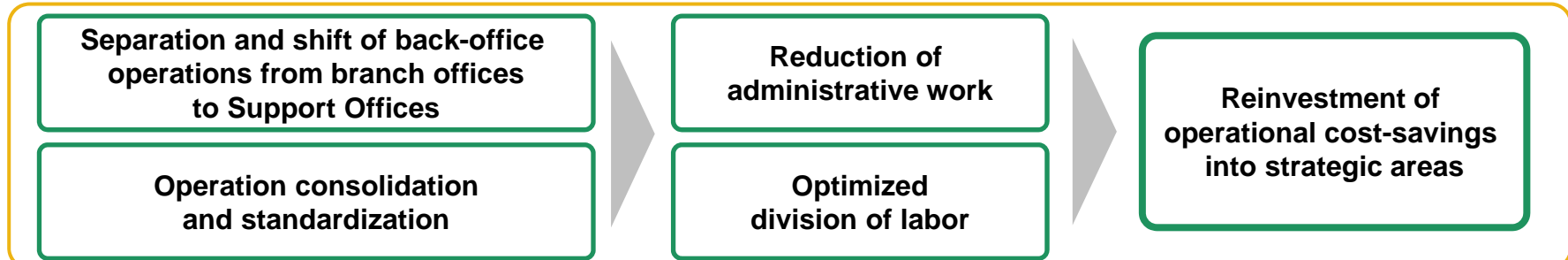
*1. Adjusted net personnel expenses: Personnel expenses including the cost associated with hiring temporary staffs and other related costs
Adjusted net non-personnel expenses: Non-personnel expenses – Cost associated with hiring temporary staffs and other related costs

Operational Reforms Aimed at Simultaneously Enhancing Revenue and Reducing Costs

Profitability Maximization of Branch Offices

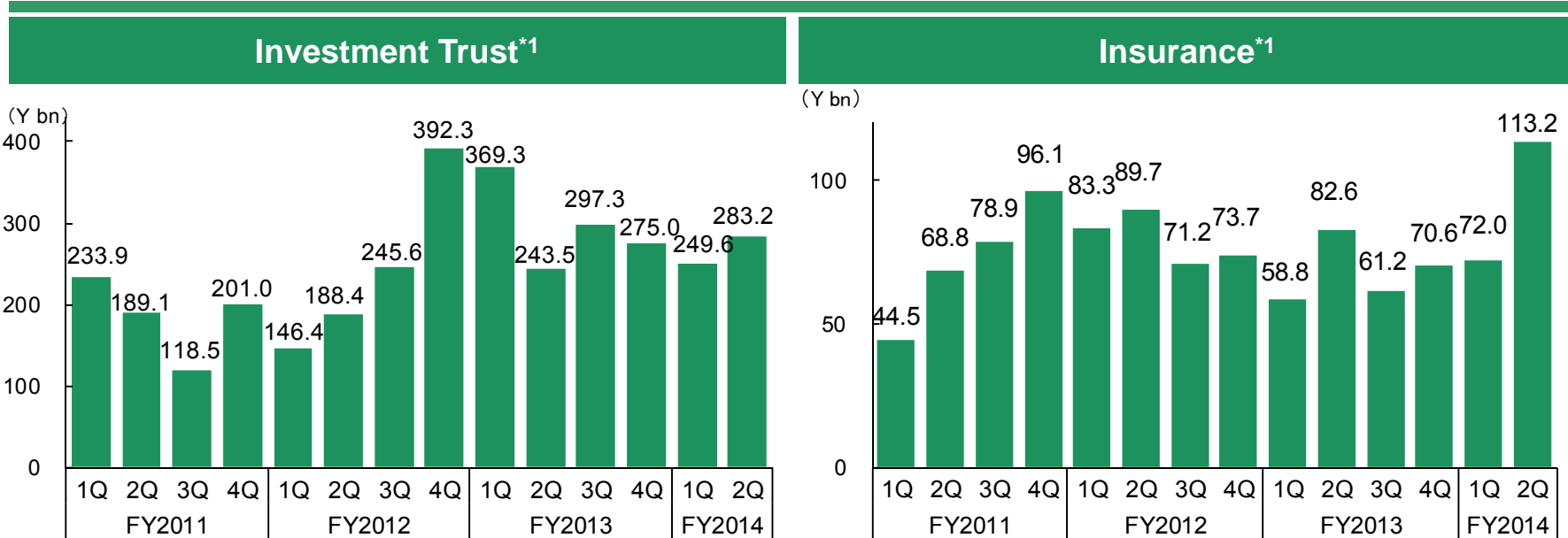


Focus on Low-Cost Operations

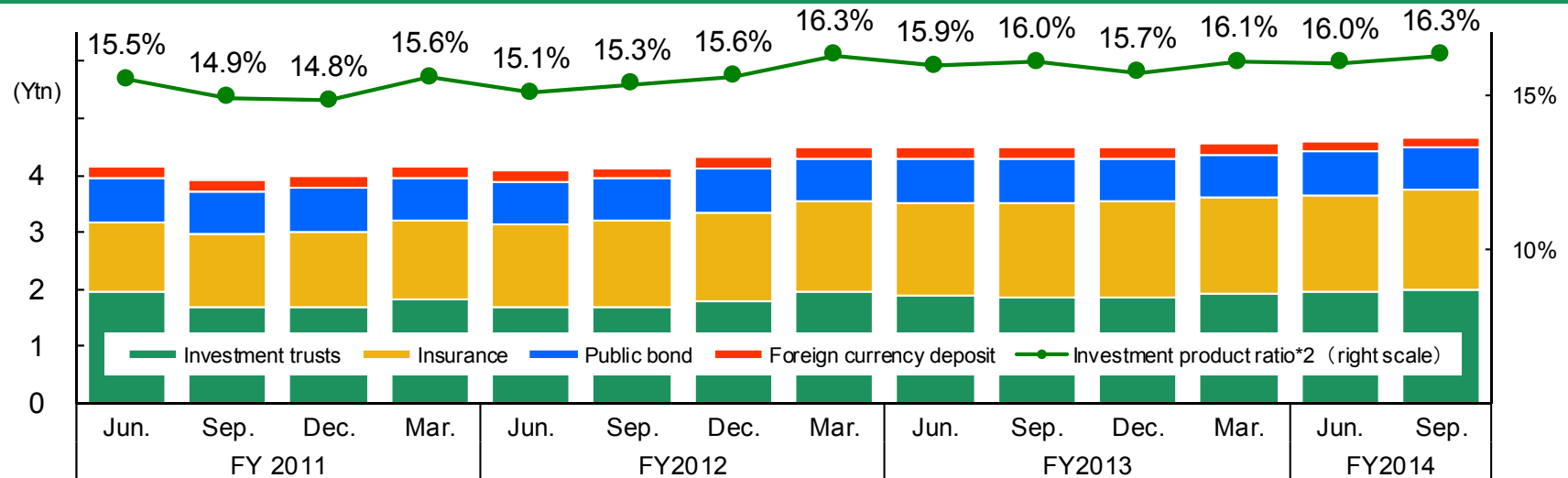


*1. Administrative work volume handled in branch office (Mar. 2005=100), Total of Resona Bank and Resona Business Service
 *2. Total of group banks and Resona Business Service

Trend of Investment Product Sale Business (Total of Group Banks)



Balance of Investment Products sold to Individual*1



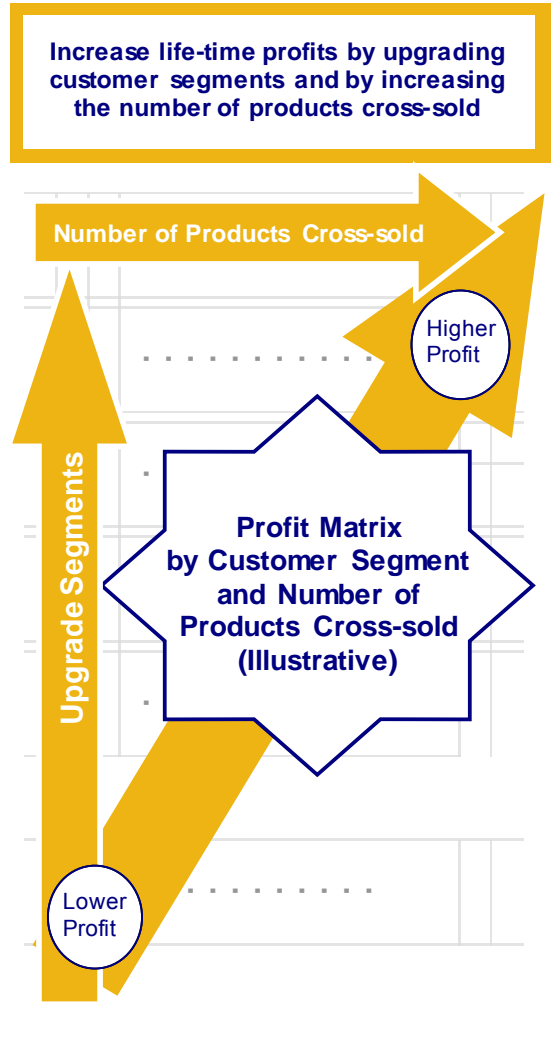
*1. Data compiled for a business administration purpose

*2. Investment product ratio = balance of investment products sold / balance of investment products sold and deposits held by individuals

Cross-selling Culture

Visible progress has been made through the increase in the number of “Resona Loyal Customers”

| Customer segments based on the depth of transactions with Resona Group banks | Number of Customers (thousands) | | | Top-line Income Per Customer * | Avg. # of Products Cross-sold |
|--|---------------------------------|----------------|----------------|--------------------------------|-------------------------------|
| | 2010/9 | 2014/9 | Change | | |
| Premier AUM or Apartment loan exceeding JPY50 million (1) | 46.2 | 53.6 | + 7.4 | 102.3 | 6.17 |
| Housing Loan With housing loan for own home (2) | 526.5 | 554.5 | + 28.0 | 20.7 | 4.51 |
| Asset Management AUM exceeding JPY10 million (3) | 655.6 | 712.0 | + 56.4 | 9.2 | 4.35 |
| Potential I AUM exceeding JPY5 million (4) | 778.5 | 794.4 | + 15.9 | 3.1 | 3.44 |
| Potential II AUM below JPY 5 million/ 3 or more products sold (5) | 4,366.8 | 4,729.3 | + 362.5 | * 1 | 3.79 |
| Resona Loyal Customers (RLCs) (6) | 6,373.6 | 6,843.8 | + 470.2 | 4.4 | 3.88 |
| Potential III AUM below JPY 5 million/ 2 or fewer products sold (7) | 6,525.7 | 5,931.7 | (594.0) | 0.2 | 1.61 |

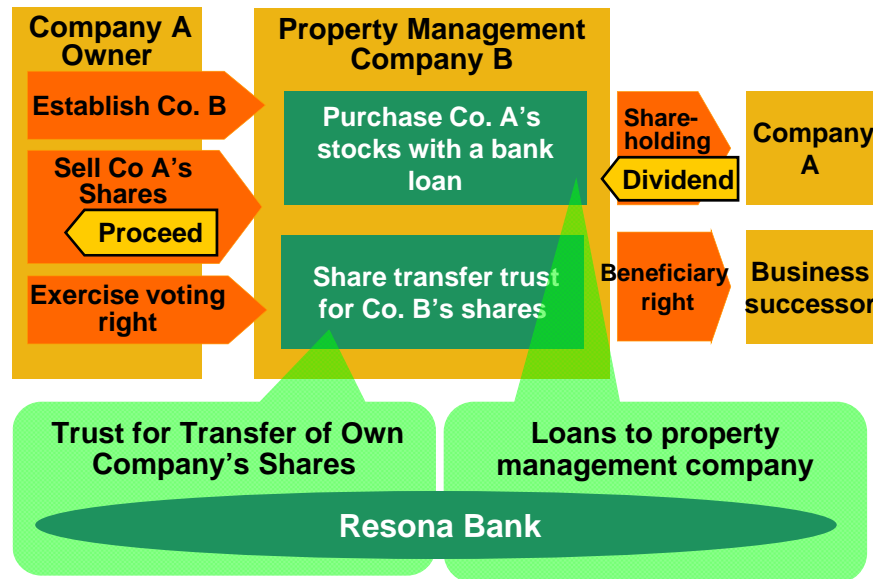


* Indexed to average top-line income per client for Potential II segment = 1

Examples: How We Try to Originate Loans to Premier Customers

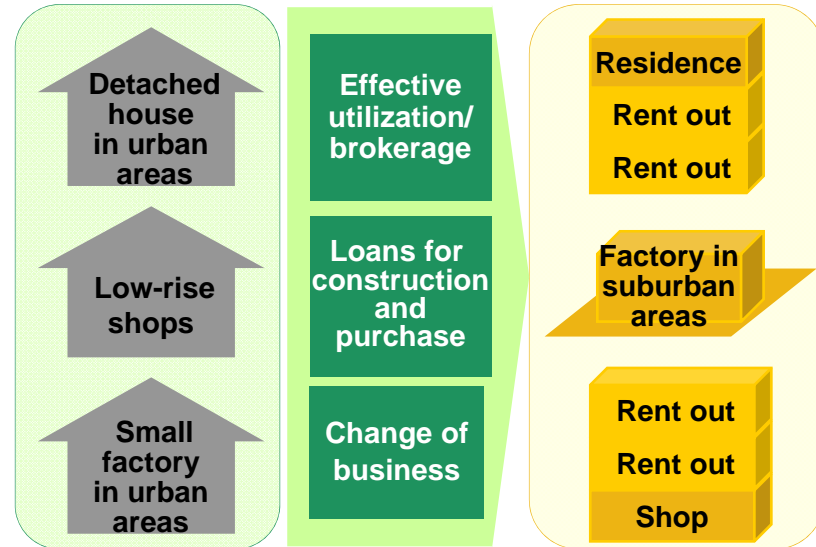
Solutions for SME owners to prepare cash for estate division in the future

- Establish a property management company and sell it the shares of his/her company to obtain cash
Also establish a share transfer trust for the property management company
 - Gift the trust beneficiary right from which voting rights are detached to intended business successors
 - Obtain profits as a company founder and secure cash for future property division
 - Eliminate the risk of rising share value at a time of future inheritance

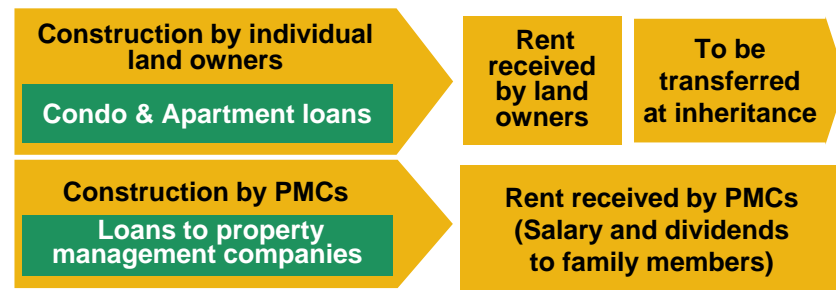


Solutions for Effective Utilization of Real Estate

- Reconstruction needs stemming from aging degradation, changes in family composition and location environment



- Customers can flexibly decide who will borrow for construction based on their prioritized needs



Supports for SMEs Doing Business in Asia

Footholds in Asia to Extend Supports to SMEs

Overseas representative offices

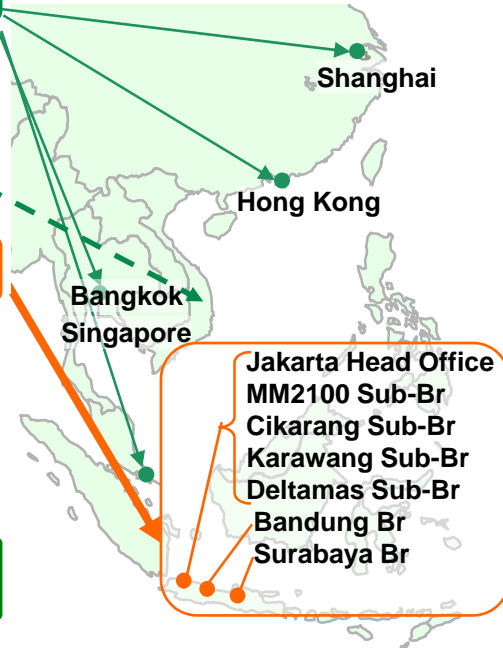
- 4 offices
- Open new Rep. office in Ho Chi Minh City, Vietnam, in this FY

Bank Resona Perdana

- JV bank in Indonesia with over 50 years of local experience

Regional coverage to offer local information

- Vietnam
=> Dispatched personnel to the Ho Chi Minh branch of Bangkok Bank (Japan desk)
- Thailand
=> Dispatched personnel to the Head Office of Bangkok Bank (Japan desk)
- India (Delhi)
=> Dispatched personnel to JETRO's Delhi office
- Philippines
=> 3 party tie-up with PEZA*1 and RCBC paved the way for one-stop consultation service
=> Dispatch personnel to RCBC (Japan desk)

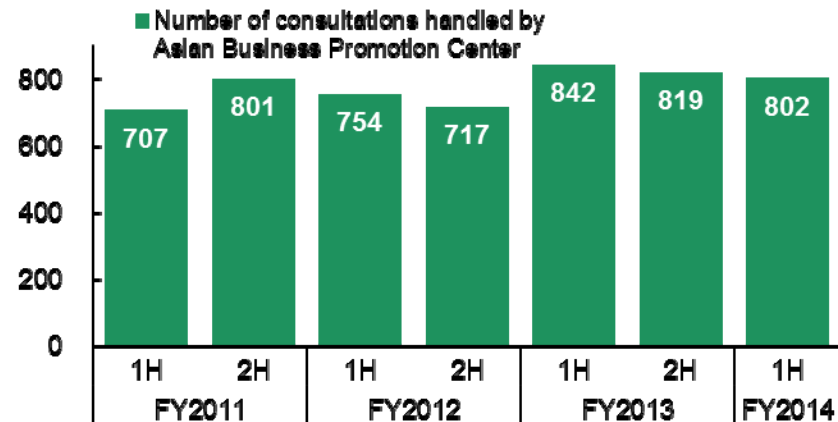


Local Services Offered through Alliances

- Alliance network comprising 12 partner banks covering 12 countries and region
- Services offered through large number of branches and local expertise

| Major Alliance Partners in Asia | | | |
|---------------------------------|---|-------------|--------------------------------------|
| China | Bank of East Asia | Singapore | Bank of East Asia |
| | Bank of China | Malaysia | Public Bank |
| | China Construction Bank | Thailand | Bangkok Bank |
| | Industrial and Commercial Bank of China | Vietnam | Bangkok Bank |
| | Bank of Communications | India | State Bank of India |
| Hong Kong | Bank of East Asia | Philippines | Rizal Commercial Banking Corp.(RCBC) |
| Korea | Korea Exchange Bank | Cambodia | Cambodian Public Bank |
| Taiwan | Mega International Commercial Bank | Laos | Public Bank |

Consultations handled by Asian Business Promotion Center on a high level



*1. PEZA: Philippine Economic Zone Authority

Sophistication in ALM Interest Rate Risk Management: (Introduction of Internal Model to Measure Core Liquidity Deposits)

Reassess the value of liquidity deposits

*Internal model to measure core liquidity deposits
⇒ Grasp more properly how much liquidity deposits
can be regarded as low-cost and stable funding
over the long term*

Combined total assets: Y45.0 tn
(As of Sep. 30, 2014)

| | |
|---|---|
| Loans and bills discounted Y27.0 tn (59%) | Domestic liquidity deposits Y22.5 tn(50%) Core liquidity deposits (x%) |
| Securities Y8.1 tn(18%) | Domestic time and other deposits Y10.9 tn(24%) |
| Cash Y7.1 tn(15%) | Other Y9.8 tn(21%) |
| Other Y2.7 tn(6%) | Net assets Y1.7 tn(4%) |

***More sophisticated
ALM interest rate risk management***

Methods to measure core liquidity deposits

Before implementation of internal model < Standardized method >

(FSA's bank supervision guideline)

- Introduced the idea of core liquidity deposits in FY2007
- Balance: the smallest of the following
 1. Lowest balance for the past 5 years
 2. Current balance less maximum annual outflow observed in the past 5 years
 3. Current balance x 50%
- Maturity allocated evenly over 5 years (2.5 years on average)

Internal model

- RB and SR adopted in Apr.2010, KO in Oct.2010
- Rationally modeled depositors' behaviors to grasp how much can be regarded as core liquidity deposits
- Maturity allocated evenly over 10 years (5 years on average)
- Longer maturity applicable to core liquidity deposits (from 2.5 years to 5.0 years on average) enables the banks to take longer-term interest rate risk

Securities Portfolio (Total of Group Banks)

Maturity ladder of securities held (securities with contractual maturities, nominal amount basis)

(Y bn)

| | | End of Sep. 2014 | | | | | | | End of Mar. 2014 | | | | | | |
|--------------------------------------|------|------------------|--------------------|---------------------|---------------------|--------------------|----------------|----------------|------------------|--------------------|---------------------|---------------------|--------------------|----------------|----------------|
| | | One year or less | One to three years | Three to five years | Five to seven years | Seven to ten years | Over ten years | Total | One year or less | One to three years | Three to five years | Five to seven years | Seven to ten years | Over ten years | Total |
| Bonds held to maturity | (1) | 38.7 | 382.5 | 629.9 | 690.0 | 580.0 | 3.0 | 2,324.3 | 128.1 | 290.7 | 372.5 | 1,025.4 | 330.0 | 3.0 | 2,149.8 |
| JGBs | (2) | - | 287.3 | 542.5 | 599.7 | 430.0 | 3.0 | 1,862.5 | 95.0 | 200.0 | 284.3 | 945.2 | 180.0 | 3.0 | 1,707.5 |
| Floating-rate JGBs | (3) | - | 207.3 | 142.5 | 200.2 | - | - | 550.0 | - | 120.0 | 135.3 | 294.7 | - | - | 550.0 |
| Japanese local government bonds | (4) | 35.9 | 89.7 | 84.7 | 90.0 | 150.0 | - | 450.4 | 31.5 | 86.8 | 86.2 | 80.1 | 150.0 | - | 434.8 |
| Japanese corporate bonds | (5) | 2.7 | 5.4 | 2.7 | 0.3 | - | - | 11.3 | 1.5 | 3.9 | 1.9 | 0.0 | - | - | 7.5 |
| Available-for-sale securities | (6) | 1,302.1 | 972.1 | 1,992.4 | 174.8 | 382.2 | 215.8 | 5,039.7 | 1,595.1 | 1,228.5 | 2,101.6 | 189.5 | 530.7 | 131.2 | 5,776.7 |
| Bonds | (7) | 1,281.5 | 925.5 | 1,971.6 | 151.4 | 328.8 | 88.4 | 4,747.4 | 1,572.7 | 1,165.8 | 2,088.3 | 127.2 | 514.7 | 70.8 | 5,539.9 |
| JGBs | (8) | 995.2 | 560.0 | 1,621.0 | 75.0 | 279.0 | 64.0 | 3,594.2 | 1,383.0 | 749.5 | 1,799.4 | 50.0 | 416.0 | 45.0 | 4,442.9 |
| Floating-rate JGBs | (9) | - | - | - | - | - | - | - | - | - | 12.4 | - | - | - | 12.4 |
| Japanese local government bonds | (10) | 9.2 | 31.5 | 88.4 | 43.1 | 13.1 | - | 185.6 | 12.6 | 25.8 | 79.2 | 47.7 | 33.5 | - | 199.1 |
| Japanese corporate bonds | (11) | 277.0 | 334.0 | 262.1 | 33.3 | 36.7 | 24.4 | 967.6 | 177.1 | 390.5 | 209.7 | 29.4 | 65.2 | 25.8 | 897.8 |
| Other | (12) | 20.6 | 46.5 | 20.7 | 23.4 | 53.4 | 127.4 | 292.2 | 22.3 | 62.6 | 13.2 | 62.3 | 15.9 | 60.3 | 236.8 |

Unrealized gains/(losses)*1

(Y bn)

| [September 30, 2014] | | B/S Amount | Change from Mar. '14 | Unrealized gains/(losses) | Change from Mar. '14 |
|-------------------------------|-----|----------------|----------------------|---------------------------|----------------------|
| Bonds held to maturity | (1) | 2,324.9 | +174.2 | 69.1 | +1.3 |
| Available-for-sale securities | (2) | 5,834.2 | (697.2) | 424.3 | +91.5 |
| Stocks | (3) | 734.5 | +86.2 | 402.6 | +85.9 |
| Bonds | (4) | 4,778.5 | (786.8) | 15.2 | +3.3 |
| Other | (5) | 321.0 | +3.3 | 6.4 | +2.2 |

Trend of market and other indicators

[Duration and Basis Point Value of JGBs (Available-for-sale securities)

| | | 2012/3 | 2013/3 | 2014/3 | 2014/9 |
|-------------------|-----|--------|--------|--------|--------|
| Duration (year) | (1) | 2.4 | 2.7 | 3.1 | 3.4 |
| BPV (Ybn) | (2) | (1.81) | (1.59) | (1.41) | (1.26) |
| 10-year JGB yield | (3) | 0.985% | 0.560% | 0.640% | 0.520% |

[Break-even Nikkei Average Points]

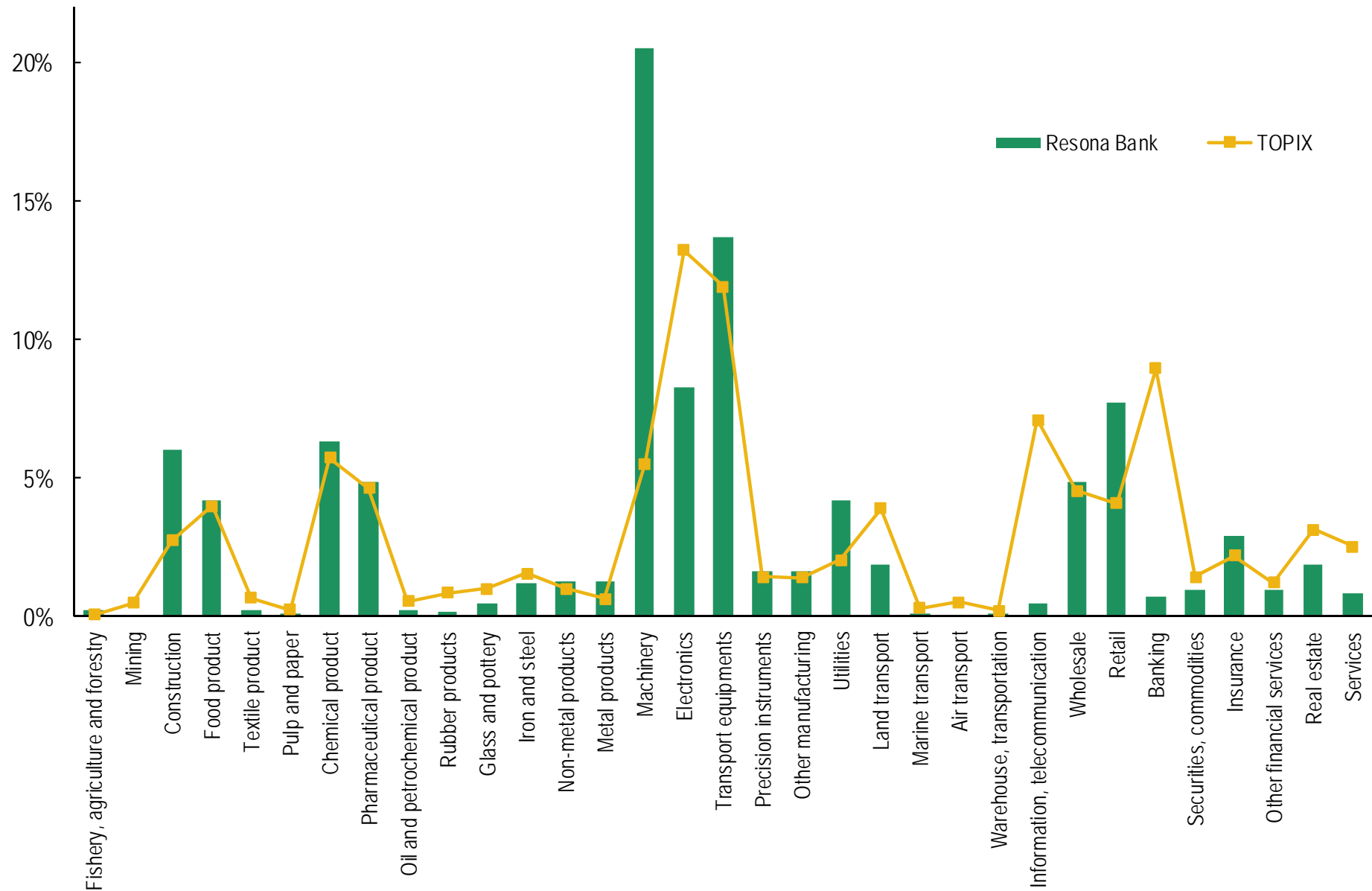
| | | 2012/3 | 2013/3 | 2014/3 | 2014/9 |
|---------------------------------|-----|--------|--------|--------|--------|
| Nikkei Average Points (Yen) | (4) | 7,100 | 5,900 | 6,500 | 5,900 |
| BV of stock sold outright (Ybn) | (5) | 8.3 | 7.2 | 5.4 | 1.6 |

[Net gains/(losses) on bonds and stocks] (Y bn)

| | | FY2011 | FY2012 | FY2013 | 1HFY2014 |
|------------------------------|-----|--------|--------|--------|----------|
| Net gains/(losses) on bonds | (6) | 26.8 | 30.5 | 7.2 | 10.5 |
| Net gains/(losses) on stocks | (7) | 2.2 | (7.7) | 22.3 | 23.4 |

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

Stocks Held by Industry (End of September 2014, RB)



(Balance sheet amount)

Maturity Ladder of Loan and Deposit (Total of Group Banks, Domestic Operation)

Loans and Bills Discounted

[End of March 2014]

| | | Within 6M | 6 to 12M | 1 to 3Y | Over 3Y | Total |
|-------------------|-----|--------------|-------------|---------|---------|--------|
| Fixed rate | (1) | 2.0% | 1.4% | 4.3% | 7.6% | 15.3% |
| Prime rate-based | (2) | 54.5% | 0.2% | 0.0% | 0.1% | 54.7% |
| Market rate-based | (3) | 22.8% | 1.4% | 2.7% | 3.0% | 30.0% |
| Total | (4) | 79.3% | 3.0% | 7.0% | 10.7% | 100.0% |

Loans maturing within
1 year **82.3%**

[End of September 2014]

| | | Within 6M | 6 to 12M | 1 to 3Y | Over 3Y | Total |
|-------------------|-----|--------------|-------------|---------|---------|--------|
| Fixed rate | (5) | 1.9% | 1.2% | 4.3% | 7.5% | 14.9% |
| Prime rate-based | (6) | 54.5% | 0.1% | 0.0% | 0.1% | 54.6% |
| Market rate-based | (7) | 23.2% | 1.3% | 2.8% | 3.2% | 30.5% |
| Total | (8) | 79.6% | 2.7% | 7.1% | 10.7% | 100.0% |

Loans maturing within
1 year **82.2%**

[Change in 1H of FY2014]

| | | Within 6M | 6 to 12M | 1 to 3Y | Over 3Y | Total |
|-------------------|------|--------------|---------------|---------|---------|--------|
| Fixed rate | (9) | (0.1)% | (0.1)% | +0.0% | (0.2)% | (0.4)% |
| Prime rate-based | (10) | +0.0% | (0.1)% | +0.0% | (0.0)% | (0.1)% |
| Market rate-based | (11) | +0.4% | (0.1)% | +0.1% | +0.1% | +0.5% |
| Total | (12) | +0.3% | (0.3)% | +0.1% | (0.0)% | - |

Loans maturing within
1 year **(0.0)%**

Deposits

[End of March 2014]

| | | Within 6M | 6 to 12M | 1 to 3Y | Over 3Y | Total |
|------------------------|-----|-----------|----------|---------|---------|--------------|
| Liquid deposits | (1) | 40.3% | 1.4% | 5.7% | 19.8% | 67.2% |
| Time deposits | (2) | 15.5% | 9.4% | 5.7% | 2.1% | 32.8% |
| Total | (3) | 55.8% | 10.9% | 11.4% | 21.9% | 100.0% |

[End of September 2014]

| | | Within 6M | 6 to 12M | 1 to 3Y | Over 3Y | Total |
|------------------------|-----|-----------|----------|---------|---------|--------------|
| Liquid deposits | (4) | 40.1% | 1.5% | 5.8% | 20.3% | 67.7% |
| Time deposits | (5) | 15.2% | 9.2% | 5.9% | 1.9% | 32.3% |
| Total | (6) | 55.3% | 10.7% | 11.8% | 22.3% | 100.0% |

[Change in 1H of FY2014]

| | | Within 6M | 6 to 12M | 1 to 3Y | Over 3Y | Total |
|------------------------|-----|-----------|----------|---------|---------|--------------|
| Liquid deposits | (7) | (0.2)% | +0.0% | +0.2% | +0.6% | +0.5% |
| Time deposits | (8) | (0.3)% | (0.2)% | +0.2% | (0.2)% | (0.5)% |
| Total | (9) | (0.6)% | (0.2)% | +0.4% | +0.4% | - |

*1. Data compiled for a management and administration purpose

Swap Positions by Remaining Periods (RHD Consolidated)

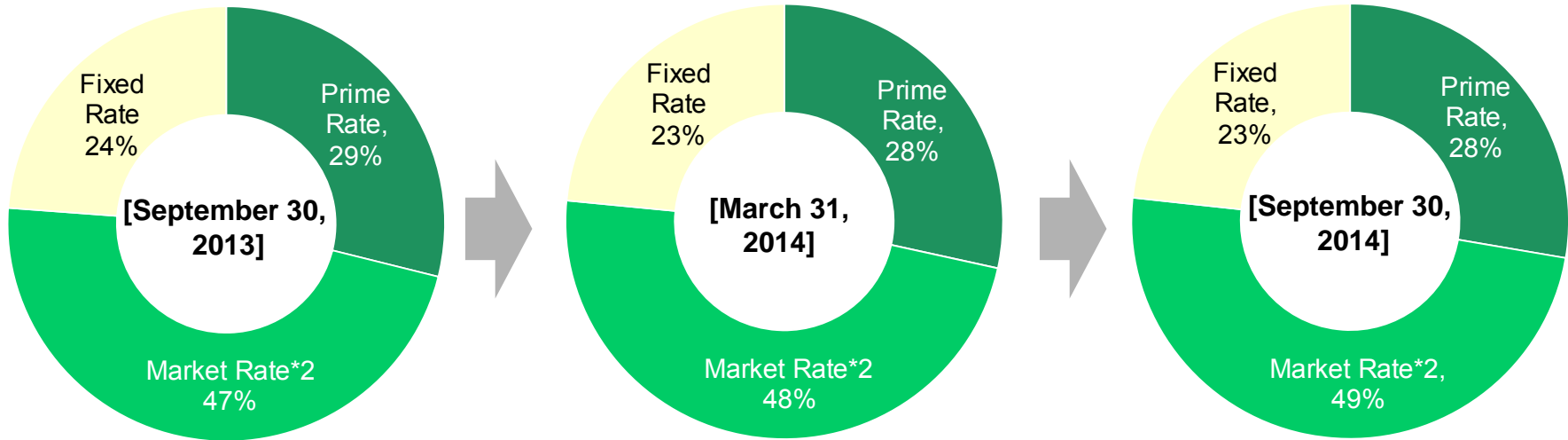
- Notional amounts of interest rate swaps (deferred hedge accounting applicable) by remaining period

(Billions of Yen)

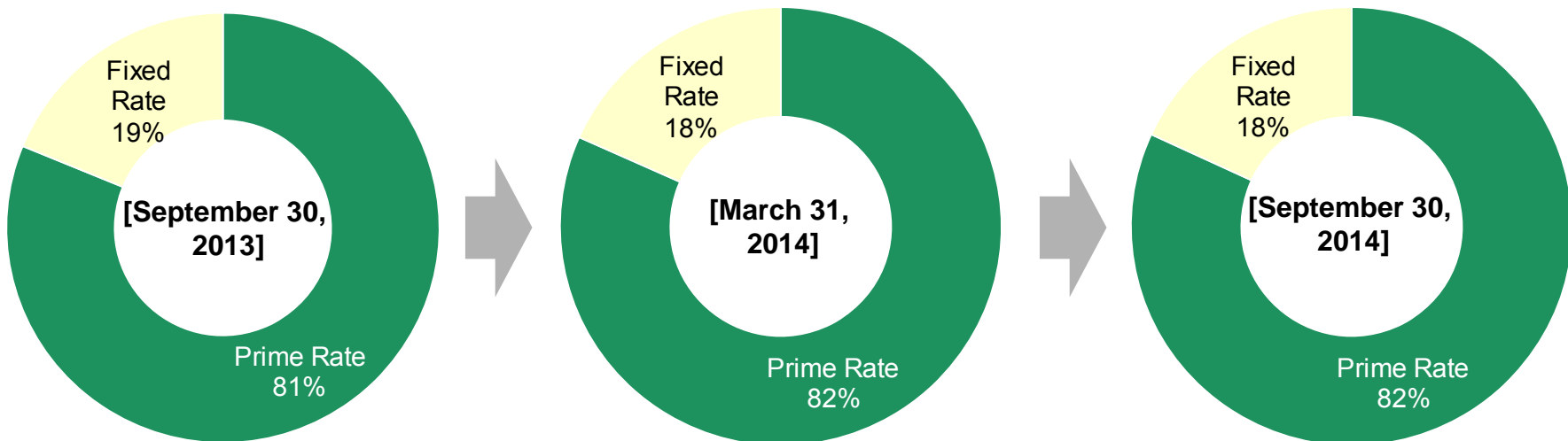
| | | Sep. 30, 2014 | | | | Mar. 31, 2014 | | | |
|--|-----|---------------|--------------|--------------|---------|---------------|--------------|--------------|---------|
| | | Within 1 year | 1 to 5 years | Over 5 years | Total | Within 1 year | 1 to 5 years | Over 5 years | Total |
| Receive fixed rate/ Pay floating rate | (1) | 268.0 | 980.0 | 1,140.0 | 2,388.0 | 100.0 | 1,185.4 | 1,090.0 | 2,375.4 |
| Receive floating rate/ Pay fixed rate | (2) | 20.2 | 634.7 | 1.1 | 656.1 | 60.0 | 645.1 | 6.0 | 711.2 |
| Net position to receive fixed rate | (3) | 247.7 | 345.2 | 1,138.8 | 1,731.8 | 40.0 | 540.2 | 1,083.9 | 1,664.1 |

Composition of Loan Portfolio by Base Rates (Total of Group Banks)

Loans to corporations*1



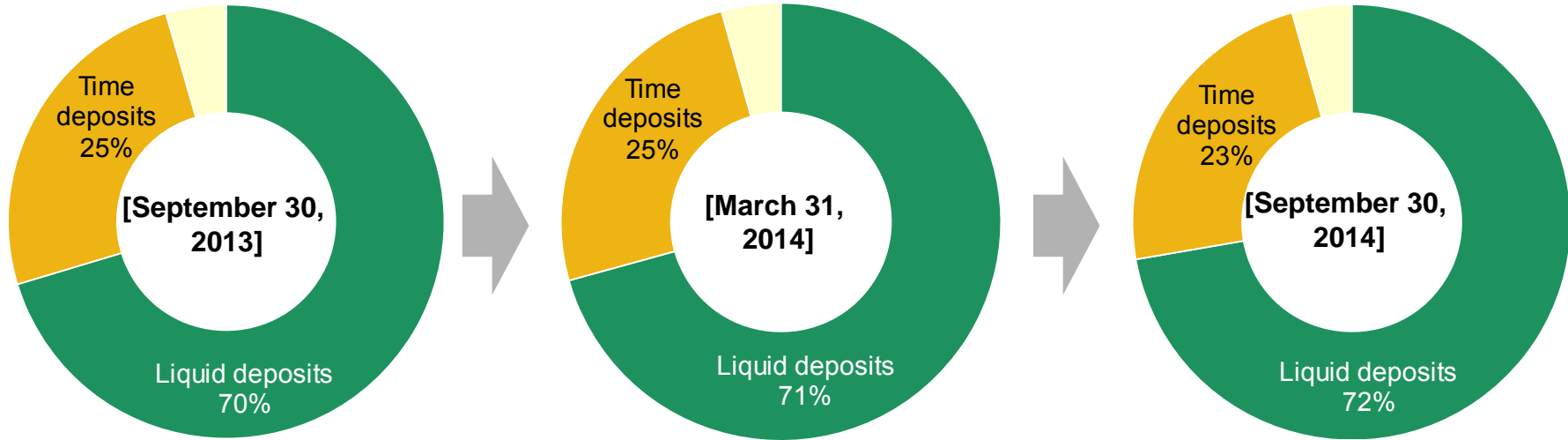
Loans to individuals*1



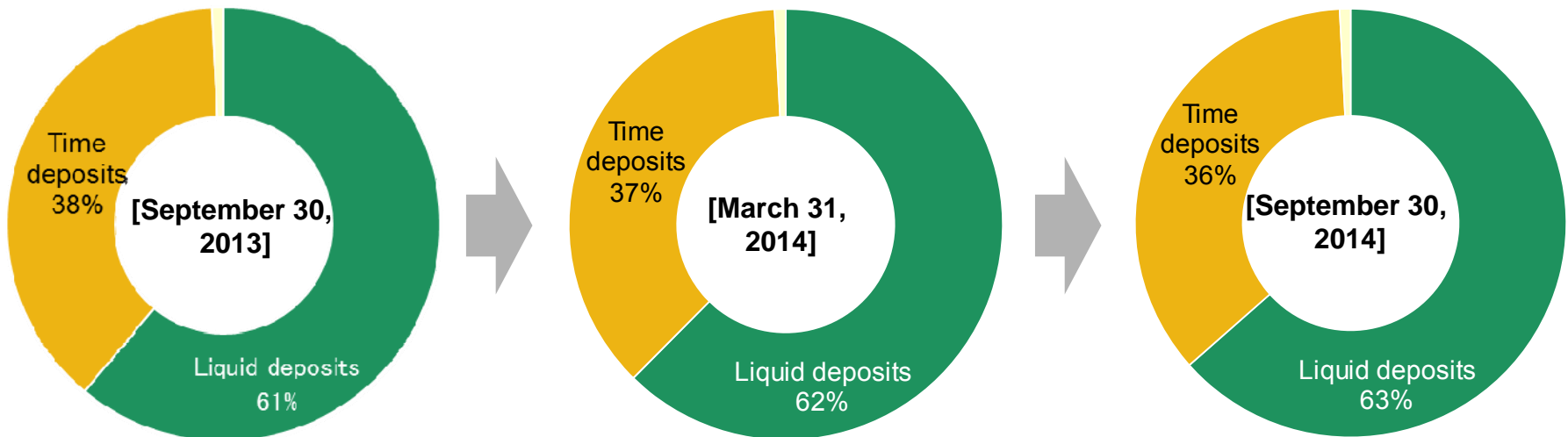
*1. Portfolio composition is computed based on the numbers compiled for administration purposes
 *2. Market rate-linked loans include the fixed-rate(spread) loans maturing in less than one year

Composition of Deposits by Types (Total of Group Banks)

Corporate Deposits



Individual Deposits



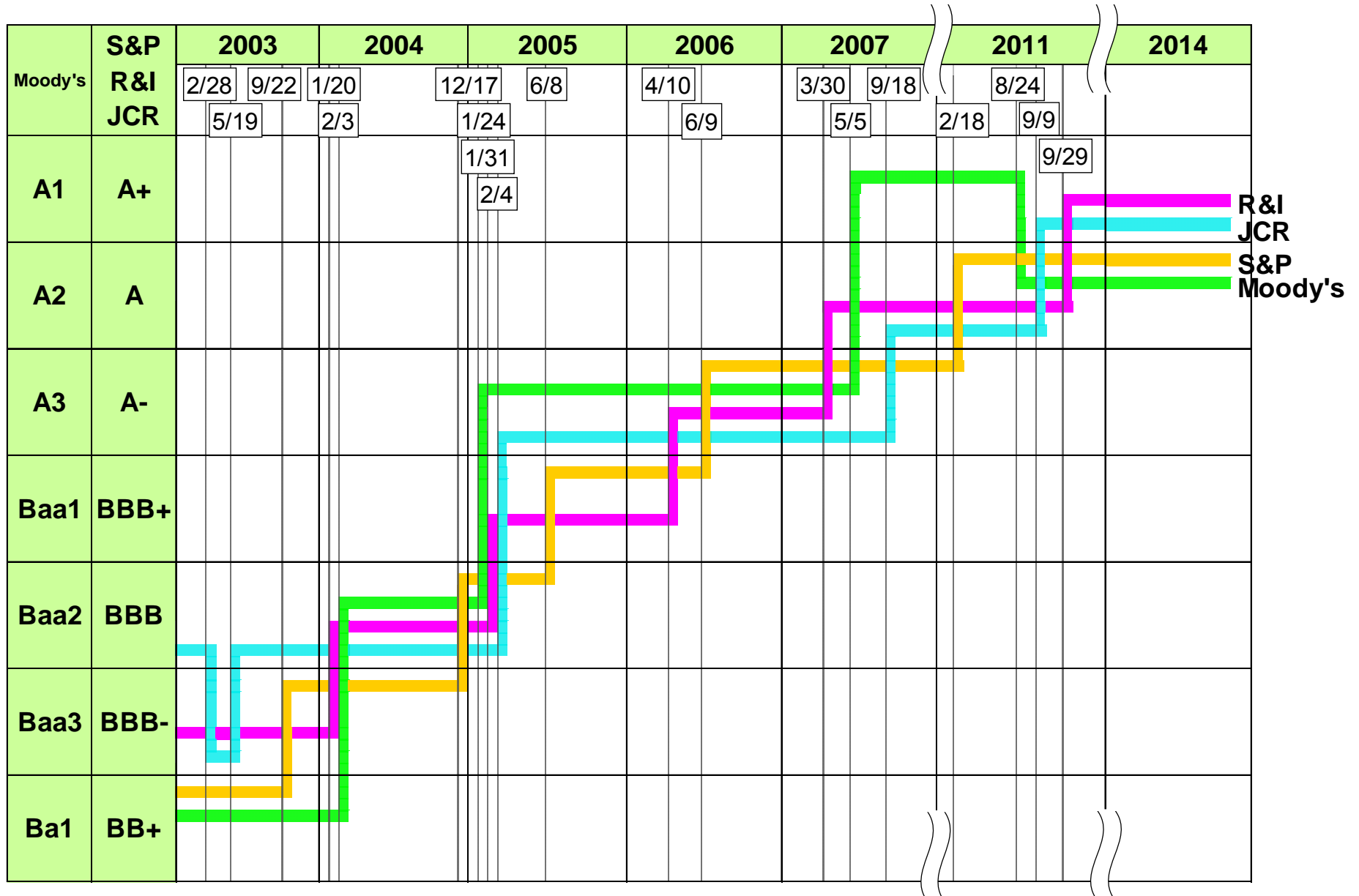
Migrations of Borrowers (RB, 1H of FY2014)

■ Exposure amount basis *1

| | | End of September 2014 | | | | | | | | | Upward Migration | Downward Migration |
|-------------------|----------------------|-----------------------|-------------|-------------------|----------|----------------------|----------|-------|------------------------|-------------------|------------------|--------------------|
| | | Normal | Other Watch | Special Attention | Doubtful | Effectively Bankrupt | Bankrupt | Other | Collection, Repayments | Assignments, Sale | | |
| End of March 2014 | Normal | 98.7% | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.5% | 0.5% | 0.0% | - | 0.8% |
| | Other Watch | 15.4% | 77.9% | 0.5% | 1.7% | 0.2% | 0.1% | 4.2% | 4.2% | 0.0% | 15.4% | 2.5% |
| | Special Attention | 4.5% | 5.5% | 81.8% | 7.0% | 0.2% | 0.0% | 1.1% | 1.1% | 0.0% | 10.0% | 7.2% |
| | Doubtful | 1.5% | 14.7% | 0.7% | 72.7% | 2.4% | 0.3% | 7.8% | 6.3% | 1.5% | 16.9% | 2.7% |
| | Effectively Bankrupt | 0.2% | 0.2% | 0.0% | 0.1% | 92.5% | 2.8% | 4.2% | 3.8% | 0.3% | 0.6% | 2.8% |
| | Bankrupt | 0.1% | 0.0% | 0.0% | 1.0% | 0.0% | 81.8% | 17.0% | 1.4% | 15.7% | 1.1% | - |

*1. Above table shows how a borrower belonging to a particular borrower category as of the end of March 2014 migrated to a new category as of the end of September 2014
 Percentage points are calculated based on exposure amounts as of the end of March 2014 (New loans extended, loans partially collected or written-off during the period are not taken into account)
 "Other" as of the end of September 2014 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims

Trend of Long-term Senior Debt Rating of Resona Bank



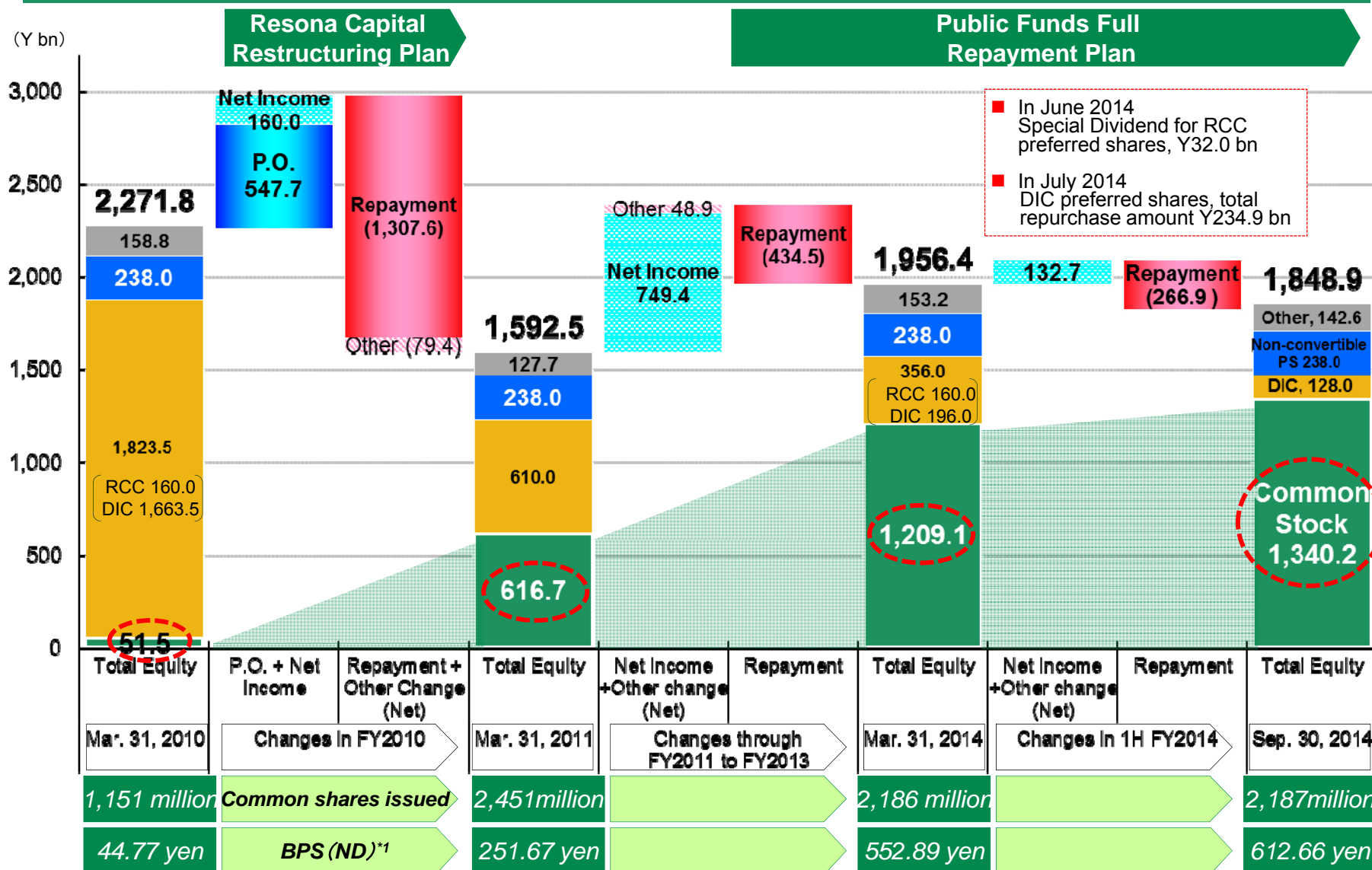
List of Preferred Share Issued by RHD

[As of October 31, 2014]

| | | Public Funds | | Private Funds | | |
|--|--------------------------------------|--|---|---|---|---|
| | | Class C Preferred Shares | Class F Preferred Shares | Class 4 Preferred Shares | Class 5 Preferred Shares | Class 6 Preferred Shares |
| Distinction between public and private funds | (1) | Public Fund | Public Fund | Private Fund | Private Fund | Private Fund |
| Original issuer and name of securities | (2) | Kinki Osaka Bank Series 1 | Asahi Bank Series 2 Class 2 | Resona Holdings Class 4 | Resona Holdings Class 5 | Resona Holdings Class 6 |
| Original issue date | (3) | 4/26/2001 | 3/31/1999 | 8/31/2006 | 8/28/2007 | 12/8/2009 |
| Current number of shares | (4) | 12,000,000 shares | 8,000,000 shares | 2,520,000 shares | 4,000,000 shares | 3,000,000 shares |
| Issue price per share | (5) | JPY 5,000 | JPY 12,500 | JPY 25,000 | JPY 25,000 | JPY 25,000 |
| Total issue amount remaining at present (Amount to be repaid, net of cumulative special preferred dividends already paid) | (6) | JPY 60.0 Billion (JPY 48.0 Billion) | JPY 100.0 Billion (JPY 80.0 Billion) | JPY 63.0 Billion | JPY 100.0 Billion | JPY 75.0 Billion |
| Original total issue amount | (7) | JPY 60.0 Billion | JPY 100.0 Billion | JPY 63.0 Billion | JPY 100.0 Billion | JPY 75.0 Billion |
| Shareholder | (8) | RCC | RCC | Shinkin Trust Bank | Dai-ichi Life | Nippon Life Meiji Yasuda Life Daido Life |
| Preferred dividend | Dividend per share (Jun. 2015) | (9) | JPY 54.40 | JPY 148.00 | JPY 992.50 | JPY 918.75 |
| | Total amount of dividend (Jun. 2015) | (10) | JPY 652 Million | JPY 1,184 Million | JPY 2,501 Million | JPY 3,675 Million |
| | Yield (Annual) | (11) | 1.36% | 1.48% | 3.970% | 3.675% |
| Acquisition right | Acquisition period | (12) | From Jan. 1, 2002 until the day of annual meeting for the year ending Mar. 2018 | From Jul. 1, 2003 until the day of annual meeting for the year ending Mar. 2018 | --- | --- |
| | Current exchange price | (13) | JPY 1,501 | JPY 3,240 | --- | --- |
| | Current exchange rate | (14) | (3.331) | (3.858) | (---) | (---) |
| Reset of exchange price | Date of reset | (15) | 1/1 | 7/1 | --- | --- |
| | Direction of reset | (16) | Upward/Downward | Upward/Downward | --- | --- |
| | Cap exchange rate | (17) | (3.331) | (3.858) | --- | --- |
| | Floor exchange rate | (18) | --- | --- | --- | --- |
| | Cap exchange price | (19) | --- | --- | --- | --- |
| | Floor exchange price | (20) | JPY 1,501 | JPY 3,240 | --- | --- |
| | Start of market price calculation | (21) | 45 trading days before | 45 trading days before | --- | --- |
| | Calculation period | (22) | 30 trading days | 30 trading days | --- | --- |
| Acquisition clause (In exchange for common shares) | Date of mandatory exchange | (23) | The next day of annual meeting for the year ending Mar. 2018 | The next day of annual meeting for the year ending Mar. 2018 | Mandatory exchange not applicable | Mandatory exchange not applicable |
| | Mandatory exchange rate | (24) | JPY 5,000 / Market Price | JPY 12,500 / Market Price | Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date | Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date |
| | Start of market price calculation | (25) | 45 trading days before | 45 trading days before | --- | --- |
| | Calculation period | (26) | 30 trading days | 30 trading days | --- | --- |
| | Floor exchange price | (27) | JPY 1,667 | JPY 3,598 | --- | --- |

Change in Composition of Resona HD's Total Equity (From Mar. 31, 2010 to Sep. 30, 2014)

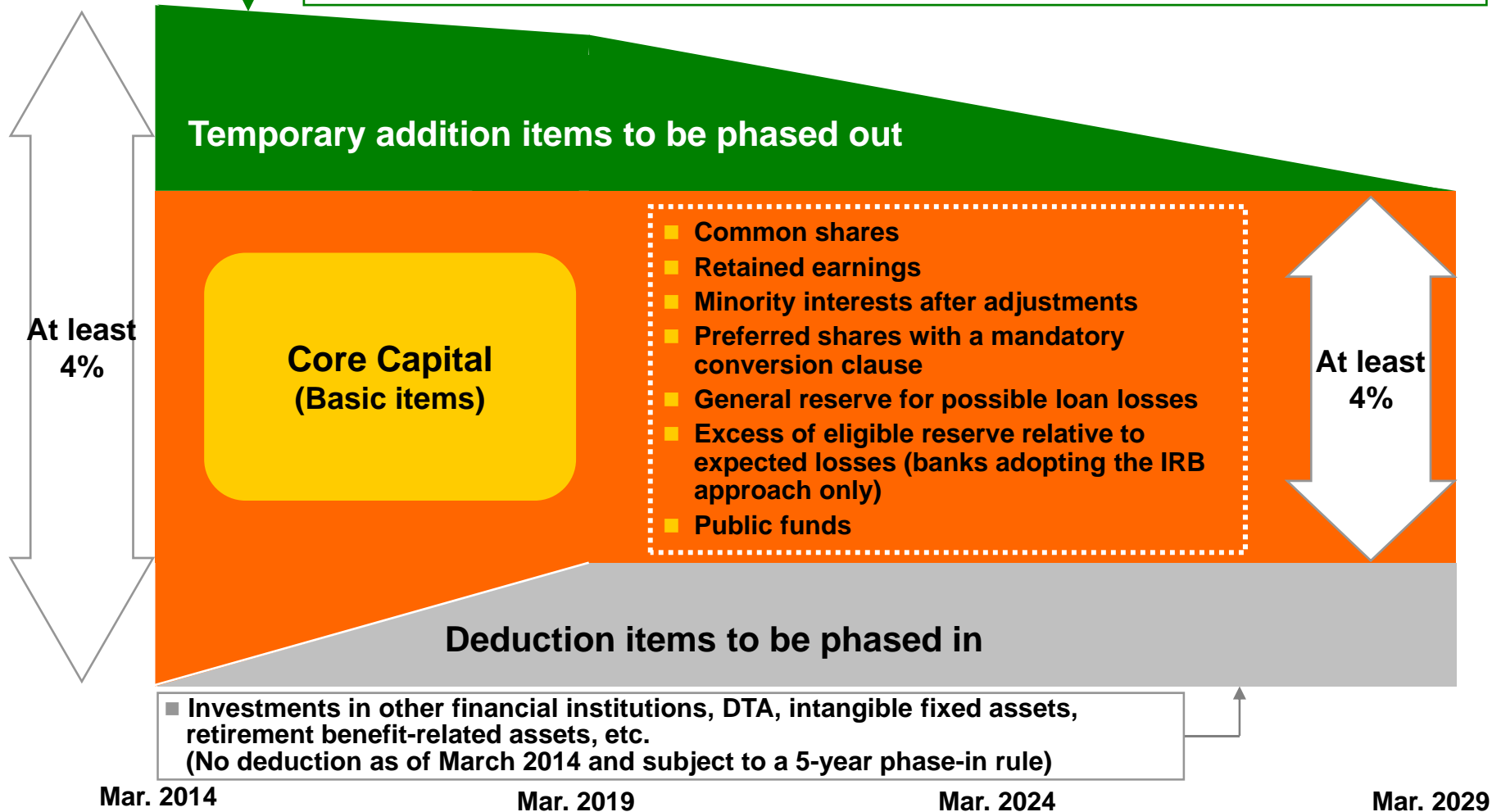
BPS (ND) is rapidly expanding => BPS(ND) 612 yen



*1. Equity attributable to common stock at year-end / Number of common shares excluding treasury shares at year-end

Outline of the New Domestic Capital Regulation

- Subordinated debts, preferred securities and non-convertible preferred shares
 - Existing subordinated debts and preferred securities can be fully included in Core Capital as of the end of March 2014. These grandfathering items will be subject to a 10-year phase-out rule starting from March 2015.
 - The existing non-convertible preferred shares*1 can be fully included in Core Capital until March 2019 and will be subject to a 10-year phase-out rule starting from March 2020.



*1. Non-cumulative preferred stock other than the ones with a mandatory conversion feature

Long Term Business Results

| | | (Ybn) | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | 1HFY2014 |
|-------------------------------|--|-----------------------------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| PL | Consolidated | Gross operating profit | 901.8 | 775.0 | 763.1 | 768.6 | 805.2 | 769.3 | 739.5 | 678.3 | 667.0 | 655.2 | 637.1 | 608.5 | 310.4 |
| | | Net interest income | 599.1 | 561.2 | 542.3 | 549.8 | 563.7 | 555.3 | 547.0 | 499.4 | 484.0 | 463.9 | 443.0 | 430.0 | 210.1 |
| | | Fees and commission income | 149.9 | 152.6 | 156.2 | 181.1 | 197.4 | 188.4 | 153.2 | 145.1 | 146.8 | 143.1 | 150.6 | 158.7 | 83.8 |
| | | Operating expenses | (597.6) | (510.0) | (382.0) | (384.0) | (384.6) | (385.9) | (384.4) | (387.5) | (369.4) | (360.9) | (361.6) | (348.4) | (177.6) |
| | | Net gains/(losses) on stocks | (300.6) | 57.6 | 91.0 | 58.5 | 72.7 | (43.8) | (42.2) | 0.6 | (0.8) | 2.3 | (7.5) | 22.6 | 23.4 |
| | | Credit related expenses | (552.1) | (1,418.3) | (41.5) | (6.9) | (69.7) | (58.4) | (181.4) | (114.6) | (61.5) | (13.8) | 13.0 | 26.4 | 23.9 |
| | | Net income | (837.6) | (1,663.9) | 365.5 | 383.2 | 664.8 | 302.8 | 123.9 | 132.2 | 160.0 | 253.6 | 275.1 | 220.6 | 132.7 |
| BS | Total of 3 banks | Term end loan balance | 29,545.1 | 26,475.3 | 25,702.1 | 26,406.1 | 26,566.7 | 26,163.8 | 26,608.9 | 26,306.1 | 26,177.9 | 26,050.4 | 26,682.1 | 26,986.0 | 27,052.8 |
| | | Loans to SMEs | 23,540.1 | 21,237.1 | 21,079.7 | 21,966.2 | 22,441.5 | 22,287.9 | 22,218.6 | 22,320.8 | 22,166.3 | 22,235.8 | 22,659.5 | 22,912.6 | 23,044.5 |
| | | Housing Loans*1 | 8,527.6 | 9,373.8 | 10,170.9 | 10,864.2 | 11,419.7 | 11,563.8 | 11,701.0 | 12,042.9 | 12,145.4 | 12,250.3 | 12,651.9 | 12,918.3 | 12,984.4 |
| | | Residential Housing Loans | 5,959.7 | 6,733.6 | 7,475.0 | 8,078.6 | 8,462.5 | 8,569.5 | 8,593.5 | 8,857.4 | 8,973.6 | 9,095.3 | 9,441.3 | 9,705.2 | 9,773.0 |
| | | NPL ratio | 9.32% | 6.74% | 3.38% | 2.55% | 2.46% | 2.19% | 2.42% | 2.42% | 2.43% | 2.32% | 2.06% | 1.74% | 0.16% |
| | Consolidated | Stocks (Acquisition amount basis) | 1,319.0 | 630.1 | 399.6 | 400.9 | 390.4 | 385.5 | 356.7 | 344.5 | 351.8 | 342.5 | 337.2 | 331.9 | 332.2 |
| | Unrealized gains/(losses) on available-for-sale securities | (25.8) | 241.3 | 260.2 | 445.4 | 432.9 | 171.6 | (32.5) | 120.6 | 92.8 | 131.9 | 258.0 | 333.2 | 424.8 | |
| Business*3 | Total of 3 Banks | Investment Products sold | 365.3 | 663.6 | 795.0 | 1,183.3 | 1,525.6 | 1,054.9 | 509.0 | 720.7 | 937.7 | 1,030.8 | 1,290.5 | 1,477.0 | 718.0 |
| | | Investment Trust | 365.3 | 607.9 | 676.8 | 979.1 | 1,297.2 | 858.0 | 314.9 | 494.6 | 725.8 | 742.6 | 972.7 | 1,203.7 | 532.8 |
| | | Insurance | - | 55.7 | 118.2 | 204.2 | 228.4 | 197.0 | 194.1 | 226.1 | 211.9 | 288.3 | 317.8 | 273.2 | 185.2 |
| | | Housing loan *1 | - | 1,758.8 | 1,852.9 | 1,853.4 | 1,662.0 | 1,394.3 | 1,222.4 | 1,435.4 | 1,341.1 | 1,301.8 | 1,559.5 | 1,478.6 | 626.4 |
| | | Residential Housing Loans | - | - | - | - | 1,274.3 | 1,063.7 | 894.0 | 1,147.7 | 1,098.6 | 1,048.6 | 1,225.5 | 1,162.3 | 478.3 |
| | | Real estate business*2 | 6.0 | 8.5 | 9.3 | 12.0 | 15.0 | 14.5 | 7.2 | 6.3 | 6.6 | 7.7 | 7.8 | 8.3 | 4.6 |
| Remaining Public Fund Balance | | 1,168.0 | 3,128.0 | 3,125.2 | 2,925.2 | 2,372.5 | 2,337.5 | 2,085.2 | 2,085.2 | 871.6 | 871.6 | 871.6 | 356.0 | 128.0 | |

*1. Includes apartment loans (Origination Includes Flat35)

*2. Excluding gains/(losses) from investments in real estate

*3. Data compiled for management and administration purposes

The forward-looking statements contained in this presentation may be subject to material change due to the following 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.



RESONA