CFO Message

Narunobu Ota
Executive Officer and Group CFO

Review of Results for the Fiscal Year Ended March 2023 (FY2022)

In the fiscal year ended March 31, 2023, the Resona Group focused on successfully completing the previous medium-term management plan (MMP) and transitioning to the new MMP. To that end, the Group has striven to implement timely countermeasures against downside risks while pursuing the full achievement of its annual targets. Thankfully, our main operations enjoyed robust performances, while credit-related expenses remained low due to the reversal of reserve for possible loan losses on the back of progress in corporate rehabilitation assistance. Reflecting these and other factors, we have seen some indicators exceed planned targets, contributing to the aforementioned robust operating results. In particular, net income attributable to owners of parent surpassed not only our annual target of ¥150.0 billion, which has been set by factoring in costs for measures to restore the soundness of our securities portfolio, but also topped our MMP target of ¥160.0 billion.

We have also met our goal of achieving a third consecutive year of annual growth in core income, an indicator for measuring progress in income and cost structure reforms. Thus, over the three-year period of the previous MMP, we accomplished core income growth of ¥22.4 billion.

Although our ROE fell short of the MMP target of 8%, this indicator recovered to 7.66% in FY2022. Meanwhile, our Common Equity Tier (CET) 1 capital ratio reached our target of 10%. Under the new MMP, we are now shifting our focus to the central issue of how to best utilize our capital. Given this transition to a new phase of capital utilization, we can conclude that our initiatives under the previous MMP were largely successful.

In addition, we undertook a variety of endeavors to adapt to the rapidly evolving business environment. Here, I will explain two aspects of these endeavors.

First, with an eye to aligning ourselves with monetary policy trends as well as market changes at home and abroad, we have formulated and executed diverse action plans. Since the collapse of Silicon Valley Bank in March 2023, we have received a growing number of inquiries regarding our approach to balance sheet management and administration. In this regard, the Resona Group takes an ALM approach backed by highly stable retail deposits. This helps us maintain a fairly sound balance sheet in terms of resilience against interest rate risks as well as liquidity.

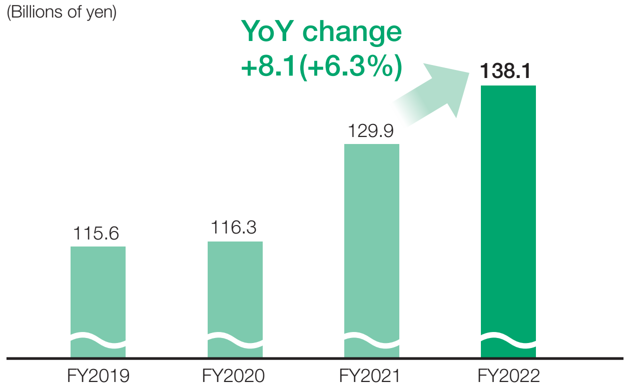
Moreover, our yen bond portfolio is similarly backed by our abundant volume of retail deposits, ensuring that the risk of negative spread is limited. Taking these factors into account, we are confident of our ability to maintain this portfolio while curbing growth in unrealized losses even in the face of expected hikes in interest rates. At the same time, we will strive to seize upside profit opportunities arising from future shifts in monetary policies and resulting changes in the environment. With regard to our foreign bond portfolio, we have taken sufficient steps to counter most losses arising from low-margin bond holdings. Therefore, we have entered a phase of redeveloping this portfolio with an eye to securing stable returns over the medium to long term even as we stay on alert for a peak out in U.S. interest rates.

Second, we have striven to counter credit risks. In FY2022, credit-related expenses totaled ¥15.9 billion, a decrease of ¥42.7 billion year on year. The ratio of credit-related expense to total credit remained low at 3.9 bps. This was attributable to reversal gains due mainly to the upgrading of some major clients that have been subject to rehabilitation assistance. At the same time, even though the repercussions of the COVID-19 pandemic have been tapering off, we have seen negative signs of fallout from the depreciation of the yen and surges in resource prices in certain sectors. Looking ahead, we will engage in ongoing and in-depth dialogue with our customers while assiduously monitoring for signs of abnormalities and otherwise ensuring the early detection of any changes in their status. In this way, we will extend even more robust support to our customers.

(Outline of Financial Results for FY2022 ➡ p. 29)

Trend in Core Income (Resona Holdings consolidated)

(Billions of yen)



Forecast for the Fiscal Year Ending March 2024 (FY2023)

For the fiscal year ending March 31, 2024, we have set our target for net income attributable to owners of parent at ¥150.0 billion, a year-on-year decrease of ¥10.4 billion. On the other hand, our annual forecast for common dividends per share is ¥22 per share, up ¥1 year on year. Primary factors behind the expected profit decrease suggested in our net income target include higher operating expenses due to forward-looking investments in human resources and digital transformation (DX). We are, however, convinced that these investments are essential to securing sustainable future growth backed by more robust employee engagement and higher productivity and, therefore, must be executed at this point in time. In addition, FY2022 operating results were partially supplemented by extraordinary gains arising from the reversal of credit-related expenses and higher proceeds from the sale of policy-oriented stockholdings. For FY2023, we expect the degree of contributions by these extraordinary positive factors to decline. This is yet another factor contributing to the above net income target.

The ongoing execution of income and cost structure reforms remains our foremost priority under the new MMP. We will continue to advance these reforms. Also, although we intend to continue focusing on improving core income, we have revised our definition of core income in light of such factors as the revision of the Bank of Japan's yield curve control (YCC) policy in December 2022 and subsequent changes in the interest rate environment. While core income under the previous definition comprised the sum of net interest income from domestic loans and deposits, fee income and operating expenses, the newly defined core income under the new MMP now includes interest income on yen bonds, etc.

Here, I will explain our forecasts for FY2023 operating results, excluding the forecasts for operating expenses I touched on earlier, in comparison with FY2022 operating results. We expect interest income on yen bond, etc., to increase ¥0.6 billion. Although net interest income from domestic loans and deposits is expected to decline ¥1.7 billion, the breadth of decline will grow smaller, and we anticipate an upturn in this indicator during the course of the new MMP period. We also plan to secure an ongoing growth track for fee income, and forecast a year-on-year increase of ¥2.4 billion. Despite the expected temporary decrease in core income on the back of such factors as increasing operating expenses arising from forward-looking investments, we expect this indicator to achieve a turnaround and eventually grow stronger during the course of the new MMP period.

FY2023 Earnings Targets and Dividend Forecasts

Resona Holdings consolidated

(Billions of yen)	Full-year targets	YoY change
Net income attributable to owners of parent	150.0	(10.4)
Differences between consolidated and non-consolidated results	17.5	(1.2)
Core income (including interest income on yen bonds, etc.)*	148.0	(15.6)

Common dividends per share

	Dividends per share	YoY change
Common dividends per share (full-year forecast)	22.0	+1.0
Interim dividends	11.0	+0.5

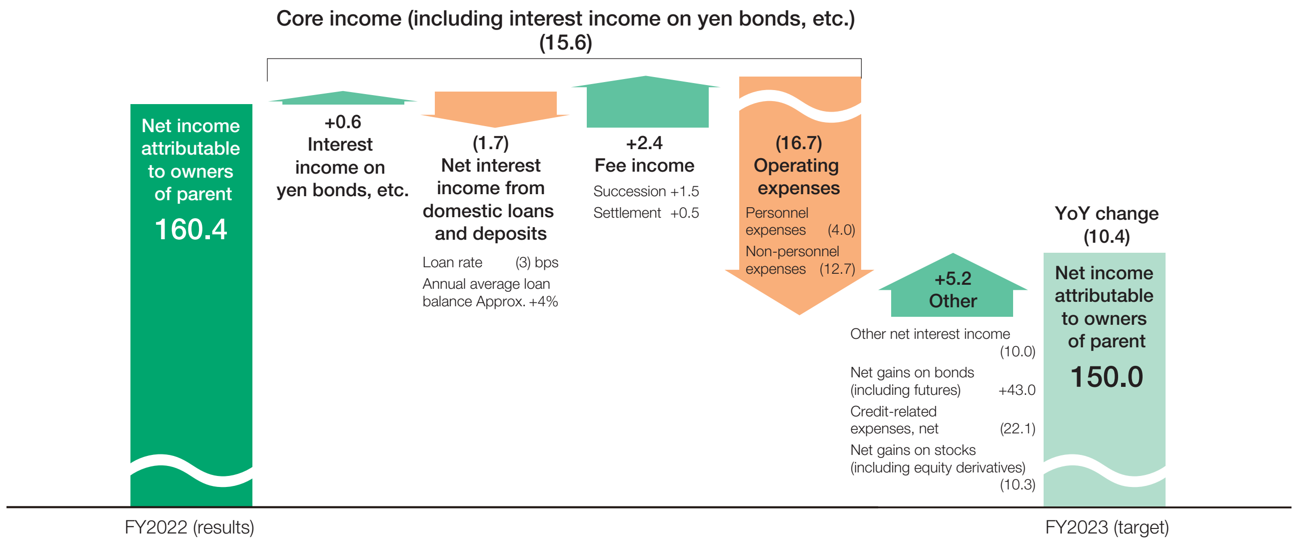
Total of Group banks

(Billions of yen)	Total of Group banks	
	Full-year targets	YoY change
Gross operating profit	575.5	+31.3
Operating expenses	(392.5)	(15.7)
Actual net operating profit	183.0	+15.7
Net gains on stocks (including equity derivatives)	44.0	(10.3)
Credit-related expenses, net	(31.5)	(16.5)
Net income before income taxes	184.0	(14.0)
Net income	132.5	(9.1)

* Net interest income from domestic loans and deposits + interest income on yen bonds, etc. (interest income on yen bonds and income from interest rate swaps) + fee income + operating expenses

Factors Contributing to Differences between FY2022 Operating Results and FY2023 Earnings Targets

(Billions of yen; changes are presented in approximate figures)



Earnings Roadmap under the New MMP

In the fiscal year ending March 31, 2026 (FY2025), the final year of the new MMP, we aim to achieve net income that is approximately ¥10.0 billion in excess of net income recorded in FY2022. As for assumptions used in the formulation of this earnings plan, we have not factored in the impact of a possible shift in domestic monetary policies but instead assumed that interest rates, both short and long term, will remain virtually unchanged from the current levels.

Reflecting our forward-looking approach to investments in human resources, IT infrastructure and other elements supporting our future viability, operating expenses will increase by around ¥26.0 billion over the three-year period of the new MMP. However, this increase will be more than offset by a ¥43.0 billion increase in top-line income over the same period. This will consist of a ¥6.0 billion increase in interest income on yen bonds, etc., a ¥10.0 billion increase in net interest income from loans and deposits and a ¥27.0 billion increase in fee income. Thus, our plan is to achieve a net increase of ¥17.0 billion, or approximately 10%, in core income from operating results for FY2022.

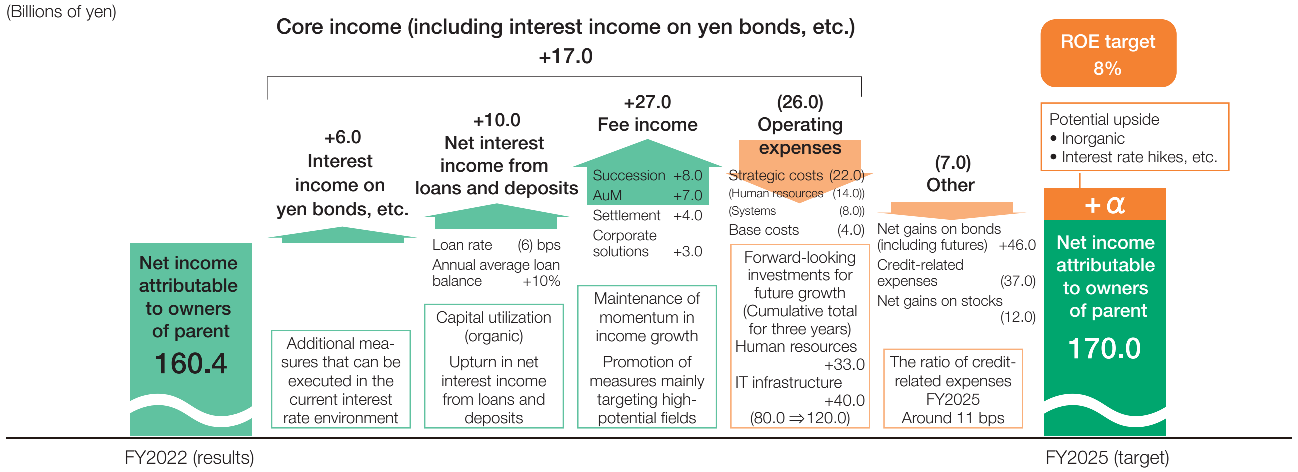
Looking at core income per employee, we also plan to achieve growth in this indicator from ¥5.7 million to ¥6.5 million even as we robustly control total headcount.

We anticipate that the effect of forward-looking investments will not fully emerge until the close of the new MMP. However, we will expand investment in human resources to enhance employee engagement and to secure a robust pool of specialist human resources while pushing ahead with cost structure reforms via the strengthening of IT investment.

Through these and other endeavors, we will increase net income attributable to owners of parent to ¥170.0 billion. Simultaneously, we will achieve an ROE (based on total shareholders' equity) of 8% through, for example, expanded investment aimed at supporting inorganic growth as we enter a new phase of capital utilization.

Income plan aimed at offsetting outflows arising from forward-looking investments to be undertaken to enhance employee engagement and productivity while achieving growth in core income and an ROE of 8%

(Billions of yen)



Capital Management

Here, I will explain the direction of our capital management under the new MMP.

Currently, we are transitioning from our previous focus on the qualitative and quantitative enhancement of capital to a new phase in which we can fully utilize said capital. Our basic policy is to pursue improvement in corporate value by utilizing capital to undertake growth investment and to enhance the content of shareholder returns in a way that maintains financial soundness. We also aim to achieve an ROE (based on total shareholders' equity) of 8% as an indicator for measuring capital profitability.

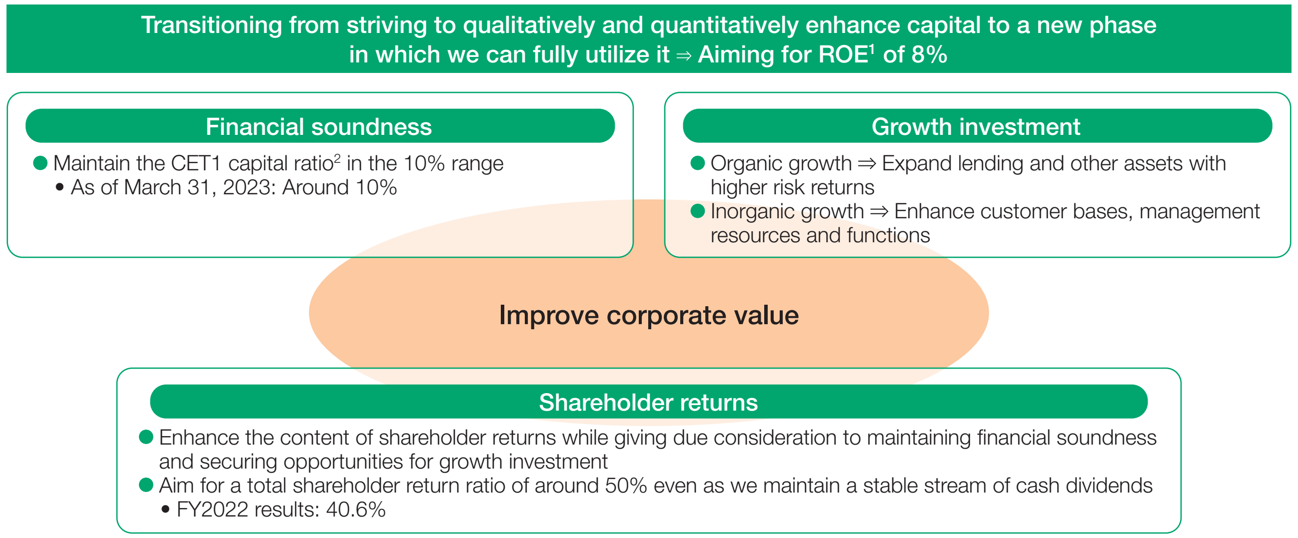
I will begin with an outline of our endeavors to date to maintain financial soundness. Under the previous MMP, we successfully met our CET1 capital ratio target of around 10% in March 31, 2023 (based on regulations to be effective upon the full enforcement of the finalized Basel 3; excluding net unrealized gains on available-for-sale securities). Having launched the new MMP, we are now allocating capital to growth investment and shareholder returns while being conscious of maintaining this ratio in the 10% range. This new target factors in the regulatory minimum requirement of 4.5% (mandatory to banks to which the F-IRB approach is applied) along with a risk buffer of 4.5% and a strategic buffer of 1%. Accordingly, we consider this target to be sufficient in terms of risk resilience.

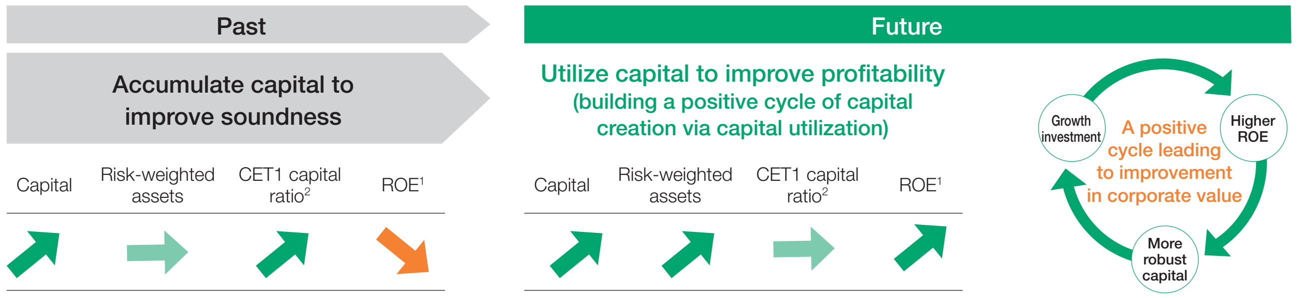
Next, let us turn to our concepts for growth investment. In addition to stepping up lending aimed at helping customers and regional societies resolve issues they are confronting, we will utilize capital to achieve both organic and inorganic growth. Specifically, we will pursue the enhancement of our customer bases, management resources and functions, with the aim of securing greater returns.

Lastly, with regard to our policy for shareholder returns, under the previous MMP, we had aimed for a total shareholder return ratio in the mid-40% range over the medium term. In line with new MMP, we have upwardly revised this target and are currently aiming for a total shareholder return ratio of around 50%.

Based on this new target, in May 2023 we announced that we forecast annual common dividends per share of ¥22 per share, up ¥1 per share. Furthermore, we plan to execute share buybacks, with a maximum of ¥10.0 billion being set aside to this end. Given our current stock price, we consider executing share buybacks a quite rational means of utilizing capital. On the other hand, members of the Group's management, including myself, have been frustrated by its stagnant PBR, which continually falls short of 1 time. Taking this situation into account, the above budget for share buybacks also represents management's determination to improve the stock price.

Looking ahead, we will keep our stakeholders robustly updated about the roadmap for achieving targets under the new MMP.





1 Net income attributable to owners of parent / Total shareholders' equity (simple average of the balances at the beginning and end of the term)
2 Based on the full enforcement of the finalized Basel 3 regulations under the international standard; excluding net unrealized gains on available-for-sale securities

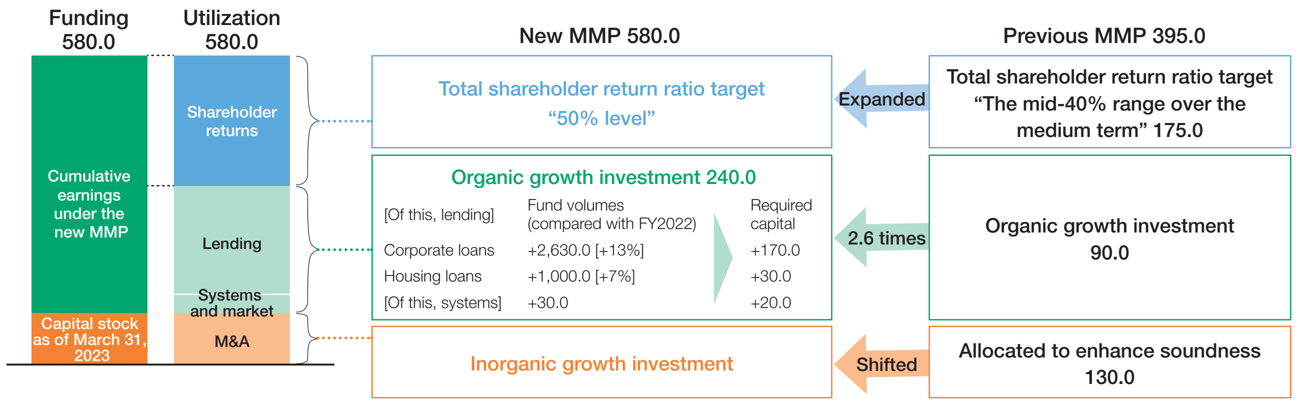
The diagram below shows how we will utilize capital over the course of the new MMP period.

Mainly via lending, we will invest around ¥240.0 billion to pursue organic growth. This amount is 2.6 times as much as the ¥90.0 billion invested in the course of the previous MMP.

Moreover, although we had allocated ¥130.0 billion to the enhancement of our financial soundness under the previous MMP period, the similarly large budget set aside this time is earmarked mostly for investment for inorganic growth.

Composition of Capital Utilization

(Billions of yen)

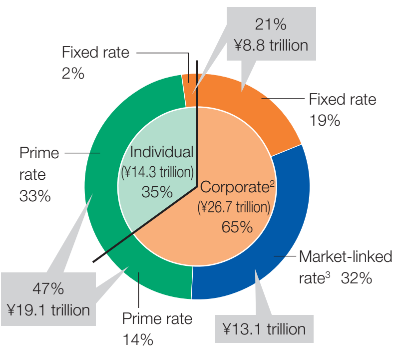


Balance Sheet Soundness / Impact of Possible Hikes in Yen Interest Rates (provisional calculation)

The new MMP is based on the premise that the current interest rate environment will continue. If Japan's monetary policies are revised going forward, however, we may expect the emergence of a positive profit effect on net interest income from loans and deposits, interest and dividends on securities and other indicators as our balance sheet is highly sensitive to interest rates.

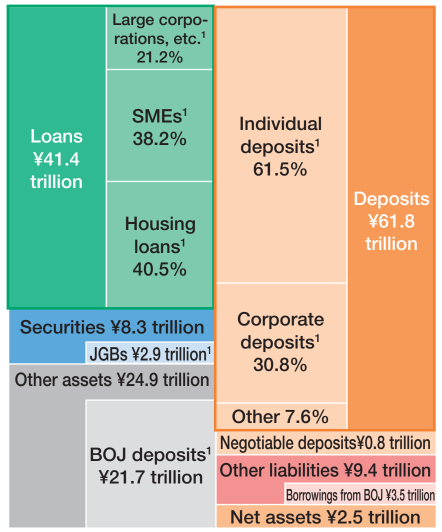
Of course, a number of variables—such as the timing of monetary policy revisions, as well as their pace, depth and methods used—must also be taken into consideration. Accordingly, the provisional calculation of such profit impact may differ considerably depending on the assumptions used. Here, we present results of our hypothetical calculations, with the abolition of the YCC policy and the lifting of the negative interest rate policy expected to result in upside impacts of around ¥20.0 billion and ¥10.0 billion, respectively.

Composition of loan portfolio

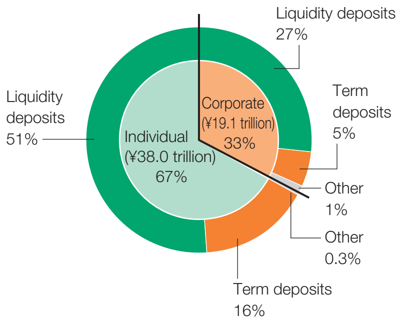


Available-for-sale securities	Practice the stringent management of interest rate risks and liquidity risks with an eye to regulatory standards (e.g., IRRBB and LCR) and other factors
Held-to-maturity bonds	
Current account deposits at Bank of Japan (BOJ)	An abundant ¥21 trillion (consolidated basis) in cash deposits in BOJ's current accounts

As of March 31, 2023
Total assets ¥74.8 trillion



Composition of deposit portfolio[4]



Distinctively strong business focus on regional and retail customers

Business strategies	Regional	Corporate	A diverse and dispersed customer portfolio/No. of customers who name us as their main bank 68 thousand
		Individual	Unparalleled convenience offered via the Group app (6.52 million downloads)/ Growing popularity as a mainstay tool for household finance
Domestic deposits			Our liquidity deposits mainly consist of retail deposits with robust stability ⇒ Ratio of individual deposits 61% ⇒ Average funding costs 0.005%

Impact of possible hikes in yen interest rates (provisional calculation)[5]

- **Hikes in long-term interest rates (the abolishment of the YCC policy)**
  - A provisional calculation premised on shifting a portion of funds held in BOJ current accounts to Japanese government bonds, etc., targeting instruments in the five-year maturity zone (assuming an increase in margin to around 0.4%) ⇒ + ¥20.0 billion
- **Hikes in short-term interest rates (the lifting of the negative interest rate policy)**
  - A provisional calculation based on assumptions regarding prevailing trends at the time of lifting that takes into account the status of deposits and loans as well as changes in current account interest rates at BOJ at the time of the introduction of said policy ⇒ + ¥10.0 billion

1 Total of Group banks
2 Including apartment loans
3 Including loans with fixed interest rates (spreads) whose maturity is scheduled within one year
4 Domestic individual deposits + domestic corporate deposits
5 The provisional calculation for the impact on annual profit reflects expected circumstances after the full effect of interest rate fluctuations materializes

Reduction in Policy-Oriented Stockholdings

Since the 2003 injection of public funds, we have shrunk our holdings of policy-oriented stocks via a course of financial reform, well ahead of other Japanese banks, achieving a reduction amounting to approximately ¥1 trillion. This has significantly decreased our exposure to equity price fluctuation risk.

In recent years, we have steadily reduced our policy-oriented stockholdings in line with a target of reducing such stockholdings by approximately ¥35.0 billion over a five-year period (¥7.0 billion/year) that began in April 2016. Having achieved a reduction totaling ¥32.6 billion, or 93% of this target, in the first four years, in May 2020 we revised the target, announcing a new goal of reducing such stockholdings by a further ¥30.0 billion in the three-year period (¥10.0 billion/year) beginning April 2020, accelerating the pace of reduction.

As a result, we have successfully reduced such stockholdings by ¥30.9 billion, which represents 103% of this new goal, over the course of the first two years. Thus, in May 2022 we again revised our reduction plan one year ahead of schedule, announcing the latest plan to reduce such stockholdings by ¥80.0 billion over a four-year period leading up to March 31, 2026. With the planed volume of annual reductions amounting to ¥20.0 billion, the pace of reductions was doubled from that under the previous plan.

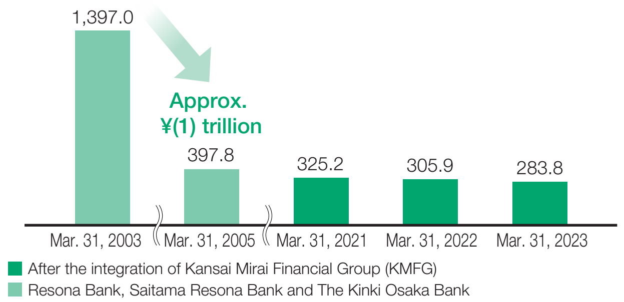
In FY2022, the first year of aforementioned four-year period, we reduced policy-oriented stockholdings by ¥22.0 billion. This represents the robust progress of 27.5% toward the target for the four-year plan. Moreover, the pace of annual reductions amounts to 110.1% of the planned volume of annual reductions.

Based on a provisional calculation premised on the ratio of acquisition costs to the fair value of our entire portfolio of policy-oriented stockholdings at the time of the formulation of this four-year plan (March 2022), we expect to be able to reduce such stockholdings by around ¥250.0 billion (fair value basis) over the four-year period. We will remain conscious of the volume of reductions thus far on a fair value basis while continuously striving to reduce such stockholdings.

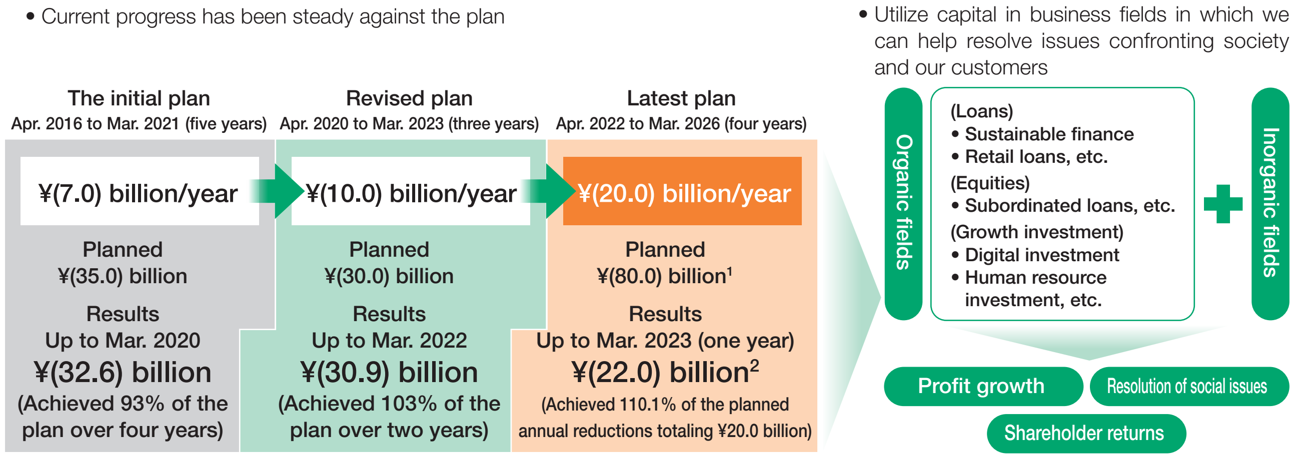
Looking ahead, we will utilize capital freed up via the reduction of policy-oriented stocks to pursue robust organic and inorganic growth, especially in business fields in which we can help resolve issues confronting society and our customers.

Policy-Oriented Stockholdings (Acquisition Price Basis)

(Billions of yen)



● Aim for Further Reductions in Policy-Oriented Stockholdings under the Latest plan Stipulating an Even Faster Pace of Reductions



1 Reference: Reductions of around ¥250.0 billion on a fair-value basis (provisionally calculated based on the fair value of policy-oriented stocks held by Resona Holdings as of March 2022)
2 Reference: Reductions of around ¥30.3 billion on a fair-value basis (Volume factor: ¥(72.4) billion; Fair-value factor: +¥42.1 billion

Please refer to the following webpage for our policy for holding policy-oriented stocks, verification process for the valuation of holdings of policy-oriented stocks and standards for the exercise of voting rights of policy-oriented stocks.
https://www.resona-gr.co.jp/holdings/english/about/governance/cg/relatedpolicies.html

Tax-Compliance Initiatives

The Resona Group upholds a basic policy of complying with the tax-related laws and regulations enforced in all countries and regions in which it undertakes business activities and is committed to appropriately fulfilling its taxpayer responsibilities with respect for the spirit as well as the rule of such laws and regulations. Accordingly, the Group has established and announced a Tax Policy as outlined below.

Tax Policy

Basic Policy

In line with the Resona Standards, the Resona Group shall comply with tax-related laws and regulations while appropriately managing tax-related expenses via the maintenance of a proper tax compliance structure, with the aim of improving its corporate value.

Also, the Resona Group shall take proper action aimed at ensuring that its business bases maintain appropriate tax compliance in conformity with the laws and regulations enforced by countries and regions in which it operates and that it abides by international taxation guidelines announced by relevant authorities.

Initiatives to Improve Corporate Value

In the following, I explain concepts behind our pursuit of higher market ratings, including a PBR of more than 1 time, as part of initiatives to improve corporate value.

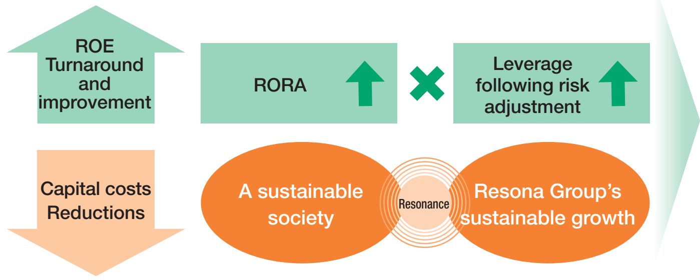
For us to improve PBR, it is important to pursue both higher ROE and lower capital costs. Below are measures to be implemented under the new MMP to achieve this twofold aim.

The following diagram shows the breakdown of ROE components based on the DuPont Analysis following risk adjustments in light of the nature of the banking industry. Over the course of the previous MMP period, our ROE remained on a downward trend for the first two years before achieving recovery in the final year.

We believe that there were two major factors behind this ROE trend. First, we saw a rapid expansion of our balance sheet during the COVID-19 pandemic. This resulted in a growing volume of assets with low utilization. With this in mind, we need to further improve risk-return by, for example, adopting a more proactive approach to risk-taking endeavors. Second, downside risks have materialized and affected profit/loss in the form of major credit-related costs and outlays resulting from measures to restore foreign bond portfolio soundness. To counter these risks, we need to further upgrade our mode of risk governance.

Aware of the issues discussed above, we intend to robustly strive for the improvement of profitability and asset efficiency through the effective utilization of capital.

Toward the Improvement of PBR



- Accelerate income and cost structure reforms
- Fully utilize capital
- Pursue more sophisticated balance sheet management

- Risk governance/High-quality, stable profit
- A financial service group that is the most significant contributor to customer success in SX
- Enhance employee engagement via investment in human capital
- Enhance the disclosure of both financial and non-financial information

Breakdown of ROE components

	ROE		RORA: Net income / RWA*		Leverage following risk adjustment: RWA* / Shareholders' eqity	Total assets accounted for as of the fiscal year-end
FY2019	8.9%	=	0.7%	×	11.9 times	¥60.5 trillion
FY2020	6.8% ↓	=	0.6% ↓	×	11.3 times ↓	¥73.6 trillion
FY2021	5.6% ↓	=	0.5% ↓	×	10.7 times ↓	¥78.1 trillion
FY2022	7.6% ↑	=	0.7% ↑	×	9.9 times ↓	¥74.8 trillion
(Average of the period from FY2020 to FY2022)	6.7%	=	0.6%	×	10.6 times	¥75.5 trillion

*Based on the full enforcement of the finalized Basel 3 regulations

Initiatives to be implemented over the course of the new MMP period

Improve profitability and asset efficiency via the proactive utilization of capital

(Organic) Enhance higher risk-return lending assets, etc.

(Inorganic) Enhance customer bases, management resources and functions

Step up investment in human capital ⇒ Further Development & New Challenges × Co-Creation & Expansion
Core income + ¥17.0 billion (target)

Upgrade our mode of risk governance

Enhance the content of shareholder returns
A total shareholder return ratio target of around 50%

Seize upside profit opportunities that arise at the time of interest rate hikes

Further reduce policy-oriented stockholdings
Planned annual reductions of ¥20.0 billion

Dialogue with Shareholders and Investors

We also place emphasis on maintaining constructive dialogue with shareholders and investors. Seeking to secure sustainable corporate growth and medium- to long-term improvement in the Group's corporate value, we strive to ensure that our shareholders and investors have an accurate understanding of, confidence in and a fair evaluation of the Group's management strategy and financial condition and engage them in various forms of discussion to garner their input, which we reflect in our actions.

In FY2022, we constantly enhanced our digital-based approach to investors in addition to engaging in a growing number of face-to-face interviews, approaching each in a manner aligned with their differing circumstances and needs. For example, we visited investors abroad as part of overseas IR activities. In sum, we have striven to increase opportunities for both face-to-face and online communications with investors.

Opinions voiced by shareholders and investors are regularly reported to the Board of Directors and other bodies to improve our management strategy. At the same time, we endeavor to facilitate employee understanding of the market reputation of and market expectations regarding the Resona Group's business performance.

In addition, one of our aims under the MMP is to ensure our ongoing inclusion in all of the ESG indices selected by the Government Pension Investment Fund (GPIF). To that end, we are constantly enhancing the content of information disclosure, including disclosure related to our SX initiatives and other non-financial information. In addition, in our efforts to disclose information fairly and impartially, we remain conscious of the need to reduce capital costs through the elimination of informational asymmetry. In these ways, we strive to enhance the content of dialogue with shareholders and investors.

Outline of Financial Results for FY2022

Net income attributable to owners of parent was ¥160.4 billion, up ¥50.4 billion, or 45.8%, year on year, representing 106.9% of the initial target of ¥150.0 billion.

Consolidated gross operating profit declined ¥1.8 billion from FY2021 to ¥600.0 billion. On the other hand, actual net operating profit rose ¥9.6 billion year on year to ¥195.7 billion.

Net interest income from domestic loans and deposits decreased ¥3.8 billion from the previous fiscal year to ¥334.1 billion and thus trended in line with the plan. The annual average loan balance grew 3.20% year on year, while the loan rate declined 4bps. The decline in the loan rate stayed small, indicating that this decline can be mostly offset by growth in lending volume.

Fee income rose ¥0.3 billion year on year to ¥208.6 billion hitting an all-time best since the inauguration of Resona Holdings for two years in a row. Primary contributors to this achievement included fee income from insurance, settlement-related operations and real estate.

Net gains on bonds (including futures) resulted in net losses of ¥47.7 billion, albeit representing a ¥6.1 billion improvement from the previous fiscal year. This was due mainly to the implementation of measures to improve the soundness of our portfolio of foreign bonds and other instruments, outlays for which had similarly served as a major factor behind net losses on bonds in FY2021.

We have also recorded operating expenses of ¥404.7 billion, a year-on-year decrease of ¥11.6 billion. This decrease included ¥4.7 billion reductions in personnel expenses, reflecting the success of such initiatives as the control of the total headcount in line with optimal staff allocation on a Group-wide basis, despite the progressive increase of wages per employee. Non-personnel expenses similarly declined ¥4.5 billion as we have benefitted from the downward revision of deposit insurance premiums, which, in turn, allowed us to successfully offset the growing volume of depreciation costs associated with the launch of new branch systems and other major projects.

Net gains on stocks (including equity derivatives) rose ¥6.7 billion year on year to ¥53.9 billion, reflecting progress in the reduction of policy-oriented stockholdings and other factors.

Credit-related expenses decreased ¥42.7 billion from the previous fiscal year to net expenses of ¥15.9 billion, representing only 41.9% of the annually planned expenses of ¥38.0 billion. This is due mainly to reversal gains recorded in connection with the upgrading of, and collection from, some major clients subject to rehabilitation assistance.

(Billions of yen)

Resona Holdings consolidated	FY2022	YoY change
Net income attributable to owners of parent	**160.4**	**+50.4**
Earnings per share (EPS) (yen)	67.48	+22.07
Book-value per share (BPS) (yen)	1,065.31	+40.30
ROE (based on total shareholders' equity)[1]	7.66%	+2.03%
Gross operating profit	600.0	(1.8)
Net interest income	419.3	(9.8)
Net interest income from domestic loans and deposits[2]	334.1	(3.8)
Interest income on yen bonds, etc.[3]	25.4	+2.2
Fee income	208.6	+3.0
Fee income ratio	34.7%	+0.1%
Other operating income	(27.9)	+7.5
Net gains on bonds (including futures)	(47.7)	+6.1
Operating expenses (excluding Group banks' non-recurring items)	(404.7)	+11.6
Consolidated cost income ratio	67.4%	(1.7)%
Actual net operating profit	195.7	+9.6
Net gains on stocks (including equity derivatives)	53.9	+6.7
Credit-related expenses, net	(15.9)	+42.7
Other gains, net	(8.7)	+10.1
Net income before income taxes and non-controlling interests	225.0	+69.3
Income taxes and other	(63.3)	(17.7)
Net income attributable to non-controlling interests	(1.3)	(1.1)

1 Net income attributable to owners of parent / Total shareholders' equity (simple average of the balances at the beginning and end of the term)
2 Net interest income from domestic loans and deposits: Total of Group banks, banking-book basis (including negotiable deposits)
3 Interest income on yen bonds and income from interest rate swaps

Factors Contributing to the Changes in Net Income Attributable to Owners of Parent (Resona Holdings Consolidated)