
Financial Results for FY 2014
Financial Highlights



RESONA

May 12, 2015



Resona Holdings, Inc.

I. Financial Highlights for FY2014

Posted Y211.4 bn of consolidated net income (Page 1, 2)
 => Decreased by Y9.1 bn (-4.1%) YoY, but exceeded the forecast by Y21.4 bn (+11.2%)
 - Income before income taxes and minority interests rose by Y14.1 bn (+4.5%) YoY
 - Income taxes and other increased by Y23.3 bn YoY
 ⇔ Without a DTA writedown relating to a reduction in corporate income tax rate, net income for fiscal 2014 would have been higher than the previous fiscal year.

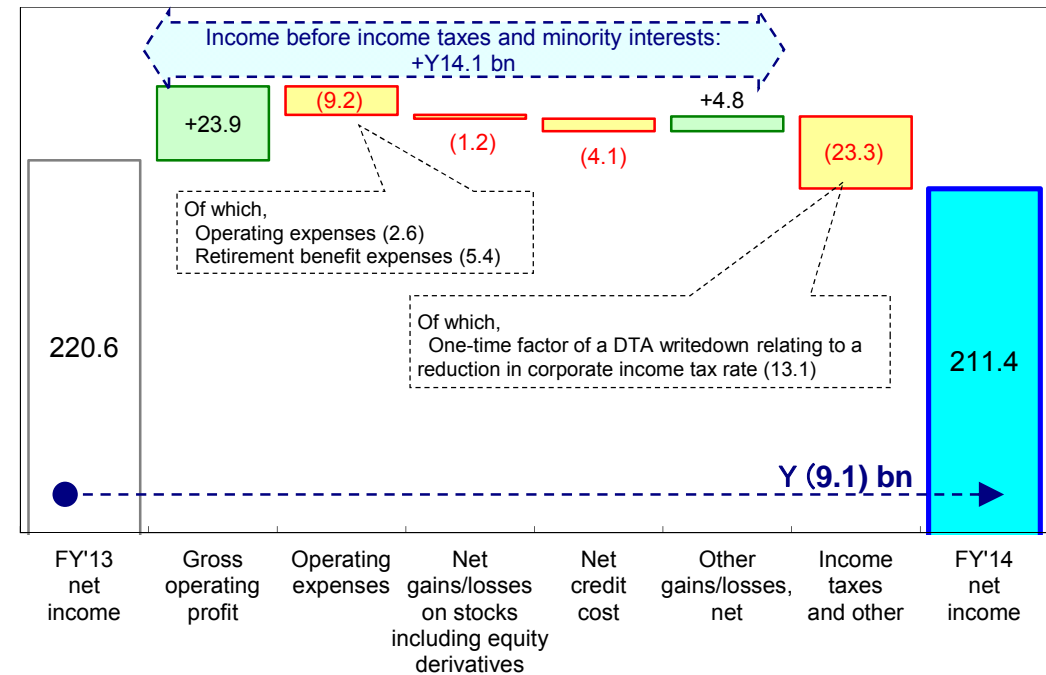
Top-line income increased YoY after seven fiscal years of decline (Page 2, 3, 4)
 => Actual net business profit (total of 3 group banks) increased by Y22.4 bn (+10.0%) YoY and Y23.1 bn (+10.4%) from the forecast, respectively.
 - Consolidated loan balance has grown by Y785.6 bn (+2.9%) YoY and for the past 3 consecutive fiscal years
 - Loan-to-deposit spread (domestic operation, total of 3 group banks): 1.35%, -9bps YoY
 - Fees and commission income (total of 3 group banks) rose by Y12.8 bn YoY, supported by strong insurance product sale and real estate brokerage business
 - Net gains on bonds (total of 3 group banks) steadily accumulated, boosting top-line income
 - OHR (total of 3 group banks) decreased by 2.1% YoY through the strict adherence to low cost operation

Soundness in asset quality improved even further (Page 5, 7)
 - NPL ratio: 1.51% (total of 3 group banks)
 Classified claims (NPLs) steadily declined (total of 3 group banks)
 - Unrealized gain on available-for-sale securities increased to Y573.1 bn (total of 3 group banks)
 - Consolidated capital adequacy ratio (Domestic Std.): 13.46% (Preliminary ratio)
 - Consolidated common equity Tier 1 ratio (International Std.)^{*1}: 7.xx% (Reference)

Public funds to be fully repaid after the AGM (3 years ahead of the plan) (Page 6)
 => Repaid in total Y228.0 bn^{*2} on an injected amount basis in FY2014
 => Increased common DPS by 2 yen (+13%) (from 15 yen to 17 yen per annum)

*1 Excluding unrealized gain on available-for-sale securities
 *2 Early Strengthening Act Preferred Stock: Y32.0 bn (injected amount basis), Deposit Insurance Act Preferred Stock: Y196.0 bn (injected amount basis)

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



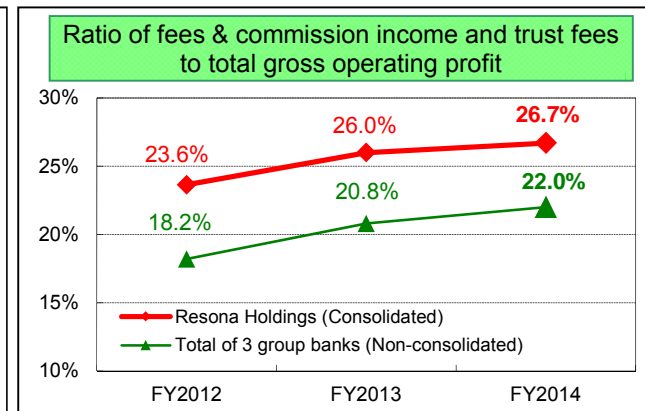
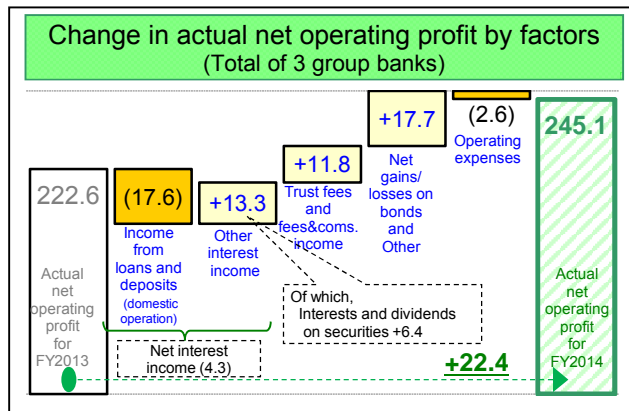
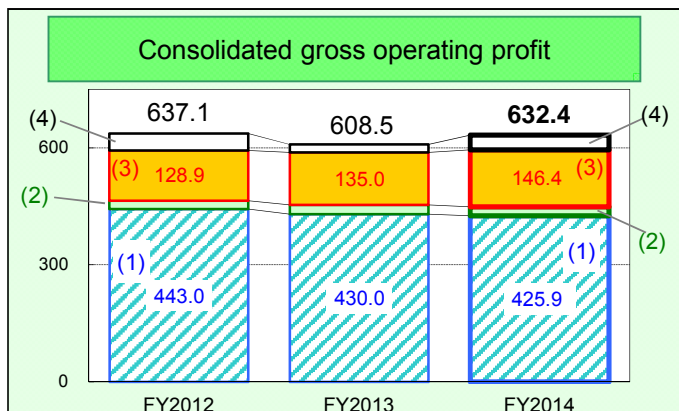
Resona Holdings (Consolidated)	FY2014 (Announced in Nov. 2014)			Resona Holdings (Non-consolidated)	FY2014 (Announced in Nov. 2014)		
	YoY change	Change from forecast			YoY change	Change from forecast	
Ordinary profit	333.3	+21.1	+48.3	Ordinary profit	121.3	(323.2)	(0.2)
Net income	211.4	(9.1)	+21.4	Net income	121.7	(323.7)	+0.2

	Total of 3 group banks (Non-consolidated) (Announced in Nov. 2014)			Resona Bank (Non-consolidated) (Announced in Nov. 2014)			Saitama Resona Bank (Announced in Nov. 2014)			Kinki Osaka Bank (Non-consolidated) (Announced in Nov. 2014)		
	FY2014	YoY change	Change from forecast	YoY change	Change from forecast	YoY change	Change from forecast	YoY change	Change from forecast	YoY change	Change from forecast	
Gross operating profit	580.5	+25.2	+23.5	391.0	+23.0	+18.5	136.3	+0.8	+1.3	53.0	+1.3	+3.5
Operating expenses	(335.3)	(2.6)	(0.3)	(219.8)	(0.7)	+0.7	(76.8)	(1.3)	(0.3)	(38.6)	(0.5)	(0.1)
Actual net operating profit ^{*3}	245.1	+22.4	+23.1	171.1	+22.1	+19.1	59.5	(0.4)	+1.0	14.4	+0.8	+3.4
Cost income ratio (after NPL disposal in the trust account)	57.7%	(2.1)%		56.2%	(3.2)%		56.3%	+0.6%		72.8%	(0.8)%	

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

II. Outline of Financial Results for FY2014

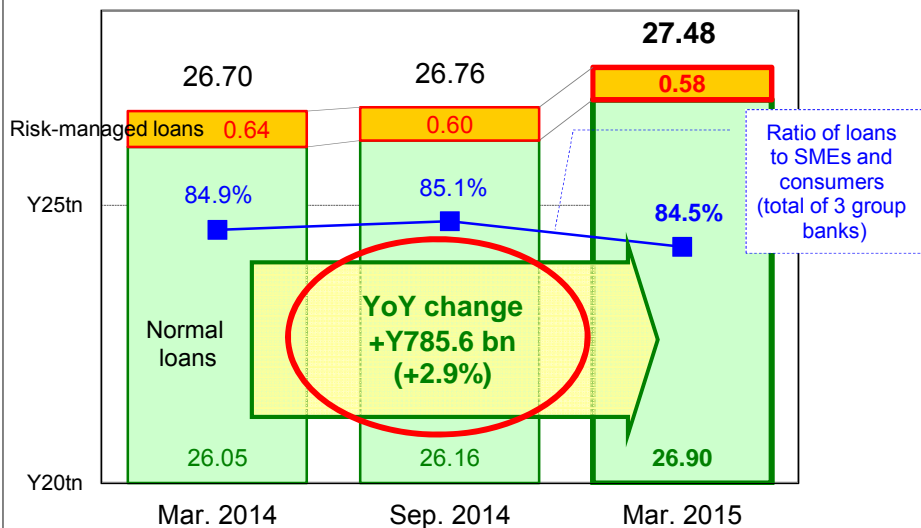
	Resona Holdings (Consolidated)		Difference (A) – (B)	Total of 3 group banks (Non-consolidated)			Factors accounting for the difference (A)-(B) (Approx. figures) RC: Resona Card, RG: Resona Guarantee		
	(A)	YoY change		(B)	YoY change	Resona (Non-consolidated)			
Gross operating profit	632.4	+23.9	+51.9	580.5	+25.2	391.0	136.3	53.0	
(1) Net interest income	425.9	(4.0)	+9.4	416.5	(4.3)	265.7	112.1	38.7	RC 2.2 bn and other
Income from loans and deposits				348.8	(17.6)	219.2	95.5	34.0	Domestic operations, Banking account and Deposits include NCDs
(2) Trust fees	22.7	(0.9)	(0.0)	22.7	(0.9)	22.7	-	-	
(3) Fees and commission income	146.4	+11.3	+41.4	105.0	+12.8	75.3	19.3	10.3	RG 26.8 bn, RC 13.6 bn and other
(4) Other operating income	37.2	+17.5	+1.1	36.1	+17.7	27.1	4.9	4.0	
Net gains/(losses) on bonds	19.5	+12.3	—	19.5	+12.3	11.5	4.1	3.7	Net gains on bonds + derivatives (relating bonds)
Actual net operating profit				245.1	+22.4	171.1	59.5	14.4	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)	(357.7)	(9.2)	(18.9)	(338.8)	(8.0)	(219.3)	(79.0)	(40.3)	RC (11.1) bn, RG (3.1) bn and other
Operating expenses				(335.3)	(2.6)	(219.8)	(76.8)	(38.6)	
Net gains/(losses) on stocks	44.5	+21.9	+0.0	44.5	+22.2	42.9	0.6	0.9	
Credit related expenses, net	22.3	(4.1)	(1.9)	24.3	(2.7)	24.8	(2.2)	1.7	RG 1.1 bn, RC (1.6) bn and other
Other gains/(losses), net	(15.4)	(18.3)	+1.8	(17.2)	(17.3)	(15.0)	0.5	(2.7)	
Income before income taxes	326.2	+14.1	+32.9	293.2	+19.2	224.3	56.2	12.6	
Income taxes and other	(114.7)	(23.3)	(17.9)	(96.8)	(19.6)	(74.4)	(20.9)	(1.4)	Minority interests in net income (5.9) bn, Income tax of RHD and other (12.0) bn
Net income	211.4	(9.1)	+15.0	196.4	(0.3)	149.9	35.2	11.2	



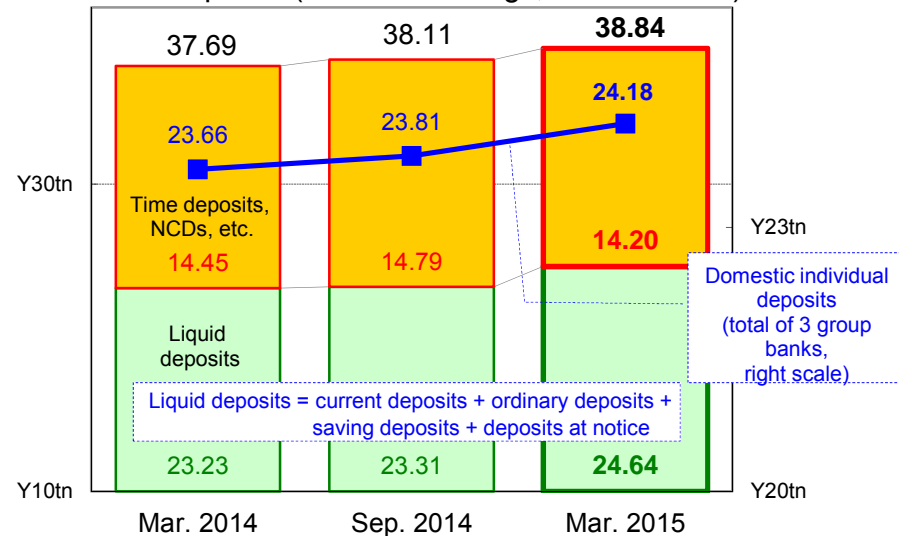
Note 1. Amount less than 0.1 billion yen are rounded down
Note 2. In principle, figures are based on non-consolidated figures of 3 group banks

III. Deposits, Loans and Bills discounted

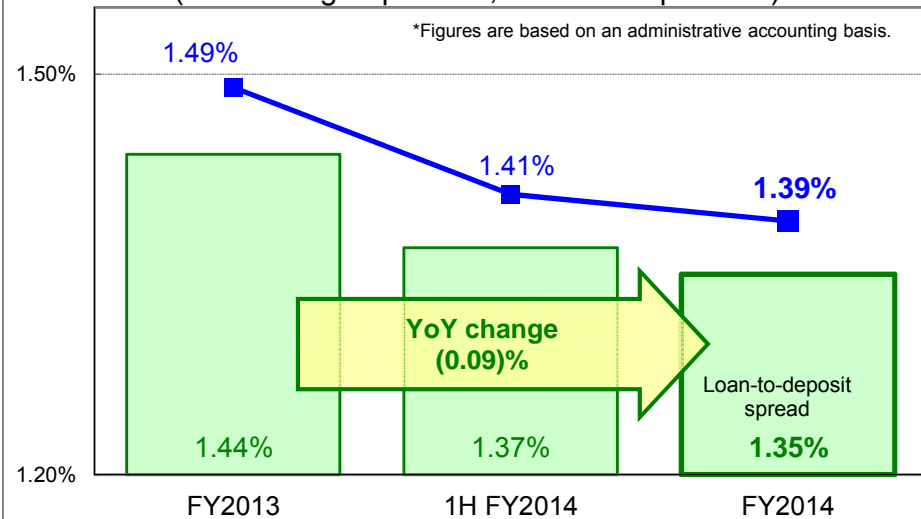
Loans and bills discounted (Resona Holdings, Consolidated)



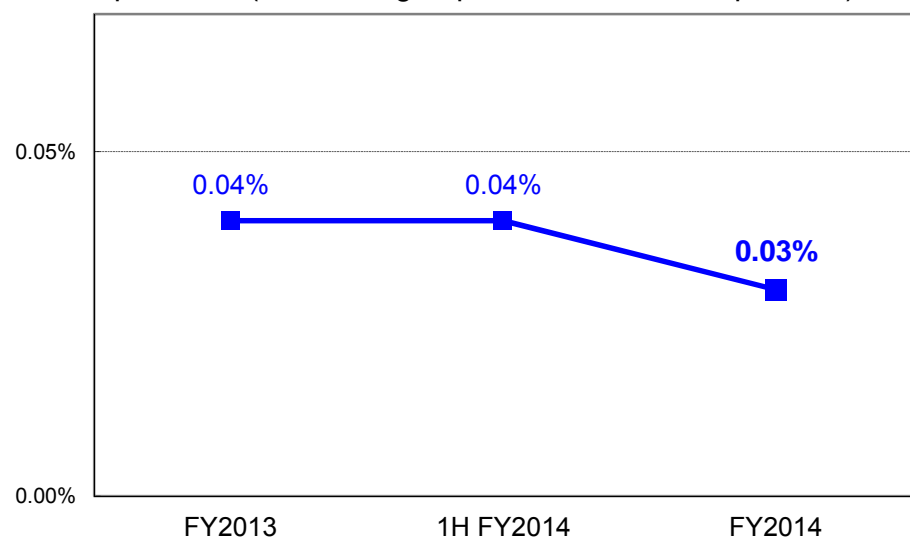
Deposits (Resona Holdings, Consolidated)



Interest rate on loans and bills discounted (Total of 3 group banks, Domestic operation)



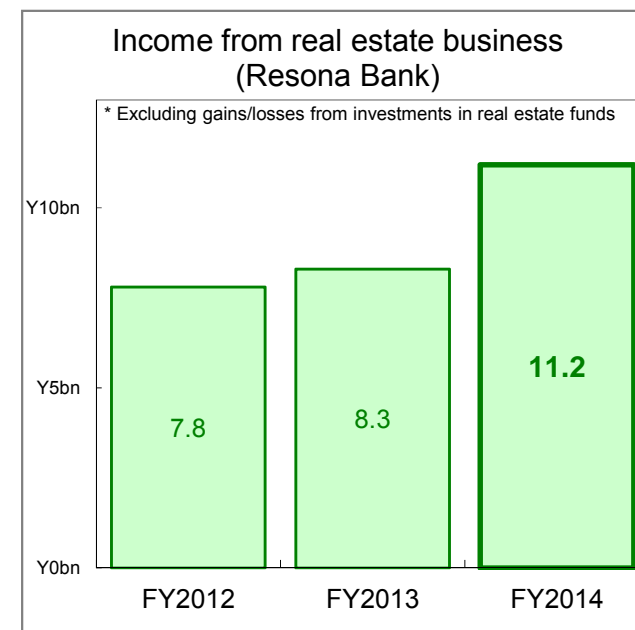
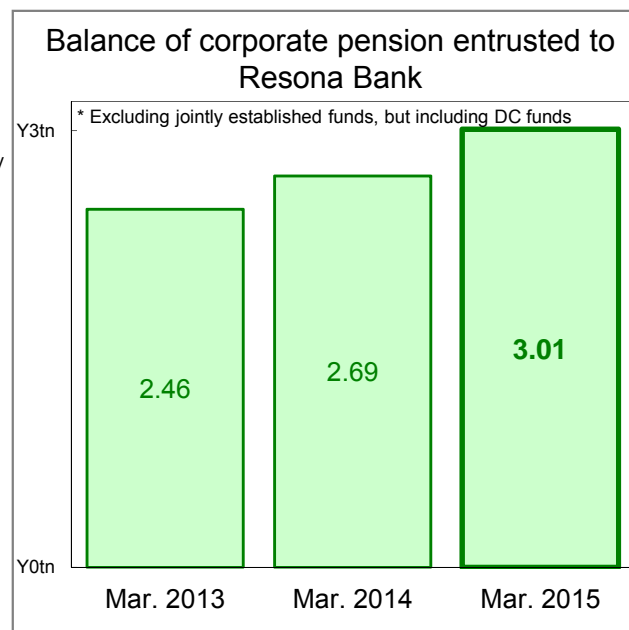
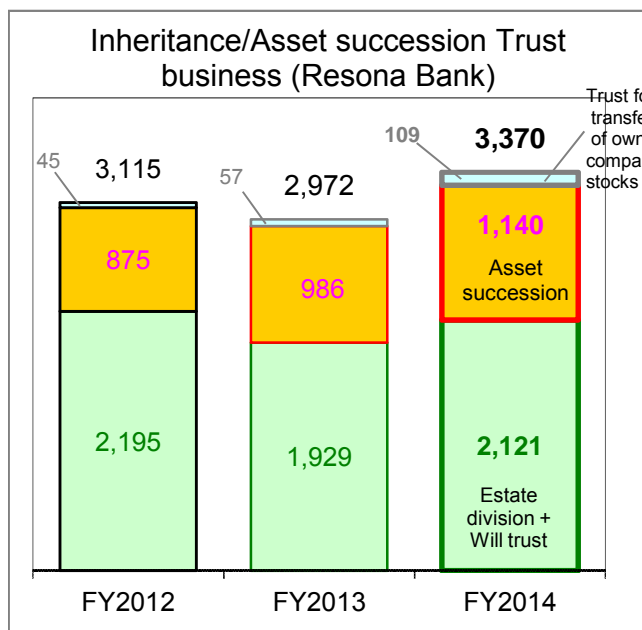
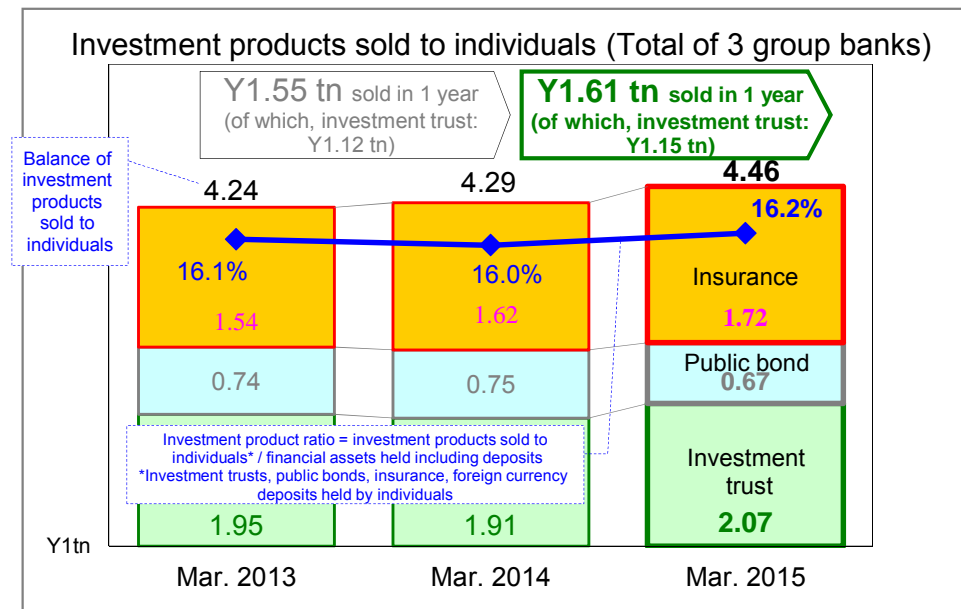
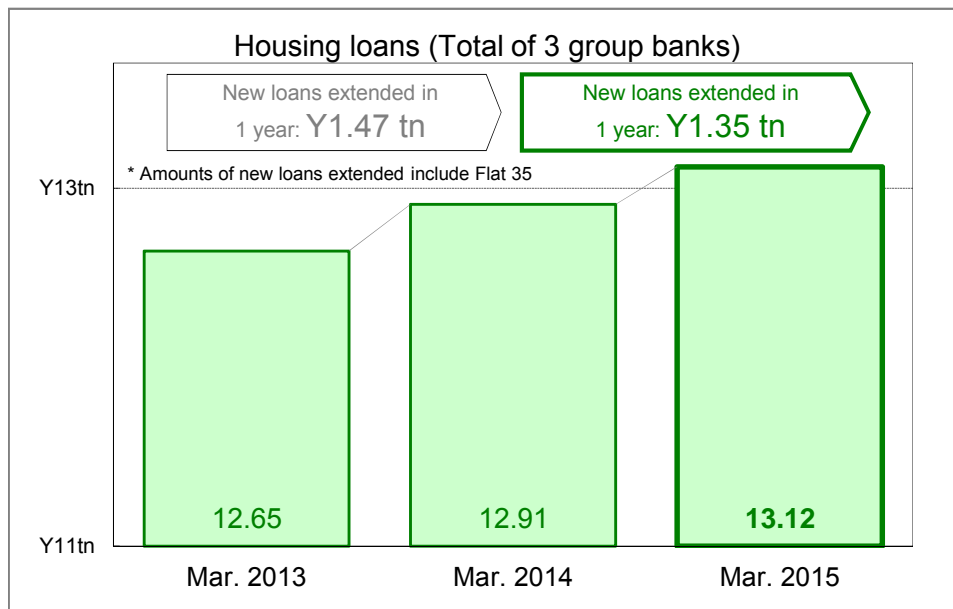
Deposit rate (Total of 3 group banks, Domestic operation)



Note 1. Amount less than 0.1 billion yen are rounded down
 Note 2. In principle, figures are based on non-consolidated figures of 3 group banks

IV. Resona's Core Business ~Leading Field~

*Figures are based on an administrative accounting basis.



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 Note 2. In principle, figures are based on non-consolidated figures of 3 group banks

V. Classified Claims (NPL) and Credit Related Expenses

	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Total credit-related expenses	24.3	24.8	(2.2)	1.7
Change from FY2013	(2.7)	(6.6)	(1.1)	+5.0
(1) New bankruptcy, downward migration	(29.5)	(16.7)	(7.9)	(4.9)
Change from FY2013	+7.2	+4.2	+1.2	+1.7
(2) Upward migration	6.9	4.7	1.8	0.2
Change from FY2013	(1.5)	(1.5)	+0.6	(0.6)
(3) Off-balancing and other	23.4	20.0	1.3	2.0
Change from FY2013	(3.5)	(3.2)	(1.6)	+1.4
(4) Provision of general reserve	23.5	16.8	2.4	4.3
Change from FY2013	(4.9)	(6.0)	(1.3)	+2.5

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

	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Unrecoverable or valueless claims	60.6	34.3	17.5	8.7
Risk claims	265.6	144.1	66.8	54.7
Special attention loans	105.9	76.7	18.5	10.7
Total classified claims (NPL)	432.3	255.2	102.8	74.1
Change from Mar. 31, '14	(52.0)	(30.3)	(7.4)	(14.1)
NPL ratio^{*1}	1.51%	1.33%	1.48%	2.96%
Change from Mar. 31, '14	(0.23)%	(0.21)%	(0.15)%	(0.46)%

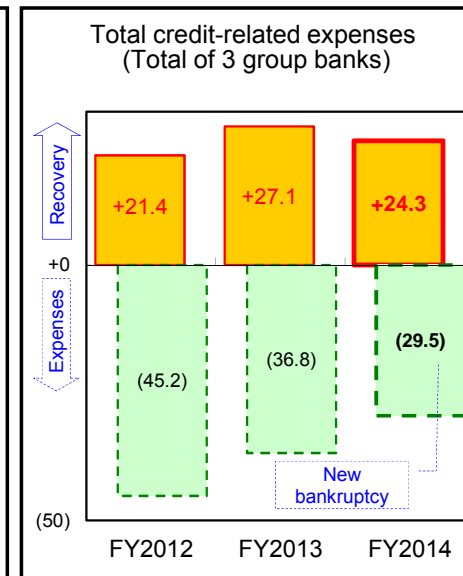
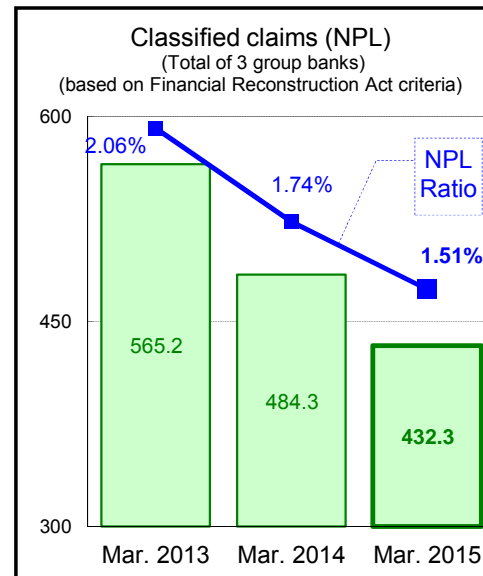
*1. NPL ratio = Total classified claims / Total claims defined under the Financial Reconstruction Act.
(Banking and trust accounts) (Total of 3 group banks)

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

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

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

Note 2. In principle, figures are based on non-consolidated figures of 3 group banks



VI. Unrealized gains/(losses) on securities

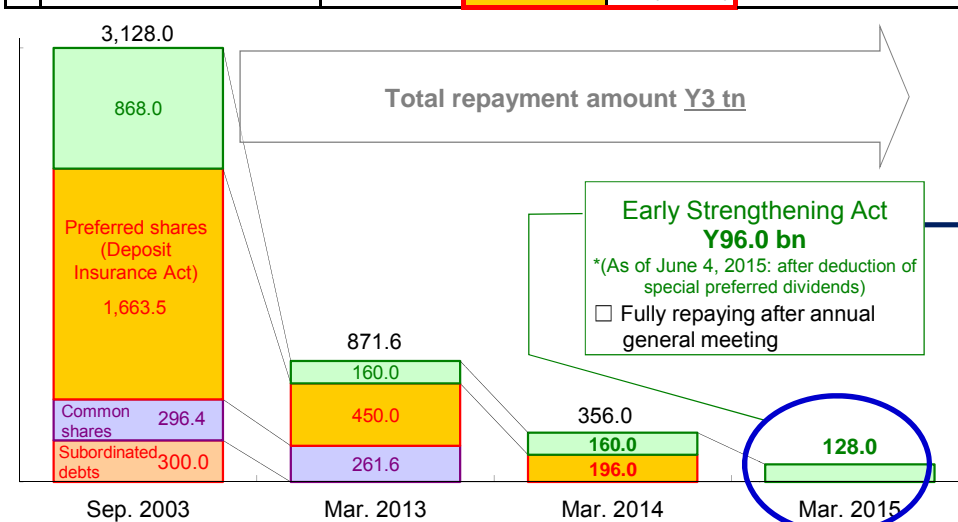
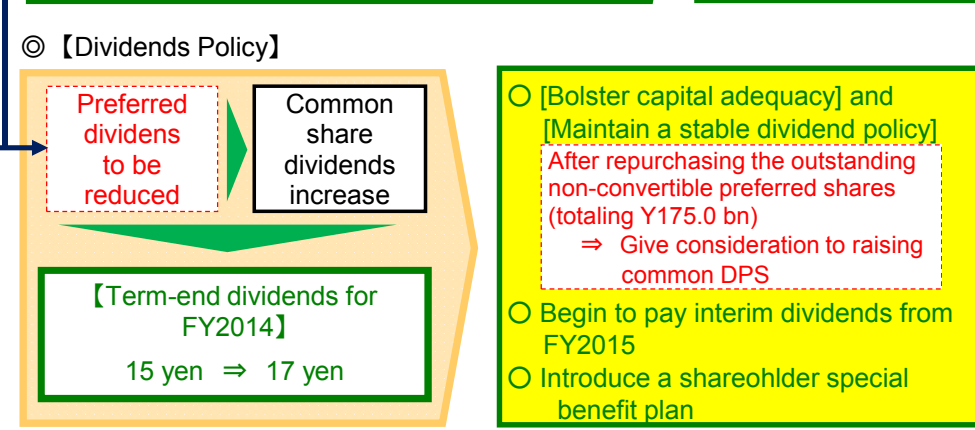
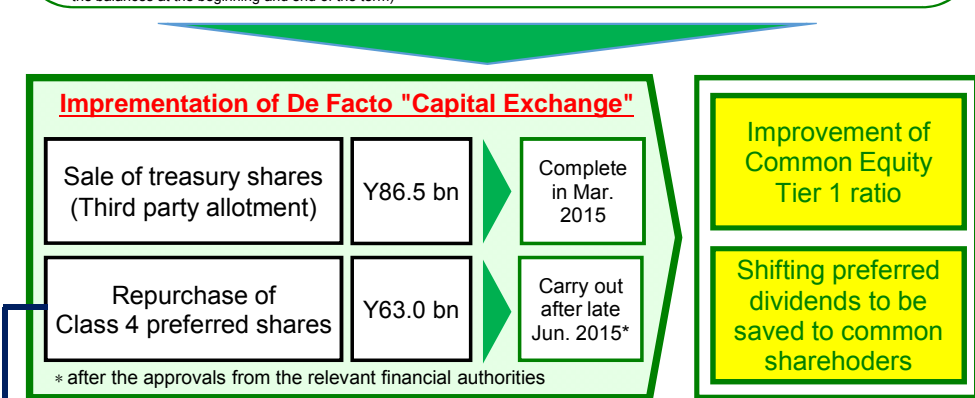
	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Held to maturity	72.6	45.7	20.8	6.0
Available for sale^{*3}	573.1	435.2	121.1	16.7
Change from Mar. 31, '14	+240.3	+183.9	+50.8	+5.5
Bonds	12.9	3.5	6.5	2.8
Stocks	539.4	419.4	112.1	7.9
Other	20.7	12.2	2.4	6.0
Balance of stocks held (acquisition cost) ^{*2}	330.6	263.2	63.0	4.3

VII. Status of Public Funds

	Amount Sep. 30, 2003 (1)	Amount Mar. 31, 2015 (2)	(2) - (1)	Time of Repayment
Total public funds received	3,128.0	128.0	(3,000.0)	
Preferred shares	2,531.5	128.0	(2,403.5)	
Early Strengthening Act	868.0	128.0	(740.0)	
Class B	408.0	—	(408.0)	Fully repaid in Mar. '09
Class C	60.0	48.0	(12.0)	Repaid Y12.0bn in Jun. '14
Class E	300.0	—	(300.0)	Fully repaid in Mar. '09
Class F	100.0	80.0	(20.0)	Repaid Y20.0bn in Jun. '14
Deposit Insurance Act	1,663.5	—	(1,663.5)	
Class 1	550.0	—	(550.0)	Fully repaid in Mar. '11
Class 2	563.5	—	(563.5)	Fully repaid in Mar. '11
Class 3	550.0	—	(550.0)	Fully repaid in Jul. '14
Subordinated debts	300.0	—	(300.0)	
Financial Function Stabilization Act	200.0	—	(200.0)	Fully repaid in Oct. '05
Early Strengthening Act	100.0	—	(100.0)	Fully repaid in Mar. '09
Common shares	296.4	—	(296.4)	Fully repaid in Feb. '14

Outline of "the New Mid-term Management Plan" (Announced in Feb. 2015)
and Progress to Date

- 【Capital adequacy ratio target (after fully repaying of public funds)】
- 【Japanese Domestic Standard】 ⇒ Secure sufficient capital adequacy
 - 【International Standard】 ⇒ CET1 ratio*1 : Stably over 8.0%
 - 【Enhancing efficiency in capital utilization】 ⇒ ROE*2 : Over 10%
- *1. Exclude unrealized gain on available-for-sale securities
*2. (Net income - Preferred dividends) / (Total shareholders equity - balance of outstanding preferred shares) <Simple average of the balances at the beginning and end of the term>

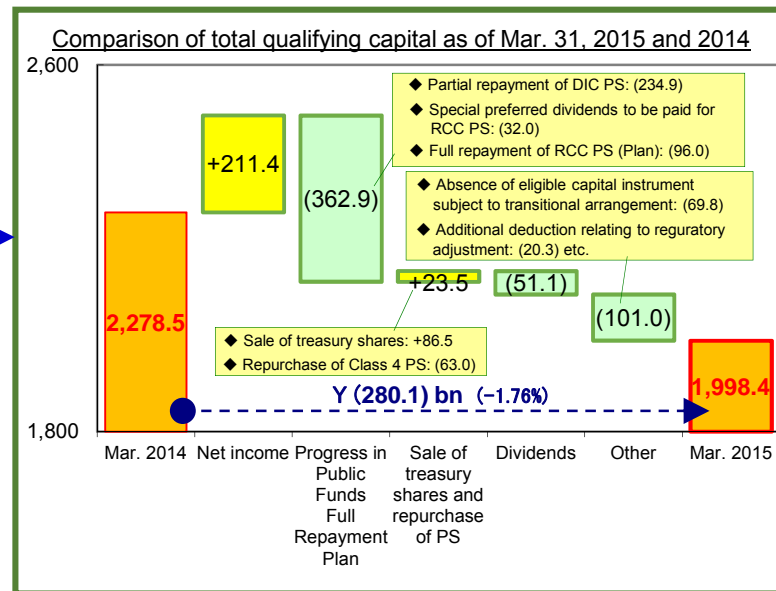


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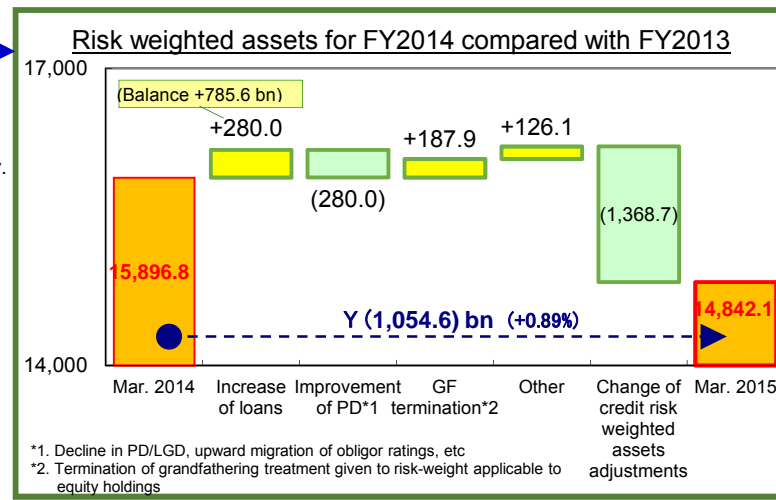
VIII. Capital Adequacy Ratio

Japanese Domestic Standard (Billions of Yen/ %)	Resona Holdings (Consolidated)		
	Mar. 2014	Mar. 2015	Change from Mar. 2014
Capital adequacy ratio	14.33%	13.46%	(0.87)%
Total qualifying capital	2,278.5	1,998.4	(280.1)
Core Capital: instruments and reserves	2,285.7	2,025.9	(259.8)
Core Capital: regulatory adjustments	7.2	27.5	+20.3
Risk weighted assets	15,896.8	14,842.1	(1,054.6)

Regulatory minimum ratio
4.0%



(Reference)	Mar. 2014	Mar. 2015	Change from Mar. 2014
International Standard			
Common Equity Tier 1 ratio (Excluding unrealized gain/loss on available-for-sale securities)	7.73%	8.16%	+0.43%
Tier 1 ratio	7.43%	*7.07%	#VALUE!
Total capital adequacy ratio	9.38%	9.71%	+0.33%
	13.68%	14.03%	+0.35%



* Resona HD aims to achieve 8.0% and higher CET1 ratio (excluding unrealized gain / loss on available-for-sale securities) stably.

Japanese Domestic Standard (Billions of Yen/ %)	Resona (Consolidated)		Saitama Resona (Non-consolidated)		Kinki Osaka (Consolidated)	
	Mar. 2014	Mar. 2015	Mar. 2014	Mar. 2015	Mar. 2014	Mar. 2015
Capital adequacy ratio	13.37%	13.58%	13.40%	14.26%	13.20%	10.93%
Total qualifying capital	1,547.5	1,465.0	435.5	414.0	176.8	148.0
Core Capital: instruments and reserves	1,555.3	1,485.5	449.3	427.6	176.8	148.2
Core Capital: regulatory adjustments	7.7	20.5	13.8	13.5	-	0.1
Risk weighted assets	11,572.4	10,786.1	3,248.4	2,902.4	1,338.5	1,354.1

- Capital adequacy ratio is calculated in accordance with the Notification on Capital Adequacy (Basel 3)
- For the methodology to calculate the credit risk-weighted assets, Resona Holdings, Resona Bank and Saitama Resona Bank adopt the A-IRB approach, and Kinki Osaka Bank adopts the F-IRB approach.

IX. Earnings Forecasts for Fiscal Year Ending March 31, 2016

	Resona Holdings (Consolidated)		
	Interim forecasts	Full year forecasts	Change from previous year
Consolidated ordinary profit	131.0	254.0	(79.3)
Net (interim) Income Attributable to Shares of the Parent	91.0	175.0	(36.4)

	Forecast per share dividend*	
	Interim	Full year
Common stock	8.5 yen	17 yen
Preferred stock	As pre-determined	

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

	Resona Holdings (Non-consolidated)		
	Interim forecasts	Full year forecasts	Change from previous year
Operating income	101.0	202.0	+73.7
Operating profit	97.0	194.0	+72.9
Ordinary profit	97.0	194.0	+72.7
Net (interim) income	97.0	194.0	+72.3

	Total of 3 group banks (approx. figures)				Resona Bank			Saitama Resona Bank			Kinki Osaka Bank		
	Interim Forecasts	Full year forecasts	Change from previous year	Change from BRP	Interim Forecasts	Full year forecasts	Change from previous year	Interim Forecasts	Full year forecasts	Change from previous year	Interim Forecasts	Full year forecasts	Change from previous year
Gross operating profit	289.5	581.0	+0.5	+17.0	192.5	392.0	+1.0	71.0	137.0	+0.7	26.0	52.0	(1.0)
Operating expenses	(167.5)	(335.0)	+0.3	+1.0	(109.5)	(219.5)	+0.3	(38.0)	(76.0)	+0.8	(20.0)	(39.5)	(0.9)
Actual net operating profit	122.0	246.0	+0.9	+18.0	83.0	172.5	+1.4	33.0	61.0	+1.5	6.0	12.5	(1.9)
Ordinary profit	119.0	233.0	(67.3)	+14.5	85.5	172.0	(57.1)	30.0	53.5	(3.1)	3.5	7.5	(7.0)
Income before income taxes	118.5	231.5	(61.7)	+14.5	85.0	171.0	(53.3)	30.0	53.0	(3.2)	3.5	7.5	(5.1)
Net (interim) income	82.5	160.0	(36.4)	+15.0	60.0	119.5	(30.4)	20.0	35.5	+0.3	2.5	5.0	(6.2)
Net gains on stocks	4.5	10.0	(34.5)	+1.0	4.5	9.5	(33.4)	—	—	(0.6)	—	0.5	(0.4)
Credit related expenses	(7.0)	(18.0)	(42.3)	+0.5	(3.0)	(9.0)	(33.8)	(2.5)	(6.0)	(3.8)	(1.5)	(3.0)	(4.7)

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