



Resona Holdings, Inc.

Consolidated Financial Results for the First Quarter of Fiscal Year 2017 (Three months ended June 30, 2017/ Unaudited) <under Japanese GAAP>



Code number: 8308 Stock exchange listings: Tokyo
 URL: <http://www.resona-gr.co.jp>
 Representative: Kazuhiro Higashi, Director, President and Representative Executive Officer
 Annual securities report issuing date: August 4, 2017 Dividends payment date: -
 Trading accounts: Established
 Supplemental information for the financial results: Available
 Quarterly investor meeting presentation: Scheduled (for institutional investors and analysts)

Note: Amounts of less than one million yen are rounded down.

1. Consolidated Financial Results for the First Quarter of Fiscal Year 2017 (April 1, 2017- June 30, 2017)

(1) Consolidated Operating Results (% represents the change from the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income Attributable to Owners of the Parent	
	Million yen	%	Million yen	%	Million yen	%
1Q of FY2017	171,176	(-7.4)	51,491	(-22.2)	37,242	(-22.1)
1Q of FY2016	184,953	(-4.6)	66,225	(-11.7)	47,796	(-11.0)

Note: Comprehensive Income: 1Q of FY2017: 58,378 million yen (86.1%) 1Q of FY2016: 31,363 million yen (-59.7%)

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	Yen	Yen
1Q of FY2017	16.05	-
1Q of FY2016	20.60	-

Note: Diluted net income per share of common stock is not stated above since there was no dilutive share.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Net Assets Attributable to Stockholders to Total Assets Ratio
	Million yen	Million yen	%
June 30, 2017	49,049,640	1,976,524	4.0
March 31, 2017	48,456,133	1,946,779	4.0

(Reference) Net Assets Attributable to Stockholders: June 30, 2017: 1,959,129 million yen March 31, 2017: 1,928,924 million yen

Note: "Net Assets Attributable to Stockholders to Total Assets Ratio" is (Net assets at period-end minus Stock option at period-end minus Non-controlling interests at period-end) divided by Total assets at period-end. This ratio is not calculated based on the "Notification on Consolidated Capital Adequacy".

2. Dividends on Common Stock

	Dividends per Share				
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2016	-	9.50	-	9.50	19.00
FY2017	-	-	-	-	-
FY2017(Forecast)	-	10.00	-	10.00	20.00

Notes: 1. Revision of forecasts for dividends from the latest announcement: No

2. The figure above shows dividends on common stock. Please refer to following "Dividends on Classified Stock" with regard to the details of dividends on classified stock (unlisted) whose legal rights differ from common stock.

3. Earnings Targets for Fiscal Year 2017 (April 1, 2017 - March 31, 2018)

(% represents the change from the previous fiscal year)

	Net Income Attributable to Owners of the Parent		Net Income per Share of Common Stock
	<i>Million yen</i>	%	<i>Yen</i>
1st half of FY2017	73,000	(-24.7)	30.65
FY2017 (Full year)	150,000	(-7.1)	63.02

Note: 1. Revision of earnings targets from the latest announcement: No

2. For calculation of targeted net income per common share, please refer to following "Formula for Targeted Net Income Attributable to Owners of the Parent per Share of Common Stock".

3. The Group provides financial services, including credit card administration, etc. in addition to the banking and trust asset management and a variety of uncertainty caused by the economic environment, such as a negative interest rate introduced by the Bank of Japan, exists in the financial operation. Therefore, the Company discloses "Earnings targets" instead of "Earnings forecasts."

4. Other

- (1) Changes in significant subsidiaries during the period : Yes
Daiwa Guarantee Co., Ltd was excluded.
- (2) Adoption of any particular accounting methods for quarterly consolidated financial statements: No
- (3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements
- A) Changes due to revision of accounting standards : No
- B) Changes due to other reasons : No
- C) Changes in accounting estimates : No
- D) Restatements : No
- (4) Number of Shares of Common Stock Outstanding
- A) Total outstanding shares including treasury stock at the end of the period
- June 30, 2017 : 2,324,118,091 shares
- March 31, 2017 : 2,324,118,091 shares
- B) Treasury stock at the end of the period
- June 30, 2017 : 10,313,981 shares
- March 31, 2017 : 2,372,831 shares
- C) Average outstanding shares during the period
- 1Q of FY2017 : 2,318,994,760 shares
- 1Q of FY2016 : 2,319,922,794 shares

Note: Treasury stock at the end of the period included the stocks owned by ESOP-type Stock Benefit Trust for the Employee Shareholding Association.

June 30, 2017 : 9,349,600 shares

March 31, 2017 : 1,410,300 shares

Note: Status of the quarterly review process

This report is out of the scope of the external auditor's review procedure which is required by "Financial Instruments and Exchange Act."

Note: Disclaimer regarding Forward-looking Statements

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the Company considers to be reasonable. Risks, uncertainties and other factors may cause actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

Resona Holdings does not revise the full year targets announced in May 2017, at this point in time.

○ **Dividends on Classified Stock**

Dividends per share on classified stock whose legal rights differ from common stock are as follows:

		Dividends per Share				
		1 st Quarter-end	2 nd Quarter-end	3 rd Quarter-end	Fiscal Year-end	Total
Class Five Preferred Stock	FY 2016	<i>Yen</i> -	<i>Yen</i> 459.375	<i>Yen</i> -	<i>Yen</i> 459.375	<i>Yen</i> 918.75
	FY 2017	-	-	-	-	-
	FY 2017 (Forecast)	-	459.375	-	459.375	918.75
Class Six Preferred Stock	FY 2016	-	618.75	-	-	618.75
	FY 2017	-	-	-	-	-
	FY 2017 (Forecast)	-	-	-	-	-

Note: Class Six Preferred Stock was acquired and cancelled on December 8, 2016.

Formula for Targeted Net Income Attributable to Owners of the Parent per Share of Common Stock

$$\frac{\text{Targeted net income attributable to owners of the parent} - \text{Forecasted amount equivalent to dividend for preferred stock}}{\text{Forecasted average number of shares of common stock (excluding treasury stock)}}$$

- Forecasted average number of shares of common stock (excluding treasury stock) : 2,321,745,260 shares
- Forecasted amount equivalent to dividend for preferred stock : 2nd Quarter : 1,837 million yen
Full Year : 3,675 million yen

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1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2017	June 30, 2017
Assets		
Cash and due from banks	¥ 12,641,987	¥ 13,305,067
Call loans and bills bought	156,529	102,497
Monetary claims bought	355,371	346,292
Trading assets	348,599	337,483
Money held in trust	1,005	1,827
Securities	5,295,787	5,511,235
Loans and bills discounted	28,186,730	27,844,230
Foreign exchange assets	95,455	100,398
Other assets	770,601	907,633
Tangible fixed assets	304,035	303,899
Intangible fixed assets	31,377	31,092
Net defined benefit asset	16,849	16,907
Deferred tax assets	1,776	2,116
Customers' liabilities for acceptances and guarantees	418,574	399,640
Reserve for possible loan losses	(168,487)	(160,626)
Reserve for possible losses on investments	(62)	(56)
Total Assets	48,456,133	49,049,640
Liabilities and Net Assets		
Liabilities		
Deposits	40,675,397	40,917,327
Negotiable certificates of deposit	965,590	981,730
Call money and bills sold	709,383	614,694
Payables under repurchase agreements	5,000	5,000
Payables under securities lending transactions	429,272	981,304
Trading liabilities	184,809	172,181
Borrowed money	699,224	731,939
Foreign exchange liabilities	2,471	3,002
Bonds	456,336	430,188
Due to trust account	1,015,305	921,975
Other liabilities	829,747	804,411
Reserve for employees' bonuses	16,106	6,112
Net defined benefit liability	12,699	11,384
Other reserves	44,597	43,014
Deferred tax liabilities	24,722	29,088
Deferred tax liabilities for land revaluation	20,114	20,120
Acceptances and guarantees	418,574	399,640
Total Liabilities	46,509,354	47,073,115
Net Assets		
Capital stock	50,472	50,472
Retained earnings	1,436,150	1,449,485
Treasury stock	(1,181)	(5,899)
Total stockholders' equity	1,485,442	1,494,059
Net unrealized gains on available-for-sale securities	414,750	435,505
Net deferred gains on hedges	40,447	38,699
Revaluation reserve for land	44,032	44,025
Foreign currency translation adjustments	(3,143)	(3,805)
Remeasurements of defined benefit plans	(52,604)	(49,355)
Total accumulated other comprehensive income	443,482	465,069
Minority interests in consolidated subsidiaries	17,854	17,395
Total Net Assets	1,946,779	1,976,524
Total Liabilities and Net Assets	¥ 48,456,133	¥ 49,049,640

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

[Consolidated Statements of Income]

(Millions of yen)

	First Quarter of FY2016 From April 1, 2016 to June 30, 2016	First Quarter of FY2017 From April 1, 2017 to June 30, 2017
Ordinary income	¥ 184,953	¥ 171,176
Interest income	99,603	96,079
Interest on loans and bills discounted	82,353	76,855
Interest and dividends on securities	9,676	11,394
Trust fees	4,635	4,378
Fees and commissions	44,826	44,011
Trading income	2,358	1,513
Other operating income	13,878	7,034
Other ordinary income	19,651	18,159
Ordinary expenses	118,728	119,685
Interest expenses	7,030	7,314
Interest on deposits	2,563	3,199
Fees and commissions	8,725	7,397
Trading expenses	16	85
Other operating expenses	2,470	5,340
General and administrative expenses	90,671	90,249
Other ordinary expenses	9,814	9,297
Ordinary profits	66,225	51,491
Extraordinary gains	4	-
Gains on disposal of fixed assets	4	-
Extraordinary losses	316	333
Losses on disposal of fixed assets	295	155
Impairment losses on fixed assets	21	178
Income before income taxes	65,912	51,157
Income taxes – current	22,666	18,419
Income taxes – deferred	(5,151)	(4,876)
Total income taxes	17,514	13,542
Net income	48,398	37,615
Net income attributable to non-controlling interests	601	372
Net income attributable to owners of the parent	¥ 47,796	¥ 37,242

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First Quarter of FY2016 From April 1, 2016 to June 30, 2016	First Quarter of FY2017 From April 1, 2017 to June 30, 2017
Net income	¥ 48,398	¥ 37,615
Other comprehensive income	(17,034)	20,763
Net unrealized gains (losses) on available-for-sale securities	(26,488)	20,771
Net deferred gains (losses) on hedges	6,342	(1,748)
Revaluation reserve for land	-	(6)
Foreign currency translation adjustments	191	(1,492)
Remeasurements of defined benefit plans	2,906	3,249
Share of other comprehensive income of affiliates accounted for using the equity method	13	(10)
Total comprehensive income	31,363	58,378
Comprehensive income attributable to:		
Shares of the parent	30,641	58,829
Non-controlling interests	¥ 721	¥ (451)

(3) Note on Going-Concern Assumption

Not applicable

(4) Note for Significant Changes in the Amount of Stockholders' Equity

Not applicable

[Reference]

Statement of Trust Assets and Liabilities

Assets				
	March 31, 2017		June 30, 2017	
	Million yen	%	Million yen	%
Loans and bills discounted	¥ 31,092	0.12	¥ 29,801	0.11
Securities	0	0.00	0	0.00
Beneficiary rights	24,987,140	93.90	25,345,307	94.18
Securities held in custody account	14,987	0.06	15,462	0.06
Monetary claims	186,134	0.70	219,775	0.82
Tangible fixed assets	353,537	1.33	358,159	1.33
Intangible fixed assets	3,012	0.01	3,012	0.01
Other claims	4,989	0.02	4,954	0.02
Due from banking account	1,015,305	3.81	921,975	3.43
Cash and due from banks	12,740	0.05	12,261	0.04
Total assets	¥ 26,608,939	100.00	¥ 26,910,711	100.00

Liabilities				
	March 31, 2017		June 30, 2017	
	Million yen	%	Million yen	%
Money trusts	¥ 9,422,640	35.41	¥ 9,598,675	35.67
Pension trusts	2,615,046	9.83	2,466,020	9.16
Property formation benefit trusts	1,003	0.00	1,025	0.00
Securities investment trusts	13,401,496	50.36	13,645,142	50.71
Money entrusted, other than money trusts	321,509	1.21	312,751	1.16
Securities trusts	15,028	0.06	15,504	0.06
Monetary claims trusts	202,136	0.76	235,193	0.88
Land and fixtures trusts	22,841	0.09	21,804	0.08
Composite trusts	607,237	2.28	614,591	2.28
Total liabilities	¥ 26,608,939	100.00	¥ 26,910,711	100.00

Notes: 1. Figures in the above table exclude trusts whose monetary value cannot be reliably estimated.

2. Subsidiary subject to aggregation is Resona Bank, Limited, only.

Reference Material for the First Quarter of FY2017

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Note.1: Figures reported herein are unaudited.

Note.2: Capital adequacy ratio will be announced soon after the calculation is completed.

Note: [Total of three banks] Sum of non-consolidated figures for Resona Bank (including the trust account), Saitama Resona Bank, and Kinki Osaka Bank.

1. Statements of income

(1)Resona Holdings (Consolidated)

(Millions of yen)

		1Q FY 2017	Change	1Q FY 2016
Ordinary income	1	171,176	(13,777)	184,953
Consolidated gross operating profit	2	132,879	(14,179)	147,059
Interest income	3	88,764	(3,808)	92,573
Trust fees (after disposal of problem loans in the trust account)	4	4,378	(257)	4,635
<Disposal of problem loans in the trust account>	5	0	(0)	0
Fees and commissions	6	36,613	512	36,101
Trading income	7	1,428	(913)	2,341
Other operating income	8	1,694	(9,713)	11,407
Expenses(excluding non-recurring items)	9	(85,435)	923	(86,359)
Personnel expenses	10	(41,850)	(416)	(41,433)
Non-personnel expenses	11	(37,538)	996	(38,534)
Taxes	12	(6,046)	343	(6,390)
Actual net operating profit (2-5+9+19)	13	47,503	(13,168)	60,672
Provision to general reserve for possible loan losses	14	-	-	-
Other gains/(losses), net	15	4,047	(1,477)	5,524
Net gains/(losses) on stocks	16	6,944	2,440	4,504
Disposal of problem loans	17	(1,828)	(686)	(1,141)
Reversal of credit expenses	18	8,708	(168)	8,876
Equity in earnings of investments in affiliates	19	59	86	(27)
Ordinary profit	20	51,491	(14,733)	66,225
Extraordinary gains	21	-	(4)	4
Extraordinary losses	22	(333)	(17)	(316)
Income before income taxes	23	51,157	(14,755)	65,912
Income taxes - current	24	(18,419)	4,246	(22,666)
Income taxes - deferred	25	4,876	(274)	5,151
Net income	26	37,615	(10,783)	48,398
Net income attributable to non-controlling interests	27	(372)	229	(601)
Net income attributable to owners of the parent	28	37,242	(10,553)	47,796
Credit expense (5+14+17+18)	29	6,880	(855)	7,735
Disposal of problem loans in the trust account	30	0	(0)	0
Provision to general reserve for possible loan losses	31	4,209	(2,224)	6,434
Write-off of loans	32	(1,668)	(558)	(1,110)
Provision to specific reserve for possible loan losses	33	740	1,958	(1,217)
Provision to special reserve for certain overseas loans	34	0	(0)	0
Other disposal of problem loans	35	(160)	(128)	(31)
Gains on recoveries of written-off loans	36	3,758	98	3,659

○ ROE

(%)

	1Q FY 2017	Change	1Q FY 2016
ROE based on net income attributable to owners of the parent	10.74	(4.16)	14.91

(Note)

$$\text{ROE} = \frac{(\text{Net income attributable to owners of the parent (1Q)} - \text{Amount equivalent to dividends for preferred shares}) \times 365/91}{\{(\text{Total stockholders' equity at beginning of period} - \text{Aggregate amount paid in for preferred shares at beginning of period}) + (\text{Total stockholders' equity at end of period} - \text{Aggregate amount paid in for preferred shares at end of period})\} / 2}$$

(2) Total of three banks, Non-consolidated figures of each bank

(Millions of yen)

		Total of three banks [Non-consolidated]			Resona Bank			
		1Q		1Q	1Q		1Q	
		FY 2017	Change	FY 2016	FY 2017	Change	FY 2016	
Gross operating profit	(2+4+6+7+8)	1	121,454	(14,027)	135,481	80,696	(10,026)	90,722
Interest income		2	87,553	(3,721)	91,274	56,365	(2,205)	58,571
<Net interest income from loans and deposits (Domestic operations, including NCDs)>		3	72,285	(5,791)	78,076	45,733	(3,517)	49,250
Trust fees (after disposal of problem loans in trust account)		4	4,401	(234)	4,635	4,401	(234)	4,635
<Disposal of problem loans in the trust account>		5	0	(0)	0	0	(0)	0
Fees and commissions		6	26,595	533	26,061	17,687	(16)	17,703
Trading income		7	1,421	(938)	2,359	1,421	(938)	2,359
Other operating income		8	1,482	(9,667)	11,149	820	(6,632)	7,452
Net gains/(losses) on bonds		9	3,088	(7,290)	10,378	2,337	(4,014)	6,351
Expenses (excluding non-recurring items)		10	(81,008)	834	(81,843)	(53,245)	369	(53,614)
Personnel expenses		11	(37,058)	(366)	(36,692)	(23,679)	(225)	(23,454)
Non-personnel expenses		12	(38,259)	860	(39,119)	(25,912)	313	(26,225)
Taxes		13	(5,690)	340	(6,031)	(3,653)	281	(3,935)
Actual net operating profit	(1+10-5)	14	40,445	(13,192)	53,637	27,450	(9,656)	37,107
Core net operating profit	(14-9)	15	37,357	(5,901)	43,258	25,112	(5,642)	30,755
Provision to general reserve for possible loan losses		16	-	-	-	-	-	-
Net operating profit	(1+10+16)	17	40,445	(13,192)	53,638	27,450	(9,657)	37,107
Other gains/(losses), net		18	4,488	410	4,077	1,762	120	1,642
Net gains/(losses) on stocks		19	6,937	2,433	4,504	4,203	(44)	4,248
Gains on sale		20	7,663	(210)	7,873	4,667	(2,721)	7,388
Losses on sale		21	(721)	2,643	(3,364)	(459)	2,676	(3,135)
Losses on devaluation		22	(4)	0	(4)	(4)	0	(4)
Disposal of problem loans		23	(1,565)	(439)	(1,126)	(1,221)	(408)	(812)
Reversal of credit expenses		24	8,558	504	8,053	5,870	1,795	4,074
Other		25	(9,442)	(2,087)	(7,354)	(7,090)	(1,222)	(5,868)
Ordinary profit	(17+18)	26	44,933	(12,781)	57,715	29,213	(9,536)	38,749
Extraordinary gains/(losses), net		27	(333)	(24)	(309)	(323)	(37)	(285)
Net gains/(losses) on disposal of fixed assets		28	(155)	131	(287)	(145)	120	(265)
Impairment losses on fixed assets		29	(178)	(156)	(21)	(178)	(157)	(20)
Income before income taxes	(26+27)	30	44,599	(12,806)	57,406	28,890	(9,574)	38,464
Income taxes-current		31	(16,419)	3,674	(20,094)	(11,885)	3,877	(15,763)
Income taxes-deferred		32	4,466	(249)	4,716	4,518	(1,009)	5,528
Net income	(30+31+32)	33	32,646	(9,381)	42,028	21,523	(6,706)	28,229

Credit expense	(5+16+23+24)	34	6,992	64	6,928	4,649	1,386	3,262
Disposal of problem loans in the trust account		35	0	(0)	0	0	(0)	0
Provision to general reserve for possible loan losses		36	2,077	(1,980)	4,057	1,102	(1,698)	2,800
Write-off of loans		37	(1,405)	(309)	(1,095)	(942)	(284)	(657)
Provision to specific reserve for possible loan losses		38	2,750	2,358	391	1,846	2,519	(673)
Provision to special reserve for certain overseas loans		39	0	(0)	0	0	(0)	0
Other disposal of problem loans		40	(160)	(129)	(30)	(279)	(123)	(155)
Gains on recoveries of written-off claims		41	3,730	126	3,604	2,922	974	1,947

(Notes)

1. Actual net operating profit: Net operating profit before provision to general reserve for possible loan losses and disposal of problem loans in the trust account.
2. Core net operating profit: Actual net operating profit less net gains/(losses) on bonds.

○ Interest rate spreads (domestic operations)

(%)

	Total of three banks [Non-consolidated]			Resona Bank		
	1Q		1Q	1Q		1Q
	FY 2017	Change	FY 2016	FY 2017	Change	FY 2016
Average interest rate of loans and bills discounted (A)	1.07	(0.10)	1.18	1.03	(0.10)	1.13
Average interest rate of deposits and negotiable CDs (B)	0.01	(0.00)	0.01	0.01	(0.00)	0.01
Loan-to-deposit spread (A) - (B)	1.06	(0.10)	1.16	1.02	(0.10)	1.12

(Millions of yen)

		Saitama Resona Bank			Kinki Osaka Bank		
		1Q		1Q	1Q		1Q
		FY 2017	Change	FY 2016	FY 2017	Change	FY 2016
Gross operating profit (2+4+6+7+8)	1	30,815	(2,799)	33,615	9,942	(1,200)	11,143
Interest income	2	23,762	(716)	24,478	7,425	(799)	8,224
<Net interest income from loans and deposits (Domestic operations, including NCDs)>	3	19,849	(1,515)	21,364	6,702	(758)	7,460
Trust fees (after disposal of problem loans in trust account)	4	-	-	-	-	-	-
<Disposal of problem loans in the trust account>	5	-	-	-	-	-	-
Fees and commissions	6	6,686	354	6,331	2,221	195	2,026
Trading income	7	-	-	-	-	-	-
Other operating income	8	366	(2,438)	2,804	296	(596)	892
Net gains/(losses) on bonds	9	521	(2,692)	3,214	228	(584)	812
Expenses (excluding non-recurring items)	10	(18,554)	255	(18,809)	(9,208)	210	(9,418)
Personnel expenses	11	(8,401)	(35)	(8,365)	(4,976)	(104)	(4,872)
Non-personnel expenses	12	(8,731)	299	(9,030)	(3,616)	247	(3,864)
Taxes	13	(1,421)	(8)	(1,413)	(614)	67	(682)
Actual net operating profit (1+10-5)	14	12,260	(2,544)	14,805	734	(990)	1,725
Core net operating profit (14-9)	15	11,738	147	11,591	505	(406)	912
Provision to general reserve for possible loan losses	16	-	-	-	-	-	-
Net operating profit (1+10+16)	17	12,260	(2,544)	14,805	734	(990)	1,725
Other gains/(losses), net	18	1,207	502	705	1,517	(212)	1,729
Net gains/(losses) on stocks	19	1,687	1,432	255	1,045	1,045	-
Gains on sale	20	1,948	1,464	484	1,046	1,046	-
Losses on sale	21	(260)	(32)	(228)	(0)	(0)	-
Losses on devaluation	22	-	-	-	-	-	-
Disposal of problem loans	23	(130)	84	(215)	(213)	(115)	(97)
Reversal of credit expenses	24	1,365	(4)	1,370	1,321	(1,286)	2,608
Other	25	(1,714)	(1,009)	(705)	(637)	144	(781)
Ordinary profit (17+18)	26	13,468	(2,042)	15,510	2,252	(1,202)	3,454
Extraordinary gains/(losses), net	27	(8)	11	(20)	(1)	1	(3)
Net gains/(losses) on disposal of fixed assets	28	(8)	10	(18)	(1)	1	(3)
Impairment losses on fixed assets	29	(0)	1	(1)	-	-	-
Income before income taxes (26+27)	30	13,459	(2,030)	15,490	2,250	(1,201)	3,451
Income taxes-current	31	(4,063)	142	(4,206)	(470)	(346)	(124)
Income taxes-deferred	32	40	180	(140)	(92)	580	(672)
Net income (30+31+32)	33	9,436	(1,707)	11,143	1,687	(967)	2,655

Credit expense (5+16+23+24)	34	1,234	79	1,154	1,108	(1,401)	2,510
Disposal of problem loans in the trust account	35	-	-	-	-	-	-
Provision to general reserve for possible loan losses	36	508	(3)	511	467	(279)	746
Write-off of loans	37	(217)	42	(259)	(245)	(66)	(178)
Provision to specific reserve for possible loan losses	38	477	240	237	426	(401)	827
Provision to special reserve for certain overseas loans	39	-	-	-	-	-	-
Other disposal of problem loans	40	86	42	44	32	(48)	80
Gains on recoveries of written-off claims	41	379	(242)	622	428	(605)	1,034

(Notes)

- Actual net operating profit: Net operating profit before provision to general reserve for possible loan losses and disposal of problem loans in the trust account.
- Core net operating profit: Actual net operating profit less net gains/(losses) on bonds.

○ Interest rate spreads (domestic operations)

(%)

	Saitama Resona Bank			Kinki Osaka Bank		
	1Q		1Q	1Q		1Q
	FY 2017	Change	FY 2016	FY 2017	Change	FY 2016
Average interest rate of loans and bills discounted (A)	1.14	(0.11)	1.25	1.19	(0.14)	1.33
Average interest rate of deposits and negotiable CDs (B)	0.01	(0.00)	0.01	0.03	(0.01)	0.04
Loan-to-deposit spread (A) - (B)	1.13	(0.10)	1.24	1.15	(0.13)	1.29

2. Claims disclosure according to the Financial Reconstruction Act

(Millions of yen, %)

<Total of three banks>		End of Jun.	(A)-(B)	(A)-(C)	End of Mar.	End of Jun.
		2017 (A)			2017 (B)	2016 (C)
	Unrecoverable or valueless claims	57,230	(6,434)	(17,584)	63,664	74,814
	Risk claims	236,102	950	(10,295)	235,151	246,397
	Special attention loans	97,419	783	(11,763)	96,635	109,182
	Financial Reconstruction Act subtotal [A]	390,751	(4,700)	(39,643)	395,452	430,395
	Normal claims	28,441,709	(350,874)	554,703	28,792,583	27,887,005
	Financial Reconstruction Act total [B]	28,832,460	(355,575)	515,059	29,188,036	28,317,401
	Partial direct write-offs	132,013	(2,810)	(23,771)	134,823	155,784
	NPL Ratio [A] / [B]	1.35	0.00	(0.16)	1.35	1.51

<Resona Bank>

	Unrecoverable or valueless claims	29,500	(6,496)	(19,023)	35,996	48,524
	Risk claims	122,353	4,212	(3,196)	118,141	125,549
	Special attention loans	72,122	2,256	(3,093)	69,866	75,216
	Financial Reconstruction Act subtotal [A]	223,976	(28)	(25,313)	224,004	249,290
	Normal claims	19,039,081	(292,919)	413,524	19,332,000	18,625,556
	Financial Reconstruction Act total [B]	19,263,057	(292,947)	388,210	19,556,004	18,874,846
	Partial direct write-offs	104,694	(1,375)	(19,504)	106,070	124,199
	NPL Ratio [A] / [B]	1.16	0.01	(0.15)	1.14	1.32

<Saitama Resona Bank>

	Unrecoverable or valueless claims	19,359	(468)	1,117	19,828	18,242
	Risk claims	70,762	(1,012)	506	71,775	70,256
	Special attention loans	18,378	(715)	(6,804)	19,093	25,182
	Financial Reconstruction Act subtotal [A]	108,500	(2,196)	(5,180)	110,697	113,681
	Normal claims	7,064,363	15,163	127,759	7,049,200	6,936,603
	Financial Reconstruction Act total [B]	7,172,864	12,966	122,579	7,159,897	7,050,284
	Partial direct write-offs	16,970	(1,000)	(3,655)	17,970	20,626
	NPL Ratio [A] / [B]	1.51	(0.03)	(0.09)	1.54	1.61

<Kinki Osaka Bank>

	Unrecoverable or valueless claims	8,370	531	321	7,838	8,048
	Risk claims	42,985	(2,249)	(7,605)	45,235	50,591
	Special attention loans	6,918	(757)	(1,865)	7,676	8,783
	Financial Reconstruction Act subtotal [A]	58,274	(2,475)	(9,148)	60,750	67,423
	Normal claims	2,338,264	(73,118)	13,418	2,411,383	2,324,845
	Financial Reconstruction Act total [B]	2,396,539	(75,594)	4,269	2,472,133	2,392,269
	Partial direct write-offs	10,347	(434)	(611)	10,782	10,958
	NPL Ratio [A] / [B]	2.43	(0.02)	(0.38)	2.45	2.81

3. Unrealized gains/(losses) on marketable securities (Held-to-maturity debt securities, stocks of subsidiaries and affiliates and available-for-sale securities)

(Millions of yen)

<Consolidated>	B/S Amount (End of Jun. 2017)	Change from End of Mar. 2017	Unrealized gains/(losses)			Change from End of Mar. 2017
			(End of Jun. 2017)	Gain	Loss	
Bonds held to maturity	2,178,317	(99,393)	60,124	61,268	(1,143)	(7,372)
Available-for-sale securities	3,277,182	313,382	584,910	604,818	(19,907)	29,011
Stocks	939,523	27,096	591,573	593,853	(2,280)	27,827
Bonds	1,638,092	208,953	(4,526)	3,898	(8,424)	(1,858)
JGB	635,165	96,482	(6,263)	5	(6,269)	(774)
Other	699,566	77,332	(2,135)	7,066	(9,202)	3,042

Note: The figures presented in the table 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.

A reconciliation of net unrealized gains on available-for-sale securities to the amount reported on the Resona Holdings' consolidated balance sheet as of June 30, 2017 is as follows:

	(Millions of yen)
Net unrealized gains on available-for-sale securities	584,910
Fair value hedge gains recorded as income	(less) 7,662
Deferred tax liabilities	(less) 141,672
Unrealized gains on available-for-sale securities (before adjustment)	435,576
Amounts attributable to minority interests	(less) 75
Parent's portion of unrealized gains on available-for-sale securities of equity method investees	4
Amount reported on the Consolidated Balance Sheet	435,505

(Millions of yen)

<Total of three banks>	B/S Amount (End of Jun. 2017)	Change from End of Mar. 2017	Unrealized gains/(losses)			Change from End of Mar. 2017
			(End of Jun. 2017)	Gain	Loss	
Bonds held to maturity	2,178,317	(99,393)	60,124	61,268	(1,143)	(7,372)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	3,272,238	313,503	584,397	604,305	(19,907)	28,980
Stocks	938,750	27,065	591,090	593,371	(2,280)	27,795
Bonds	1,638,089	208,953	(4,526)	3,898	(8,424)	(1,858)
Other	695,397	77,484	(2,166)	7,035	(9,202)	3,042

<Resona Bank>

Bonds held to maturity	1,416,495	(35,349)	41,686	41,686	-	(5,789)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	2,008,923	283,603	489,111	501,451	(12,340)	31,258
Stocks	774,820	28,605	492,755	494,808	(2,052)	29,336
Bonds	747,829	190,890	(369)	3,374	(3,743)	(950)
Other	486,273	64,107	(3,275)	3,267	(6,543)	2,872

<Saitama Resona Bank>

Bonds held to maturity	557,424	(64,532)	15,639	15,639	(0)	(1,839)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	695,463	(71,099)	85,469	91,283	(5,814)	(1,524)
Stocks	151,547	(1,826)	89,919	90,110	(191)	(1,826)
Bonds	398,779	(91,113)	(3,134)	349	(3,484)	(270)
Other	145,136	21,839	(1,315)	822	(2,138)	571

<Kinki Osaka Bank>

Bonds held to maturity	204,397	488	2,798	3,941	(1,142)	256
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	567,851	100,999	9,817	11,570	(1,753)	(753)
Stocks	12,382	285	8,415	8,451	(36)	285
Bonds	491,481	109,176	(1,022)	174	(1,196)	(637)
Other	63,987	(8,462)	2,424	2,944	(520)	(401)

Note: The figures presented in the table 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.

4. Balance of deposits and loans

(Millions of yen)

	End of Jun. 2017 (A)	(A)-(B)	(A)-(C)	End of Mar. 2017 (B)	End of Jun. 2016 (C)
<Total of three banks>					
Deposits (Term-end)	40,971,952	245,724	2,386,747	40,726,227	38,585,204
Deposits (Average balance)	40,353,522	1,603,575	2,289,369	38,749,947	38,064,152
Trust principal (Term-end)	938,042	(93,695)	(65,054)	1,031,738	1,003,097
Trust principal (Average balance)	858,516	(143,184)	(738,378)	1,001,700	1,596,894
Loans and bills discounted (Term-end)	28,065,649	(346,378)	518,002	28,412,027	27,547,646
Banking account	28,035,847	(345,086)	524,120	28,380,934	27,511,727
Trust account	29,801	(1,291)	(6,118)	31,092	35,919
Loans and bills discounted (Average balance)	27,993,017	324,594	514,067	27,668,422	27,478,949
Banking account	27,962,473	328,472	520,379	27,634,000	27,442,093
Trust account	30,544	(3,878)	(6,312)	34,422	36,856

<Resona Bank>

Deposits (Term-end)	24,976,653	11,404	1,837,864	24,965,248	23,138,789
Deposits (Average balance)	24,616,250	1,176,877	1,747,235	23,439,372	22,869,014
Trust principal (Term-end)	938,042	(93,695)	(65,054)	1,031,738	1,003,097
Trust principal (Average balance)	858,516	(143,184)	(738,378)	1,001,700	1,596,894
Loans and bills discounted (Term-end)	18,599,243	(276,592)	404,984	18,875,836	18,194,259
Banking account	18,569,441	(275,301)	411,102	18,844,743	18,158,339
Trust account	29,801	(1,291)	(6,118)	31,092	35,919
Loans and bills discounted (Average balance)	18,567,937	237,286	382,292	18,330,651	18,185,644
Banking account	18,537,393	241,164	388,605	18,296,229	18,148,788
Trust account	30,544	(3,878)	(6,312)	34,422	36,856

<Saitama Resona Bank>

Deposits (Term-end)	12,731,663	206,427	500,051	12,525,235	12,231,611
Deposits (Average balance)	12,504,941	385,013	496,334	12,119,928	12,008,607
Loans and bills discounted (Term-end)	7,101,418	5,786	110,297	7,095,632	6,991,121
Loans and bills discounted (Average balance)	7,074,381	83,933	135,241	6,990,447	6,939,139

<Kinki Osaka Bank>

Deposits (Term-end)	3,263,635	27,892	48,831	3,235,743	3,214,804
Deposits (Average balance)	3,232,330	41,684	45,799	3,190,646	3,186,530
Loans and bills discounted (Term-end)	2,364,987	(75,571)	2,721	2,440,559	2,362,266
Loans and bills discounted (Average balance)	2,350,697	3,374	(3,467)	2,347,323	2,354,164

<Reference> Domestic breakdown of individual, corporate and other deposits (Millions of yen)

<Total of three banks>	End of Jun. 2017 (A)	(A)-(B)	(A)-(C)	End of Mar. 2017 (B)	End of Jun. 2016 (C)
Domestic individual deposits (Term-end)	25,891,352	465,345	959,281	25,426,006	24,932,071
Liquid deposits	17,872,299	485,451	1,133,454	17,386,848	16,738,845
Time deposits	7,786,474	(9,881)	(182,313)	7,796,355	7,968,787
Domestic corporate deposits (Term-end)	12,475,072	(136,238)	1,097,484	12,611,310	11,377,588
Liquid deposits	9,368,027	(87,740)	1,004,814	9,455,767	8,363,212
Time deposits	2,574,342	(49,936)	57,873	2,624,278	2,516,468

<Resona Bank>

Domestic individual deposits (Term-end)	13,630,256	190,515	507,777	13,439,741	13,122,479
Liquid deposits	9,574,402	219,651	610,658	9,354,750	8,963,743
Time deposits	3,860,894	(18,653)	(110,364)	3,879,548	3,971,259
Domestic corporate deposits (Term-end)	9,483,716	(141,729)	969,942	9,625,445	8,513,773
Liquid deposits	7,272,434	(93,432)	876,374	7,365,866	6,396,060
Time deposits	1,736,684	(44,157)	61,089	1,780,841	1,675,594

<Saitama Resona Bank>

Domestic individual deposits (Term-end)	9,732,878	250,601	432,929	9,482,277	9,299,949
Liquid deposits	6,830,242	231,509	451,748	6,598,732	6,378,494
Time deposits	2,872,546	18,672	(19,060)	2,853,874	2,891,607
Domestic corporate deposits (Term-end)	2,297,585	27,379	101,862	2,270,205	2,195,723
Liquid deposits	1,627,136	34,916	106,665	1,592,220	1,520,470
Time deposits	636,103	(12,774)	(5,523)	648,878	641,626

<Kinki Osaka Bank>

Domestic individual deposits (Term-end)	2,528,217	24,228	18,574	2,503,988	2,509,642
Liquid deposits	1,467,654	34,289	71,047	1,433,365	1,396,607
Time deposits	1,053,032	(9,900)	(52,888)	1,062,932	1,105,921
Domestic corporate deposits (Term-end)	693,770	(21,888)	25,679	715,659	668,091
Liquid deposits	468,456	(29,223)	21,775	497,680	446,681
Time deposits	201,554	6,995	2,307	194,558	199,247

(Notes)

- Figures are based on the reports submitted to Bank of Japan. (excluding overseas loans and loans in Japan Offshore Banking Account)
- Liquid deposits = current deposits + ordinary deposits + saving deposits + deposits at notice

<Reference> Balance of investment trust and other investment products for individual customers (Millions of yen)

<Total of three banks>	End of Jun. 2017 (A)	(A)-(B)	(A)-(C)	End of Mar. 2017 (B)	End of Jun. 2016 (C)
Investment trust (Including fund wrap)	1,757,168	(1,734)	22,597	1,759,353	1,735,021
Public bond	423,358	(17,289)	(99,611)	440,648	522,970
Insurance	1,872,925	(13,452)	(6,559)	1,886,378	1,879,484

<Resona Bank>

Investment trust (Including fund wrap)	985,445	6,078	25,362	979,366	960,083
Public bond	152,169	(6,604)	(39,620)	158,774	191,789
Insurance	918,534	(5,322)	(4,115)	923,857	922,649

<Saitama Resona Bank>

Investment trust (Including fund wrap)	538,443	(4,658)	2,370	543,102	536,072
Public bond	265,885	(10,096)	(57,048)	275,982	322,934
Insurance	710,279	(7,439)	(6,418)	717,719	716,698

<Kinki Osaka Bank>

Investment trust (Including fund wrap)	233,279	(3,154)	(5,135)	236,884	238,865
Public bond	5,303	(587)	(2,943)	5,891	8,246
Insurance	244,110	(690)	3,974	244,801	240,136

(Note)

Investment trust: based on market prices at each period-end

Public bond: Government bonds, local government bonds, and government-guaranteed bonds in custody accounts. (amounts in par value and on a delivery date basis)

Insurance: based on insurance premiums paid (yen equivalent)