



# Resona Holdings, Inc.

## Consolidated Financial Results for the First Quarter of Fiscal Year 2018 (Three months ended June 30, 2018/ 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 3, 2018 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 2018 (April 1, 2018- June 30, 2018)

(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 FY2018	198,378	( 15.9 )	46,479	( -9.7 )	69,946	( 87.8 )
1Q of FY2017	171,176	( -7.4 )	51,491	( -22.2 )	37,242	( -22.1 )

Note: Comprehensive Income: 1Q of FY2018: 84,376 million yen (44.5%) 1Q of FY2017: 58,378 million yen (86.1%)

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	Yen	Yen
1Q of FY2018	30.21	30.21
1Q of FY2017	16.05	-

Note: Diluted net income per share of common stock as of 1Q of FY2017 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, 2018	58,175,913	2,351,341	3.6
March 31, 2018	50,243,789	2,102,936	4.2

(Reference) Net Assets Attributable to Stockholders: June 30, 2018: 2,108,501 million yen March 31, 2018: 2,085,147 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
FY2017	-	10.00	-	10.00	20.00
FY2018	-	-	-	-	-
FY2018(Forecast)	-	10.50	-	10.50	21.00

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 2018 (April 1, 2018 - March 31, 2019)

(% 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 FY2018	113,000	( 20.1 )	48.81
FY2018 (Full year)	200,000	( -15.3 )	86.39

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  
2 new companies: Kansai Urban Banking Corporation, The Minato Bank, Ltd.
- (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, 2018  | : | 2,324,118,091 shares |
| March 31, 2018 | : | 2,324,118,091 shares |
- B) Treasury stock at the end of the period
- |                |   |                  |
|----------------|---|------------------|
| June 30, 2018  | : | 8,653,145 shares |
| March 31, 2018 | : | 9,153,062 shares |
- C) Average outstanding shares during the period
- |              |   |                      |
|--------------|---|----------------------|
| 1Q of FY2018 | : | 2,315,095,036 shares |
| 1Q of FY2017 | : | 2,318,994,760 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, 2018	:	7,677,000 shares
March 31, 2018	:	8,179,100 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 2018, 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 <sup>st</sup> Quarter-end	2 <sup>nd</sup> Quarter-end	3 <sup>rd</sup> Quarter-end	Fiscal Year-end	Total
Class Five Preferred Stock	FY 2017	<i>Yen</i> -	<i>Yen</i> 459.375	<i>Yen</i> -	<i>Yen</i> -	<i>Yen</i> 459.375
	FY 2018	-	-	-	-	-
	FY 2018 (Forecast)	-	-	-	-	-

Note: Class Five Preferred Stock was acquired and cancelled on March 15, 2018.

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

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

- Forecasted average number of shares of common stock (excluding treasury stock) : 2,314,965,029 shares

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## 1. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2018	June 30, 2018
<b>Assets</b>		
Cash and due from banks	¥ 13,419,003	¥ 14,511,382
Call loans and bills bought	308,806	184,940
Monetary claims bought	337,705	307,116
Trading assets	270,639	302,348
Securities	5,278,544	5,797,346
Loans and bills discounted	28,755,172	35,060,256
Foreign exchange assets	160,226	120,025
Leasing receivables and investment assets	-	37,240
Other assets	1,110,787	1,154,623
Tangible fixed assets	303,088	382,330
Intangible fixed assets	30,329	40,107
Net defined benefit asset	18,496	25,939
Deferred tax assets	1,692	26,680
Customers' liabilities for acceptances and guarantees	389,011	399,429
Reserve for possible loan losses	(139,668)	(173,820)
Reserve for possible losses on investments	(47)	(34)
<b>Total Assets</b>	<b>50,243,789</b>	<b>58,175,913</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Deposits	42,744,541	50,035,595
Negotiable certificates of deposit	1,060,650	1,115,950
Call money and bills sold	155,975	259,182
Payables under repurchase agreements	5,000	5,000
Payables under securities lending transactions	624,703	854,812
Trading liabilities	101,709	103,527
Borrowed money	675,975	812,157
Foreign exchange liabilities	4,071	3,843
Bonds	385,142	384,844
Due to trust account	1,056,058	974,823
Other liabilities	824,467	751,748
Reserve for employees' bonuses	15,634	7,444
Net defined benefit liability	10,120	15,378
Other reserves	44,312	45,604
Deferred tax liabilities	23,501	35,602
Deferred tax liabilities for land revaluation	19,976	19,626
Acceptances and guarantees	389,011	399,429
<b>Total Liabilities</b>	<b>48,140,853</b>	<b>55,824,571</b>
<b>Net Assets</b>		
Capital stock	50,472	50,472
Retained earnings	1,522,075	1,533,377
Treasury stock	(5,250)	(4,971)
Total stockholders' equity	1,567,297	1,578,878
Net unrealized gains on available-for-sale securities	486,665	496,215
Net deferred gains on hedges	33,462	31,894
Revaluation reserve for land	43,699	42,903
Foreign currency translation adjustments	(3,021)	(4,453)
Remeasurements of defined benefit plans	(42,956)	(36,937)
Total accumulated other comprehensive income	517,849	529,622
Stock acquisition rights	-	318
Minority interests in consolidated subsidiaries	17,789	242,521
<b>Total Net Assets</b>	<b>2,102,936</b>	<b>2,351,341</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 50,243,789</b>	<b>¥ 58,175,913</b>

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

[Consolidated Statements of Income]

(Millions of yen)

	First Quarter of FY2017 From April 1, 2017 to June 30, 2017	First Quarter of FY2018 From April 1, 2018 to June 30, 2018
<b>Ordinary income</b>	¥ 171,176	¥ 198,378
Interest income	96,079	116,495
Interest on loans and bills discounted	76,855	94,988
Interest and dividends on securities	11,394	13,378
Trust fees	4,378	4,680
Fees and commissions	44,011	54,447
Trading income	1,513	941
Other operating income	7,034	11,104
Other ordinary income	18,159	10,710
<b>Ordinary expenses</b>	119,685	151,899
Interest expenses	7,314	10,493
Interest on deposits	3,199	4,679
Fees and commissions	7,397	10,972
Trading expenses	85	-
Other operating expenses	5,340	7,383
General and administrative expenses	90,249	111,988
Other ordinary expenses	9,297	11,061
<b>Ordinary profits</b>	51,491	46,479
<b>Extraordinary gains</b>	-	39,899
Gains on negative goodwill	-	29,055
Gain on step acquisitions	-	10,843
<b>Extraordinary losses</b>	333	1,884
Losses on disposal of fixed assets	155	213
Impairment losses on fixed assets	178	1,670
<b>Income before income taxes</b>	51,157	84,493
Income taxes – current	18,419	14,107
Income taxes – deferred	(4,876)	(692)
Total income taxes	13,542	13,415
<b>Net income</b>	37,615	71,078
<b>Net income attributable to non-controlling interests</b>	372	1,132
<b>Net income attributable to owners of the parent</b>	¥ 37,242	¥ 69,946

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First Quarter of FY2017 From April 1, 2017 to June 30, 2017	First Quarter of FY2018 From April 1, 2018 to June 30, 2018
<b>Net income</b>	¥ 37,615	¥ 71,078
<b>Other comprehensive income</b>	20,763	12,502
Net unrealized gains (losses) on available-for-sale securities	20,771	13,964
Net deferred gains (losses) on hedges	(1,748)	(1,567)
Revaluation reserve for land	(6)	-
Foreign currency translation adjustments	(1,492)	(2,869)
Remeasurements of defined benefit plans	3,249	2,971
Share of other comprehensive income of affiliates accounted for using the equity method	(10)	3
<b>Total comprehensive income</b>	58,378	83,580
<b>Comprehensive income attributable to:</b>		
Shares of the parent	58,829	82,515
Non-controlling interests	¥ (451)	¥ 1,065

**(3) Note on Going-Concern Assumption**

Not applicable

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

First quarter of fiscal year 2018 (April 1, 2018- June 30, 2018)

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the fiscal year	¥ 50,472	-	¥ 1,522,075	¥ (5,250)	¥ 1,567,297
Changes during the first quarter					
Dividends paid			(23,231)		(23,231)
Net quarterly income attributable to owners of parent			69,946		69,946
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		(0)		280	280
Reversal of revaluation reserve for land			795		795
Changes in shareholders' interest due to transaction with non-controlling interests		(36,209)			(36,209)
Transfer from retained earnings to capital surplus		36,209	(36,209)		-
Total changes during the first quarter	-	-	11,301	279	11,580
Balance at the end of the first quarter	¥ 50,472	-	¥ 1,533,377	¥ (4,971)	¥ 1,578,878

**[Reference]**

**Statement of Trust Assets and Liabilities**

<b>Assets</b>				
	<b>March 31, 2018</b>		<b>June 30, 2018</b>	
	Million yen	%	Million yen	%
Loans and bills discounted	¥ 30,195	0.11	¥ 28,818	0.10
Securities	0	0.00	0	0.00
Beneficiary rights	25,584,390	93.88	26,538,281	94.35
Securities held in custody account	17,158	0.06	16,935	0.06
Monetary claims	185,805	0.68	185,126	0.66
Tangible fixed assets	353,591	1.30	355,410	1.26
Intangible fixed assets	2,753	0.01	2,753	0.01
Other claims	6,174	0.02	6,144	0.02
Due from banking account	1,056,058	3.88	974,823	3.47
Cash and due from banks	16,420	0.06	20,727	0.07
Total assets	¥ 27,252,547	100.00	¥ 28,129,021	100.00

<b>Liabilities</b>				
	<b>March 31, 2018</b>		<b>June 30, 2018</b>	
	Million yen	%	Million yen	%
Money trusts	¥ 10,012,007	36.74	¥ 10,719,449	38.11
Pension trusts	2,472,020	9.07	2,486,391	8.84
Property formation benefit trusts	1,053	0.00	1,067	0.00
Securities investment trusts	13,643,163	50.06	13,771,312	48.96
Money entrusted, other than money trusts	307,582	1.13	327,942	1.17
Securities trusts	17,200	0.07	16,977	0.06
Monetary claims trusts	191,249	0.70	189,881	0.67
Land and fixtures trusts	21,945	0.08	21,439	0.08
Composite trusts	586,325	2.15	594,560	2.11
Total liabilities	¥ 27,252,547	100.00	¥ 28,129,021	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 FY2018

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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 five group banks] Sum of non-consolidated figures for Resona Bank (including the trust account), Saitama Resona Bank, and Kansai Mirai Financial Group (total of three banks).

Note: [Consolidated] Kansai Mirai Financial Group, Inc. (KMFG), a consolidated subsidiary of Resona Holdings, Inc. (HD) implemented the share exchanges of its shares with the shares of Kansai Urban Banking Corp. (KU) and Minato Bank, Ltd. (MB) on April 1, 2018, thus making these two banks its consolidated subsidiaries.

As a result, from 1Q of FY2018, HD's consolidated statements include KU and MB and their 14 subsidiaries.

## 1. Statements of income

(1)Resona Holdings (Consolidated)

(Millions of yen)

		1Q FY 2018	Change	1Q FY 2017
<b>Ordinary income</b>	<b>1</b>	<b>198,378</b>	<b>27,202</b>	<b>171,176</b>
Consolidated gross operating profit	2	158,819	25,939	132,879
Interest income	3	106,001	17,237	88,764
Trust fees (after disposal of problem loans in the trust account)	4	4,680	301	4,378
<Disposal of problem loans in the trust account>	5	30	30	0
Fees and commissions	6	43,474	6,860	36,613
Trading income	7	941	(487)	1,428
Other operating income	8	3,720	2,026	1,694
Expenses(excluding non-recurring items)	9	(107,287)	(21,852)	(85,435)
Personnel expenses	10	(52,444)	(10,594)	(41,850)
Non-personnel expenses	11	(47,129)	(9,591)	(37,538)
Taxes	12	(7,713)	(1,666)	(6,046)
Actual net operating profit (2-5+9+19)	13	51,565	4,061	47,503
Provision to general reserve for possible loan losses	14	-	-	-
Other gains/(losses), net	15	(5,052)	(9,099)	4,047
Net gains/(losses) on stocks	16	3,794	(3,150)	6,944
Disposal of problem loans	17	(4,144)	(2,316)	(1,828)
Reversal of credit expenses	18	2,270	(6,437)	8,708
Equity in earnings of investments in affiliates	19	63	4	59
<b>Ordinary profit</b>	<b>20</b>	<b>46,479</b>	<b>(5,012)</b>	<b>51,491</b>
Extraordinary gains	21	39,899	39,899	-
Extraordinary losses	22	(1,884)	(1,550)	(333)
Income before income taxes	23	84,493	33,336	51,157
Income taxes - current	24	(14,107)	4,311	(18,419)
Income taxes - deferred	25	692	(4,184)	4,876
Net income	26	71,078	33,463	37,615
Net income attributable to non-controlling interests	27	(1,132)	(759)	(372)
Kansai Mirai Financial Group	28	(1,744)	(1,744)	-
<b>Net income attributable to owners of the parent</b>	<b>29</b>	<b>69,946</b>	<b>32,703</b>	<b>37,242</b>
<b>Credit expense (5+14+17+18)</b>	<b>30</b>	<b>(1,844)</b>	<b>(8,724)</b>	<b>6,880</b>
Disposal of problem loans in the trust account	31	30	30	0
Provision to general reserve for possible loan losses	32	2,256	(1,952)	4,209
Write-off of loans	33	(4,234)	(2,566)	(1,668)
Provision to specific reserve for possible loan losses	34	(1,855)	(2,596)	740
Provision to special reserve for certain overseas loans	35	(0)	(0)	0
Other disposal of problem loans	36	89	250	(160)
Gains on recoveries of written-off loans	37	1,870	(1,888)	3,758

○ ROE

(%)

	1Q FY 2018	Change	1Q FY 2017
ROE based on net income attributable to owners of the parent	17.83	7.08	10.74

(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 five group banks, Non-consolidated figures of each bank and group (Millions of yen)

		Total of five group banks [Non-consolidated]			Resona Bank		
		1Q		1Q	1Q		1Q
		FY 2018	Change	FY 2017	FY 2018	Change	FY 2017
Gross operating profit (2+4+6+7+8)	1	145,284	(1,092)	146,377	80,855	159	80,696
Interest income	2	105,037	(4,267)	109,305	54,190	(2,175)	56,365
<Net interest income from loans and deposits (Domestic operations, including NCDs)>	3	88,816	(2,893)	91,710	44,686	(1,046)	45,733
Trust fees (after disposal of problem loans in trust account)	4	4,681	279	4,401	4,681	279	4,401
<Disposal of problem loans in the trust account>	5	30	30	0	30	30	0
Fees and commissions	6	31,558	2,781	28,777	19,608	1,921	17,687
Trading income	7	947	(474)	1,421	947	(474)	1,421
Other operating income	8	3,060	588	2,471	1,428	608	820
Net gains/(losses) on bonds	9	1,454	(2,095)	3,549	(197)	(2,534)	2,337
Expenses (excluding non-recurring items)	10	(101,018)	(1,232)	(99,786)	(53,547)	(301)	(53,245)
Personnel expenses	11	(46,266)	765	(47,031)	(23,189)	490	(23,679)
Non-personnel expenses	12	(47,680)	(1,639)	(46,040)	(26,513)	(600)	(25,912)
Taxes	13	(7,072)	(358)	(6,713)	(3,844)	(190)	(3,653)
<b>Actual net operating profit (1+10-5)</b>	<b>14</b>	<b>44,236</b>	<b>(2,354)</b>	<b>46,591</b>	<b>27,278</b>	<b>(172)</b>	<b>27,450</b>
<b>Core net operating profit (14-9)</b>	<b>15</b>	<b>42,782</b>	<b>(259)</b>	<b>43,041</b>	<b>27,475</b>	<b>2,362</b>	<b>25,112</b>
Amortization of goodwill	16	(184)	-	(184)	-	-	-
Provision to general reserve for possible loan losses	17	(166)	(201)	34	-	-	-
<b>Net operating profit (1+10+16+17)</b>	<b>18</b>	<b>43,915</b>	<b>(2,526)</b>	<b>46,441</b>	<b>27,308</b>	<b>(142)</b>	<b>27,450</b>
Other gains/(losses), net	19	(1,838)	(6,763)	4,924	(1,359)	(3,122)	1,762
Net gains/(losses) on stocks	20	3,618	(4,065)	7,683	2,612	(1,591)	4,203
Gains on sale	21	6,047	(2,373)	8,421	4,997	330	4,667
Losses on sale	22	(1,973)	(1,251)	(721)	(1,933)	(1,474)	(459)
Losses on devaluation	23	(456)	(439)	(16)	(451)	(447)	(4)
Disposal of problem loans	24	(4,672)	(2,600)	(2,072)	(2,423)	(1,202)	(1,221)
Reversal of credit expenses	25	6,278	(3,116)	9,395	2,396	(3,473)	5,870
Other	26	(7,063)	3,018	(10,081)	(3,945)	3,145	(7,090)
<b>Ordinary profit (18+19)</b>	<b>27</b>	<b>42,077</b>	<b>(9,289)</b>	<b>51,366</b>	<b>25,948</b>	<b>(3,264)</b>	<b>29,213</b>
Extraordinary gains/(losses), net	28	(1,564)	(1,235)	(328)	(1,770)	(1,447)	(323)
Net gains/(losses) on disposal of fixed assets	29	(212)	(49)	(163)	(100)	44	(145)
Impairment losses on fixed assets	30	(1,670)	(1,491)	(178)	(1,670)	(1,492)	(178)
<b>Income before income taxes (27+28)</b>	<b>31</b>	<b>40,512</b>	<b>(10,525)</b>	<b>51,037</b>	<b>24,178</b>	<b>(4,711)</b>	<b>28,890</b>
Income taxes-current	32	(19,362)	(2,952)	(16,410)	(15,209)	(3,323)	(11,885)
Income taxes-deferred	33	7,848	4,405	3,443	8,377	3,858	4,518
<b>Net income (31+32+33)</b>	<b>34</b>	<b>28,998</b>	<b>(9,072)</b>	<b>38,070</b>	<b>17,346</b>	<b>(4,176)</b>	<b>21,523</b>

<b>Credit expense (5+17+24+25)</b>	<b>35</b>	<b>1,469</b>	<b>(5,887)</b>	<b>7,357</b>	<b>3</b>	<b>(4,646)</b>	<b>4,649</b>
Disposal of problem loans in the trust account	36	30	30	0	30	30	0
Provision to general reserve for possible loan losses	37	2,372	236	2,135	1,973	871	1,102
Write-off of loans	38	(3,881)	(2,451)	(1,429)	(2,342)	(1,400)	(942)
Provision to specific reserve for possible loan losses	39	1,015	(2,229)	3,245	(1,139)	(2,985)	1,846
Provision to special reserve for certain overseas loans	40	(0)	(0)	0	(0)	(0)	0
Other disposal of problem loans	41	85	436	(351)	(81)	197	(279)
Gains on recoveries of written-off claims	42	1,848	(1,909)	3,757	1,563	(1,359)	2,922

(Note)

Net income does not exclude net income attributable to non-controlling interests

○ Interest rate spreads (domestic operations) (%)

	Total of five banks [Non-consolidated]			Resona Bank		
	1Q		1Q	1Q		1Q
	FY 2018	Change	FY 2017	FY 2018	Change	FY 2017
Average interest rate of loans and bills discounted (A)	1.05	(0.06)	1.12	0.97	(0.06)	1.03
Average interest rate of deposits and negotiable CDs (B)	0.01	(0.00)	0.02	0.00	(0.00)	0.01
Loan-to-deposit spread (A) - (B)	1.03	(0.06)	1.10	0.96	(0.05)	1.02

(Millions of yen)

		Saitama Resona Bank			Kansai Mirai Financail Group (Total of 3 banks)		
		1Q		1Q	1Q		1Q
		FY 2018	Change	FY 2017	FY 2018	Change	FY 2017
Gross operating profit (2+4+6+7+8)	1	30,761	(53)	30,815	33,667	(1,198)	34,865
Interest income	2	22,115	(1,647)	23,762	28,732	(444)	29,177
<Net interest income from loans and deposits (Domestic operations, including NCDs)>	3	18,921	(927)	19,849	25,208	(919)	26,127
Trust fees (after disposal of problem loans in trust account)	4	-	-	-	-	-	-
<Disposal of problem loans in the trust account>	5	-	-	-	-	-	-
Fees and commissions	6	7,513	827	6,686	4,435	32	4,403
Trading income	7	-	-	-	-	-	-
Other operating income	8	1,132	766	366	498	(785)	1,284
Net gains/(losses) on bonds	9	1,742	1,220	521	(90)	(781)	690
Expenses (excluding non-recurring items)	10	(18,849)	(294)	(18,554)	(28,622)	(636)	(27,985)
Personnel expenses	11	(8,199)	201	(8,401)	(14,876)	73	(14,950)
Non-personnel expenses	12	(9,179)	(448)	(8,731)	(11,987)	(590)	(11,396)
Taxes	13	(1,469)	(47)	(1,421)	(1,758)	(119)	(1,638)
<b>Actual net operating profit (1+10-5)</b>	<b>14</b>	<b>11,912</b>	<b>(347)</b>	<b>12,260</b>	<b>5,045</b>	<b>(1,834)</b>	<b>6,880</b>
<b>Core net operating profit (14-9)</b>	<b>15</b>	<b>10,170</b>	<b>(1,568)</b>	<b>11,738</b>	<b>5,135</b>	<b>(1,053)</b>	<b>6,189</b>
Amortization of goodwill	16	-	-	-	(184)	-	(184)
Provision to general reserve for possible loan losses	17	-	-	-	(166)	(201)	34
<b>Net operating profit (1+10+16+17)</b>	<b>18</b>	<b>11,912</b>	<b>(347)</b>	<b>12,260</b>	<b>4,694</b>	<b>(2,036)</b>	<b>6,730</b>
Other gains/(losses), net	19	(632)	(1,840)	1,207	153	(1,800)	1,954
Net gains/(losses) on stocks	20	544	(1,143)	1,687	460	(1,330)	1,791
Gains on sale	21	544	(1,404)	1,948	505	(1,299)	1,804
Losses on sale	22	-	260	(260)	(39)	(38)	(0)
Losses on devaluation	23	-	-	-	(5)	7	(12)
Disposal of problem loans	24	(1,154)	(1,023)	(130)	(1,094)	(374)	(719)
Reversal of credit expenses	25	1,789	424	1,365	2,092	(66)	2,159
Other	26	(1,812)	(97)	(1,714)	(1,305)	(29)	(1,276)
<b>Ordinary profit (18+19)</b>	<b>27</b>	<b>11,280</b>	<b>(2,188)</b>	<b>13,468</b>	<b>4,847</b>	<b>(3,836)</b>	<b>8,684</b>
Extraordinary gains/(losses), net	28	(11)	(2)	(8)	217	214	3
Net gains/(losses) on disposal of fixed assets	29	(11)	(2)	(8)	(101)	(91)	(9)
Impairment losses on fixed assets	30	-	0	(0)	(0)	0	(0)
<b>Income before income taxes (27+28)</b>	<b>31</b>	<b>11,269</b>	<b>(2,190)</b>	<b>13,459</b>	<b>5,065</b>	<b>(3,622)</b>	<b>8,687</b>
Income taxes-current	32	(4,021)	41	(4,063)	(131)	329	(461)
Income taxes-deferred	33	550	510	40	(1,078)	36	(1,115)
<b>Net income (31+32+33)</b>	<b>34</b>	<b>7,797</b>	<b>(1,638)</b>	<b>9,436</b>	<b>3,854</b>	<b>(3,256)</b>	<b>7,110</b>

<b>Credit expense (5+17+24+25)</b>	<b>35</b>	<b>635</b>	<b>(599)</b>	<b>1,234</b>	<b>831</b>	<b>(642)</b>	<b>1,473</b>
Disposal of problem loans in the trust account	36	-	-	-	-	-	-
Provision to general reserve for possible loan losses	37	796	288	508	(396)	(922)	525
Write-off of loans	38	(1,226)	(1,008)	(217)	(312)	(43)	(269)
Provision to specific reserve for possible loan losses	39	845	367	477	1,309	388	921
Provision to special reserve for certain overseas loans	40	-	-	-	-	-	-
Other disposal of problem loans	41	72	(14)	86	94	253	(159)
Gains on recoveries of written-off claims	42	148	(231)	379	136	(318)	455

(Note)

Net income does not exclude net income attributable to non-controlling interests

○ Interest rate spreads (domestic operations)

(%)

	Saitama Resona Bank			Kansai Mirai Financail Group (Total of 3 banks)		
	1Q		1Q	1Q		1Q
	FY 2018	Change	FY 2017	FY 2018	Change	FY 2017
Average interest rate of loans and bills discounted (A)	1.07	(0.07)	1.14	1.21	(0.07)	1.28
Average interest rate of deposits and negotiable CDs (B)	0.00	(0.00)	0.01	0.04	(0.00)	0.05
Loan-to-deposit spread (A) - (B)	1.06	(0.06)	1.13	1.16	(0.06)	1.23

## 2. Claims disclosure according to the Financial Reconstruction Act

(Millions of yen, %)

<Total of five group banks>		End of Jun.			End of Mar.	End of Jun.
		2018 (A)	(A)-(B)	(A)-(C)	2018 (B)	2017 (C)
	Unrecoverable or valueless claims	74,491	2,217	(6,018)	72,274	80,510
	Risk claims	283,598	(3,543)	(30,124)	287,142	313,723
	Special attention loans	101,850	1,321	(7,384)	100,529	109,235
	Financial Reconstruction Act subtotal [A]	459,941	(5)	(43,527)	459,946	503,469
	Normal claims	35,749,350	(161,050)	961,915	35,910,401	34,787,435
	Financial Reconstruction Act total [B]	36,209,291	(161,055)	918,387	36,370,347	35,290,904
	Partial direct write-offs	187,571	1,709	(25,572)	185,861	213,143
	NPL Ratio [A] / [B]	1.27	0.00	(0.15)	1.26	1.42

### <Resona Bank>

	Unrecoverable or valueless claims	20,639	(421)	(8,860)	21,061	29,500
	Risk claims	108,633	1,242	(13,719)	107,390	122,353
	Special attention loans	68,207	(1,023)	(3,915)	69,230	72,122
	Financial Reconstruction Act subtotal [A]	197,481	(201)	(26,495)	197,683	223,976
	Normal claims	19,673,324	(185,054)	634,243	19,858,379	19,039,081
	Financial Reconstruction Act total [B]	19,870,806	(185,256)	607,748	20,056,062	19,263,057
	Partial direct write-offs	89,319	828	(15,375)	88,491	104,694
	NPL Ratio [A] / [B]	0.99	0.00	(0.16)	0.98	1.16

### <Saitama Resona Bank>

	Unrecoverable or valueless claims	21,295	658	1,935	20,636	19,359
	Risk claims	62,888	(2,266)	(7,874)	65,154	70,762
	Special attention loans	15,398	263	(2,979)	15,134	18,378
	Financial Reconstruction Act subtotal [A]	99,582	(1,343)	(8,918)	100,925	108,500
	Normal claims	7,200,131	15,561	135,767	7,184,569	7,064,363
	Financial Reconstruction Act total [B]	7,299,713	14,218	126,849	7,285,495	7,172,864
	Partial direct write-offs	19,977	968	3,007	19,009	16,970
	NPL Ratio [A] / [B]	1.36	(0.02)	(0.14)	1.38	1.51

### <Kansai Mirai Financail Group (Total of 3 banks)>

	Unrecoverable or valueless claims	32,556	1,979	906	30,577	31,650
	Risk claims	112,076	(2,520)	(8,530)	114,597	120,607
	Special attention loans	18,244	2,080	(489)	16,163	18,734
	Financial Reconstruction Act subtotal [A]	162,877	1,539	(8,114)	161,337	170,992
	Normal claims	8,875,894	8,442	191,903	8,867,451	8,683,990
	Financial Reconstruction Act total [B]	9,038,772	9,982	183,789	9,028,789	8,854,982
	Partial direct write-offs	78,273	(87)	(13,204)	78,361	91,478
	NPL Ratio [A] / [B]	1.80	0.01	(0.12)	1.78	1.93

### 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. 2018)	Change from End of Mar. 2018	Unrealized gains/(losses)			Change from End of Mar. 2018
			(End of Jun. 2018)	Gain	Loss	
Bonds held to maturity	2,069,279	22,491	48,549	48,833	(283)	(3,442)
Available-for-sale securities	3,656,264	486,767	677,484	703,557	(26,073)	19,283
Stocks	1,080,432	(37,520)	688,440	692,070	(3,630)	18,963
Bonds	1,482,279	266,818	1,289	4,040	(2,751)	305
JGB	287,192	74,084	(985)	104	(1,090)	245
Other	1,093,551	257,469	(12,245)	7,446	(19,691)	15

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, 2018 is as follows:

	(Millions of yen)
Net unrealized gains on available-for-sale securities	677,484
Fair value hedge gains recorded as income	(less) 7,662
Deferred tax liabilities	(less) 169,119
Unrealized gains on available-for-sale securities (before adjustment)	500,702
Amounts attributable to minority interests	(less) 4,486
Parent's portion of unrealized gains on available-for-sale securities of equity method investees	1
Amount reported on the Consolidated Balance Sheet	496,215

(Millions of yen)

<Total of five group banks>	B/S Amount (End of Jun. 2018)	Change from End of Mar. 2018	Unrealized gains/(losses)			Change from End of Mar. 2018
			(End of Jun. 2018)	Gain	Loss	
Bonds held to maturity	2,069,270	12,132	48,558	48,842	(283)	(3,446)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	3,648,829	57,812	700,807	731,700	(30,892)	27,944
Stocks	1,079,631	26,188	715,247	717,693	(2,446)	27,293
Bonds	1,482,276	(53,366)	2,942	5,770	(2,828)	5
Other	1,086,921	84,989	(17,381)	8,236	(25,617)	644

#### <Resona Bank>

Bonds held to maturity	1,306,223	(681)	32,907	32,907	-	(2,717)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	2,089,048	131,568	555,892	571,423	(15,530)	16,448
Stocks	840,504	17,910	562,709	564,627	(1,918)	18,466
Bonds	643,573	70,747	2,124	3,351	(1,226)	105
Other	604,971	42,911	(8,941)	3,445	(12,386)	(2,123)

#### <Saitama Resona Bank>

Bonds held to maturity	546,784	13,935	12,261	12,261	(0)	(816)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	554,435	386	108,577	115,337	(6,760)	8,621
Stocks	175,768	8,043	114,283	114,652	(368)	8,043
Bonds	139,752	(50,274)	(514)	368	(882)	95
Other	238,915	42,617	(5,191)	317	(5,508)	482

#### <Kansai Mirai Financail Group (Total of 3 banks)>

Bonds held to maturity	216,262	(1,121)	3,389	3,673	(283)	87
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	1,005,345	(74,143)	36,337	44,938	(8,601)	2,874
Stocks	63,359	235	38,254	38,413	(159)	784
Bonds	698,951	(73,839)	1,332	2,051	(719)	(194)
Other	243,035	(539)	(3,249)	4,473	(7,722)	2,284

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. 2018 (A)	(A)-(B)	(A)-(C)	End of Mar. 2018 (B)	End of Jun. 2017 (C)
<b>&lt;Total of five group banks&gt;</b>					
Deposits (Term-end)	50,134,732	(26,535)	1,810,142	50,161,267	48,324,590
Deposits (Average balance)	49,731,230	1,543,252	2,153,078	48,187,978	47,578,151
Trust principal (Term-end)	997,818	(82,074)	59,775	1,079,892	938,042
Trust principal (Average balance)	946,675	22,893	88,159	923,781	858,516
Loans and bills discounted (Term-end)	35,294,736	(183,794)	848,360	35,478,530	34,446,376
Banking account	35,265,917	(182,418)	849,342	35,448,335	34,416,574
Trust account	28,818	(1,376)	(982)	30,195	29,801
Loans and bills discounted (Average balance)	35,159,539	622,732	815,853	34,536,807	34,343,686
Banking account	35,130,020	623,609	816,878	34,506,411	34,313,142
Trust account	29,519	(876)	(1,024)	30,395	30,544

#### <Resona Bank>

Deposits (Term-end)	26,000,254	(473,035)	1,023,601	26,473,290	24,976,653
Deposits (Average balance)	25,955,396	953,474	1,339,146	25,001,922	24,616,250
Trust principal (Term-end)	997,818	(82,074)	59,775	1,079,892	938,042
Trust principal (Average balance)	946,675	22,893	88,159	923,781	858,516
Loans and bills discounted (Term-end)	19,178,252	(188,461)	579,009	19,366,713	18,599,243
Banking account	19,149,433	(187,085)	579,991	19,336,518	18,569,441
Trust account	28,818	(1,376)	(982)	30,195	29,801
Loans and bills discounted (Average balance)	19,153,433	438,950	585,496	18,714,483	18,567,937
Banking account	19,123,914	439,827	586,521	18,684,087	18,537,393
Trust account	29,519	(876)	(1,024)	30,395	30,544

#### <Saitama Resona Bank>

Deposits (Term-end)	13,265,503	142,201	533,839	13,123,301	12,731,663
Deposits (Average balance)	13,081,848	422,867	576,907	12,658,981	12,504,941
Loans and bills discounted (Term-end)	7,214,652	4,352	113,233	7,210,299	7,101,418
Loans and bills discounted (Average balance)	7,174,008	85,100	99,627	7,088,908	7,074,381

#### <Kansai Mirai Financail Group (Total of 3 banks)>

Deposits (Term-end)	10,868,974	304,298	252,701	10,564,675	10,616,273
Deposits (Average balance)	10,693,984	166,910	237,025	10,527,074	10,456,959
Loans and bills discounted (Term-end)	8,901,831	314	156,117	8,901,517	8,745,714
Loans and bills discounted (Average balance)	8,832,097	98,682	130,730	8,733,414	8,701,367

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

<Total of five group banks>	End of Jun. 2018 (A)	(A)-(B)	(A)-(C)	End of Mar. 2018 (B)	End of Jun. 2017 (C)
Domestic individual deposits (Term-end)	32,205,663	617,872	935,867	31,587,791	31,269,796
Liquid deposits	21,355,126	552,588	1,092,202	20,802,537	20,262,924
Time deposits	10,589,736	62,814	(169,142)	10,526,922	10,758,879
Domestic corporate deposits (Term-end)	14,769,917	(393,092)	595,595	15,163,010	14,174,322
Liquid deposits	11,092,808	(349,657)	723,361	11,442,465	10,369,446
Time deposits	3,248,354	(56,574)	16,485	3,304,929	3,231,869

<Resona Bank>

Domestic individual deposits (Term-end)	14,053,135	223,882	422,878	13,829,253	13,630,256
Liquid deposits	10,081,861	236,297	507,459	9,845,563	9,574,402
Time deposits	3,768,769	(15,626)	(92,125)	3,784,396	3,860,894
Domestic corporate deposits (Term-end)	9,846,250	(468,660)	362,533	10,314,911	9,483,716
Liquid deposits	7,752,530	(434,920)	480,096	8,187,451	7,272,434
Time deposits	1,723,567	(47,602)	(13,116)	1,771,169	1,736,684

<Saitama Resona Bank>

Domestic individual deposits (Term-end)	10,108,853	229,092	375,975	9,879,761	9,732,878
Liquid deposits	7,233,901	224,068	403,658	7,009,832	6,830,242
Time deposits	2,842,851	5,643	(29,695)	2,837,208	2,872,546
Domestic corporate deposits (Term-end)	2,441,022	38,351	143,436	2,402,670	2,297,585
Liquid deposits	1,745,551	70,166	118,414	1,675,384	1,627,136
Time deposits	671,521	(32,140)	35,417	703,662	636,103

<Kansai Mirai Financail Group (Total of 3 banks)>

Domestic individual deposits (Term-end)	8,043,674	164,898	137,013	7,878,776	7,906,660
Liquid deposits	4,039,363	92,222	181,083	3,947,140	3,858,279
Time deposits	3,978,115	72,797	(47,322)	3,905,317	4,025,437
Domestic corporate deposits (Term-end)	2,482,645	37,216	89,624	2,445,428	2,393,020
Liquid deposits	1,594,726	15,096	124,850	1,579,630	1,469,875
Time deposits	853,265	23,168	(5,816)	830,097	859,081

(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 five group banks>	End of Jun. 2018 (A)	(A)-(B)	(A)-(C)	End of Mar. 2018 (B)	End of Jun. 2017 (C)
Investment trust (Including fund wrap)	2,216,218	37,772	9,831	2,178,445	2,206,386
Public bond	372,598	(12,898)	(63,711)	385,496	436,309
Insurance	2,411,332	20,045		2,391,287	

<Resona Bank>

Investment trust (Including fund wrap)	1,020,040	26,073	34,595	993,967	985,445
Public bond	131,872	(2,897)	(20,296)	134,770	152,169
Insurance	935,414	2,229	16,879	933,185	918,534

<Saitama Resona Bank>

Investment trust (Including fund wrap)	529,602	12,209	(8,841)	517,392	538,443
Public bond	226,299	(9,058)	(39,586)	235,358	265,885
Insurance	713,699	523	3,419	713,175	710,279

<Kansai Mirai Financail Group (Total of 3 banks)>

Investment trust (Including fund wrap)	666,574	(511)	(15,922)	667,085	682,497
Public bond	14,426	(941)	(3,827)	15,367	18,253
Insurance	762,218	17,292		744,926	

(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)