



Resona Holdings, Inc.

Consolidated Financial Results for the Third Quarter of Fiscal Year 2018 (Nine months ended December 31, 2018/ Unaudited) <under Japanese GAAP>



Code number: 8308 Stock exchange listings: Tokyo
 URL: <https://www.resona-gr.co.jp/holdings/english/index.html>
 Representative: Kazuhiro Higashi, Director, President and Representative Executive Officer
 Annual securities report issuing date: February 8, 2019 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 Third Quarter of Fiscal Year 2018 (April 1, 2018- December 31, 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	%
1-3Q of FY2018	640,025	(17.1)	154,207	(-8.2)	141,125	(-30.4)
1-3Q of FY2017	546,601	(-6.0)	168,034	(-6.6)	202,760	(56.2)

Note: Comprehensive Income: 1-3Q of FY2018: 74,974 million yen (-76.4%)
 1-3Q of FY2017: 317,219 million yen (86.4%)

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	Yen	Yen
1-3Q of FY2018	60.94	60.94
1-3Q of FY2017	86.76	-

Note: Diluted net income per share of common stock as of 1-3Q 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	%
December 31, 2018	58,959,994	2,318,623	3.5
March 31, 2018	50,243,789	2,102,936	4.2

(Reference) Net Assets Attributable to Stockholders: December 31, 2018: 2,074,509 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
FY2017	Yen -	Yen 10.00	Yen -	Yen 10.00	Yen 20.00
FY2018	-	10.50	-	-	-
FY2018(Forecast)	-	-	-	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>
Fiscal Year 2018 (Full year)	200,000	(-15.3)	86.36

- 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
- | | | |
|-------------------|---|----------------------|
| December 31, 2018 | : | 2,324,118,091 shares |
| March 31, 2018 | : | 2,324,118,091 shares |
- B) Treasury stock at the end of the period
- | | | |
|-------------------|---|------------------|
| December 31, 2018 | : | 7,715,480 shares |
| March 31, 2018 | : | 9,153,062 shares |
- C) Average outstanding shares during the period
- | | | |
|----------------|---|----------------------|
| 1-3Q of FY2018 | : | 2,315,558,867 shares |
| 1-3Q of FY2017 | : | 2,315,733,617 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.
- | | | |
|-------------------|---|------------------|
| December 31, 2018 | : | 6,735,200 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 November 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 st Quarter-end	2 nd Quarter-end	3 rd 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 March15, 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) : 2,315,826,336 shares

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1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2018	December 31, 2018
Assets		
Cash and due from banks	¥ 13,419,003	¥ 14,801,736
Call loans and bills bought	308,806	101,477
Monetary claims bought	337,705	293,123
Trading assets	270,639	373,164
Securities	5,278,544	5,719,030
Loans and bills discounted	28,755,172	35,706,924
Foreign exchange assets	160,226	125,312
Leasing receivables and investment assets	-	41,650
Other assets	1,110,787	1,063,969
Tangible fixed assets	303,088	380,398
Intangible fixed assets	30,329	39,735
Net defined benefit asset	18,496	29,370
Deferred tax assets	1,692	29,827
Customers' liabilities for acceptances and guarantees	389,011	403,893
Reserve for possible loan losses	(139,668)	(149,586)
Reserve for possible losses on investments	(47)	(34)
Total Assets	50,243,789	58,959,994
Liabilities and Net Assets		
Liabilities		
Deposits	42,744,541	50,217,612
Negotiable certificates of deposit	1,060,650	1,182,670
Call money and bills sold	155,975	608,300
Payables under repurchase agreements	5,000	5,000
Payables under securities lending transactions	624,703	1,075,609
Trading liabilities	101,709	108,938
Borrowed money	675,975	767,278
Foreign exchange liabilities	4,071	4,098
Bonds	385,142	459,797
Due to trust account	1,056,058	981,668
Other liabilities	824,467	716,405
Reserve for employees' bonuses	15,634	10,844
Net defined benefit liability	10,120	14,745
Other reserves	44,312	44,193
Deferred tax liabilities	23,501	20,922
Deferred tax liabilities for land revaluation	19,976	19,392
Acceptances and guarantees	389,011	403,893
Total Liabilities	48,140,853	56,641,371
Net Assets		
Capital stock	50,472	50,472
Retained earnings	1,522,075	1,580,701
Treasury stock	(5,250)	(4,447)
Total stockholders' equity	1,567,297	1,626,726
Net unrealized gains on available-for-sale securities	486,665	412,566
Net deferred gains on hedges	33,462	28,458
Revaluation reserve for land	43,699	42,371
Foreign currency translation adjustments	(3,021)	(4,309)
Remeasurements of defined benefit plans	(42,956)	(31,304)
Total accumulated other comprehensive income	517,849	447,783
Stock acquisition rights	-	312
Minority interests in consolidated subsidiaries	17,789	243,800
Total Net Assets	2,102,936	2,318,623
Total Liabilities and Net Assets	¥ 50,243,789	¥ 58,959,994

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

[Consolidated Statements of Income]

(Millions of yen)

	Third Quarter of FY2017 From April 1, 2017 to December 31, 2017	Third Quarter of FY2018 From April 1, 2018 to December 31, 2018
Ordinary income	¥ 546,601	¥ 640,025
Interest income	298,449	360,248
Interest on loans and bills discounted	230,601	286,025
Interest and dividends on securities	43,108	47,339
Trust fees	13,700	14,413
Fees and commissions	148,037	177,012
Trading income	4,479	3,997
Other operating income	18,320	32,140
Other ordinary income	63,613	52,213
Ordinary expenses	378,567	485,817
Interest expenses	23,443	35,044
Interest on deposits	9,864	14,662
Fees and commissions	41,675	49,511
Trading expenses	50	-
Other operating expenses	9,691	33,804
General and administrative expenses	269,472	328,459
Other ordinary expenses	34,234	38,998
Ordinary profits	168,034	154,207
Extraordinary gains	1,278	39,900
Gains on disposal of fixed assets	1,278	1
Gains on negative goodwill	-	29,055
Gain on step acquisitions	-	10,843
Extraordinary losses	2,267	2,945
Losses on disposal of fixed assets	579	696
Impairment losses on fixed assets	1,688	2,248
Income before income taxes	167,045	191,162
Income taxes – current	28,105	27,324
Income taxes – deferred	(64,208)	15,215
Total income taxes	(36,102)	42,539
Net income	203,147	148,623
Net income attributable to non-controlling interests	387	7,497
Net income attributable to owners of the parent	¥ 202,760	¥ 141,125

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Third Quarter of FY2017 From April 1, 2017 to December 31, 2017	Third Quarter of FY2018 From April 1, 2018 to December 31, 2018
Net income	¥ 203,147	¥ 148,623
Other comprehensive income	114,072	(73,648)
Net unrealized gains (losses) on available-for-sale securities	111,480	(74,541)
Net deferred gains (losses) on hedges	(5,387)	(5,015)
Revaluation reserve for land	(6)	-
Foreign currency translation adjustments	(1,670)	(3,018)
Remeasurements of defined benefit plans	9,697	8,926
Share of other comprehensive income of affiliates accounted for using the equity method	(40)	0
Total comprehensive income	317,219	74,974
Comprehensive income attributable to:		
Shares of the parent	317,885	72,386
Non-controlling interests	¥ (665)	¥ 2,588

(3) Note on Going-Concern Assumption

Not applicable

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

Third quarter of fiscal year 2018 (April 1, 2018- December 31, 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 term					
Dividends paid			(47,624)		(47,624)
Net income attributable to owners of parent			141,125		141,125
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		(0)		807	807
Reversal of revaluation reserve for land			1,327		1,327
Changes in shareholders' interest due to transaction with non-controlling interests		(36,203)			(36,203)
Transfer from retained earnings to capital surplus		36,203	(36,203)		-
Total changes during the term	-	-	58,625	803	59,428
Balance at the end of the term	¥ 50,472	-	¥ 1,580,701	¥ (4,447)	¥ 1,626,726

[Reference]

Statement of Trust Assets and Liabilities

Assets				
	March 31, 2018		December 31, 2018	
	Million yen	%	Million yen	%
Loans and bills discounted	¥ 30,195	0.11	¥ 26,339	0.10
Securities	0	0.00	0	0.00
Beneficiary rights	25,584,390	93.88	26,264,655	94.20
Securities held in custody account	17,158	0.06	16,738	0.06
Monetary claims	185,805	0.68	170,012	0.61
Tangible fixed assets	353,591	1.30	357,677	1.28
Intangible fixed assets	2,753	0.01	2,757	0.01
Other claims	6,174	0.02	6,237	0.02
Due from banking account	1,056,058	3.88	981,668	3.52
Cash and due from banks	16,420	0.06	55,407	0.20
Total assets	¥ 27,252,547	100.00	¥ 27,881,493	100.00

Liabilities				
	March 31, 2018		December 31, 2018	
	Million yen	%	Million yen	%
Money trusts	¥ 10,012,007	36.74	¥ 11,079,327	39.74
Pension trusts	2,472,020	9.07	2,487,422	8.92
Property formation benefit trusts	1,053	0.00	1,104	0.00
Securities investment trusts	13,643,163	50.06	13,192,216	47.32
Money entrusted, other than money trusts	307,582	1.13	310,345	1.11
Securities trusts	17,200	0.07	16,740	0.06
Monetary claims trusts	191,249	0.70	174,773	0.63
Land and fixtures trusts	21,945	0.08	21,543	0.08
Composite trusts	586,325	2.15	598,021	2.14
Total liabilities	¥ 27,252,547	100.00	¥ 27,881,493	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 Third 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 3 group 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)

		1-3Q FY 2018	Change	1-3Q FY 2017
Ordinary income	1	640,025	93,423	546,601
Consolidated gross operating profit	2	469,452	61,323	408,128
Interest income	3	325,203	50,197	275,006
Trust fees (after disposal of problem loans in the trust account)	4	14,413	712	13,700
<Disposal of problem loans in the trust account>	5	30	30	0
Fees and commissions	6	127,501	21,138	106,362
Trading income	7	3,997	(432)	4,429
Other operating income	8	(1,663)	(10,292)	8,629
Expenses(excluding non-recurring items)	9	(314,404)	(59,495)	(254,909)
Personnel expenses	10	(154,568)	(31,210)	(123,358)
Non-personnel expenses	11	(137,904)	(23,684)	(114,220)
Taxes	12	(21,930)	(4,600)	(17,330)
Actual net operating profit (2-5+9+19)	13	157,064	3,585	153,478
Provision to general reserve for possible loan losses	14	-	-	-
Other gains/(losses), net	15	(840)	(15,655)	14,815
Net gains/(losses) on stocks	16	5,184	(16,800)	21,985
Disposal of problem loans	17	(14,207)	(3,169)	(11,038)
Reversal of credit expenses	18	26,905	2,582	24,323
Equity in earnings of investments in affiliates	19	2,047	1,787	260
Ordinary profit	20	154,207	(13,827)	168,034
Extraordinary gains	21	39,900	38,621	1,278
Extraordinary losses	22	(2,945)	(677)	(2,267)
Income before income taxes	23	191,162	24,117	167,045
Income taxes - current	24	(27,324)	781	(28,105)
Income taxes - deferred	25	(15,215)	(79,423)	64,208
Net income	26	148,623	(54,524)	203,147
Net income attributable to non-controlling interests	27	(7,497)	(7,109)	(387)
Kansai Mirai Financial Group	28	(7,380)	(7,380)	-
Net income attributable to owners of the parent	29	141,125	(61,634)	202,760
Credit expense (5+14+17+18)	30	12,727	(557)	13,284
Disposal of problem loans in the trust account	31	30	30	0
Provision to general reserve for possible loan losses	32	20,489	8,572	11,916
Write-off of loans	33	(13,230)	(2,164)	(11,066)
Provision to specific reserve for possible loan losses	34	(720)	(2,848)	2,128
Provision to special reserve for certain overseas loans	35	(0)	(0)	0
Other disposal of problem loans	36	(976)	(1,005)	28
Gains on recoveries of written-off loans	37	7,136	(3,141)	10,278

○ ROE

(%)

	1-3Q FY 2018	Change	1-3Q FY 2017
ROE based on net income attributable to owners of the parent	11.72	(6.53)	18.26

(Note)

$$\text{ROE} = \frac{(\text{Net income attributable to owners of the parent (1-3Q)} - \text{Amount equivalent to dividends for preferred shares}) \times 365/275}{\{(\text{Total stockholders' equity at beginning of period} - \text{Aggregate amount paid in for preferred shares at beginning of period}) + (\text{Total stockholders' equity at end of period} - \text{Aggregate amount paid in for preferred shares at end of period})\} / 2}$$

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

(Millions of yen)

		Total of five group banks [Non-consolidated]			Resona Bank			
		1-3Q		1-3Q	1-3Q		1-3Q	
		FY 2018	Change	FY 2017	FY 2018	Change	FY 2017	
Gross operating profit	(2+4+6+7+8)	1	428,305	(27,057)	455,363	241,876	(11,066)	252,942
Interest income		2	321,593	(19,047)	340,640	169,393	(4,753)	174,146
<Net interest income from loans and deposits (Domestic operations, including NCDs)>		3	266,601	(8,312)	274,913	134,520	(2,905)	137,426
Trust fees (after disposal of problem loans in trust account)		4	14,414	689	13,724	14,414	689	13,724
<Disposal of problem loans in the trust account>		5	30	30	0	30	30	0
Fees and commissions		6	92,615	6,516	86,098	57,595	3,993	53,601
Trading income		7	3,966	(432)	4,398	3,966	(432)	4,398
Other operating income		8	(4,284)	(14,784)	10,499	(3,492)	(10,563)	7,070
Net gains/(losses) on bonds		9	(9,800)	(14,888)	5,087	(6,081)	(10,000)	3,918
Expenses (excluding non-recurring items)		10	(297,432)	(106)	(297,325)	(157,690)	541	(158,231)
Personnel expenses		11	(136,072)	3,079	(139,151)	(68,169)	1,719	(69,889)
Non-personnel expenses		12	(140,786)	(2,581)	(138,204)	(78,802)	(691)	(78,110)
Taxes		13	(20,573)	(604)	(19,968)	(10,718)	(486)	(10,231)
Actual net operating profit	(1+10-5)	14	130,843	(27,194)	158,037	84,156	(10,555)	94,711
Core net operating profit	(14-9)	15	140,644	(12,305)	152,949	90,237	(554)	90,792
Amortization of goodwill		16	(552)	-	(552)	-	-	-
Provision to general reserve for possible loan losses		17	(3,511)	(3,746)	235	-	-	-
Net operating profit	(1+10+16+17)	18	126,809	(30,911)	157,720	84,186	(10,525)	94,711
Other gains/(losses), net		19	4,204	(67,256)	71,461	6,230	(47,656)	53,887
Net gains/(losses) on stocks		20	7,939	(70,011)	77,950	5,607	(50,675)	56,283
Gains on sale		21	20,319	(60,169)	80,488	15,152	(42,641)	57,794
Losses on sale		22	(11,275)	(8,756)	(2,519)	(8,953)	(7,445)	(1,507)
Losses on devaluation		23	(1,104)	(1,086)	(18)	(592)	(587)	(4)
Disposal of problem loans		24	(9,410)	(1,475)	(7,935)	(8,086)	(3,147)	(4,939)
Reversal of credit expenses		25	25,520	3,275	22,245	20,114	4,758	15,356
Other		26	(19,844)	955	(20,799)	(11,404)	1,407	(12,812)
Ordinary profit	(18+19)	27	131,013	(98,167)	229,181	90,417	(58,181)	148,598
Extraordinary gains/(losses), net		28	(2,467)	(1,166)	(1,301)	(2,147)	(679)	(1,468)
Net gains/(losses) on disposal of fixed assets		29	(672)	(1,300)	628	(331)	(194)	(136)
Impairment losses on fixed assets		30	(2,114)	(259)	(1,855)	(1,816)	(485)	(1,331)
Other		31	318	392	(74)	-	-	-
Income before income taxes	(27+28)	32	128,545	(99,334)	227,880	88,269	(58,861)	147,130
Income taxes-current		33	(35,496)	(10,375)	(25,121)	(27,238)	(13,154)	(14,084)
Income taxes-deferred		34	(607)	8,488	(9,095)	2,439	5,419	(2,979)
Net income	(32+33+34)	35	92,441	(101,221)	193,663	63,469	(66,596)	130,066

Credit expense	(5+17+24+25)	36	12,628	(1,916)	14,545	12,058	1,641	10,416
Disposal of problem loans in the trust account		37	30	30	0	30	30	0
Provision to general reserve for possible loan losses		38	13,666	6,272	7,394	15,536	13,396	2,140
Write-off of loans		39	(10,160)	(3,661)	(6,499)	(7,554)	(2,877)	(4,677)
Provision to specific reserve for possible loan losses		40	2,914	(845)	3,759	(1,272)	(6,883)	5,611
Provision to special reserve for certain overseas loans		41	(0)	(0)	0	(0)	(0)	0
Other disposal of problem loans		42	(872)	(437)	(434)	(531)	(269)	(262)
Gains on recoveries of written-off claims		43	7,050	(3,274)	10,325	5,851	(1,753)	7,604

(Note)

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

○ Interest rate spreads (domestic operations)

(%)

	Total of five group banks [Non-consolidated]			Resona Bank		
	1-3Q		1-3Q	1-3Q		1-3Q
	FY 2018	Change	FY 2017	FY 2018	Change	FY 2017
Average interest rate of loans and bills discounted (A)	1.03	(0.06)	1.10	0.96	(0.06)	1.02
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)	1.02	(0.06)	1.08	0.95	(0.05)	1.01

(Millions of yen)

		Saitama Resona Bank			Kansai Mirai Financial Group (Total of 3 banks)		
		1-3Q		1-3Q	1-3Q		1-3Q
		FY 2018	Change	FY 2017	FY 2018	Change	FY 2017
Gross operating profit (2+4+6+7+8)	1	83,460	(7,463)	90,923	102,968	(8,527)	111,496
Interest income	2	66,853	(7,913)	74,766	85,346	(6,380)	91,727
<Net interest income from loans and deposits (Domestic operations, including NCDs)>	3	56,586	(2,763)	59,350	75,493	(2,643)	78,137
Trust fees (after disposal of problem loans in trust account)	4	-	-	-	-	-	-
<Disposal of problem loans in the trust account>	5	-	-	-	-	-	-
Fees and commissions	6	18,299	2,243	16,055	16,721	278	16,442
Trading income	7	-	-	-	-	-	-
Other operating income	8	(1,692)	(1,793)	101	900	(2,426)	3,327
Net gains/(losses) on bonds	9	(3,004)	(2,653)	(350)	(715)	(2,234)	1,519
Expenses (excluding non-recurring items)	10	(55,655)	(664)	(54,991)	(84,086)	16	(84,102)
Personnel expenses	11	(24,020)	402	(24,422)	(43,882)	957	(44,839)
Non-personnel expenses	12	(27,330)	(987)	(26,343)	(34,653)	(902)	(33,751)
Taxes	13	(4,304)	(78)	(4,225)	(5,550)	(38)	(5,511)
Actual net operating profit (1+10-5)	14	27,804	(8,127)	35,932	18,882	(8,511)	27,393
Core net operating profit (14-9)	15	30,808	(5,473)	36,282	19,597	(6,277)	25,874
Amortization of goodwill	16	-	-	-	(552)	-	(552)
Provision to general reserve for possible loan losses	17	-	-	-	(3,511)	(3,746)	235
Net operating profit (1+10+16+17)	18	27,804	(8,127)	35,932	14,818	(12,258)	27,076
Other gains/(losses), net	19	(3,065)	(17,977)	14,911	1,039	(1,622)	2,661
Net gains/(losses) on stocks	20	(844)	(17,084)	16,239	3,176	(2,251)	5,427
Gains on sale	21	1,737	(15,502)	17,240	3,428	(2,024)	5,452
Losses on sale	22	(2,128)	(1,127)	(1,000)	(194)	(183)	(11)
Losses on devaluation	23	(454)	(454)	(0)	(58)	(44)	(13)
Disposal of problem loans	24	(1,690)	(973)	(717)	366	2,645	(2,278)
Reversal of credit expenses	25	2,668	(1,138)	3,807	2,738	(343)	3,081
Other	26	(3,198)	1,219	(4,417)	(5,241)	(1,671)	(3,569)
Ordinary profit (18+19)	27	24,738	(26,105)	50,843	15,858	(13,880)	29,738
Extraordinary gains/(losses), net	28	(430)	(161)	(269)	110	(325)	435
Net gains/(losses) on disposal of fixed assets	29	(170)	(104)	(65)	(170)	(1,001)	831
Impairment losses on fixed assets	30	(260)	(57)	(203)	(37)	283	(320)
Other	31	-	-	-	318	392	(74)
Income before income taxes (27+28)	32	24,308	(26,266)	50,574	15,968	(14,206)	30,174
Income taxes-current	33	(6,505)	2,706	(9,211)	(1,753)	72	(1,825)
Income taxes-deferred	34	(1,110)	900	(2,010)	(1,936)	2,169	(4,105)
Net income (32+33+34)	35	16,693	(22,659)	39,352	12,278	(11,965)	24,243

Credit expense (5+17+24+25)	36	977	(2,112)	3,089	(406)	(1,445)	1,038
Disposal of problem loans in the trust account	37	-	-	-	-	-	-
Provision to general reserve for possible loan losses	38	1,662	(627)	2,289	(3,531)	(6,496)	2,965
Write-off of loans	39	(1,926)	(879)	(1,047)	(679)	95	(774)
Provision to specific reserve for possible loan losses	40	134	237	(102)	4,052	5,801	(1,748)
Provision to special reserve for certain overseas loans	41	-	-	-	-	-	-
Other disposal of problem loans	42	235	(94)	330	(576)	(73)	(502)
Gains on recoveries of written-off claims	43	871	(749)	1,620	327	(772)	1,099

(Note)

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

○ Interest rate spreads (domestic operations)

(%)

	Saitama Resona Bank			Kansai Mirai Financial Group (Total of 3 banks)		
	1-3Q		1-3Q	1-3Q		1-3Q
	FY 2018	Change	FY 2017	FY 2018	Change	FY 2017
Average interest rate of loans and bills discounted (A)	1.05	(0.07)	1.13	1.19	(0.07)	1.26
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)	1.05	(0.06)	1.12	1.14	(0.06)	1.21

2. Claims disclosure according to the Financial Reconstruction Act

(Millions of yen, %)

<Total of five group banks>		End of Dec.			End of Mar.	End of Dec.
		2018 (A)	(A)-(B)	(A)-(C)	2018 (B)	2017 (C)
	Unrecoverable or valueless claims	71,868	(405)	(2,484)	72,274	74,353
	Risk claims	275,999	(11,142)	(19,067)	287,142	295,067
	Special attention loans	79,969	(20,560)	(18,452)	100,529	98,421
	Financial Reconstruction Act subtotal [A]	427,837	(32,108)	(40,004)	459,946	467,842
	Normal claims	36,365,543	455,142	1,079,648	35,910,401	35,285,895
	Financial Reconstruction Act total [B]	36,793,381	423,033	1,039,643	36,370,347	35,753,737
	Partial direct write-offs	186,594	733	(10,541)	185,861	197,135
	NPL Ratio [A] / [B]	1.16	(0.10)	(0.14)	1.26	1.30

<Resona Bank>

	Unrecoverable or valueless claims	20,061	(999)	(3,305)	21,061	23,367
	Risk claims	107,702	312	(4,592)	107,390	112,295
	Special attention loans	44,752	(24,478)	(24,772)	69,230	69,525
	Financial Reconstruction Act subtotal [A]	172,517	(25,165)	(32,670)	197,683	205,187
	Normal claims	20,005,836	147,456	608,356	19,858,379	19,397,479
	Financial Reconstruction Act total [B]	20,178,353	122,291	575,686	20,056,062	19,602,667
	Partial direct write-offs	89,142	650	(2,928)	88,491	92,070
	NPL Ratio [A] / [B]	0.85	(0.13)	(0.19)	0.98	1.04

<Saitama Resona Bank>

	Unrecoverable or valueless claims	17,939	(2,696)	(890)	20,636	18,830
	Risk claims	63,271	(1,883)	(3,219)	65,154	66,490
	Special attention loans	11,317	(3,817)	(1,346)	15,134	12,664
	Financial Reconstruction Act subtotal [A]	92,528	(8,396)	(5,456)	100,925	97,985
	Normal claims	7,252,624	68,054	145,938	7,184,569	7,106,686
	Financial Reconstruction Act total [B]	7,345,153	59,658	140,481	7,285,495	7,204,671
	Partial direct write-offs	18,656	(352)	2,749	19,009	15,907
	NPL Ratio [A] / [B]	1.25	(0.12)	(0.10)	1.38	1.36

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

	Unrecoverable or valueless claims	33,867	3,289	1,710	30,577	32,156
	Risk claims	105,025	(9,571)	(11,255)	114,597	116,281
	Special attention loans	23,898	7,734	7,667	16,163	16,231
	Financial Reconstruction Act subtotal [A]	162,791	1,453	(1,877)	161,337	164,669
	Normal claims	9,107,082	239,630	325,353	8,867,451	8,781,729
	Financial Reconstruction Act total [B]	9,269,874	241,084	323,475	9,028,789	8,946,399
	Partial direct write-offs	78,795	434	(10,361)	78,361	89,157
	NPL Ratio [A] / [B]	1.75	(0.03)	(0.08)	1.78	1.84

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 Dec. 2018)	Change from End of Mar. 2018	Unrealized gains/(losses)			Change from End of Mar. 2018
			(End of Dec. 2018)	Gain	Loss	
Bonds held to maturity	2,204,792	158,004	45,344	45,539	(195)	(6,647)
Available-for-sale securities	3,433,699	264,202	553,902	600,178	(46,275)	(104,297)
Stocks	963,089	(154,863)	577,043	586,205	(9,161)	(92,432)
Bonds	1,212,520	(2,940)	4,265	5,302	(1,037)	3,281
JGB	91,695	(121,412)	239	255	(15)	1,471
Other	1,258,089	422,006	(27,406)	8,670	(36,077)	(15,146)

<Total of five group banks>

(Millions of yen)

Bonds held to maturity	2,204,789	147,652	45,347	45,542	(194)	(6,657)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	3,426,595	(164,421)	576,667	622,036	(45,368)	(96,196)
Stocks	962,474	(90,968)	601,861	606,581	(4,720)	(86,092)
Bonds	1,212,517	(323,125)	5,307	6,382	(1,074)	2,370
Other	1,251,603	249,671	(30,500)	9,072	(39,573)	(12,474)

<Resona Bank>

Bonds held to maturity	1,352,865	45,960	30,133	30,133	-	(5,491)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	2,038,624	81,144	452,274	475,882	(23,607)	(87,170)
Stocks	738,096	(84,497)	461,400	465,648	(4,248)	(82,842)
Bonds	478,533	(94,292)	3,201	3,884	(683)	1,181
Other	821,994	259,934	(12,327)	6,348	(18,676)	(5,509)

<Saitama Resona Bank>

Bonds held to maturity	636,071	103,223	11,952	11,952	-	(1,125)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	491,743	(62,305)	102,910	109,974	(7,063)	2,954
Stocks	169,746	2,021	109,132	109,223	(90)	2,892
Bonds	109,218	(80,808)	421	534	(112)	1,031
Other	212,778	16,480	(6,643)	216	(6,859)	(968)

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

Bonds held to maturity	215,852	(1,531)	3,260	3,455	(194)	(41)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	896,228	(183,260)	21,482	36,180	(14,697)	(11,980)
Stocks	54,631	(8,492)	31,328	31,709	(381)	(6,141)
Bonds	624,765	(148,024)	1,684	1,963	(278)	157
Other	216,831	(26,743)	(11,530)	2,507	(14,037)	(5,996)

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 Dec. 2018 (A)	(A)-(B)	(A)-(C)	End of Mar. 2018 (B)	End of Dec. 2017 (C)
<Total of five group banks>					
Deposits (Term-end)	50,254,897	93,629	1,350,581	50,161,267	48,904,315
Deposits (Average balance)	49,915,506	1,727,528	1,939,536	48,187,978	47,975,970
Trust principal (Term-end)	1,002,203	(77,689)	5,184	1,079,892	997,018
Trust principal (Average balance)	938,891	15,110	23,310	923,781	915,581
Loans and bills discounted (Term-end)	35,859,650	381,119	973,922	35,478,530	34,885,727
Banking account	35,833,310	384,975	979,334	35,448,335	34,853,976
Trust account	26,339	(3,855)	(5,411)	30,195	31,751
Loans and bills discounted (Average balance)	35,395,020	858,213	939,581	34,536,807	34,455,439
Banking account	35,366,863	860,452	941,633	34,506,411	34,425,229
Trust account	28,157	(2,238)	(2,052)	30,395	30,210

<Resona Bank>

Deposits (Term-end)	26,020,039	(453,250)	680,370	26,473,290	25,339,669
Deposits (Average balance)	25,998,131	996,209	1,146,983	25,001,922	24,851,148
Trust principal (Term-end)	1,002,203	(77,689)	5,184	1,079,892	997,018
Trust principal (Average balance)	938,891	15,110	23,310	923,781	915,581
Loans and bills discounted (Term-end)	19,471,784	105,071	545,316	19,366,713	18,926,467
Banking account	19,445,445	108,926	550,728	19,336,518	18,894,716
Trust account	26,339	(3,855)	(5,411)	30,195	31,751
Loans and bills discounted (Average balance)	19,284,179	569,695	635,969	18,714,483	18,648,209
Banking account	19,256,021	571,934	638,022	18,684,087	18,617,999
Trust account	28,157	(2,238)	(2,052)	30,395	30,210

<Saitama Resona Bank>

Deposits (Term-end)	13,282,630	159,329	425,347	13,123,301	12,857,283
Deposits (Average balance)	13,153,641	494,659	538,349	12,658,981	12,615,291
Loans and bills discounted (Term-end)	7,255,277	44,977	123,443	7,210,299	7,131,833
Loans and bills discounted (Average balance)	7,198,858	109,950	114,808	7,088,908	7,084,050

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

Deposits (Term-end)	10,952,226	387,550	244,863	10,564,675	10,707,363
Deposits (Average balance)	10,763,734	236,659	254,203	10,527,074	10,509,530
Loans and bills discounted (Term-end)	9,132,588	231,070	305,162	8,901,517	8,827,425
Loans and bills discounted (Average balance)	8,911,982	178,567	188,803	8,733,414	8,723,179

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

<Total of five group banks>	End of Dec. 2018 (A)	(A)-(B)	(A)-(C)	End of Mar. 2018 (B)	End of Dec. 2017 (C)
Domestic individual deposits (Term-end)	32,654,020	1,066,229	784,411	31,587,791	31,869,609
Liquid deposits	22,043,848	1,241,310	1,066,469	20,802,537	20,977,378
Time deposits	10,377,609	(149,313)	(266,497)	10,526,922	10,644,106
Domestic corporate deposits (Term-end)	14,618,395	(544,614)	228,131	15,163,010	14,390,263
Liquid deposits	10,890,539	(551,925)	38,143	11,442,465	10,852,396
Time deposits	3,256,171	(48,758)	166,839	3,304,929	3,089,331

<Resona Bank>

Domestic individual deposits (Term-end)	14,313,592	484,338	389,316	13,829,253	13,924,276
Liquid deposits	10,416,603	571,039	506,119	9,845,563	9,910,484
Time deposits	3,715,455	(68,941)	(103,336)	3,784,396	3,818,791
Domestic corporate deposits (Term-end)	9,688,896	(626,014)	49,116	10,314,911	9,639,780
Liquid deposits	7,559,812	(627,638)	57,892	8,187,451	7,501,919
Time deposits	1,732,152	(39,017)	(15,510)	1,771,169	1,747,662

<Saitama Resona Bank>

Domestic individual deposits (Term-end)	10,290,767	411,006	326,576	9,879,761	9,964,191
Liquid deposits	7,445,235	435,402	363,412	7,009,832	7,081,822
Time deposits	2,817,061	(20,146)	(35,338)	2,837,208	2,852,400
Domestic corporate deposits (Term-end)	2,421,068	18,397	77,065	2,402,670	2,344,002
Liquid deposits	1,737,536	62,151	(70,022)	1,675,384	1,807,558
Time deposits	655,580	(48,081)	139,824	703,662	515,756

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

Domestic individual deposits (Term-end)	8,049,661	170,884	68,519	7,878,776	7,981,141
Liquid deposits	4,182,009	234,868	196,937	3,947,140	3,985,072
Time deposits	3,845,092	(60,225)	(127,822)	3,905,317	3,972,914
Domestic corporate deposits (Term-end)	2,508,430	63,002	101,949	2,445,428	2,406,480
Liquid deposits	1,593,190	13,560	50,273	1,579,630	1,542,917
Time deposits	868,438	38,341	42,525	830,097	825,912

(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 Dec. 2018 (A)	(A)-(B)	(A)-(C)	End of Mar. 2018 (B)	End of Dec. 2017 (C)
Investment trust (Including fund wrap)	2,087,422	(91,023)	(177,999)	2,178,445	2,265,421
Public bond	340,038	(45,457)	(59,375)	385,496	399,414
Insurance	2,512,336	121,049		2,391,287	

<Resona Bank>

Investment trust (Including fund wrap)	968,234	(25,732)	(62,122)	993,967	1,030,356
Public bond	121,022	(13,747)	(17,955)	134,770	138,978
Insurance	969,218	36,032	42,814	933,185	926,404

<Saitama Resona Bank>

Investment trust (Including fund wrap)	496,656	(20,736)	(42,892)	517,392	539,549
Public bond	206,064	(29,293)	(38,338)	235,358	244,402
Insurance	742,262	29,086	20,225	713,175	722,036

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

Investment trust (Including fund wrap)	622,530	(44,555)	(72,983)	667,085	695,514
Public bond	12,951	(2,416)	(3,081)	15,367	16,033
Insurance	800,856	55,930		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)