

# Financial Highlights for the First Half of Fiscal Year 2019



**Resona Holdings**

**November 8, 2019**

# Outline of Financial Results for the 1H of FY2019

## ■ Posted JPY76.9 bn of net income attributable to owners of parent

Profitability recovered from 2H of FY2018, meeting the guidance for 1H of FY2019 (101.2%)

- Down JPY45.1 bn, or 36.9%, YoY  
Down JPY5.2 bn, or 6.3%, YoY, excluding one-off gain posted in 1H of FY2018
- Progress rate against the full year target\*1 : 48.1%

## ■ Actual net operating profit: JPY123.5 bn

Down JPY4.0 bn, or 3.1%, YoY

### ● Gross operating profit: JPY331.5 bn

Down JPY5.3 bn, or 1.5%, YoY

Contraction of loan-to-deposit spread moderated while increase in loan balance continued and net gains on bonds recovered

- Net interest income from domestic loans and deposits:  
Down JPY5.4 bn, YoY  
Average loan balance : +1.72%, YoY  
Loan-to-deposit spread : contracted by 4bps, YoY
- Fee income : Down JPY1.9 bn, YoY, Fee income ratio : 29.5%
- Net gains on bonds (including futures) : Up JPY2.6 bn, YoY

### ● Operating expenses: JPY208.2 bn

Improved by JPY2.9 bn, YoY

## ■ Credit related expenses: JPY10.3 bn (cost)

Increased by JPY15.4 bn, YoY

Credit cost increased due to absence of reversal gain posted in FY2018 and preemptive provisioning of reserves

## ■ Full-year guidance of JPY160.0 bn and annual common DPS forecast of JPY21 remain unchanged

- Interim DPS of JPY10.5 as planned  
Completed share buy back totaling JPY10.0 bn

## ■ Post merger integration of KMFG on a steady track

- Completed KMB's business processes and systems integration on Oct.15, 2019 as planned

HD consolidated (JPY bn)	FY2019 1H (a)	YoY change		Progress rate vs. Target (d)	
		(b)	% (c)		
<b>Net income attributable to owners of parent</b>	(1)	<b>76.9</b>	<b>(45.1)</b>	<b>(36.9)%</b>	<b>48.1%</b>
EPS (yen)	(2)	33.42	(19.33)	(36.6)%	
BPS (yen)	(3)	921.63	(7.74)	(0.8)%	
Gross operating profit	(4)	331.5	(5.3)	(1.5)%	
Net interest income	(5)	216.3	(5.7)		
Nil from loans and deposits <sup>3</sup>	(6)	172.4	(5.4)		
Fee income	(7)	98.0	(1.9)		
Fee income ratio	(8)	29.5%	(0.1)%		
Trust fees	(9)	9.3	(0.3)		
Fees and commission income	(10)	88.7	(1.6)		
Other operating income	(11)	17.1	+2.3		
Net gains on bonds (including futures)	(12)	6.1	+2.6		
Operating expenses (excluding group banks' non-recurring items)	(13)	(208.2)	+2.9	+1.4%	
Cost income ratio (OHR)	(14)	62.8%	+0.1%		
<b>Actual net operating profit</b>	(15)	<b>123.5</b>	<b>(4.0)</b>	<b>(3.1)%</b>	
Net gains on stocks (including equity derivatives)	(16)	3.2	+0.5		
Credit related expenses, net	(17)	(10.3)	(15.4)		
Other gains, net	(18)	(4.1)	(29.4)		
<b>Net income before income taxes and non-controlling interests</b>	(19)	<b>112.2</b>	<b>(48.4)</b>	<b>(30.1)%</b>	
Income taxes and other	(20)	(30.6)	+3.5		
Net income attributable to non-controlling interests	(21)	(4.6)	(0.2)		

\*1. Full year target of FY2019: JPY160.0 bn, 1H target of FY2019 : JPY76.0 bn    \*2. One-off gain regarding KMFG integration : JPY39.8 bn

\*3. Total of non-consolidated domestic banking accounts of group banks, deposits include NCDs

\*4. Negative figures represent items that would reduce net income

# Breakdown of Financial Results

	(JPY bn)	Resona Holdings (Consolidated)		Total of group banks		Resona Bank	Saitama Resona Bank	Total of group banks under KMFG (g)	Difference (a)-(c)
		(a)	YoY	(c)	YoY				
			(b)		(d)				
<b>Gross operating profit</b>	(1)	<b>331.5</b>	<b>(5.3)</b>	<b>304.3</b>	<b>(5.5)</b>	<b>177.1</b>	<b>60.3</b>	<b>66.8</b>	<b>27.1</b>
Net interest income	(2)	216.3	(5.7)	213.3	(6.6)	116.4	42.5	54.4	2.9
Nil from domestic loans and deposits	(3)			172.4	(5.4)	87.3	36.1	48.9	
Gains/(losses) on cancellation of investment trusts	(4)	0.5	(3.2)	0.5	(3.1)	(0.6)	(0.3)	1.4	0.0
Fee income	(5)	98.0	(1.9)	74.5	(1.9)	52.0	13.5	8.8	23.5
Fee income ratio	(6)	29.5%	(0.1)%	24.4%	(0.2)%	29.4%	22.4%	13.2%	
Trust fees	(7)	9.3	(0.3)	9.3	(0.3)	9.3			(0.0)
Fees and commission income	(8)	88.7	(1.6)	65.2	(1.6)	42.7	13.5	8.8	23.5
Other operating income	(9)	17.1	+2.3	16.4	+3.1	8.6	4.2	3.5	0.6
Net gains on bonds (including futures)	(10)	6.1	+2.6	6.2	+3.3	0.5	3.0	2.6	(0.1)
Operating expenses (excluding group banks' non-recurring items)	(11)	(208.2)	+2.9	*1 (196.7)	+2.9	(104.4)	(36.9)	*1 (55.2)	(11.4)
Cost income ratio (OHR)	(12)	62.8%	+0.1%	64.6%	+0.2%	58.9%	61.3%	82.6%	
Equity in gains of affiliates	(13)	0.2	*2 (1.6)						0.2
<b>Actual net operating profit</b>	(14)	<b>123.5</b>	<b>(4.0)</b>	<b>107.5</b>	<b>(2.5)</b>	<b>72.6</b>	<b>23.3</b>	<b>11.5</b>	<b>15.9</b>
Core net operating profit (excluding gains/(losses) on cancellation of investment trust) *3	(15)			<b>96.1</b>	<b>(9.5)</b>	<b>69.4</b>	<b>19.2</b>	<b>7.4</b>	
Net gains on stocks (including equity derivatives)	(16)	3.2	+0.5	7.7	+2.7	0.9	2.0	4.6	(4.4)
Credit related expenses, net	(17)	(10.3)	(15.4)	(8.7)	(14.0)	(7.2)	(2.1)	0.6	(1.6)
Other gains/(losses), net	(18)	(4.1)	*4 (29.4)	*5 (4.2)	+9.7	1.5	(1.1)	*5 (4.6)	0.0
<b>Net income before income taxes</b>	(19)	<b>112.2</b>	<b>(48.4)</b>	<b>102.2</b>	<b>(4.0)</b>	<b>67.8</b>	<b>22.0</b>	<b>12.3</b>	<b>9.9</b>
Income taxes and other	(20)	(30.6)	+3.5	(28.8)	+1.6	(18.9)	(6.4)	(3.3)	
Net income attributable to non-controlling interests	(21)	(4.6)	(0.2)						
<b>Net income (attributable to owners of parent)</b>	(22)	<b>76.9</b>	<b>(45.1)</b>	<b>73.4</b>	<b>(2.3)</b>	<b>48.9</b>	<b>15.5</b>	<b>9.0</b>	

\*1. Exclude goodwill amortization by KMB, JPY(0.3) bn, related to acquisition of former Biwako Bank \*2. Include absence of gains on negative goodwill of JPY1.7 bn, posted in FY'18, related to two leasing companies which newly became equity method-applied subsidiaries

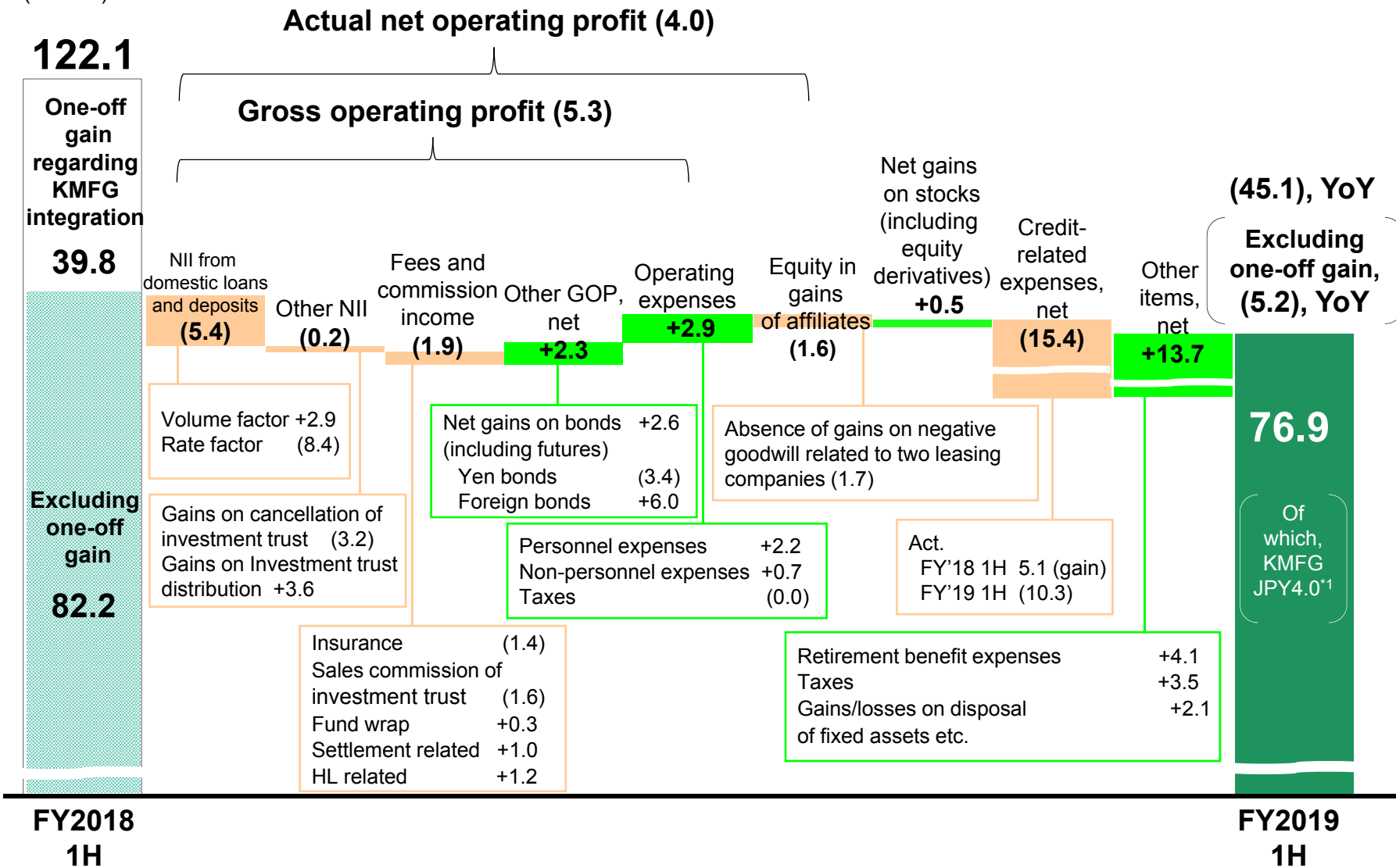
\*3. Actual net operating profit - gains on cancellation of investment trust - Net gains on bonds \*4. Include absence of one-off gain, JPY(39.8) bn, regarding KMFG integration in FY2018

\*5. Include KMFG integration cost JPY(3.7) bn

# Factors for the Changes in Net Income Attributable to Owners of Parent (YoY Comparison)

HD Consolidated

(JPY bn)



\*1. { KMFG consolidated net income (JPY7.8 bn) } x 51.2%

# Trend of Loans and Deposits (Domestic account)

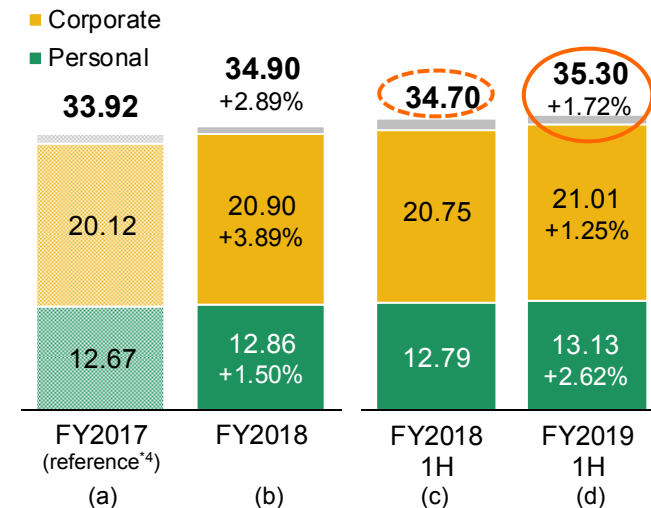
Total of Group Banks

## Average loan / deposit balance, rates and spread

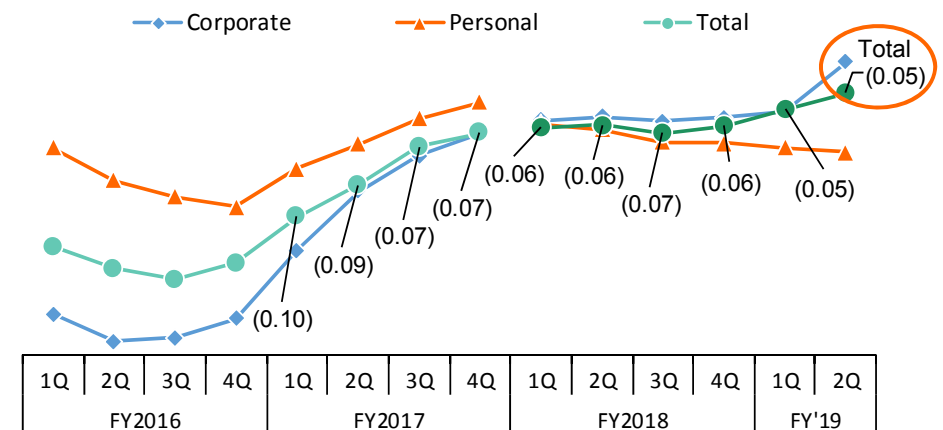
Avg. bal : Trillion Yen Income/Cost : Billion Yen		1H		FY2019	
		Act. (a)	YoY *3 (b)	Revised plan (c)	YoY *3 (d)
Loans	Avg. Bal. (1)	35.30	+1.72%	35.40	+1.41%
	Rate (2)	0.99%	(0.05)%	0.98%	(0.04)%
	Income (3)	176.1	(5.9)	349.0	(12.2)
Corporate Banking Business Unit *1	Avg. Bal. (4)	21.01	+1.25%	21.05	+0.70%
	Rate (5)	0.84%	(0.04)%	0.84%	(0.03)%
Personal Banking Business Unit *2	Avg. Bal. (6)	13.13	+2.62%	13.19	+2.55%
	Rate (7)	1.26%	(0.07)%	1.25%	(0.07)%
Deposits (Including NCDs)	Avg. Bal. (8)	51.92	+2.51%	51.84	+2.02%
	Rate (9)	0.01%	(0.00)%	0.01%	(0.00)%
	Cost (10)	(3.7)	+0.4	(7.1)	+0.5
Loan-to-deposit	Spread (11)	0.98%	(0.04)%	0.97%	(0.04)%
	Net interest income (12)	172.4	(5.4)	341.9	(11.7)

## Trend of average loan balance, loan rate change

[ Average loan balance (JPY tn) ] % represents YoY change



[ Loan rate YoY change (%) ]



\*1. Figures are internal administration purpose, Corporate Banking Business Unit : Corporate loans (excluding loans to governments) + apartment loans  
 \*2. Figures are internal administration purpose, Personal Banking Business Unit : Residential housing loans + other consumer loans  
 \*3. Average balance : rate of change  
 \*4. Figures are adjusted to reflect the KMFG integration.

1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q  
 FY2016 FY2017 FY2018 FY'19  
 3 banks(RB, SR, KO) After KMFG integration

# Term-end Balance of Loans and Deposits

Total of Group Banks

## Term-end loan balance

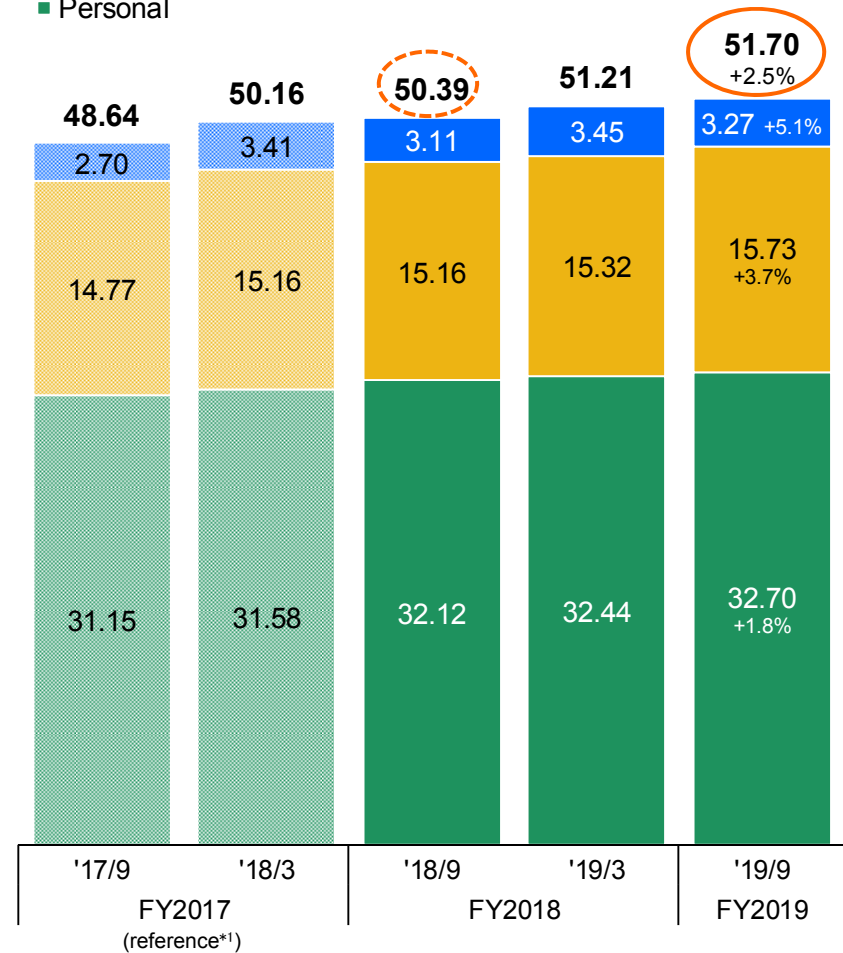
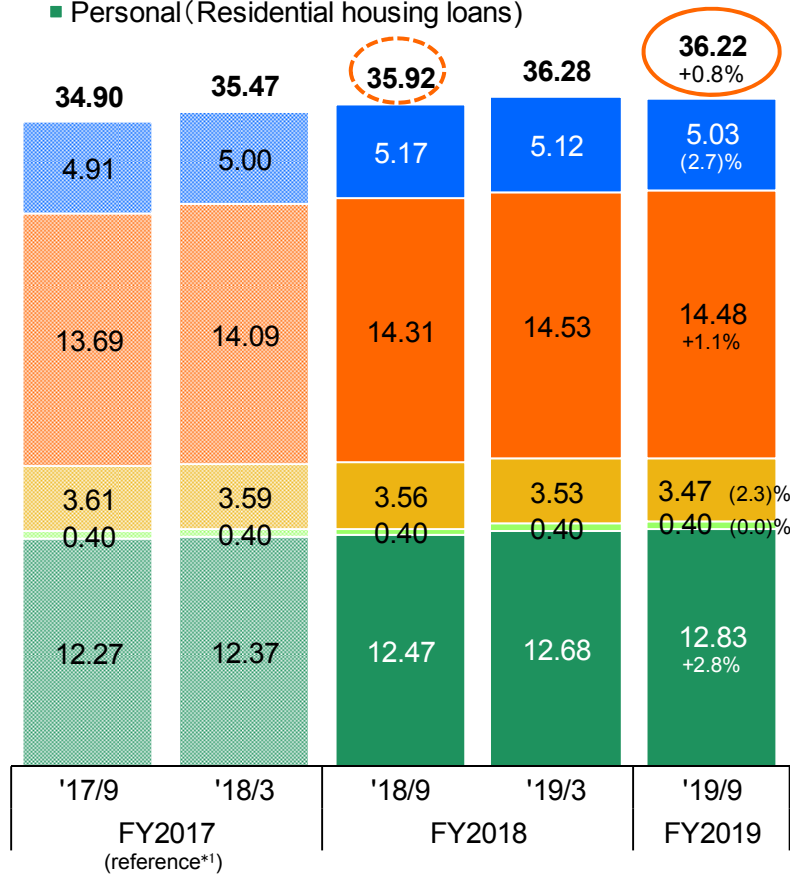
## Term-end deposit balance

JPY tn, % represents YoY change

JPY tn, % represents YoY change

- Corporate (Large companies and other)
- Corporate (SMEs)
- Corporate (Apartment loans)
- Personal (Consumer loans)
- Personal (Residential housing loans)

- Other
- Corporate
- Personal



\*1. Figures are adjusted to reflect the KMFG integration.

# Housing Loan Business

Total of Group Banks

## New loan origination

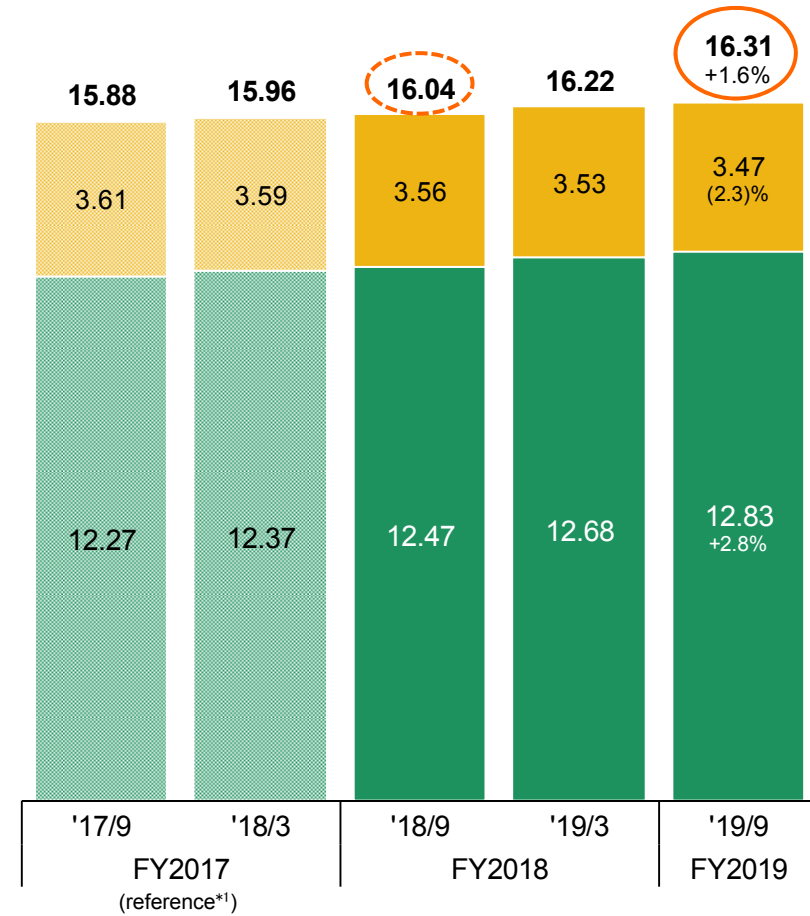
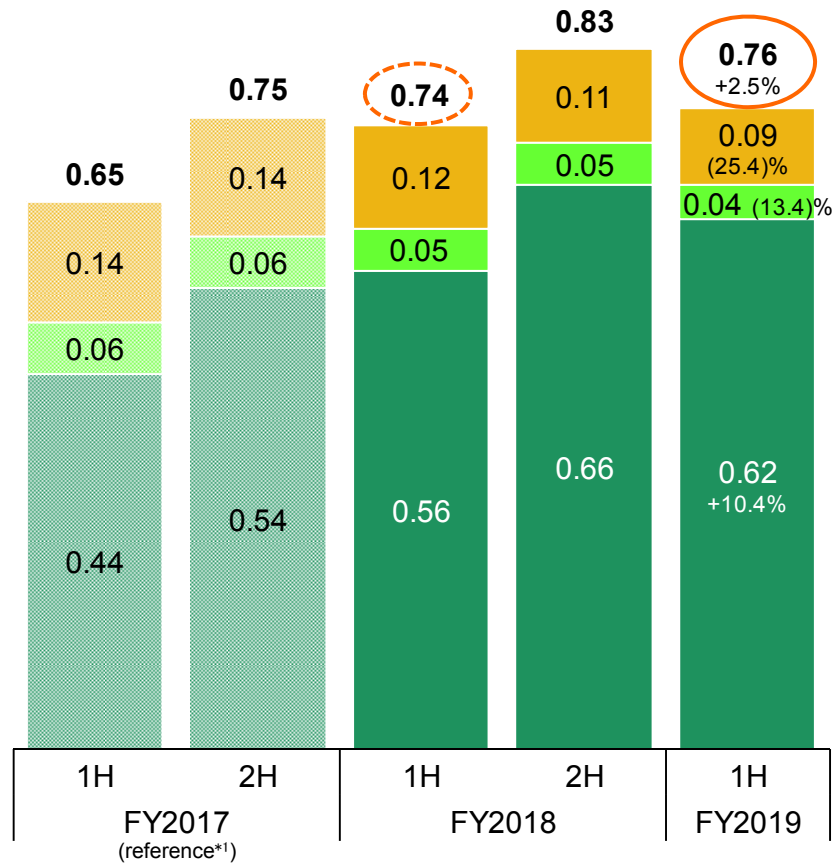
## Term-end loan balance

JPY tn, % represents YoY change

JPY tn, % represents YoY change

- Apartment loan
- Flat 35
- Residential housing loan

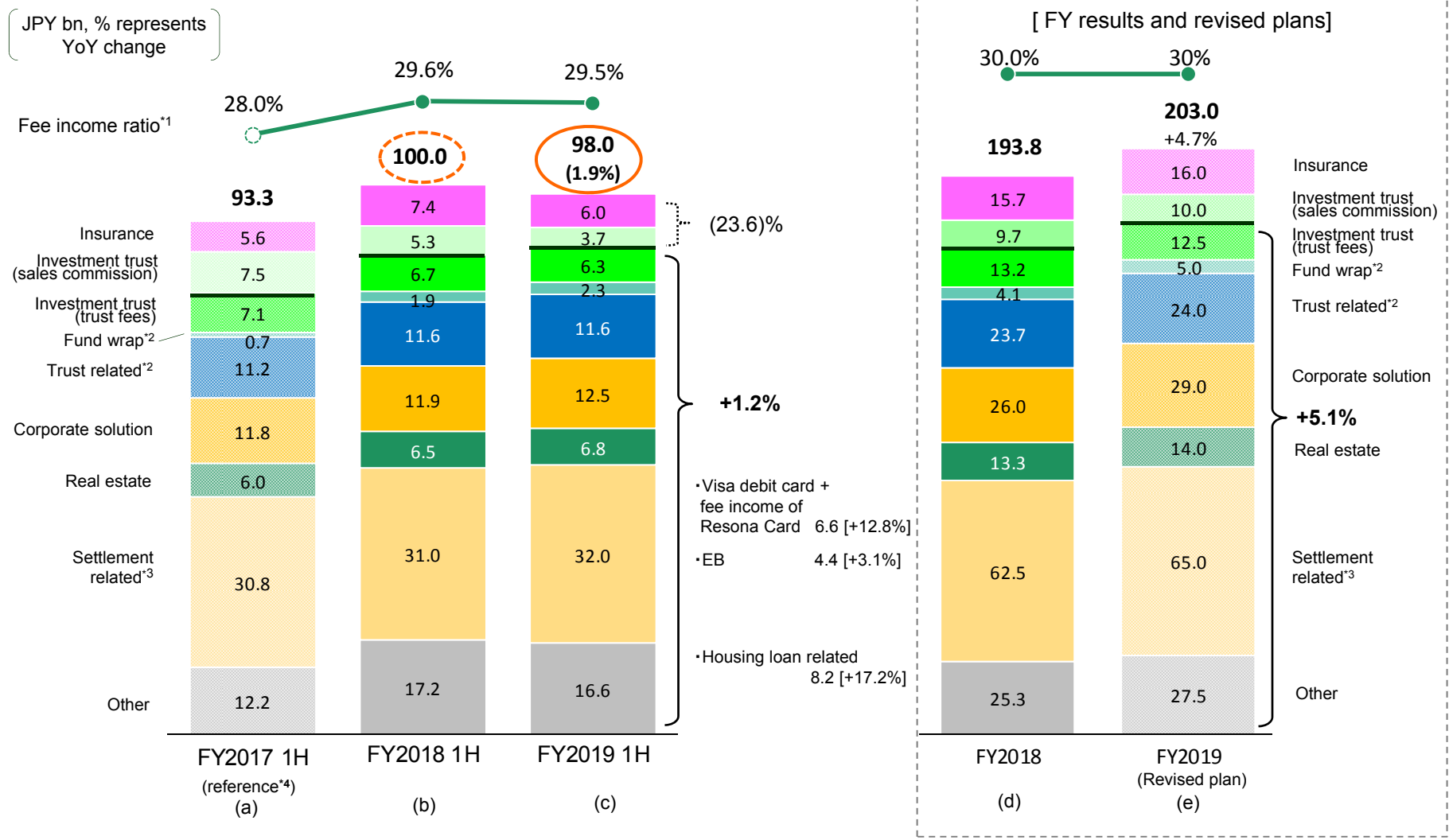
- Apartment loan
- Residential housing loan



\*1. Figures are adjusted to reflect the KMFG integration.

# Fee Income

- Consolidated fee income ratio\*1 for 1H of FY2019 : 29.5%
- While sales of insurance and investment trust have slowed down, fund wrap (+20.5%, YoY), corporate solution(+4.9%,YoY), settlement related (+3.4%, YoY) have grown steadily.



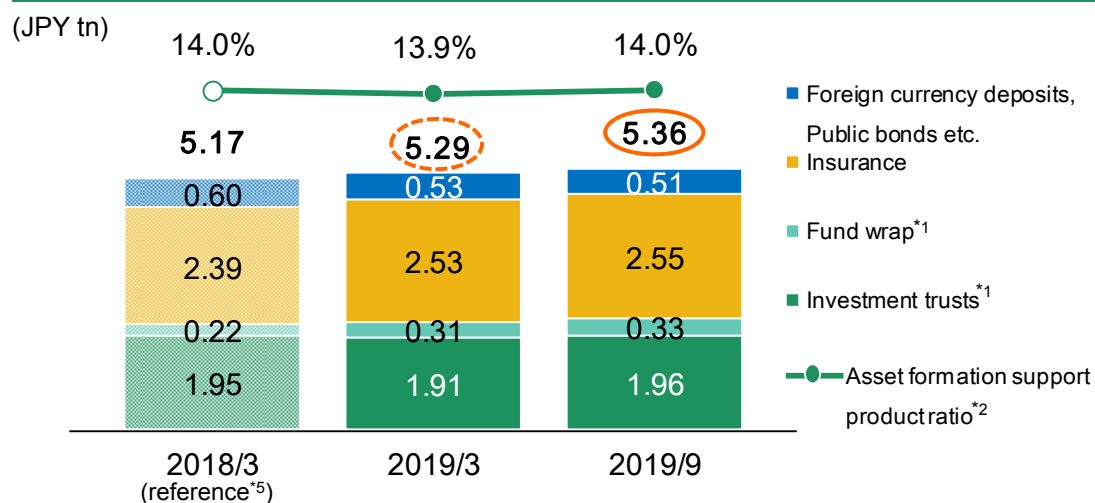
\*1. (Fees and commission income + trust fees) / Consolidated gross operating profit \*2. Including fee income earned by Resona Asset Management  
 \*3. Fees and commission from domestic exchange, account transfer, EB, Visa debit card and fee income earned by Resona Kessai Service and Resona Card \*4. Figures are adjusted to reflect the KMFG integration.



# Major Fee Businesses(1) (Asset Formation Support Business)

HD Consolidated

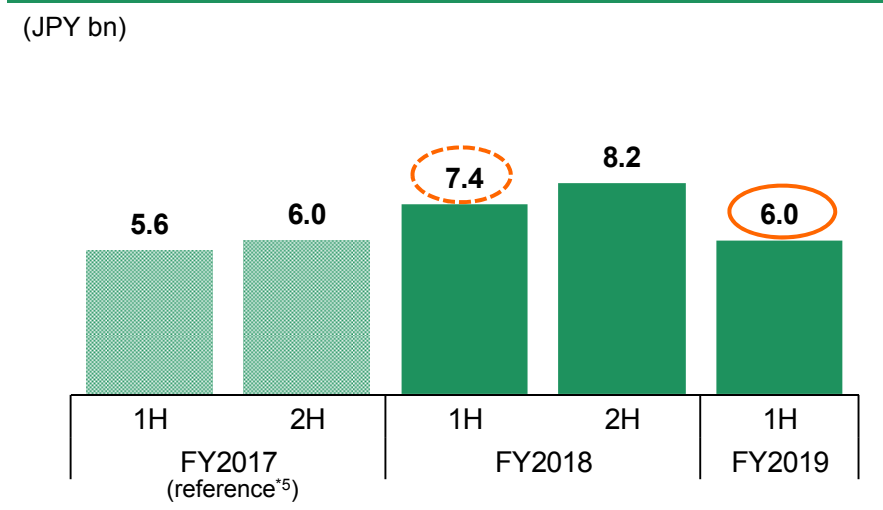
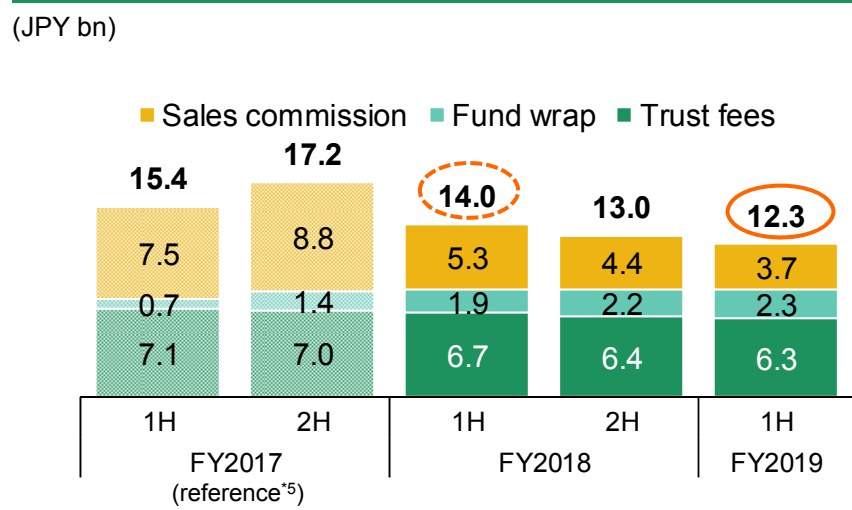
## Balance of asset formation support products sold to individuals



- Balance of fund wrap\*<sup>1</sup>: '19/9 JPY337.0 bn (JPY375.2 bn including corporation)
- Change in balance of investment trust and fund wrap: 1H FY'19 approx. +JPY75.1 bn
- Net inflow (new purchase – withdrawal and redemption): Approx. +JPY74.0 bn
- Number of individual customers having investment trust, fund wrap and insurance products: '19/9 0.92 million
- NISA account holders\*<sup>3</sup>: 0.35 million (+11.9%, YoY)
- iDeCo participants\*<sup>4</sup>: '19/9 109 thousand, (+23.7%, YoY)

## Investment trust and fund wrap income

## Insurance income



\*1. Based on market value \*2. Balance of asset formation support products sold to individuals / (balance of asset formation support products sold to individuals and yen deposits held by individuals) \*3. NISA, Junior NISA, Cumulative NISA \*4. iDeCo participants + members giving investment instructions \*5. Figures are adjusted to reflect the KMFG integration.

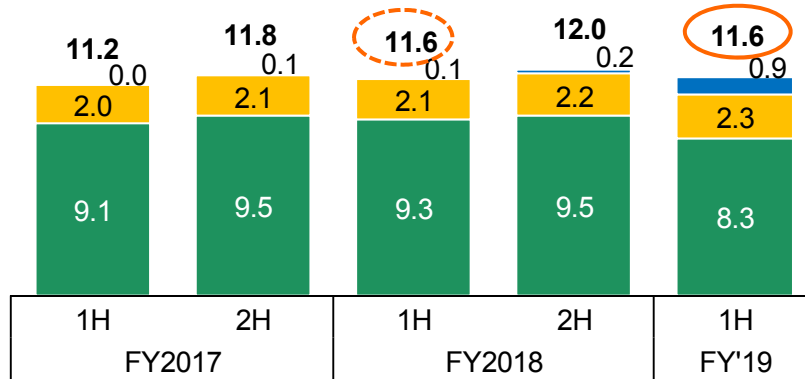
# Major Fee Businesses(2) (Trust, Corporate Solution, Real Estate Business)

HD Consolidated

## Trust-related business income

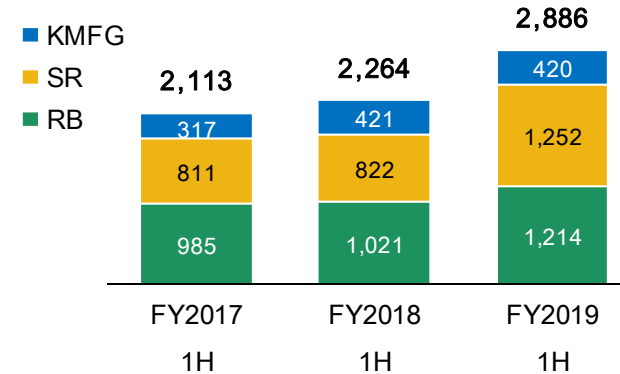
(JPY bn)

- Resona Asset Management
- Trust solution offered for asset and business succession
- Pension/Securities trust



- Expand business opportunities through providing group banks' customers with trust functions

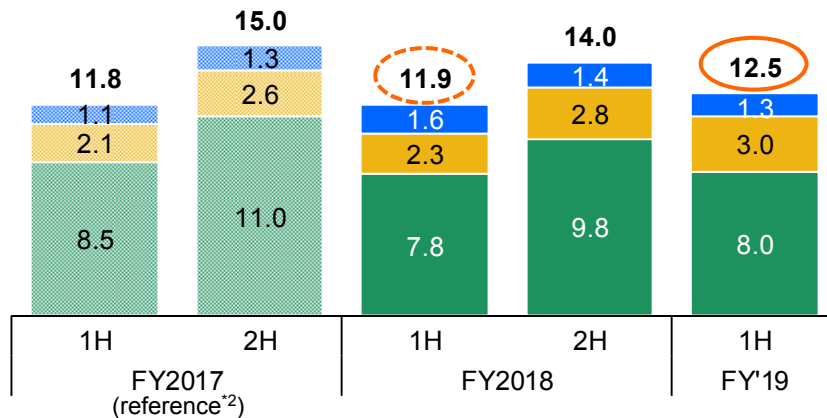
[Number of new asset succession-related contracts]



## Corporate solutions business income

(JPY bn)

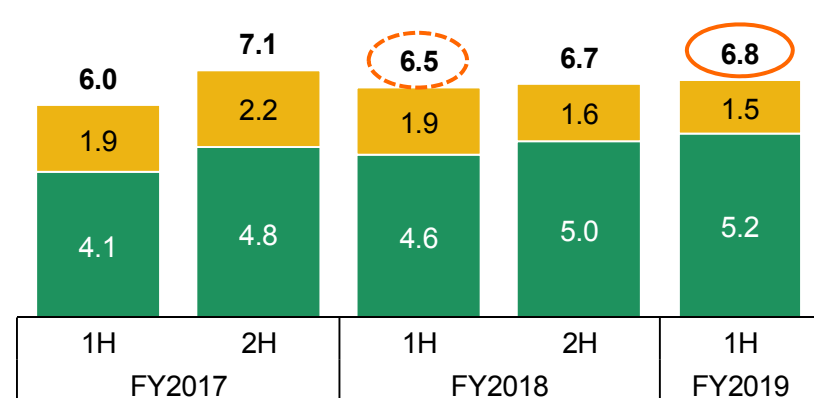
- M&A
- Private notes
- Commitment line, Syndicated loans, Covenants



## Real estate business income<sup>\*1</sup>

(JPY bn)

- Corporate
- Consumer



\*1. Excluding gains from investments in real estate funds

\*2. Figures are adjusted to reflect the KMFG integration.

# Credit Costs and NPL

HD Consolidated  
Total of Group Banks

## Trend of credit costs

(JPY bn)	FY 2017 (Reference <sup>1</sup> )	FY2018		FY2019	
		1H (b)	(c)	1H (d)	Revised Plan (e)
	(a)				
<b>Net credit cost (HD consolidated)</b> (1)	10.1	5.1	(1.3)	(10.3)	(24.5)
<b>Net credit cost (Total of group banks)</b> (2)	14.7	5.2	0.1	(8.7)	(19.0)
General reserve (3)	9.0	7.9	11.2	(2.8)	
Specific reserve and other items (4)	5.7	(2.6)	(11.0)	(5.9)	
New bankruptcy, downward migration (5)	(22.2)	(12.7)	(31.3)	(15.9)	
Collection/upward migration (6)	27.9	10.0	20.2	10.0	
<b>Difference (1) - (2)</b> (7)	(4.6)	(0.1)	(1.4)	(1.6)	(5.5)
HL guarantee subsidiaries (8)	0.0	2.6	3.0	(1.1)	
Resona Card (9)	(2.3)	(1.1)	(2.2)	(1.1)	
<b>&lt;Credit cost ratio&gt; (bps)</b>					
HD consolidated <sup>2</sup> (10)	2.8	2.8	(0.3)	(5.6)	(6.6)
Total of group banks <sup>3</sup> (11)	4.0	2.8	0.0	(4.6)	(5.0)

(Note) Positive figures represent reversal gains

\*1. Figures are adjusted to reflect the KMFG integration.

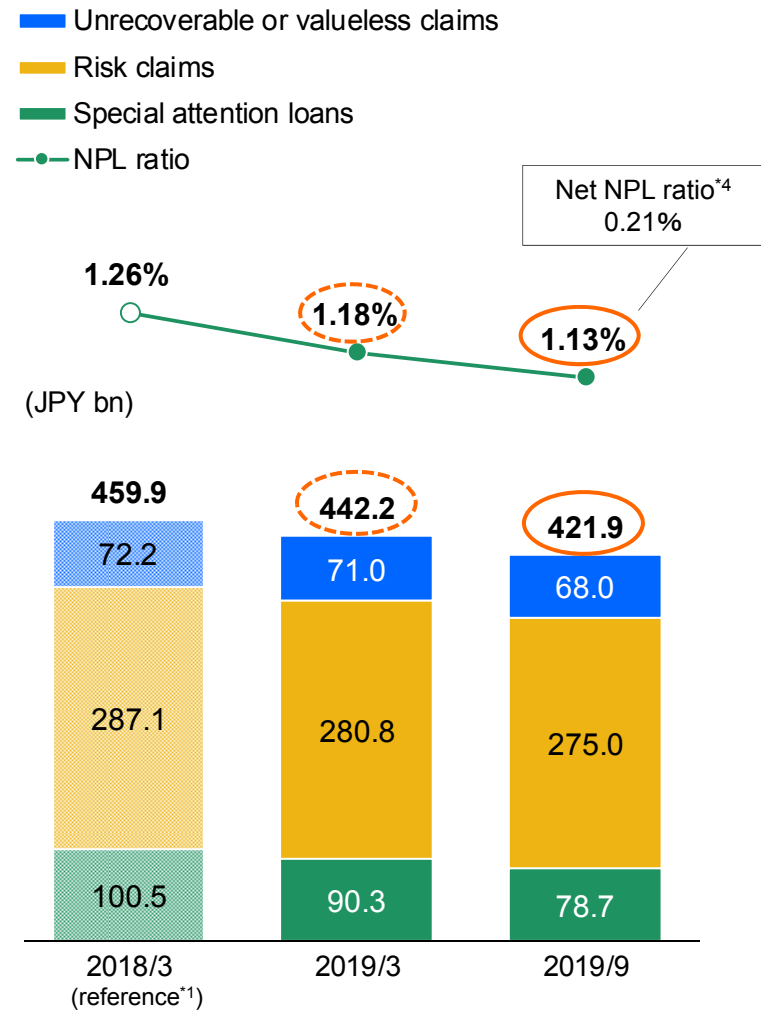
\*2. Credit cost / (Loans and bills discounted + acceptances and guarantees)  
(Simple average of the balances at the beginning and end of the term)

\*3. Credit cost / total credits defined under the Financial Reconstruction Act  
(Simple average of the balances at the beginning and end of the term)

\*4. Net of collateral, guarantees and loan loss reserves

## Trend of NPL balance and ratio (Total of Group Banks)

(Financial Reconstruction Act criteria)



## Securities portfolio<sup>\*1</sup>

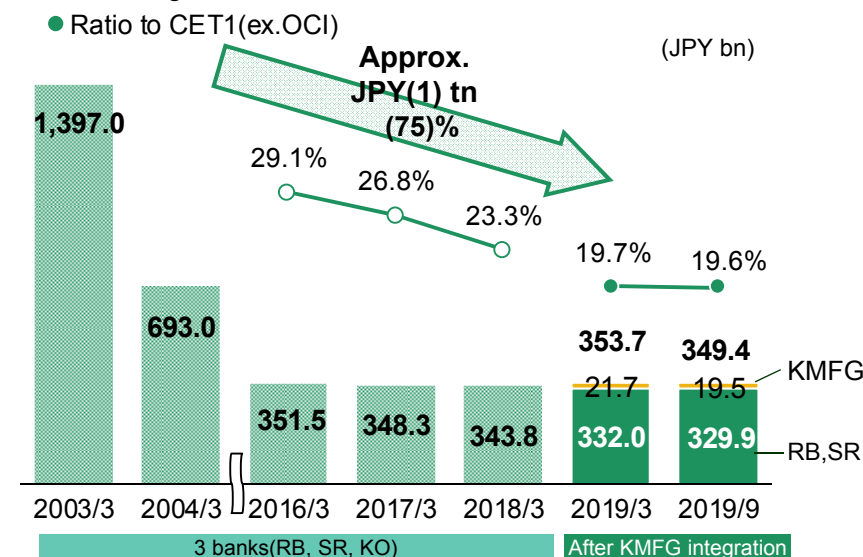
(JPY bn)	2018/3 (reference <sup>*2</sup> )	2019/3	2019/9		
			Unrealized gains/(losses)		
	(a)	(b)	(c)	(d)	
Available-for-sale securities	(1)	2,918.1	2,566.5	2,530.4	546.9
Stocks	(2)	365.4	353.8	349.5	521.4
Bonds	(3)	1,532.7	1,188.2	1,258.1	6.9
JGBs	(4)	325.1	46.1	129.2	(0.4)
Average duration (years)	(5)	6.5	6.7	11.9	-
Basis point value (BPV)	(6)	(0.21)	(0.03)	(0.15)	-
Local government and corporate bonds	(7)	1,207.5	1,142.0	1,128.9	7.3
Other	(8)	1,019.9	1,024.5	922.7	18.5
Foreign bonds	(9)	389.2	472.3	472.1	11.3
Average duration (years)	(10)	8.4	5.3	4.7	-
Basis point value (BPV)	(11)	(0.31)	(0.18)	(0.14)	-
Investment trusts (Domestic)	(12)	608.0	540.6	440.0	4.5
Net unrealized gain	(13)	672.8	598.3	546.9	
Bonds held to maturity	(14)	2,057.1	2,127.4	1,877.3	46.2
JGBs	(15)	1,565.5	1,539.5	1,194.4	33.7
Net unrealized gain	(16)	52.0	47.1	46.2	

- Unrealized gains/(losses) in 3 assets improved (4)+(9)+(12) '18/3<sup>\*2</sup> JPY(21.2) bn ⇒ '19/3 +JPY2.4 bn ⇒ '19/9 +JPY15.5 bn

## Status of policy-oriented stocks held

- Breakeven Nikkei average: Approx. 7,800 yen
- Balance of listed stocks disposed in 1H of FY2019 (acquisition cost basis): JPY4.2 bn, Net gain on sale: JPY7.1 bn
- Policy for holding policy-oriented stocks
  - After the injection of public funds, Resona Group reduced the balance of stockholdings in order to minimize the price fluctuation risk.
  - Resona Group will continue to determine whether or not to hold policy-oriented stocks after examining risks and returns, including the realizability of medium- and long-term business prospects, and aims to reduce the balance to a range between 10% and 20% of the CET1 capital<sup>\*3</sup> in the medium term.
    - Plan to reduce JPY35.0 bn in 5 years from FY2016

### 【Stock holdings】



\*1. Acquisition cost basis. The presented figures include marketable securities only

\*2. Figures are adjusted to reflect the KMFG integration. \*3. Excluding OCI (other comprehensive income)

# Capital Adequacy Ratio

HD  
Consolidated

- **CAR (Domestic std.) and CET1 ratio\* (International std.) as of Sep. 30, 2019 were 11.20% and 10.27%, respectively, maintaining sound capital adequacy level**

\* Excluding unrealized gain on available for sale securities

## Domestic standard

( JPY bn )	2019/3	2019/9	Change
<b>Capital adequacy ratio (1)</b>	<b>10.10%</b>	<b>11.20%</b>	<b>+1.10%</b>

Total capital (2)	1,925.9	1,946.6	+20.6
Core Capital: instruments and reserves (3)	1,978.1	2,008.6	+30.5
Stockholders' equity (4)	1,636.7	1,679.7	+42.9
Adjusted non-controlling interests (5)	236.2	237.2	+0.9
Subordinated loans and bonds subject to transitional arrangement (6)	97.0	79.2	(17.7)
Core Capital: regulatory adjustments (7)	52.1	62.0	+9.8

Risk weighted assets (8)	19,062.0	17,375.1	(1,686.9)
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- **Change in total capital**
  - Stockholders' equity +42.9 bn
    - Net income attributable to owners of parent +76.9 bn
    - Dividends distributed (24.3) bn
    - Acquisition of own shares (10.0) bn
  - Decrease of subordinated bonds included in Core Capital (17.7) bn
- **Change in RWAs**
  - IRB approach applicable to KMB and MB\* (1,135.6) bn  
(\*Applicable at an RHD-consolidated level)
  - Decline in parameters and other (220.6) bn
  - Decline in balance of investment trusts (312.5) bn

### ■ Group banks, Bank holding company

Domestic standard ( JPY bn )	Resona (Consolidated)	Saitama Resona (Non-consolidated)	KMFG (Consolidated)
<b>Capital adequacy ratio</b>	<b>11.02%</b>	<b>13.67%</b>	<b>8.26%</b>
Total capital	1,111.6	353.6	459.2
Risk weighted assets	10,081.5	2,586.4	5,553.6

## (Reference) International standard

( JPY bn )	2019/3	2019/9	Change
<b>Excluding net unrealized gains on available-for-sale securities (9)</b>	<b>9.30%</b>	<b>10.27%</b>	<b>+0.97%</b>
Common Equity Tier1 capital ratio (10)	<b>11.47%</b>	<b>12.48%</b>	<b>+1.01%</b>
Tier1 capital ratio (11)	<b>11.54%</b>	<b>12.71%</b>	<b>+1.17%</b>
Total capital ratio (12)	<b>12.21%</b>	<b>13.46%</b>	<b>+1.25%</b>

Common Equity Tier1 capital (13)	2,239.2	2,191.9	(47.3)
Instruments and reserves (14)	2,309.3	2,270.3	(39.0)
Stockholders' equity (15)	1,636.7	1,679.7	+42.9
Net unrealized gains on available-for-sale securities (16)	423.9	388.3	(35.6)
Adjusted non-controlling interests (17)	222.7	178.2	(44.5)
Regulatory adjustments (18)	70.1	78.4	+8.3
Other Tier1 capital (19)	11.8	41.0	+29.1
Tier1 capital (20)	2,251.1	2,233.0	(18.1)
Tier2 capital (21)	130.6	131.0	+0.4
Total capital (Tier1+Tier2) (22)	2,381.7	2,364.0	(17.7)
Risk weighted assets (23)	19,506.6	17,556.2	(1,950.4)

## (Reference)

- **F-IRB approach applicable to KMB and MB (2019/6~)**

### ■ Impact from the finalized Basel 3

CET1 ratio: Approx. 9.0%\*  
(Excluding unrealized gains on available-for-sale securities)

\*Trial calculation which took into consideration the estimated increase in RWAs owing to the finalization of Basel 3 (SA and capital floor revisions) based on the actual CET1 ratio excluding net unrealized gains on available-for-sale securities as of Sep. 30, 2019 reported as (9) in the above table

# Earnings Targets for FY2019 (Released in November 2019)

HD Consolidated  
Total of Group Banks

## HD consolidated

( JPY bn )	1H	Full-year	change from original target	YoY change
Net (interim) income attributable to owners of the parent (1)	76.9	160.0	-	*(15.1)
KMFG *1 (2)	4.0	6.5		
Difference (3)	8.4	16.0		

## Common DPS

	DPS	Change from previous year
Common stock (annual) (4)	21.0 yen	-
Interim dividend (5)	10.5 yen	-

\*Profit increase of JPY24.7 bn in terms of consolidated net income is planned for FY2019 in comparison with FY2018 result excluding the one-off gain of JPY 39.8 bn related to KMFG integration.

## Total of group banks

(JPY bn)	Total of group banks				Resona Bank				Saitama Resona Bank				KMFG (total of group banks)			
	1H	Full-year	change from original target	YoY change	1H	Full-year	change from original target	YoY change	1H	Full-year	change from original target	YoY change	1H	Full-year	change from original target	YoY change
Gross operating profit (6)	304.3	611.0	(5.0)	+18.0	177.1	352.5	-	+12.6	60.3	118.0	(2.0)	+4.5	66.8	140.5	(2.5)	+1.0
Operating expenses (7)	(196.7)	(399.0)	+2.5	(1.4)	(104.4)	(209.5)	-	+1.7	(36.9)	(74.5)	-	(0.2)	(55.2)	(115.0)	+2.5	(3.0)
Actual net operating profit (8)	107.5	212.0	(2.5)	+16.7	72.6	143.0	-	+14.4	23.3	43.5	(2.0)	+4.3	11.5	25.5	-	(2.0)
Net gains on stocks (including equity derivatives) (9)	7.7	31.5	+4.5	+19.5	0.9	21.5	+3.0	+11.0	2.0	4.0	-	+6.2	4.6	6.0	+1.5	+2.3
Credit related expenses, net (10)	(8.7)	(19.0)	(2.0)	(19.1)	(7.2)	(11.5)	(3.0)	(16.6)	(2.1)	(4.0)	(1.0)	(3.2)	0.6	(3.5)	+2.0	+0.6
Income before income taxes (11)	102.2	208.5	(1.0)	+32.4	67.8	153.0	+2.0	+25.1	22.0	39.5	(3.5)	+7.3	12.3	15.5	-	(0.4)
Net (interim) income *2 (12)	73.4	148.5	(0.5)	+22.7	48.9	110.0	+2.0	+19.3	15.5	27.5	(2.5)	+5.5	9.0	11.0	-	(2.0)

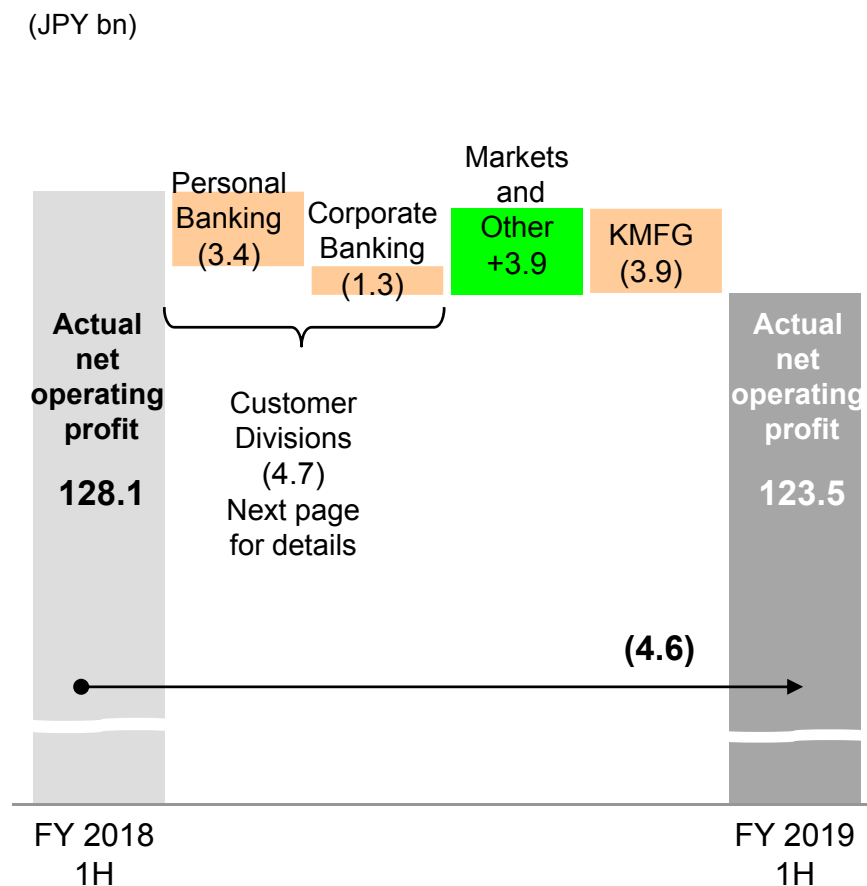
\*1. Applied HD's 51% stake to the KMFG's net income guidance

\*2. Net (interim) income attributable to non-controlling shareholders are not deducted from net (interim) income

# (Reference) Outline of Financial Results of Each Segment

HD Consolidated

(JPY bn)		FY2019 1H	YoY Change
<b>Customer Divisions</b>	Gross operating profit (1)	233.0	(4.6)
	Operating expense (2)	(148.9)	(0.0)
	Actual net operating profit (3)	84.1	(4.7)
<b>Personal Banking</b>	Gross operating profit (4)	103.7	(3.9)
	Operating expense (5)	(76.4)	+0.4
	Actual net operating profit (6)	27.2	(3.4)
<b>Corporate Banking</b>	Gross operating profit (7)	129.2	(0.7)
	Operating expense (8)	(72.4)	(0.5)
	Actual net operating profit (9)	56.8	(1.3)
<b>Markets and Other</b>	Gross operating profit (10)	27.0	+3.8
	Operating expense (11)	(2.0)	+1.7
	Actual net operating profit (12)	25.1	+3.9
<b>KMFG</b>	Gross operating profit (13)	71.3	(5.1)
	Operating expense (14)	(57.1)	+1.2
	Actual net operating profit (15)	14.1	(3.9)
<b>Total</b>	Gross operating profit (16)	331.4	(6.0)
	Operating expense (17)	(208.2)	+2.9
	Actual net operating profit (18)	123.5	(4.6)



## Definition of management accounting

1. "Customer Divisions" and "Markets and Other" segment refers to the HD Consolidated subsidiaries, except KMFG consolidated subsidiaries.
2. Gross operating profit of "Markets" segment includes a part of net gains/(losses) on stocks. "Other" segment refers to the divisions in charge of management and business administration.

# (Reference) Outline of Financial Results of Customer Divisions

HD Consolidated  
(exclude KMFG)

## Personal banking segment

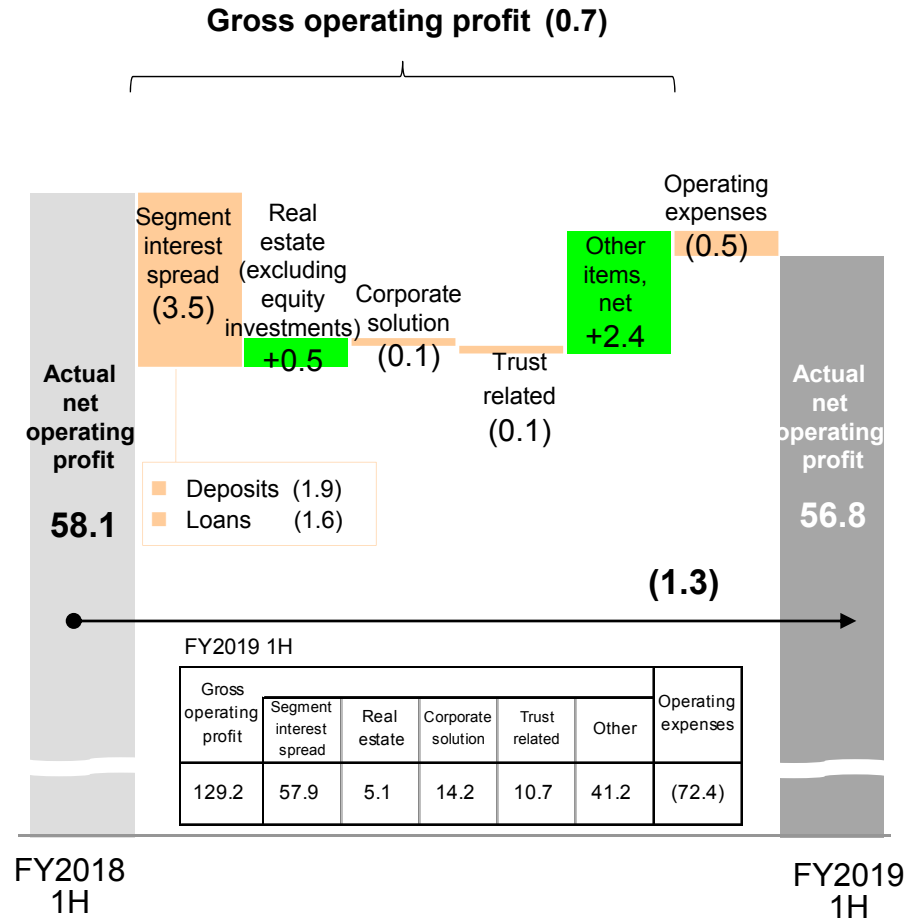
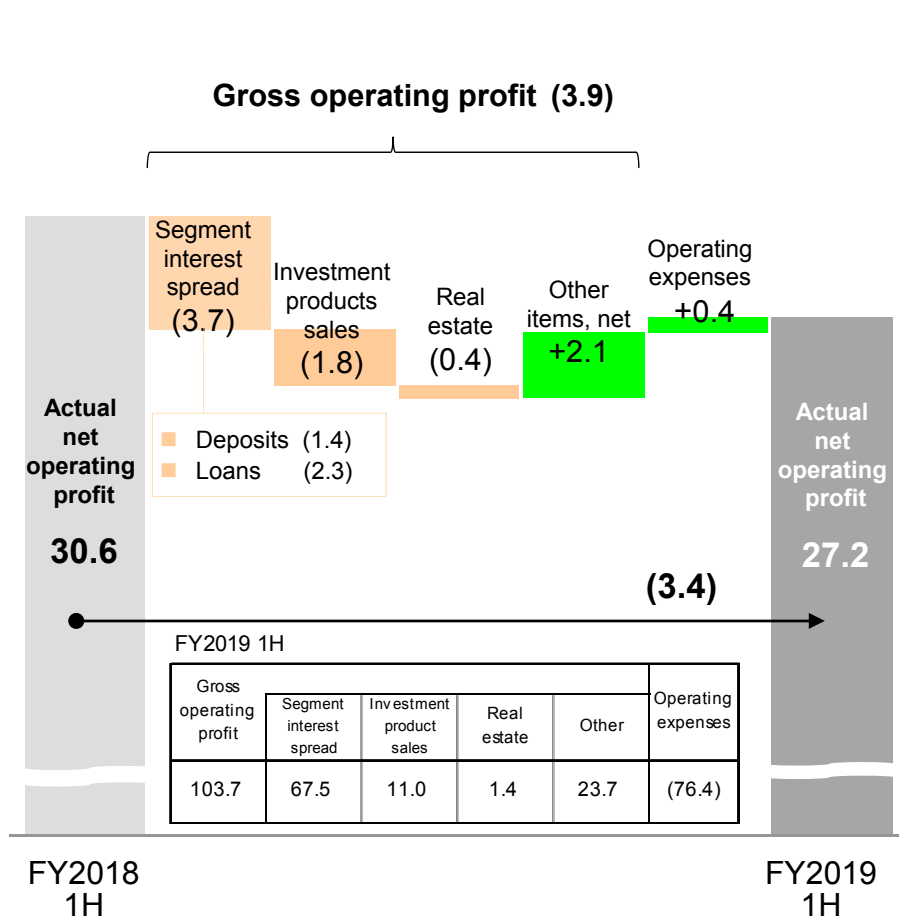
## Corporate banking segment

Actual net operating profit : Down JPY3.4 bn, YoY

Actual net operating profit : Down JPY1.3 bn, YoY

(JPY bn)

(JPY bn)





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- Abbreviations and definitions of the figures presented in this material are as follows:

[HD] Resona Holdings, [RB] Resona Bank, [SR] Saitama Resona Bank,  
[KMFG] Kansai Mirai Financial Group, [KMB] Kansai Mirai Bank\*, [MB] Minato Bank  
\* [KU] Kansai Urban Banking Corporation and [KO] Kinki Osaka Bank merged on April 1, 2019

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Figures include data for internal administration purpose.

The forward-looking statements contained in this material may be subject to material change due to the following factors.

These factors may include changes in the level of stock price in Japan, any development and change related to the government's and central bank's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group.

These forward-looking statements are not intended to provide any guarantees of the Group's future performance. Please also note that the actual performance may differ from these statements.