



# Resona Holdings, Inc.

Consolidated Financial Results for the Third Quarter of Fiscal Year 2019  
(Nine months ended December 31, 2019/ Unaudited)  
<under Japanese GAAP>



Code number: 8308

Stock exchange listings: Tokyo

URL: <https://www.resona-gr.co.jp/holdings/english/index.html>

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Quarterly securities report issuing date: February 7, 2020 Dividends payment date: -

Supplemental information for the financial results: Available Trading accounts: Established

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 2019 (April 1, 2019- December 31, 2019)

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

	Ordinary Income		Ordinary Profits		Net Income Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%
1-3Q of FY2019	624,965	( -2.4 )	153,845	( -0.2 )	106,255	( -24.7 )
1-3Q of FY2018	640,025	( 17.1 )	154,207	( -8.2 )	141,125	( -30.4 )

Note: Comprehensive Income: 1-3Q of FY2019: 141,220 million yen (88.4%) 1-3Q of FY2018: 74,974 million yen (-76.4%)

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	Yen	Yen
1-3Q of FY2019	46.18	46.18
1-3Q of FY2018	60.94	60.94

### (2) Consolidated Financial Conditions

	Total Assets	Net Assets	Net Assets Attributable to Stockholders to Total Assets Ratio
	Million yen	Million yen	%
December 31, 2019	59,718,665	2,433,688	3.7
March 31, 2019	59,110,075	2,356,178	3.6

(Reference) Net Assets Attributable to Stockholders: December 31, 2019: 2,186,401 million yen

March 31, 2019: 2,111,030 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
FY2018	-	10.50	-	10.50	21.00
FY2019	-	10.50	-		
FY2019(Forecast)				10.50	21.00

Note: Revision of forecasts for dividends from the latest announcement: None

### 3. Earnings Targets for Fiscal Year 2019 (April 1, 2019 - March 31, 2020)

(% represents the change from the previous fiscal year)

	Net Income Attributable to Owners of Parent		Net Income per Share of Common Stock
	<i>Million yen</i>	%	<i>Yen</i>
Fiscal Year 2019 (Full year)	160,000	(-8.7)	69.68

Notes: 1. Revision of earnings targets from the latest announcement: None

2. 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."

#### Notes:

- (1) Changes in significant subsidiaries during the period : Yes  
 New : Not applicable  
 Excluded : 1 company, Kansai Urban Banking Corporation
- (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, 2019 : 2,324,118,091 shares  
     March 31, 2019 : 2,324,118,091 shares  
 B) Treasury stock at the end of the period  
     December 31, 2019 : 27,162,333 shares  
     March 31, 2019 : 7,296,614 shares  
 C) Average outstanding shares during the period  
     1-3Q of FY2019 : 2,300,726,905 shares  
     1-3Q of FY2018 : 2,315,558,867 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, 2019 : 4,467,300 shares  
 March 31, 2019 : 6,314,100 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 2019, at this point in time.

Forecasted average number of shares of common stock (excluding treasury stock): 2,296,285,493 shares

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## 1. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2019	December 31, 2019
<b>Assets</b>		
Cash and due from banks	¥ 14,848,528	¥ 14,763,757
Call loans and bills bought	177,949	554,911
Monetary claims bought	281,246	269,500
Trading assets	328,024	391,492
Securities	5,387,898	5,929,224
Loans and bills discounted	36,134,497	35,956,840
Foreign exchange assets	115,691	118,704
Leasing receivables and investment assets	41,652	39,507
Other assets	1,088,392	979,137
Tangible fixed assets	380,909	374,644
Intangible fixed assets	40,597	53,506
Net defined benefit asset	19,362	35,532
Deferred tax assets	28,913	26,452
Customers' liabilities for acceptances and guarantees	394,503	376,916
Reserve for possible loan losses	(158,058)	(151,428)
Reserve for possible losses on investments	(32)	(35)
<b>Total Assets</b>	<b>59,110,075</b>	<b>59,718,665</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Deposits	51,108,635	52,030,920
Negotiable certificates of deposit	1,195,350	897,160
Call money and bills sold	140,599	128,039
Payables under repurchase agreements	5,000	-
Payables under securities lending transactions	540,922	691,553
Trading liabilities	120,920	90,998
Borrowed money	752,637	764,319
Foreign exchange liabilities	4,387	7,446
Bonds	459,799	446,000
Due to trust account	1,155,804	1,046,149
Other liabilities	746,140	659,105
Reserve for employees' bonuses	19,581	9,695
Net defined benefit liability	19,077	22,770
Other reserves	43,559	39,489
Deferred tax liabilities	27,660	55,463
Deferred tax liabilities for land revaluation	19,318	18,950
Acceptances and guarantees	394,503	376,916
<b>Total Liabilities</b>	<b>56,753,897</b>	<b>57,284,977</b>
<b>Net Assets</b>		
Capital stock	50,472	50,472
Retained earnings	1,614,908	1,672,777
Treasury stock	(4,213)	(13,183)
Total stockholders' equity	1,661,168	1,710,066
Net unrealized gains on available-for-sale securities	423,957	456,461
Net deferred gains on hedges	27,129	18,333
Revaluation reserve for land	42,204	41,369
Foreign currency translation adjustments	(4,823)	(4,889)
Remeasurements of defined benefit plans	(38,605)	(34,938)
Total accumulated other comprehensive income	449,861	476,335
Stock acquisition rights	309	307
Non-controlling interests	244,838	246,979
<b>Total Net Assets</b>	<b>2,356,178</b>	<b>2,433,688</b>
<b>Total Liabilities and Net Assets</b>	<b>¥ 59,110,075</b>	<b>¥ 59,718,665</b>

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**[Consolidated Statements of Income]**

(Millions of yen)

	Third Quarter of FY2018 From April 1, 2018 to December 31, 2018	Third Quarter of FY2019 From April 1, 2019 to December 31, 2019
<b>Ordinary income</b>	¥ 640,025	¥ 624,965
Interest income	360,248	355,450
Interest on loans and bills discounted	286,025	278,896
Interest and dividends on securities	47,339	50,193
Trust fees	14,413	14,072
Fees and commissions	177,012	171,150
Trading income	3,997	2,634
Other operating income	32,140	45,318
Other ordinary income	52,213	36,338
<b>Ordinary expenses</b>	485,817	471,120
Interest expenses	35,044	37,172
Interest on deposits	14,662	15,106
Fees and commissions	49,511	48,419
Trading expenses	-	340
Other operating expenses	33,804	24,431
General and administrative expenses	328,459	318,768
Other ordinary expenses	38,998	41,987
<b>Ordinary profits</b>	154,207	153,845
<b>Extraordinary gains</b>	39,900	2,112
Gains on disposal of fixed assets	1	2,112
Gain from negative goodwill	29,055	-
Gain on step acquisitions	10,843	-
<b>Extraordinary losses</b>	2,945	2,892
Losses on disposal of fixed assets	696	1,333
Impairment losses on fixed assets	2,248	1,558
<b>Income before income taxes</b>	191,162	153,065
Income taxes – current	27,324	28,326
Income taxes – deferred	15,215	14,303
Total income taxes	42,539	42,630
<b>Net income</b>	148,623	110,434
<b>Net income attributable to non-controlling interests</b>	7,497	4,179
<b>Net income attributable to owners of parent</b>	¥ 141,125	¥ 106,255

**[Consolidated Statements of Comprehensive Income]**

(Millions of yen)

	Third Quarter of FY2018 From April 1, 2018 to December 31, 2018	Third Quarter of FY2019 From April 1, 2019 to December 31, 2019
<b>Net income</b>	¥ 148,623	¥ 110,434
<b>Other comprehensive income</b>	(73,648)	30,785
Net unrealized gains (losses) on available-for-sale securities	(74,541)	34,081
Net deferred gains (losses) on hedges	(5,015)	(8,786)
Foreign currency translation adjustments	(3,018)	(179)
Remeasurements of defined benefit plans	8,926	5,662
Share of other comprehensive income of affiliates accounted for using the equity method	0	7
<b>Total comprehensive income</b>	74,974	141,220
<b>Comprehensive income attributable to:</b>		
Owners of parent	72,386	133,563
Non-controlling interests	¥ 2,588	¥ 7,656

**(3) Note on Going-Concern Assumption**  
**Not applicable**

**(4) Note for Significant Changes in the Amount of Stockholders' Equity**  
**For the Third Quarter of Fiscal Year 2019 (April 1, 2019- December 31, 2019)**

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at the beginning of the fiscal year	¥ 50,472	¥ -	¥ 1,614,908	¥ (4,213)	¥ 1,661,168
Changes during the term					
Dividends paid			(48,557)		(48,557)
Net income attributable to owners of parent			106,255		106,255
Purchase of treasury stock				(10,002)	(10,002)
Disposal of treasury stock		(0)		1,032	1,032
Reversal of revaluation reserve for land			834		834
Change in ownership interest of parent due to transactions with non-controlling interests		(664)			(664)
Transfer from retained earnings to capital surplus		664	(664)		-
Total changes during the term	-	-	57,868	(8,970)	48,897
Balance at the end of the term	¥ 50,472	¥ -	¥ 1,672,777	¥ (13,183)	¥ 1,710,066

**[Reference]**

**Statements of Trust Assets and Liabilities**

<b>Assets</b>				
	<b>March 31, 2019</b>		<b>December 31, 2019</b>	
	Million yen	%	Million yen	%
Loans and bills discounted	¥ 25,045	0.09	¥ 21,383	0.08
Securities	0	0.00	10	0.00
Beneficiary rights	26,045,484	93.51	26,599,059	94.12
Securities held in custody account	18,279	0.07	18,121	0.06
Monetary claims	181,518	0.65	148,174	0.52
Tangible fixed assets	359,036	1.29	358,379	1.27
Intangible fixed assets	2,879	0.01	2,876	0.01
Other claims	6,059	0.02	6,106	0.02
Due from banking account	1,155,804	4.15	1,046,149	3.70
Cash and due from banks	58,795	0.21	60,962	0.22
<b>Total assets</b>	<b>¥ 27,852,905</b>	<b>100.00</b>	<b>¥ 28,261,222</b>	<b>100.00</b>

<b>Liabilities</b>				
	<b>March 31, 2019</b>		<b>December 31, 2019</b>	
	Million yen	%	Million yen	%
Money trusts	¥ 11,207,846	40.24	¥ 11,178,311	39.55
Pension trusts	2,496,818	8.96	2,461,835	8.71
Property formation benefit trusts	1,082	0.00	1,098	0.00
Securities investment trusts	13,034,693	46.80	13,438,206	47.55
Money entrusted, other than money trusts	295,308	1.06	394,699	1.40
Securities trusts	18,281	0.07	18,123	0.06
Monetary claims trusts	184,797	0.66	151,603	0.54
Land and fixtures trusts	21,532	0.08	19,070	0.07
Composite trusts	592,543	2.13	598,273	2.12
<b>Total liabilities</b>	<b>¥ 27,852,905</b>	<b>100.00</b>	<b>¥ 28,261,222</b>	<b>100.00</b>

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 FY2019

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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.

[Total of group banks under Resona Holdings (Resona HD)]

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

[Total of banks under Kansai Mirai Financial Group (KMFG)]

Sum of non-consolidated figures for Kansai Mirai Bank and Minato Bank

Note: Kansai Urban Banking Corporation and Kinki Osaka Bank merged on April 1, 2019 and became Kansai Mirai Bank



## 1. Statements of income

(1)Resona Holdings (Consolidated)

(Millions of yen)

		1-3Q FY 2019	Change	1-3Q FY 2018
<b>Ordinary income</b>	<b>1</b>	<b>624,965</b>	<b>(15,059)</b>	<b>640,025</b>
Gross operating profit	2	478,263	8,811	469,452
Interest income	3	318,277	(6,926)	325,203
Trust fees (after disposal of problem loans in the trust account)	4	14,072	(340)	14,413
<Disposal of problem loans in the trust account>	5	10	(20)	30
Fees and commissions	6	122,730	(4,770)	127,501
Trading income	7	2,294	(1,702)	3,997
Other operating income	8	20,886	22,550	(1,663)
Expenses(excluding non-recurring items)	9	(311,595)	2,809	(314,404)
Personnel expenses	10	(151,920)	2,648	(154,568)
Non-personnel expenses	11	(136,551)	1,353	(137,904)
Taxes	12	(23,123)	(1,192)	(21,930)
Actual net operating profit (2-5+9+19)	13	167,082	10,017	157,064
Provision to general reserve for possible loan losses	14	252	252	-
Other gains/(losses), net	15	(13,074)	(12,234)	(840)
Net gains/(losses) on stocks	16	11,619	6,435	5,184
Disposal of problem loans	17	(22,187)	(7,979)	(14,207)
Reversal of credit expenses	18	9,266	(17,638)	26,905
Equity in earnings of investments in affiliates	19	424	(1,622)	2,047
<b>Ordinary profit</b>	<b>20</b>	<b>153,845</b>	<b>(361)</b>	<b>154,207</b>
Extraordinary gains	21	2,112	(37,788)	39,900
Extraordinary losses	22	(2,892)	52	(2,945)
Income before income taxes	23	153,065	(38,097)	191,162
Income taxes - current	24	(28,326)	(1,002)	(27,324)
Income taxes - deferred	25	(14,303)	911	(15,215)
Net income	26	110,434	(38,188)	148,623
Net income attributable to non-controlling interests	27	(4,179)	3,317	(7,497)
Kansai Mirai Financial Group	28	(3,179)	4,200	(7,380)
<b>Net income attributable to owners of parent</b>	<b>29</b>	<b>106,255</b>	<b>(34,870)</b>	<b>141,125</b>
<b>Credit expense (5+14+17+18)</b>	<b>30</b>	<b>(12,658)</b>	<b>(25,386)</b>	<b>12,727</b>
Disposal of problem loans in the trust account	31	10	(20)	30
Provision to general reserve for possible loan losses	32	252	(20,236)	20,489
Write-off of loans	33	(13,773)	(542)	(13,230)
Provision to specific reserve for possible loan losses	34	(5,196)	(4,476)	(720)
Provision to special reserve for certain overseas loans	35	(1)	(0)	(0)
Other disposal of problem loans	36	(3,216)	(2,239)	(976)
Gains on recoveries of written-off loans	37	9,266	2,129	7,136

○ ROE

(%)

	1-3Q FY 2019	Change	1-3Q FY 2018
ROE based on net income attributable to owners of parent	8.36	(3.36)	11.72

Note:

$$\text{ROE} = \frac{(\text{Net income attributable to owners of parent (3Q)}) \times 365/275}{(\text{Total stockholders' equity at beginning of period} + \text{Total stockholders' equity at end of period})/2}$$

(2) Total of group banks under Resona HD, Non-consolidated figures of each bank

(Millions of yen)

		Total of group banks under Resona HD [Non-consolidated]			Resona Bank		
		1-3Q		1-3Q	1-3Q		1-3Q
		FY 2019	Change	FY 2018	FY 2019	Change	FY 2018
Gross operating profit (2+5+7+8+9)	1	437,300	8,995	428,305	250,795	8,919	241,876
Interest income	2	313,593	(8,000)	321,593	168,694	(698)	169,393
Net interest income from domestic loans and deposits	3	258,255	(8,345)	266,601	130,683	(3,837)	134,520
Gains/(losses) on cancellation of investment trusts	4	2,252	1,167	1,085	(385)	338	(723)
Trust fees (after disposal of problem loans in trust account)	5	14,073	(340)	14,414	14,073	(340)	14,414
<Disposal of problem loans in the trust account>	6	10	(20)	30	10	(20)	30
Fees and commissions	7	87,516	(5,099)	92,615	55,223	(2,371)	57,595
Trading income	8	2,218	(1,748)	3,966	2,218	(1,748)	3,966
Other operating income	9	19,899	24,183	(4,284)	10,585	14,078	(3,492)
Net gains/(losses) on bonds	10	10,822	20,623	(9,800)	3,568	9,650	(6,081)
Expenses (excluding non-recurring items and amortization of goodwill)	11	(294,427)	3,004	(297,432)	(156,360)	1,329	(157,690)
Personnel expenses	12	(133,588)	2,483	(136,072)	(66,401)	1,767	(68,169)
Non-personnel expenses	13	(138,822)	1,964	(140,786)	(78,060)	742	(78,802)
Taxes	14	(22,016)	(1,443)	(20,573)	(11,898)	(1,180)	(10,718)
<b>Actual net operating profit (1+11-6)</b>	<b>15</b>	<b>142,863</b>	<b>12,020</b>	<b>130,843</b>	<b>94,424</b>	<b>10,268</b>	<b>84,156</b>
Core net operating profit (15-10)	16	132,040	(8,603)	140,644	90,856	618	90,237
Core net operating profit (excluding gains/(losses) on cancellation of investment trusts) (16-4)	17	129,787	(9,771)	139,559	91,241	280	90,961
Amortization of goodwill	18	(552)	-	(552)	-	-	-
Provision to general reserve for possible loan losses	19	(3,294)	217	(3,511)	(1,108)	(1,108)	-
Net operating profit (1+11+18+19)	20	139,026	12,217	126,809	93,326	9,140	84,186
Other gains/(losses), net	21	(2,234)	(6,439)	4,204	991	(5,239)	6,230
Net gains/(losses) on stocks	22	16,452	8,513	7,939	6,625	1,017	5,607
Gains on sale	23	20,528	208	20,319	9,974	(5,178)	15,152
Losses on sale	24	(3,639)	7,636	(11,275)	(3,054)	5,898	(8,953)
Losses on devaluation	25	(436)	668	(1,104)	(294)	297	(592)
Disposal of problem loans	26	(14,826)	(5,415)	(9,410)	(8,588)	(502)	(8,086)
Reversal of credit expenses	27	8,028	(17,491)	25,520	4,087	(16,027)	20,114
Other	28	(11,889)	7,954	(19,844)	(1,132)	10,272	(11,404)
<b>Ordinary profit (20+21)</b>	<b>29</b>	<b>136,792</b>	<b>5,778</b>	<b>131,013</b>	<b>94,318</b>	<b>3,901</b>	<b>90,417</b>
Extraordinary gains/(losses), net	30	(385)	2,082	(2,467)	517	2,665	(2,147)
Net gains/(losses) on disposal of fixed assets	31	355	1,027	(672)	851	1,183	(331)
Impairment losses on fixed assets	32	(1,699)	415	(2,114)	(334)	1,482	(1,816)
Other	33	958	639	318	-	-	-
<b>Net Income before income taxes (29+30)</b>	<b>34</b>	<b>136,406</b>	<b>7,860</b>	<b>128,545</b>	<b>94,835</b>	<b>6,566</b>	<b>88,269</b>
Income taxes-current	35	(38,997)	(3,500)	(35,496)	(29,503)	(2,264)	(27,238)
Income taxes-deferred	36	32	640	(607)	2,925	486	2,439
<b>Net income (34+35+36)</b>	<b>37</b>	<b>97,442</b>	<b>5,001</b>	<b>92,441</b>	<b>68,258</b>	<b>4,788</b>	<b>63,469</b>
<b>Credit expense (6+19+26+27)</b>	<b>38</b>	<b>(10,081)</b>	<b>(22,710)</b>	<b>12,628</b>	<b>(5,598)</b>	<b>(17,657)</b>	<b>12,058</b>
Disposal of problem loans in the trust account	39	10	(20)	30	10	(20)	30
Provision to general reserve for possible loan losses	40	(1,784)	(15,450)	13,666	(1,108)	(16,644)	15,536
Write-off of loans	41	(10,574)	(414)	(10,160)	(5,962)	1,592	(7,554)
Provision to specific reserve for possible loan losses	42	(2,075)	(4,990)	2,914	(2,169)	(896)	(1,272)
Provision to special reserve for certain overseas loans	43	(1)	(0)	(0)	(1)	(0)	(0)
Other disposal of problem loans	44	(3,210)	(2,338)	(872)	(455)	76	(531)
Gains on recoveries of written-off claims	45	7,554	504	7,050	4,087	(1,764)	5,851

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

○ Interest rate spreads (domestic operations)

(%)

	Total of group banks under Resona HD [Non-consolidated]			Resona Bank		
	1-3Q		1-3Q	1-3Q		1-3Q
	FY 2019	Change	FY 2018	FY 2019	Change	FY 2018
Average interest rate of loans and bills discounted (A)	0.99	(0.04)	1.03	0.92	(0.03)	0.96
Average interest rate of deposits and negotiable CDs (B)	0.01	(0.00)	0.01	0.00	0.00	0.00
Loan-to-deposit spread (A) - (B)	0.97	(0.04)	1.02	0.91	(0.03)	0.95

(Millions of yen)

		Saitama Resona Bank			Total of banks under KMFG		
		1-3Q		1-3Q	1-3Q		1-3Q
		FY 2019	Change	FY 2018	FY 2019	Change	FY 2018
Gross operating profit (2+5+7+8+9)	1	85,830	2,369	83,460	100,675	(2,293)	102,968
Interest income	2	63,535	(3,318)	66,853	81,362	(3,983)	85,346
Net interest income from domestic loans and deposits	3	54,078	(2,508)	56,586	73,493	(2,000)	75,493
Gains/(losses) on cancellation of investment trusts	4	230	193	37	2,408	636	1,771
Trust fees (after disposal of problem loans in trust account) <Disposal of problem loans in the trust account>	5	-	-	-	-	-	-
Fees and commissions	7	17,757	(541)	18,299	14,534	(2,186)	16,721
Trading income	8	-	-	-	-	-	-
Other operating income	9	4,536	6,229	(1,692)	4,777	3,876	900
Net gains/(losses) on bonds	10	4,215	7,220	(3,004)	3,038	3,753	(715)
Expenses (excluding non-recurring items and amortization of goodwill)	11	(54,935)	720	(55,655)	(83,130)	955	(84,086)
Personnel expenses	12	(23,717)	303	(24,020)	(43,469)	412	(43,882)
Non-personnel expenses	13	(27,032)	298	(27,330)	(33,729)	924	(34,653)
Taxes	14	(4,185)	118	(4,304)	(5,931)	(381)	(5,550)
<b>Actual net operating profit (1+11-6)</b>	<b>15</b>	<b>30,894</b>	<b>3,089</b>	<b>27,804</b>	<b>17,544</b>	<b>(1,337)</b>	<b>18,882</b>
Core net operating profit (15-10)	16	26,678	(4,130)	30,808	14,506	(5,091)	19,597
Core net operating profit (excluding gains/(losses) on cancellation of investment trusts) (16-4)	17	26,447	(4,323)	30,771	12,097	(5,727)	17,825
Amortization of goodwill	18	-	-	-	(552)	-	(552)
Provision to general reserve for possible loan losses	19	(1,997)	(1,997)	-	(189)	3,322	(3,511)
Net operating profit (1+11+18+19)	20	28,897	1,092	27,804	16,802	1,984	14,818
Other gains/(losses), net	21	2,752	5,818	(3,065)	(5,978)	(7,018)	1,039
Net gains/(losses) on stocks	22	4,792	5,637	(844)	5,034	1,858	3,176
Gains on sale	23	4,922	3,185	1,737	5,631	2,202	3,428
Losses on sale	24	(130)	1,998	(2,128)	(455)	(260)	(194)
Losses on devaluation	25	(0)	454	(454)	(141)	(83)	(58)
Disposal of problem loans	26	(2,181)	(490)	(1,690)	(4,056)	(4,422)	366
Reversal of credit expenses	27	2,473	(194)	2,668	1,467	(1,270)	2,738
Other	28	(2,332)	865	(3,198)	(8,424)	(3,183)	(5,241)
<b>Ordinary profit (20+21)</b>	<b>29</b>	<b>31,649</b>	<b>6,910</b>	<b>24,738</b>	<b>10,824</b>	<b>(5,034)</b>	<b>15,858</b>
Extraordinary gains/(losses), net	30	11	441	(430)	(914)	(1,024)	110
Net gains/(losses) on disposal of fixed assets	31	284	454	(170)	(780)	(609)	(170)
Impairment losses on fixed assets	32	(272)	(12)	(260)	(1,092)	(1,054)	(37)
Other	33	-	-	-	958	639	318
<b>Net Income before income taxes (29+30)</b>	<b>34</b>	<b>31,660</b>	<b>7,352</b>	<b>24,308</b>	<b>9,909</b>	<b>(6,058)</b>	<b>15,968</b>
Income taxes-current	35	(7,802)	(1,297)	(6,505)	(1,691)	61	(1,753)
Income taxes-deferred	36	(1,550)	(440)	(1,110)	(1,342)	594	(1,936)
<b>Net income (34+35+36)</b>	<b>37</b>	<b>22,308</b>	<b>5,615</b>	<b>16,693</b>	<b>6,875</b>	<b>(5,402)</b>	<b>12,278</b>
<b>Credit expense (6+19+26+27)</b>	<b>38</b>	<b>(1,704)</b>	<b>(2,681)</b>	<b>977</b>	<b>(2,777)</b>	<b>(2,370)</b>	<b>(406)</b>
Disposal of problem loans in the trust account	39	-	-	-	-	-	-
Provision to general reserve for possible loan losses	40	(1,997)	(3,659)	1,662	1,321	4,852	(3,531)
Write-off of loans	41	(1,175)	750	(1,926)	(3,437)	(2,757)	(679)
Provision to specific reserve for possible loan losses	42	1,159	1,024	134	(1,065)	(5,118)	4,052
Provision to special reserve for certain overseas loans	43	-	-	-	-	-	-
Other disposal of problem loans	44	(2,165)	(2,400)	235	(589)	(13)	(576)
Gains on recoveries of written-off claims	45	2,473	1,602	871	993	665	327

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

○ Interest rate spreads (domestic operations)

(%)

	Saitama Resona Bank			Total of banks under KMFG		
	1-3Q		1-3Q	1-3Q		1-3Q
	FY 2019	Change	FY 2018	FY 2019	Change	FY 2018
Average interest rate of loans and bills discounted (A)	1.00	(0.05)	1.05	1.13	(0.06)	1.19
Average interest rate of deposits and negotiable CDs (B)	0.00	0.00	0.00	0.03	(0.00)	0.04
Loan-to-deposit spread (A) - (B)	0.99	(0.06)	1.05	1.09	(0.05)	1.14

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

(Millions of yen, %)

<Total of group banks under Resona HD>		End of Dec.			End of Mar.	End of Dec.
		2019 (A)	(A)-(B)	(A)-(C)	2019 (B)	2018 (C)
	Unrecoverable or valueless claims	66,259	(4,772)	(5,608)	71,031	71,868
	Risk claims	273,320	(7,539)	(2,679)	280,860	275,999
	Special attention loans	74,633	(15,740)	(5,335)	90,374	79,969
	Financial Reconstruction Act subtotal [A]	414,214	(28,052)	(13,623)	442,266	427,837
	Normal claims	36,602,806	(186,872)	237,262	36,789,679	36,365,543
	Financial Reconstruction Act total [B]	37,017,020	(214,925)	223,639	37,231,946	36,793,381
	Partial direct write-offs	177,693	3,112	(8,901)	174,580	186,594
	NPL Ratio [A] / [B]	1.11	(0.06)	(0.04)	1.18	1.16

### <Resona Bank>

	Unrecoverable or valueless claims	18,372	(1,501)	(1,688)	19,874	20,061
	Risk claims	115,049	4,483	7,347	110,565	107,702
	Special attention loans	34,935	(11,417)	(9,817)	46,352	44,752
	Financial Reconstruction Act subtotal [A]	168,358	(8,434)	(4,158)	176,793	172,517
	Normal claims	20,153,407	(202,328)	147,571	20,355,735	20,005,836
	Financial Reconstruction Act total [B]	20,321,766	(210,763)	143,412	20,532,529	20,178,353
	Partial direct write-offs	83,651	1,342	(5,490)	82,309	89,142
	NPL Ratio [A] / [B]	0.82	(0.03)	(0.02)	0.86	0.85

### <Saitama Resona Bank>

	Unrecoverable or valueless claims	15,790	(1,299)	(2,149)	17,090	17,939
	Risk claims	58,114	(4,203)	(5,157)	62,318	63,271
	Special attention loans	14,732	(4,764)	3,414	19,496	11,317
	Financial Reconstruction Act subtotal [A]	88,637	(10,268)	(3,891)	98,905	92,528
	Normal claims	7,355,297	46,094	102,672	7,309,202	7,252,624
	Financial Reconstruction Act total [B]	7,443,934	35,826	98,781	7,408,108	7,345,153
	Partial direct write-offs	13,960	(2,178)	(4,696)	16,138	18,656
	NPL Ratio [A] / [B]	1.19	(0.14)	(0.06)	1.33	1.25

### <Total of banks under KMFG>

	Unrecoverable or valueless claims	32,095	(1,970)	(1,771)	34,066	33,867
	Risk claims	100,156	(7,819)	(4,869)	107,976	105,025
	Special attention loans	24,965	441	1,067	24,524	23,898
	Financial Reconstruction Act subtotal [A]	157,218	(9,349)	(5,573)	166,568	162,791
	Normal claims	9,094,101	(30,639)	(12,981)	9,124,740	9,107,082
	Financial Reconstruction Act total [B]	9,251,320	(39,988)	(18,554)	9,291,308	9,269,874
	Partial direct write-offs	80,081	3,948	1,286	76,133	78,795
	NPL Ratio [A] / [B]	1.69	(0.09)	(0.05)	1.79	1.75

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

(Millions of yen)

<Consolidated>	B/S Amount (End of Dec. 2019)	Change from End of Mar. 2019	Unrealized gains/(losses)			Change from End of Mar. 2019
			(End of Dec. 2019)	Gain	Loss	
Bonds held to maturity	1,963,033	(164,429)	33,932	34,637	(705)	(13,205)
Available-for-sale securities	3,869,595	697,057	627,909	644,781	(16,872)	50,635
Stocks	976,760	35,129	614,138	618,776	(4,638)	48,768
Bonds	1,686,414	491,647	(718)	5,057	(5,776)	(6,560)
JGB	483,934	437,246	(4,070)	116	(4,186)	(4,320)
Other	1,206,421	170,280	14,489	20,947	(6,458)	8,427

Notes: 1. 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."

2. The presented figures only include marketable securities.

(Millions of yen)

<Total of group banks under Resona HD>	B/S Amount (End of Dec. 2019)	Change from End of Mar. 2019	Unrealized gains/(losses)			Change from End of Mar. 2019
			(End of Dec. 2019)	Gain	Loss	
Bonds held to maturity	1,963,033	(164,429)	33,933	34,638	(705)	(13,205)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	3,856,636	691,660	643,371	657,382	(14,011)	44,986
Stocks	975,960	35,013	630,794	632,160	(1,365)	43,706
Bonds	1,686,410	491,647	(321)	5,454	(5,776)	(6,854)
Other	1,194,264	164,999	12,898	19,766	(6,868)	8,133

<Resona Bank>

Bonds held to maturity	993,392	(297,802)	21,768	21,768	-	(8,774)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	2,461,068	537,075	511,682	520,250	(8,567)	44,067
Stocks	772,663	42,691	504,983	505,946	(963)	46,433
Bonds	848,103	362,684	89	3,335	(3,246)	(3,768)
Other	840,301	131,698	6,610	10,968	(4,357)	1,403

<Saitama Resona Bank>

Bonds held to maturity	765,560	136,897	8,113	8,778	(664)	(3,789)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	721,701	293,600	101,460	105,452	(3,991)	1,698
Stocks	160,959	(815)	102,432	102,561	(128)	1,238
Bonds	327,433	223,830	(1,164)	857	(2,021)	(1,837)
Other	233,307	70,584	191	2,033	(1,841)	2,297

<Total of banks under KMFG>

Bonds held to maturity	204,080	(3,524)	4,050	4,091	(40)	(641)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	673,866	(139,015)	30,227	31,680	(1,452)	(779)
Stocks	42,336	(6,862)	23,379	23,653	(273)	(3,964)
Bonds	510,874	(94,868)	752	1,261	(508)	(1,247)
Other	120,655	(37,284)	6,096	6,765	(669)	4,432

Notes: 1. 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."

2. The presented figures only include marketable securities.

#### 4. Balance of deposits and loans

(Millions of yen)

	End of Dec. 2019 (A)	(A)-(B)	(A)-(C)	End of Mar. 2019 (B)	End of Dec. 2018 (C)
<Total of group banks under Resona HD>					
Deposits (Term-end)	52,053,416	839,409	1,798,518	51,214,006	50,254,897
Deposits (Average balance)	51,251,385	1,239,807	1,335,878	50,011,577	49,915,506
Trust principal (Term-end)	1,063,030	(113,621)	60,827	1,176,651	1,002,203
Trust principal (Average balance)	911,461	(17,721)	(27,429)	929,183	938,891
Loans and bills discounted (Term-end)	36,051,058	(231,896)	191,408	36,282,954	35,859,650
Banking account	36,029,675	(228,233)	196,365	36,257,909	35,833,310
Trust account	21,383	(3,662)	(4,956)	25,045	26,339
Loans and bills discounted (Average balance)	35,912,128	418,155	517,107	35,493,973	35,395,020
Banking account	35,889,023	422,598	522,160	35,466,425	35,366,863
Trust account	23,105	(4,443)	(5,052)	27,548	28,157

#### <Resona Bank>

Deposits (Term-end)	27,538,356	641,367	1,518,317	26,896,989	26,020,039
Deposits (Average balance)	26,937,350	883,434	939,218	26,053,916	25,998,131
Trust principal (Term-end)	1,063,030	(113,621)	60,827	1,176,651	1,002,203
Trust principal (Average balance)	911,461	(17,721)	(27,429)	929,183	938,891
Loans and bills discounted (Term-end)	19,595,795	(217,516)	124,010	19,813,311	19,471,784
Banking account	19,574,412	(213,853)	128,967	19,788,265	19,445,445
Trust account	21,383	(3,662)	(4,956)	25,045	26,339
Loans and bills discounted (Average balance)	19,540,469	204,147	256,290	19,336,322	19,284,179
Banking account	19,517,364	208,590	261,342	19,308,774	19,256,021
Trust account	23,105	(4,443)	(5,052)	27,548	28,157

#### <Saitama Resona Bank>

Deposits (Term-end)	13,881,278	279,868	598,647	13,601,410	13,282,630
Deposits (Average balance)	13,669,228	484,596	515,587	13,184,631	13,153,641
Loans and bills discounted (Term-end)	7,327,526	11,717	72,249	7,315,809	7,255,277
Loans and bills discounted (Average balance)	7,308,626	100,676	109,767	7,207,949	7,198,858

#### <Total of banks under KMFG>

Deposits (Term-end)	10,633,780	(81,826)	(318,446)	10,715,607	10,952,226
Deposits (Average balance)	10,644,806	(128,223)	(118,927)	10,773,030	10,763,734
Loans and bills discounted (Term-end)	9,127,736	(26,096)	(4,851)	9,153,833	9,132,588
Loans and bills discounted (Average balance)	9,063,032	113,330	151,049	8,949,701	8,911,982

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

<Total of group banks under Resona HD>	End of Dec. 2019 (A)	(A)-(B)	(A)-(C)	End of Mar. 2019 (B)	End of Dec. 2018 (C)
Domestic individual deposits (Term-end)	33,538,893	1,098,225	884,872	32,440,667	32,654,020
Liquid deposits	23,298,732	1,319,741	1,254,883	21,978,990	22,043,848
Time deposits	10,029,366	(198,705)	(348,242)	10,228,071	10,377,609
Domestic corporate deposits (Term-end)	15,347,893	26,255	729,497	15,321,637	14,618,395
Liquid deposits	11,648,357	52,594	757,818	11,595,762	10,890,539
Time deposits	3,197,568	(128,099)	(58,603)	3,325,667	3,256,171

<Resona Bank>

Domestic individual deposits (Term-end)	14,829,469	543,898	515,876	14,285,570	14,313,592
Liquid deposits	11,028,442	605,136	611,838	10,423,305	10,416,603
Time deposits	3,646,696	(35,261)	(68,759)	3,681,957	3,715,455
Domestic corporate deposits (Term-end)	10,373,521	68,888	684,624	10,304,632	9,688,896
Liquid deposits	8,218,053	15,426	658,241	8,202,627	7,559,812
Time deposits	1,748,849	(9,287)	16,697	1,758,137	1,732,152

<Saitama Resona Bank>

Domestic individual deposits (Term-end)	10,702,638	480,327	411,871	10,222,311	10,290,767
Liquid deposits	7,875,845	484,130	430,610	7,391,714	7,445,235
Time deposits	2,796,914	(5,260)	(20,147)	2,802,174	2,817,061
Domestic corporate deposits (Term-end)	2,559,013	59,715	137,944	2,499,297	2,421,068
Liquid deposits	1,810,445	55,595	72,909	1,754,849	1,737,536
Time deposits	713,419	(9,276)	57,838	722,695	655,580

<Total of banks under KMFG>

Domestic individual deposits (Term-end)	8,006,786	74,000	(42,875)	7,932,785	8,049,661
Liquid deposits	4,394,444	230,474	212,434	4,163,969	4,182,009
Time deposits	3,585,756	(158,183)	(259,336)	3,743,940	3,845,092
Domestic corporate deposits (Term-end)	2,415,358	(102,348)	(93,071)	2,517,707	2,508,430
Liquid deposits	1,619,858	(18,427)	26,667	1,638,285	1,593,190
Time deposits	735,299	(109,535)	(133,139)	844,834	868,438

Notes: 1. Figures are based on the reports submitted to Bank of Japan. (excluding overseas loans and loans in Japan offshore banking account)

2. Liquid deposits = current deposits + ordinary deposits + saving deposits + deposits at notice

3. Time deposits = time deposits + installment savings

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

<Total of group banks under Resona HD>	End of Dec. 2019 (A)	(A)-(B)	(A)-(C)	End of Mar. 2019 (B)	End of Dec. 2018 (C)
Investment trust (Including fund wrap)	2,352,307	129,815	264,885	2,222,492	2,087,422
Public bond	299,891	(30,363)	(40,147)	330,255	340,038
Insurance	2,582,071	42,246	69,734	2,539,824	2,512,336

<Resona Bank>

Investment trust (Including fund wrap)	1,091,503	60,079	123,268	1,031,423	968,234
Public bond	108,214	(9,865)	(12,808)	118,079	121,022
Insurance	993,888	4,686	24,669	989,201	969,218

<Saitama Resona Bank>

Investment trust (Including fund wrap)	561,875	34,315	65,219	527,560	496,656
Public bond	181,535	(18,494)	(24,528)	200,030	206,064
Insurance	741,535	(2,209)	(726)	743,745	742,262

<Total of banks under KMFG>

Investment trust (Including fund wrap)	698,928	35,419	76,397	663,508	622,530
Public bond	10,141	(2,003)	(2,809)	12,145	12,951
Insurance	846,647	39,769	45,791	806,878	800,856

Notes: 1. Investment trust: based on market prices at each period-end

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

3. Insurance: based on insurance premiums paid (yen equivalent)