

# **Financial Highlights for the Third Quarter of Fiscal Year 2023**



**Resona Holdings**

**February 13, 2024**

# Outline of Financial Results for the 1-3Q of FY2023

## ■ Net income attributable to owners of parent : JPY114.1 bn

- Down JPY9.6 bn, or 7.7%, YoY
- Progress rate against the full year target\*1 : 76.0%

## ■ Actual net operating profit : JPY155.4 bn, Up JPY25.2 bn, or 19.3%, YoY

**Core income<sup>\*2</sup> (excluding the impact of joint management designated money trust<sup>\*3</sup>) : JPY113.0 bn, Down JPY4.9 bn, YoY**

**Progress rate against the full year target<sup>\*4</sup> : 75.3%**

### ● Gross operating profit : JPY463.8 bn, Up JPY31.0 bn, or 7.1%, YoY

- Net interest income from domestic loans and deposits : Down JPY2.7 bn, YoY

Average loan balance : +3.92%, YoY, Loan rate : down by 4bps, YoY  
[Excluding loans to the Japanese government and others]

Average loan balance : +2.81%, YoY, Loan rate: down by 3bps, YoY

**Both loan balance and loan rate were roughly in line with the plan**

- Fee income : Up JPY1.3 bn, YoY

[Excluding the impact of joint management designated money trust<sup>\*3</sup>]

Fee income : Down JPY0.8 bn, YoY

**Fee income was in line with the plan. Increased in settlement related, etc.**

- Net gains on bonds (including futures) : Up JPY36.8 bn, YoY

**Increased due to a reaction to the measures taken in the previous year to restore soundness**

### ● Operating expenses : JPY308.8 bn, increased by JPY5.9 bn, YoY

**Cost income ratio : 66.5%, down 3.4%, YoY**

## ■ Credit related expenses : JPY22.1 bn (cost), increased by JPY21.4 bn, YoY

**58.4% against the full year budget of JPY38.0 bn**

## ■ Strengthening the capital and business alliance with Digital Garage (Dec. '23)

HD consolidated (JPY bn)	FY2023 1-3Q	YoY change		Progress rate vs. Target*1
	(a)	(b)	(c) %	
<b>Net income attributable to owners of parent</b>	(1) <b>114.1</b>	<b>(9.6)</b>	<b>(7.7)%</b>	<b>76.0%</b>
EPS (yen)	(2) 48.57	(3.38)	(6.5)%	
BPS (yen)	(3) 1,130.13	+108.38	+10.6%	
Gross operating profit	(4) 463.8	+31.0	+7.1%	
Net interest income	(5) 305.9	(5.7)		
Nil from loans and deposits <sup>*5</sup>	(6) 248.4	(2.7)		
Interest on yen bonds, etc. <sup>*6</sup>	(7) 22.8	+4.6		
Interest on borrowings from trust account	(8) (3.5)	*7 (2.2)		
Fee income	(9) 152.8	+1.3		
Fee income ratio	(10) 32.9%	(2.0)%		
Trust fees	(11) 19.0	+2.9		
Joint management designated money trust	(12) 3.7	*7 +2.2		
Fees and commission income	(13) 133.8	(1.5)		
Other operating income	(14) 4.9	+35.4		
Net gains on bonds (including futures)	(15) (7.2)	+36.8		
Operating expenses (excluding group banks' non-recurring items)	(16) (308.8)	(5.9)	(1.9)%	
Cost income ratio (OHR)	(17) 66.5%	(3.4)%		
<b>Actual net operating profit</b>	(18) <b>155.4</b>	<b>+25.2</b>	<b>+19.3%</b>	
<b>Core income<sup>*2</sup></b>	(19) <b>115.2</b>	<b>(2.7)</b>	<b>(2.3)%</b>	
Net gains on stocks (including equity derivatives)	(20) 34.0	(14.3)		
Credit related expenses, net	(21) (22.1)	(21.4)		
Other gains, net	(22) (8.5)	(4.3)		
<b>Net income before income taxes and non-controlling interests</b>	(23) <b>158.6</b>	<b>(14.8)</b>	<b>(8.5)%</b>	
Income taxes and other	(24) (44.4)	+4.3		
Net income attributable to non-controlling interests	(25) (0.0)	+0.9		

\*1. Full year target of FY2023: JPY150.0 bn \*2. Net interest income from domestic loans and deposits + Interest on yen bonds, etc. + Fee income + Operating expenses

\*3. Increase in trust fees (joint management designated money trust) compared to the 1-3Q of FY2022 (up JPY2.2 bn)

\*4. Full year core income target of FY2023: JPY150.0 bn (announced in Nov. '23) \*5. Total of non-consolidated domestic banking accounts of group banks, deposits include NCDs

\*6. Interest on yen bonds and income from interest rate swaps

\*7. Due to the increase in interest on borrowings from trust account (RB) (down JPY2.2 bn, YoY), trust fees (joint management designated money trust) (RB) increased by the same amount (up JPY2.2 bn, YoY) (no impact on gross operating profit)

# Review of the 1-3Q of FY2023

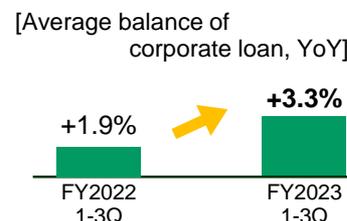
## Solid operating results for the third quarter

- Net income attributable to owners of parent : Progress rate against the full year target 76.0%
- Core income (excluding the impact of joint management designated money trust) : Progress rate against the full year target 75.3%
  - 1-2Q of FY2023 : Down JPY7.9 bn, YoY ⇒ 3Q of FY2023 : Up JPY3.0 bn, YoY (Note)
  - (Note) NII from domestic loans and deposits : +JPY0.0 bn, Interest on yen bonds, etc. : +JPY2.0 bn, Fee income : +JPY3.9 bn, Operating expenses : JPY(2.9) bn

## Business development in anticipation of monetary policy change in Japan

## Offering variety solutions

- Average loan balance [excluding loans to the Japanese government and others] : +2.81%, YoY
  - Balance of funds extended to support capital expenditure\*1 : JPY2.97 tn, +3.2%, YoY
  - Corporate solution income : JPY17.6 bn, +6.2%, YoY
- Interest on yen bonds, etc. : JPY22.8 bn, +25.3%, YoY
- Strengthening and utilizing a deposit base
  - Expansion of number of App DL\*2 : 8.90 million (+24.3%, YoY)  
Of which, external group 1.43 million
  - Settlement related income : JPY56.3 bn, +4.2%, YoY
    - Debit card income : JPY4.2 bn (+17.5%, YoY) Number of debit card issued : 3.11 million
  - Expansion of AUM business : AUM income in the 3Q grew year on year, making a turnaround
    - Number of individual customers having investment trust, fund wrap and insurance products : 988 thousand, +17 thousand, YoY
    - Number of users of funded investment trusts : 221 thousand, +10.2%, YoY
- Succession related income : JPY16.5 bn, +4.8%, YoY



## Progress in inorganic strategy

- Transforming two leasing companies\*3 into our consolidated subsidiaries in January 2024 ⇒ ROIC : 10% level
- Strengthening the capital and business alliance with Digital Garage in December 2023 ⇒ ROIC : Prospected to be 10% level (6th year)

## Expanding shareholder returns

- Share buybacks of approximately JPY25.0 bn (1-3Q of FY2023)  
⇒ Implemented cancellation of the all 34.6 million shares acquired (equivalent to 1.45% of the issued common shares\*4)

# Breakdown of Financial Results

	(JPY bn)	Resona Holdings (Consolidated)		Total of group banks		Resona Bank		Saitama Resona Bank		Total of group banks under KMFG		Difference (a)-(c)
		(a)	YoY (b)	(c)	YoY (d)	(e)	YoY (f)	(g)	YoY (h)	(i)	YoY (j)	
<b>Gross operating profit</b>	(1)	<b>463.8</b>	<b>+31.0</b>	<b>420.9</b>	<b>+30.5</b>	<b>234.2</b>	<b>+21.1</b>	<b>87.6</b>	<b>+8.5</b>	<b>99.1</b>	<b>+0.8</b>	<b>42.8</b>
Net interest income	(2)	305.9	(5.7)	300.2	(6.1)	156.1	(9.5)	61.4	+0.4	82.6	+2.8	5.6
NII from domestic loans and deposits	(3)	248.4	(2.7)	248.4	(2.7)	128.8	(1.5)	49.2	(1.0)	70.3	(0.1)	
Interest on yen bonds, etc.	(4)	22.8	+4.6	22.8	+4.6	13.4	+0.9	5.9	+2.6	3.4	+1.0	
Net gains on cancellation of investment trusts <sup>*1</sup>	(5)	1.7	+1.6	1.7	+1.5	(0.3)	(0.3)	0.1	+0.1	1.9	+1.7	—
Interest on borrowings from trust account	(6)	(3.5)	(2.2)	(3.5)	(2.2)	(3.5)	(2.2)					
Fee income	(7)	152.8	+1.3	116.9	+1.5	77.8	+2.9	22.7	+0.4	16.3	(1.7)	35.9
Fee income ratio	(8)	32.9%	(2.0)%	27.7%	(1.7)%	33.2%	(1.9)%	25.9%	(2.2)%	16.5%	(1.9)%	
Trust fees	(9)	19.0	+2.9	19.1	+2.8	19.0	+2.8	0.0	(0.0)	0.0	+0.0	(0.0)
Joint management designated money trust	(10)	3.7	+2.2	3.7	+2.2	3.7	+2.2					
Fees and commission income	(11)	133.8	(1.5)	97.8	(1.3)	58.7	+0.0	22.6	+0.4	16.3	(1.7)	35.9
Other operating income	(12)	4.9	+35.4	3.7	+35.1	0.2	+27.7	3.4	+7.6	0.0	(0.2)	1.2
Net gains on bonds (including futures) <sup>*1</sup>	(13)	(7.2)	+36.8	(7.2)	+36.7	(7.5)	+28.8	1.7	+7.6	(1.4)	+0.2	0.0
Operating expenses (excluding group banks' non-recurring items)	(14)	(308.8)	(5.9)	(286.4)	(4.2)	(157.7)	(4.0)	(56.5)	(1.3)	*2 (72.1)	+1.0	(22.4)
Cost income ratio (OHR)	(15)	66.5%	(3.4)%	68.0%	(4.2)%	67.3%	(4.7)%	64.5%	(5.2)%	72.7%	(1.7)%	
<b>Actual net operating profit</b>	(16)	<b>155.4</b>	<b>+25.2</b>	<b>134.5</b>	<b>+26.2</b>	<b>76.4</b>	<b>+17.1</b>	<b>31.0</b>	<b>+7.2</b>	<b>26.9</b>	<b>+1.9</b>	<b>20.8</b>
<b>Core income</b>	(17)	<b>115.2</b>	<b>(2.7)</b>	<b>101.7</b>	<b>(0.8)</b>	<b>62.4</b>	<b>(1.7)</b>	<b>21.3</b>	<b>+0.7</b>	<b>17.9</b>	<b>+0.1</b>	<b>13.5</b>
<b>Core net operating profit (excluding gains on cancellation of investment trusts)<sup>*3</sup></b>	(18)			<b>143.3</b>	<b>(10.1)</b>	<b>87.0</b>	<b>(10.2)</b>	<b>29.6</b>	<b>+0.2</b>	<b>26.5</b>	<b>(0.1)</b>	
Net gains on stocks (including equity derivatives)	(19)	34.0	(14.3)	34.4	(14.3)	22.5	(18.7)	11.2	+5.9	0.5	(1.5)	(0.4)
Credit related expenses, net	(20)	(22.1)	(21.4)	(20.0)	(19.2)	(15.9)	(15.6)	(1.8)	(3.1)	(2.2)	(0.4)	(2.1)
Other gains, net	(21)	(8.5)	(4.3)	(8.4)	(4.6)	(4.4)	(2.2)	(2.9)	(1.5)	(1.0)	(0.8)	(0.1)
<b>Net income before income taxes</b>	(22)	<b>158.6</b>	<b>(14.8)</b>	<b>140.5</b>	<b>(12.0)</b>	<b>78.6</b>	<b>(19.5)</b>	<b>37.6</b>	<b>+8.5</b>	<b>24.2</b>	<b>(0.9)</b>	<b>18.1</b>
Income taxes and other	(23)	(44.4)	+4.3	(38.6)	+4.3	(21.8)	+5.1	(11.1)	(2.3)	(5.6)	+1.5	
Net income attributable to non-controlling interests	(24)	(0.0)	+0.9									
<b>Net income (attributable to owners of parent)</b>	(25)	<b>114.1</b>	<b>(9.6)</b>	<b>101.9</b>	<b>(7.6)</b>	<b>56.8</b>	<b>(14.4)</b>	<b>26.4</b>	<b>+6.1</b>	<b>18.5</b>	<b>+0.5</b>	

\*1. Losses on cancellation of investment trusts are posted in the net gains on bonds since net of the losses and dividends from investment trusts become negative  
1-3Q of FY'22 (RB/SR): Losses on cancellation of investment trusts: JPY(3.9) bn, dividends from investment trusts: + JPY1.2 bn → net amount: JPY(2.6) bn

\*2. Exclude goodwill amortization by KMB, JPY(0.5) bn, related to acquisition of former Biwako Bank

\*3. Actual net operating profit - Gains on cancellation of investment trusts - Net gains on bonds

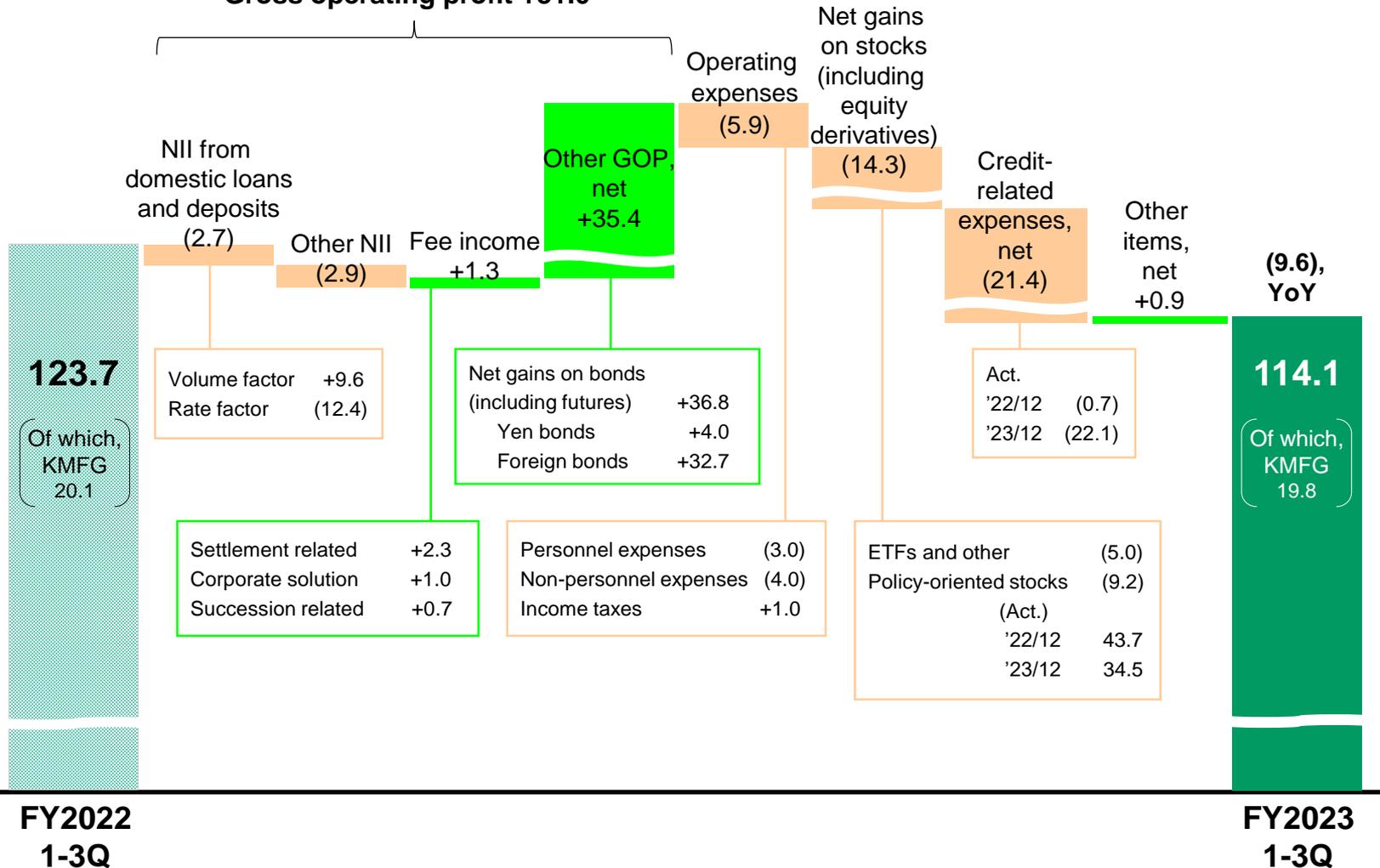
# Factors for the Changes in Net Income Attributable to Owners of Parent (YoY Comparison)

HD Consolidated

(JPY bn)

Actual net operating profit +25.2

Gross operating profit +31.0



# Trend of Loans and Deposits (Domestic Account)

Total of Group Banks

## Average loan / deposit balance, rates and spread

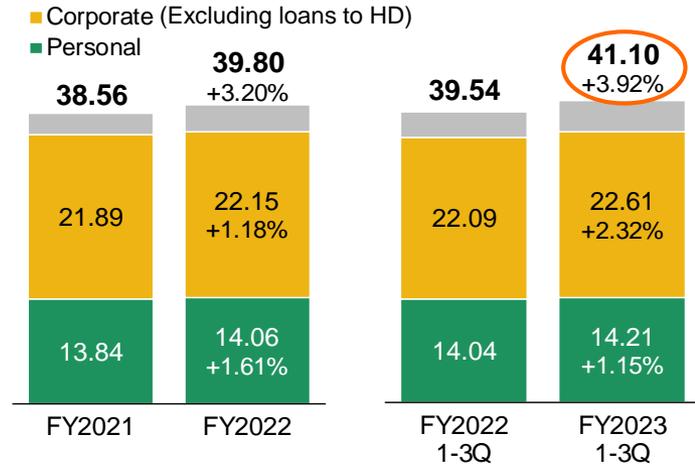
### 1-3Q of FY'23 (YoY)

**Average loan balance : +3.92%, Loan rate : (4) bps**  
**[Excluding loans to the Japanese government and others]**  
**Average loan balance : +2.81%, Loan rate : (3) bps**  
 => Full year (Plan) +2.84% (2) bps

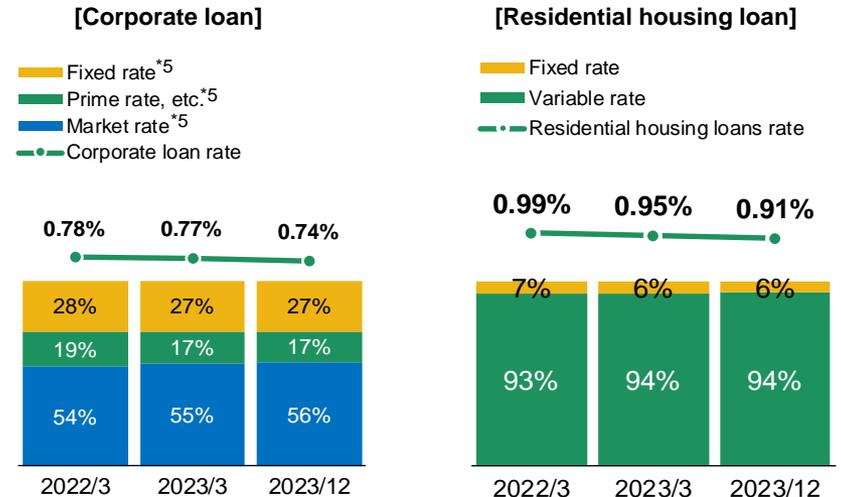
Avg. bal : Trillion Yen Income/Cost : Billion Yen		1-3Q		FY2023	
		Act. (a)	YoY <sup>3</sup> (b)	Plan <sup>4</sup> (c)	YoY <sup>3</sup> (d)
Loans	Avg. Bal. (1)	41.10	+3.92%	41.25	+3.65%
	Rate (2)	0.80%	(0.04)%	0.81%	(0.03)%
	Income (3)	250.5	(3.2)	335.8	(1.6)
Corporate banking business unit <sup>1</sup>	Avg. Bal. (4)	22.61	+2.32%	22.80	+2.92%
	Rate (5)	0.78%	(0.02)%	0.79%	(0.02)%
Corporate Loan	Avg. Bal. (6)	19.45	+3.36%	19.64	+3.94%
	Rate (7)	0.74%	(0.02)%	0.75%	(0.01)%
Personal banking business unit <sup>2</sup>	Avg. Bal. (8)	14.21	+1.15%	14.27	+1.48%
	Rate (9)	1.03%	(0.03)%	1.03%	(0.03)%
Deposits (Including NCDs)	Avg. Bal. (10)	62.33	+2.16%	62.42	+2.25%
	Rate (11)	0.00%	(0.00)%	0.00%	+0.00%
	Cost (12)	(2.1)	+0.4	(3.4)	(0.1)
Loan-to-deposit	Spread (13)	0.80%	(0.04)%	0.80%	(0.03)%
	Net interest income (14)	248.4	(2.7)	332.4	(1.7)

## Trend of average loan balance

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



## Loan rate on a stock basis and composition by interest rate type



\*1. Corporate Banking Business Unit : Corporate loans (excluding loans to HD) + apartment loans, Figures are for internal administration purpose

\*2. Personal Banking Business Unit: Residential housing loans + other consumer loans, Figures are for internal administration purpose \*3. Average balance : rate of change

\*4. Revised plan (announced in Nov. '23) \*5. Corporate banking business unit (excluding apartment loans) + public corporation, etc.

# Term-end Balance of Loans and Deposits

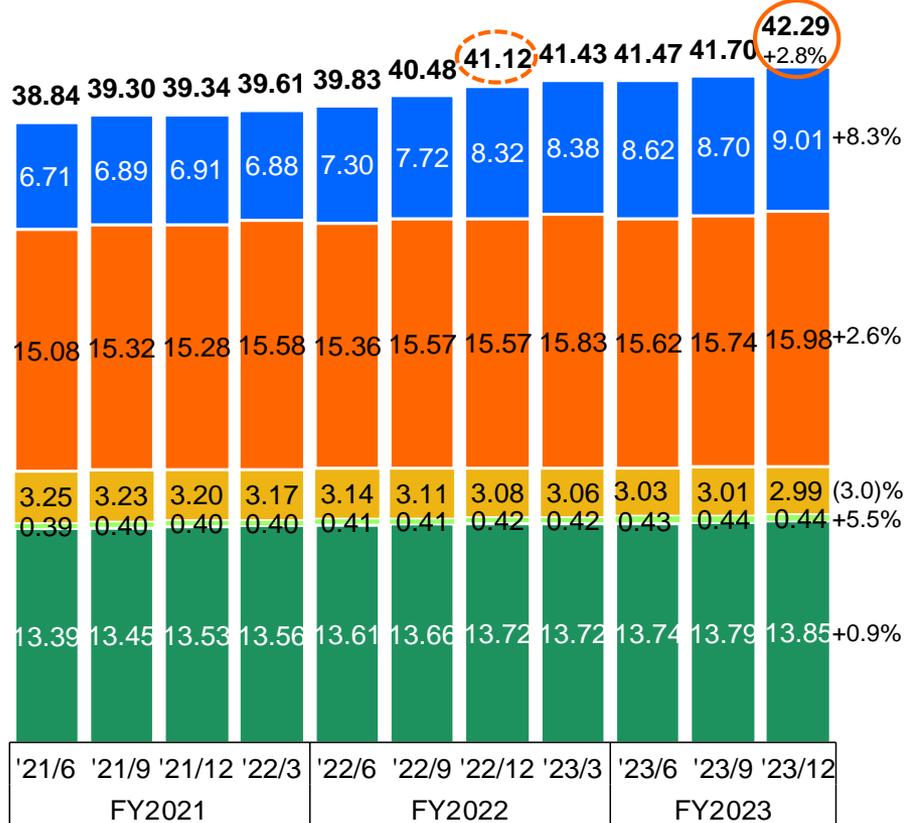
Total of Group Banks

## Term-end loan balance

[ JPY tn, % represents YoY change ]

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

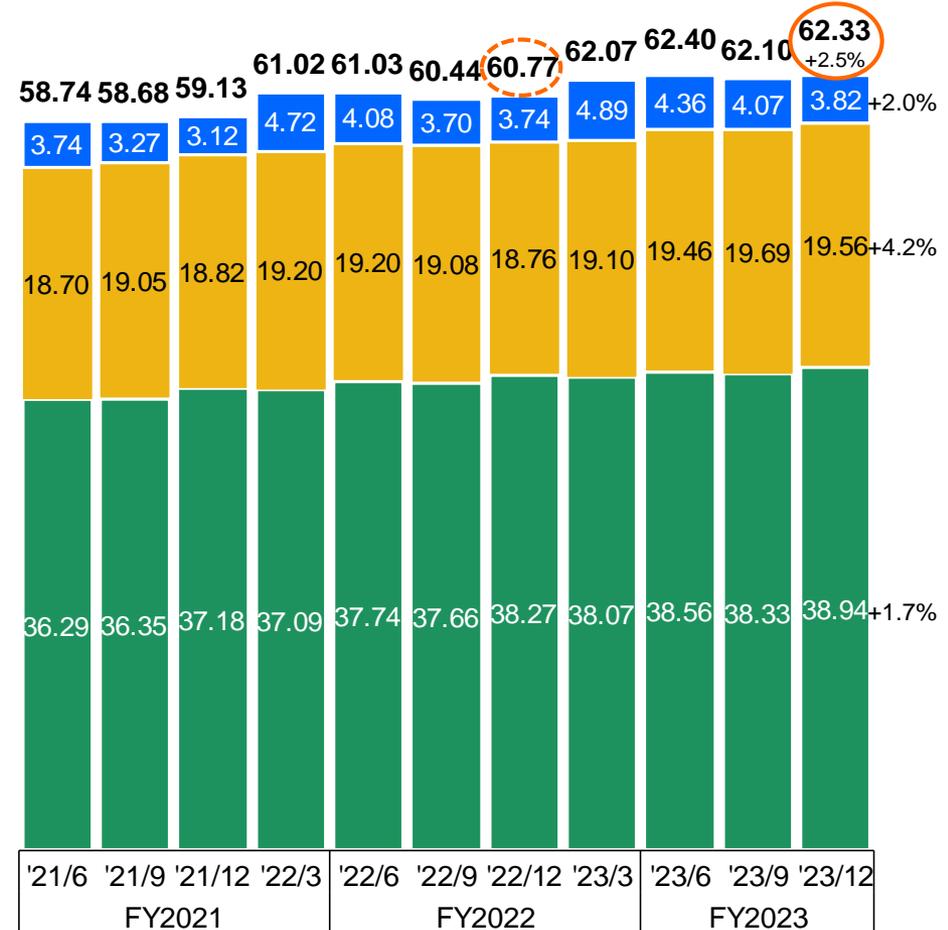
Of which, excluding loans to the Japanese gov. and others [2.24 tn] +3.0%



## Term-end deposit balance

[ JPY tn, % represents YoY change ]

- Other
- Corporate
- Personal



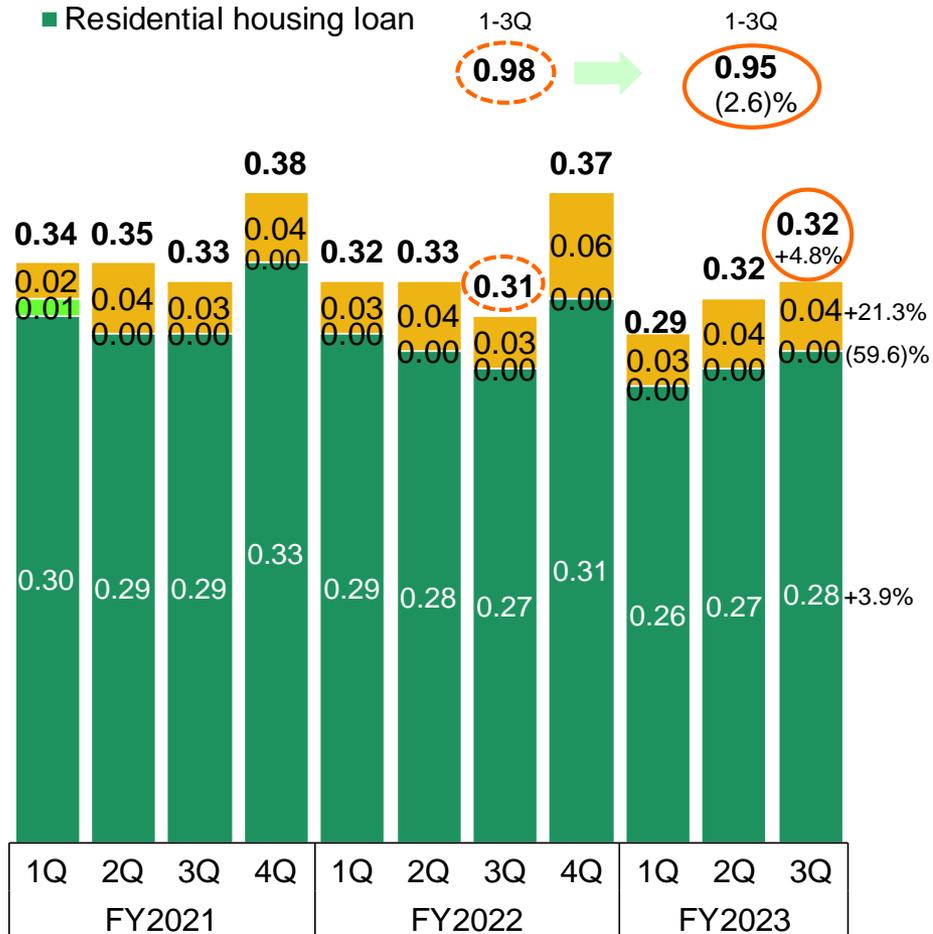
# Housing Loan Business

Total of Group Banks

## New housing loan origination

[ JPY tn, % represents YoY change ]

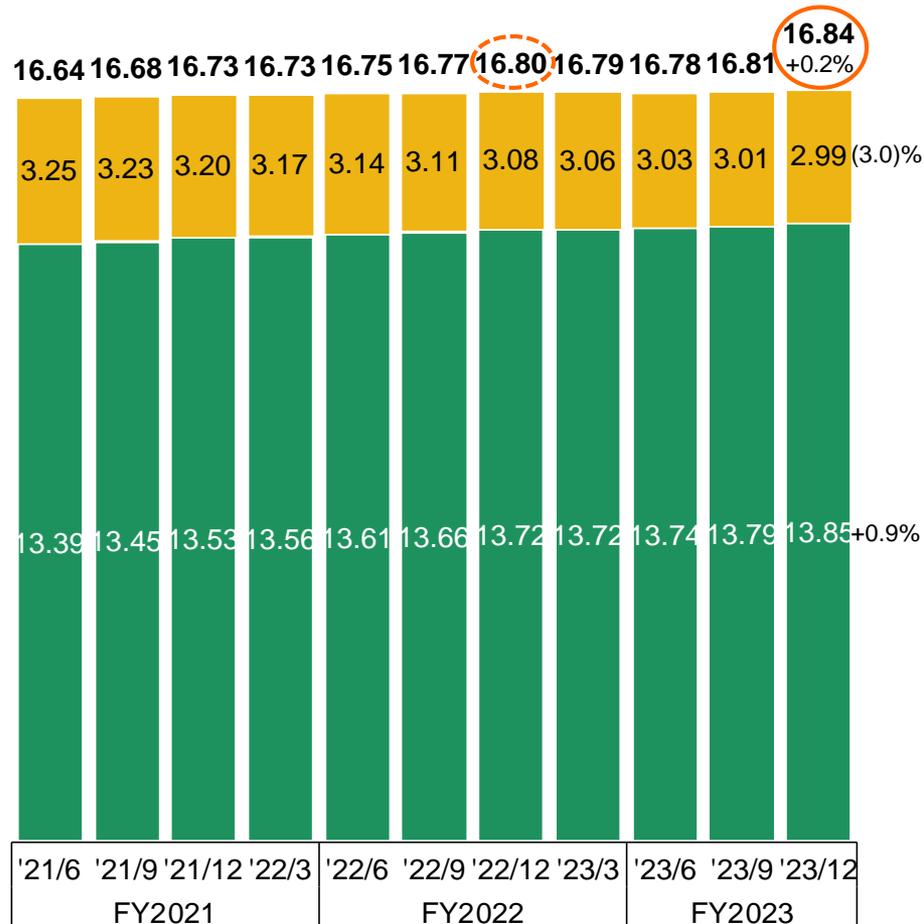
- Apartment loan
- Flat 35
- Residential housing loan



## Term-end housing loan balance

[ JPY tn, % represents YoY change ]

- Apartment loan
- Residential housing loan



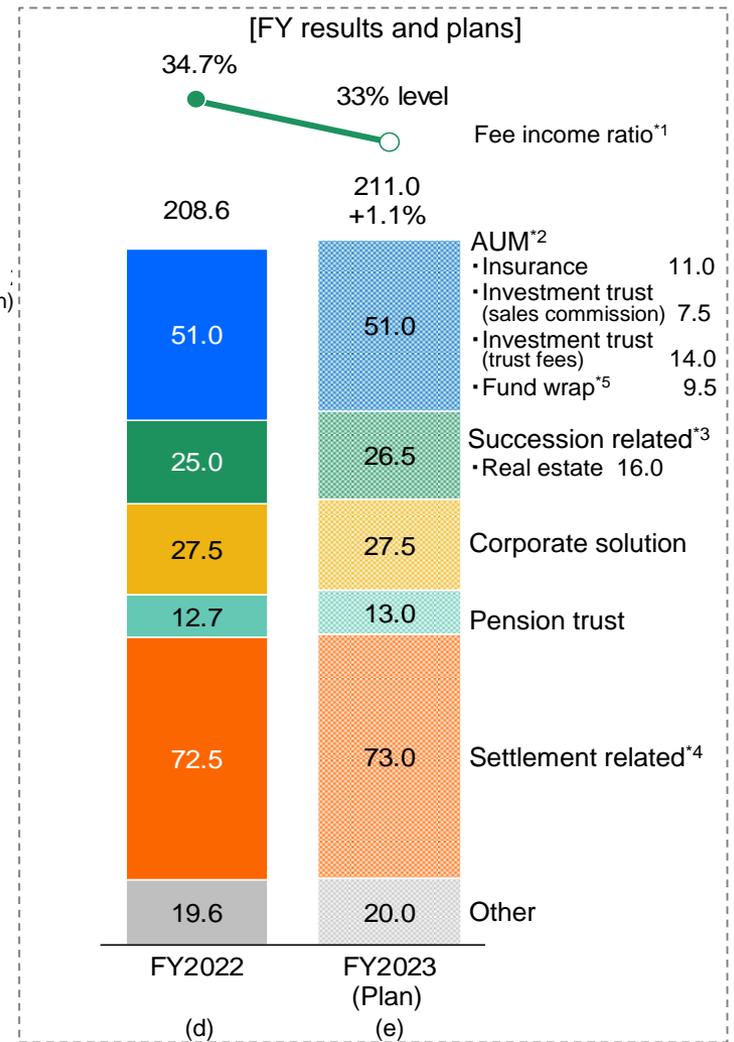
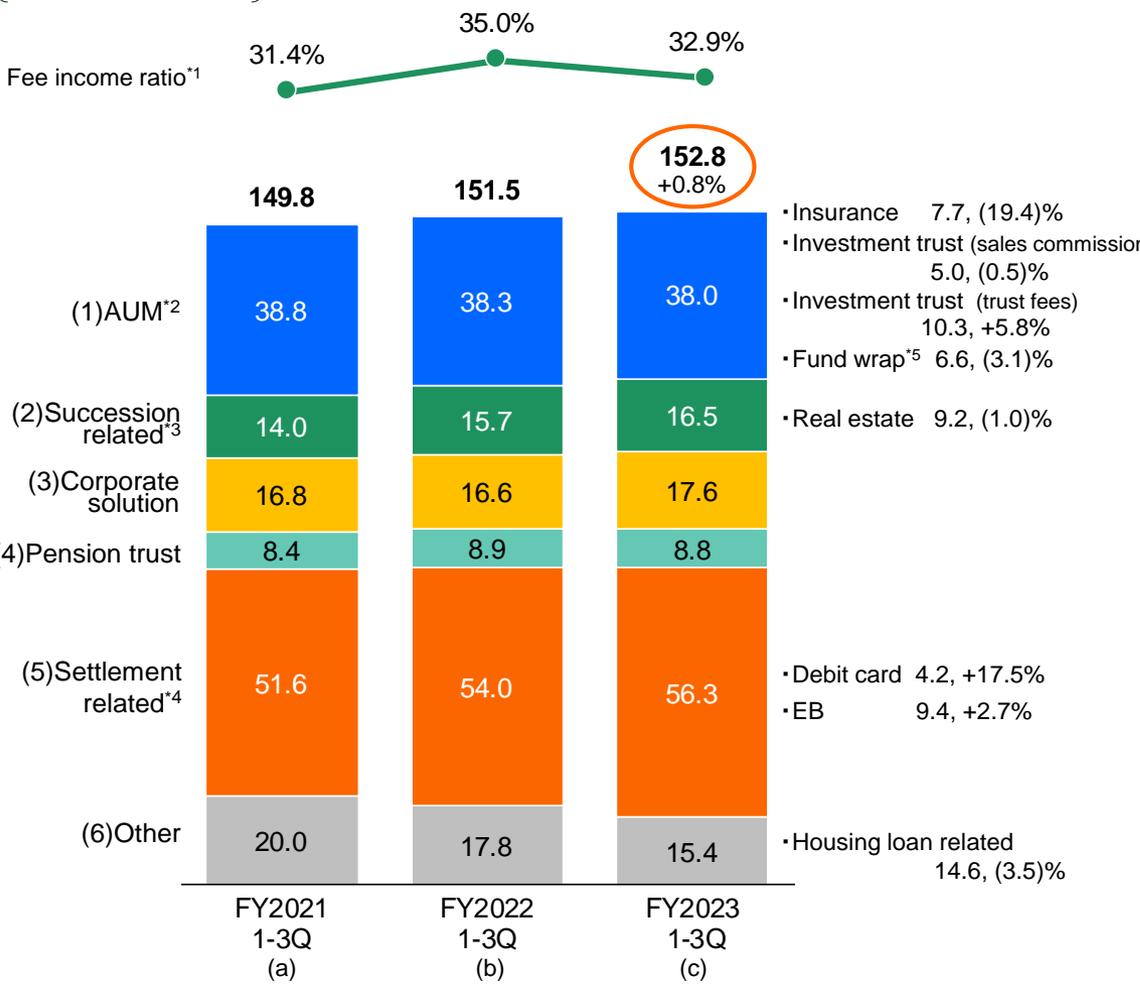
# Fee income

■ Steady growth in settlement related (+JPY2.3 bn, +4.2%, YoY) , corporate solution (+JPY1.0 bn, +6.2%, YoY), etc.

■ Returned to a growth track after making a turnaround in 3Q from the previous downward trend

3Q of FY2022 (3 months) : JPY42.7 bn ⇒ 3Q of FY2023 (3 months) : JPY46.9 bn, +10.0%, YoY

[JPY bn, % represents YoY change]



\*1. (Fees and commission income + trust fees) / Consolidated gross operating profit

\*2. Insurance and investment trust (sales commission/ trust fees), fund wrap, securities trust, fee income earned by Resona Asset Management and real estate, M&A income

\*4. Fees and commission from domestic exchange, account transfer, EB, debit card, etc. and fee income earned by Resona Kessai Service and Resona Card

\*3. Asset and business succession related trust

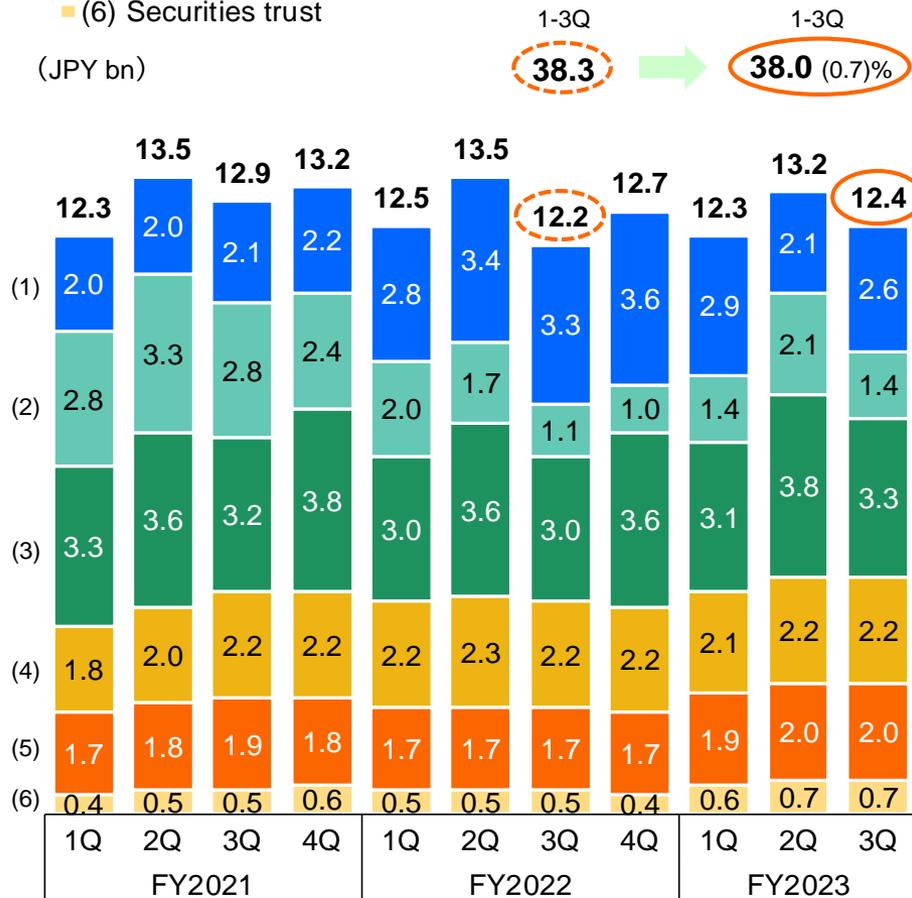
# Major Fee Businesses(1) (AUM)

HD  
Consolidated

## AUM income

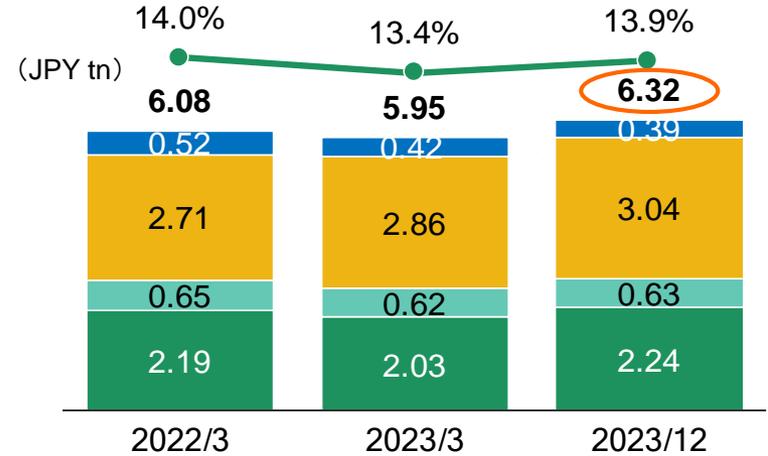
- (1) Insurance
- (2) Investment trust (sales commission)
- (3) Investment trust (trust fees)
- (4) Fund wrap
- (5) Resona Asset Management
- (6) Securities trust

(JPY bn)



## Balance of asset formation support products sold to individuals

- Foreign currency deposits, Public bonds etc.
- Insurance
- Fund wrap\*1
- Investment trusts\*1
- Asset formation support product ratio\*2



- **Balance of fund wrap\*1\*3: '23/12 JPY774.9 bn, +5.3%, YoY**  
Of which, external group JPY79.5 bn
- **Change in balance of investment trust and fund wrap : 1-3Q of FY'23 Approx. +JPY210.0 bn**  
● Net inflow (new purchase – withdrawal and redemption):  
Approx. JPY(53.0) bn
- **NISA account holders\*4: '23/12 443 thousand, +8.8%, YoY**
- **iDeCo participants\*5: '23/12 185 thousand, +10.8%, YoY**
- **Securities trust (total assets in custody) : '23/12 JPY45.2 tn**
- **Announced our policy on “Initiatives to strengthen asset formation support functions” (Jan. '24)**

\*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. Including corporation and external group \*4. NISA, Junior NISA, Cumulative NISA

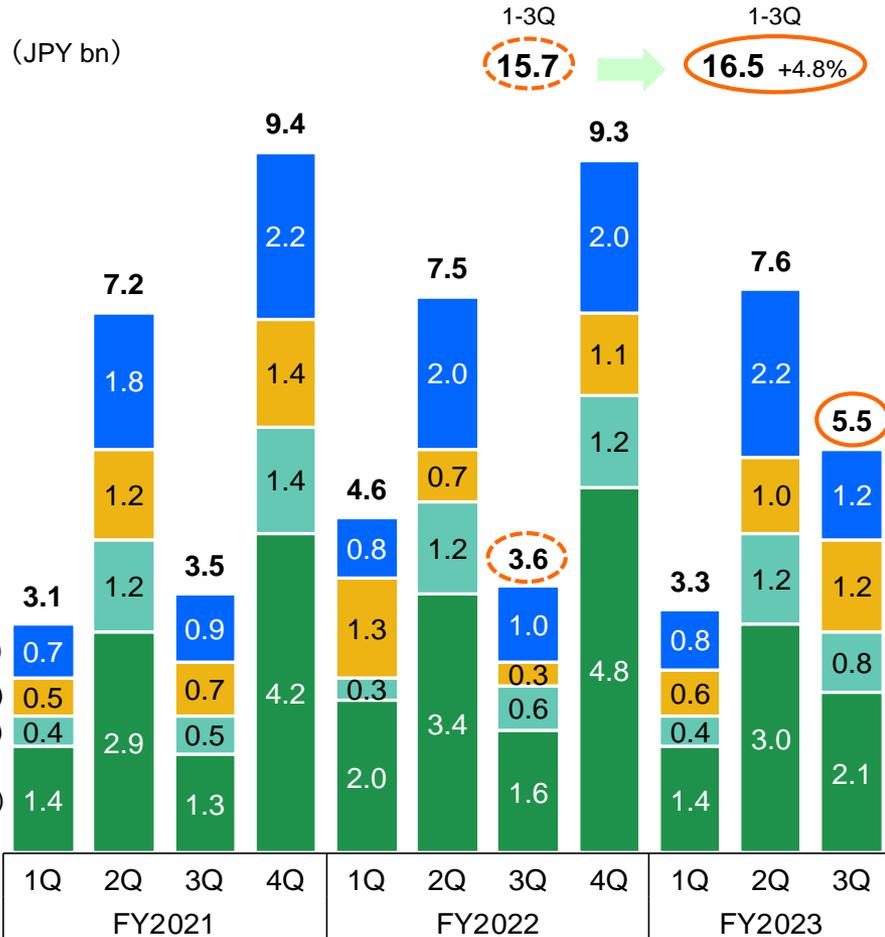
\*5. iDeCo participants + members giving investment instructions

# Major Fee Businesses(2) (Succession, Corporate Solution, Pension Trust)

HD Consolidated

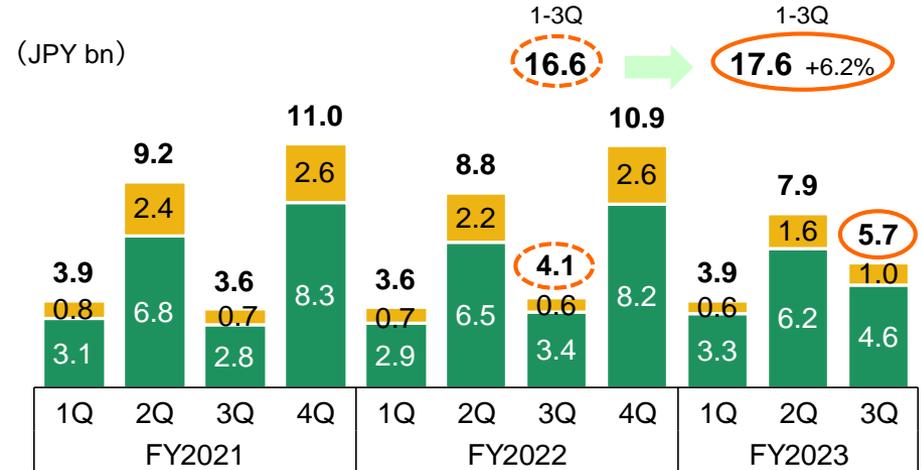
## Succession related income

- (1) Asset and business succession related trust
- (2) M&A
- (3) Real estate (individual)
- (4) Real estate (corporation)\*1

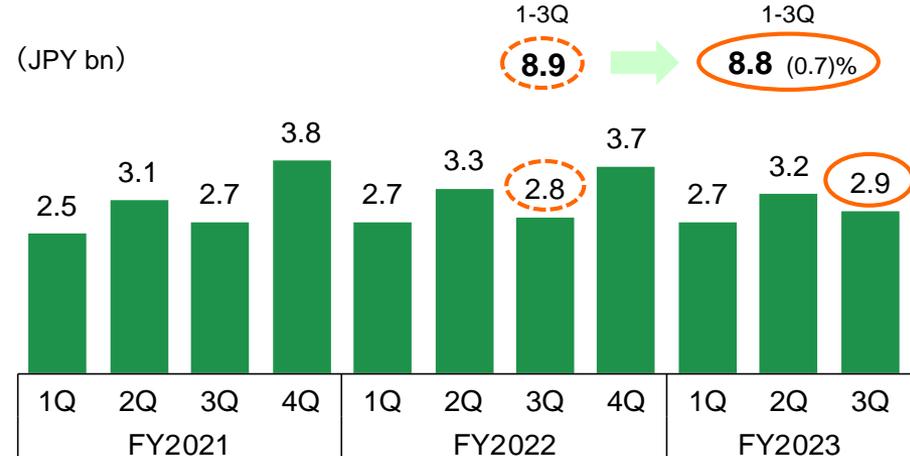


## Corporate solutions business income

- Private notes
- Commitment line, Syndicated loans, Covenants



## Pension trust income



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

## Credit costs

(JPY bn)	FY2021	FY2022		FY2023	
		1-3Q		1-3Q	Plan
	(a)	(b)	(c)	(d)	(e)
<b>Net credit cost (HD consolidated)</b> (1)	(58.7)	(0.7)	(15.9)	(22.1)	(38.0)

<b>Net credit cost (Total of group banks)</b> (2)	(61.2)	(0.7)	(15.0)	(20.0)	(31.5)
General reserve (3)	(7.2)	(4.0)	(3.1)	0.4	
Specific reserve and other items (4)	(53.9)	3.3	(11.9)	(20.4)	
New bankruptcy, downward migration (5)	(66.0)	(19.7)	(45.2)	(29.3)	
Collection/upward migration (6)	12.0	23.1	33.2	8.9	

<b>Difference (1) - (2)</b> (7)	2.4	(0.0)	(0.8)	(2.1)	(6.5)
HL guarantee subsidiaries (8)	6.5	1.6	1.4	2.7	
Resona Card (9)	(1.4)	(1.1)	(1.7)	(1.5)	

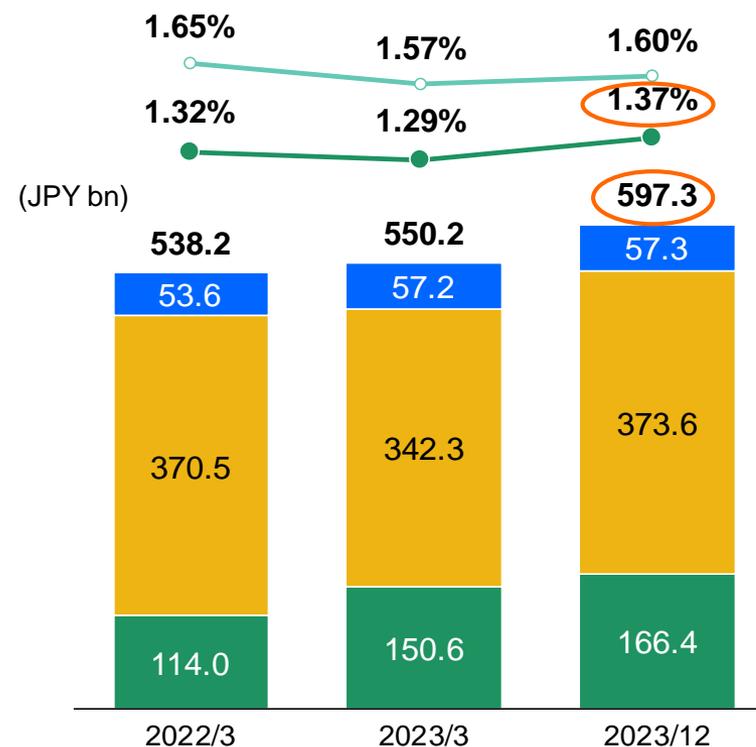
<Credit cost ratio>		(bps)				
HD consolidated <sup>1</sup> (10)	(14.8)	(0.2)	(3.9)	(6.9)	(8.9)	
Total of group banks <sup>2</sup> (11)	(15.1)	(0.2)	(3.6)	(6.1)	(7.2)	

(Note) Positive figures represent reversal gains

## NPL balance and ratio (Total of group banks)

(Financial Reconstruction Act criteria)

- Unrecoverable or valueless claims
- Risk claims
- Special attention loans
- NPL ratio
- (Reference) NPL ratio (HD consolidated)



\*1. Credit cost / (Loans and bills discounted + acceptances and guarantees), (Simple average of the balances at the beginning and end of the term)

\*2. Credit cost / total credits defined under the Financial Reconstruction Act, (Simple average of the balances at the beginning and end of the term)

## Securities portfolio\*1

(JPY bn, before hedging)		2022/3	2023/3	2023/12	Unrealized gains/(losses) (d)
		(a)	(b)	(c)	
Available-for-sale securities (1)		4,159.5	3,886.8	3,843.6	559.7
Stocks (2)		305.9	283.8	267.5	674.0
Bonds (3)		2,940.1	2,400.2	2,292.3	(74.8)
JGBs (4)		1,137.3	645.3	605.0	(52.3)
Average duration (years) (5)		9.3	12.8	12.0	-
Basis point value (BPV) (6)		(1.15)	(0.78)	(0.68)	-
Local government and corporate bonds (7)		1,802.8	1,754.9	1,687.2	(22.5)
Other (8)		913.3	1,202.6	1,283.7	(39.4)
Foreign bonds (9)		562.5	721.5	753.1	(31.4)
Average duration (years) (10)		6.2	5.8	5.2	-
Basis point value (BPV) (11)		(0.26)	(0.30)	(0.28)	-
Investment trusts (Domestic) (12)		346.8	474.1	528.3	(9.4)
Net unrealized gain (13)		521.2	472.9	559.7	
Bonds held to maturity (14)		2,934.7	3,899.0	4,574.8	(145.9)
JGBs (15)		1,856.1	2,278.2	2,717.4	(118.1)

### JGBs (available for sale securities, c-5 and 6, d-4) after hedging in '23/12

Average duration : 7.5 year, BPV : (0.12) bn, Unrealized gains/(losses) : (37.1) bn  
(Foreign bonds are partially hedged by domestic investment trusts (bear fund) and other)

### CLO: Zero

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

\*2. Policy-oriented stocks are classified into (i) policy investment stocks and (ii) strategic investment stocks, according to the purpose of holding. Of these, (i) policy investment stocks are targeted for reduction of the balance. All listed shares held by group banks are (i) policy investment stocks

## Status of policy-oriented stocks held\*2

### Balance of listed stocks disposed in 1-3Q of FY2023

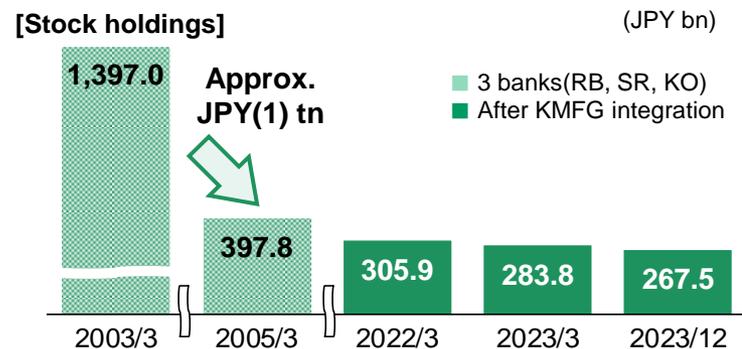
(acquisition cost basis): JPY16.3 bn,  
Net gain on sale: JPY35.1 bn (HD consolidated: JPY34.7 bn)  
Breakeven Nikkei average: Approx. 7,700 yen

### Policy for holding policy-oriented stocks

- Since the capital enhancement with public funds, Resona Group has reduced the balance of the policy-oriented stocks to lessen the risk of price volatility. Our basic policy is to continue to reduce the balance of policy-oriented stocks.
- The Group determines whether to hold policy-oriented stocks by evaluating the risks and returns, including feasibility of the development of a trading relationship in a medium- to long-term. The Group may also sell stocks in consideration of the market situations, management and financial strategies, even though the Group considers appropriate for holding from the risk-return perspective.

### Plan to reduce JPY80.0 bn in 4 years from Apr. '22

⇒ Progress rate against the plan : 48.0% ('23/12)



# Capital Adequacy Ratio

HD  
Consolidated

- CAR (Domestic std.) and CET1 ratio (International std.) as of Dec. 31, 2023 were 12.61% and 14.62%, respectively, maintaining sound capital adequacy level

## Domestic standard

( JPY bn )	2023/3	2023/12	Change
<b>Capital adequacy ratio (1)</b>	<b>12.48%</b>	<b>12.61%</b>	<b>+0.13%</b>
Total capital (2)	2,101.0	2,166.1	+65.1
Core Capital: instruments and reserves (3)	2,179.5	2,244.8	+65.3
Stockholders' equity (4)	2,115.4	2,179.7	+64.3
Adjusted non-controlling interests (5)	7.0	8.7	+1.6
Reserves included in Core Capital (6)	39.2	35.7	(3.4)
Subordinated loans and bonds subject to transitional arrangement (7)	27.5	22.1	(5.4)
Core Capital: regulatory adjustments (8)	78.4	78.6	+0.2
Risk weighted assets (9)	16,827.9	17,175.9	+347.9

### ■ Change in total capital

- Stockholders' equity +64.3 bn
  - Net income attributable to owners of parent +114.1 bn
  - Share buybacks (completed in Jun. and Dec. '23) (25.0) bn
  - Dividends distributed (25.9) bn

- RWAs increased mainly due to increase in loan balance

### ■ Group banks, Bank holding company

Domestic standard	Resona (Consolidated)	Saitama Resona (Consolidated)	KMFG (Consolidated)
<b>Capital adequacy ratio</b>	<b>11.82%</b>	<b>15.79%</b>	<b>9.21%</b>

## (Reference) International standard

( JPY bn )	2023/3	2023/12	Change
<b>Common Equity Tier1 capital ratio (10)</b>	<b>14.10%</b>	<b>14.62%</b>	<b>+0.52%</b>
Excluding net unrealized gains on available-for-sale securities (11)	12.09%	12.26%	+0.17%
Tier1 capital ratio (12)	14.11%	14.63%	+0.52%
Total capital ratio (13)	14.35%	14.85%	+0.50%
Common Equity Tier1 capital (14)	2,413.1	2,554.2	+141.0
Instruments and reserves (15)	2,494.9	2,637.0	+142.1
Stockholders' equity (16)	2,115.4	2,179.7	+64.3
Net unrealized gains on available-for-sale securities* (17)	342.6	411.3	+68.6
Adjusted non-controlling interests (18)	3.8	4.3	+0.5
Regulatory adjustments (19)	81.7	82.8	+1.0
Other Tier1 capital (20)	2.7	3.0	+0.3
Tier1 capital (21)	2,415.9	2,557.3	+141.3
Tier2 capital (22)	40.8	37.5	(3.2)
Total capital (Tier1+Tier2) (23)	2,456.7	2,594.8	+138.0
Risk weighted assets (24)	17,113.4	17,470.1	+356.6

\*Including deferred gains or losses on hedge related to net unrealized gains on available-for-sale securities

### (Reference)

#### ■ Trial calculation based on the full enforcement of the finalized Basel 3

CET1 ratio: **Approx. 10.1%\***

(Excluding net 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-sales securities as of Dec. 31, 2023 reported as (11) in the above table

# (Reference) Earnings Targets for FY2023 (Released in Nov. 2023)

HD Consolidated  
Total of Group Banks

## HD consolidated

(JPY bn)	Full-year	Change from original target	YoY change
Net income attributable to owners of parent (1)	150.0	—	(10.4)
Difference (2)	13.5	(4.0)	(5.2)
Core income* <sup>1</sup> (3)	150.0	+2.0	(13.6)

## Common DPS

	DPS	YoY change
Common stock (annual) (4)	22.0 yen	+1.0 yen
Interim dividend (5)	11.0 yen	+0.5 yen

## Total of group banks

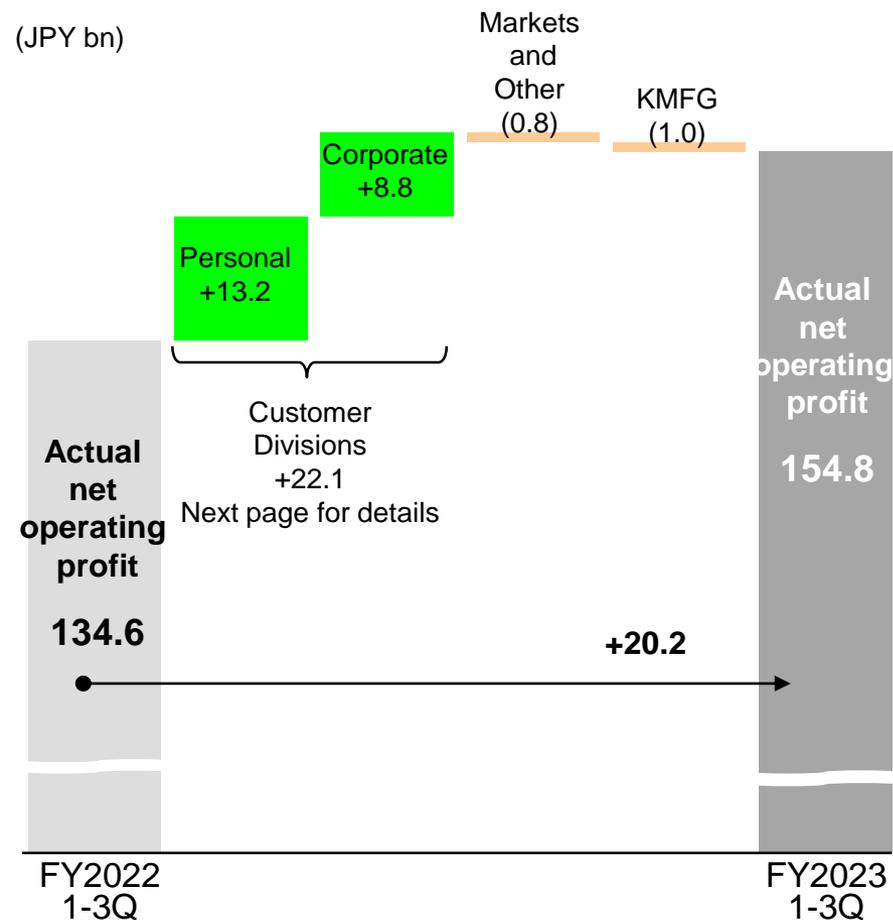
(JPY bn)	Total of group banks		Resona Bank		Saitama Resona Bank		KMFG (total of group banks)	
	Full-year	Change from original target	Full-year	Change from original target	Full-year	Change from original target	Full-year	Change from original target
Gross operating profit (6)	576.5	+1.0	330.0	—	113.0	+0.5	133.5	+0.5
Operating expenses (7)	(391.5)	+1.0	(214.0)	—	(76.5)	—	(101.0)	+1.0
Actual net operating profit (8)	185.0	+2.0	116.0	—	36.5	+0.5	32.5	+1.5
Net gains on stocks (including equity derivatives) (9)	47.0	+3.0	37.5	—	8.5	+4.0	1.0	(1.0)
Credit related expenses, net (10)	(31.5)	—	(20.0)	—	(5.0)	—	(6.5)	—
Income before income taxes (11)	190.0	+6.0	131.0	—	37.0	+5.0	22.0	+1.0
Net income (12)	136.5	+4.0	93.0	—	26.0	+3.5	17.5	+0.5

\*1. Net interest income from domestic loans and deposits + Interest on yen bonds, etc. (Interest on yen bonds and income from interest rate swaps)  
+ Fee income + Operating expenses

# (Reference) Outline of Financial Results of Each Segment

HD  
Consolidated

(JPY bn)		FY2023 1-3Q	YoY Change
<b>Customer Divisions</b>	Gross operating profit (1)	377.2	+28.6
	Operating expense (2)	(232.3)	(6.4)
	Actual net operating profit (3)	144.9	+22.1
<b>Personal Banking</b>	Gross operating profit (4)	157.5	+16.9
	Operating expense (5)	(118.8)	(3.7)
	Actual net operating profit (6)	38.6	+13.2
<b>Corporate Banking</b>	Gross operating profit (7)	219.7	+11.6
	Operating expense (8)	(113.5)	(2.6)
	Actual net operating profit (9)	106.2	+8.8
<b>Markets and Other</b>	Gross operating profit (10)	(17.3)	+0.1
	Operating expense (11)	(1.3)	(1.1)
	Actual net operating profit (12)	(18.2)	(0.8)
<b>KMFG</b>	Gross operating profit (13)	103.2	(2.6)
	Operating expense (14)	(75.1)	+1.6
	Actual net operating profit (15)	28.1	(1.0)
<b>Total</b>	Gross operating profit (16)	463.2	+26.0
	Operating expense (17)	(308.8)	(5.9)
	Actual net operating profit (18)	154.8	+20.2



## Definition of management accounting

1. “Customer Divisions” and “Markets and Other” segment refer 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.

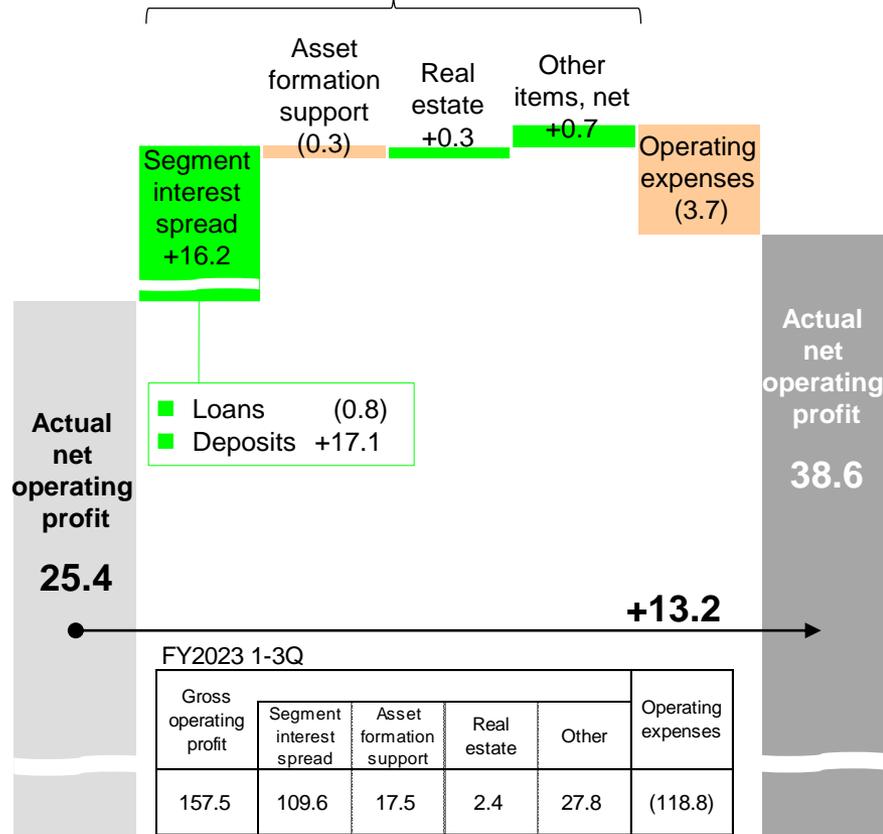
# (Reference) Outline of Financial Results of Customer Divisions

## Personal Banking Segment

Actual net operating profit : Up JPY13.2 bn, YoY

(JPY bn)

Gross operating profit +16.9



FY2022  
1-3Q

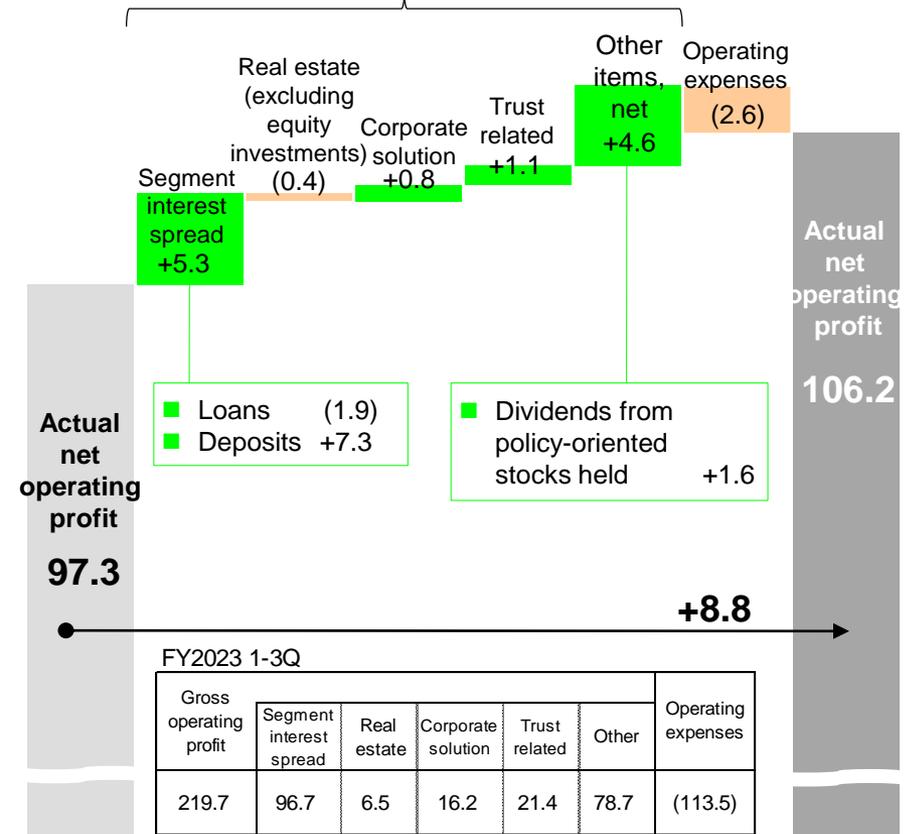
FY2023  
1-3Q

## Corporate Banking Segment

Actual net operating profit : Up JPY8.8 bn, YoY

(JPY bn)

Gross operating profit +11.6

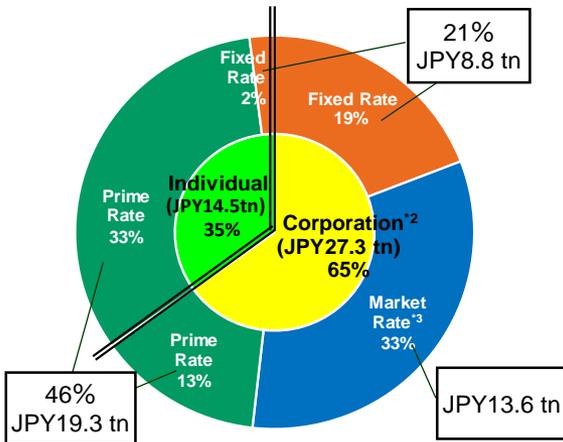


FY2022  
1-3Q

FY2023  
1-3Q

# (Reference) Sound Balance Sheet / Possible Impact of JPY Interest Rate Hikes (Provisional Calculation)

## Composition of loan portfolio



Available-for-sale securities

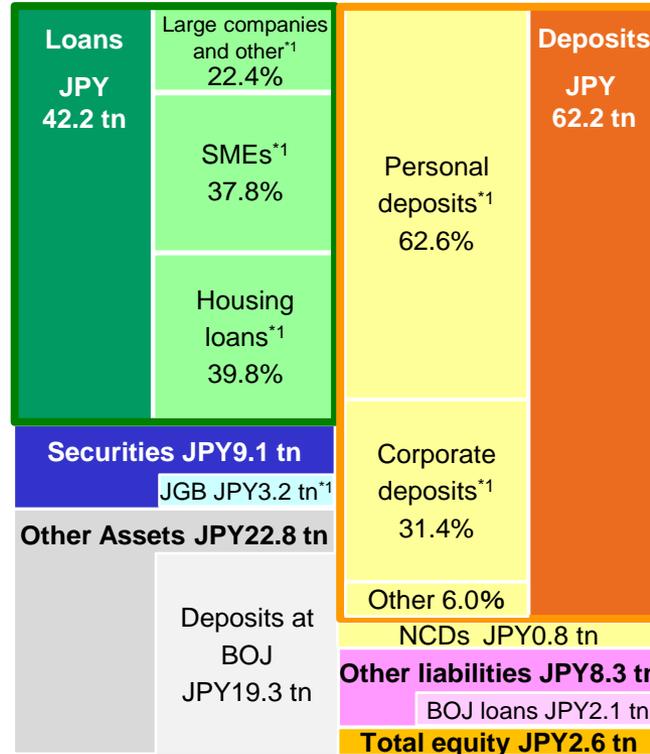
Practice the stringent management of interest rate risks and liquidity risks with an eye to regulatory standards (e.g., IRRBB and LCR) and other factors

Bonds held-to-maturity

BOJ current account

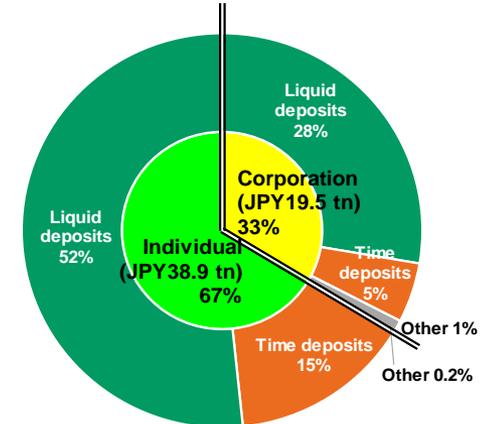
An abundant JPY19 tn (consolidated basis) in cash deposits in BOJ's current accounts

End of Dec. 2023  
Total assets JPY74.1 tn



< Possible impact of JPY interest rate hikes (provisional calculation)\*5 >

## Composition of deposits\*4



Business strategies

Our distinctive uniqueness lies in a strong business focus on regional and retail customers

Regional  
Corporate  
Individual

A diverse and dispersed customer portfolio / Number of companies as their main bank : 68 thousand

Unparalleled convenience offered via the Group app (7.47 million downloads) / Growing popularity as a mainstay tool for household finance

Deposits

Our liquidity deposits mainly consist of retail deposits with strong retention  
⇒ Ratio of personal deposits to total deposits : 62%  
⇒ Avg. cost of deposits : 0.004%

### ■ Hikes in long-term interest rates (the abolishment of the yield curve control policy)

- A provisional calculation premised on shifting a portion of funds held in BOJ current accounts to Japanese government bonds, etc., with instruments in the five-year maturity zone as targets (assuming an increase in margin to around 0.4%) ⇒ +JPY20.0 bn

### ■ Hikes in short-term interest rates (the lifting of the negative interest rate policy)

- A provisional calculation based on assumptions we have formulated for prevailing trends at the time of lifting that takes into account the status of deposits and loans as well as changes in current account interest rates at BOJ at the time of the introduction of said policy ⇒ +JPY10.0 bn

\*1. Total of group banks \*2. Including apartment loans \*3. Market rate-linked loans include the fixed-rate (spread) loans maturing in less than one year

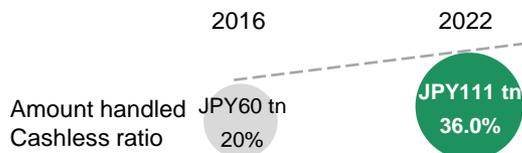
\*4. Domestic individual deposits + Domestic corporate deposits \*5. The provisional calculation for the impact on annual profit reflects expected circumstances after the full effect of interest rate fluctuations materializes

# (Reference) Strengthening the Capital and Business Alliance with Digital Garage (Released in Dec. 2023)

Deepening and challenging through further integration of Settlement / Digital / Data × Finance

Contributes to improve ROE

Expanding cashless market\*1



## Resona

16 million individual customers and 500,000 corporate customers

Financial DPF\*2

Credit payment function

## Digital Garage [DG]

One of Japan's largest payment system providers  
Over 1 million member stores

Data marketing

Cumulative number of startups invested in over 400 companies

- Additional acquisition of shares of DG by Resona HD (Approx. 10%)
- DG plans to take capital participation (15-20%) to Resona Kessai Service and start joint venture
- Resona HD and DG jointly create a CVC fund of which the total amount of investment will be JPY10 bn or more

### [Deepening of settlement and financial businesses]

- Provision of latest DG products and services to Resona's customers
- Providing DG customers with Resona's financial solutions
- Training and strengthening of settlement specialist

### [Aim to create new values which is "Beyond finance"]

- Acceleration of a next-generation Fintech business ⇒ create new businesses
- Incorporating the advanced technologies and know-how of start-ups
- Evolution of Financial DPF\*2

## ROIC

Prospected to be 10% level (6th year)

To double Resona's amount of card settlement transactions\*3

### [Resona's settlement related income]

(JPY bn)

34% of fee income



\*1. Ministry of Economy, Trade and Industry. News release dated April 6, '23

\*2. Financial Digital Platform

\*3. Issuing + Acquiring (Including group companies)

- 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

---

Negative figures represent items that would reduce net income.

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 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.