

*Aiming at Establishing a True Retail Bank Group*  
Business Results for 1-3Q of FY2012 and Future Management Direction



RESONA

February 2013



Resona Holdings, Inc.

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### **Outline of Business Results for 1-3Q of FY2012 and Updates on Major Businesses**

### **Outline of the New Business Revitalization Plan**

### **Direction of Future Capital Policies**

### **<Reference Material>**

1. In some pages of this material, names of Resona Group companies are shown in the following abbreviated forms:  
RHD: Resona Holdings, RB: Resona Bank, SR: Saitama Resona Bank, KO: Kinki Osaka Bank,  
Total of Group Banks: Sum of non-consolidated figures for the three banks
2. Negative figures represent items that would reduce net income

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### Macro Economic Trend

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## **Resona Group at a Glance**

**Outline of Business Results for 1-3Q of FY2012  
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**Outline of the New Business Revitalization Plan**

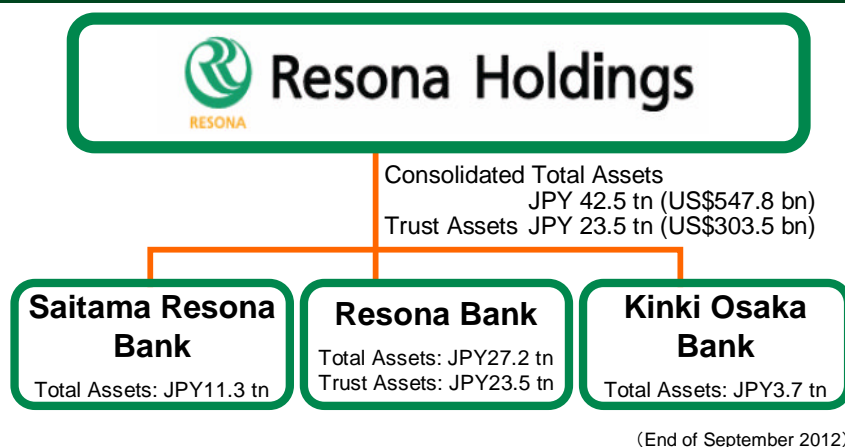
**Direction of Future Capital Policies**

**<Reference Material>**

# Resona Group at a Glance

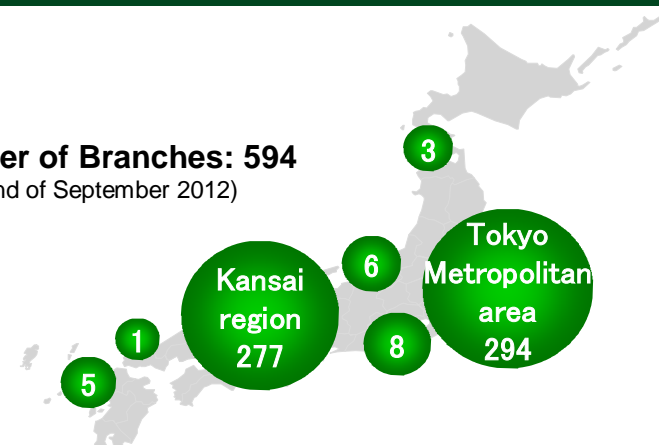
- Focus management resources on retail banking business
- Solid base in Tokyo and Kansai metropolitan areas where economic activities/population are concentrated
- Strong branch network of manned offices comparable to megabank groups

## Corporate Structure

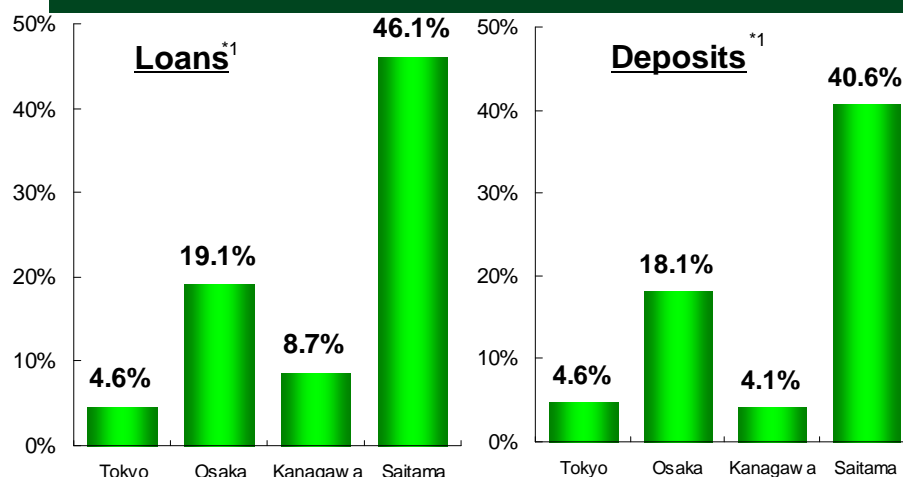


## Franchise Value

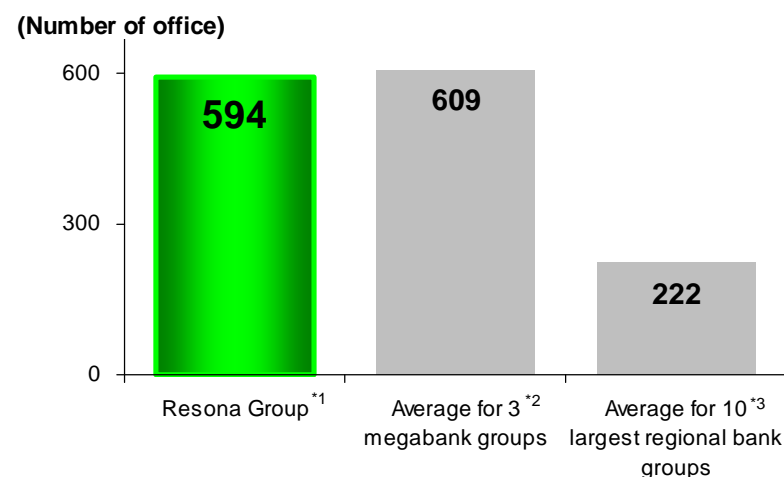
**Number of Branches: 594**  
(End of September 2012)



## Market Share



## Number of Manned Branch Office



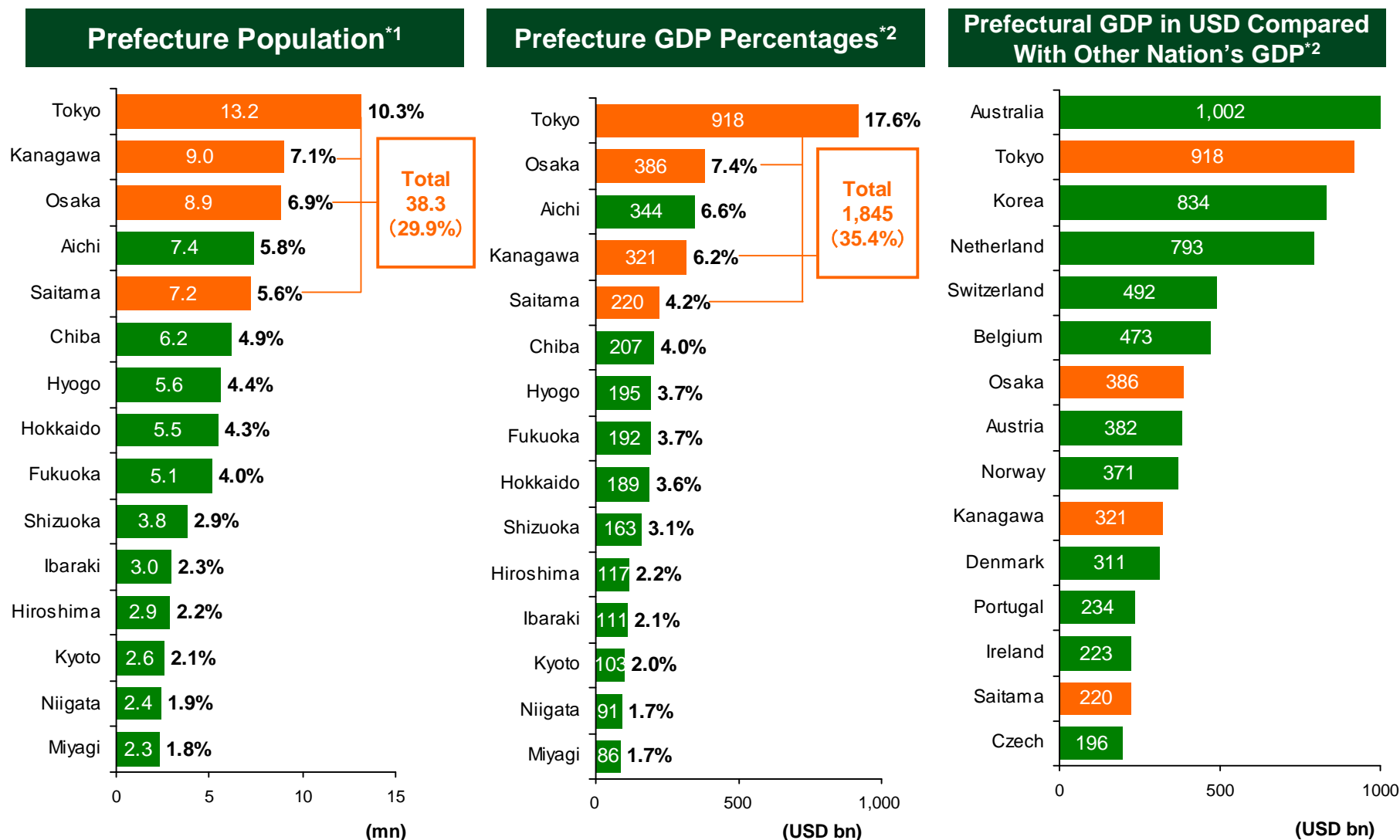
\*1 As of end of September 2012, total of group banks (RB, SR, KO)

\*2 Source: Reference Materials for 1H FY2012, BTMU + MUTB, Mizuho BK + Mizuho CBK + Mizuho TBK, SMBC

\*3 Source: Reference Materials for 1H FY2012 or FY2011, 10 largest regional bank groups in terms of consolidated assets (Fukuoka FG, Yokohama, Chiba, Hokuhoku FG, Shizuoka, Yamaguchi FG, Jyoy, Sapporo Hokuyo HD, Nishinippon City, 77 Bank)

# Resona Group's Franchise

- Resona's franchise covers approximately 30% of Japan in terms of population and GDP
- Prefectures where Resona's franchise is concentrated are comparable to some nations in terms of GDP



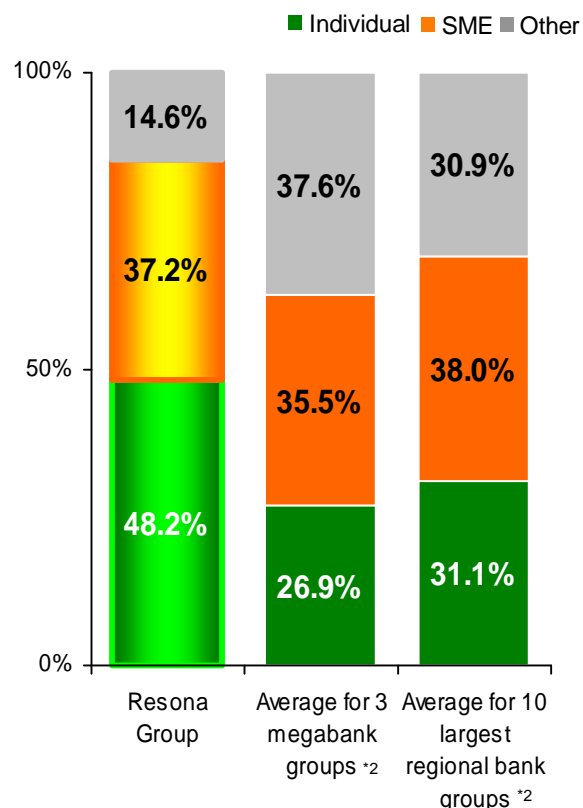
\*1. Ministry of Internal Affairs and Communications, Population estimates (As of October 1st, 2011)

\*2. Cabinet Office, Government of Japan, Gross Prefecture Product FY2009 "Global comparison of gross prefecture product in dollar"

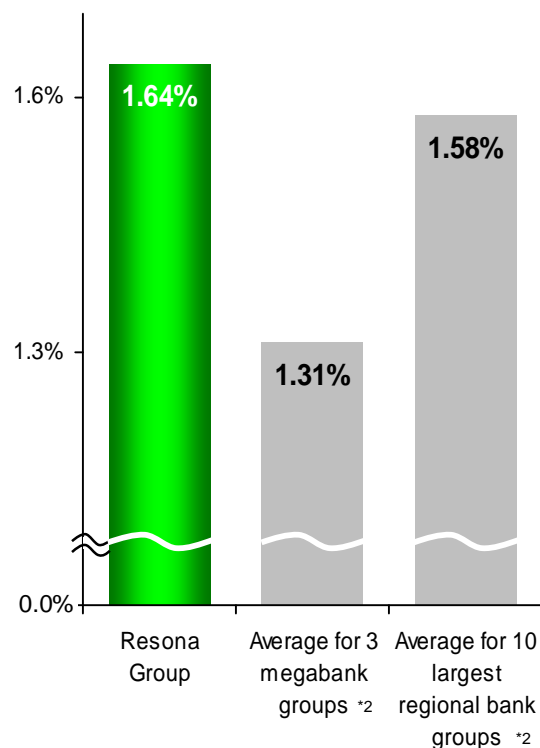
# Resona Group's Strengths

- Loans to SMEs and individuals account for over 80% of total loans. Interest rate spread higher relative to peers
- Expense ratio lower than industry average owing to efficient management through operational reform

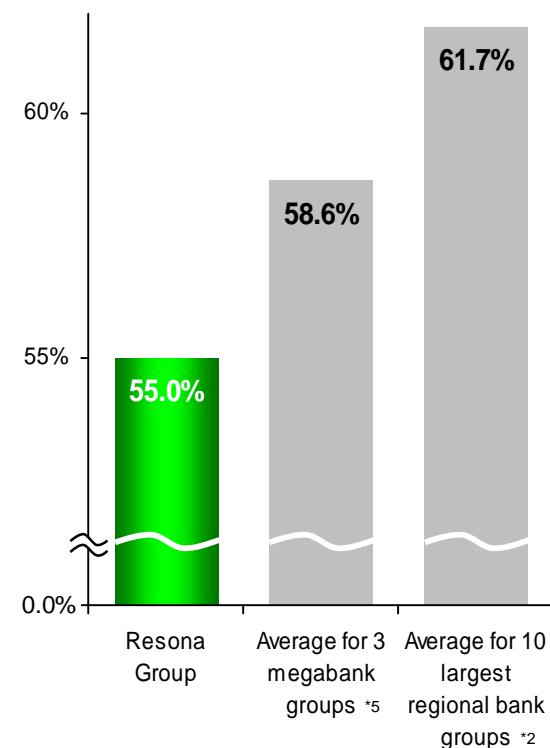
## Loan Portfolio Composition <sup>\*1</sup>



## Average Loan-to-deposit Spread <sup>\*3</sup>



## Cost to Income Ratio <sup>\*3 \*4</sup>



\*1. As of end of March 2012, total of group banks

\*2. Megabank groups: BTMU+ MUTB, Mizuho BK+ Mizuho CBK +Mizuho Trust, SMBC

10 largest regional bank groups: 10 largest regional bank groups in terms of consolidated total assets (Fukuoka FG, Yokohama, Chiba, Hokuho FG, Shizuoka, Yamaguchi FG, Joyo, Sapporo Hokuyo HD, Nishinippon City, 77 Bank)

\*3. As of FY2011

\*4. Consolidated cost to income ratio = operating expenses / gross operating profit

\*5. MUFG, SMFG, Mizuho FG

# Sound Balance Sheet

## Sound assets backed by very stable deposit funding

### [Sound loan portfolio]

- **Well-diversified loan portfolio**
  - Housing loan ratio at 47.3%
  - SME portfolio well-diversified into 90 thousands clients
- **Net NPL ratio standing at 0.38%**

### [Conservative securities portfolio]

- **Mostly comprised of JGBs**
  - JGBs duration: 2.6 years (JGBs in available-for-sale securities)
- **Limited downside risk relating to equity exposure**
  - Stockholdings /Total assets: approx. 0.8%
  - Breakeven Nikkei Avg: Y7,100 level
- **No exposure to the U.S. sub-prime-related assets**

RHD's consolidated balance sheet  
(As of Sep. 30, 2012)

<b>Loans and bills discounted</b> <b>Y25.9 trillion</b>	<b>Deposits</b> <b>Y33.8 trillion</b>
<b>Of which, Housing Loans</b> <b>Y12.3 trillion</b> <b>(Group banks total)</b>	
<b>Securities</b> <b>Y10.5 trillion</b>	<b>Other liabilities</b> <b>Y6.6 trillion</b>
<b>Other assets</b> <b>Y6.0 trillion</b>	<b>Total equity</b> <b>Y1.9 trillion</b>

### [Stable funding structure]

- **Strong retail deposit base**
  - 13 million retail deposit accounts
  - Accounts for approx. 70% of total deposit funding
- **Funding cost kept at a low level**
  - Avg. cost of deposits: 0.07%
  - Low-cost liquidity deposits account for approx. 60% of total deposit funding
- **Very limited dependence on inter-bank funding or securitization**
- **Ratio of loans and bills discounted to total deposits: approx. 76%**

### [Well capitalized on a regulatory basis]

- **Capital adequacy ratio: 14.15%**
- **Tier 1 ratio: 10.33%**
- **Ratio of Net DTA to Tier 1: 13.2%**

**Total Accounting Assets:**  
**(TAA)**

**Y42.5 trillion**  
**(100%)**

**Risk-weighted Assets:**  
**(RWA)**

**Y17.3 trillion**  
**(F-IRB under Basel II)**

**RWA/TAA Multiple:**

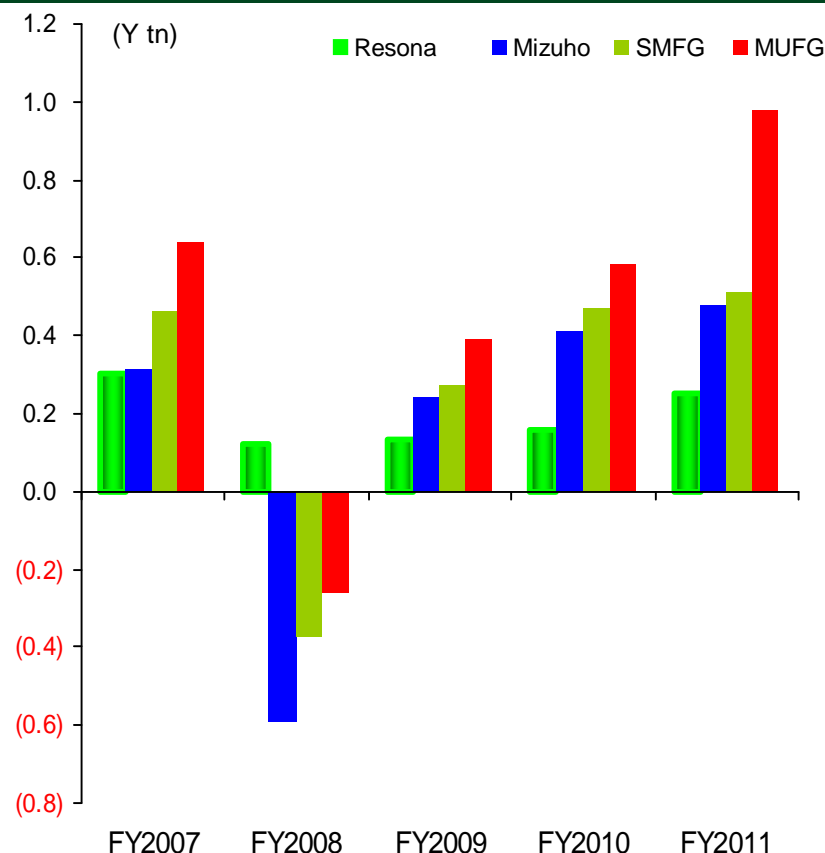
**x 0.41 times**



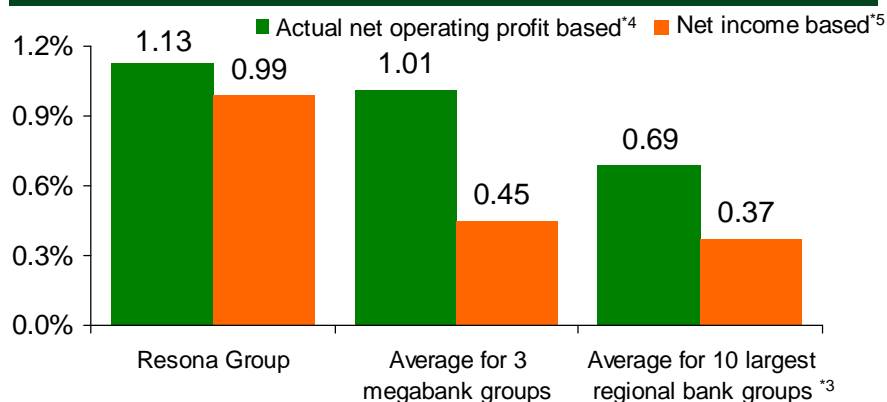
# Stable Profitability

- Resona has consistently generated stable profits (positive net profit even through the Lehman crisis)
- This has been helped by minimized stockholdings and no investments in sub-prime related assets

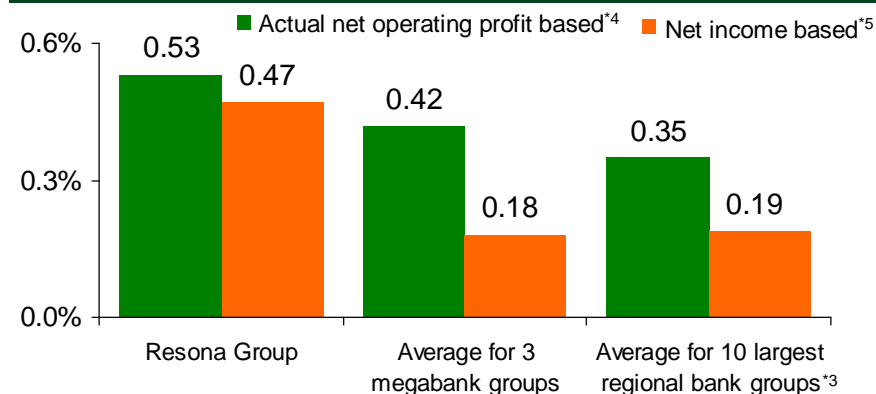
## Historical Consolidated Net Income



## RORA (Average for the Last 5 years)\*1



## ROA (Average for the Last 5 years)\*2



\*1 RORA (Return on Risk-weighted Assets)=(actual net operating profit or net income) / risk weighted-assets at period end, simple average of each year, risk-weighted assets for the megabank groups are calculated based on A-IRB method from the year ended March 2009 onwards, consolidated basis

\*2 ROA=(actual net operating profit or net income) / total assets at period end, simple average of each year, consolidated basis

\*3 Top 10 regional bank groups in terms of consolidated total assets (Fukuoka FG, Yokohama, Chiba, Hokuohoku FG, Shizuoka, Yamaguchi FG, Joyo, Sapporo Hokuyo HD, Nishinippon City, 77Bank)

\*4 Based on net operating profits less credit cost and net gains/(losses) on stocks (figures for some banks are based on aggregated figures of group banks due to disclosure limitation; i.e. not consolidated figures)

\*5 Based on net income (figures for some banks are based on aggregated figures of group banks due to disclosure limitation; i.e. not consolidated figures)

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Resona Group at a Glance

**Outline of Business Results for 1-3Q of FY2012  
and Updates on Major Businesses**

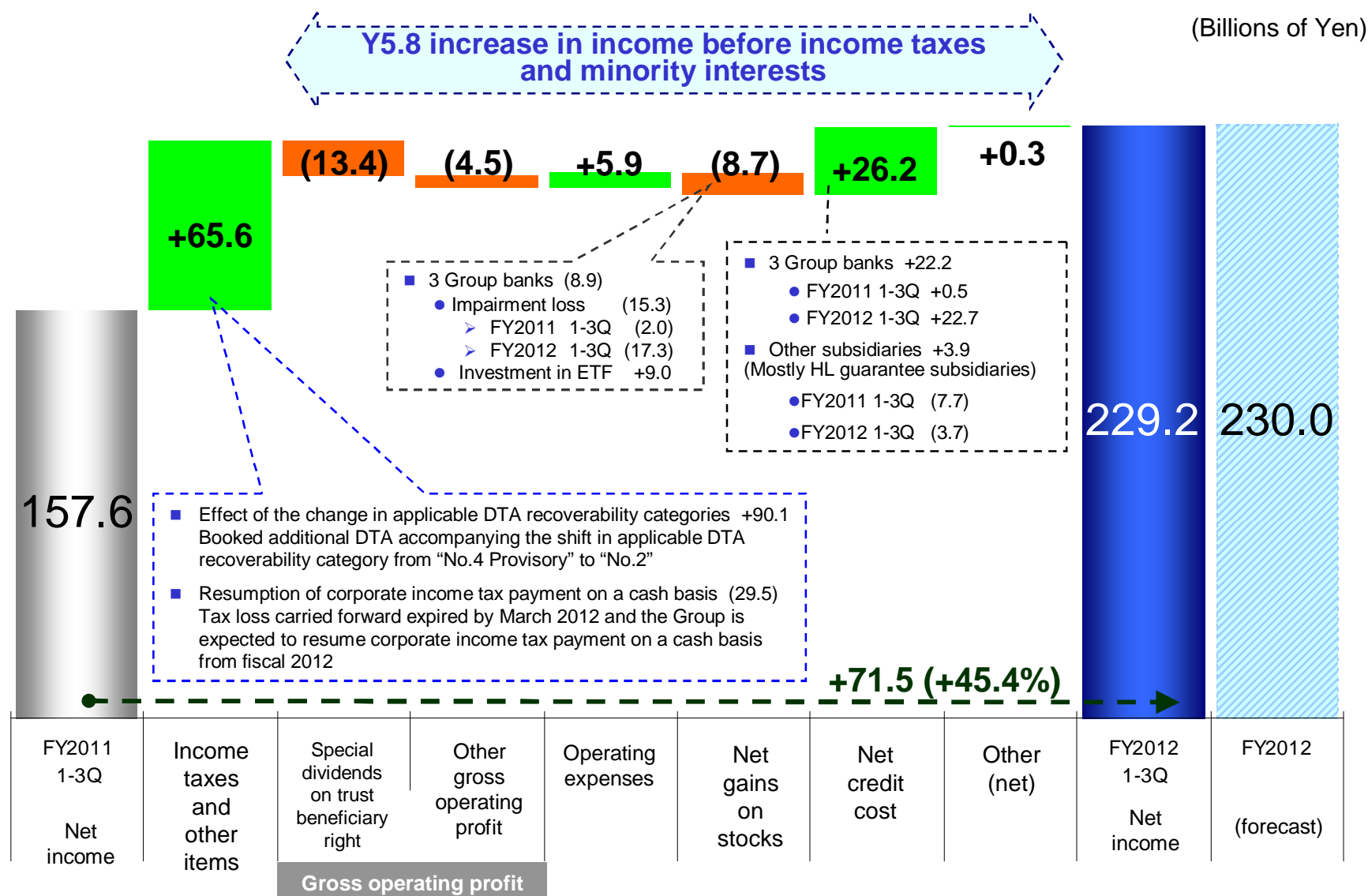
Outline of the New Business Revitalization Plan

Direction of Future Capital Policies

<Reference Material>

# Consolidated Net Income for 1-3Q FY2012 Compared with 1-3Q FY2011

**Y71.5 bn increase in consolidated income before income taxes and minority interests**



# Summary of Operating Results for the 1-3Q Period of FY2012

## (9 Months from April 1 to December 31, 2012)

Operating results (Total of Group Banks) (A)	FY2011 1-3Q	FY2012 1-3Q	Change	Rate of Progress <sup>*3</sup>	Comments
<b>Gross operating profit</b>	446.1 bn	429.2 bn	(3.7)%	75.0%	<ul style="list-style-type: none"> <li>Net interest income decreased by Y16.7 bn YoY, mainly due to a decrease in income from loans and deposits attributable to a contraction of loan-to-deposit spread</li> <li>Fee and commission income increased by Y2.9 bn, YoY <ul style="list-style-type: none"> <li>Investment trust sales: +Y0.6 bn</li> <li>Insurance product sale: +Y1.0 bn</li> <li>Decrease in HL-related expenses: +1.6 bn</li> </ul> </li> <li>Net gains on bonds (including hedges) was Y23.6 bn, up Y10.8 bn YoY</li> <li>Other income (net) decreased in the absence of one-off gain of Y13.4 bn posted in the previous fiscal year relating to special dividends on trust beneficiary right.</li> <li>Sustained efforts to curtail operating expenses</li> <li>Actual net operating profit decreased by Y13.3 bn YoY.</li> <li>Net gain/(loss) on stocks improved by Y2.7 bn compared with 1H of FY2012.</li> <li>Subsidiary banks posted a negative credit expense of Y22.7 bn primarily owing to a gain from reversal of general reserve for possible loan losses</li> <li>Pre-tax Income increased by Y2.4bn</li> <li>Net income increased by Y59.8bn YoY, supported by a reduction in income tax charge due to a change in applicable DTA recoverability category.</li> </ul>
Net interest income	342.0 bn	325.3 bn	(4.8)%	—	
Fees and commission income <sup>*1</sup>	68.6 bn	71.5 bn	+4.2%	—	
Net gains on bonds	20.2 bn	27.1 bn	+34.2%	—	
Other income (net)	15.1 bn	5.0 bn	(66.8)%	—	
<b>Operating expenses</b>	(251.7) bn	(248.2) bn	(1.4)%	73.4%	
<b>Actual net operating profit <sup>*2</sup></b>	194.3 bn	180.9 bn	(6.8)%	77.3%	
<b>Net gain/(loss) on stocks</b>	(6.1) bn	(15.0) bn	—	—	
<b>Credit expenses, net</b>	0.5 bn	22.7 bn	—	—	
<b>Pre-tax income</b>	189.2 bn	191.7 bn	+1.3%	97.3%	
<b>Net income</b>	147.8 bn	207.6 bn	+40.4%	96.5%	
<b>Operating results (Resona HD Consolidated) (B)</b>	<b>FY 2011 1-3Q</b>	<b>FY 2012 1-3Q</b>	<b>Change</b>	<b>Rate of Progress<sup>*3</sup></b>	<b>Comments</b>
<b>Net Income</b>	157.6 bn	229.2 bn	+45.4%	99.6%	<ul style="list-style-type: none"> <li>Posted Y229.2bn as consolidated net income, up Y71.5 bn YoY</li> <li>Net income of subsidiaries other than 3 banks expanded primarily due to a reduction in their credit expenses.</li> </ul>
Difference (B) – (A)	9.7 bn	21.5 bn	+120.3%	—	

\*1. Fees and commission income plus trust fees

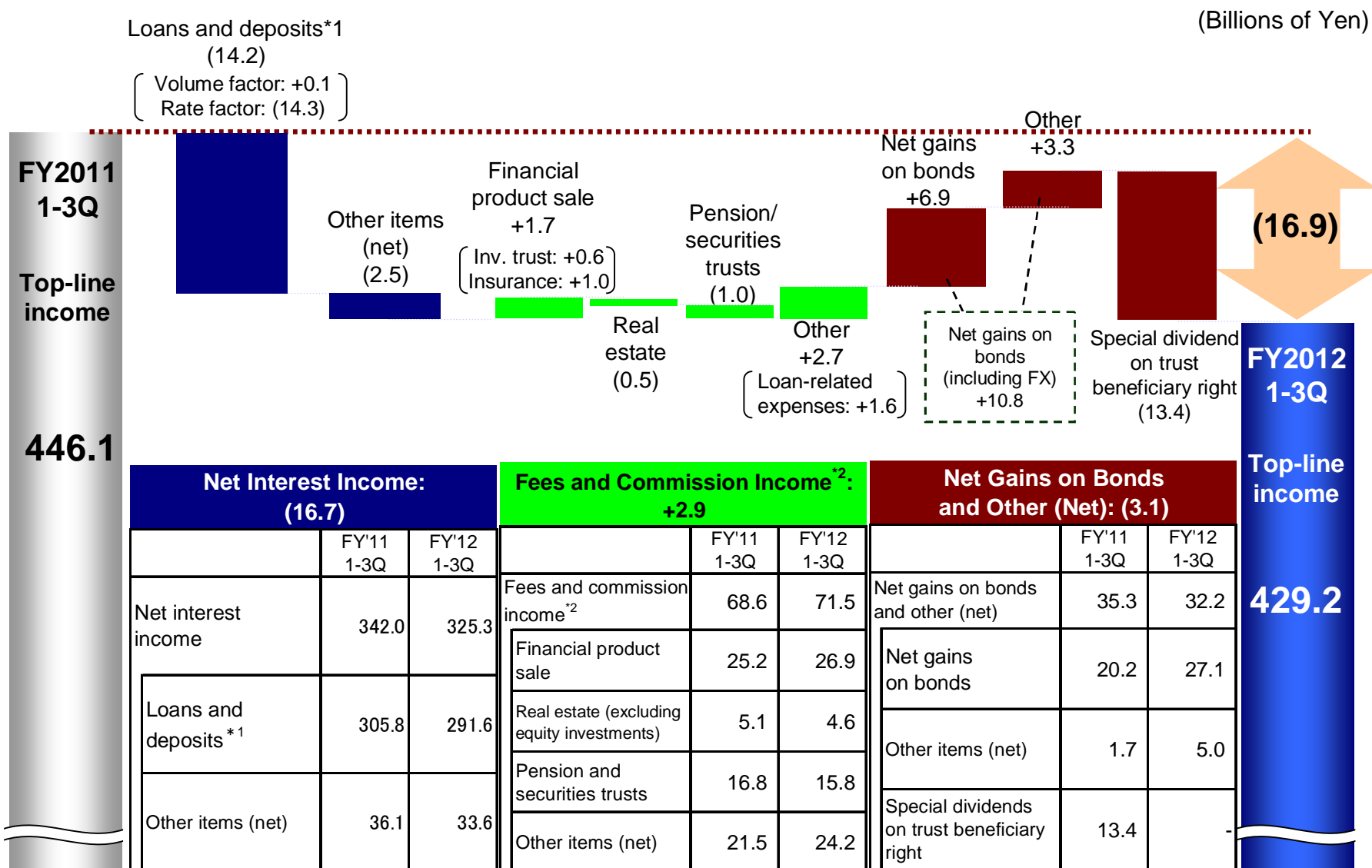
\*2. Net operating profit before transfer to general reserve for possible loan losses and expenses related to NPL disposal in the trust account

\*3. Rate of progress vis-à-vis the full-year guidance for FY2012 announced in November 2012.

\*4. Figures in parentheses represent items that would reduce net income.

# Gross Operating Profits for 1-3Q FY2012 Compared with 1-3Q FY2011 (Total of Group Banks)

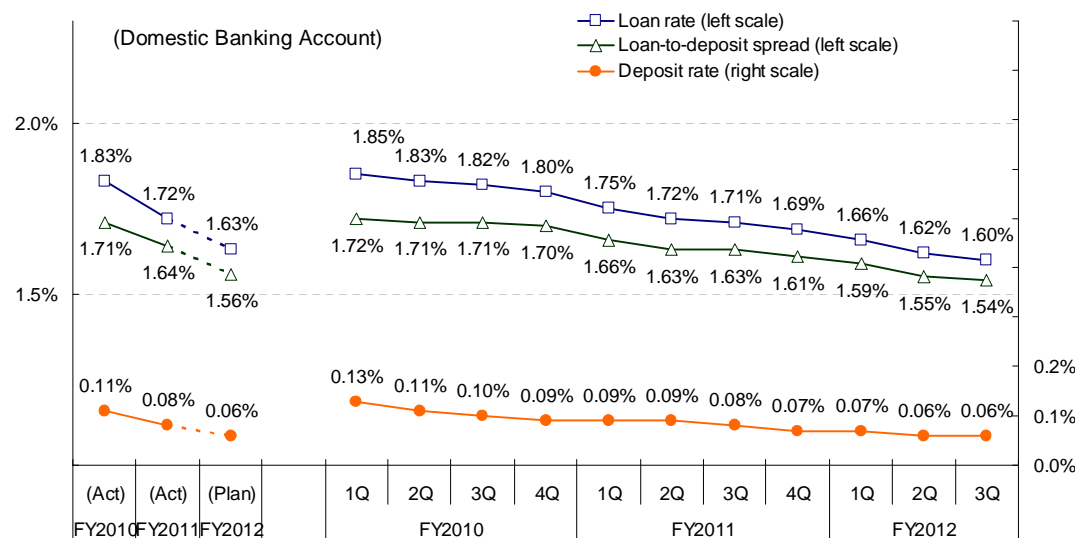
Top-line income decreased by ¥16.9 bn mainly due to drop of special dividend on trust beneficiary right



\*1. Domestic operations (Deposits include NCDs) \*2. Fees and commission income plus trust fees

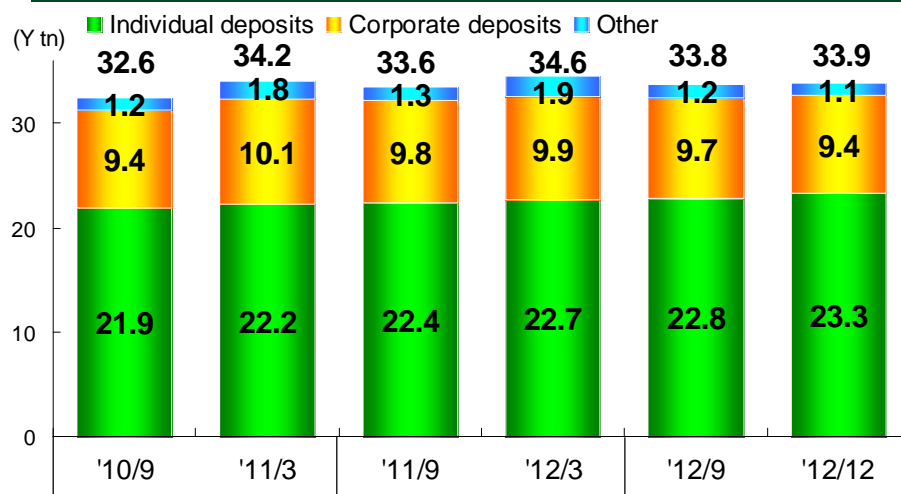
# Trend of Loan and Deposit (Total of Group Banks)

## Trend of loan and deposit rates and spread

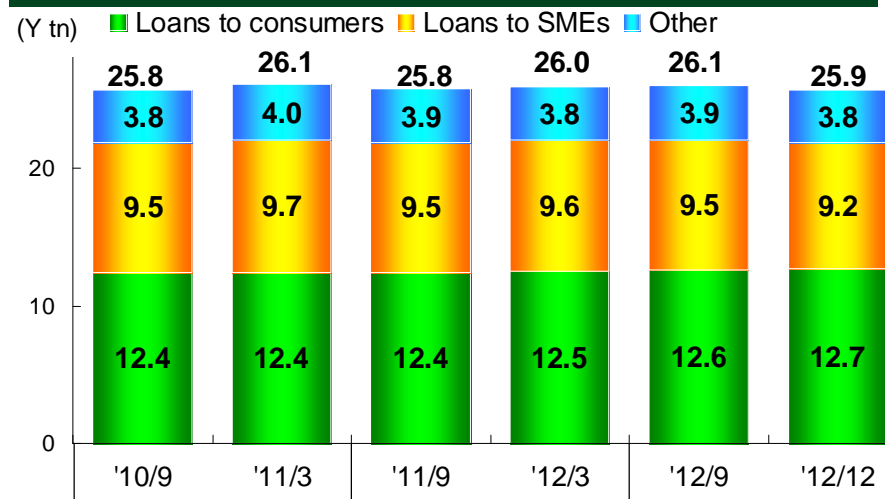


(Ytn)		FY2011 1-3Q	FY2012 1-3Q	Change
Loans	Avg. Bal	25.14	25.17	+0.02
	Yield	1.73%	1.63%	(0.10)%
Deposits (Including NCDs)	Avg. Bal	34.43	34.73	+0.29
	Cost	0.08%	0.06%	(0.01)%
Loan-to-deposit spread		1.64%	1.56%	(0.08)%

## Trend of term-end deposit balance



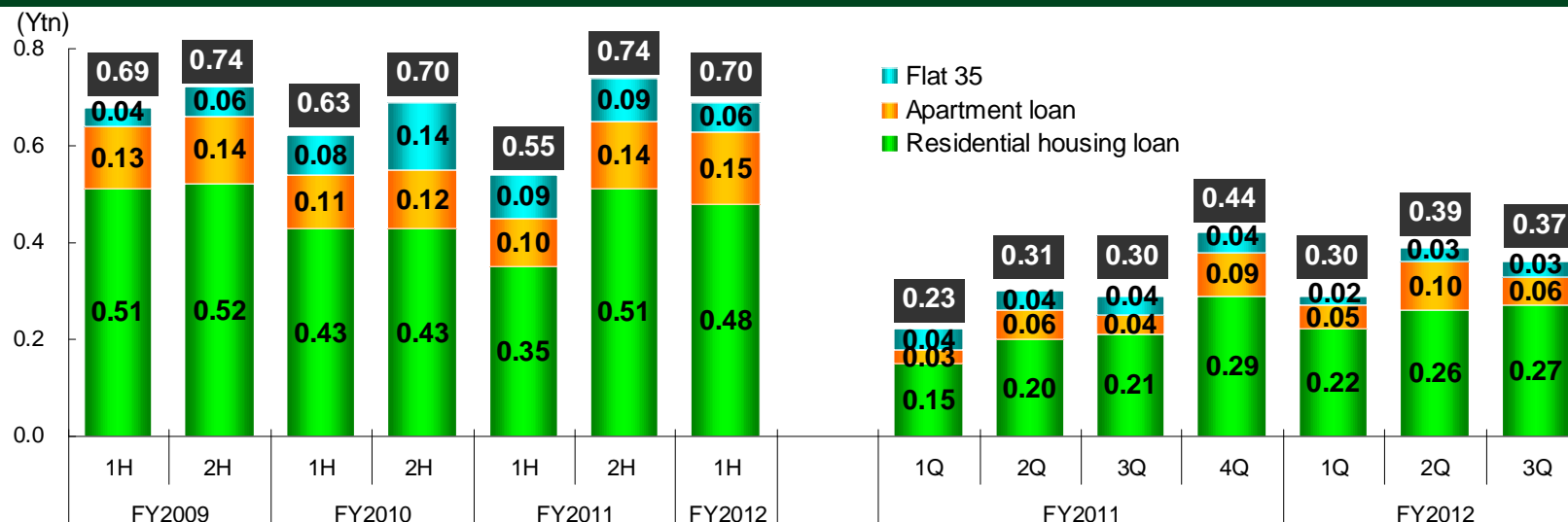
## Trend of term-end loan balance



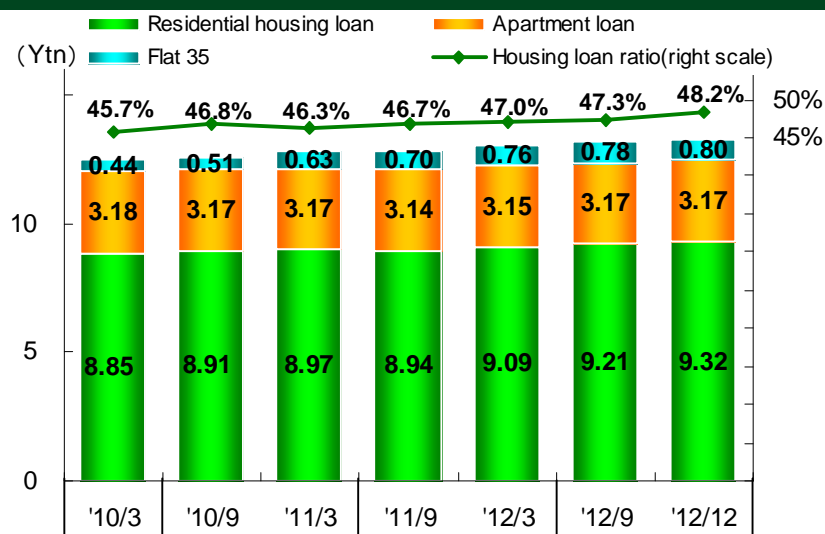
\* Include the loan extended to Resona Holdings  
(Y0.27 trillion as of 2011/3 and 2011/9, Y0.24 trillion as of 2012/3 and 2012/9, Y0.19 trillion as of 2012/12)

# Trend of Housing Loan Business (Total of Group Banks)

## Trend of housing loan origination



## Trend of housing loan balance



## Indices to measure soundness

### Ratio of subrogation payment\*1

Approx. 0.3-0.4%

### Net loss ratio \*2

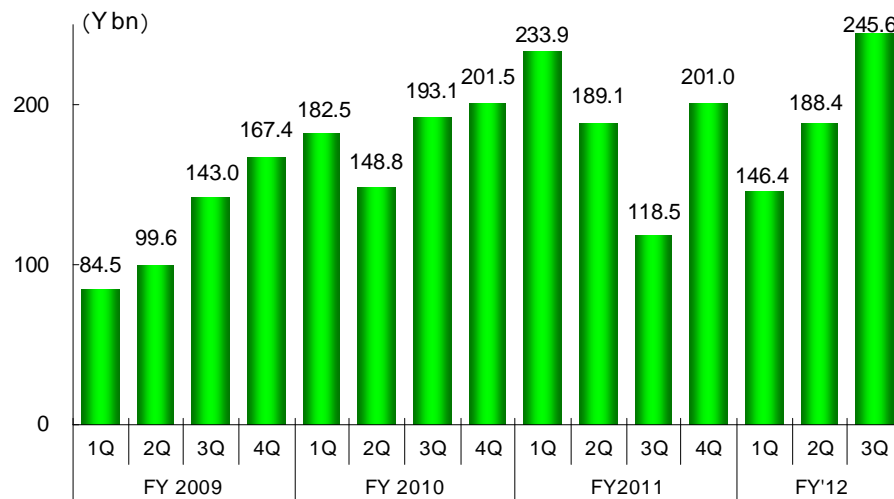
Approx. 0.1-0.2%

\*1. Rate of subrogation repayment by loan guarantee subsidiaries

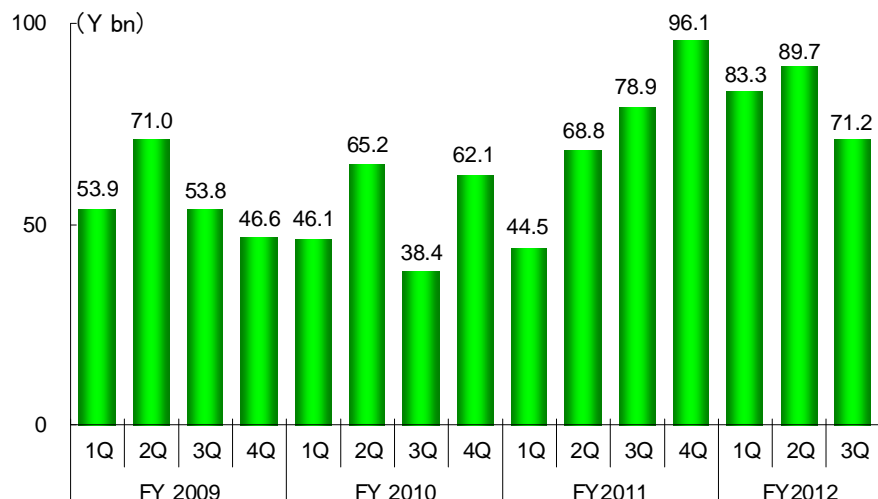
\*2. Subrogation ratio x (1 – rate of recovery after subrogation)

# Trend of Investment Product Sale Business (Total of Group Banks)

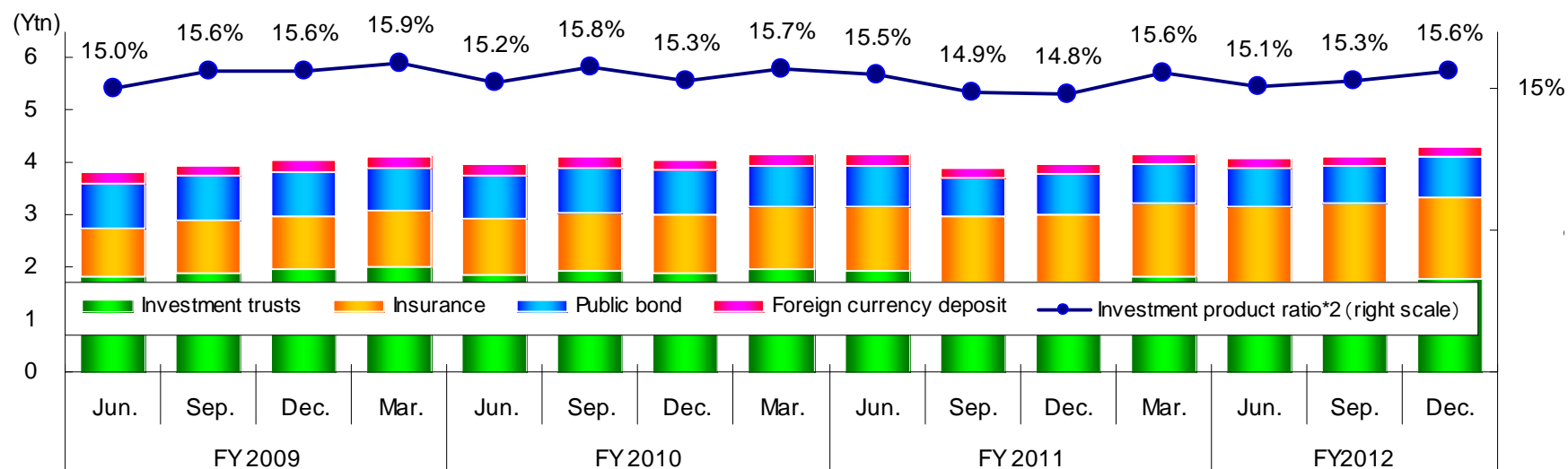
## Investment Trust



## Insurance



## Balance of Investment Products sold to Individual\*1



\* Investment product ratio = balance of investment products sold / balance of investment products sold and deposits held by individuals



# Credit Costs and Securities (Total of Group Banks)

## Trend of credit costs

(Y bn)

	FY2009		FY2010		FY2011		FY2012	
	1H	2H	1H	2H	1H	2H	1H	3Q
Total of group banks (A)								
General reserve	(9.5)	18.8	11.5	(5.8)	22.0	27.3	20.4	13.2
Specific reserve and other items	(41.7)	(49.5)	(29.6)	(12.8)	(21.5)	(32.2)	(9.1)	(1.7)
New bankruptcy, downward migration	(56.3)	(59.2)	(39.1)	(27.9)	(27.4)	(28.3)	(28.2)	(8.0)
Other	14.6	9.7	9.4	15.0	5.8	(3.9)	19.1	6.3
Net credit cost	(51.3)	(30.7)	(18.1)	(18.6)	0.4	(4.8)	11.2	11.4
Difference (B) - (A)	(17.4)	(15.1)	(14.1)	(10.6)	(7.1)	(2.1)	(5.9)	2.1
RHD consolidated (B)								
Net credit cost	(68.7)	(45.8)	(32.2)	(29.2)	(6.7)	(7.0)	5.3	13.6

## Responses to obligors who already formulated or are preparing a “feasible” and “drastic” turnaround plan

- Specialized division examines and approves such a plan
- Monitor progress of the plan every three months and determine an obligor category

	Obligor classification	Criteria for providing loan loss reserves	Coverage ratio
Obligors who already formulated a turnaround plan	Other watch	In reference to: 1) actual loan loss ratio observed 2) time period of turnaround plan	Approx. 50%
Obligors who are preparing a turnaround plan		Special attention	Approx. 60%

→ More rigorous reserve policy adopted in Q3 FY2012  
 → Reserve based on the same criteria as applied to “special attention” obligors

## Securities portfolio

### Available-for-sale securities

- Net unrealized gain as of Dec. 31, 2012 : Y141.0bn
- Stocks : Impairment loss Y17.3bn, improvement of Y0.3bn from 1H of FY2012
- JGB : Average duration 2.5 years, BPV Y1.62bn
  - Balance of floating-rate JGBs : Y232.0

### [Total of three banks]

(Y bn)

	Mar.'10	Mar.'11	Mar.'12	Sep.'12	Dec.'12
Available-for-sale securities*1	7,726.4	8,150.6	9,157.2	8,254.3	8,033.4
Stocks	343.8	351.3	342.1	319.7	319.5
Bonds	7,055.0	7,529.9	8,450.9	7,548.0	7,354.9
JGBs	5,755.7	6,337.8	7,393.3	6,404.3	6,151.1
Average duration (years)	2.1	2.1	2.4	2.6	2.5
BPV	(1.19)	(1.35)	(1.81)	(1.68)	(1.62)
Local government bonds	146.2	150.4	183.5	201.4	205.9
Corporate bonds	1,153.0	1,041.7	874.1	942.2	997.8
Other	327.5	269.3	364.0	386.5	358.9
Foreign securities	135.3	96.4	236.5	243.3	227.0
Unrealized gains/(losses)	119.8	92.6	131.5	111.9	141.0

Bonds held to maturity*2	1,087.2	1,667.9	2,060.6	2,181.2	2,212.3
Unrealized gains/(losses)	24.8	24.5	49.6	66.0	63.2

\*1. Acquisition cost basis

\*2. Balance sheet amount basis

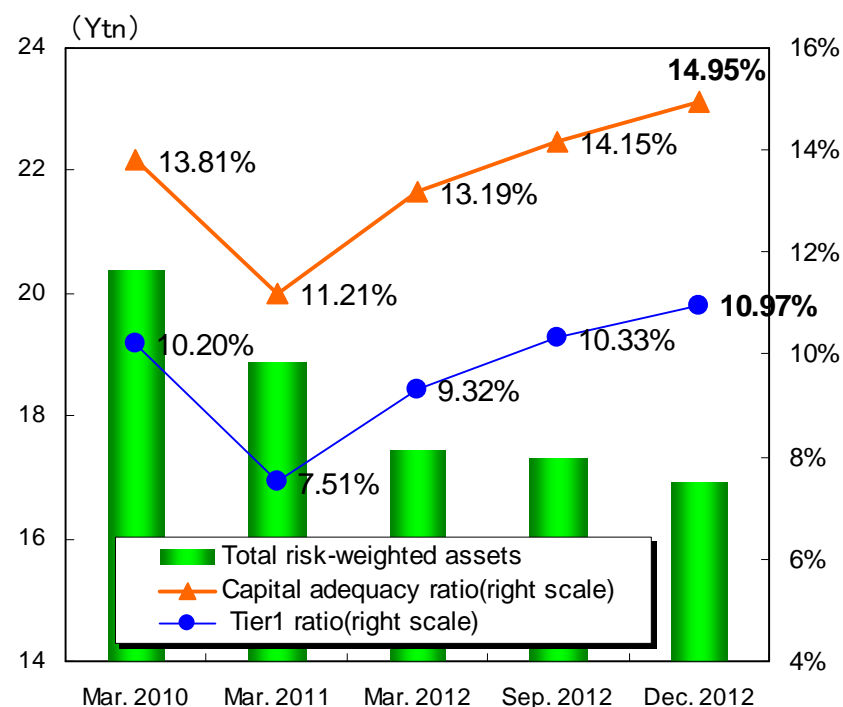
## Capital Adequacy Ratio as of Dec. 31, 2012

■ RHD's consolidated CAR [Sep. 31, 2012] 14.15% ⇒ [Dec. 31, 2012] 14.95% (+ 0.80%)

### Capital adequacy ratio(RHD Consolidated)

(Ybn, %)		
Dec. 31, 2012	Japanese Domestic Standard	Change from End of Sep. 2012
<b>Capital adequacy ratio</b>	<b>14.95%</b>	+0.8%
<b>Tier1 ratio</b>	<b>10.97%</b>	+0.64%
<b>Total qualifying capital</b>	<b>2,529.5</b>	+76.2
Tier1 capital	<b>1,856.5</b>	+66.0
Tier2 capital	<b>678.0</b>	+9.9
Deductions	<b>5.0</b>	(0.3)
<b>Total risk-weighted assets</b>	<b>16,917.3</b>	(409.4)
Credit risk assets	<b>15,817.8</b>	(409.4)
Market risk assets		
Operational risk assets	<b>1,099.4</b>	-

### Trend of CAR (RHD Consolidated)



\*Capital adequacy ratio as of Dec. 31, 2012 is on a preliminary basis.

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Resona Group at a Glance

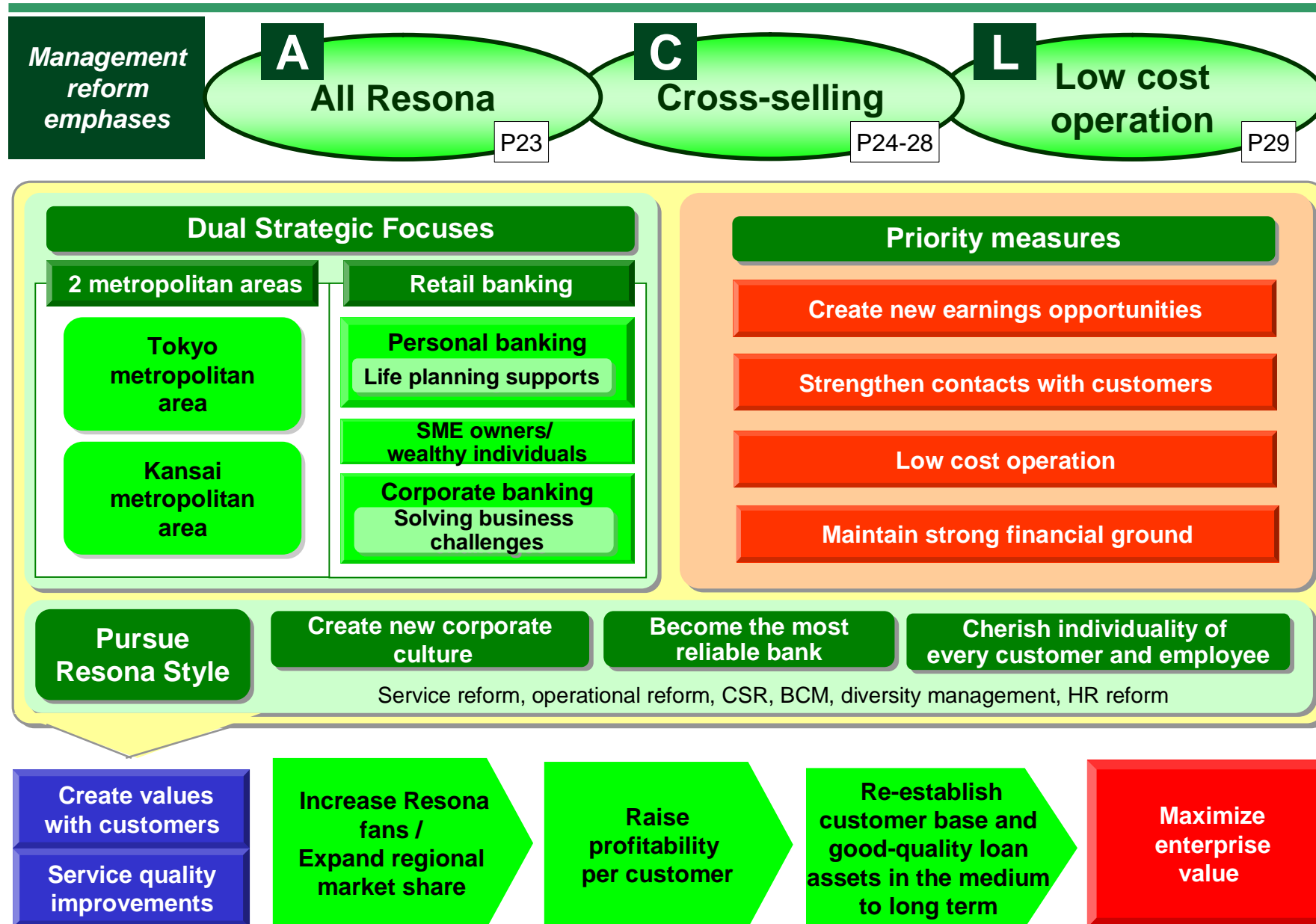
Outline of Business Results for 1-3Q of FY2012  
and Updates on Major Businesses

**Outline of the New Business Revitalization Plan**

Direction of Future Capital Policies

<Reference Material>

# Outline of the New Business Revitalization Plan



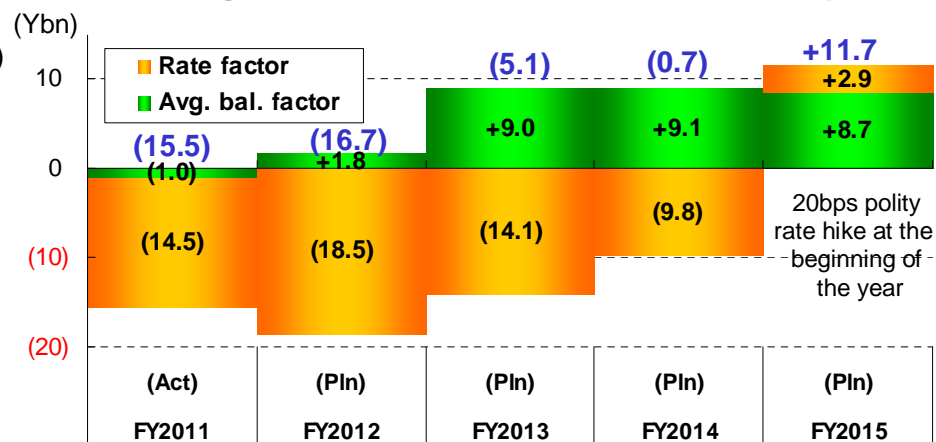
# Focused Agendas during the New Plan Period

## (1) Recover the interest income by adding up good-quality loan assets

- Envisage around 2% annual loan balance growth
  - Industries with high growth potential  
(Asia, medical, environment, welfare, nursing care, etc.)
  - HL and loans to high net worth individuals

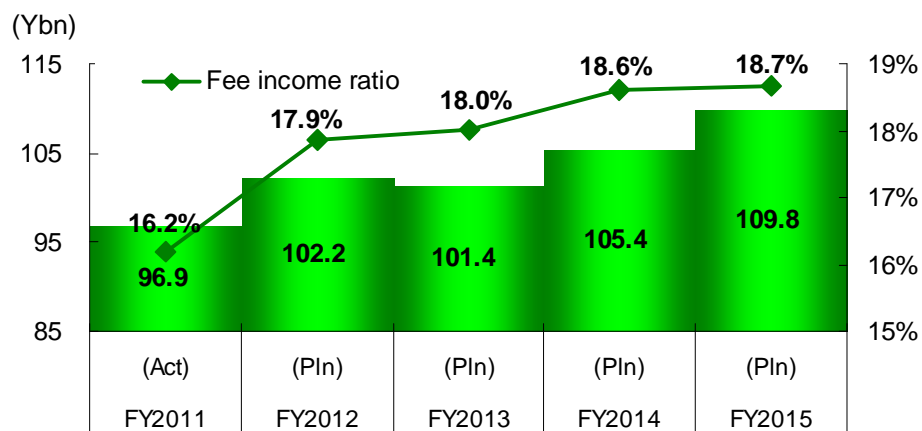
(Ytn)	FY2012 (Pln)	FY2015 (Pln)	Change
<b>Total average loan balance</b>	<b>25.23</b>	<b>26.99</b>	<b>+1.76</b> (+7.0%)
Loans to corporations	11.60	12.20	+0.59 (+5.1%)
Loans to individuals	12.65	13.87	+1.21 (+9.6%)

### [YoY change in net interest income from loans and deposits]



## (2) Strengthen fee income through cross-selling

- Financial product sale => Return to a pre-Lehman level
- Fee income ratio will rise by 2.5% from FY2011



## (3) Improve cost-competitiveness further

- Fully absorb the increase in social insurance contributions and other expense items with continued efforts for low-cost operations

(Ybn)	FY2012 (Pln)	FY2015 (Pln)	Change
<b>Total G&amp;A expense</b>	<b>338.0</b>	<b>335.0</b>	<b>(3.0)</b>
Social insurance and other unavoidable expense increase			+9.0
Expense reduction via efforts for low-cost operation			(12.0)

\* Fees and commission income = sales commission + trust fees

## Outlook of the Focused Businesses during the New Plan Period

(Total of Group Banks)		FY2011 (Act)	FY2012 (Pln)	FY2015 (Pln)	FY2011 (Act) vs FY2015 (Pln)
Individual Customers	Sale of investment trust	696.2 bn	725.0 bn	835.0 bn	+138.8 bn (19.9% increase)
	Sale of insurance products	288.3 bn	402.0 bn	418.0 bn	+129.7 bn (44.9% increase)
	Housing loan origination (owner occupied only)	1,048.6 bn	1,214.0 bn	1,297.0 bn	+248.4 bn (23.6% increase)
	Loans newly extended to high-net-worth individuals, etc.	401.5 bn	543.0 bn	606.0 bn	+204.5 bn (50.9% increase)
Corporate Customers	Number of trust solutions provided for asset and business transfers	2,545	3,040	4,240	+1,695 (66.6% increase)
	Income from real estate business	7.8 bn	10.0 bn	11.0 bn	+3.2 bn (41.0% increase)
	Number of SMEs to which loans are extended	85,800	85,830	89,400	+3,600 (4.1% increase)

# Outline of the Earnings Plan

Flat interest rates till the end of FY2014 and a 20bps policy rate hike in FY2015 are assumed

## [Earnings Trend & Plan]

(Billions of Yen)

[Total of Group Banks]	FY2011 Actual	FY2012 Plan (A)	FY2013 Plan	FY2014 Plan	FY2015 Plan (B)	Increase (Decrease) (B)-(A)
Gross operating profit	598.6	572.0	563.0	568.0	588.0	16.0
Net interest income	454.1	433.0	430.0	434.0	447.0	14.0
(Loan-to-deposit spread) (Administrative accounting basis)	1.63%	1.55%	1.49%	1.45%	1.49%	(0.06)%
Fees and commissions + Trust fees	96.9	102.2	101.4	105.4	109.8	7.6
Other	47.5	36.8	31.6	28.6	31.2	(5.6)
Operating expense	(338.8)	(338.0)	(336.0)	(336.0)	(335.0)	3.0
Actual net operating profit *1	259.7	234.0	227.0	232.0	253.0	19.0
Net gains/losses on stocks	2.2	(18.0)	5.0	6.0	8.0	26.0
Credit costs, net	(4.4)	(20.0)	(48.0)	(48.0)	(48.0)	(28.0)
Income before income taxes	242.6	197.0	190.0	192.0	215.0	18.0
Net income	239.4	215.0	120.0	121.0	140.0	(75.0)
Resona HD Net income, Consolidated	253.6	230.0	130.0	131.0	150.0	(80.0)

## [Major Indices]

Fee income ratio % *2	16.18	17.86	18.01	18.55	18.67	0.81
Cost-to-income ratio %*3	56.60	59.09	59.68	59.15	56.97	(2.12)
Credit cost ratio % *4	0.02	0.07	0.18	0.18	0.17	0.10

## [Major Assumptions]

Overnight call rate (policy rate) %	0.076	0.100		0.300	0.200
10 year JGB %	0.985	1.000		1.200	0.200
FX (Yen / 1US\$)	82	80	85	90	10
Nikkei 225 (yen)	10,083	8,500 to 10,500		11,500	12,500

\*1. Net operating profit before provision to general reserve for possible loan losses and disposal of problem loans in the trust account

\*2. (Fees and commission income + Trust fees) / Gross operating profit

\*3. Operating expenses / Gross operating profit (before NPL charge-off in the trust account)

\*4. Credit costs, net / Total credits (term-end balance)

## A All Resona

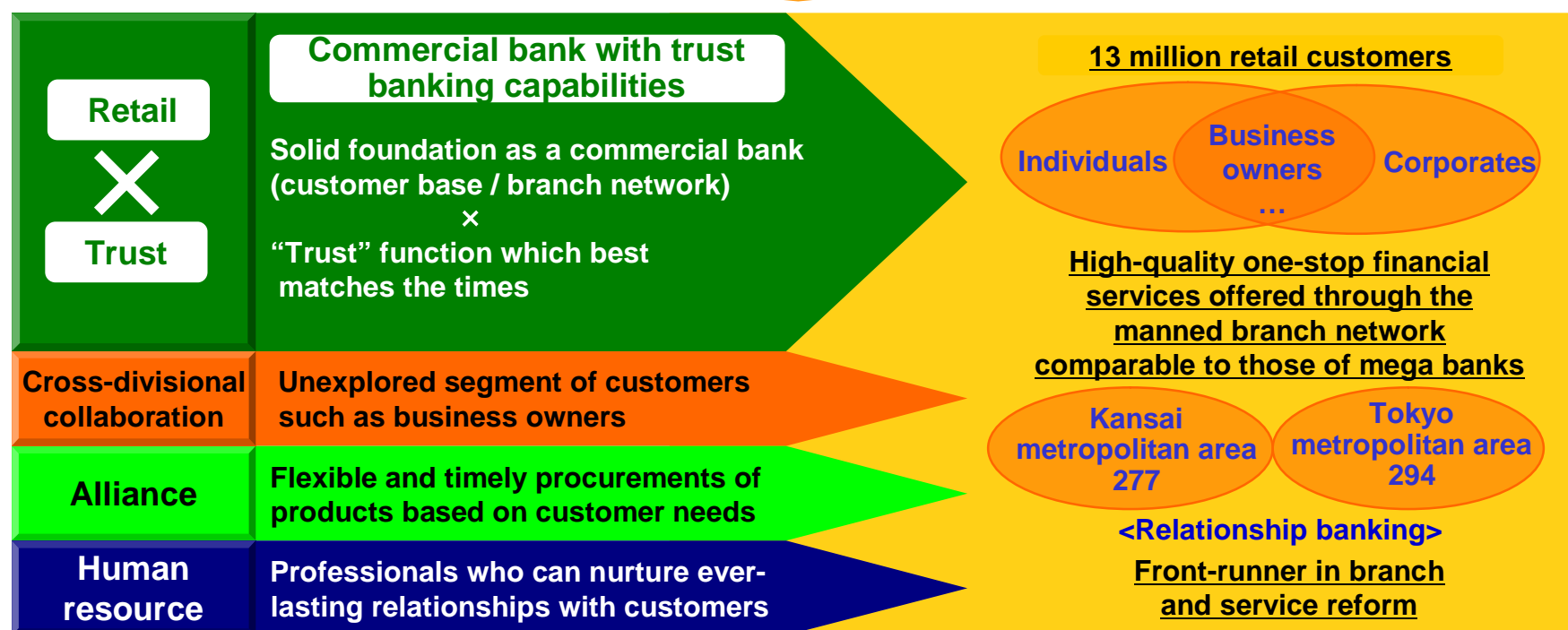
Financial group that can benefit the most from the prevailing tidal change in the market

Tidal changes taking place in the market

Increasing and diversifying financial needs from household sector

Large-scale cross-generation asset transfer taking place for the first time after the war

Further concentration of assets and population in metropolitan areas



Resona Group banks were ranked as #1 and #2

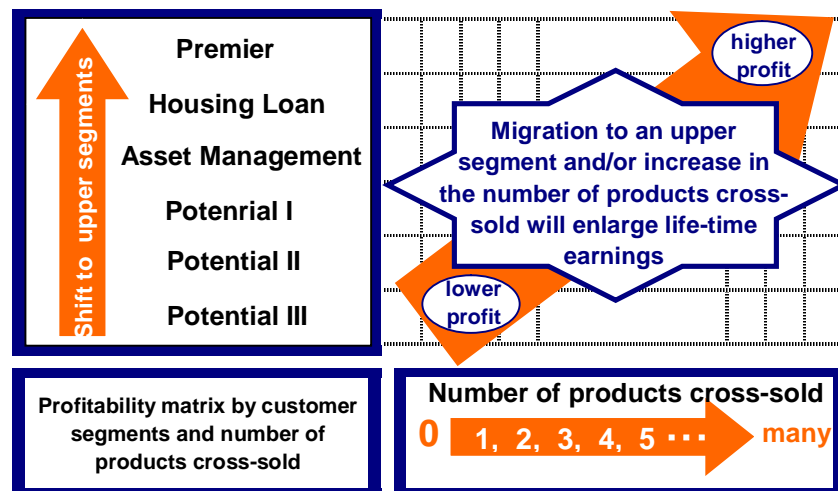
Nikkei Retail Banking Survey  
(the Eighth Annual Survey in 2012)

The survey compared the quality of over-the-counter service and financial products of 117 banks in Japan.



## C Cross-Selling

### Maximizing profitability through cross-selling



### “Premier” segment strategy

#### Cross-selling opportunities arising from asset transfer business

0.86 million potentially affluent clients

Increase “premier” customers by 20,000  
⇒ Y15 to 20 bn additional income

+200 sales representatives for potentially affluent customers

Sophistication in marketing  
⇒ Optimizing strategies by customer segments

### “Housing loan” segment strategy

#### Cross-selling based on anticipated life events

0.53 million housing loan clients

Ever-lasting transactions

One-to-one marketing based on customized web pages

Proper understanding of customer profile as an existing loan creditor

### “Potential” segment strategy

#### Approach customers via the channel they want

Customers whom group banks have not met face-to-face yet

Becoming a main bank for them

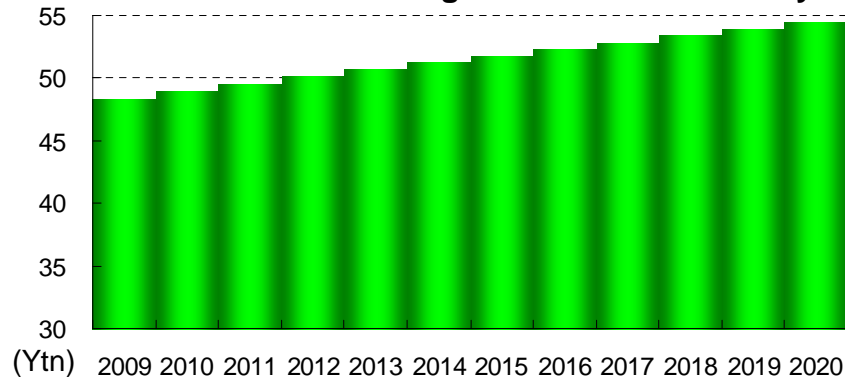
Resona Club (loyalty program)  
More convenient web/mobile functions

Extended business hours:  
Nighttime on weekdays and opening on holidays

## C Cross-Selling: Asset Transfer Business (1)

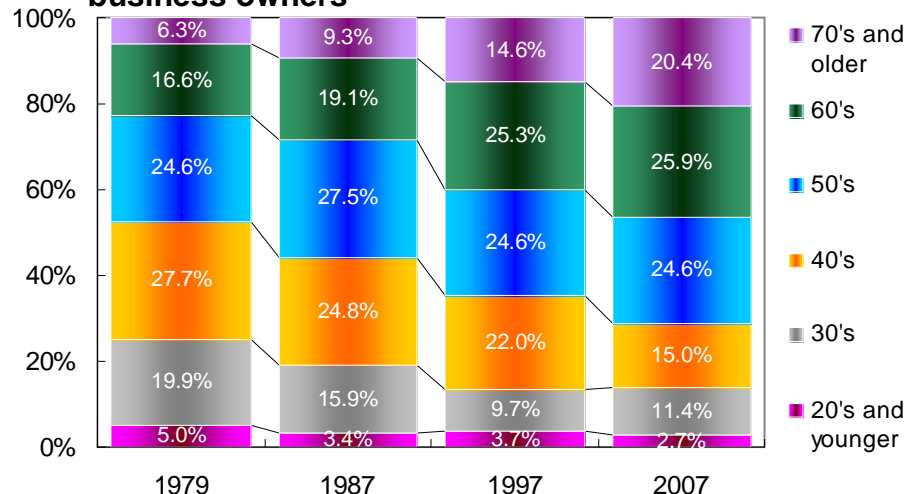
Over Y500 trillion to be handed over to next generation in 10 years<sup>\*1</sup>

- 60 to 70% in Tokyo and Kansai metropolitan areas in terms of the inheritance tax paid
- Likelihood of more stringent inheritance tax levy



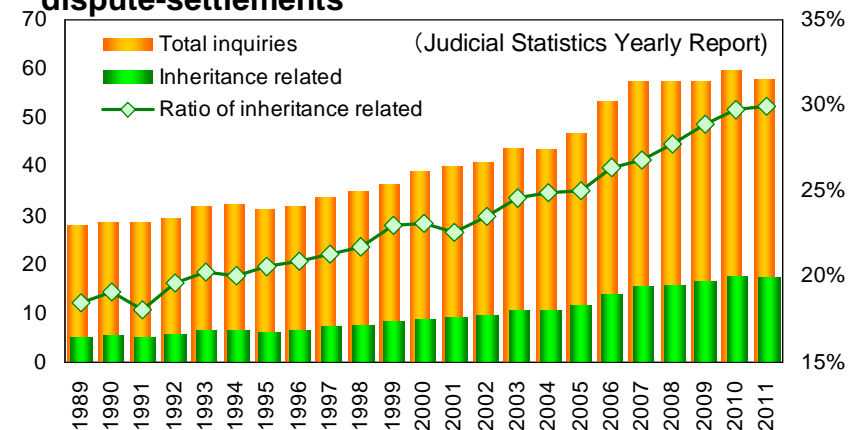
Change in composition of SME representatives by his/her age<sup>\*2</sup>

- Succession of business is a headache for aged business owners



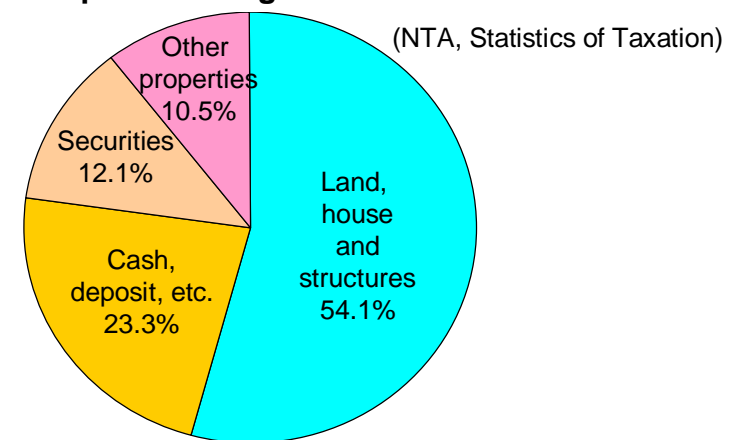
Inquiries to family courts regarding inheritance

- Increasing number of cases brought to courts for dispute-settlements



Composition of assets acquired through inheritance

- Real estate accounts for more than half of the assets acquired through inheritance



Assets totaling Y11.45 trillion acquired through inheritance in 2010

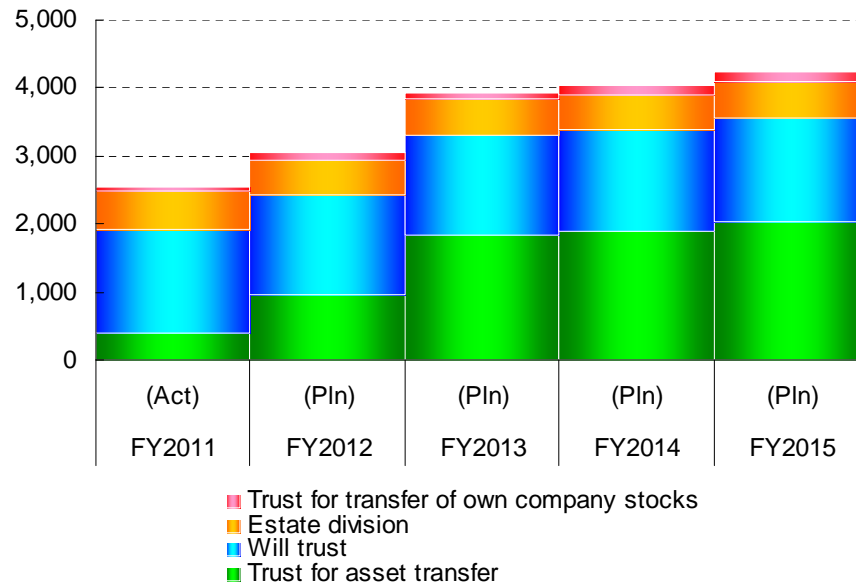
\*1. Inheritance market: Total estimated assets to be inherited (Nomura Institute of Capital Markets Research)

\*2. Ministry of Internal Affairs and Communications and The Small and Medium Enterprise Agency

## C Cross-Selling: Asset Transfer Business (2)

### Promotion of ATB as Gateway for Cross-Selling

[Number of trust solutions provided for asset and business transfers]



### Entrustment of Wills

#### Access to asset information of the client

- cash & deposits ■ securities
- stock of their own companies ■ real estate.....

### Consulting

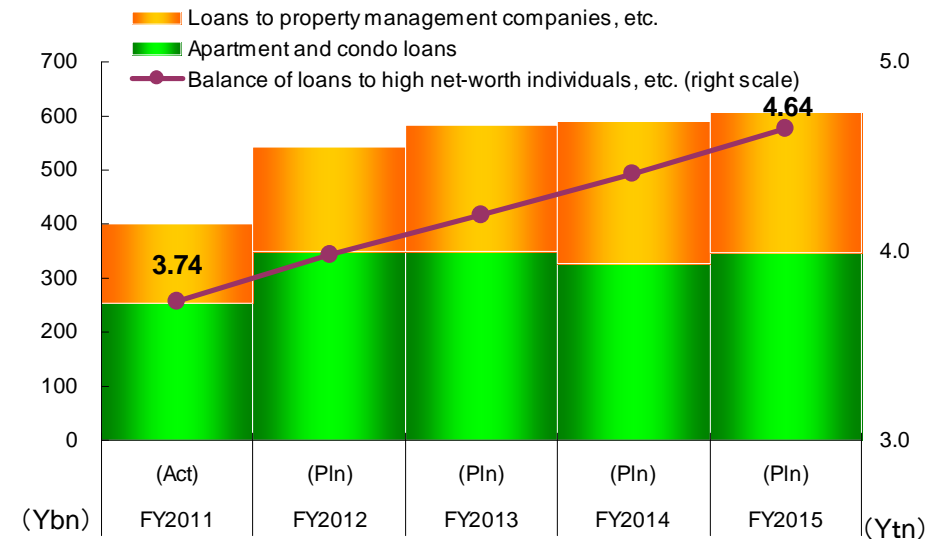
### Inheritance

#### Various opportunities for Cross-Selling

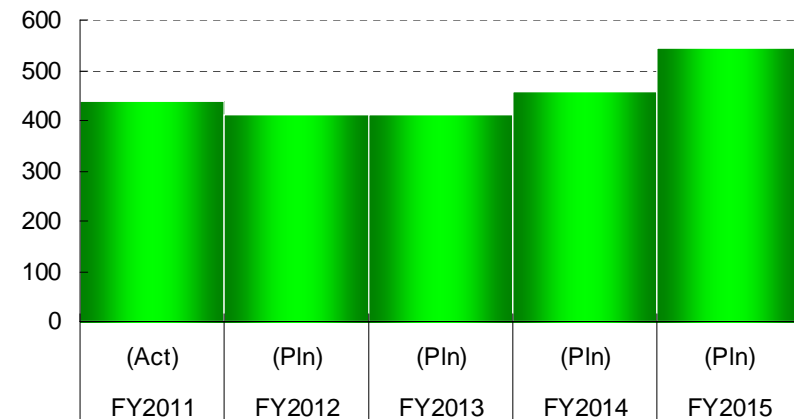
- investment trusts ■ insurance ■ apartment loans
- real estate mediation ■ business succession....

### Multifaceted cross-selling opportunities vis-à-vis “Premier” customers

[Loans newly extended to “Premier” customers]



[Number of RE brokerage transactions for individuals]



# C Cross-Selling: Efforts to Strengthen Contacts with Customers

## Face-to-face Channels

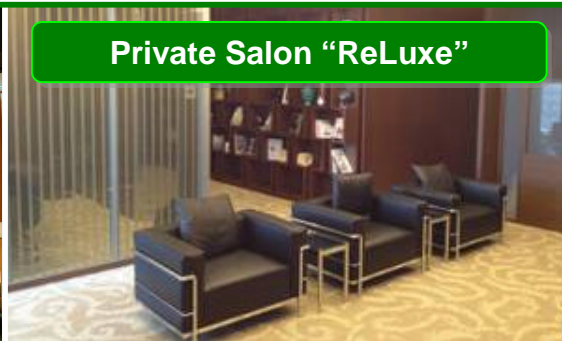
Approx. 600 face-to-face outlets including 75 Loan Plazas

Offer “differentiated” “order-made” asset transfer solutions

### Tokyo Midtown Branch

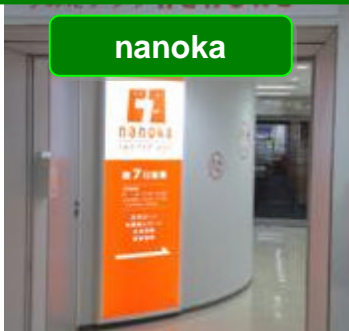


### Private Salon “ReLuxe”



“Open 7 days a week” to provide life-planning supports for those who couldn’t visit our branches on weekdays daytime

### nanoka



### 7Days Plaza



### Loan Plaza



## Differentiated service quality

- Offer the interface which a customer prefers the best

## Strengthen sales capabilities at branch counters

## Consulting Capability Enhancement Project

- Sales promotion based on consultation for life planning
- Strengthen proposal on ideal asset portfolio

## Direct Channels

### Web / Mobile

One-to-One marketing via customized web

### ATM

Induce ATM-only clients to pay a visit to branch counters

### Customer Center

Strengthen outbound promotion

Double the number of “approached” customers from 1 million to 2 million

## C KPIs for Cross-selling (Total of Group Banks)

### Primary Index

■ RLCs = Clients to whom the group have achieved cross-selling to some extent

(Number of customers in thousands)		Sep 30, 2011	Sep 30, 2012	Change in Past 1 Year
Premier	AUM or condominium loan exceeding JPY50 million	41.7	43.2	+1.5
Housing Loan	With housing loan for own home	526.0	534.5	+8.5
Asset Management	AUM exceeding JPY10 million	621.7	630.0	+8.3
Potential I	AUM exceeding JPY5 million	784.6	784.6	+0.0
Potential II	AUM below JPY 5 million/ with 3 or more products sold	4,499.5	4,568.5	+69.0
<b>Resona Loyal Customers (RLCs)</b>		<b>6,473.5</b>	<b>6,560.8</b>	<b>+87.3</b>
Potential III	AUM below JPY 5 million/ with 2 or less products sold	6,362.5	6,248.1	(114.5)
Total active customers (3 banks total)		12,836.0	12,808.8	(27.2)

### Reference Indices

■ Covering the RLCs, measure the following reference indices on a regular basis

#### Lifetime Value (LTV)

Change in Past 1 Year

**+49.9bn**

- Under certain assumptions, try to measure the degree of incremental growth in top-line income brought about by new transactions captured by virtue of the sales activities
- Top-line income to be generated over a next 10 year period

#### Number of Products Sold

Sep 30, 2012

**3.85 Products**

(+0.00 from Sep. 30, 2011)

- Ordinary account to be counted as one item (formerly not counted as one item)
- 2 items\*1 which have mutuality with a transaction retention rate and future earnings are newly added

\*1. (1) Account transfer (Utilities, insurance premium, credit card and tax payment), and  
(2) Outward and inward remittance

# L Low Cost Operation: Promotion of Operational Reforms

Deposit/domestic exchange business reform in a final stage => Embark on a loan business reform

## Deposit and domestic exchange business reform

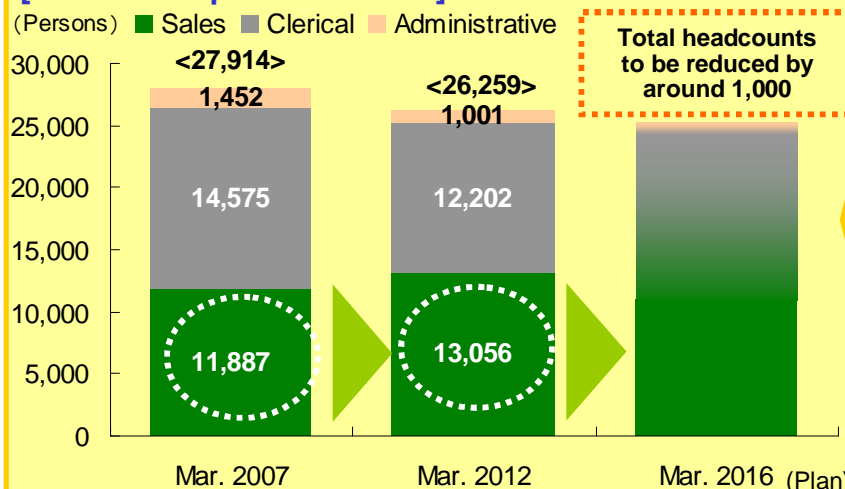
- **Next generation branch office**  
(Branch office redefined as “a place for sales activities”)
- **Significantly enhance operational efficiency by integrating and standardizing clerical work**

### [Trend of clerical staffs (RB+RBS)]

- Around 40% of the reduced clerical staffs will have been shifted to a sales department

	2005/3 (Act)	2012/3 (Act) (A)	2014/3 (Plan) (B)	(B)-(A)
Clerical staffs	8,091	5,116	4,560	(556)
Clerical work	100	52	40	(12)

### [Trend of Department size\*1]



## Housing loan processing reform

### Primary measures

- All existing Loan Plazas to be upgraded to next-generation LPs
- Introduce Next-generation Housing Loan Processing System to all LPs and Housing Loan centers

### [Trend of clerical staffs (RB+SR)]

	2011/3 (Act)	2012/3 (Act)(A)	2014/3 (Plan)(B)	(B)-(A)
Clerical staff	1,200	1,150	750	(400)
Clerical work	100	95	50	(45)

## Corporate loan processing reform

### Primary measures

- Expand IT platform and reduce costs
- Spend more time on credit analysis

### [Trend of clerical staffs (RB+SR)]

	2012/3 (Act)(A)	2016/3 (Plan) (B)	(B)-(A)
Clerical staffs	2,800	2,500	(300)
Clerical work	100	70	(30)

\*1. Total of group banks Regular employees + part time staffs + staffs seconded from other companies

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**Resona Group at a Glance**

**Outline of Business Results for 1H of FY2012**

**Outline of the New Business Revitalization Plan**

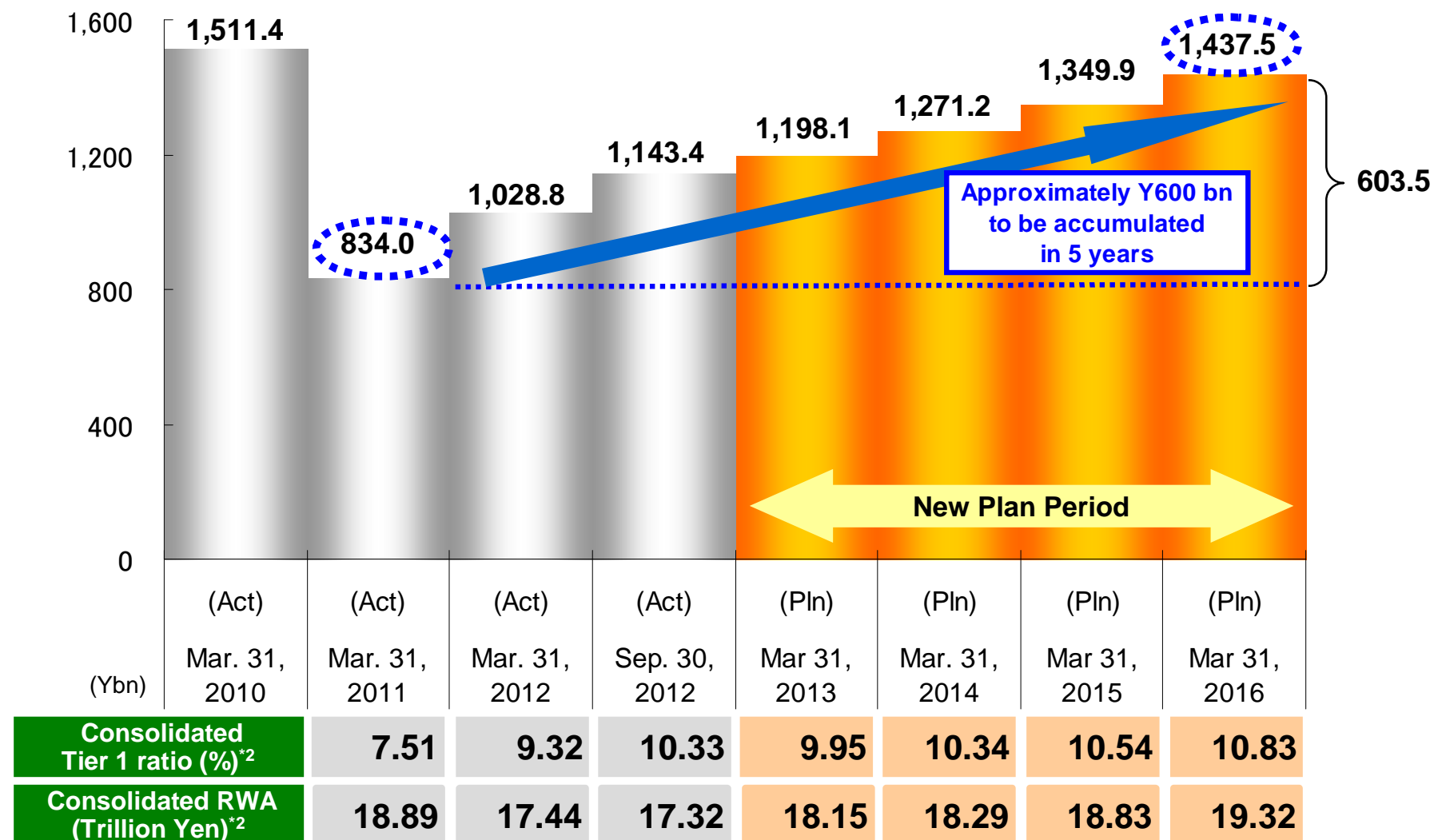
**Direction of Future Capital Policies**

**<Reference Material>**



## Accumulation of Combined Retained Earnings

Combined retained earnings\*<sup>1</sup> to reach Y1,437.5 bn by the end of March 2016, far exceeding Y610 bn of public fund preferred shares still outstanding



\*1. Total retained earnings held by Resona Holdings and its three subsidiary banks on a non-consolidated basis

\*2. RWA based on F-IRB under the Basel II, Japanese domestic standard. Shift to A-IRB approach is not taken into account



# Approaches for Repaying the Remaining Public Funds

- The balance of injected public funds was reduced to almost one fourth of the peak amount in September 2003
- Intend to repay the remaining public funds as early as possible via the following approaches

Details of Public Funds <sup>*1</sup>				
(Y bn)	Amount 2003/9 (A)	Amount 2012/9 (B)	Amount Repaid (B) - (A)	Policy and approaches for future repayment
Class C	60.0	60.0	-	<ul style="list-style-type: none"> <li>■ The increase in outstanding common shares upon mandatory conversion is expected to be minimal, since almost equivalent shares that could arise from mandatory conversion of Class C and F preferred stocks have already been repurchased from the market and are being held as treasury shares</li> </ul>
Class F	100.0	100.0	-	
<b>RCC Subtotal</b>	<b>868.0</b>	<b>160.0</b>	<b>(708.0)</b>	
Class 1	550.0	-	(550.0)	<ul style="list-style-type: none"> <li>■ Intend to repay the remaining balance through further accumulation of profits (retained earnings)</li> <li>■ Aiming for full repayment within 5 years given current profit trends</li> <li>■ However, the timing of future repayments will take into account capital adequacy regulations, etc. and will be executed in an appropriate and flexible manner</li> <li>■ Combined retained earnings as of Sep. 30, 2012: Y1,143.4 bn</li> </ul>
Class 2	563.5	-	(563.5)	
Class 3	550.0	450.0	(100.0)	
<b>DIC Subtotal</b>	<b>1,663.5</b>	<b>450.0</b>	<b>(1,213.5)</b>	
<b>Total Preferred</b>	<b>2,531.5</b>	<b>610.0</b>	<b>(1,921.5)</b>	
<b>Common Stock</b>	<b>296.4</b>	<b>261.6</b>	<b>(34.7)</b>	<ul style="list-style-type: none"> <li>■ Current priority is on repayment of DIC preferred stock</li> <li>■ No current plans to apply for a secondary offering of DIC-held common stock</li> </ul>
<b>Total Public Funds Remaining</b>	<b>3,128.0</b>	<b>871.6</b>	<b>(2,256.3)</b>	

<sup>\*1</sup> Figures reflect initial invested amounts

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**Resona Group at a Glance**

**Outline of Business Results for 1H of FY2012**

**Outline of the New Business Revitalization Plan**

**Direction of Future Capital Policies**

**<Reference Material>**

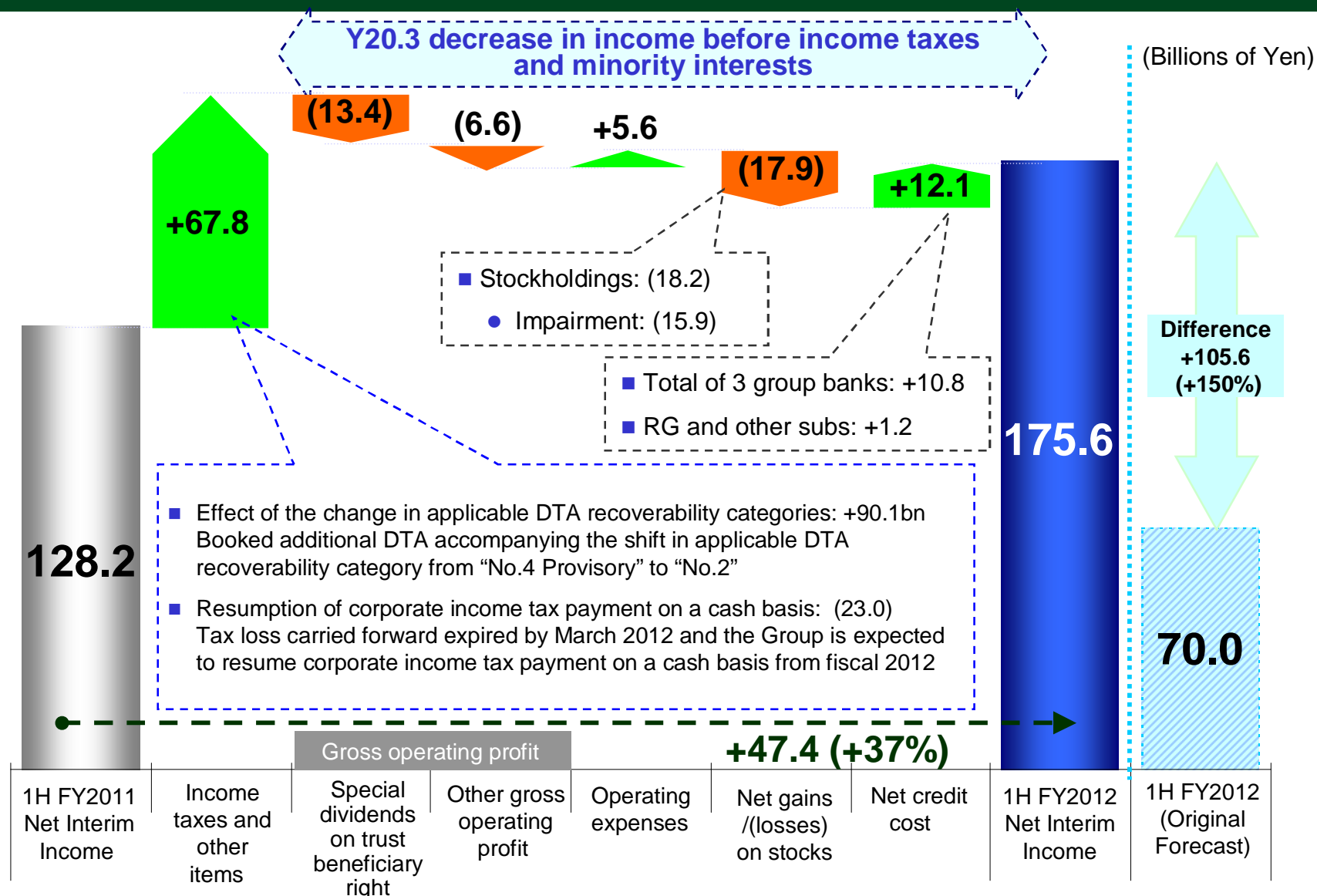
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## **Data of Business Results for 1H of FY2012**

**Reference Material**

# Factors Accounting for the Change in Consolidated Net Interim Income

Y47.4bn increase in consolidated net interim income compared with the same period last year



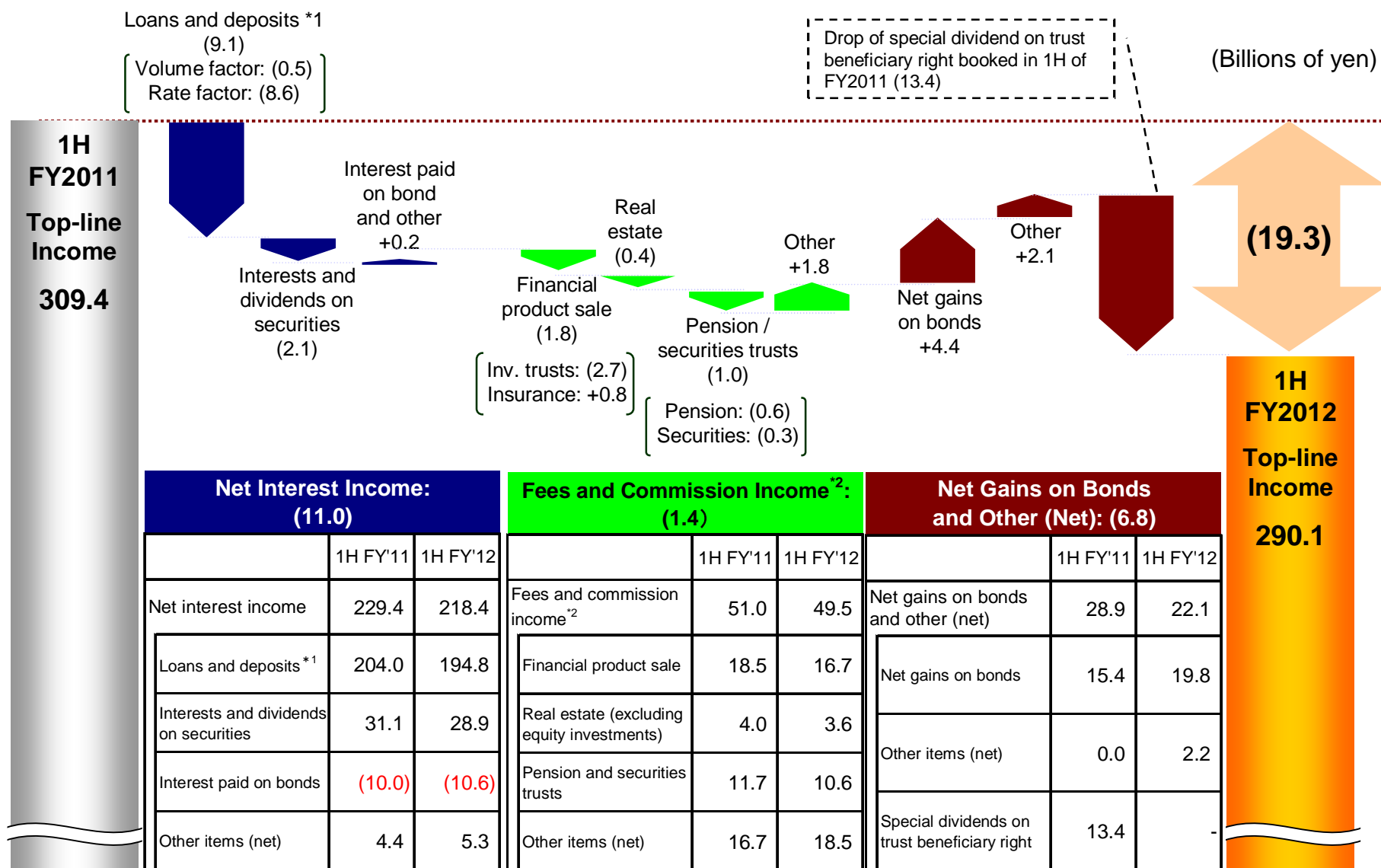
# Outline of Financial Results for 1H of FY2012

(Billions of Yen)

	Resona Holdings (Consolidated)		Difference (A)－(B)	Total of 3 group banks (Non-consolidated)					Factors accounting for the difference(A)-(B) (Approx. figures) RC: Resona Card RG: Resona Guarantee
	(A)	YoY change		(B)	YoY change	Resona	Saitama Resona	Kinki Osaka	
Gross operating profit	317.7	(20.1)	+27.6	290.1	(19.3)	193.0	70.9	26.1	
Net interest income	223.0	(11.3)	+4.6	218.4	(11.0)	135.2	61.8	21.2	RC 1.8 bn and other
Income from loans and deposits				194.8	(9.1)	122.0	53.4	19.4	Domestic operations: Banking account, deposits include NCDs
Trust fees	10.6	(1.6)	(0.0)	10.6	(1.6)	10.6	-	-	
Fees and commission income	61.3	(0.5)	+22.4	38.9	+0.1	27.8	7.7	3.3	RG 14.5 bn, RC 7.2 bn and other
Other operating income	22.6	(6.6)	+0.5	22.1	(6.8)	19.2	1.3	1.4	
Actual net operating profit				123.7	(15.6)	84.2	33.1	6.3	Actual net operating profit: net operating profit before NPL disposal in the trust account and before provision to general reserve for possible loan losses
Operating expenses (including non-recurring items)	(175.8)	+5.6	(8.8)	(166.9)	+4.8	(108.0)	(38.5)	(20.3)	RC (5.8) bn, RG (1.6) bn and other
Net gains/(losses) on stocks	(17.6)	(17.9)	+0.2	(17.8)	(18.2)	(17.0)	0.0	(0.8)	
Credit related expenses, net	5.3	+12.1	(5.9)	11.2	+10.8	13.0	1.0	(2.8)	RG (2.6) bn, RC (1.7) bn and other
Other gains/(losses), net	5.1	(0.0)	+0.5	4.5	+0.2	4.5	0.3	(0.3)	
Income before income taxes	134.7	(20.3)	+13.6	121.1	(21.5)	85.4	33.9	1.7	
Income taxes and other	40.9	+67.8	+1.3	39.5	+59.9	49.4	(9.0)	(0.9)	Minority interests in net income (1.2) bn, Income tax of RHD and other 2.6 bn
Net interim income	175.6	+47.4	+14.9	160.6	+38.4	134.9	24.9	0.8	

# Top-line Income for 1H of FY2012 Compared with 1H of FY2011 (Total of Group Banks)

**Top-line income fell by ¥5.8 bn excluding the one-off gain registered in 1H of FY2011**



\*1. Domestic operations (Deposits include NCDs) \*2. Fees and commission income plus trust fees

# Management Accounting by Business Lines

## Management Accounting by Group Business Lines (1H FY2012)

- “RAROC” and “RVA”<sup>\*1</sup> as management indicators to measure profitability to allocated capital

(Billions of Yen, %)

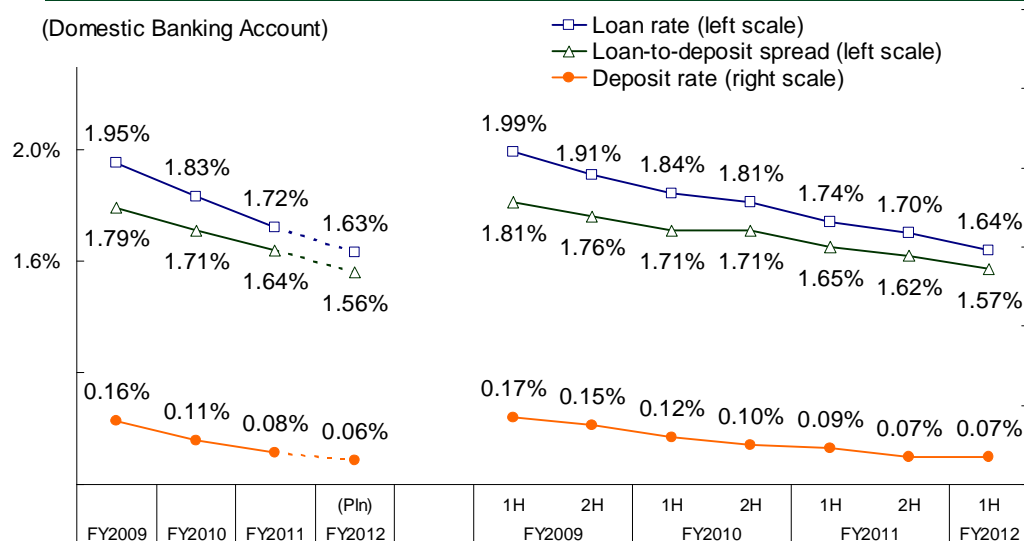
Resona Group Business Segments		Profitability				Soundness	Net operating profit after a deduction of credit cost									
		Net profit after a deduction of cost on capital		Risk-adjusted return on capital	Cost to income ratio	Internal CAR	Actual net operating profit								Credit cost	
		RVA <sup>*1</sup> (Actual)	YoY Change	RAROC (Actual)	OHR		YoY Change	Gross operating profit		Operating expense		YoY Change	YoY Change			
								YoY Change	YoY Change	YoY Change	YoY Change					
Non-treasury	67.0	+5.8	14.2%	60.5%	10.4%	115.6	+3.3	107.2	(9.9)	271.2	(13.3)	(163.9)	+3.3	8.4	+13.3	
	Personal Banking	29.3	+0.7	22.1%	68.2%	10.3%	40.1	(0.5)	40.9	(3.6)	128.6	(5.1)	(87.7)	+1.5	(0.8)	+3.1
	Corporate Banking	33.6	+5.8	11.3%	52.8%	10.4%	71.2	+4.5	62.0	(5.7)	131.3	(7.1)	(69.3)	+1.4	9.2	+10.2
	Trust	4.2	(0.7)	193.8%	61.7%	10.6%	4.3	(0.7)	4.3	(0.7)	11.3	(1.2)	(7.0)	+0.5	-	-
	Treasury	28.9	+3.7	47.1%	10.9%	24.5%	33.0	+4.5	33.0	+4.5	37.1	+4.0	(4.0)	+0.5	-	-
Total <sup>*2</sup>		79.2	(2.0)	13.0%	54.8%	13.6%	146.9	(1.1)	138.6	(14.4)	306.5	(18.3)	(168.0)	+3.9	8.4	+13.3

\*1 RVA: Resona Value Added (Net profit after a deduction of cost on internally allocated capital)

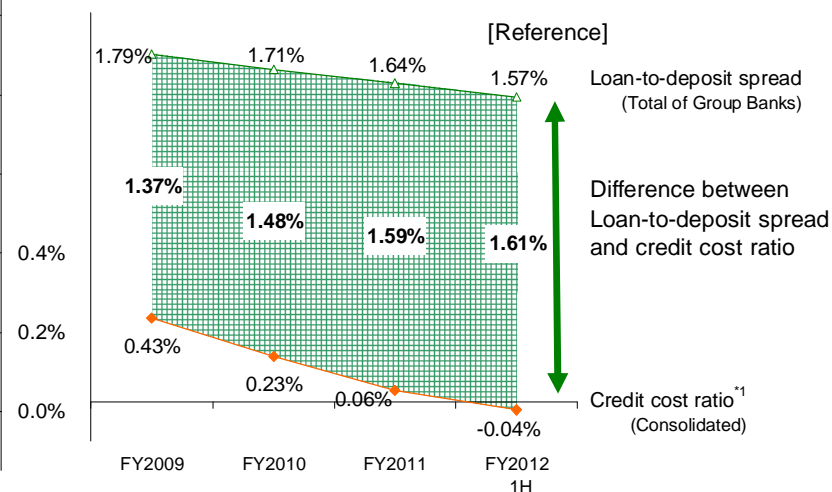
\*2 Total of 3 banks on a non-consolidated basis plus profit and loss of loan guarantee subsidiaries

# Trend of Loan and Deposit (Total of Group Banks, 1H FY2012)

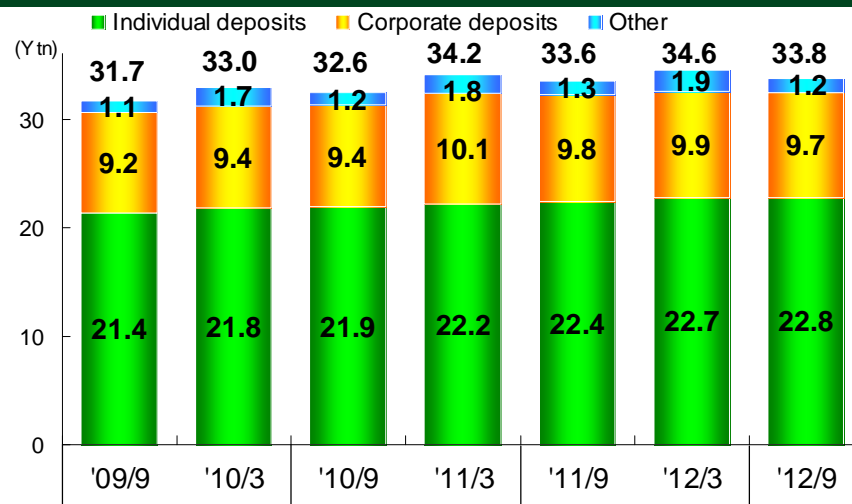
## Trend of loan and deposit rates and spread



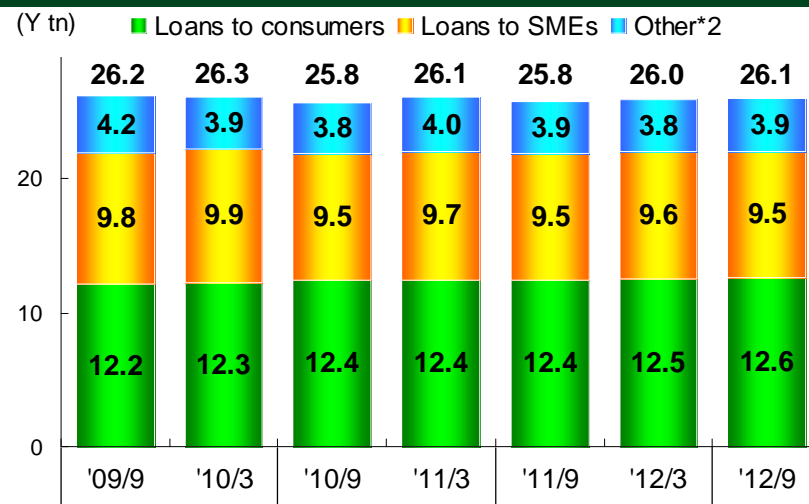
## [Trend of LD spread after credit cost]



## Trend of term-end deposit balance



## Trend of term-end loan balance



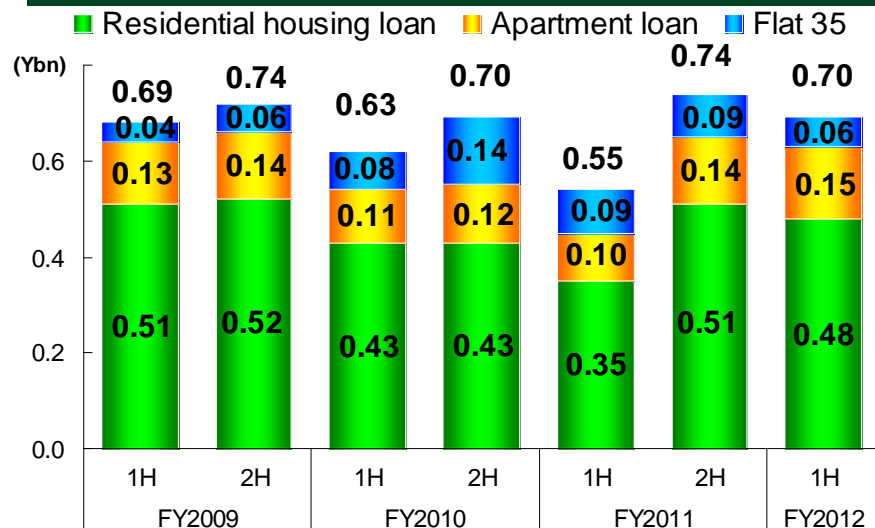
\*1. Credit cost / (loans + acceptances and guarantees), Simple average of the balance at the beginning and end of the year, Annual basis

\*2. Include the loan extended to Resona Holdings (Y0.27 trillion as of 2011/3 and 2011/9, Y0.24 trillion as of 2012/3 and 2012/9)



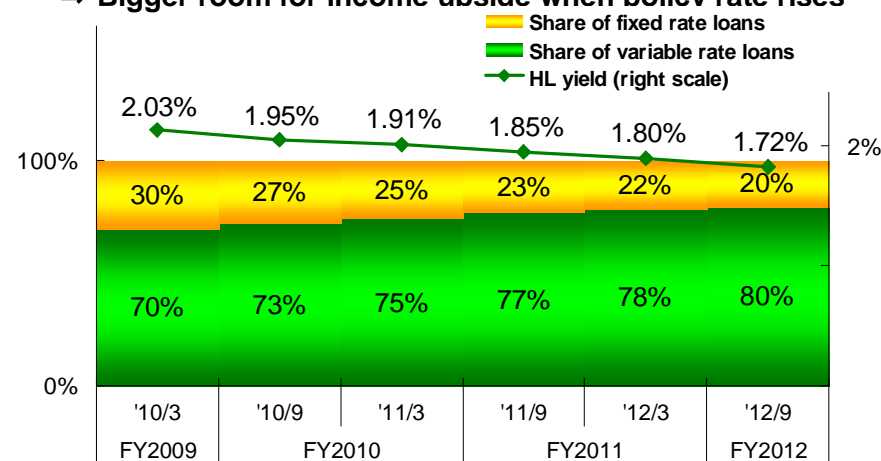
# Trend of Housing Loans (Total of Group Banks, 1H FY2012)

## Trend of housing loan origination

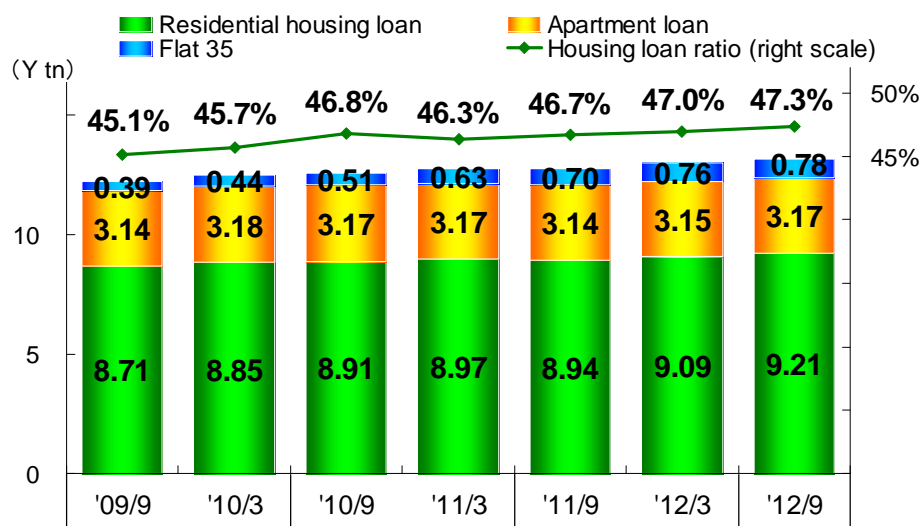


## Trend of HL yield and composition by interest rate type

- Increase in variable rate loans  
⇒ Bigger room for income upside when policy rate rises

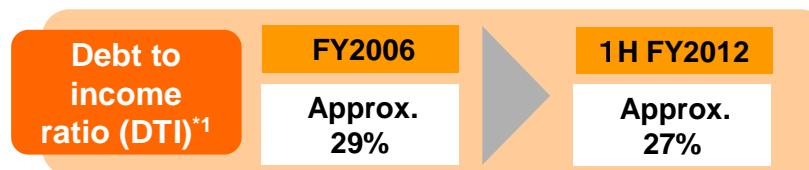


## Term-end balance of housing loans

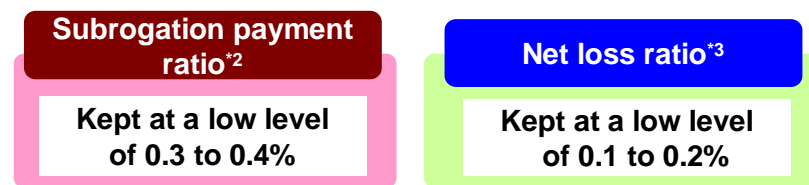


## Indices to measure soundness

- Maintained soundness by adopting stringent screening criteria



\*1. Principal repayment and interests in a year / Pre-tax annual income (%)

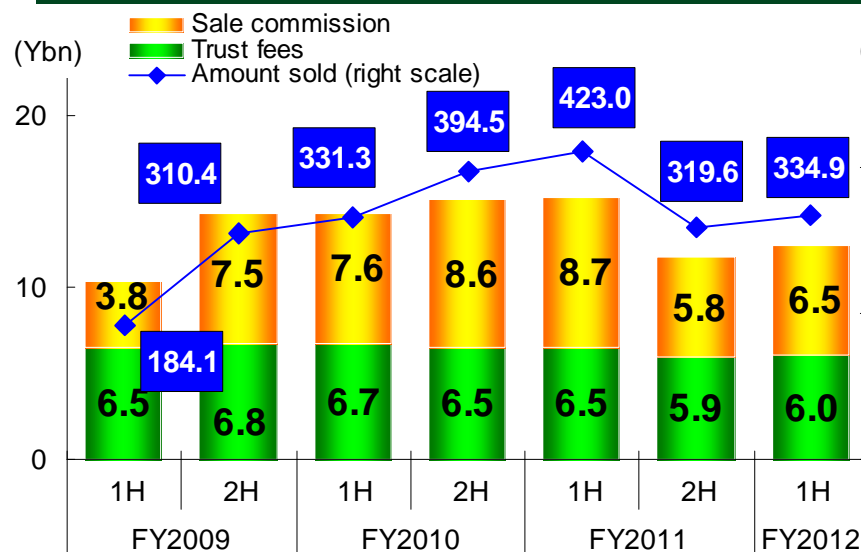


\*2. Rate of subrogation repayment by loan guarantee subsidiaries

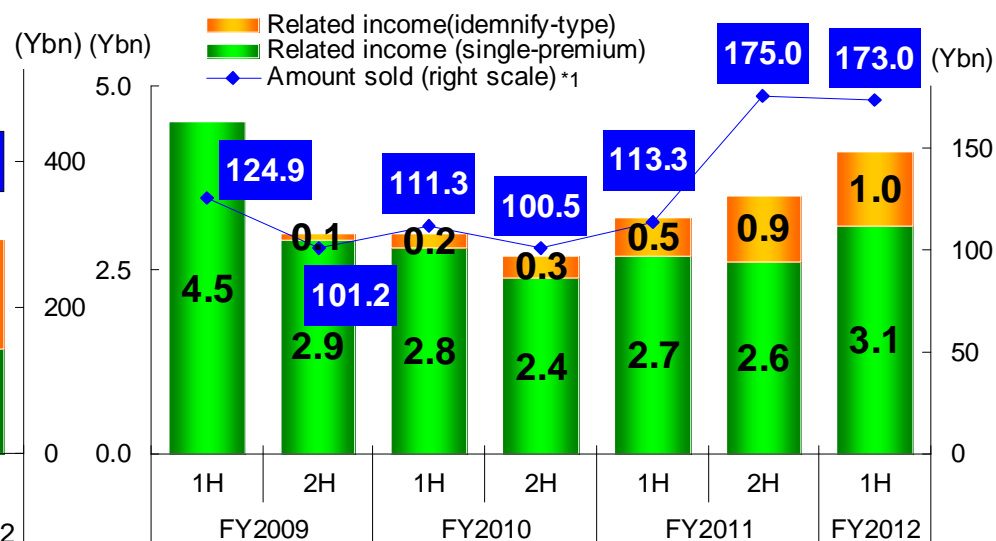
\*3. Subrogation ratio x (1 - collection rate after subrogation)

# Trend of Major Fee Businesses (1H FY2012)

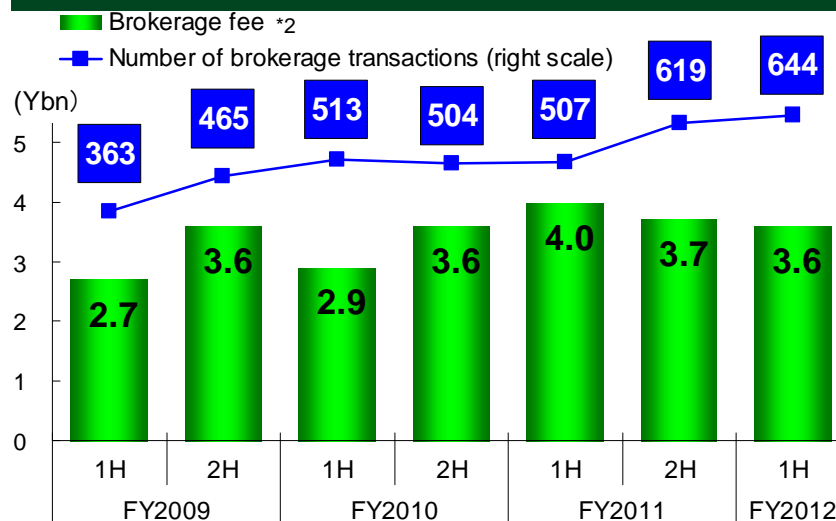
## Investment Trust (Total of Group Banks)



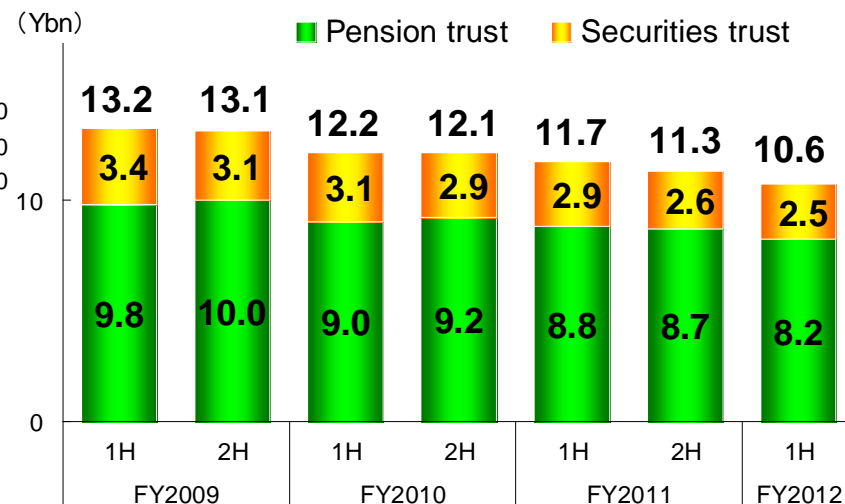
## Insurance (Total of Group Banks)



## Real Estate Business (RB)



## Pension and Securities Trust Business (RB)

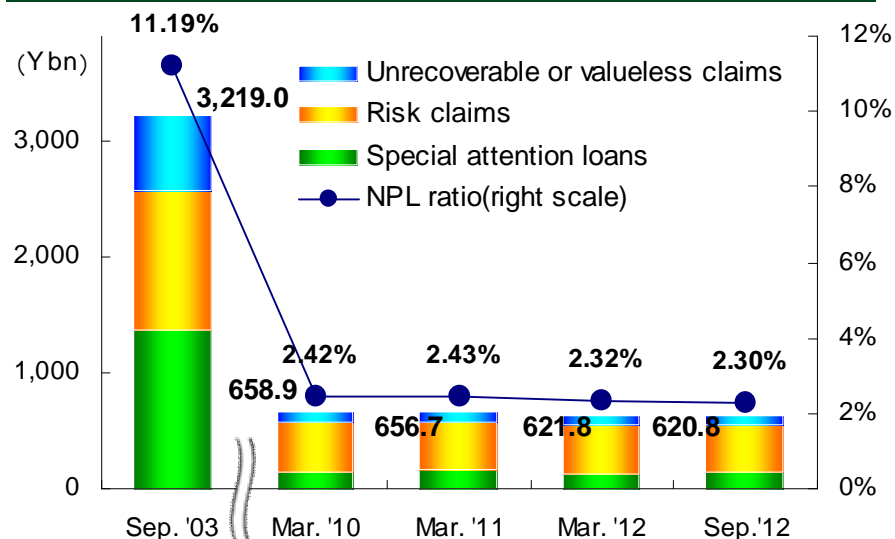


\*1. Excluding amount of indemnify-type insurance sold by KO

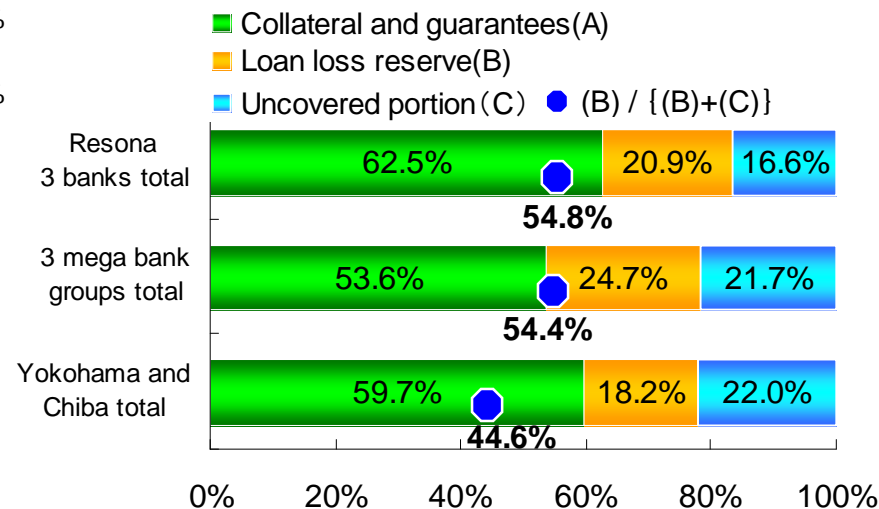
\*2. Excluding gains from investments in real estate fund

# Credit Costs and NPL (1H FY2012)

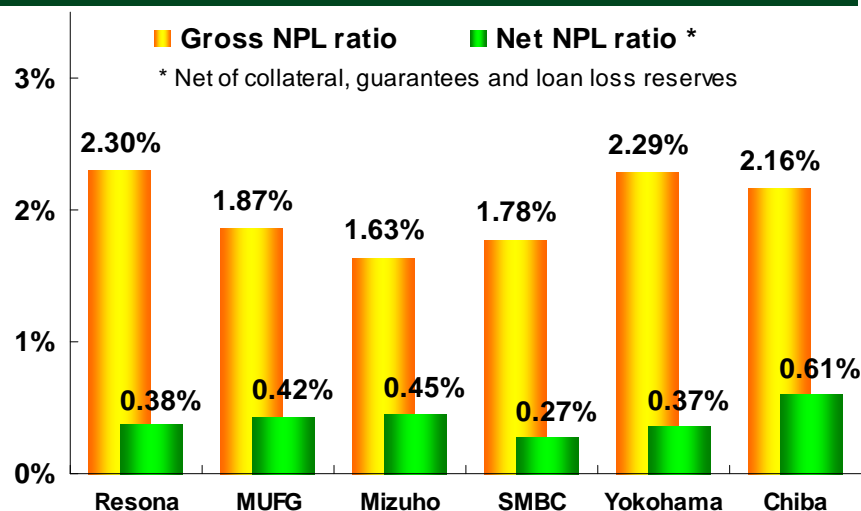
## NPL balance and NPL ratio



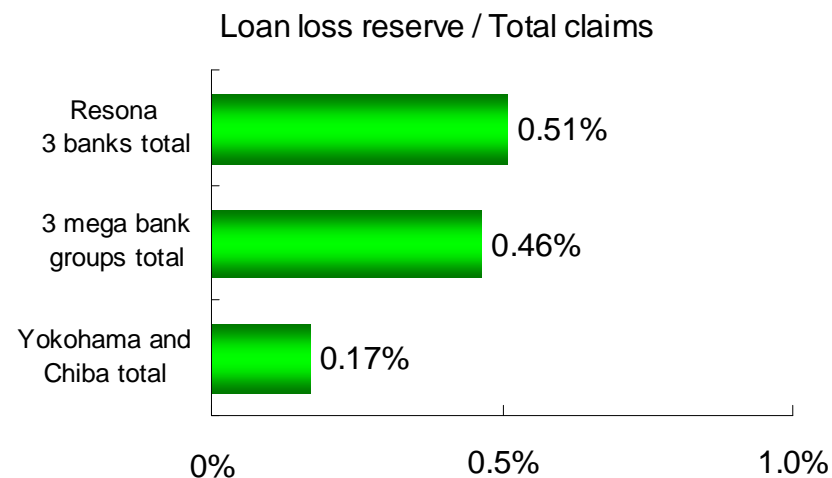
## Protection against disclosed NPL



## Gross and net NPL ratio



## Ratio of loan loss reserve to normal claims



# Securities Portfolio (1) (RHD Consolidated, 1H FY2012)

## Securities portfolio with reduced downside risks

### ■ Trend of Securities Portfolio

	Mar.'03	Mar.'07	Mar.'11	Mar.'12	Sep.'12
Available-for-sale securities <sup>*1</sup>	6,005.1	6,396.5	8,153.4	9,158.7	8,256.8
Stocks	(1) 1,319.0	390.4	351.8	342.5	320.2
Bonds	4,433.0	4,951.7	7,530.0	8,451.0	7,548.0
JGBs	3,811.0	3,927.6	6,337.8	7,393.3	6,404.3
Average duration (years)		1.2	2.1	2.4	2.6
Local government bonds	159.8	311.5	150.4	183.5	201.4
Corporate bonds	462.2	712.5	1,041.7	874.1	942.3
Other	253.0	(2) 1,054.4	271.5	365.1	388.5
Foreign securities	112.6	244.0	98.6	237.6	245.3
Unrealized gains/(losses)	(25.8)	432.9	92.8	131.9	112.2
Bonds held to maturity <sup>*2</sup>	2.5	(3) 148.4	1,667.9	2,060.6	2,181.2
Unrealized gains/(losses)	0.0	(0.3)	24.5	49.6	66.0

\*1. Acquisition cost basis

\*2. Balance sheet amount basis

### [Factors for the changes]

(1) Significant reduction during the Intensive Revitalization Period

(2) Unwound net investment position in response to poor market visibility

(3) Increased bonds held to maturity to secure stable income

### ■ Stocks

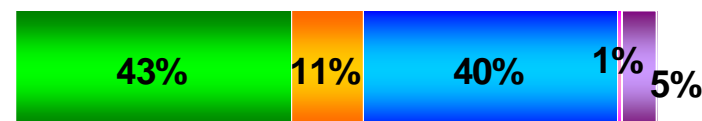
- Balance of stocks declined by Y22.3bn in 1H of FY2012 (Impairment loss: 17.0bn, Sale: Y5.3bn)
- Reduced relationship-purpose stock holdings by approx. Y1 trillion on an acquisition cost basis from the level in March 2003
- Continue efforts to reduce the balance further

### ■ JGB

- Average duration : 2.6 years\*, BPV: Y1.68 bn\*
- Balance of floating-rate JGBs: Y241.1 bn

[JGBs Portfolio\*]

■ 1 year or less ■ 1-3 years ■ 3-5 years  
■ 5-7 years ■ over 7 years



### ■ Other (Total of group banks)

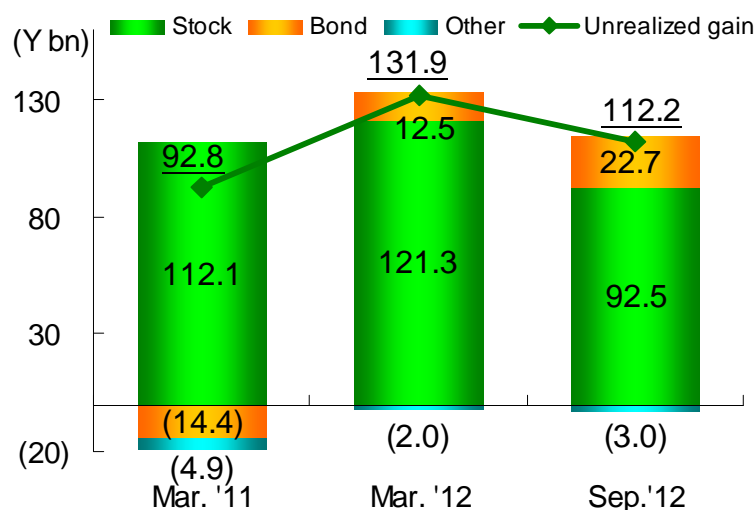
- Foreign securities include Y180.7 bn of U.S. treasuries
- No direct exposures to GIIPS countries  
Indirect exposure is also minimal
- Securitized products: Y166.1 bn
- All securitized products held were organized in Japan and 97% of them are backed by housing loans originated in Japan

\* JGBs held as "available-for-sale securities" (Total of group banks)

## Securities Portfolio (2) (RHD Consolidated, 1H FY2012)

### Net unrealized gain (loss) on marketable securities available for sale

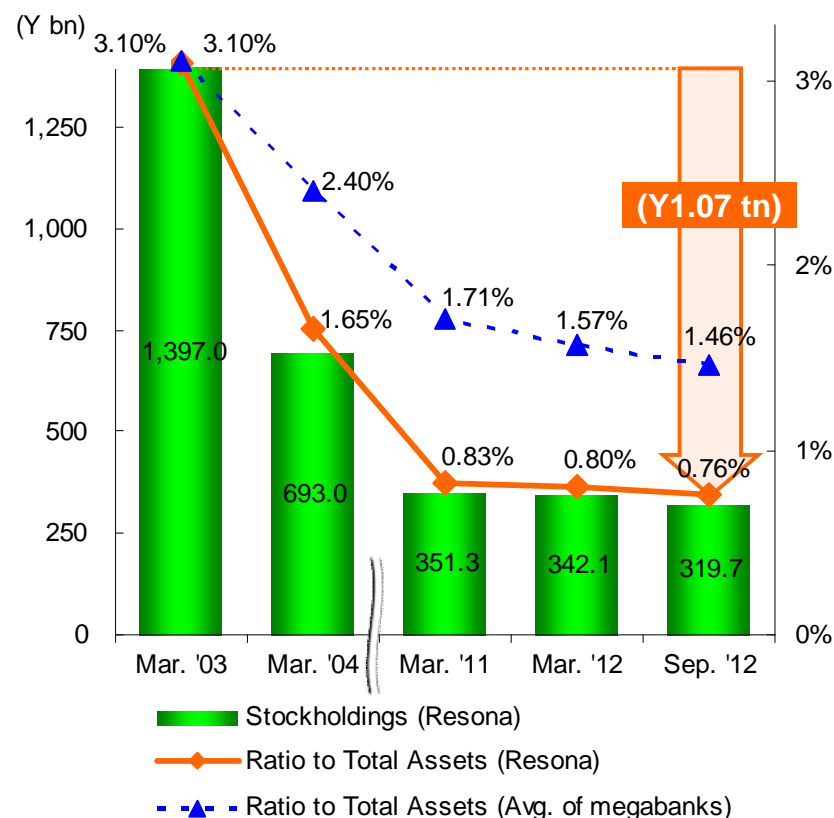
- Net unrealized gain as of Sep. 30, 2012: Y112.2 bn
- Floating-rate JGB consistently marked to market prices
  - Net unrealized loss on floating-rate JGB: Y0.5 bn
  - [Reference]  
Net unrealized gain based on theoretical prices computed for an administrative purpose: Y3.7 bn
- Net unrealized gain (loss)



Nikkei Average	9,852	9,962	8,948
1 month average	yen	yen	yen
10 years JGB rate	1.250%	0.985%	0.770%
at year-end			

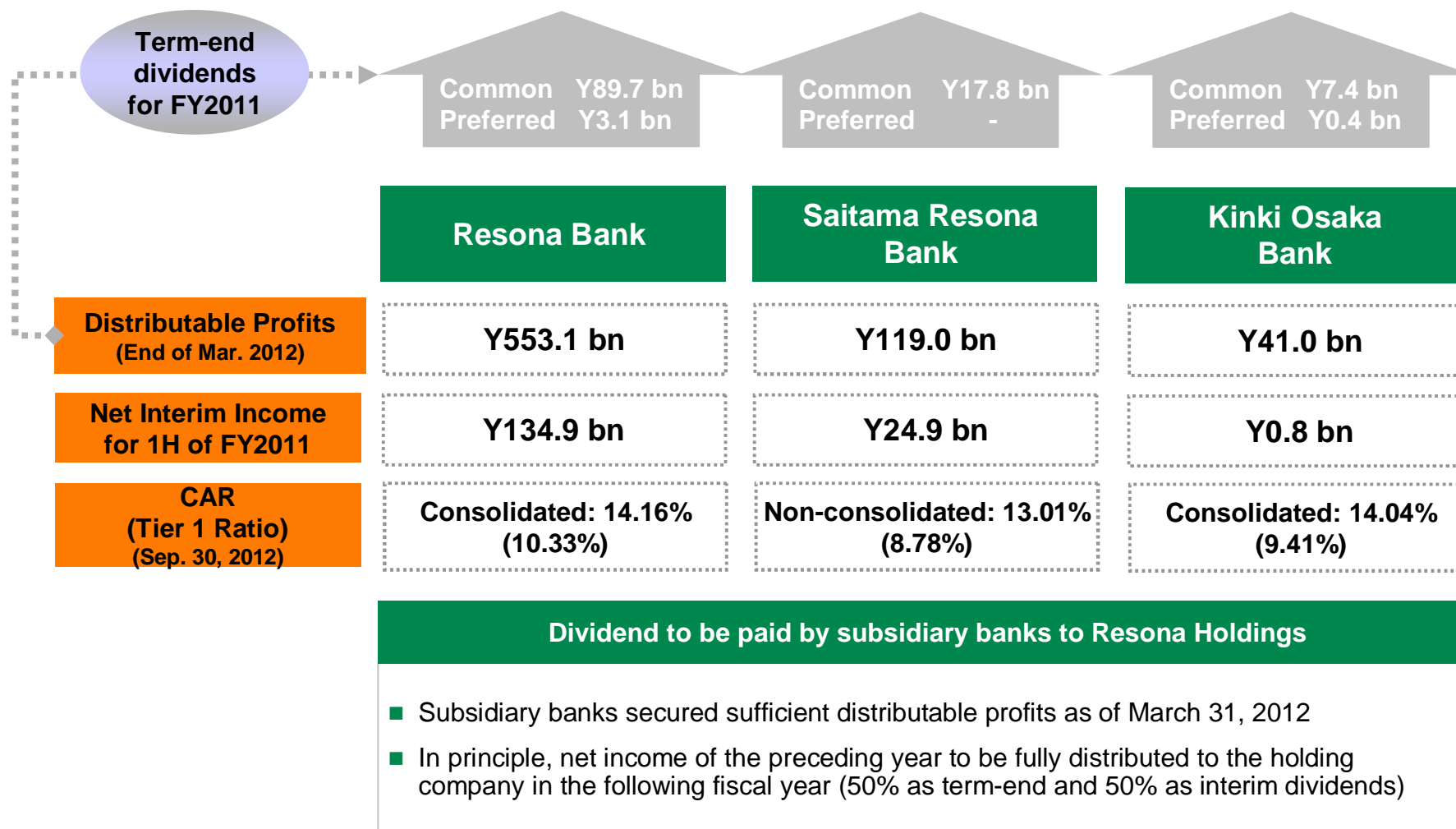
### Ratio of stockholdings to total assets

- Break-even Nikkei Average : Approx. 7,100 yen
- $\beta$  vis-à-vis Nikkei Average : Approx. 0.8
- Stockholdings (acquisition cost) to total assets: 0.76%
- Historical stockholdings to total assets



## Distributable Profits and Dividend Policy (1H FY2012)

**Resona Holdings (Distributable Profits as of Sep. 30, 2012: Y414.8 bn)**



## Consolidated Subsidiaries and Affiliated Companies (1H FY2012)

### Consolidated domestic subsidiaries (excluding subsidiary banks)

(Billions of Yen)

Name	Line of business	Capital contribution ratio	Net Income		
			FY2012 1H	YoY change	FY2011 1H
Resona Guarantee Co., Ltd.	Credit guarantee (Mainly mortgage loan)	Resona Group 100%	12.5	8.8	3.7
Daiwa Guarantee Co., Ltd.	Credit guarantee (Mainly mortgage loan)	Resona Group 100%	0.7	0.3	0.4
Kinki Osaka Shinyo Hosho Co., Ltd.	Credit guarantee (Mainly mortgage loan)	Resona Group 100%	0.7	0.3	0.4
Resona Card Co., Ltd.	Credit card Credit guarantee	Resona Holdings 77.6% Credit Saison 22.4%	0.7	(0.1)	0.9
Resona Kessai Service Co., Ltd.	Factoring	Resona Holdings 100%	0.3	0.0	0.3
Resona Research Institute Co., Ltd.	Business consulting service	Resona Holdings 100%	0.0	0.0	0.0
Resona Capital Co., Ltd.	Venture capital	Resona Holdings 100%	0.2	0.2	(0.0)
Resona Business Service Co., Ltd.	Clerical work Temporary staffing	Resona Holdings 100%	0.0	0.0	0.0
Total			15.4	9.5	5.9

### Major consolidated overseas subsidiaries

Name	Line of business	Capital contribution ratio	Net Income		
			FY2012 1H	YoY change	FY2011 1H
P.T. Bank Resona Perdania	Banking business (Indonesia)	Resona Group 43.4% (Effective control approach)	1.0	(0.0)	1.0
P.T. Resona Indonesia Finance	Leasing business (Indonesia)	Resona Group 100%	0.0	0.0	0.0
Total			1.1	(0.0)	1.1

### Affiliated company accounted for by the equity method

Name	Line of business	Capital contribution ratio	Net Income		
			FY2012 1H	YoY change	FY2011 1H
Japan Trustee Services Bank, Ltd.	Banking and Trust	Resona Group 33.3% Sumitomo Mitsui Trust HD 66.6%	0.5	0.1	0.3

# Earnings Forecasts for FY2012 (Released on November 9, 2012)

(Billions of yen)

	Resona Holdings (Consolidated)			
	1H FY'12 (Actual)	Full year forecast	Change from original forecast	Change from previous year
Consolidated ordinary profit	135.0	<b>220.0</b>	-	(54.8)
<b>Net (interim) income</b>	175.6	<b>230.0</b>	+90.0	(23.6)

Forecast of capital adequacy ratio

Upper half  
of 13%

	Resona Holdings (Non-consolidated)			
	1H FY'12 (Actual)	Full year forecast	Change from original forecast	Change from previous year
Operating income	121.9	<b>243.0</b>	-	+84.7
Operating profit	118.4	<b>235.0</b>	-	+84.2
Ordinary profit	118.7	<b>235.0</b>	-	+83.9
<b>Net (interim) income</b>	118.7	<b>235.0</b>	-	+83.9

Forecast for term-end per share dividend on  
common stock

12 yen

Forecast for term-end per share dividend on  
preferred stock

As pre-determined

	Total of 3 group banks (approx. figures)				Resona Bank			Saitama Resona Bank			Kinki Osaka Bank		
	1H FY'12 (Actual)	Full year forecast	Change from original forecast	Change from previous year	Full year forecast	Change from original forecast	Change from previous year	Full year forecast	Change from original forecast	Change from previous year	Full year forecast	Change from original forecast	Change from previous year
Gross operating profit	290.1	<b>572.0</b>	(5.0)	(26.6)	381.0	-	(22.1)	142.0	(4.0)	(1.5)	50.0	(0.5)	(1.9)
Operating expenses	(166.3)	<b>(338.0)</b>	+1.0	+0.8	(222.0)	-	+0.6	(76.5)	+0.5	(0.9)	(40.0)	+0.5	+0.5
Actual net operating profit	123.7	<b>234.0</b>	(4.0)	(25.7)	159.0	-	(21.5)	65.5	(3.5)	(2.3)	10.0	-	(1.4)
Ordinary profit	121.4	<b>198.0</b>	-	(46.1)	136.0	-	(43.2)	60.5	-	(1.1)	1.5	-	(1.6)
<b>Income before income taxes</b>	121.1	<b>197.0</b>	-	(45.6)	135.0	-	(43.4)	60.0	-	(1.3)	1.5	-	(1.4)
Net (interim) income	160.6	<b>215.0</b>	+85.0	(24.4)	(Resona Group adopts a consolidated taxation system.)								

Net gains/(losses) on stocks	(17.8)	<b>(18.0)</b>	(18.0)	(20.2)	(17.0)	(17.0)	(18.1)	-	-	(0.9)	(1.0)	(1.0)	(1.1)
Credit related expenses	11.2	<b>(20.0)</b>	+22.0	(15.6)	(10.0)	+17.0	(16.0)	(3.0)	+4.0	+1.3	(7.0)	+1.0	(0.9)

[Consolidated]

[Non-consolidated]

[Consolidated]

Forecast of capital adequacy ratio

Middle  
of 12%

Upper half  
of 11%

Upper half  
of 12%



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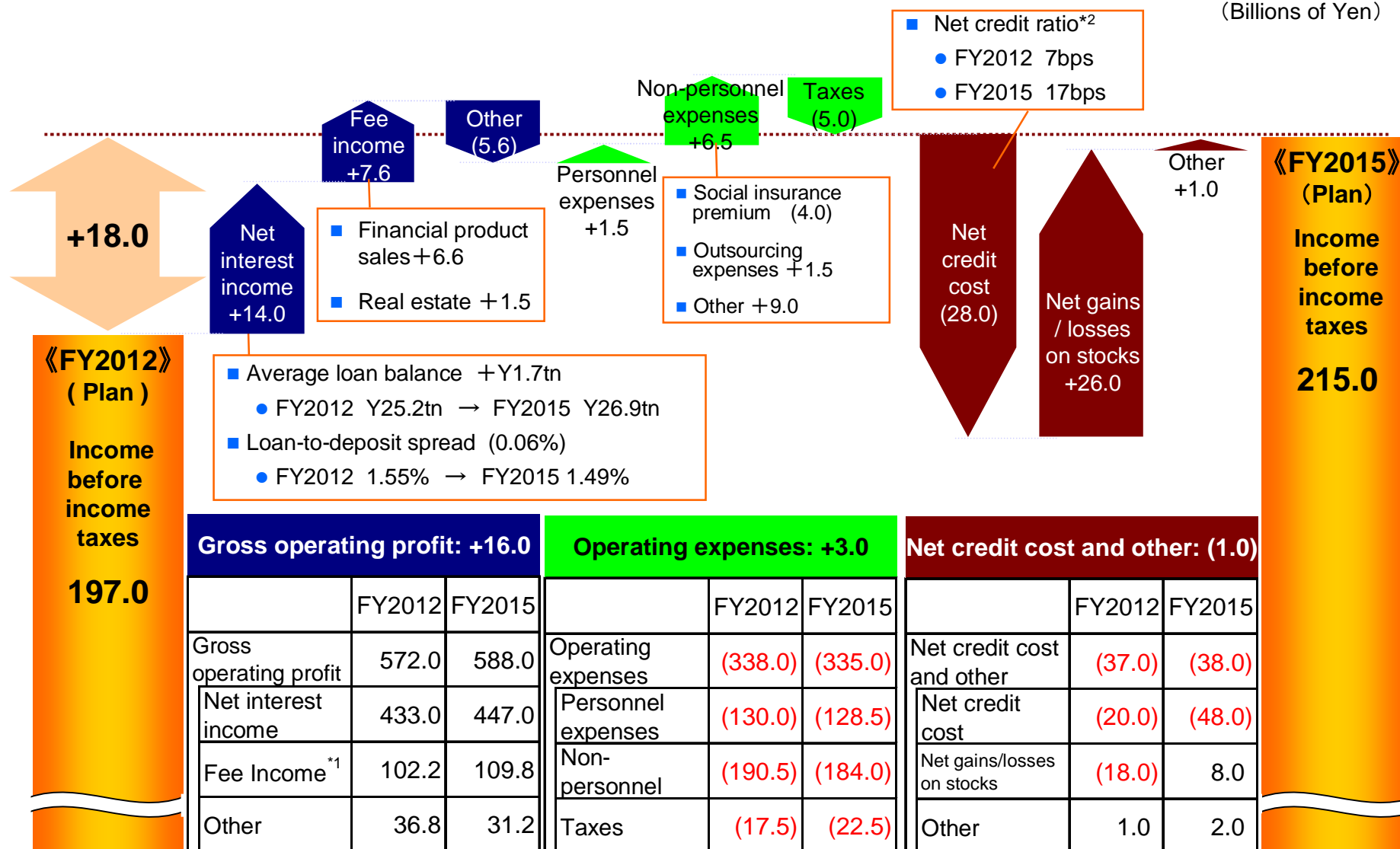
**Other Detailed Materials**

**Reference Material**

# Change in Income before Income Taxes during the New Plan Period ( Total of Group Banks)

Income before income taxes to increase by Y18.0 during the New Plan period

(Billions of Yen)

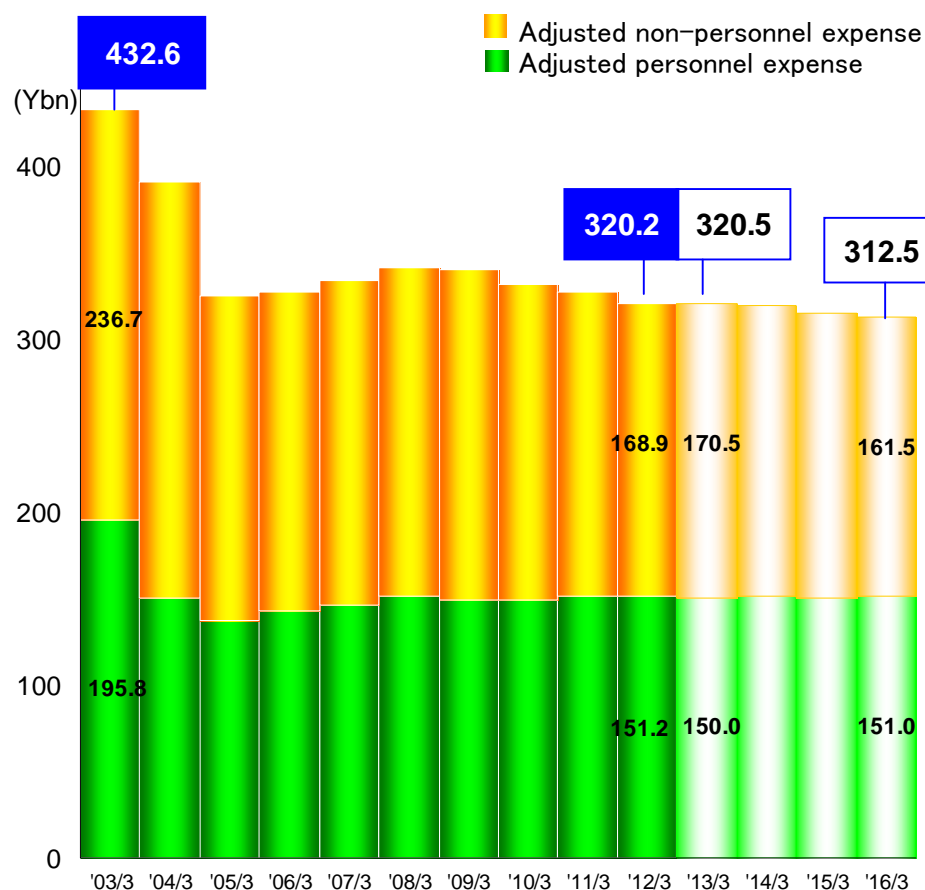


\*1. Fees and commission income plus trust fees \*2. Credit costs, net / Total credits (term-end balance)

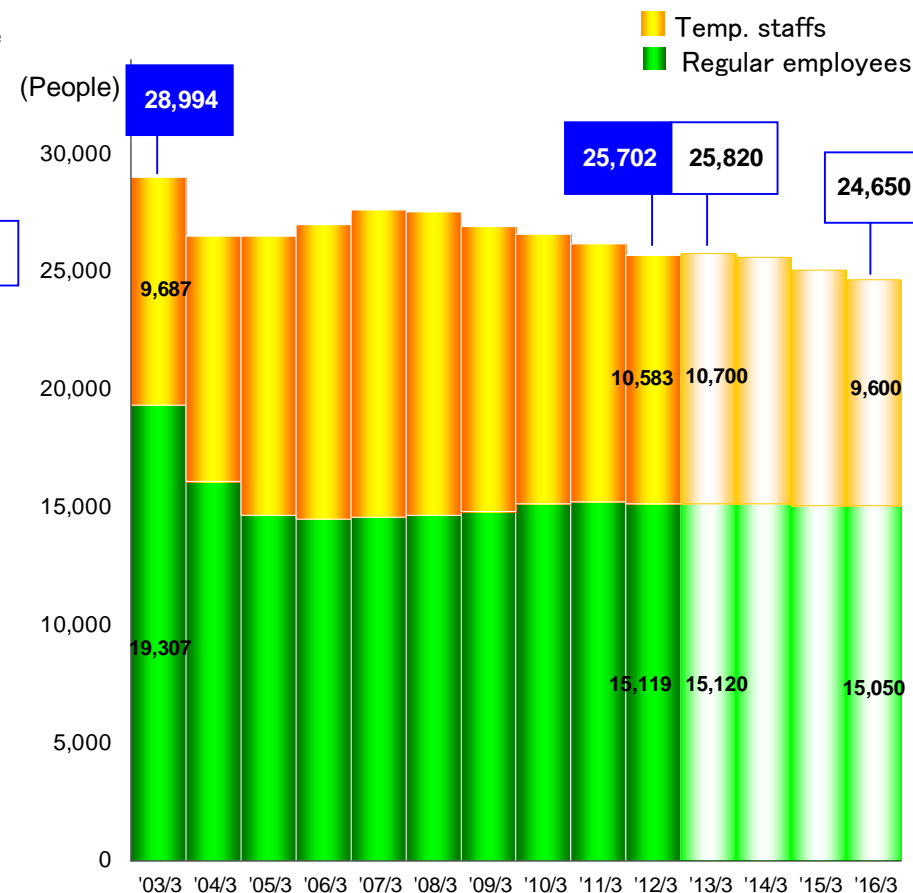
# Efficient Cost Structure: Personnel and Non-Personnel Expense (Total of Group Banks)

- Unavoidable increase in operating expenses including social insurance premium will be offset by continued efforts to reduce non-personnel expenses
- Strictly controlled personnel expenses including the cost associated with hiring temporary staffs

Adjusted personnel and adjusted non-personnel expenses\*1



Number and composition of employees by hiring status



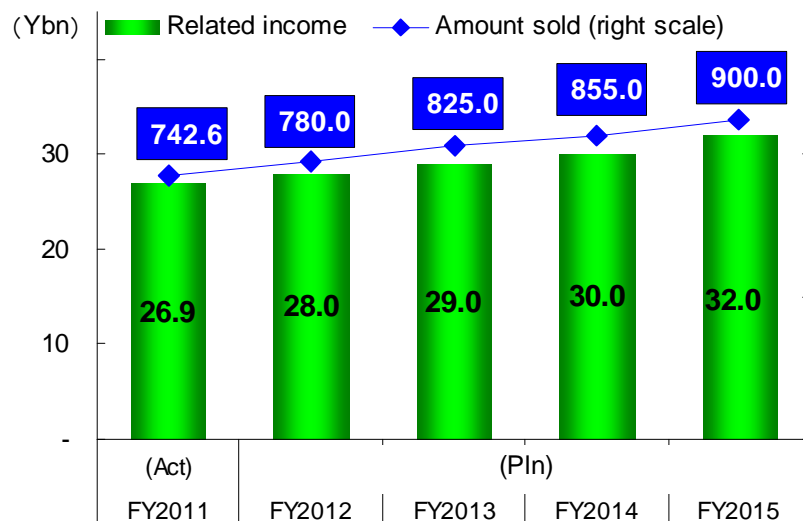
● — Plan —>

● — Plan —>

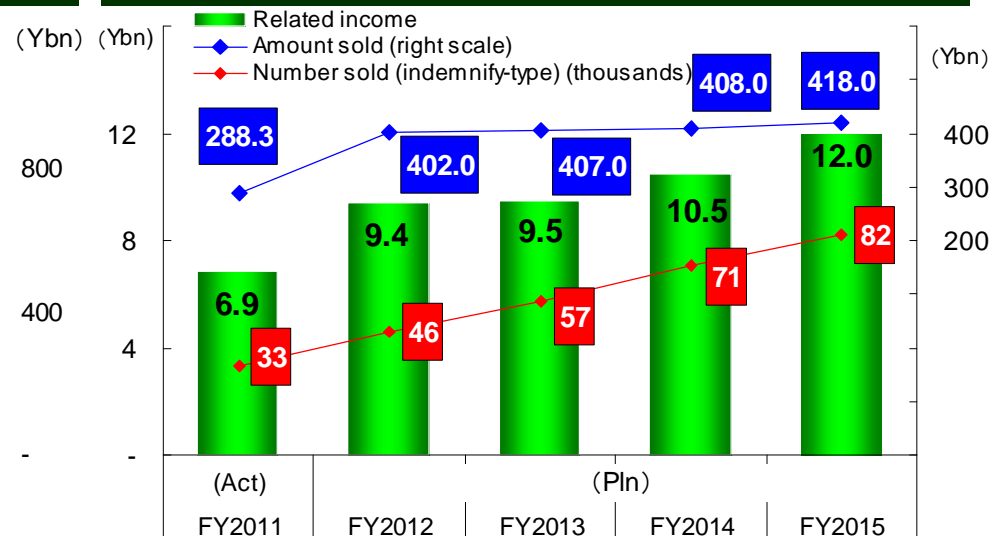
\*1 Adjusted personnel expenses: Personnel expenses including the cost associated with hiring temporary staffs and other related costs  
Adjusted non-personnel expenses : Non-personnel expenses – Cost associated with hiring temporary staffs and other related costs

# New Business Revitalization Plan: Major Fee Businesses

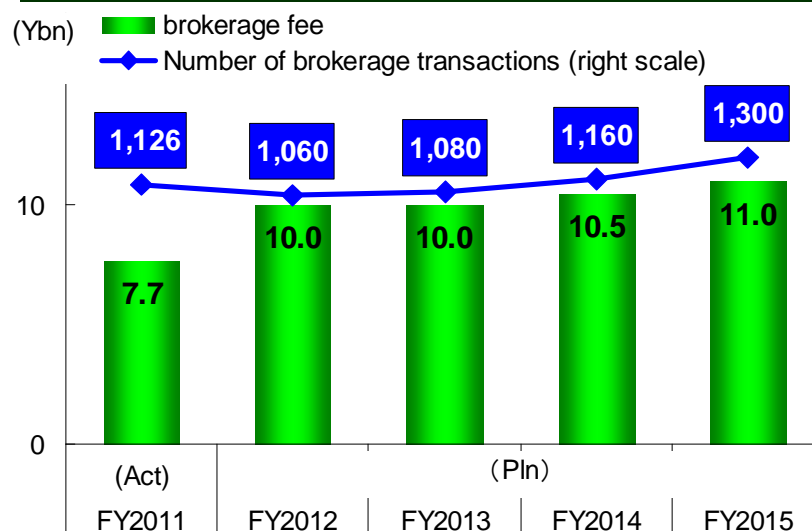
## Investment Trusts (Total of Group Banks)



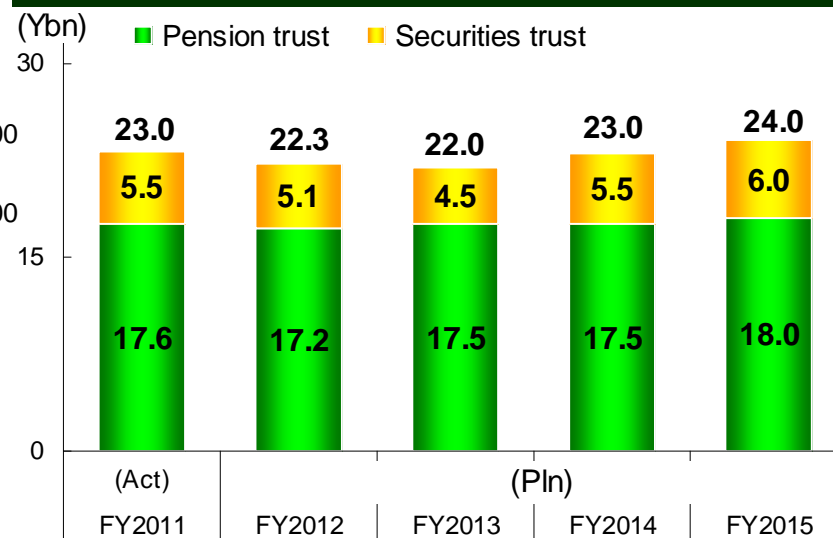
## Insurance (Total of Group Banks)



## Real Estate Business\*(RB)



## Pension and Securities Trust Business (RB)



\* Excluding gains from investments in real estate funds

# Business Revitalization Plan

(Total of Group Banks)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
(Billions of Yen)	(Actual)	(Plan)	(Plan)	(Plan)	(Plan)
Gross operating profit	598.6	572.0	563.0	568.0	588.0
Trust fees	23.4	21.7	22.4	22.9	23.8
Jointly Operated Designated Money Trust	3.1	2.5	3.0	3.1	3.8
NPL disposal in the trust account	0.0	-	-	-	-
Interest income	513.2	485.0	481.0	485.0	533.0
Interest expense	59.1	52.0	51.0	51.0	86.0
Net fees & commissions	73.4	80.5	79.0	82.5	86.0
Net trading income	12.1	7.7	8.5	8.5	9.9
Other operating income	35.3	29.1	23.1	20.1	21.3
Gains/(losses) on bonds	26.8	18.6	0.8	(0.1)	(1.6)
Net operating profit (Before provision to general reserve and NPL disposal in the trust account)	259.7	234.0	227.0	232.0	253.0
Net operating profit	267.4	234.0	227.0	232.0	253.0
Provision to general reserve	7.6	-	-	-	-
Expenses	(338.8)	(338.0)	(336.0)	(336.0)	(335.0)
Personnel expense	(130.4)	(130.0)	(129.0)	(128.0)	(128.5)
Non-personnel expenses	(189.8)	(190.5)	(190.0)	(187.0)	(184.0)
Disposal of NPL	(57.8)	(20.0)	(48.0)	(48.0)	(48.0)
Net gain/(loss) on stocks	2.2	(18.0)	5.0	6.0	8.0
Loss on devaluation	(1.1)	(18.0)	(1.0)	-	-
Ordinary profit	244.1	198.0	192.0	193.0	216.0
Extraordinary gains	2.0	-	-	-	-
Extraordinary losses	(3.4)	(1.0)	(2.0)	(1.0)	(1.0)
Income taxes - current	(1.8)	(29.0)	(44.0)	(52.0)	(68.0)
Income taxes - deferred	(1.3)	47.0	(26.0)	(19.0)	(7.0)
Net income/(loss)	239.4	215.0	120.0	121.0	140.0
Credit related expenses	(4.4)	(20.0)	(48.0)	(48.0)	(48.0)

\*1. Assets and liabilities are stated in average balance. Net assets are reported in term-end balance.

\*2. Earned surplus excluding earned surplus reserve

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
(Billions of Yen)	(Actual)	(Plan)	(Plan)	(Plan)	(Plan)
Total assets <sup>*1</sup>	41,000.1	41,210.0	41,280.0	42,010.0	42,690.0
Loans and bills discounted	25,297.8	25,500.0	26,130.0	26,780.0	27,390.0
Securities	10,623.5	10,940.0	11,100.0	11,230.0	11,360.0
Trading assets	473.1	456.2	500.0	500.0	500.0
DTA (term-end bal.)	142.2	195.2	169.1	144.0	135.9
Total liabilities <sup>*1</sup>	39,578.1	39,590.0	39,720.0	40,450.0	41,120.0
Deposits and NCDs	34,878.9	34,710.0	34,760.0	35,160.0	35,630.0
Trading liabilities	23.5	50.0	50.0	50.0	50.0
DTL (term-end bal.)	-	-	-	-	-
DTL for land revaluation (term-end bal.)	23.7	23.7	23.7	23.7	23.7
Net assets <sup>*1</sup>	1,701.9	1,671.0	1,573.9	1,591.5	1,612.5
Capital stock	388.8	388.8	388.8	388.8	388.8
Capital reserve	418.8	418.8	418.8	418.8	418.8
Other capital surplus	113.7	113.7	113.7	113.7	113.7
Earned surplus reserve	20.0	20.0	20.0	20.0	20.0
Retained earnings <sup>*2</sup>	599.5	577.6	483.7	485.8	505.9
Land revaluation excess	41.2	40.1	39.0	38.0	36.9
Net unrealized gains/(losses) on other securities	92.0	84.5	82.4	99.0	101.0

(Management Indicators)

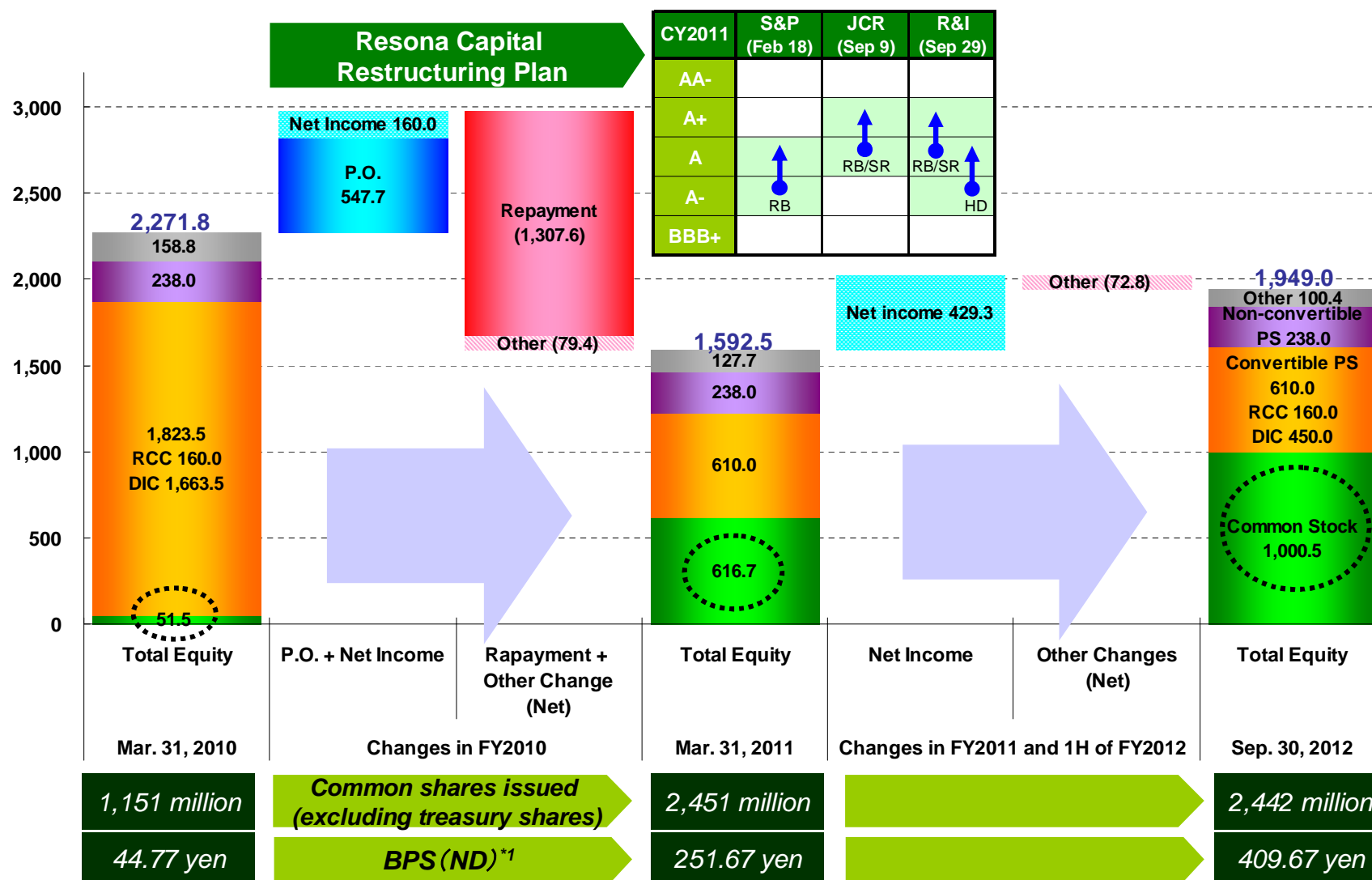
Yield on interest earning assets (A)	1.36	1.30	1.27	1.25	1.35
Interest earned on loans and bills discounted	1.72	1.61	1.54	1.50	1.62
Interest on securities	0.56	0.52	0.52	0.55	0.65
Total cost of funding (B)	1.04	1.02	1.01	0.99	1.06
Interest paid on deposits and NCDs (D)	0.08	0.07	0.06	0.05	0.13
Overall interest spread (A) - (B)	0.31	0.28	0.26	0.26	0.29
Cost-to-income ratio (OHR)	56.60	59.09	59.68	59.15	56.97

# Management Strategies / Capital Policies and ROE Target

Management Strategies		Capital Policies	
#1	<b>Metro Area-based Super Regional Bank</b>	#1	<b>Preventing Dilution</b>
<ul style="list-style-type: none"> <li>Dual focuses ⇒ “retail” and “2 metro areas”</li> <li>Commercial bank with a trust capability</li> <li>Strong relationship with individual and SME clients</li> </ul>		<ul style="list-style-type: none"> <li>Intend to repurchase DIC preferred stock with retained earnings ⇒ Conversion into common shares is not an option</li> </ul>	
#2	<b>Efforts to Strengthen Cross-selling</b>	#2	<b>Return to Common Shareholders</b>
<ul style="list-style-type: none"> <li>Cross-selling on top of the established customer base and variety of functions</li> <li>Diversification and sustainable growth of earnings</li> </ul>		<ul style="list-style-type: none"> <li>Maintain 12 yen per common share annual dividends</li> <li>Repurchase of DIC PS with retained earnings ⇒ Reduced potential shares would mean an indirect return to common shareholders</li> </ul>	
#3	<b>Efficient Cost Structure</b>	#3	<b>Capital Adequacy Ratio Management</b>
<ul style="list-style-type: none"> <li>Consolidated group management</li> <li>Overcome high cost structure inherent in retail banking business</li> </ul>		<ul style="list-style-type: none"> <li>Maintain adequate CAR as a domestic bank</li> <li>Take into account the International standard as a benchmark</li> </ul>	
<b>Level of Targeted Sustainable ROE</b>		<b>Achieve a 10% return on CET1 on a sustainable basis</b>	
		<ul style="list-style-type: none"> <li>Build earnings and capital structures that could yield a 10% return on Common Equity Tier 1 Capital on a sustainable basis</li> </ul>	

# Change in Composition of Resona HD's Total Equity (From Mar. 31, 2010 to Sep. 30, 2012)

BPS (ND) is rapidly expanding => BPS(ND) exceeded 400 yen



\*1. Equity attributable to common stock at year-end / Number of common shares excluding treasury shares at year-end

# Direction of Resona's Future Capital Policies

## Capital Adequacy Ratio Management

- Remain subject to the Japanese domestic standard
  - However, in order to secure reliable capital strength, the Group operates its business with a high capital adequacy ratio, taking reference to the International Standard
- Intend to keep the following ratios while repayment

[Based on BIII]		Trial Calculation as of Sep 30, 2012	
T1	Around 7%		9.9%*1
CET1	Around 5.5%		8.1%*1

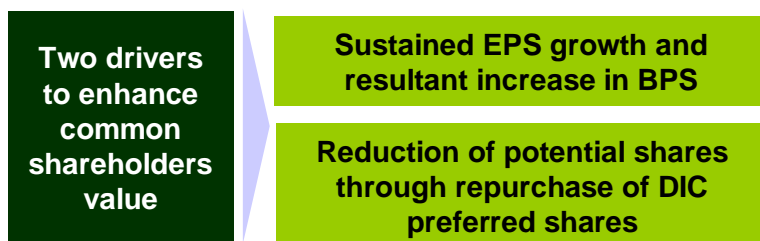
## Dividend Policy

- Maintain 12 yen per share common dividends for the time being
- Plan to clarify dividend policy, including a target level for the dividend payout ratio, after completing the repayment of the DIC preferred shares

	FY2012
Planned total dividends	Y46.3bn
Preferred dividend	Y16.9bn
Common dividend (Dividend per share)	Y29.4bn (@12.00 yen)

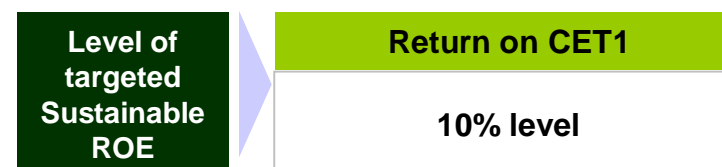
## Prevention of Dilution

- Intend to repurchase and cancel the remaining DIC preferred stock with retained earnings. (Conversion into common shares is not an option.)



## ROE Target

- Intend to build earnings and capital structures that could yield a 10% return on CET1 on a sustainable basis



\*1. The presented ratios are calculated by Resona Holdings on a best effort basis in reference to the Basel III International Standard. Deduction items and unrealized gains on available-for-sale securities are not taken into account.



# List of Preferred Shares Issued by RHD

[As of January 31, 2013]

## Public Fund

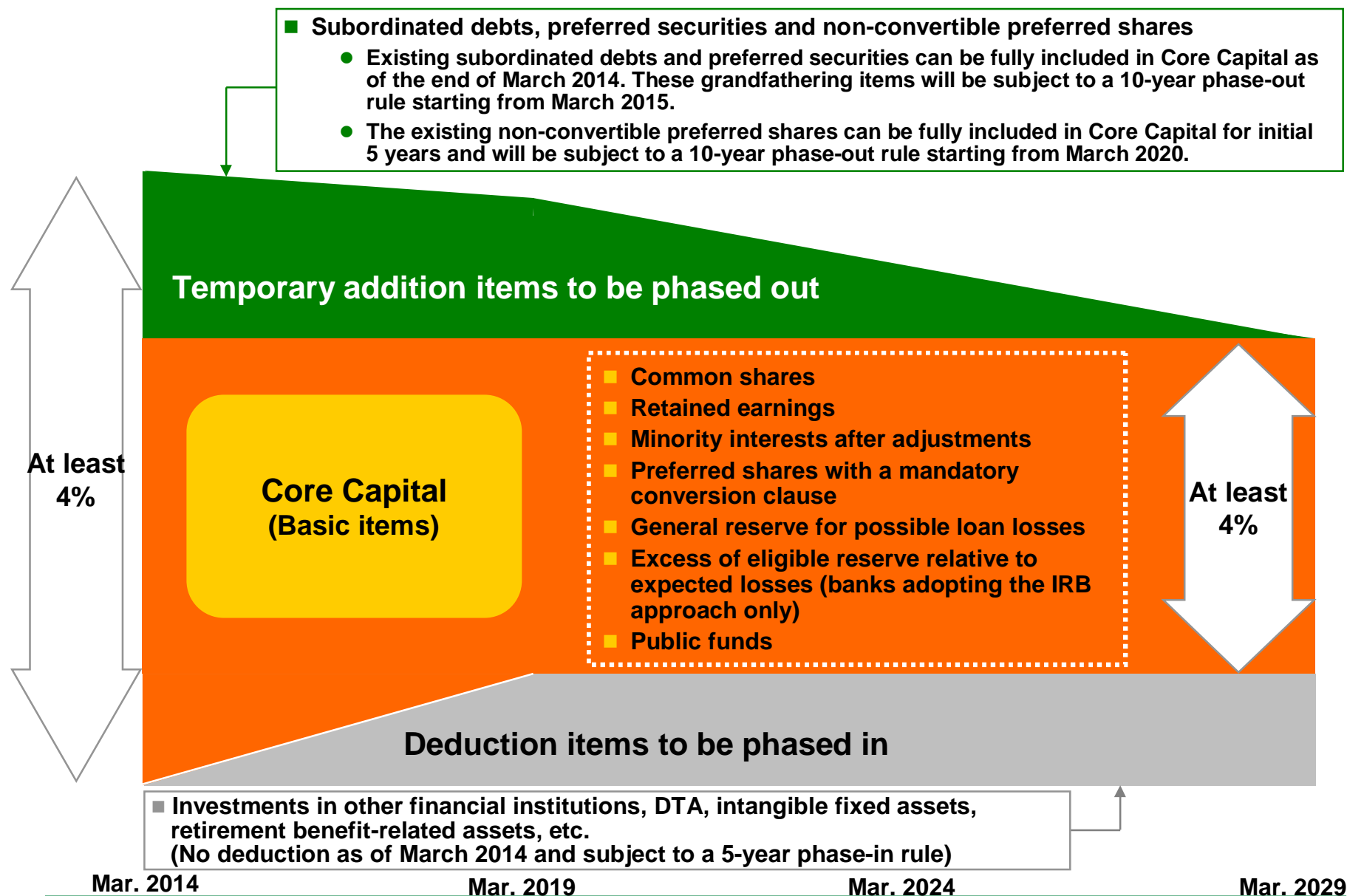
## Private Fund

		Class C Preferred Shares	Class F Preferred Shares	Class 3 Preferred Shares
<b>Distinction between public and private funds</b>		Public Fund	Public Fund	Public Fund
<b>Original issuer and name of securities</b>		Kinki Osaka Bank Series 1	Asahi Bank Series 2 Class 2	Resona Bank Class 3 Series 1
<b>Original issue date</b>		4/26/2001	3/31/1999	7/1/2003
<b>Current number of shares</b>		12,000,000 shares	8,000,000 shares	225,000,000 shares
<b>Issue price per share</b>		JPY 5,000	JPY 12,500	JPY 2,000
<b>Total issue amount remaining at present</b>		JPY 60.0 Billion	JPY 100.0 Billion	JPY 450.0 Billion
<b>Original total issue amount</b>		JPY 60.0 Billion	JPY 100.0 Billion	JPY 550.0 Billion
<b>Shareholder</b>		RCC	RCC	DIC
<b>Preferred dividend</b>	Dividend per share (Jun. 2013)	JPY 68.00	JPY 185.00	JPY 21.04
	Total amount of dividend (Jun. 2013)	JPY 816 Million	JPY 1,480 Million	JPY 4,734 Million
	Yield	1.36%	1.48%	Libor (1y) + 50bp 1.052%
<b>Acquisition right</b>	Acquisition period	1/1/2002 3/31/2015	7/1/2003 11/30/2014	7/1/2010 ---
	Current exchange price	JPY 1,501	JPY 3,240	JPY 392
	Current exchange rate	(3.331)	(3.858)	(5.102)
<b>Reset of exchange rate</b>	Date of reset	1/1	7/1	5/1
	Direction of reset	Upward/Downward	Upward/Downward	Upward/Downward
	Cap exchange rate	(3.331)	(3.858)	(12.987)
	Floor exchange rate	---	---	---
	Cap exchange price	---	---	---
	Floor exchange price	JPY 1,501	JPY 3,240	JPY 154
	Start of market price calculation	45 trading days before	45 trading days before	45 trading days before
	Calculation period	30 trading days	30 trading days	30 trading days
<b>Acquisition clause</b>	Date of mandatory exchange	4/1/2015	12/1/2014	Mandatory exchange not applicable
	Mandatory exchange rate	JPY 5,000 / Market Price	JPY 12,500 / Market Price	---
	Start of market price calculation	45 trading days before	45 trading days before	---
	Calculation period	30 trading days	30 trading days	---
	Floor exchange price	JPY 1,667	JPY 3,598	---

Class 4 Preferred Shares	Class 5 Preferred Shares	Class 6 Preferred Shares
Private Fund	Private Fund	Private Fund
Resona Holdings Class 4	Resona Holdings Class 5	Resona Holdings Class 6
8/31/2006	8/28/2007	12/8/2009
2,520,000 shares	4,000,000 shares	3,000,000 shares
JPY 25,000	JPY 25,000	JPY 25,000
JPY 63.0 Billion	JPY 100.0 Billion	JPY 75.0 Billion
JPY 63.0 Billion	JPY 100.0 Billion	JPY 75.0 Billion
Shinkin Trust Bank	Dai-ichi Life	Nippon Life Meiji Yasuda Life Daido Life
JPY 992.50	JPY 918.75	JPY 1,237.50
JPY 2,501 Million	JPY 3,675 Million	JPY 3,712 Million
3.97%	3.675%	4.950%
---	---	---
---	---	---
(---)	(---)	(---)
---	---	---
---	---	---
---	---	---
---	---	---
---	---	---
---	---	---
---	---	---
Mandatory exchange not applicable	Mandatory exchange not applicable	Mandatory exchange not applicable
Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date	Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date	Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date
---	---	---
---	---	---
---	---	---
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# Outline of the New Domestic Capital Regulation

## (Based on the Proposed Notification Announced in December 2012)



## Next-generation Branch Office and “Re-styled Office”

### Next-generation Branch Office



- Started introduction in FY2005  
RB and SR completed the renovations of almost all branch offices
- Transformed the former clerical work space into a space for customers (transaction and consultation)
  - Clerical work shifted to Support Offices (Branch office = Place for sales activities)
  - Quick-Navi handles routine transactions

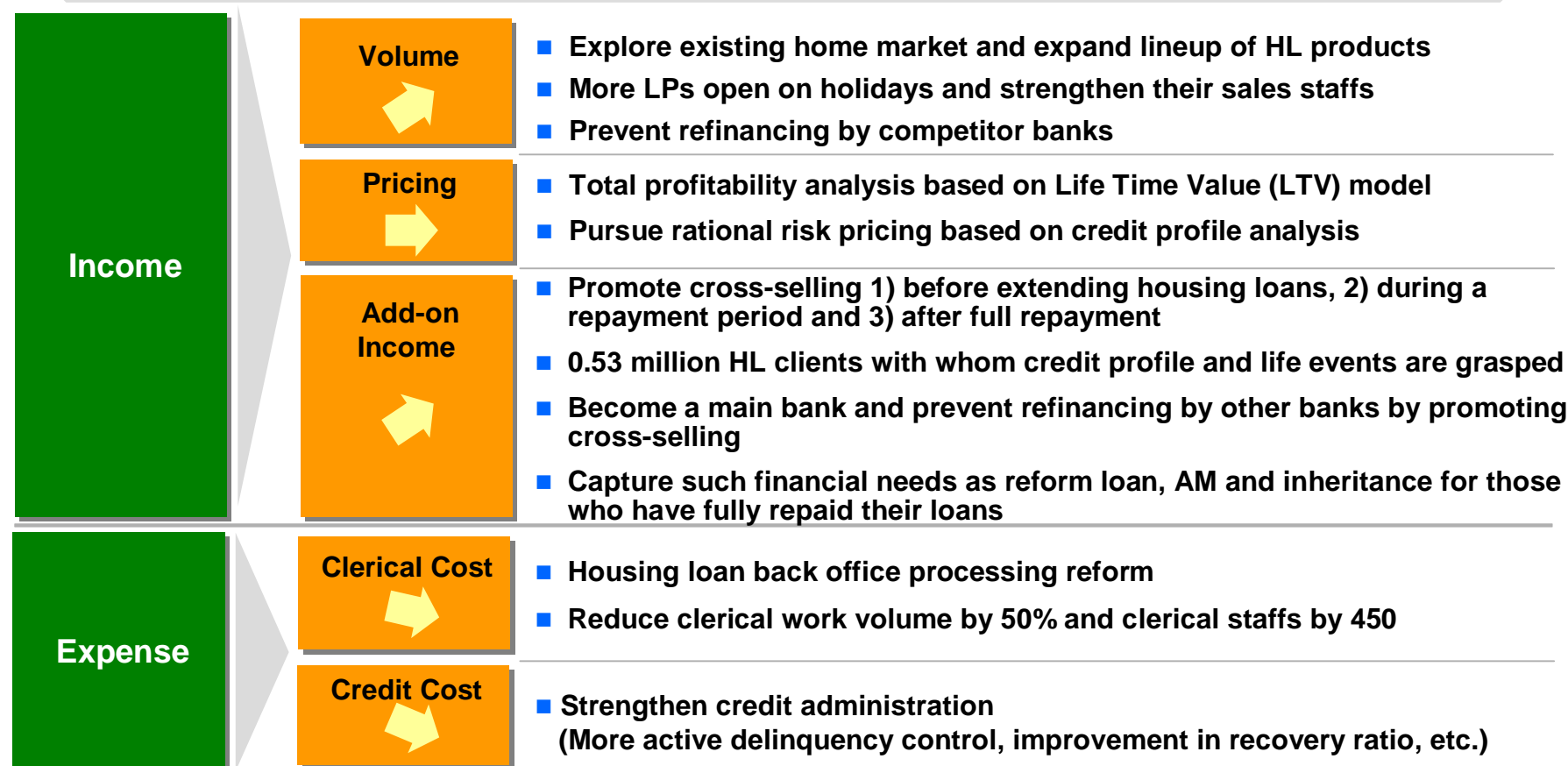
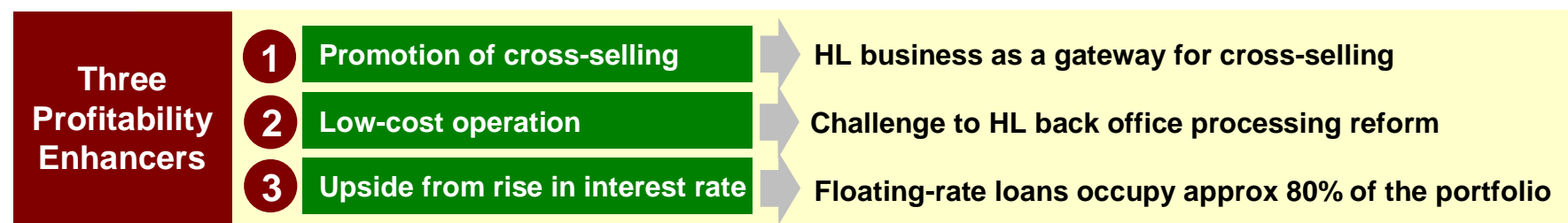
### Further strengthen focus on sales activities

- RB started renovating its small-scale branch offices as “Re-styled Office” in Sep. 2011.
- Renovate around 50 offices as “Re-styled Office”
  - Fewer clerical work staffs  
(before) 3 clerical staffs  
(after) 2 clerical staffs and 1 sales staff
  - Processing style based on Resona’s “3 NOs & 3 LESSes” concept
  - Clearer focus on sales activities

### Re-styled Office



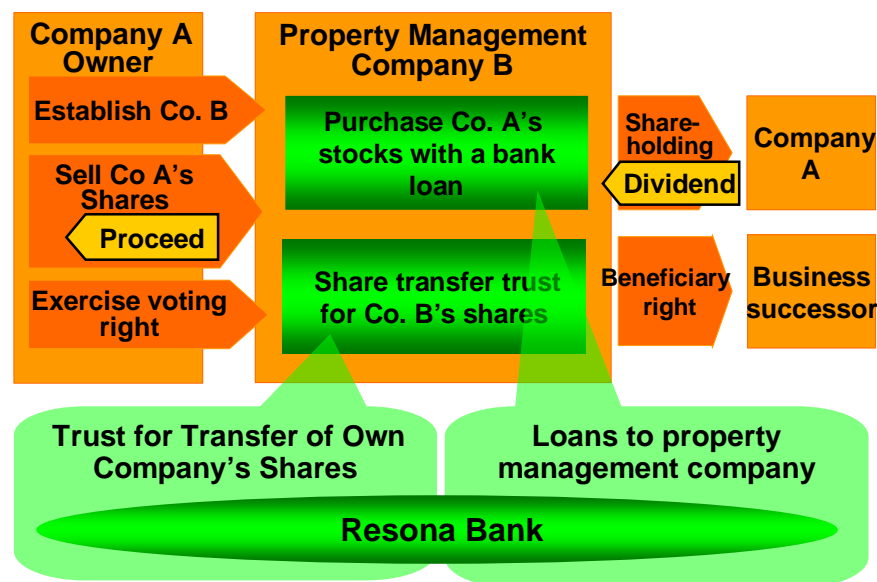
# Measures to Keep and Restore Profitability of HL Business



## Examples: How We Try to Originate Loans to Premier Customers

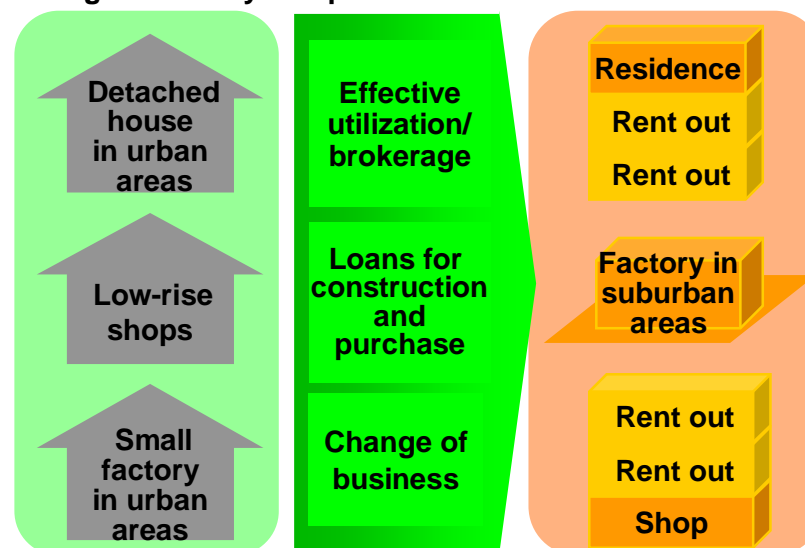
### Solutions for SME owners to prepare cash for estate division in the future

- Establish a property management company and sell it the shares of his/her company to obtain cash  
Also establish a share transfer trust for the property management company
  - Gift the trust beneficiary right from which voting rights are detached to intended business successors
  - Obtain profits as a company founder and secure cash for future property division
  - Eliminate the risk of rising share value at a time of future inheritance

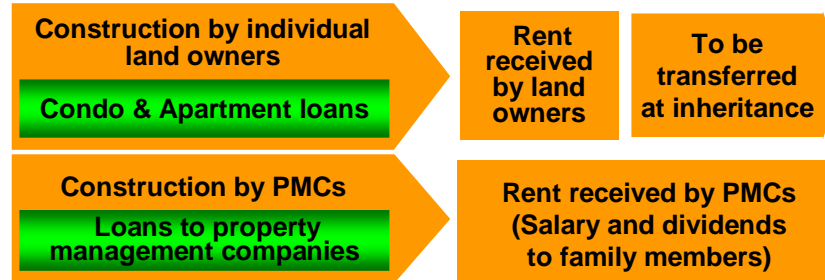


### Solutions for Effective Utilization of Real Estate

- Reconstruction needs stemming from aging degradation, changes in family composition and location environment



- Customers can flexibly decide who will borrow for construction based on their prioritized needs



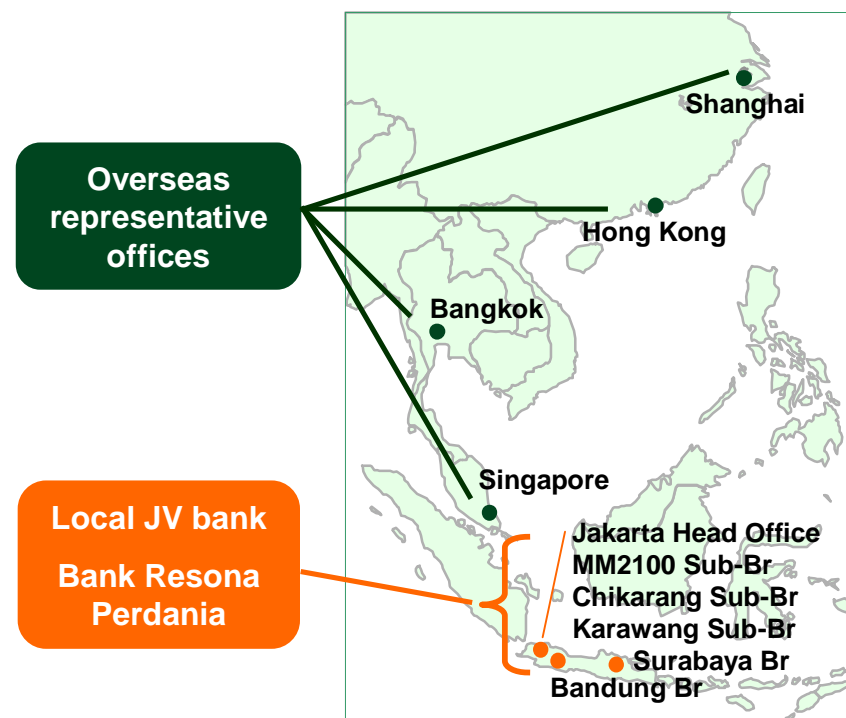
Loans newly extended to  
“Premier” customers

FY2011 (Act) Y401.5bn => FY2015 Y606.0 bn

# Supports Extended to SMEs to Do Business in Asia

## Resona's Footholds in Asia

- Overseas representative offices (RB) ... 4 rep offices
- JV bank with over 50 years of local experience
  - P.T. Bank Resona Perdania (Indonesia)



- Additional regional coverage to offer local information
  - Vietnam (RB: Mar. 2011)  
⇒ Dispatched personnel to Ho Chi Minh Branch of an alliance partner bank
  - India (RB: New Delhi, KO: Chennai, Oct. 2011)  
⇒ Dispatched personnel to JETRO's local offices

## Local Services Offered through Alliances

- Large number of branches and local expertise
- Ability to provide local service without being regulated as a foreign bank

### Major Alliance Partners in Asia

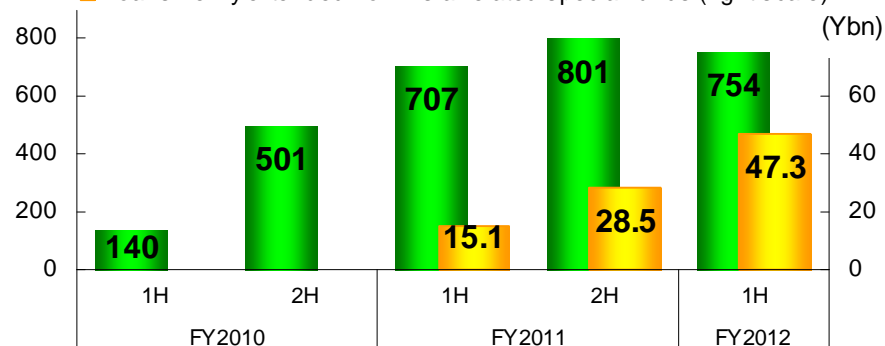
<b>China</b>	Bank of East Asia, Bank of China, China Construction Bank, Industrial and Commercial Bank of China, Bank of Communications
<b>Hong Kong</b>	Bank of East Asia
<b>South Korea</b>	Korea Exchange Bank
<b>Taiwan</b>	Mega International Commercial Bank
<b>Singapore</b>	Bank of East Asia
<b>Malaysia</b>	Public Bank
<b>Thailand, Vietnam</b>	Bangkok Bank
<b>India</b>	State Bank of India
<b>Philippines</b>	Rizal Commercial Banking Corp.

## Consultations and loans provided

- Consultations handled by ABPC\* on a high level
- Loans extended from Asia-related special funds are on the rise (total of group banks)

■ Number of consultations handled by ABPC

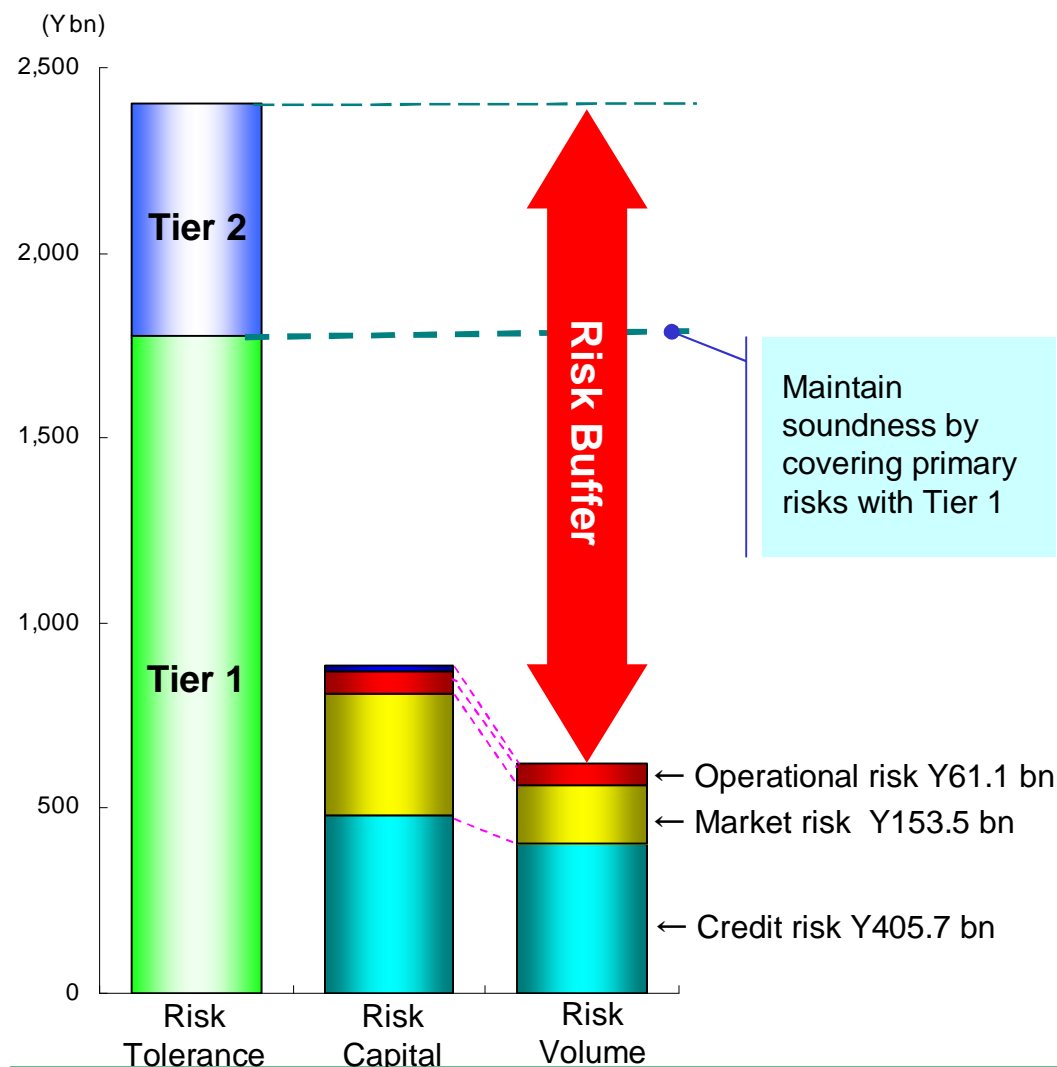
■ Loans newly extended from Asia-related special funds (right scale)



\* Asia Business Promotion Center (RB)

## Risk Volume Relative to Capital (End of September 2012)

- Primary risks such as credit, market and operational risks are controlled within Tier 1 limit
- Risk buffers comprising of excess Tier 1 and Tier 2 are provided against the risk volume assumed under a stress scenario or the risks difficult to measure.



**Assess “level of capital adequacy” based on the capital adequacy ratio management and comprehensive risk management**

### Assumptions for measuring the VaR

- Confidence Interval: 99%  
\* “99.9%” confidence level is used as a supplementary assumption for a stress test.
- Holding period  
Credit risk: 1 year  
Market risk: 10 days to 6 months depending on the nature of assets  
Operational risk: 1 year

Note: Tier 1 and Tier 2 amounts are after certain adjustments.



# Sophistication in ALM Interest Rate Risk Management: (Introduction of Internal Model to Measure Core Liquidity Deposits)

## Reassess the value of liquidity deposits

*Internal model to measure core liquidity deposits  
⇒ Grasp more properly how much liquidity deposits  
can be regarded as low-cost and stable funding  
over the long term*

### Combined Balance Sheet (RB + SR + KO) (As of Sep. 30, 2012)

Loans and bills discounted Y26.1 tn (62%)	<b>Liquidity deposits</b> <b>Y20.0 tn (48%)</b> <b>Core liquidity deposits (X%)</b>
Securities Y10.5 tn (25%)	Time and other deposits Y12.0 tn (28%)
Cash Y2.5 tn (6%)	Other Y8.4 tn (20%)
Other Y3.0 tn (7%)	Net assets Y1.7 tn (4%)

Combined total assets: Y42.2 tn

**More sophisticated**  
**ALM interest rate risk management**

## Methods to measure core liquidity deposits

### Before implementation of internal model < Standardized method > (FSA's bank supervision guideline)

- Introduced the idea of core liquidity deposits in FY2007
- Balance: the smallest of the following
  1. Lowest balance for the past 5 years
  2. Current balance less maximum annual outflow observed in the past 5 years
  3. Current balance x 50%
- Maturity allocated evenly over 5 years (2.5 years on average)

### Internal model

- RB and SR adopted in Apr.2010, KO in Oct.2010
- Rationally modeled depositors' behaviors to grasp how much can be regarded as core liquidity deposits
- Maturity allocated evenly over 10 years (5 years on average)
- Longer maturity applicable to core liquidity deposits (from 2.5 years to 5.0 years on average) enables the banks to take longer-term interest rate risk



# Securities Portfolio (Total of Group Banks)

## Maturity ladder for securities held (securities with contractual maturities, nominal amount basis)

(Y bn)

	End of Sep. 2012							End of Mar. 2012						
	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years	Total	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years	Total
<b>Bonds held to maturity</b>	<b>187.4</b>	<b>170.5</b>	<b>376.2</b>	<b>602.5</b>	<b>839.7</b>	<b>3.0</b>	<b>2,179.4</b>	<b>30.3</b>	<b>317.4</b>	<b>288.0</b>	<b>345.1</b>	<b>1,075.3</b>	<b>3.0</b>	<b>2,059.4</b>
JGBs	165.0	95.0	287.3	542.5	699.7	3.0	1,792.5	-	260.0	200.0	284.3	945.2	3.0	1,692.5
Floating-rate JGBs	-	-	207.3	142.5	200.2	-	550.0	-	-	120.0	135.3	294.7	-	550.0
Japanese local government bonds	19.9	73.0	87.5	60.0	140.0	-	380.5	26.8	55.7	86.2	60.8	130.1	-	359.7
Japanese corporate bonds	2.5	2.4	1.3	0.0	-	-	6.3	3.5	1.7	1.8	0.0	-	-	7.1
<b>Available-for-sale securities</b>	<b>2,721.9</b>	<b>1,142.7</b>	<b>3,117.2</b>	<b>318.7</b>	<b>468.7</b>	<b>117.4</b>	<b>7,886.8</b>	<b>3,004.8</b>	<b>1,866.9</b>	<b>2,868.8</b>	<b>424.6</b>	<b>487.8</b>	<b>141.6</b>	<b>8,794.8</b>
Bonds	2,667.4	1,108.0	2,976.6	313.7	433.0	26.9	7,525.9	2,973.3	1,803.2	2,757.9	386.9	469.2	38.8	8,429.6
JGBs	2,503.0	727.2	2,549.8	242.9	352.2	10.0	6,385.1	2,796.6	1,406.0	2,430.9	335.0	387.1	20.0	7,375.6
Floating-rate JGBs	-	-	14.3	207.9	17.2	-	239.4	-	-	15.7	81.5	268.6	-	365.8
Japanese local government bonds	6.4	30.1	61.5	29.2	73.8	-	201.2	4.1	28.7	49.6	23.5	77.5	-	183.6
Japanese corporate bonds	157.9	350.6	365.3	41.6	7.0	16.9	939.5	172.6	368.5	277.3	28.4	4.5	18.8	870.3
Other	54.5	34.6	140.5	4.9	35.6	90.4	360.8	31.4	63.7	110.9	37.6	18.6	102.8	365.2

## Unrealized gains/(losses)

(Y bn)

	B/S Amount (Sep. '12)	Change from Mar. '12	Unrealized gains/(losses) (Sep. '12)	Change from Mar. '12
Bonds held to maturity	2,181.2	120.5	66.0	16.4
Available-for-sale securities	8,366.2	(922.5)	111.9	(19.6)
Stocks	411.9	(51.2)	92.1	(28.8)
Bonds	7,570.7	(892.7)	22.7	10.1
Other	383.5	21.4	(3.0)	(0.9)

Note: The figures reported above include securities, negotiable certificates of deposit (NCDs) included in "cash and due from banks" and a portion of "monetary claims

The presented figures only include marketable securities.

## Trend of market and other indicators

[Duration and Basis Point Value of JGBs (Available-for-sale securities)]

	2010/3	2011/3	2012/3	2012/9
Duration (year)	2.1	2.1	2.4	2.6
BPV (Ybn)	(1.19)	(1.35)	(1.81)	(1.68)
10-year JGB yield	1.390%	1.250%	0.985%	0.770%

[Break-even Nikkei Average Points]

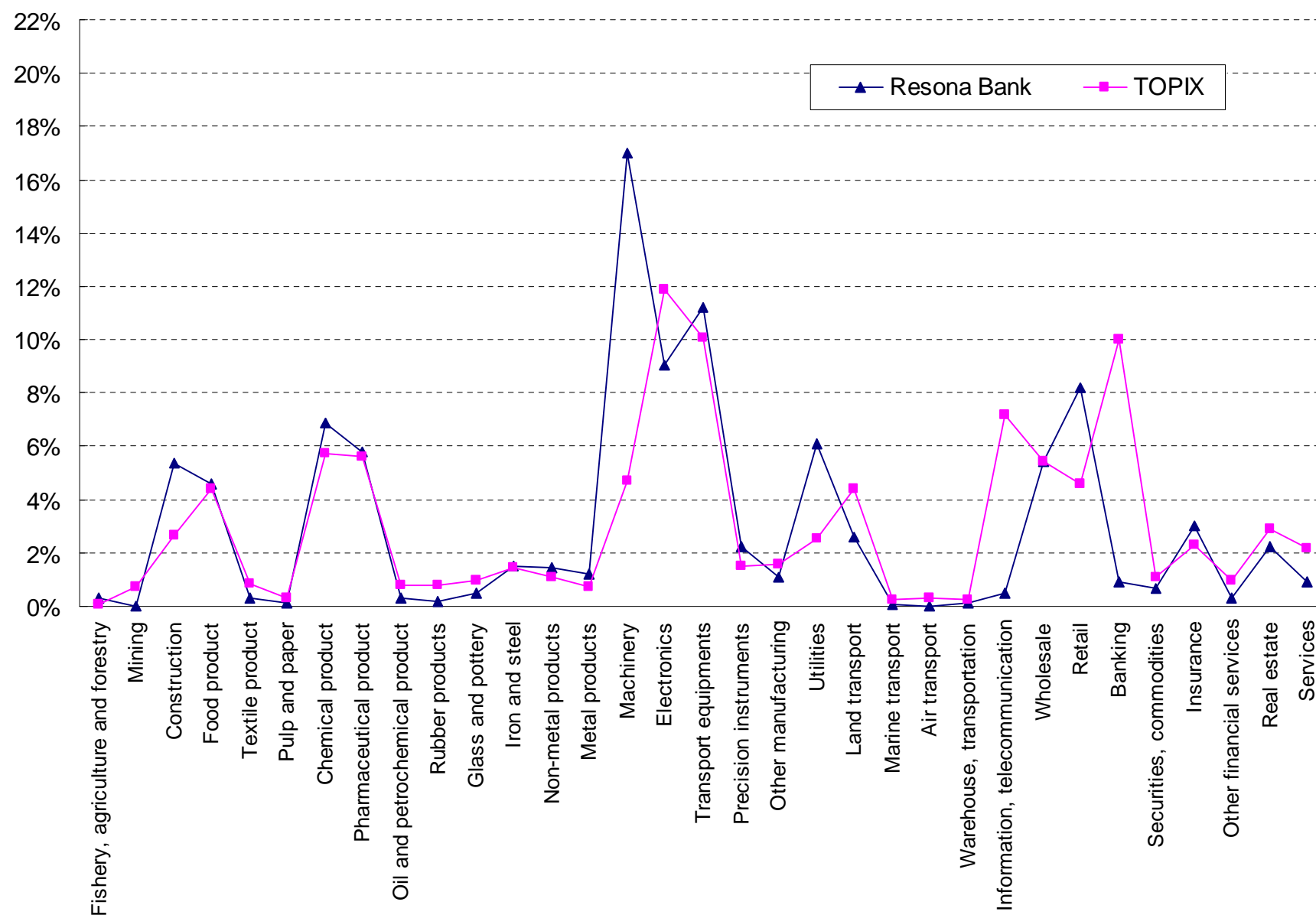
	2010/3	2011/3	2012/3	2012/9
Nikkei Average Points (Yen)	7,300	7,200	7,100	7,100
BV of stock sold outright (Ybn)	11.1	9.6	8.3	5.2

[Net gains/(losses) on bonds and stocks]

(Y bn)

	FY2009	FY2010	FY2011	1H FY2012
Net gains/(losses) on bonds	19.7	30.5	26.8	19.8
Net gains/(losses) on stocks	4.3	(1.7)	2.2	(17.8)

## Stocks Held by Industry (End of September 2012, RB)



# Maturity Ladder of Deposit and Loans (RB, Domestic Operations)

## Loans and Bills Discounted

[End of March 2012]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	1.3%	1.3%	3.5%	5.6%	11.6%
Prime rate-based	52.4%	0.3%	0.0%	0.0%	52.7%
Market rate-based	28.0%	2.0%	3.2%	2.5%	35.6%
Total	81.7%	3.6%	6.7%	8.1%	100.0%

Loans maturing  
within 1 year **85.3%**

[End of September 2012]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	1.4%	1.1%	3.3%	5.1%	10.8%
Prime rate-based	52.9%	0.1%	0.0%	0.0%	52.9%
Market rate-based	28.9%	1.7%	2.9%	2.7%	36.2%
Total	83.2%	2.9%	6.2%	7.8%	100.0%

Loans maturing  
within 1 year **86.0%**

[Change in 1H of FY2012]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	0.1%	-0.2%	-0.2%	-0.4%	-0.8%
Prime rate-based	0.5%	-0.3%	0.0%	0.0%	0.2%
Market rate-based	0.9%	-0.2%	-0.3%	0.2%	0.6%
Total	1.5%	-0.7%	-0.5%	-0.3%	0.0%

Loans maturing  
within 1 year **0.8%**

## Deposits

[End of March 2012]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	45.7%	1.0%	4.0%	13.7%	64.3%
Time deposits	18.2%	10.2%	6.0%	1.2%	35.7%
Total	63.8%	11.2%	10.0%	14.9%	100.0%

[End of September 2012]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	44.1%	1.0%	4.1%	14.3%	63.5%
Time deposits	18.8%	10.5%	5.7%	1.5%	36.5%
Total	62.9%	11.5%	9.9%	15.7%	100.0%

[Change in 1H of FY2012]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	-1.5%	0.0%	0.2%	0.6%	-0.8%
Time deposits	0.6%	0.3%	-0.3%	0.2%	0.8%
Total	-1.0%	0.3%	-0.1%	0.8%	0.0%

\*1. Data compiled for a management and administration purpose

## Swap Positions by Remaining Periods (RB)

### ■ Notional amounts of interest rate swaps by remaining period

(Billions of Yen)

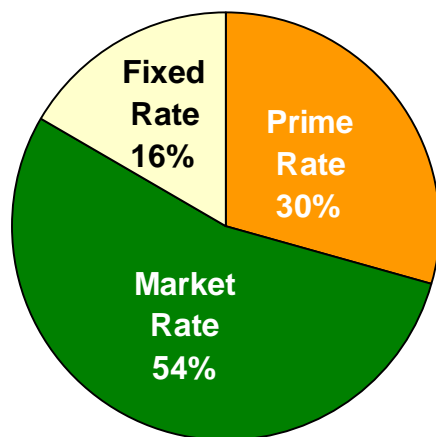
	Sep. 30, 2012				Mar. 31, 2012			
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/ Pay floating rate	60.0	700.7	810.0	1,570.7	71.0	656.1	810.0	1,537.1
Receive floating rate/ Pay fixed rate	100.7	446.9	205.0	752.6	0.0	236.1	515.0	751.1
Net position to receive fixed rate	(40.7)	253.8	605.0	818.1	71.0	420.0	295.0	786.0

# Composition of Loan Portfolio by Base Rates (RB)

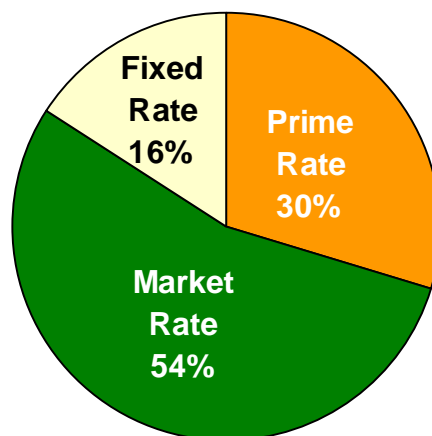
## Loans to corporations

\*Market rate-linked loans (corporate) include the fixed-rate (spread) loans maturing in less than one year.

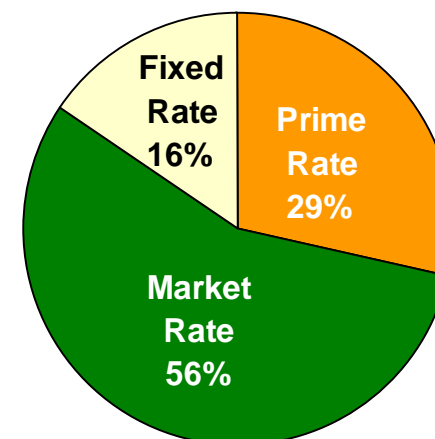
[End September 2011]



[End March 2012]

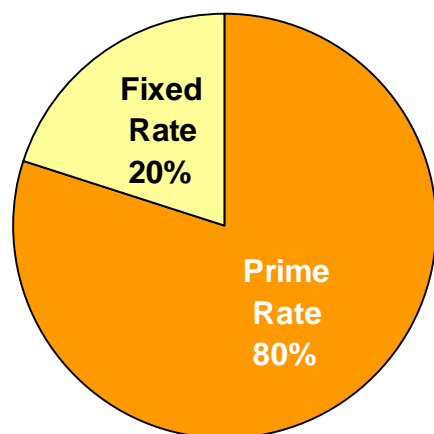


[End September 2012]

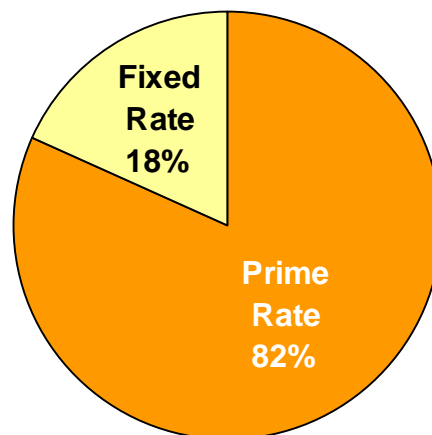


## Loans to individuals

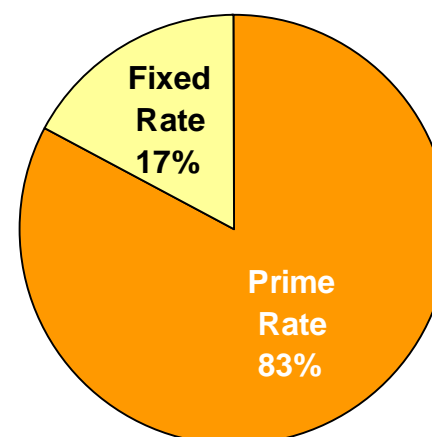
[End September 2011]



[End March 2012]



[End September 2012]

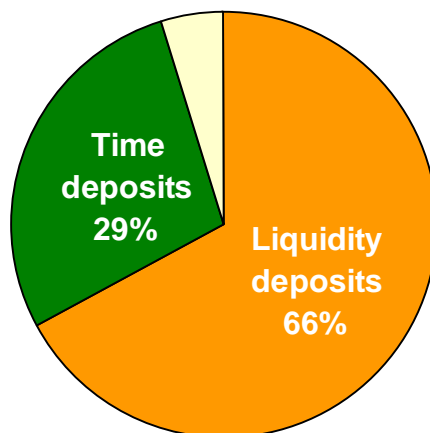


\* Portfolio composition is computed based on the numbers compiled for administration purposes.

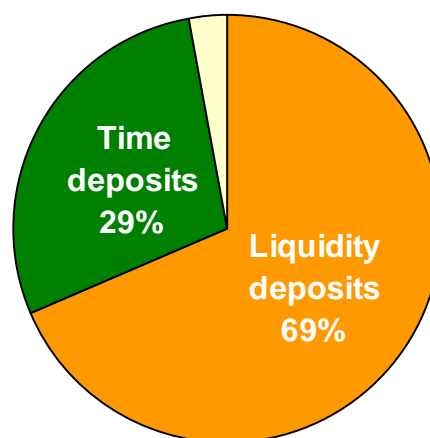
## Composition of Deposits by Types (RB)

### Corporate Deposits

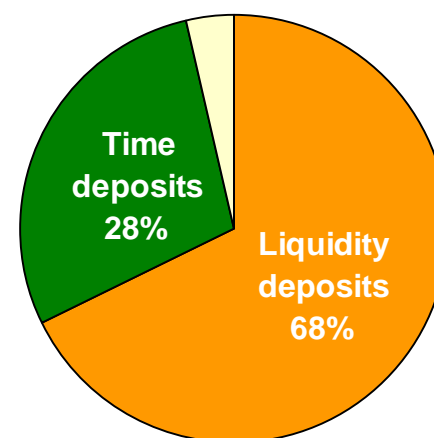
[End September 2011]



[End March 2012]

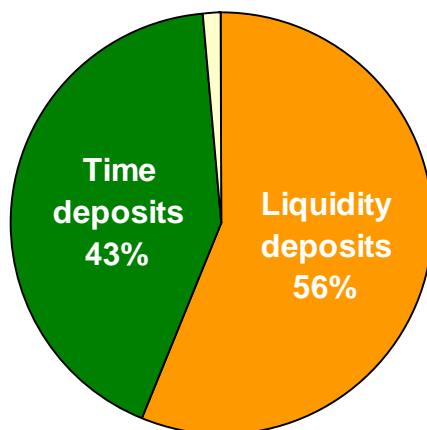


[End September 2012]

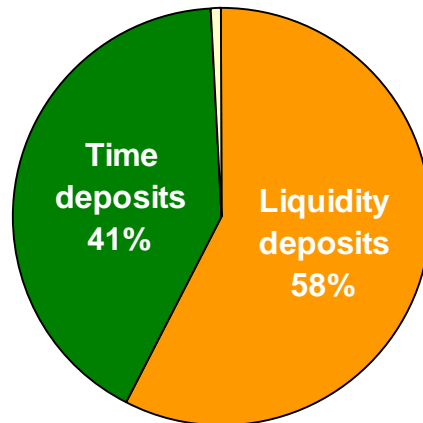


### Individual Deposits

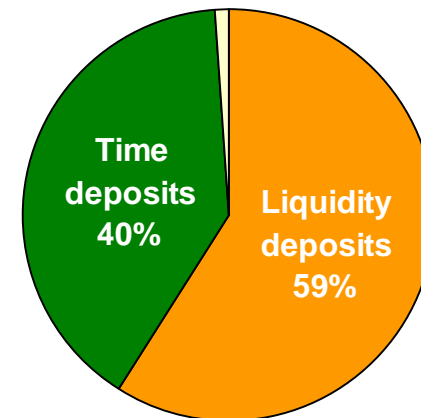
[End September 2011]



[End March 2012]



[End September 2012]



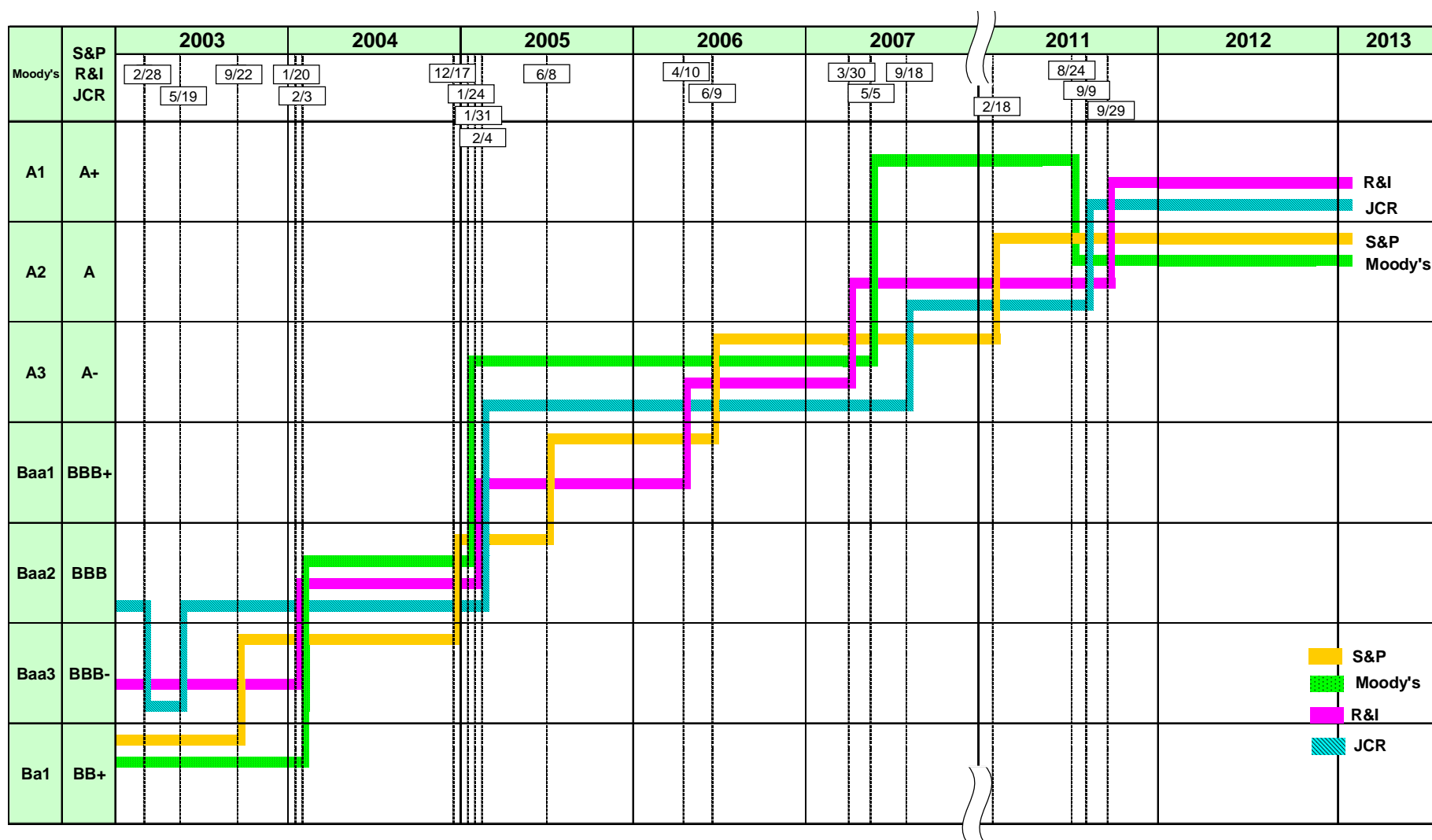
## Migrations of Borrowers (RB, 1H FY2012)

### ■ Exposure amount basis (Migration during 1H of FY2012)

		End of September 2012									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Quasi-Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2012	Normal	98.5%	1.1%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.0%	-	1.2%
	Other Watch	10.1%	82.2%	1.2%	2.4%	0.3%	0.1%	3.8%	3.8%	0.0%	10.1%	3.9%
	Special Attention	3.0%	8.0%	76.3%	9.9%	0.4%	0.6%	1.8%	1.8%	0.0%	11.0%	10.9%
	Doubtful	1.2%	6.1%	7.4%	75.2%	5.7%	1.1%	3.2%	3.2%	0.0%	14.7%	6.9%
	Quasi-Bankrupt	0.1%	0.4%	0.0%	0.2%	89.3%	2.6%	7.3%	3.3%	4.0%	0.7%	2.6%
	Bankrupt	0.0%	0.0%	0.0%	0.9%	0.0%	91.7%	7.4%	0.9%	6.4%	0.9%	-

1. Above table shows how a borrower belonging to a particular borrower category as of the end of March 2012 migrated to a new category as of the end of September 2012.
2. Percentage points are calculated based on exposure amounts as of the end of March 2012. (New loans extended, loans partially collected or written-off during the period are not taken into account.)
3. "Other" as of the end of September 2012 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

# Trend of Long-term Senior Debt Rating of Resona Bank





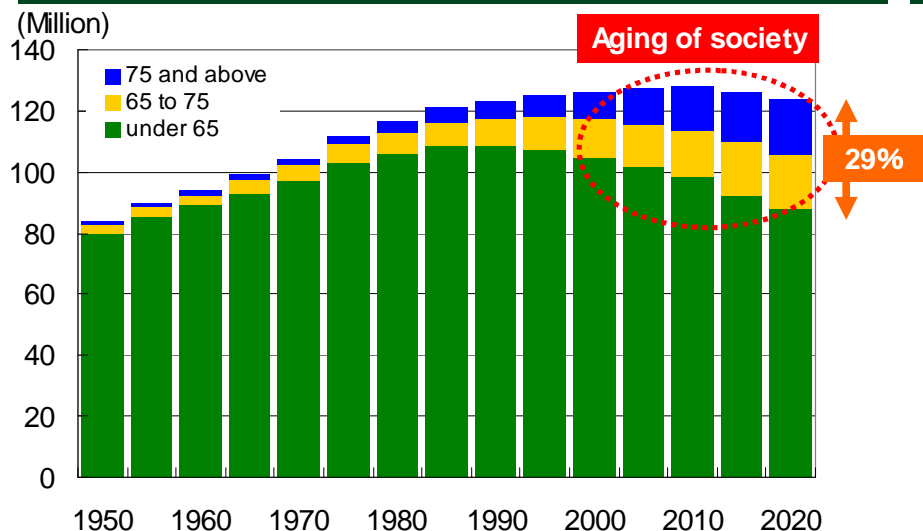
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## Macro Economic Trend

Reference Material

# Advent of Aged Society Expands Business Opportunities for Resona

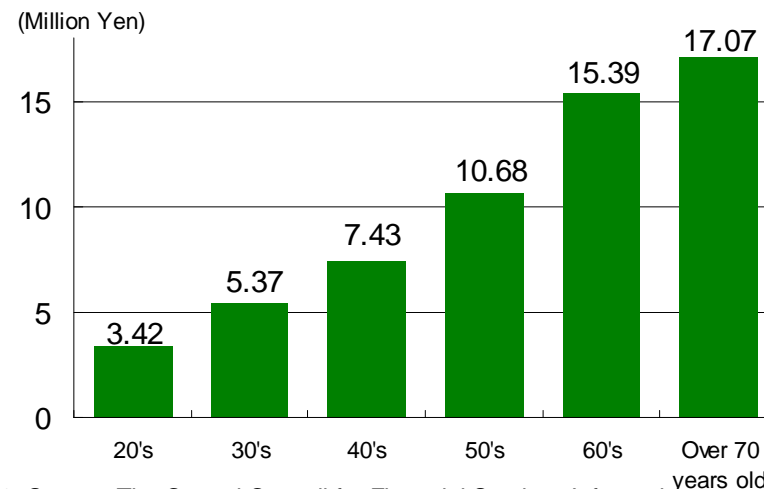
## Historical / estimated trend of population by age group\*1



\*1. Source: National Institute of Population and Social Security Research

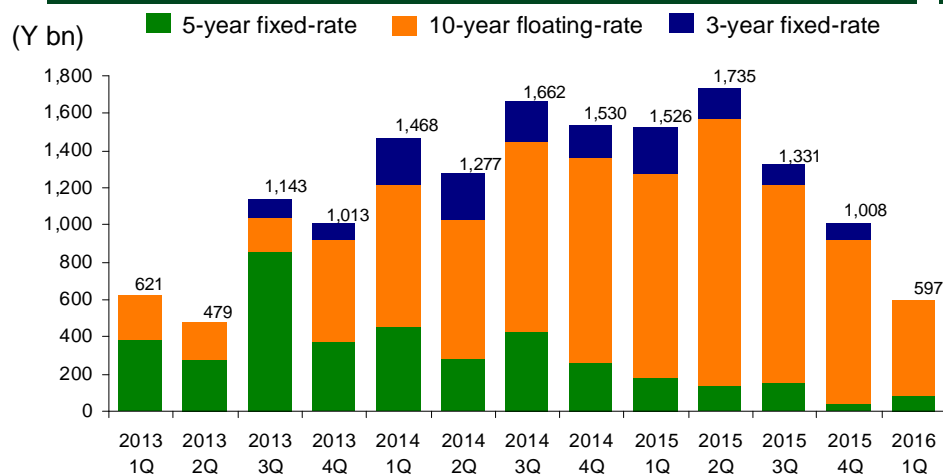
## Elderly people tend to have more financial assets\*3

<Financial asset balance per household >



\*3. Source: The Central Council for Financial Services Information

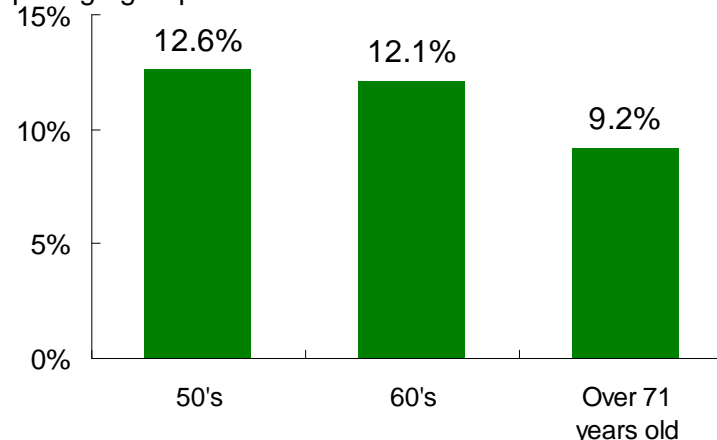
## Maturity ladder of JGBs held by individual investors\*2



\*2. Source: Bloomberg

## Resona has strong base of elderly customers\*4

<Resona's active customers per age group / Total population per age group>

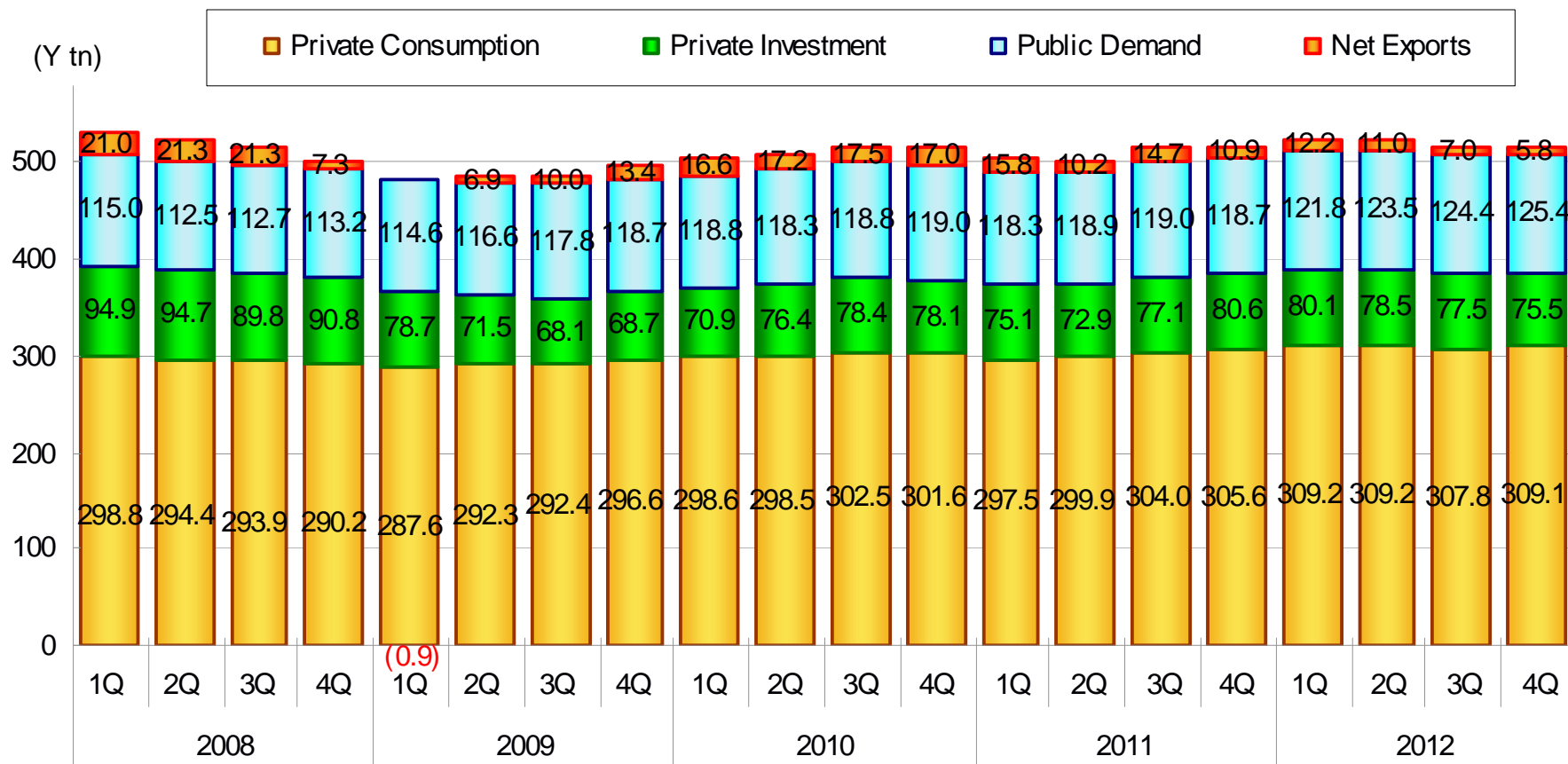


\*4. Active customers as of Mar. 31, 2012 (total of group banks)

Total population per age group from "Population Estimate" (Ministry of Internal Affairs and Communications)

# Overall Economy in Japan (1)

## GDP Components



Source : Cabinet Office

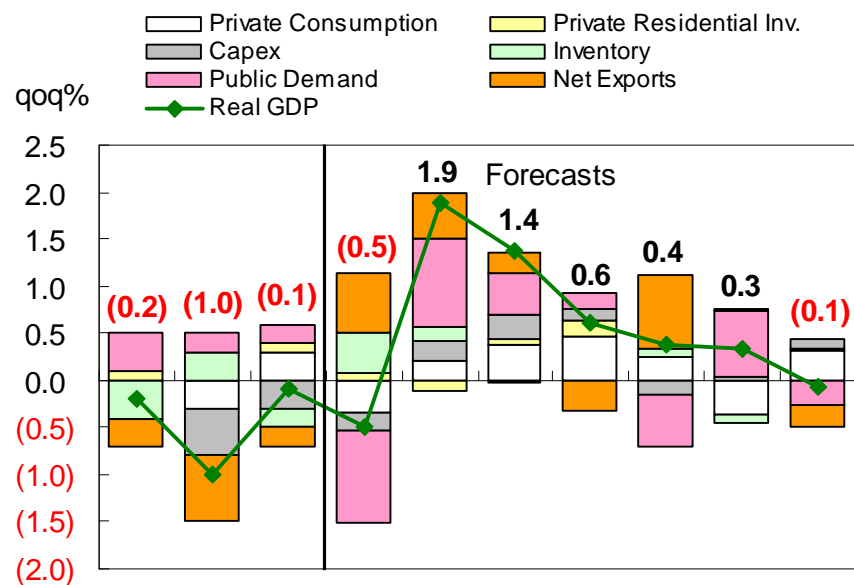
\* In real term : seasonally adjusted series

\* Private Investment: Private Residential Investment, Private Non-resi. Investment, Private Inventory

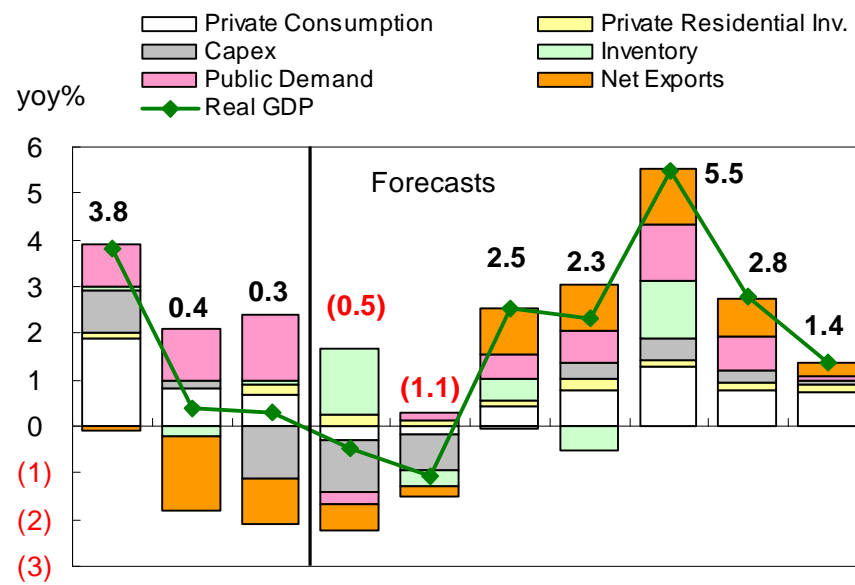
\* Public Demand: Government Consumption, Public Investment, Public Inventory

# Japanese Economy: Forecast of Real GDP Growth Rate

%	FY2010 Actual	FY2011 Actual	FY2012 Forecast	FY2013 Forecast
GDP	3.4	0.3	1.0	2.3
Private Consumption	1.0	0.9	0.7	0.6
Private Non-Resi. Investment	0.5	0.5	(0.3)	0.0
Public Demand	0.1	0.2	0.7	0.6
Net Export	1.0	(1.0)	(0.7)	0.7



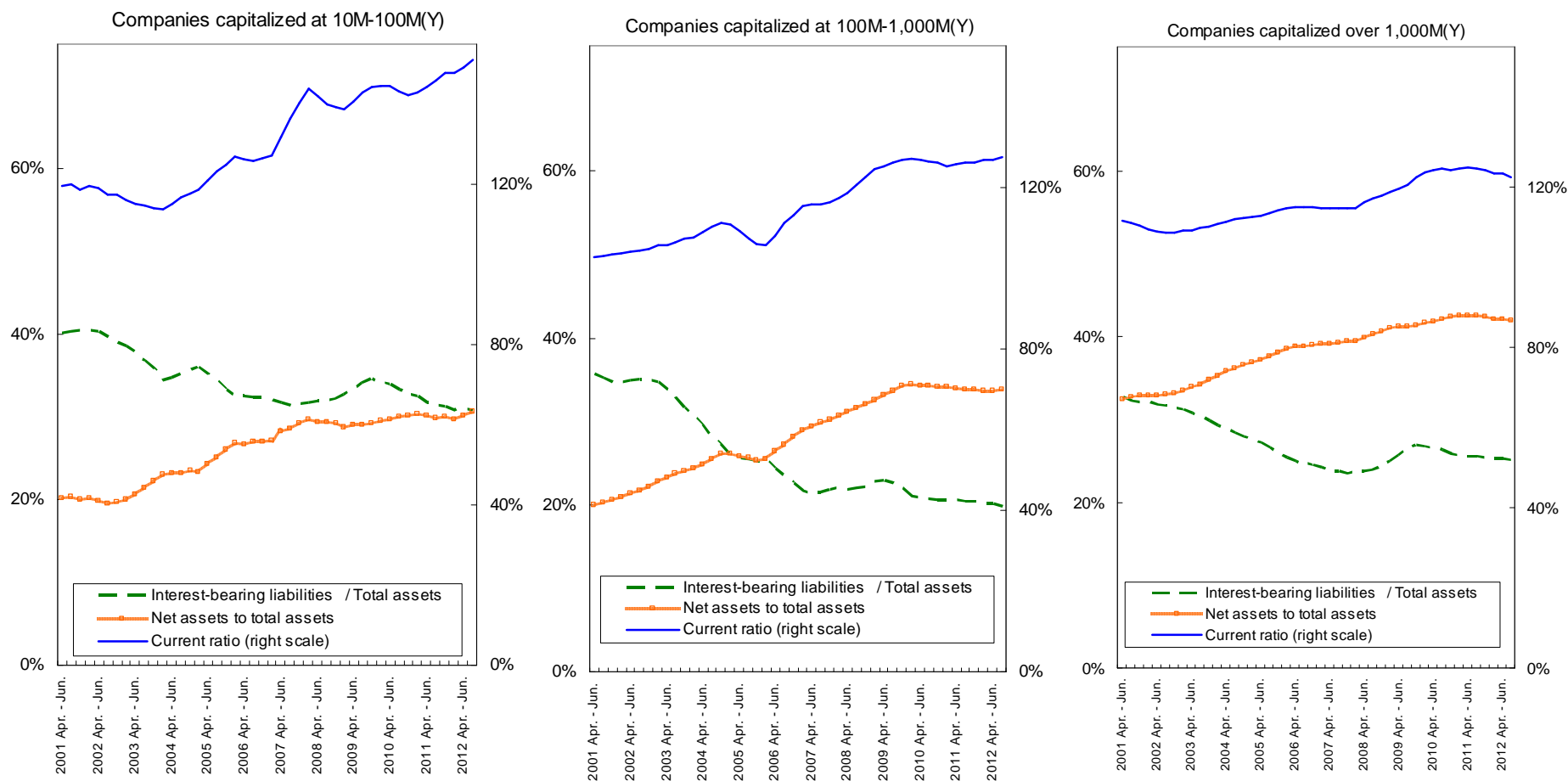
2Q12 3Q12 4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14  
Source: Cabinet Office, Resona Bank



2Q12 3Q12 4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14  
Source: Cabinet Office, Resona Bank

# Overall Economy in Japan (2)

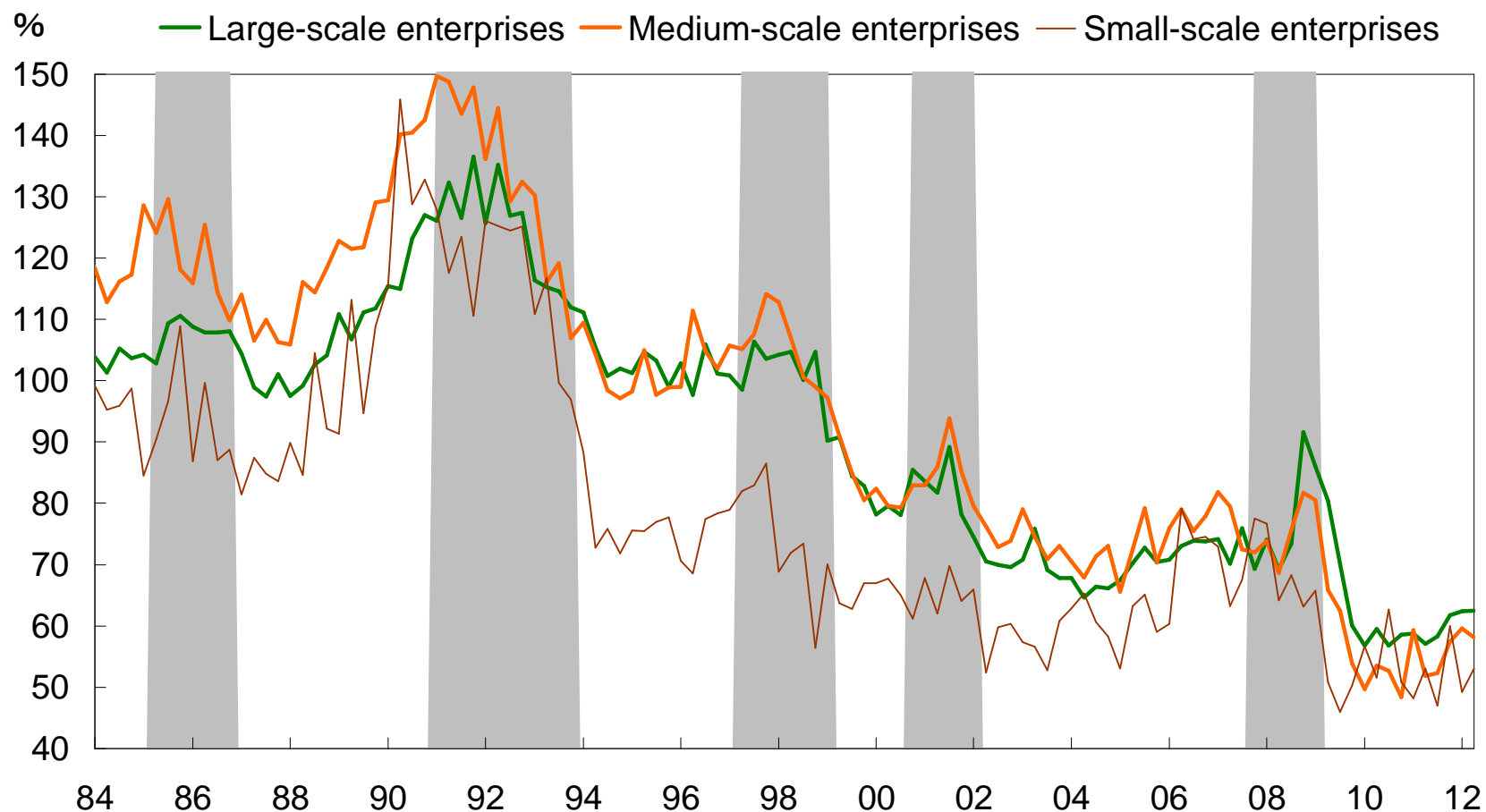
## Trends in Stability Ratios of Japanese Companies



Source: Financial Statements Statistics of Corporation  
(4 quarter moving average) (Apr.-June, 2001- Jul.-Sep. 2012)

## Overall Economy in Japan (3)

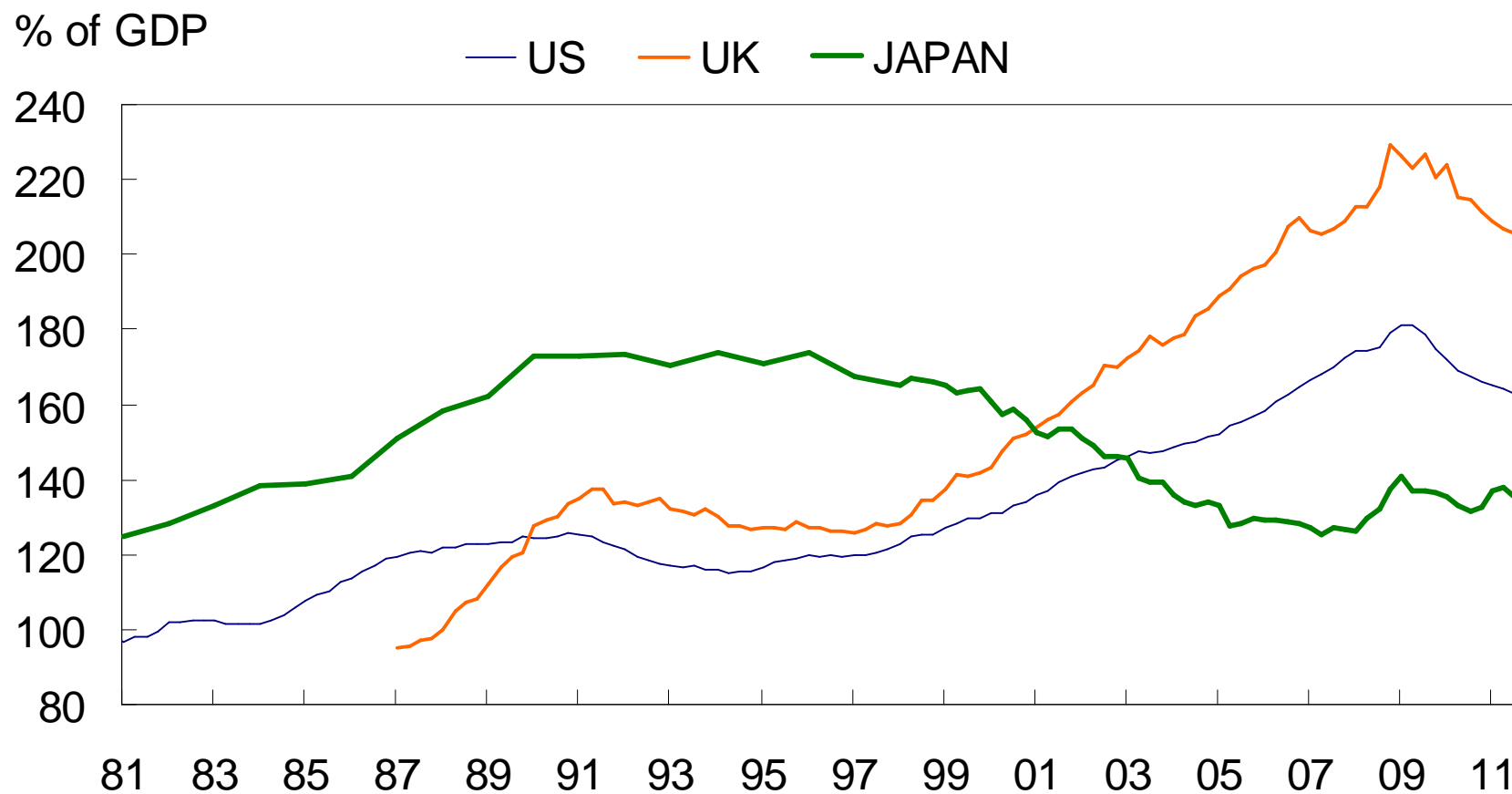
### Capital investment / Cash flow



(Source) Ministry of finance, Cabinet Office, Resona Bank

## Overall Economy in Japan (4)

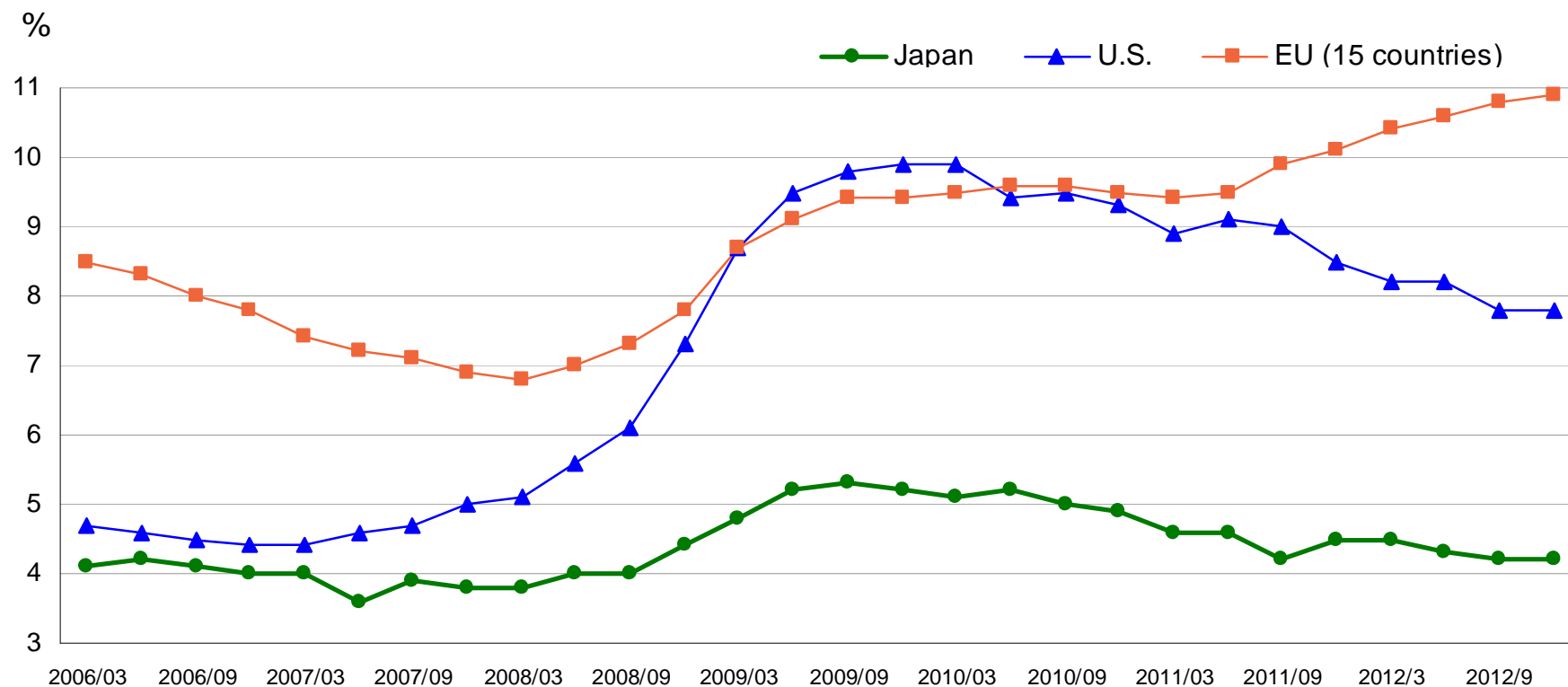
### Comparison of Debts Held by Private Non-financial Sectors



Source: BOJ, FRB, ONS, Resona Bank

## Overall Economy in Japan (5)

### Trend of Unemployment Rate



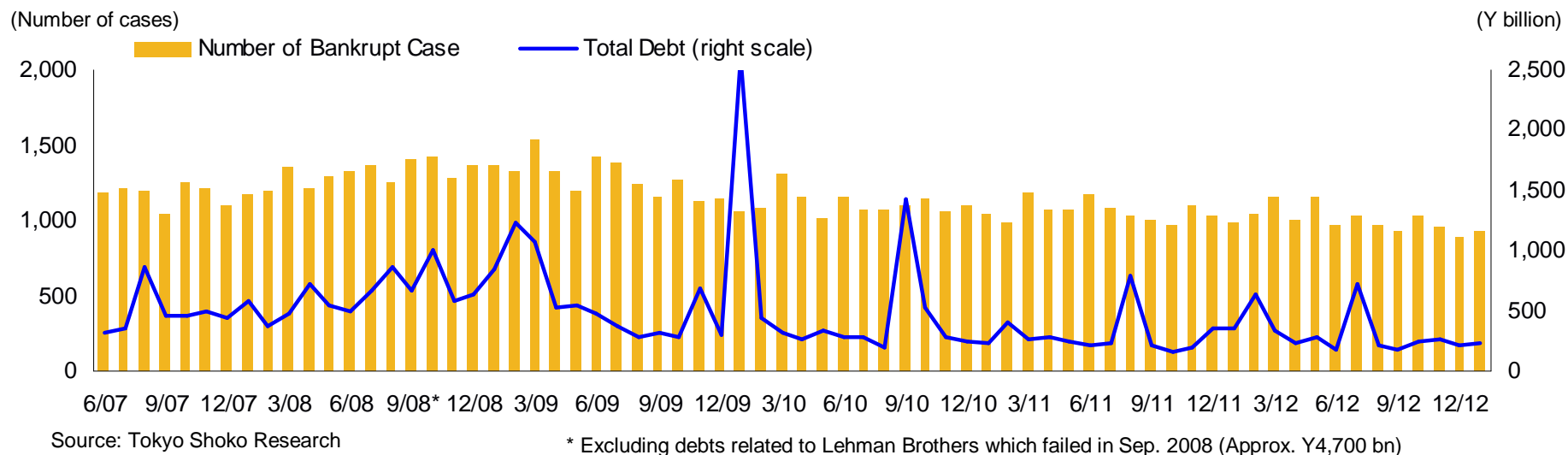
\* Excluding three prefectures of Japan (Iwate, Miyagi and Fukushima) from the result of March, 2011 to June, 2011

Source : DataStream

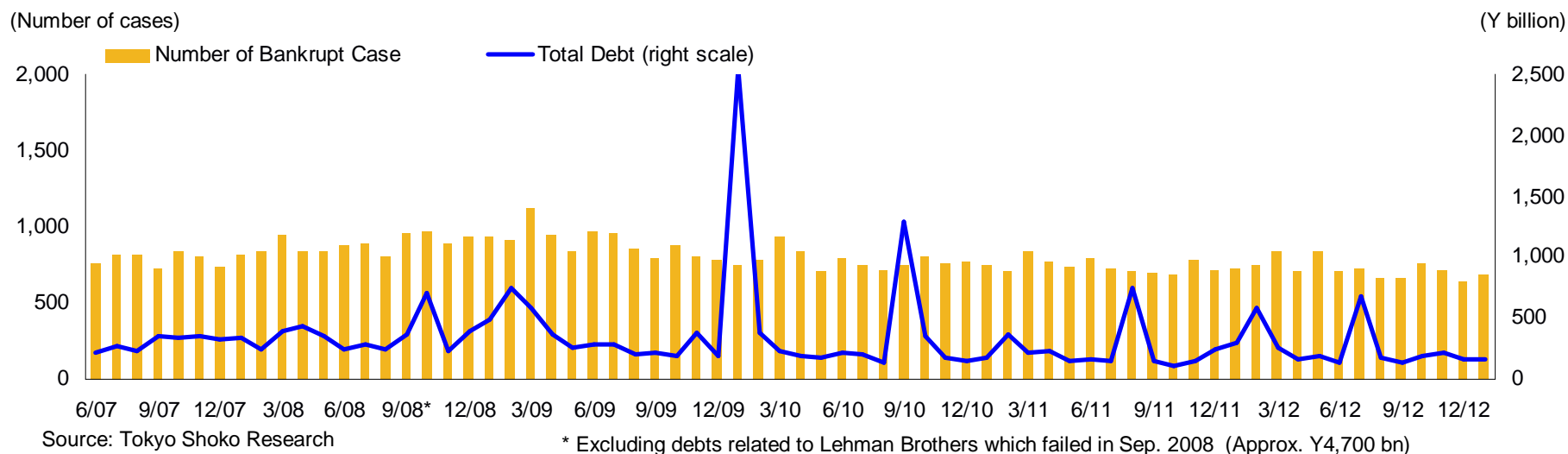


## Overall Economy in Japan (6)

### Enterprise Bankruptcy (All Industries)

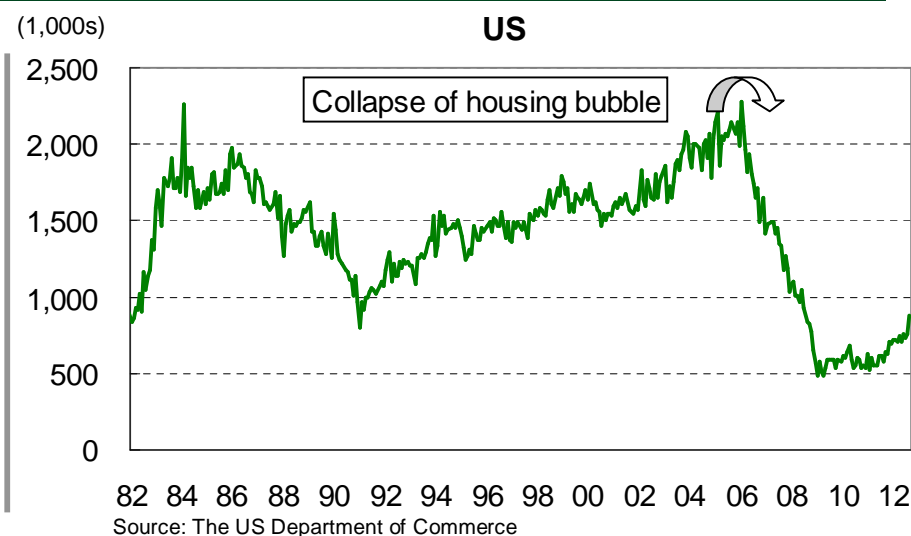
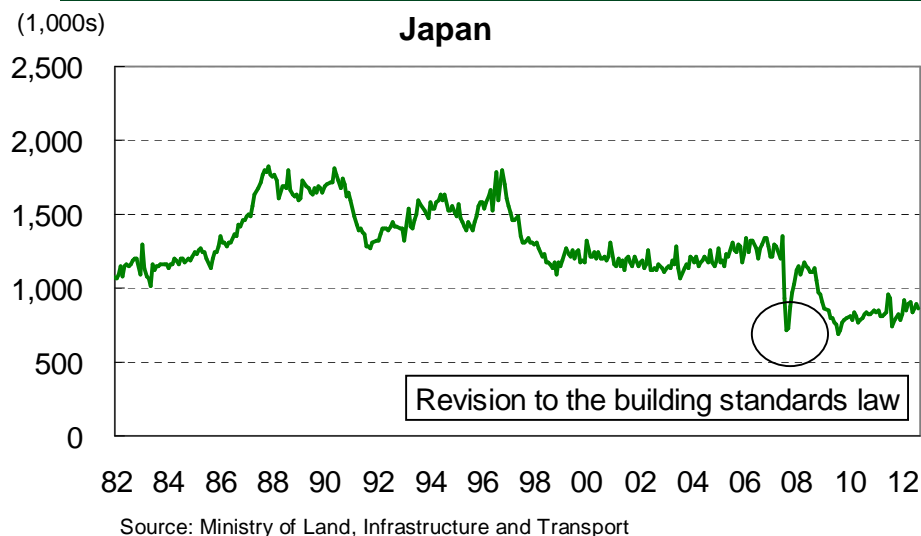


### Enterprise Bankruptcy (excluding Construction/Real Estate Industries)

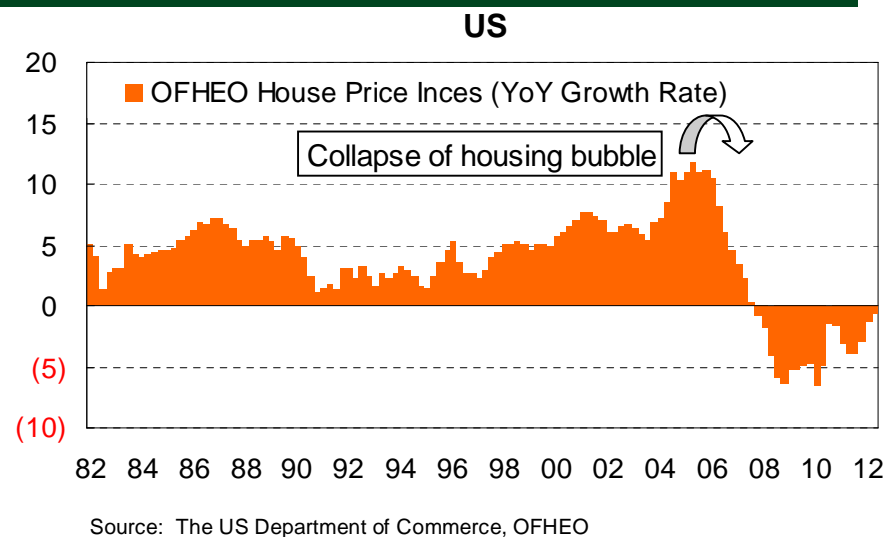
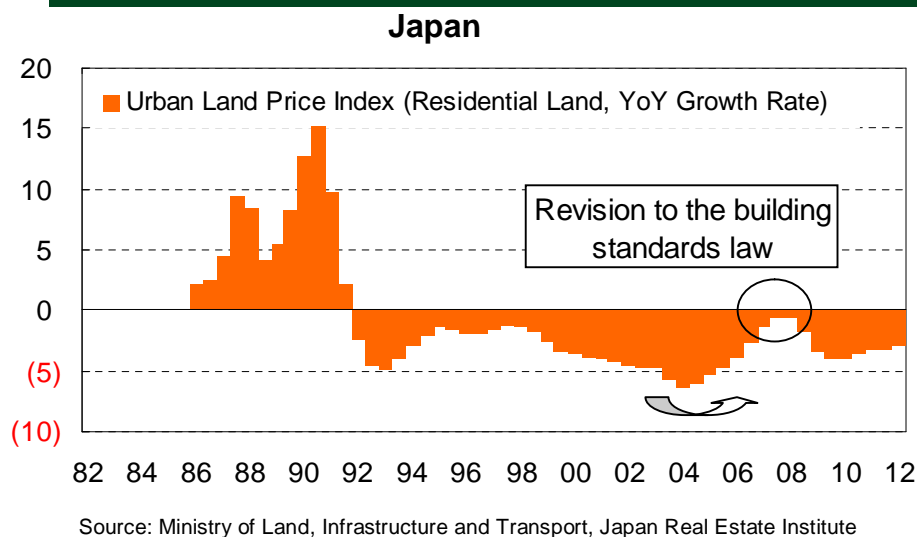


# Japan-US Comparison of Housing Trends (1)

## Housing Starts

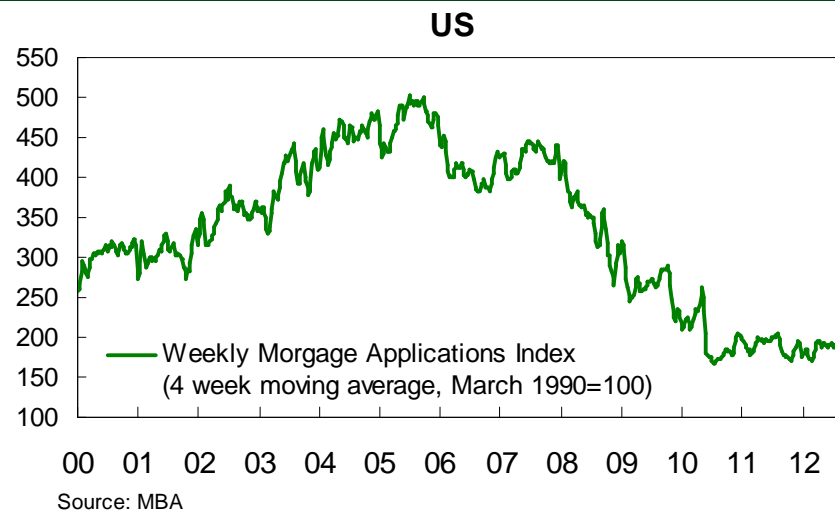
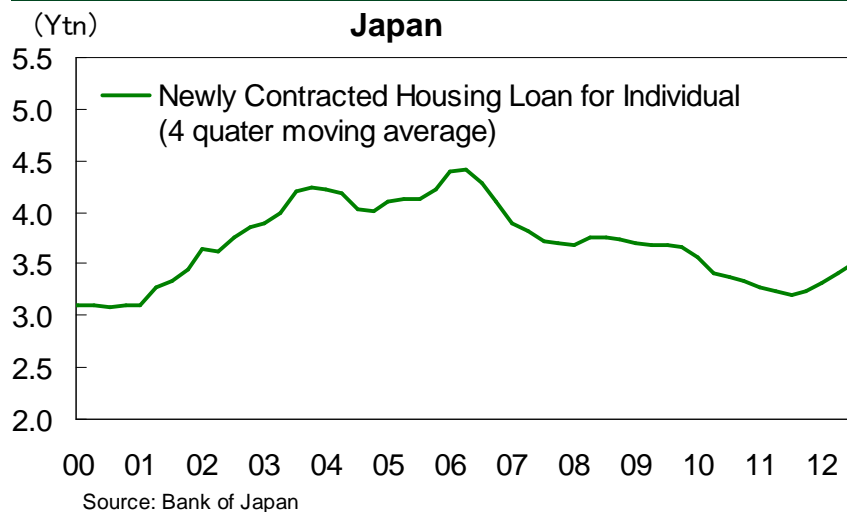


## Land/Housing Prices

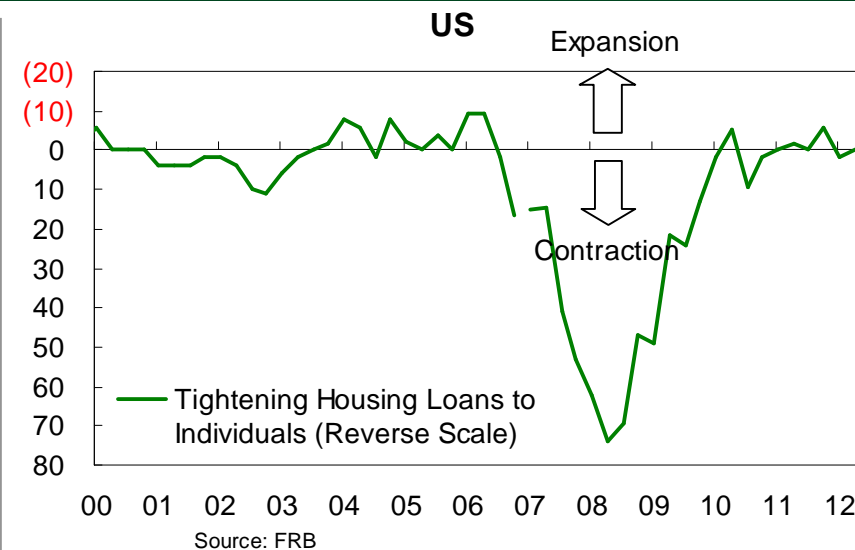
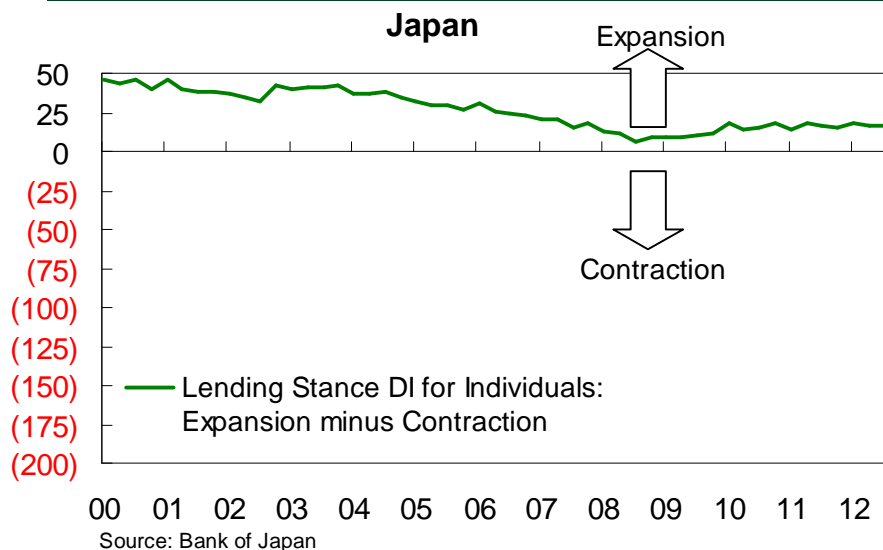


## Japan-US Comparison of Housing Trend (2)

### Housing Demand



### Bank Lending (Loans to Individuals)



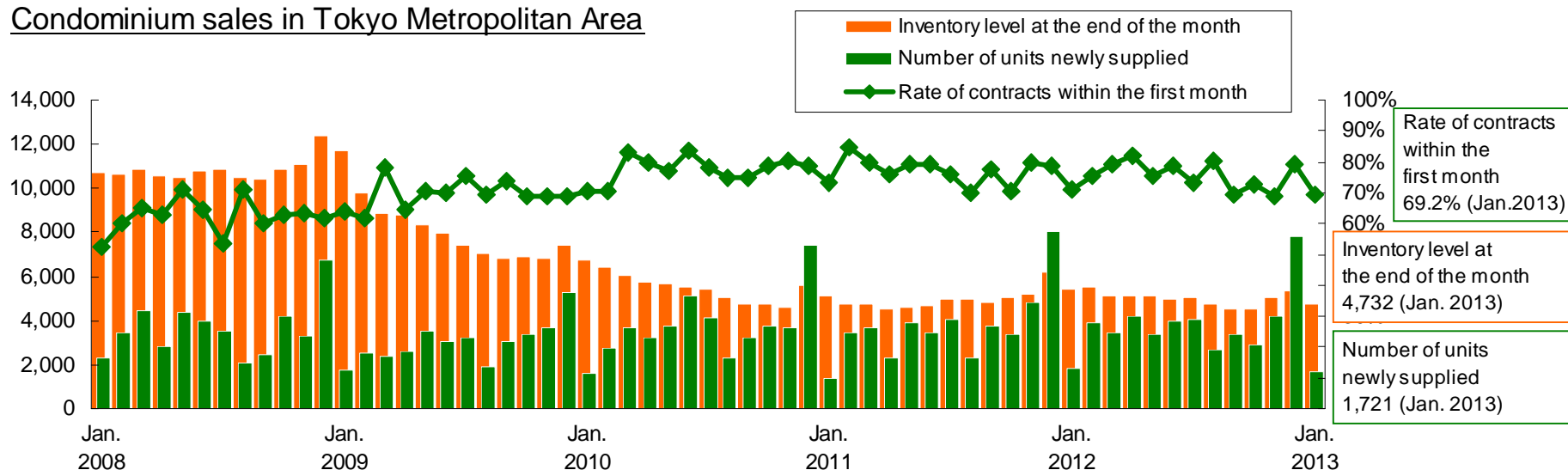
## Japan-US Comparison of Housing Trend (3)

### Major Difference in Housing Loan Features (Japan and the U.S.)

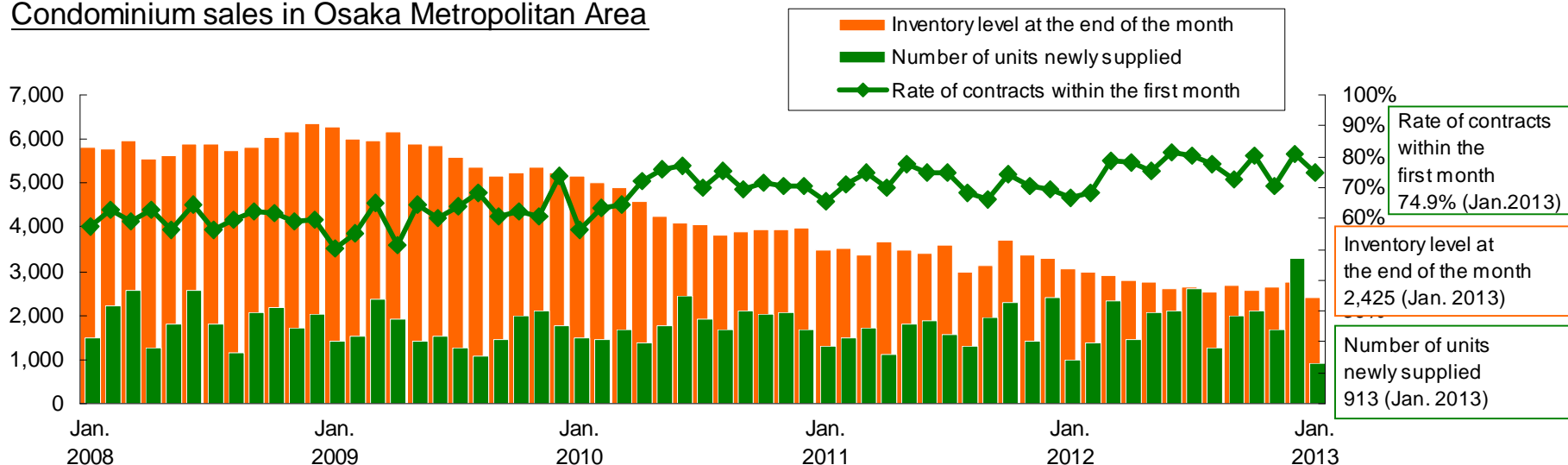
	Japan	U.S.
Primary objective of purchasing home	Primarily for permanent dwelling	In many cases, for replacements
Most important criteria for loan application screening	DTI (Debt-to-Income Ratio)	LTV (Loan-to-Value Ratio)
Main Product Type	Recourse	Non-Recourse
Pledged Collateral	Collateral value is mostly from land	Collateral value is mostly from building
Sub-prime loan market	Non-existent	Expanded rapidly with rising real estate prices

# Trend of Condominium Market in Tokyo and Osaka Metropolitan Areas

## Condominium sales in Tokyo Metropolitan Area

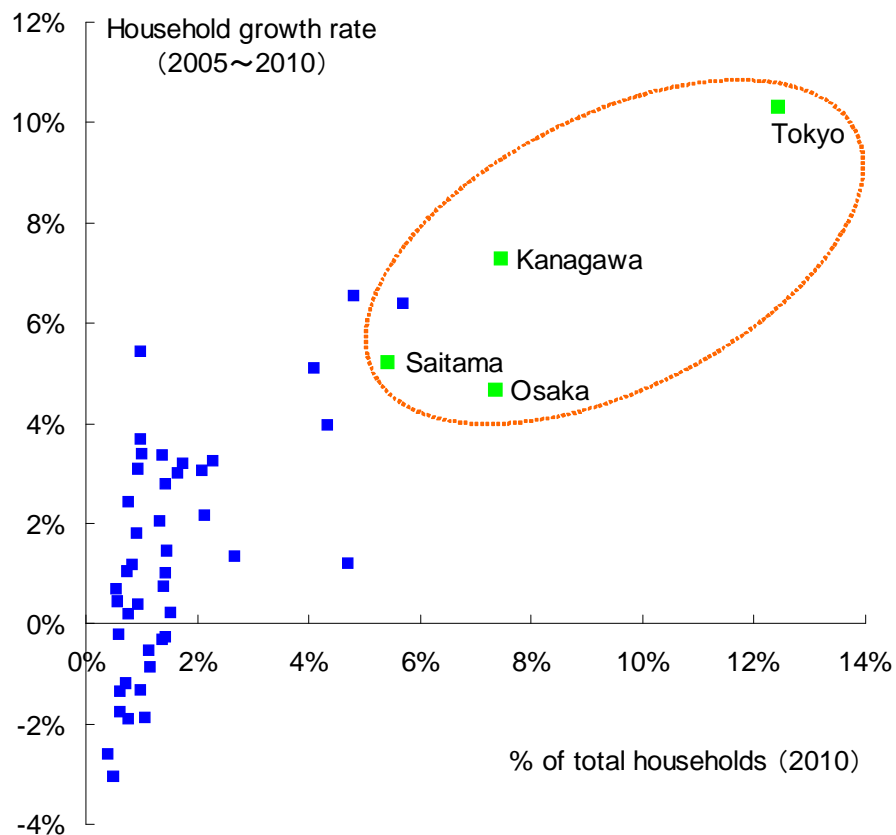


## Condominium sales in Osaka Metropolitan Area

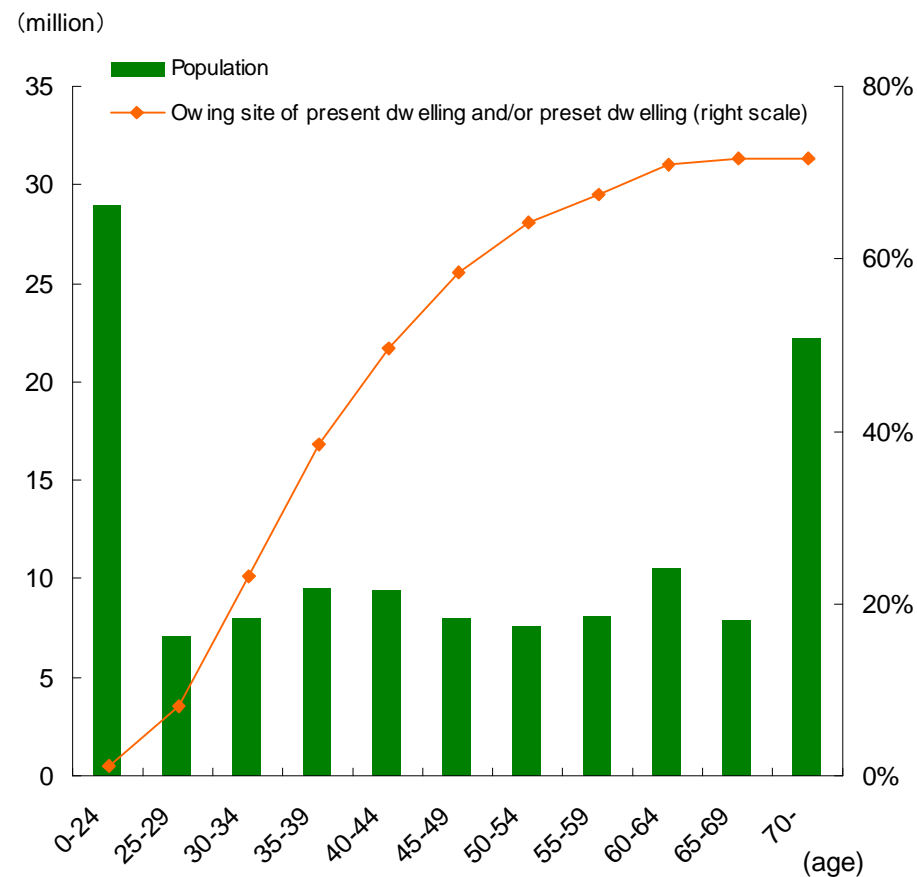


# Potential for Housing Loan Market

## % of Total Households/Household Growth Rate

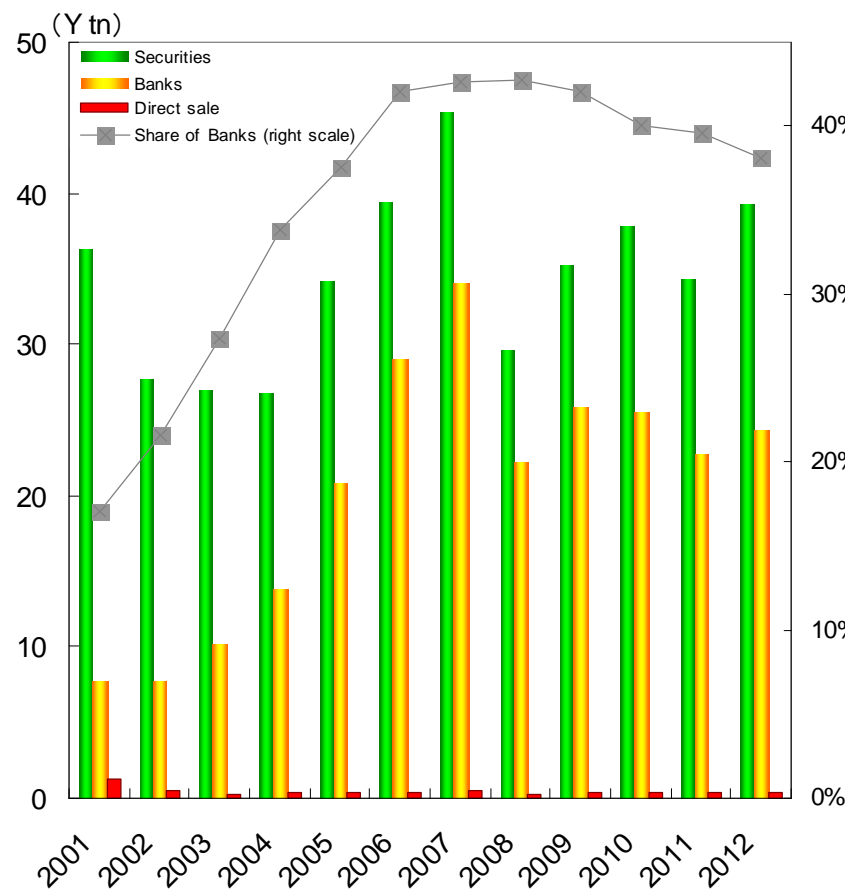


## Population and housing ownership rate



# Potential for Sales of Financial Products

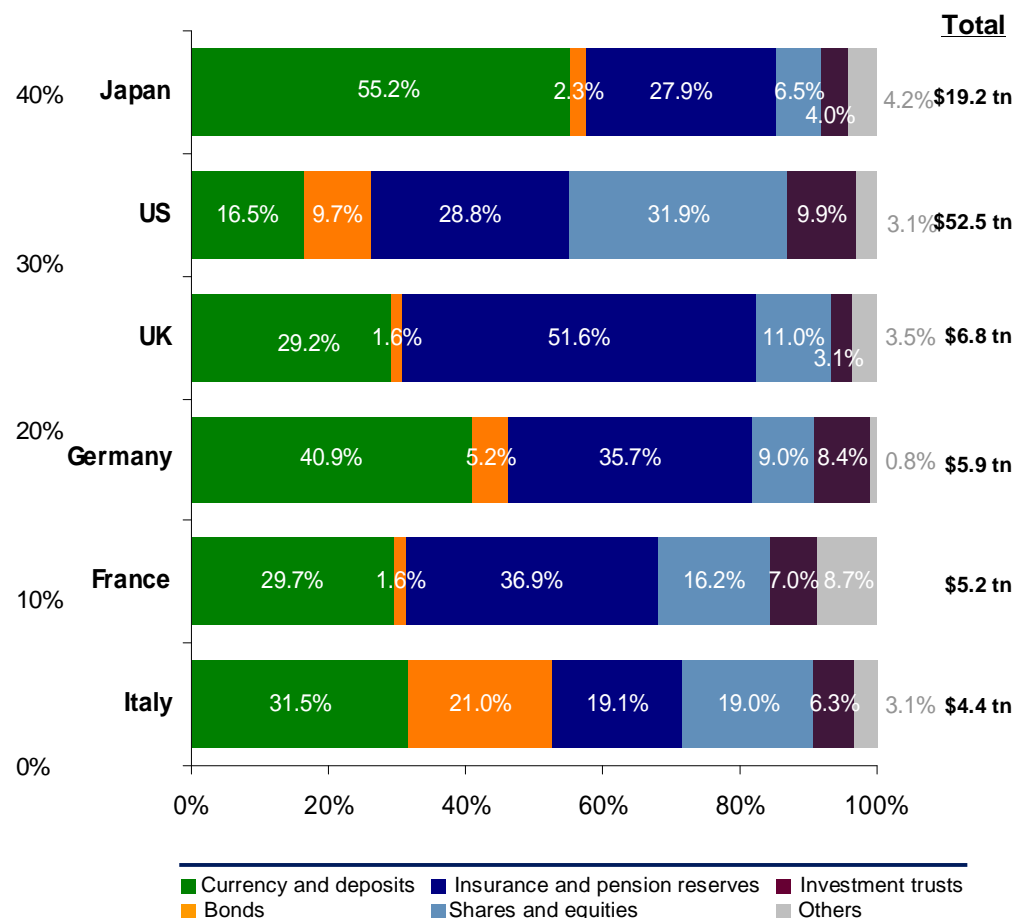
## Total net assets of investment trusts



Source: The Investment Trusts Association, Japan

Data for 2001 through 2012 are as of the end of December

## Breakdown of Financial Assets <sup>\*1</sup>



<sup>\*1</sup> Source: Bank of Japan "Flow of Funds" as of Mar. 2012, Federal Reserve Board "Flow of Funds Accounts" as of Jun. 2012, Office for National Statistics "United Kingdom National Accounts, The Blue Book" as of Aug. 2012, Deutsche Bundesbank "Monthly Report" as of Jun. 2012, Banque de France "Annual Financial Accounts" as of Jul. 2012, Banca d'Italia, "Supplements to the Statistical Bulletin" as of Feb. 2012

## Our Website Information



Resona Group  
Resona Holdings, Inc.

<http://www.resona-gr.co.jp/holdings/english/>

[Home](#) | [About Resona](#) | [Investor Relations](#) | [Corporate Social Responsibility](#) | [News Release](#)



Materials for investors are available from here

**News Release**

Nov. 9, 2012: [Announcement of Financial Results for the First Half of the Fiscal Year Ending March 31, 2013](#)

Nov. 9, 2012: [Outline of the "Business Revitalization Plan" -To Become a True Retail Bank-](#) (PDF:169KB)



About Resona



Investor Relations



Corporate Social Responsibility



**Official facebook account**  
(in Japanese language)  
<http://www.facebook.com/resonagr/>



**Official Twitter account**  
(in Japanese language )  
[http://twitter.com/resona\\_pr](http://twitter.com/resona_pr)

### CSR Report

CSR Report has been created and distributed through our web site for the purpose of disclosing information related to the Resona Group's corporate social responsibility (CSR) to all stakeholders.





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*The forward-looking statements contained in this presentation 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 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.*