

Business Results for FY2015 and Future Management Direction



Resona Holdings

May 18, 2016

Contents

Outline of Business Results for FY2015 and Updates on Major Businesses

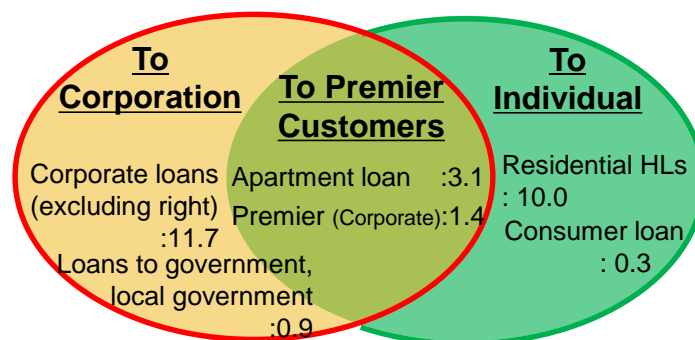
Efforts to Build Solid Foundation for Sustainable Growth

Direction of Capital Management

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
2. Negative figures represent items that would reduce net income
3. Categorization of loans outstanding defined for a business administration purpose is shown in the right diagram

Total loans outstanding (Term-end balance): JPY27.7 tn*1



— Corporate Banking Business Unit — Consumer Banking Business Unit

*1.Domestic account, Data compiled for a business administration purpose

Table of Contents

Outline of Business Results for FY2015 and Updates on Major Businesses

- P4 Outline of Financial Results for FY2015
- P5 Factors for the Changes in Periodic Profits
- P6 PL Summary / Consolidated and Non-Consolidated Difference
- P7 Outline of Results by Business Segments for FY2015 (1)
- P8 Outline of Results by Business Segments for FY2015 (2)
- P9 Overview of the Impacts from the BOJ's NIRP on Consolidated BS
- P10 Trend of Loans and Deposits
- P11 Term-end Balance of Loans and Deposits
- P12 Trend of Residential Housing Loans
- P13 Trend of Fee Income
- P14 Asset Formation Support Business
- P15 Major Fee Businesses
- P16 Credit Costs and NPL
- P17 Securities Portfolio
- P18 Capital Adequacy Ratio
- P19 Earnings Target and Dividend Forecast for FY2016
- P20 Targeted Consolidated Net Income for FY2016 Compared with FY2015

Efforts to Build Solid Foundation for Sustainable Growth

- P22 Resona's Management Strategy
- P23 Cultivating Strategic Business Areas Even Further: Corporate Banking Dept. (1)
- P24 Cultivating Strategic Business Areas Even Further: Corporate Banking Dept. (2)
- P25 Cultivating Strategic Business Areas Even Further: Consumer Banking Dept. (1)
- P26 Cultivating Strategic Business Areas Even Further: Consumer Banking Dept. (2)
- P27 Cultivating Strategic business Areas Even Further: Cross-selling Culture
- P28 Omni-channel Strategy: Envisaged Goal
- P29 Omni-channel Strategy: Channel Reform
- P30 Omni-channel Strategy: Marketing and Sales Reforms
- P31 Asset Management Business
- P32 Low-cost Operation and Strategic Mobilization of Resources

Direction of Capital Management

- P34 Direction of Capital Management

Reference Material

- P36 Advanced Corporate Governance
- P37 Resona's Challenges Attracting Attentions from Outside
- P38 Omni-channel Strategy: Measures Implemented Thus Far
- P39 Outline of Financial Results for FY2015
- P40 Business Results by Major Group Business Segments
- P41 Consolidated Subsidiaries and Affiliated Companies
- P42 Stable Earnings Trend and High Profitability
- P43 Capital Adequacy Ratio
- P44 Sophistication in ALM Interest Rate Risk Management: (Introduction of Internal Model to Measure Core Liquidity Deposits)
- P45 Securities Portfolio
- P46 Stocks Held by Industry
- P47 Maturity Ladder of Loan and Deposit
- P48 Swap Positions by Remaining Periods
- P49 Composition of Loan Portfolio and Deposits
- P50 Composition of Loan Portfolio by Base Rates
- P51 Composition of Deposits by Types
- P52 Migrations of Borrowers (RB, 1H of FY2015)
- P53 Migrations of Borrowers (RB, 2H of FY2015)
- P54 Supports for SMEs Doing Business in Asia
- P55 Achievements in Cross-selling Efforts Measured with KPIs (YTD)
- P56 List of Preferred Shares and Subordinated Bonds
- P57 Outline of Eligible Capital under the Japanese Domestic Std.
- P58 Long Term Business Results
- P59 MMP Earnings Plan and Status of Progress
- P60 Trend of Long-term Senior Debt Rating of Resona Bank
- P61 Composition of Resona HD's Common Shareholders

Outline of Business Results for FY2015 and Updates on Major Businesses

Efforts to Build Solid Foundation for Sustainable Growth

**Full Repayment of Public Funds and
Direction of Capital Management**

Reference Material

Outline of Financial Results for FY2015

- Posted ¥183.8 bn as net income attributable to owners of the parent (RHD consolidated), down ¥27.6 bn, or -13.0%, YoY, but exceeded the forecast by ¥8.8 bn, or +5.0%

ROE^{*3} : 14.41%

[Major factors accounting for the YoY change (total of group banks)]

- Decrease in net gains on stocks (including stock futures) due to a rebalancing of Japanese equity ETFs: ¥21.8 bn
- Increase in credit-related expense due to the following reasons: ¥47.8 bn
 - 1) Decreased gain from reversal of loan loss reserves, and
 - 2) Provisioning of loan loss reserve for specific borrowers on a conservative basis

- Posted ¥245.6 bn as actual net operating profit (total of group banks)

Almost the same level as the previous year and the forecast

- Decrease in net interest income primarily driven by continued contraction of loan to deposit spread (-10 bps YoY) was made up for by 1) increase in loan volume, 2) increase in fee income and net gains on bonds, and 3) reduction in operating expenses.

- Average loan balance : Up ¥730.0 bn, or +2.7%, YoY
- Fees and commission income : Up ¥1.9 bn, or +1.8%, YoY
- Net gains on bonds (including futures): Up ¥11.1 bn, or +57.1%, YoY
- Operating expenses : Down ¥8.9 bn, or -2.6%, YoY

- Maintained soundness in financial position

- NPL ratio (total of group banks): 1.51%
- Net unrealized gain on available-for-sale securities (total of group banks) : ¥460.1 bn
- Consolidated capital adequacy ratio (Japanese domestic std.) : 13.53% CET1 ratio^{*4} (International std.) : 8.13% (for reference only)

- Earnings target of consolidated net income attributable to owners of the parent for FY2016: ¥160.0 bn

- Common DPS planned for FY2016:

Planning +2 yen, or +11% DPS increase from 17 yen to 19 yen per year (9.5 yen, +1 yen YoY, to be paid as interim dividend)

- Intend to repurchase and cancel Class 6 Preferred Shares and shift the preferred dividends to be saved to common shareholders, subject to an approval from regulators

(Y bn)

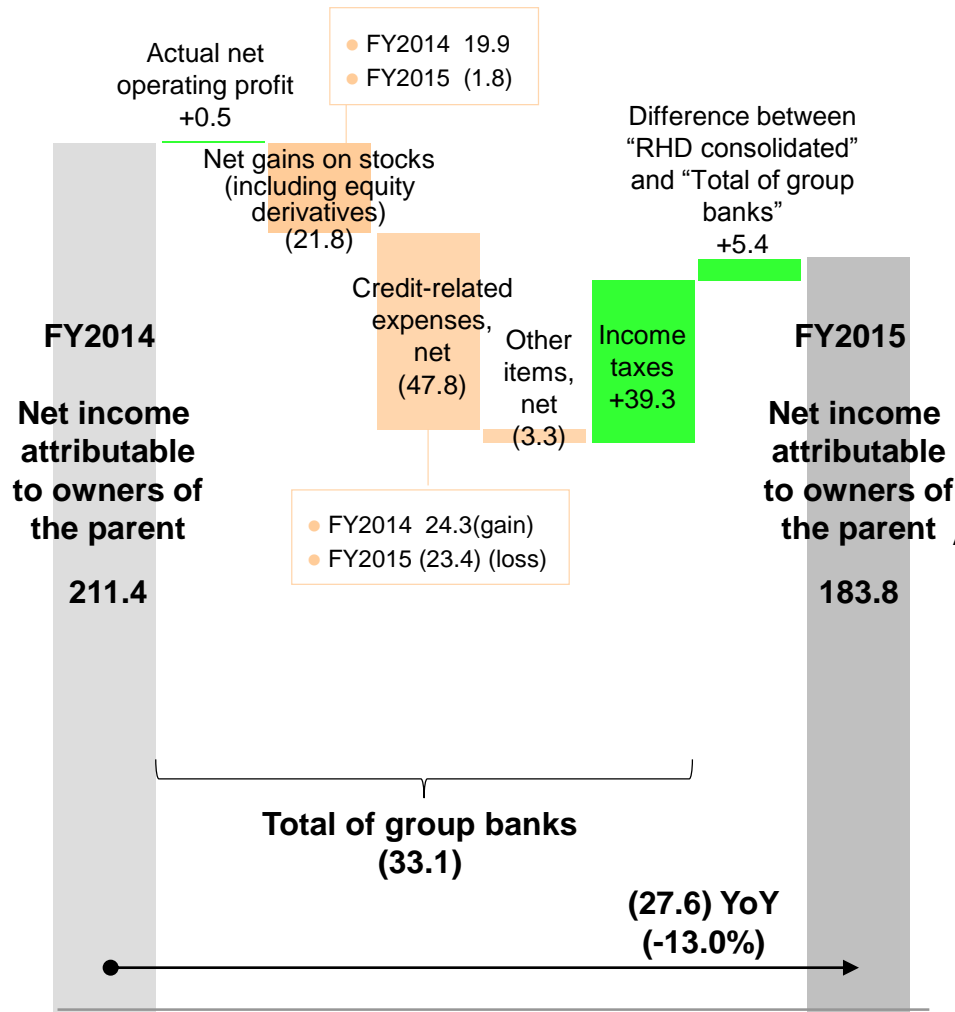
(Y bn)	FY2015					FY2016
	YoY change		v.s. Forecast (Nov. 2015)		Target	
	%					
Resona HD (Consolidated)						
Net income attributable to owners of the parent	(1)	183.8	(27.6)	(13.0)%	+5.0%	160.0
Difference (1)-(21)	(2)	20.4	+5.4			
DPS (Yen per year)	(3)	17.0	±0.0	±0.0%	±0.0%	19.0
EPS (yen)	(4)	75.73	(15.34)			
BPS (yen)	(5)	705.81	+15.14			
Total of group banks (Non-consolidated)						
Gross operating profit	(6)	572.0	(8.4)	(1.4)%	(1.5)%	557.0
Net interest income	(7)	395.5	(21.0)			
Income from loans and deposits ^{*1}	(8)	330.8	(18.0)			
Trust fees	(9)	21.2	(1.4)			
Fees and commission income	(10)	106.9	+1.9			
Other operating income	(11)	48.2	+12.0			
Net gains on bonds (including futures)	(12)	30.6	+11.1			
Operating expenses	(13)	(326.3)	+8.9	+2.6%	+2.5%	(331.5)
Cost income ratio (OHR)	(14)	57.0%	(0.7)%			
Actual net operating profit ^{*2}	(15)	245.6	+0.5	+0.2%	(0.1)%	225.5
Net gains on stocks (including equity derivatives)	(16)	(1.8)	(21.8)			
Credit related expenses, net	(17)	(23.4)	(47.8)			
Other gain, net	(18)	0.4	(3.3)			
Income before income taxes	(19)	220.7	(72.4)	(24.7)%	(0.9)%	204.5
Income taxes and other	(20)	(57.4)	+39.3			
Net income	(21)	163.3	(33.1)	(16.8)%	+4.0%	145.0

*1. Domestic banking account, deposits include NCDs. *2. Net operating profit before provision to general reserve for possible loan losses and disposal of problem loans in the trust account *3. (Net income – Preferred dividends) / (Total shareholders equity – balance of outstanding preferred shares) (Simple average of the balances at the beginning and end of the term) *4. Excluding net unrealized gain on available-for-sale securities *5. Negative figures represent items that would reduce net income

Factors for the Changes in Periodic Profits (YoY Comparison)

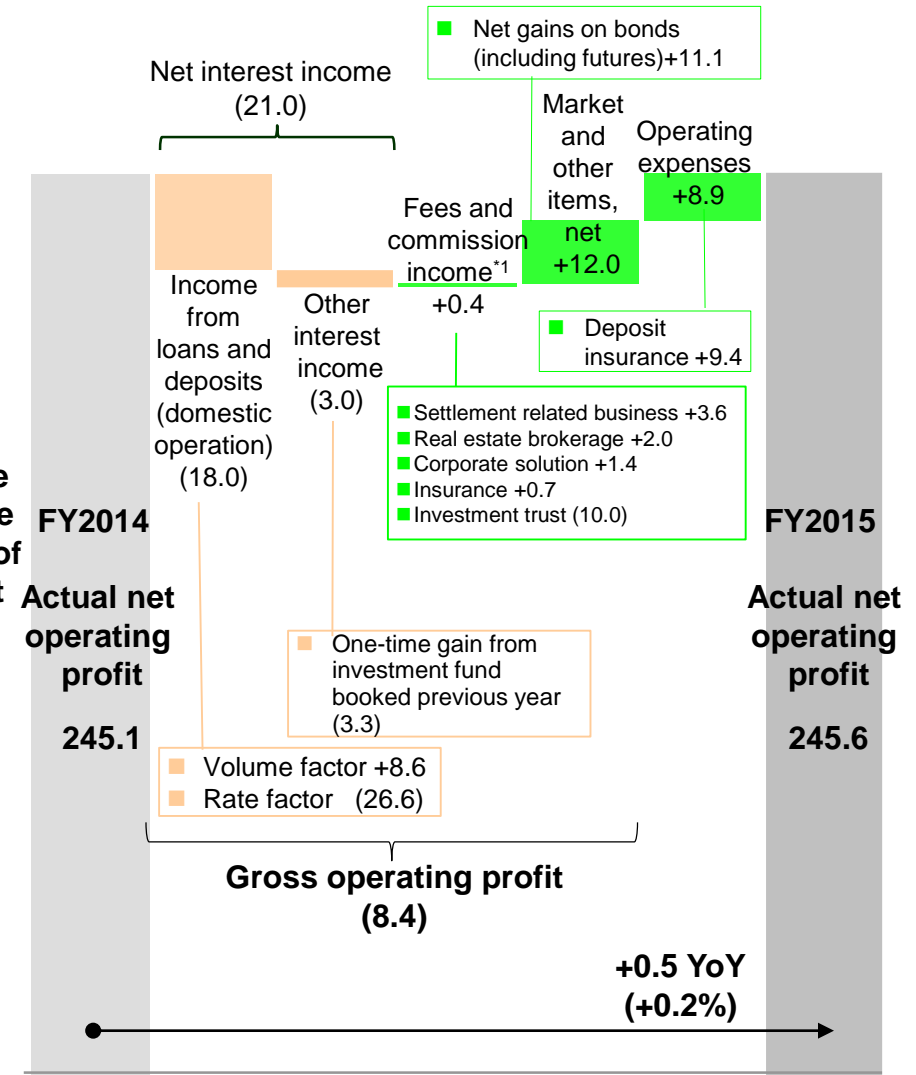
Consolidated net income attributable to owners of the parent (RHD Consolidated)

(Y bn)



Actual net operating profit (Total of Group Banks)

(Y bn)



*1. Fees and commission income plus trust fees

PL Summary / Consolidated and Non-Consolidated Difference

PL Summary for FY2015

(Y bn)

Resona Holdings (Consolidated)		FY2015	YoY change
Gross operating profit	(1)	619.5	(12.9)
Difference (1)-(9)	(2)	47.5	(4.4)
Operating expenses (including non-recurring items)	(3)	(347.5)	+10.2
Credit related expenses, net	(4)	(25.8)	(48.2)
Difference (4)-(13)	(5)	(2.3)	(0.4)
Income before income taxes	(6)	250.5	(75.7)
Net income attributable to owners of the parent	(7)	183.8	(27.6)
Difference (7)-(17)	(8)	20.4	+5.4

Total of group banks (Non-consolidated)		FY2015	YoY change
Gross operating profit	(9)	572.0	(8.4)
Operating expenses	(10)	(326.3)	+8.9
Actual net operating profit	(11)	245.6	+0.5
Net gain on stocks (including equity derivatives)	(12)	(1.8)	(21.8)
Credit related expenses, net	(13)	(23.4)	(47.8)
Other gains, net	(14)	0.4	(3.3)
Income before income taxes	(15)	220.7	(72.4)
Income taxes	(16)	(57.4)	+39.3
Net income	(17)	163.3	(33.1)

Consolidated / Non-consolidated difference (in approximate figures)

(Y bn)

(2) Gross operating profit	FY2015	YoY change
HL guarantee subsidiaries	26.2	(1.3)
Resona Card	15.5	(0.3)
Resona Kessai Service	2.5	+0.0
P.T. Bank Resona Perdania	5.0	(0.6)

(5) Credit related expenses, net	FY2015	YoY change
HL guarantee subsidiaries	2.6	+1.5
Resona Card	(1.8)	(0.2)
P.T. Bank Resona Perdania	(1.2)	(0.2)

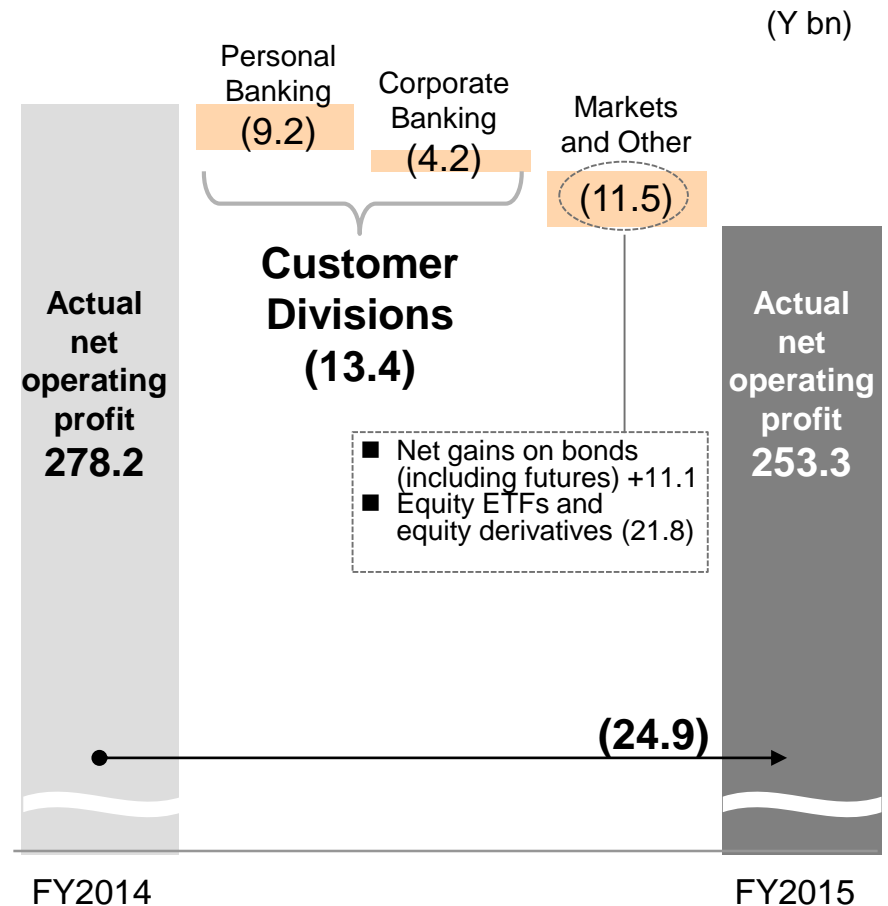
(8) Net income ^{*1}	FY2015	YoY change
HL guarantee subsidiaries	19.1	+3.7
Resona Card	1.5	+0.0
Resona Kessai Service	0.6	+0.1
P.T. Bank Resona Perdania	0.6	(0.2)

*1. Excluding net income attributable to non-controlling interests

Outline of Results by Business Segments for FY2015 (1)

Actual net operating profit decreased by ¥24.9bn, primarily due to slowdown of market division

(Y bn)		FY2015	YoY Change
Customer Divisions	(1) Gross operating profit	518.0	(23.1)
	(2) Operating expense	(318.3)	+9.6
	(3) Actual net operating profit	199.6	(13.4)
Personal Banking	(4) Gross operating profit	242.2	(13.8)
	(5) Operating expense	(167.8)	+4.6
	(6) Actual net operating profit	74.3	(9.2)
Corporate Banking	(7) Gross operating profit	275.8	(9.3)
	(8) Operating expense	(150.5)	+5.0
	(9) Actual net operating profit	125.3	(4.2)
Markets and Other	(10) Gross operating profit	64.6	(10.8)
	(11) Operating expense	(11.0)	(0.6)
	(12) Actual net operating profit	53.6	(11.5)
Total	(13) Gross operating profit	582.7	(34.0)
	(14) Operating expense	(329.4)	+8.9
	(15) Actual net operating profit	253.3	(24.9)



Definition of management accounting

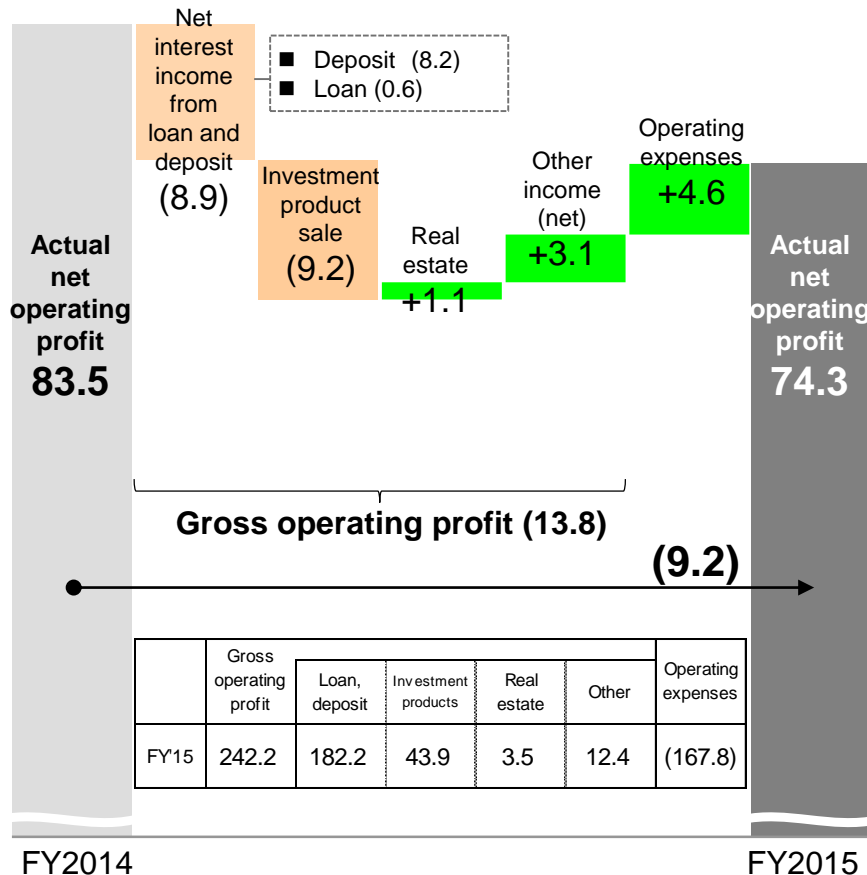
1. Numbers reported above refer to 3 Resona Group banks and 3 guarantee subsidiaries.
2. Gross operating profit of "Markets" segment includes a part of net gains on stocks.
3. "Other" segment refers to the divisions in charge of management and business administration.

Outline of Results by Business Segments for FY2015 (2)

Personal Banking Segment

- Actual net operating profit decreased by Y9.2bn
 - Decrease in net interest income from loans and deposits and income from investment product sales was partially covered by an increase in settlement-related fees, real estate brokerage fees, and reduction of operating expenses

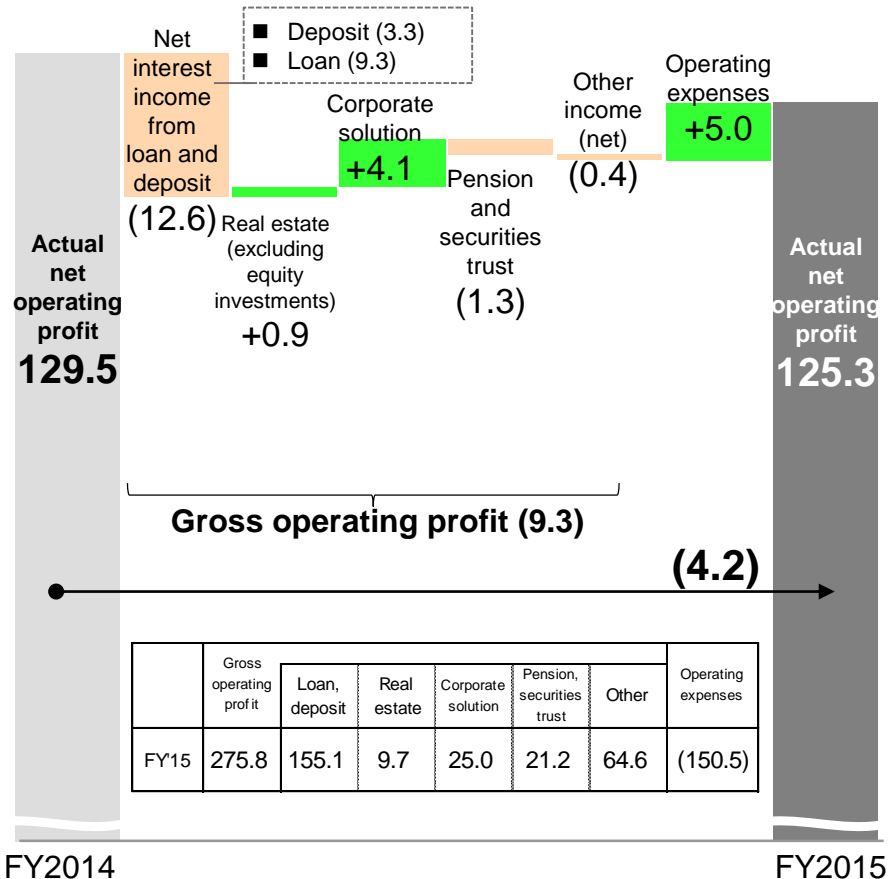
[Comparison of actual net operating profit] (Y bn)



Corporate Banking Segment

- Actual net operating profit decreased by Y4.2bn
 - Decrease in net interest income from loans and deposits was partially covered by an increase in corporate solution and other fees

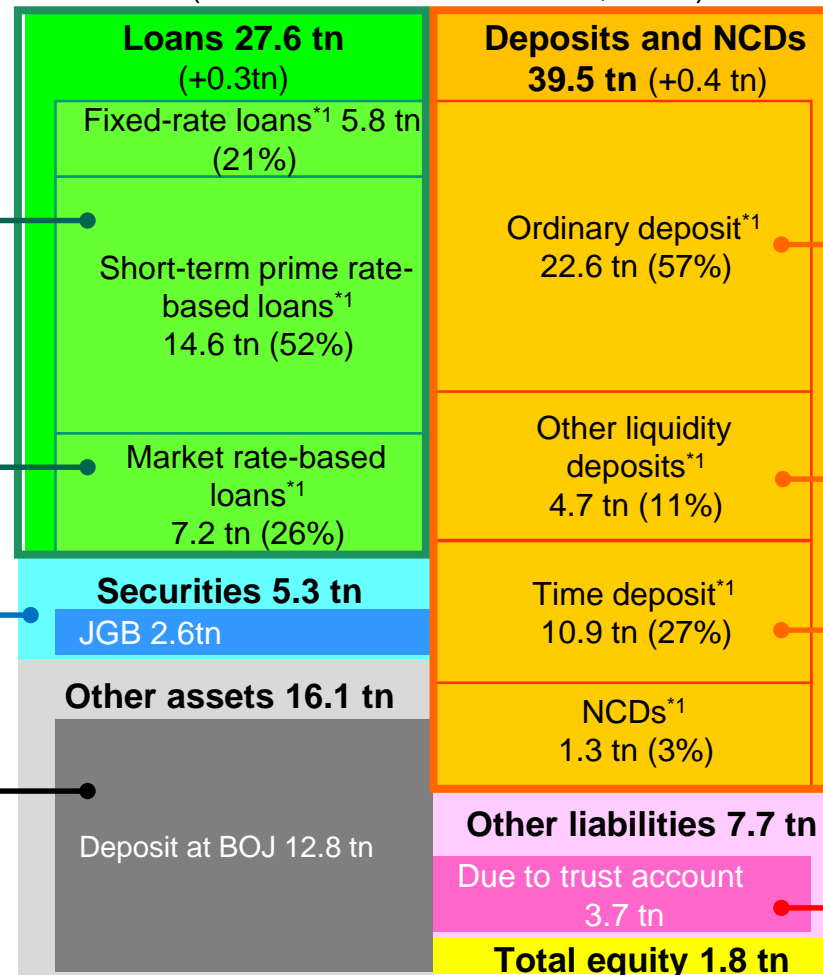
[Comparison of actual net operating profit] (Y bn)



Overview of the Impacts from the BOJ's NIRP on Consolidated BS

Impacts that surfaced already are manageable

Total assets JPY49.1 tn (as of Mar. 31, 2016)
(+ JPY2.3 tn. from Dec. 31, 2015)



■ No change to Short-term Prime Rate (STPR), at present

- STPR to be determined by each bank in reference to its funding cost, operating expense, cost of equity, etc.
- Resona's STPR: 1.725%

■ Since start of the NIRP, TIBOR (1M to 6M) has dropped by about 10 bps

■ Relatively milder impact due to a lower weight of TIBOR-linked loans

■ Please see page 17 for details

■ Deposit at BOJ + 2.7 tn. (From Dec. 31, 2015) (Bal. as of April 30 : 10.0 tn)

■ Lowered rate on ordinary deposit (effective from Feb. 18)

- 0.02% => 0.001%

■ Of this category, "current deposit" which bear no interests 2.9 tn.

■ Lowered rate on time deposit

- Rates on all terms, from 1 month to 5 years, lowered to 0.01% (In two stages, from Feb. 1 and Mar. 1)

■ Due to trust account + 3.0tn. (From Dec. 31, 2015)

■ Inflow of funds from trust account

- Mostly attributable to entrusted MRF

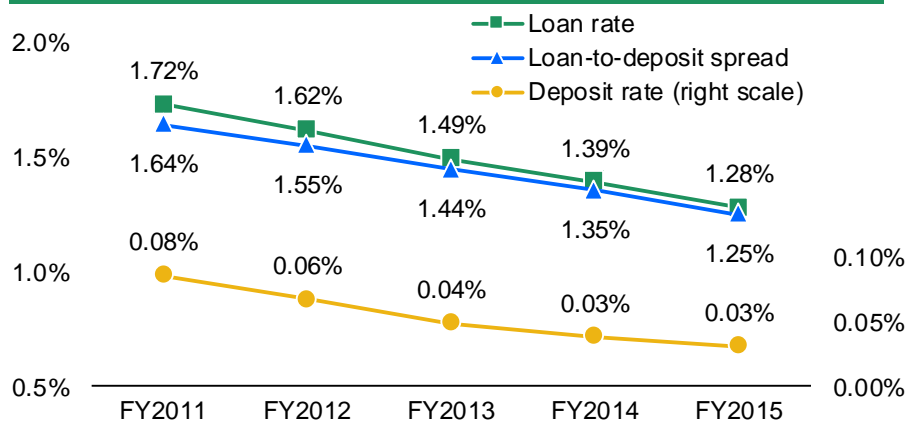
*1. Domestic banking account

Trend of Loans and Deposits (Total of Group Banks)

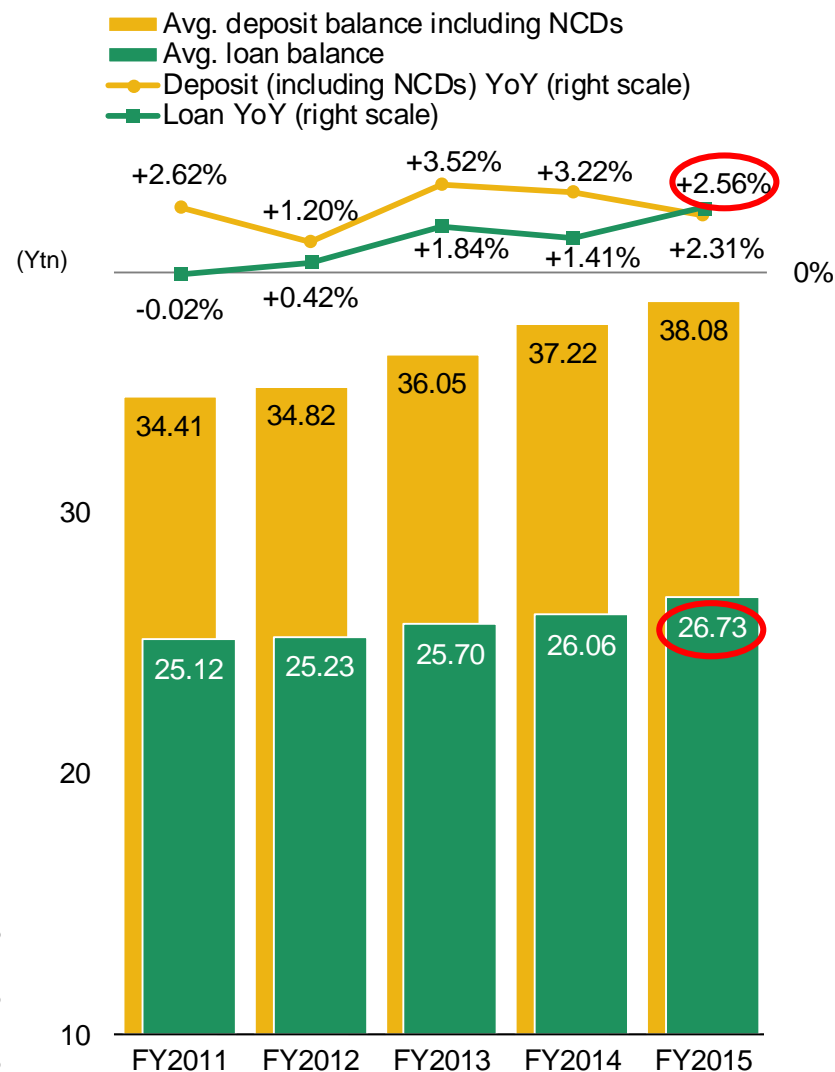
Average loan and deposit balances and spread

〔 Avg. bal : Trillion Yen Income/Cost : Billion Yen 〕			FY2015		FY2016	
			(Act)	YoY change	(Plan)	YoY change
Average loan balance (Banking account) (1)			27.25	+2.75%		
Domestic acct.	Loans	Average balance (2)	26.73	+2.56%	27.21	+1.81%
		Rate (3)	1.28%	(0.11)%	1.18%	(0.09)%
		Income (4)	342.7	(20.4)	322.1	(20.5)
	Corporate Banking Business Unit *1	Average balance (5)	15.56	+3.08%	15.87	+1.98%
		Rate (6)	1.14%	(0.12)%	1.02%	(0.11)%
	Personal Banking Business Unit *2	Average balance (7)	10.22	+1.62%	10.38	+1.62%
		Rate (8)	1.53%	(0.07)%	1.46%	(0.06)%
	Deposits (Including NCDs)	Average balance (9)	38.08	+2.31%	37.84	(0.63)%
		Rate (10)	0.03%	(0.00)%	0.01%	(0.01)%
		Cost (11)	(11.8)	+2.3	(6.6)	+5.2
	Loan-to-deposit	Spread (12)	1.25%	(0.10)%	1.16%	(0.08)%
		Net interest income (13)	330.8	(18.0)	315.5	(15.3)

Loan and deposit rates and spread (Domestic Account)



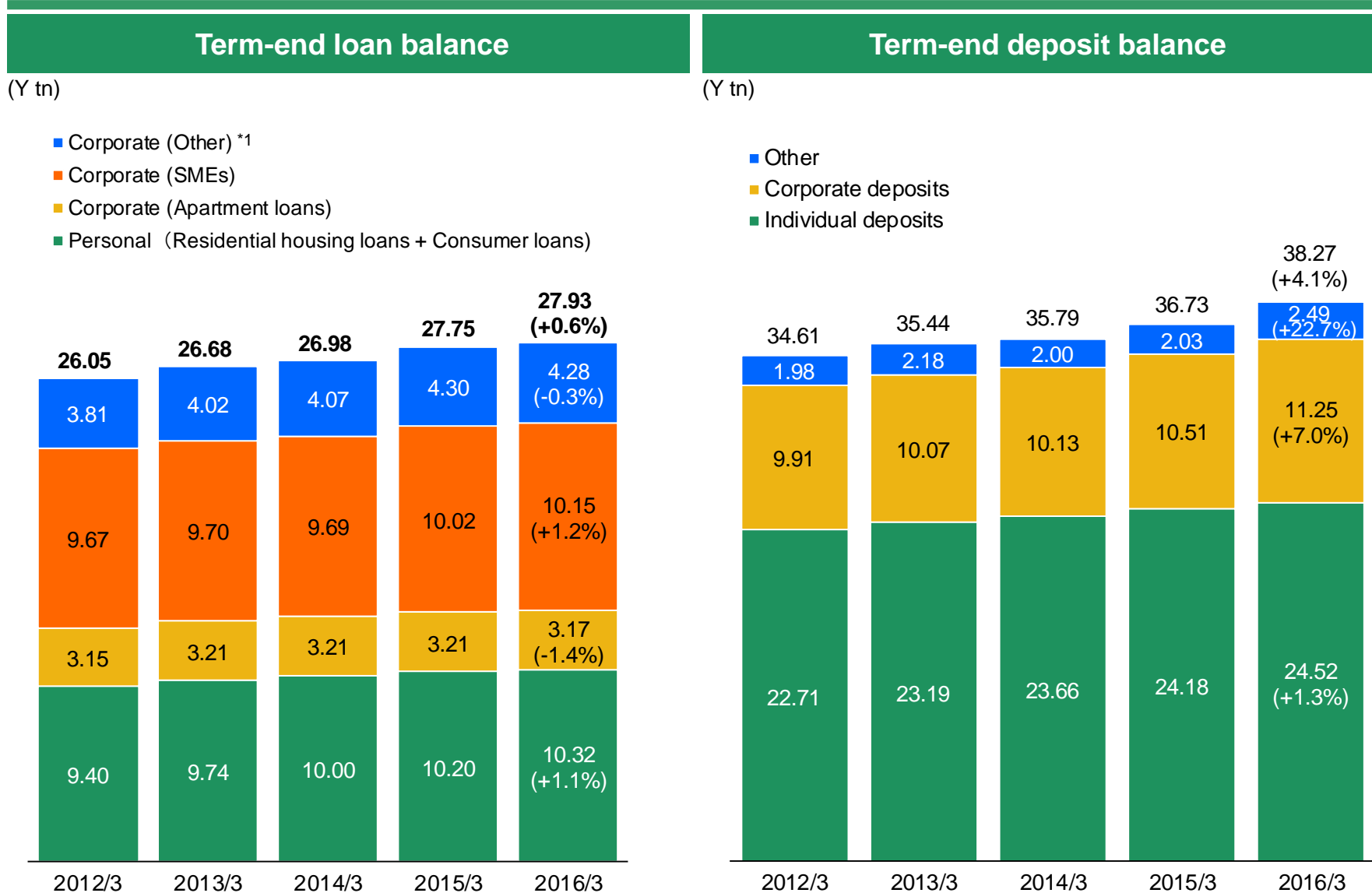
Average loan and deposit balances and YoY change (Domestic account)



*1. Corporate Banking Business Unit : corporate loans(excluding loans to governments) + apartment loans

*2. Personal Banking Business Unit: residential housing loans + other consumer loans

Term-end Balance of Loans and Deposits (Total of Group Banks)



*1. Include the loan extended to RHD from RB (Y0.24tn as of 2012/3, Y0.19tn as of 2013/3, Y0.30tn as of 2014/3 and thereafter)

Trend of Residential Housing Loans (Total of Group Banks)

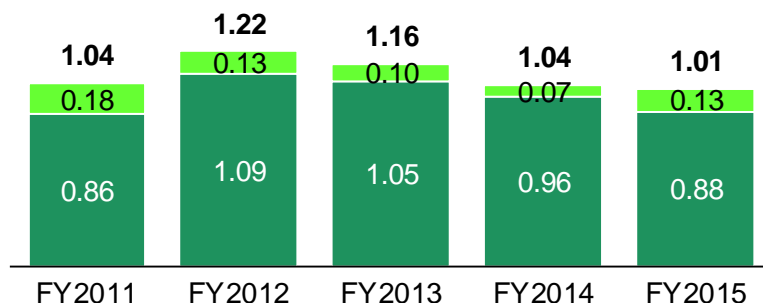
New loan origination

■ Plans to originate Y1.13 tn for FY2016

(Y tn)

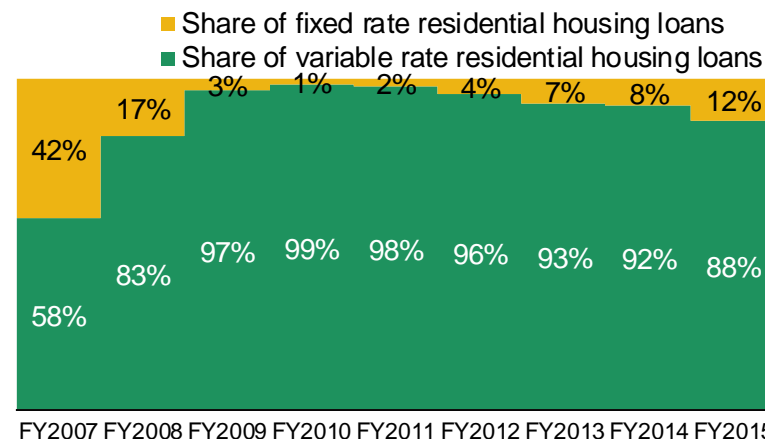
■ Flat 35

■ Residential housing loan



Composition of newly originated residential housing loans by interest rate type

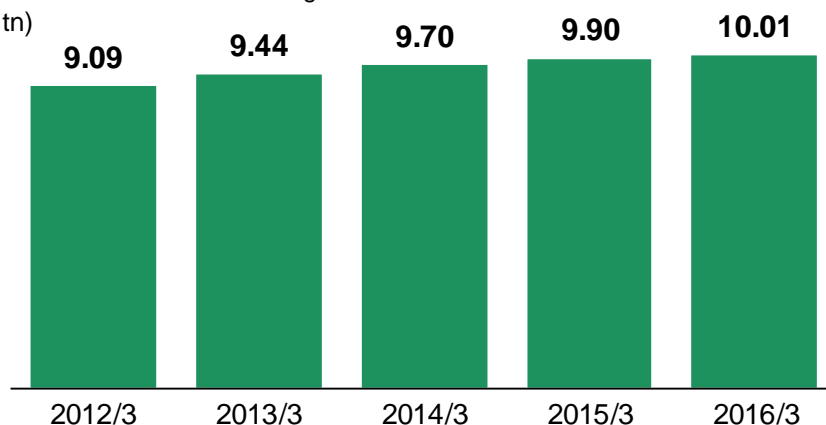
■ Approx. 90% of the newly originated loans are variable rate type



Term-end loan balance

■ Residential housing loan

(Y tn)

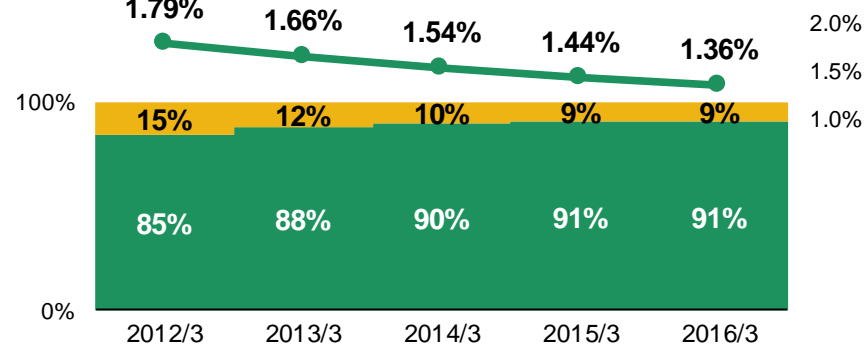


Loan yield on a stock basis and composition by interest rate type

■ Share of fixed rate residential housing loans

■ Share of variable rate residential housing loans

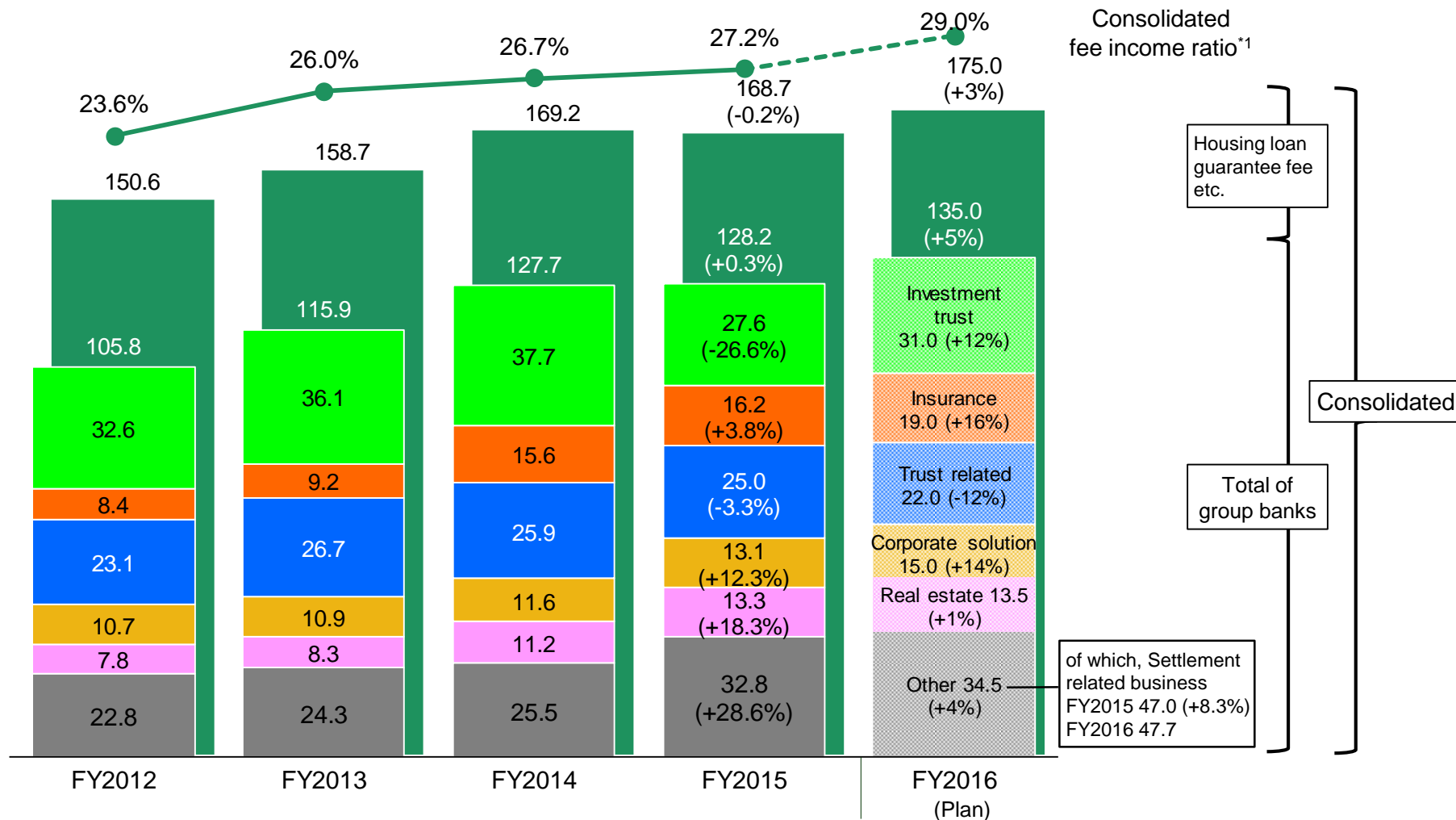
● Residential housing loans yield (right scale)



Trend of Fee Income

Consolidated fee income ratio at 27.2%

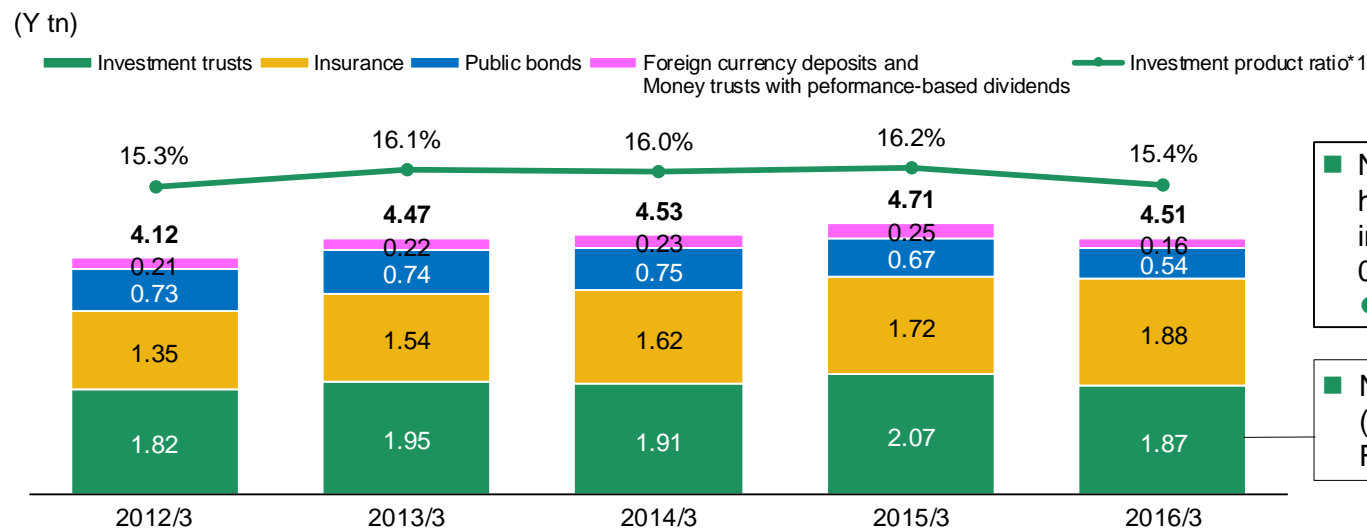
Y bn, % represents
YoY change



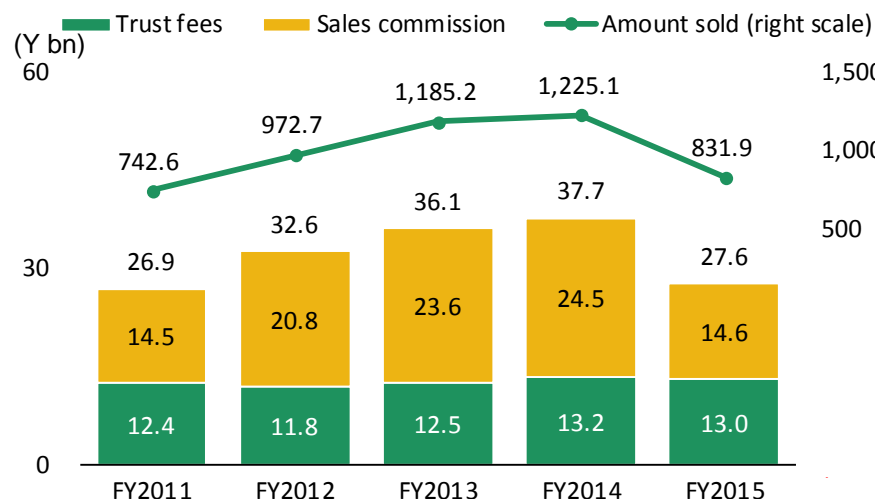
*1. (Fees and commission income + trust fees)/Consolidated gross operating profit

Asset Formation Support Business (Total of Group Banks)

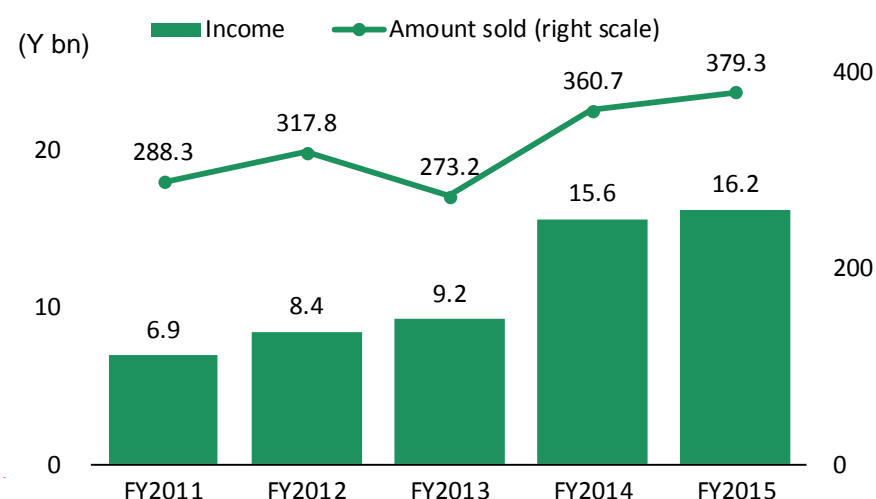
Balance of investment products sold to individuals



Investment trust



Insurance



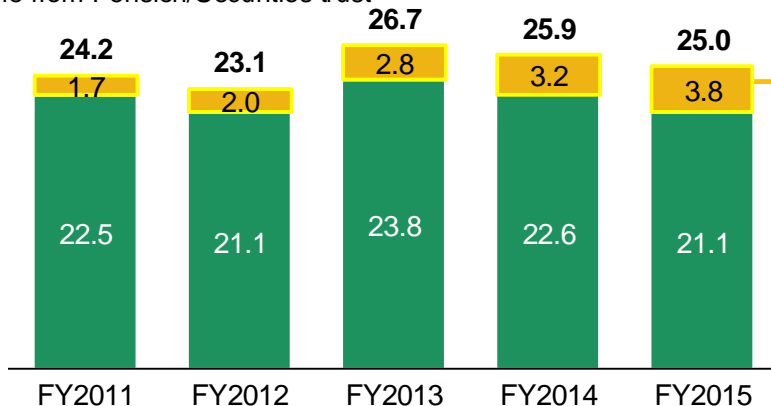
*1. Investment product ratio = balance of investment products sold to individuals / balance of investment products sold to individuals and yen deposits held by individuals

Major Fee Businesses (Total of Group Banks)

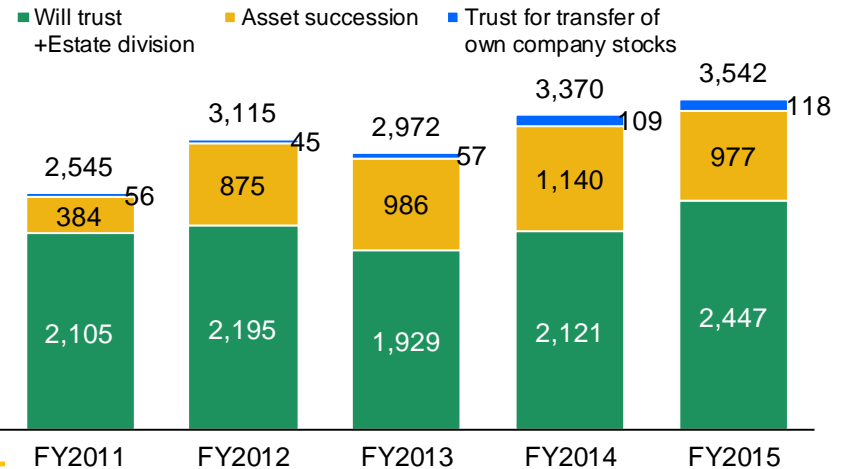
Trust-related business

(Y bn)

- Income from trust solutions offered for asset and business succession
- Income from Pension/Securities trust



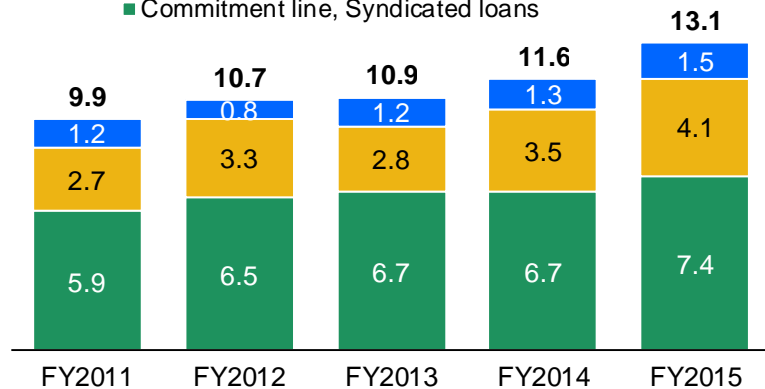
(Reference) Number of new asset succession-related contracts



Corporate solutions

(Y bn)

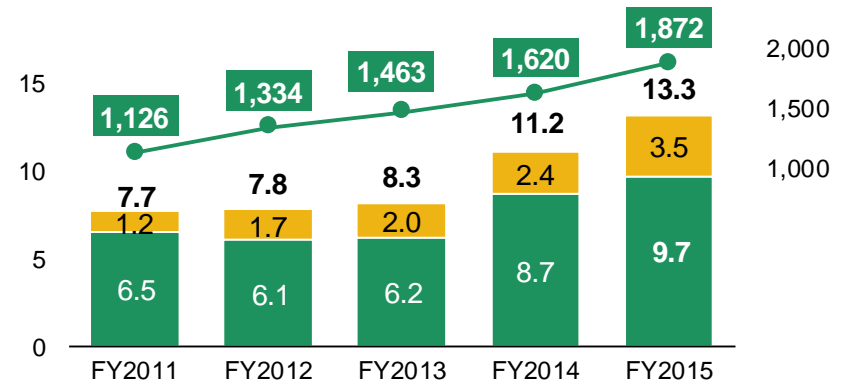
- M&A
- Private notes
- Commitment line, Syndicated loans



Real estate business*1

(Y bn)

- Brokerage fee (Retail)
- Brokerage fee (Corporate)
- Number of brokerage transactions (right scale)



*1. Excluding gains from investments in real estate funds

Credit Costs and NPL

Trend of credit costs

(Y bn)		FY2013	FY2014	FY2015	FY2016
		Act			Plan
Net credit cost (Total of group banks (A))	(1)	27.1	24.3	(23.4)	(21.0)
General reserve	(2)	28.4	23.5	(0.0)	
Specific reserve and other items	(3)	(1.3)	0.7	(23.4)	
New bankruptcy, downward migration	(4)	(36.8)	(29.5)	(43.9)	
Collection/upward migration	(5)	35.4	30.3	20.4	

Difference (B) - (A)	(6)	(0.6)	(1.9)	(2.3)	(4.0)
of which, HL guarantee subsidiaries	(7)	1.4	1.1	2.6	
of which, Resona Card	(8)	(1.4)	(1.6)	(1.8)	

Net credit cost (RHD consolidated (B))	(9)	26.4	22.3	(25.8)	(25.0)
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<Credit cost ratio>

(bps)

Total of group banks*¹	(10)	(9.8)	(8.6)	8.2
RHD consolidated*²	(11)	(9.7)	(8.1)	9.2

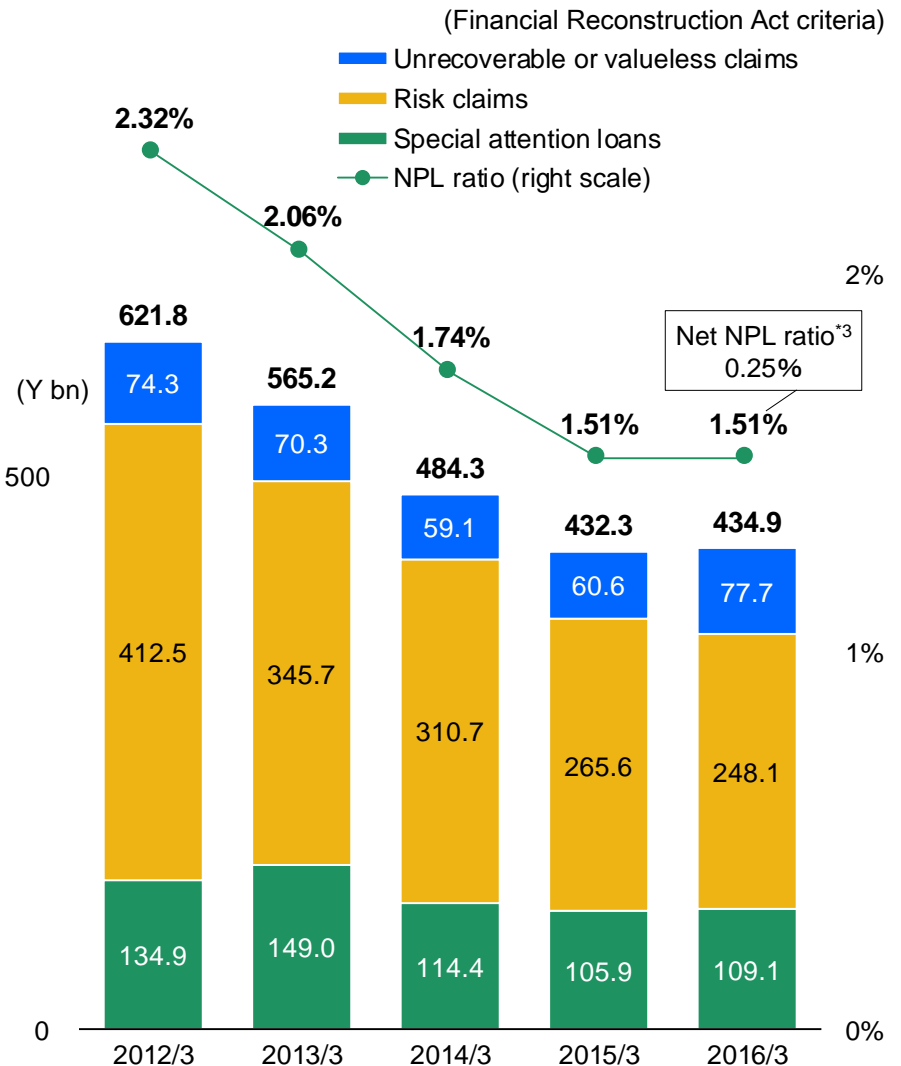
(Note) Positive figures represent reversal gains

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

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

*3. Net of collateral, guarantees and loan loss reserves

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



Securities Portfolio (Total of Group Banks)

Securities Portfolio

(Y bn)		2014/3	2015/3	2016/3	Unrealized gain/(loss)
Available-for-sale securities ^{*1}	(1)	6,198.7	3,827.6	2,459.7	460.1
Stocks	(2)	331.6	330.6	351.5	446.4
Bonds	(3)	5,553.5	3,186.9	1,681.9	14.6
JGBs	(4)	4,453.5	2,151.1	760.2	6.1
Average duration (years) ^{*2}	(5)	3.1	3.3	3.1	-
Basis point value (BPV)	(6)	(1.41)	(0.72)	(0.24)	-
Local government and corporate bonds	(7)	1,099.9	1,035.8	921.6	8.4
Other	(8)	313.5	310.0	426.3	(0.8)
Foreign securities	(9)	151.3	143.0	239.8	2.1
Net unrealized gain	(10)	332.8	573.1	460.1	

Bonds held to maturity ^{*3}	(11)	2,150.7	2,435.7	2,383.5	93.6
JGBs	(12)	1,708.3	1,962.0	1,879.8	75.1
Net unrealized gain	(13)	67.8	72.6	93.6	

Efforts of Market division

- Established Treasury Planning Division within RHD in April 2015
- Optimal balance between risk and return within group's treasury divisions
 - Rebalancing investment portfolio
- Give considerations to diversifying investment portfolio given the negative interest rate policy

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

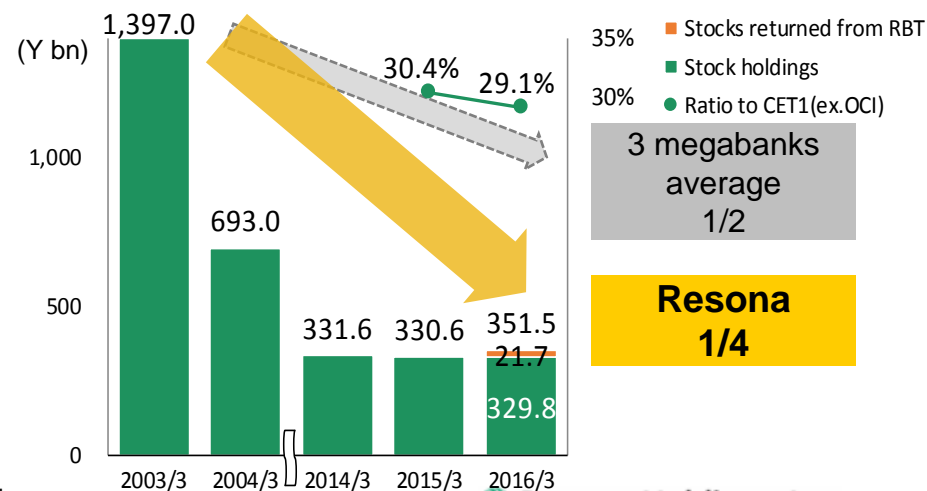
*2. Assuming the duration of floating-rate JGBs as zero

*3. Balance sheet amount basis. The presented figures include marketable securities only

*4. Excluding OCI

Status of policy-oriented stocks held

- Breakeven Nikkei average: Approx. 6,500 yen
- Listed stocks sold in FY2015 (acquisition cost): Y8.7 bn, Net gain on sale: Y11.8 bn
- Returned all stocks in the Retirement benefit trust (RBT) to the banking book (3Q of FY2015, totaling Y21.7 bn)
 - Balance of stocks held in the RBT:
Mar. 2008: Y308.3 bn (peak in fair value) => Mar. 2016: Zero
- Policy for holding policy-oriented stocks
 - After the injection of public funds, Resona reduced the balance of stockholdings in order to minimize the price fluctuation risk.
 - Resona will continue to determine whether or not to hold policy-oriented stocks after examining risks and returns, including the realizability of medium- and long-term business prospects, and aims to reduce the balance to a range between 10% and 20% ^{*1} of the CET1 capital ^{*4} in the medium term.



Capital Adequacy Ratio (RHD Consolidated)

- CAR (Domestic std.) and CET1 ratio* (International std.) as of Mar. 31 2016 were 13.53% and 8.13%, respectively, maintaining sound capital adequacy level

* Excluding unrealized gain on available for sale securities

Domestic standard

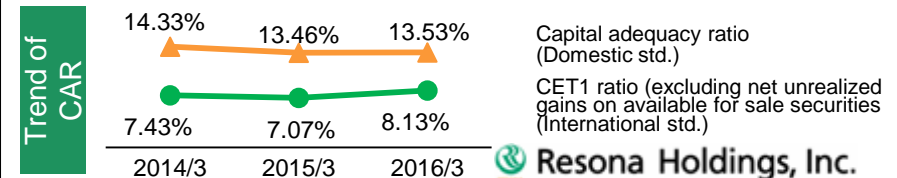
(Y bn)	Mar. 31,2015	Mar. 31,2016	Change
Capital adequacy ratio (1)	13.46%	13.53%	+0.07%
Total capital (2)	1,998.4	1,969.2	(29.1)
Core Capital: instruments and reserves (3)	2,025.9	1,997.6	(28.3)
Capital and surplus (4)	1,114.9	1,251.6	+136.6
Treasury stock (5)	(2.4)	(1.9)	+0.5
Non-cumulative perpetual preferred stock subject to transitional arrangement (6)	175.0	175.0	-
Subordinated loans and bonds subject to transitional arrangement (7)	628.3	510.8	(117.4)
Eligible provisions (8)	76.5	54.1	(22.3)
Other (9)	33.5	7.9	(25.6)
Core Capital: regulatory adjustments (10)	27.5	28.4	+0.8
Risk weighted assets (11)	14,842.1	14,552.5	(289.5)
Credit risk weighted assets (12)	13,636.7	12,954.9	(681.8)
Amount equivalent to market risk / 8% (13)	129.9	155.3	+25.4
Amount equivalent to operational risk / 8% (14)	1,075.3	1,061.6	(13.7)
Credit risk weighted assets adjustments (15)	-	380.6	+380.6

- Total capital decreased by Y29.1 bn (-0.19%) YoY**
Net income attributable to owners of the parent (+183.8 bn), dividends to be distributed (-46.8 bn), planned redemption of sub loans and bonds subject to transitional arrangement (-117.4 bn) and other

- RWAs decreased by Y289.5 bn (+0.26%) YoY**
Loan increase (+151.8 bn), review of parameter (-822.0 bn), credit RWA adjustment relating to applicable floor (+380.6 bn), and other

(reference) International standard

(Y bn)	Mar. 31,2015	Mar. 31,2016	Change
Common Equity Tier 1 capital ratio (16)	8.16%	9.52%	+1.36%
Excluding net unrealized gains on available-for-sale securities (17)	7.07%	8.13%	+1.06%
Tier 1 capital ratio (18)	9.71%	10.69%	+0.98%
Total capital ratio (19)	14.03%	14.10%	+0.07%
Common Equity Tier 1 capital (20)	1,267.1	1,426.2	+159.0
Instruments and reserves (21)	1,302.5	1,477.6	+175.1
Capital and surplus (22)	1,114.9	1,251.6	+136.6
Accumulated other comprehensive income (23)	179.6	220.7	+41.1
of which, net unrealized gains on available-for-sale securities (24)	169.2	208.4	+39.2
Other (25)	7.9	5.3	(2.5)
Regulatory adjustments (26)	35.3	51.4	+16.1
Other Tier 1 capital (27)	240.6	174.5	(66.1)
Tier1 capital (28)	1,507.8	1,600.7	+92.8
Tier2 capital (29)	670.1	511.1	(159.0)
Total capital (Tier1+Tier2) (30)	2,177.9	2,111.8	(66.1)
Risk weighted assets (31)	15,521.6	14,968.3	(553.3)
Credit risk weighted assets (32)	14,316.3	13,523.9	(792.4)
Amount equivalent to market risk / 8% (33)	129.9	155.3	+25.4
Amount equivalent to operational risk / 8% (34)	1,075.3	1,061.6	(13.7)
Credit risk weighted assets adjustments (35)	-	227.3	+227.3



Earnings Target and Dividend Forecast for FY2016

- Resona Group engages in financial service business such as commercial banking, trust banking, credit card and other financial businesses. There are a number of uncertainties relating to the economic environment including the potential impact of the negative interest rate policy which the Bank of Japan introduced recently. For this reason, Resona Holdings has set an earnings target instead of an earnings forecast which it previously announced.

RHD consolidated

(Ybn)	1st Half target	Full year target	YoY change	
				%
Net (interim) income attributable to owners of the parent (1)	82.0	160.0	(23.8)	(12.9)%
Difference (1)-(9) (2)	8.0	15.0	(5.4)	(26.7)%

Common DPS

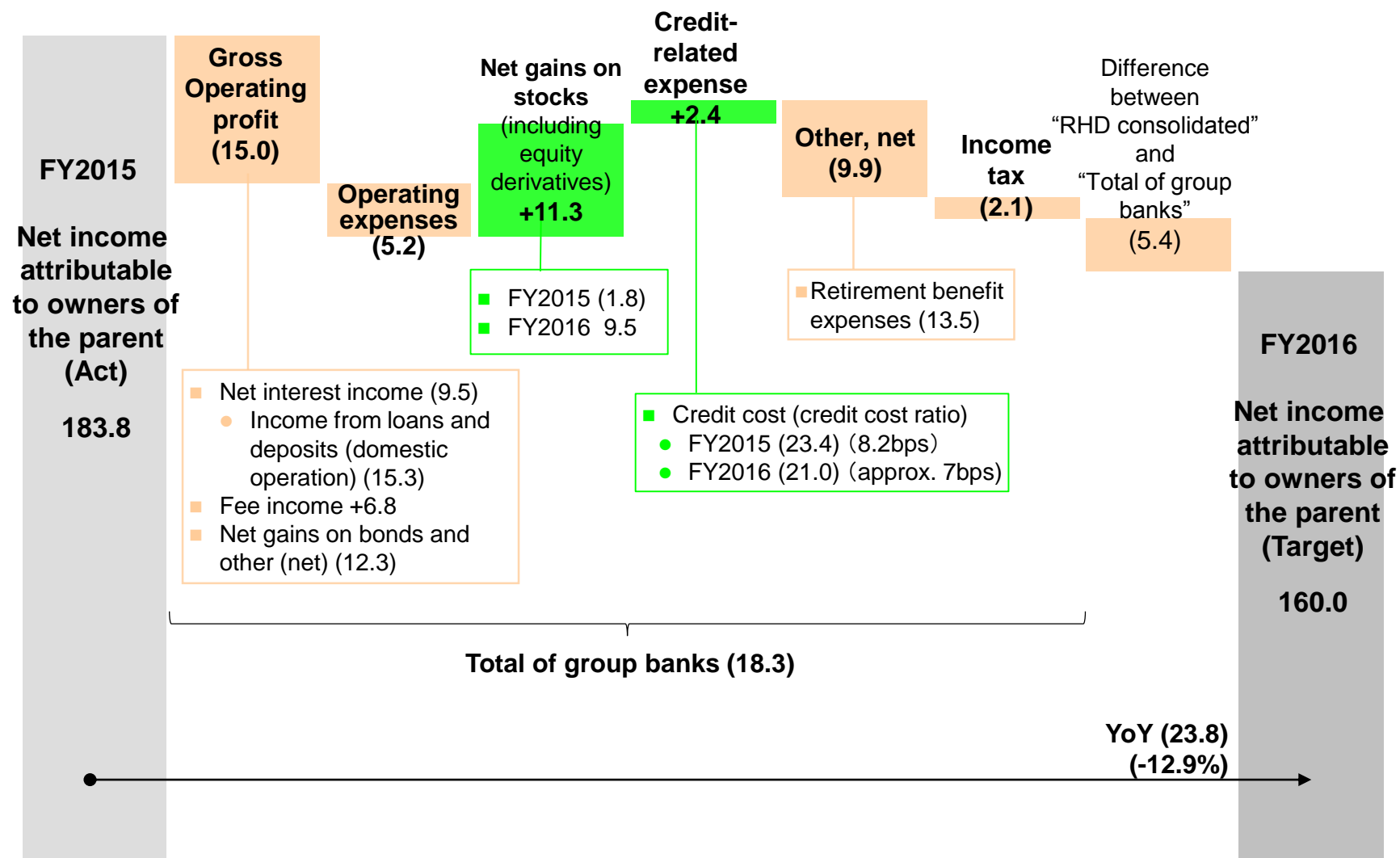
	DPS	YoY change
Common stock (annual) (11)	19.0 yen	+2.0 yen
of which, interim dividend (12)	9.5 yen	+1.0 yen

Total of group banks / each subsidiary bank (non-consolidated)

(Y bn)	Total of group banks			Resona Bank			Saitama Resona Bank			Kinki Osaka Bank		
	1st Half target	Full year target	YoY change	1st Half target	Full year target	YoY change	1st Half target	Full year target	YoY change	1st Half target	Full year target	YoY change
Gross operating profit (3)	277.5	557.0	(15.0)	189.0	380.0	(3.5)	65.0	129.0	(8.4)	23.5	48.0	(3.0)
Operating expenses (4)	(166.5)	(331.5)	(5.2)	(108.5)	(216.0)	(2.0)	(38.5)	(76.0)	(1.3)	(19.5)	(39.5)	(2.0)
Actual net operating profit (5)	111.0	225.5	(20.1)	80.5	164.0	(5.4)	26.5	53.0	(9.6)	4.0	8.5	(5.0)
Net gains on stocks (6)	3.5	9.5	+11.3	2.5	7.5	+12.1	1.0	1.5	(0.6)	-	0.5	(0.2)
Credit related expenses (7)	(8.5)	(21.0)	+2.4	(6.5)	(15.0)	+9.8	(1.0)	(4.0)	(2.4)	(1.0)	(2.0)	(4.9)
Income before income taxes (8)	104.5	204.5	(16.2)	75.0	151.0	+7.0	25.0	47.0	(13.7)	4.5	6.5	(9.5)
Net (interim) income (9)	74.0	145.0	(18.3)	53.5	108.5	+7.7	17.5	32.5	(7.7)	3.0	4.5	(17.8)

Targeted Consolidated Net Income for FY2016 Compared with FY2015

(Billions of yen)



**Outline of Business Results for FY2015
and Updates on Major Businesses**

Efforts to Build Solid Foundation for Sustainable Growth

Direction of Capital Management

Reference Material

Resona's Management Strategy

Become "No.1 Retail Bank"

Cultivating strategic business areas even further

Build good-quality loan assets
Strengthen fee income

Corporate

Solutions for business growth, turnaround and succession

Solid presence in the two largest urban areas
Trust and real estate-related capabilities
Customer base comprised of 13 million retail clients

Consumer

Total life solutions

Challenge to Create New Profit Opportunities

Omni-channel strategy

Expected increase in net business profits: + JPY29 bn
(FY2019, on a single year basis)

Active retail customers: + 2 million
Resona Loyal Customers: +0.8 million
Sales representatives: +1,000 people

Marketing reform

Gather and analyze customer information to make a timely proposal

Channel reform

Anytime and anywhere
Integrating the web and real channels

Sales reform

New financial services company

Shared Open Platforms

Resona Asset Management Targeting the following in FY2020

Net business profits: JPY +7 bn
AUM amounting to JPY 1.3 trillion

Providing diverse customers with AM services

Levering on the rapidly growing investment trust market in Japan

Expand Business Alliances
Established in April 2016
Financial Institutions Dept.

Supports for SMEs to commence business in Asia

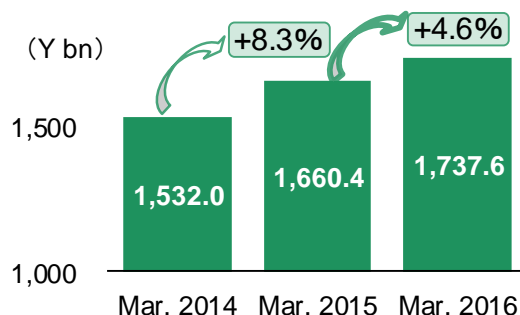
Cultivating Strategic Business Areas Even Further: Corporate Banking Dept. (1)

Corporate customer base comprising of 0.43 million SMEs

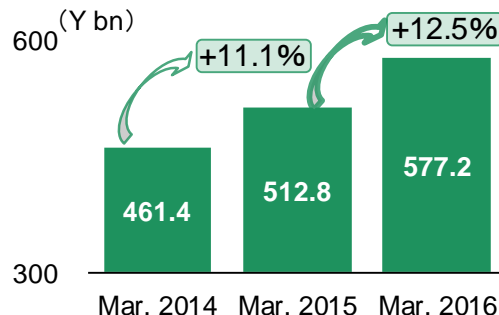
Build up long-term loan assets by offering good solutions

Relatively high loan yield and coverage ratio

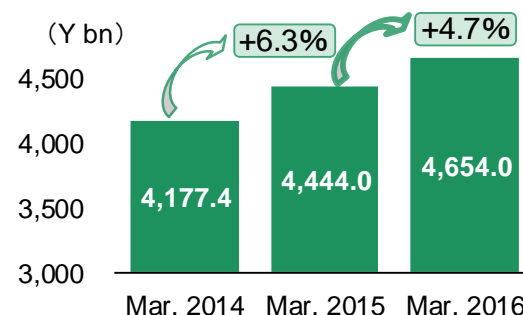
Capex-related loans^{*1,2}



Loans to healthcare industry^{*2, 3}

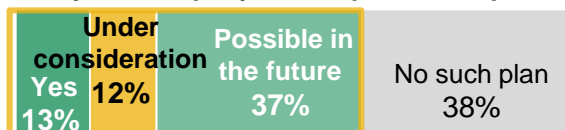


Loans to “Premier” customers^{*2}



- Over 60% of Resona group's corporate customers intend to increase capex

[Does your company have a plan for Capex?^{*4}]



- Especially, manufacturing, medical care / welfare services, and transportation sectors are proactive towards capex.

Customer base

Top-class customer base of hospitals, nursing and personal care facilities in Tokyo, Saitama and Osaka

Functions

Succession solutions based on trust / real estate brokerage services

Organization

Dedicated teams for business Promotion and loan screening

Premier Customer

SME owners
Property owners
Cash-rich

<Family Members>
Spouse, Children,
Grandchildren

Succession

Insurance

Trust

Real estate brokerage

Loan

Asset management

Consulting personnel
FP 1st grade 1,000 ⇒ +600 (by Mar. 2020)

One-stop service offering:
from commercial banks' functions and services to trust and real estate-related solutions

Decrepit facilities, business diversification,
improving production and service-offering capabilities

Aged society, business and asset succession,
revision of inheritance tax code

*1. Excluding loans to real estate sector, individuals, municipalities and non-residents in Japan *2. Total of group banks *3. Loans to medical care and welfare services

*4. Questionnaire survey which RB, SR and KO conducted to its corporate customers from Jan. 2016 to Feb. 2016 (30 thousands customers responded.)

Cultivating Strategic Business Areas Even Further: Corporate Banking Dept. (2)

Corporate customer base comprising of 0.43 million SMEs

Offer diverse solutions

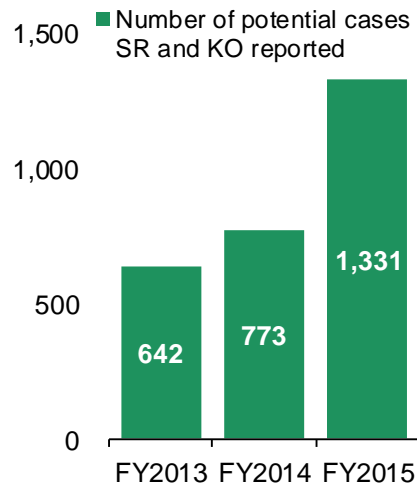
Strengthen fee income

Real estate brokerage

Cultivating real estate-related information

Best use of group's customer base

- More transactions being initiated by SR and KO



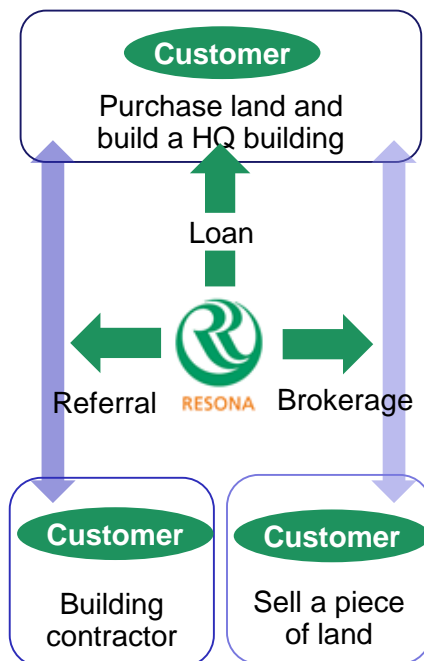
Surfacing needs to sell properties

- Real estate price has picked up to the level before the Lehman crisis

Real estate business matching

More profit opportunities: Real estate brokerage + business matching

Example of Value-up Proposal

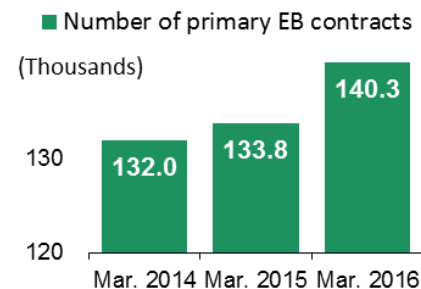


Corporate Solution

Settlement business

Settlement business foundation

- To secure stable income from domestic exchange business



M&A

Aging of SME owners

- One of potent solutions for business succession

Supporting growth and business turnaround

- Value-added consultation at an appropriate timing based on respective growth stage

Responses to "B to C" and "B to B" settlement needs

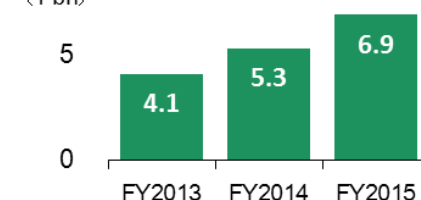
- Oct. 2015 Commenced intra-group 24H RTGS settlement services for corporates
- Nov. 2015 Introduced "Resona Pay Resort", a new EC settlement solutions



Derivatives

Diversified money flow

- Offering appropriate solutions



Cultivating Strategic Business Areas Even Further: Consumer Banking Dept. (1)

Efforts to strengthen competitiveness in residential housing loan business

Holiday operation

- Offering unparalleled customer convenience
 - Approx. 40% of the HL contracts now being concluded on holidays

Opening on holidays

- 68 LPs now open on holidays
- Collaboration of 7 Days Plazas and LPs on holidays

Screening on holidays

- Started in Jun. 2015. (to be expanded further)
- Answering on the same day at earliest

#1 among major banks

Extending loans on holidays

- Started in Mar. 2016 (to be expanded further)
- Settlement and delivery can be completed on holidays

#1 among Japanese banks



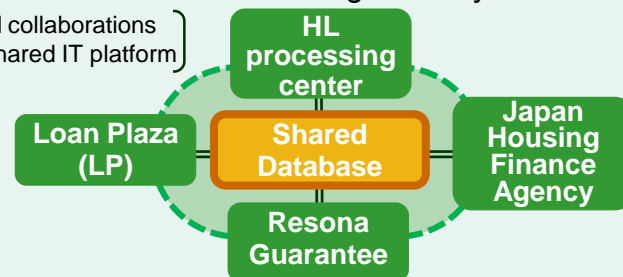
HL business reform

- All LPs completed adopting the new system
- Strengthen sales activities and reduce administrative cost, simultaneously
 - Speedier screening realized through strengthened collaboration among 4 entities
 - LPs were transformed to a sales-oriented front office by halving the clerical work volume handled
 - Reduced customers' burden significantly

(Strengthened collaborations based on the shared IT platform)



Simpler documents/
Imaging and data storage



Promoting new origination

- Flat 35 origination increased nicely through faster screening
 - FY2014 JPY78.3 bn ⇒ FY2015 JPY130.8 bn (+66%, YoY)
- Efforts to capture new markets
 - HLs for existing homes => Competitive edge with holiday operation and faster screening
 - Bal. of loans extended with *Rin-next*, HL product developed exclusively for women: Mar. 2016: JPY271.1 bn (+42% YoY)
 - Launched a reverse mortgage type HL product, *Anshin Kakumei*
 - Allied with Zenkoku Hoshō Co., Ltd. in May 2016
 - Number of applications received for "Web-only refinance loan" Jan. 2016: 424 => Feb. 2016: 3,387 => Mar. 2016: 5,983

Promote cross-selling when originating new HLs

- Holiday operation and time created through HL business reform allow for more cross-selling opportunities

Danshin Kakumei

- Group life insurance with wider coverage / + 0.3% additional interest rate applicable
- Set ratio on the rise, given more sales opportunities

Fire insurance

- Up to 20% discounts applicable (group discount) Set ration on the rise

Consumer loan

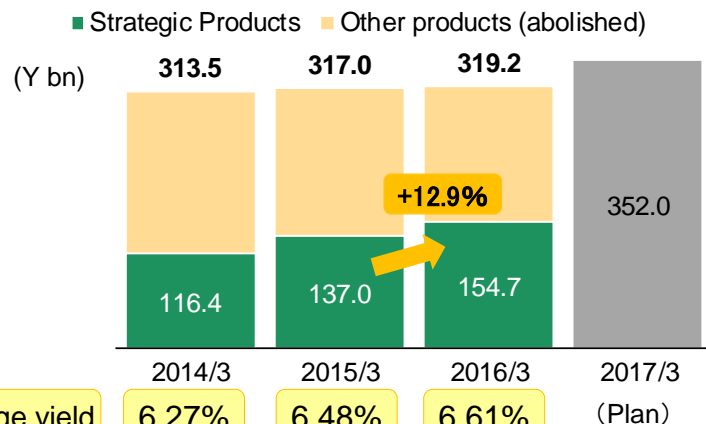
- Set ratio among new HL applicants on the rise

	FY2012	FY2015
Purpose-free	0.6%	1.9%
Purpose-specified	1.2%	4.4%

Cultivating Strategic Business Areas Even Further: Consumer Banking Dept. (2)

Efforts to strengthen competitiveness of consumer loan business

Bal. of “strategic products” increased by 12.9%, YoY



Build up the balance further with renewed approaches

- Quick card loan (Guaranteed by Resona Card)
Raised an upper credit limit to JPY 2M from JPY 1M
- Launched an alliance-based card loan product (Guaranteed by YJ Card Corp.)
Exclusively offered to Softbank mobile phone users
- New card loan product to be launched for existing HL customers (Guaranteed by Resona Card, to be launched in 1H of FY2016)

- Capture new customers via “Resona Smart Store”
- Screening and execution of loans on holidays
=> Extend loan on the same day at earliest

Direction of business reform	New customers	Existing customers
Products	<ul style="list-style-type: none"> Primarily potential customers in their 20's Primarily card loan Alliance-based products (Capture new potential customers) 	<ul style="list-style-type: none"> Primarily existing customers in their 30's and 40's (HL customers, etc.) Purpose-specified loans (education, auto, home renovation, etc.) and card loan New products for good customers
Promotion	<ul style="list-style-type: none"> Active use of mass advertisement (especially web-based Ad.) Strengthen approach to potential customers outside of the main franchise areas via web and smart phones Explore new customers outside of the Resona's main operating areas 	<ul style="list-style-type: none"> Event-based marketing (DM, e-DM) Incentivize existing customers to utilize the loan / increase maximum credit amount
Processing	<ul style="list-style-type: none"> Simplification of loan product itself and required documents Promoting automation for speedier screening (requiring no human hand) Establish completely web-based application and screening process (From loan application, acceptance/refusal, to contracting) 	

Cultivating Strategic business Areas Even Further: Cross-selling Culture

Visible progress has been made through the increase in the number of “Resona Loyal Customers”

Customer segments based on the depth of transactions with Resona Group banks		Number of Customers (thousands)			Top-line Income Per Customer *	Avg. # of Products Cross-sold	<div> Increase life-time profits by upgrading customer segments and by increasing the number of products cross-sold </div>
		2010/3	2016/3	Change			
Premier	(1)	46.3	54.7	+ 8.5	99.4	6.39	<div> Profit Matrix by Customer Segment and Number of Products Cross-sold (Illustrative) </div>
AUM or Apartment loan exceeding JPY50 million							
Housing Loan	(2)	525.2	563.8	+ 38.6	21.7	4.58	
With housing loan for own home							
Asset Management	(3)	648.5	714.8	+ 66.3	7.0	4.42	
AUM exceeding JPY10 million							
Potential I	(4)	774.8	795.1	+ 20.3	2.5	3.47	
AUM exceeding JPY5 million							
Potential II	(5)	4,371.6	4,809.3	+ 437.7	* 1	3.81	<div> Upgrade Segments </div>
AUM below JPY 5 million/ 3 or more products sold							
Resona Loyal Customers	(6)	6,366.4	6,937.7	+ 571.3	4.3	3.92	
Potential III	(7)	6,609.9	5,795.0	(815.0)	0.2	1.62	<div> Lower Profit </div>
AUM below JPY 5 million/ 2 or fewer products sold							

* Indexed to average top-line income per client for Potential II segment = 1

Omni-channel Strategy: Envisaged Goal

Envisaged goal to be attained in FY2019

Increase in net business profit +JPY29.0 bn

■ From new customers

Active retail customers

+ 2 million

“Anywhere and Anytime”

New geographical areas/
New segments of customers



Covering entire nation

Resona

×

Alliance partners' customer base

■ From existing customers

Resona Loyal Customers

+0.8 million
(in 5 years)

More flexibility in “time”
and “place” of banking

Access to
“12 million unapproachable customers”

Open 24 hours / 365 days



Integration of “Internet”
and “Real” channels
More POCs in Resona's
Primary Markets

■ From clerical work reform

Tablet devices

One for each
branch staff
15,000 in total

Achievable
at once

[Resona]
Enhanced
productivity

[Customer]
Greater
convenience

Business process
reengineering

Seal-less

Paperless

“One-stop” operation
(Product proposal to processing)

Remote consultation by
professional staff

Proposing products and services based on lifecycle

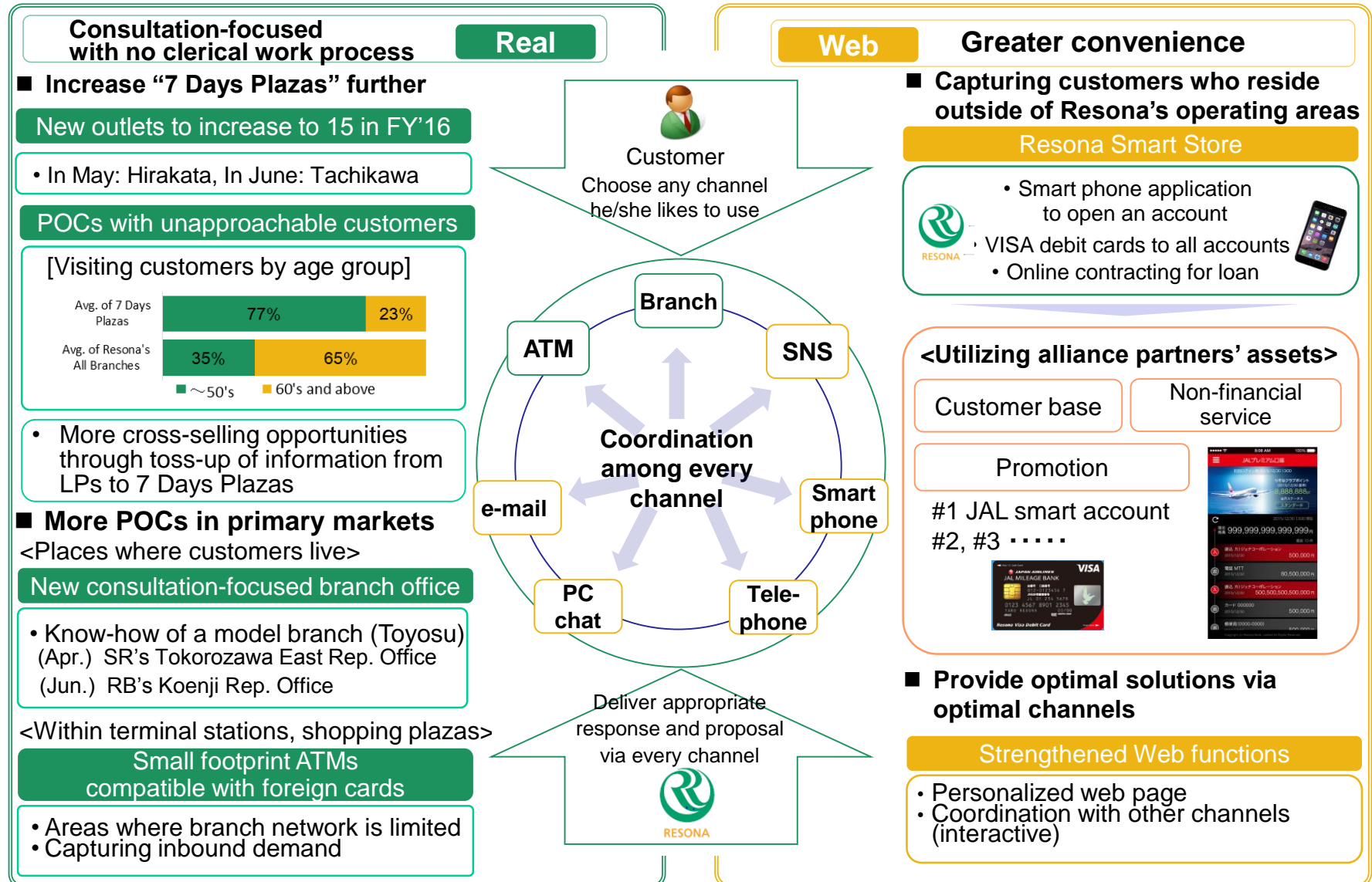
Reinforcement of sales staff

Sales staff
(Clerical staff)

+1,000 staffs
(-1,000 staffs)

Omni-channel Strategy: Channel Reform

“Anytime” and “Anywhere”: Greater convenience via integration of “web” and “real” interfaces



Omni-channel Strategy: Marketing and Sales Reforms

Marketing reform

Capturing diverse business opportunities through consulting-based business promotion

Automated personalized proposals of products and services best-suited to customers' respective lifestyles

Gather information from all channels and analyze them

Own data

Financial data

Data from third parties

Non-financial data



“Know customers well”

Resona Smart Store



Manned offices



Transaction on the Web



VISA debit card



- Measures to be taken in FY2016
 - Increase patterns of proposals and enhance their accuracy
 - Gather financial and non-financial information and improve data-analysis

Sales reform

Becoming “New Financial Services Company”

Tablets capable of making proposals and executing transactions

■ Measures to be taken in FY2016

- Insurance policy application (May)
- Investment trust application
- One tablet for each corporate account manager and branch sales person
- Strengthen tools for making proposals



Enhanced productivity allows for more time allocated to sales activities

Seal-less

Paperless

“One-stop” operation
(Proposal to processing)

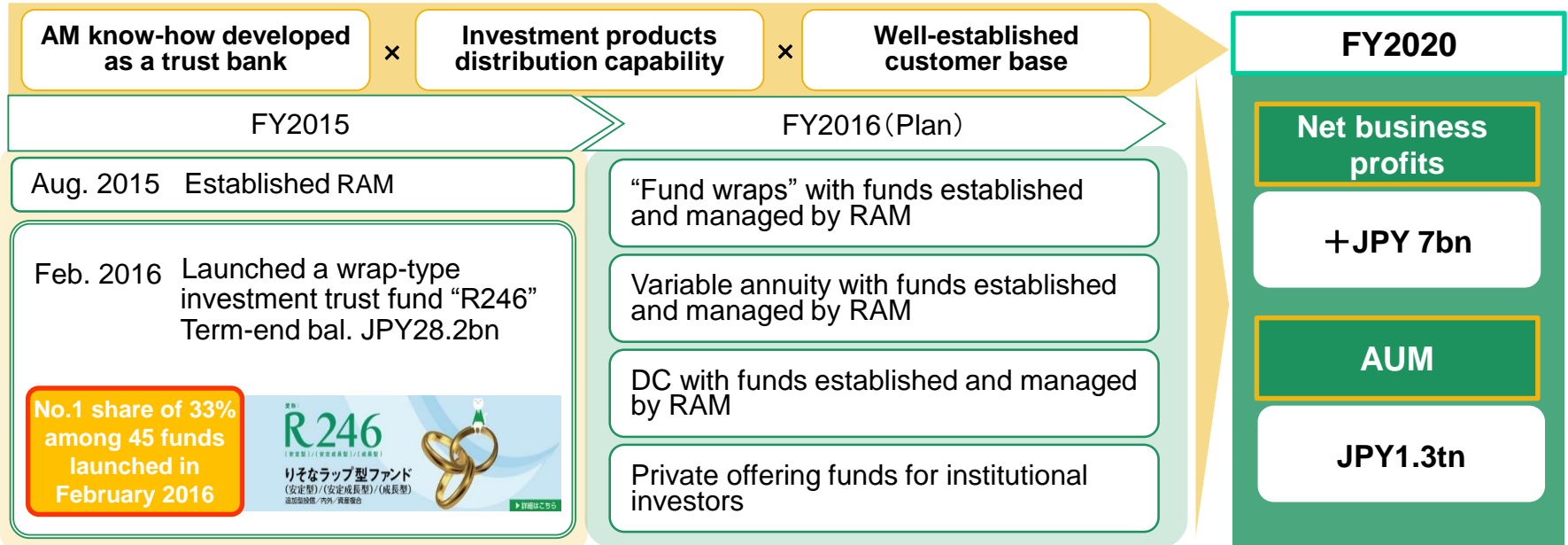
Consulting by professional staff via a remote channel

Universal OTC services

Same quality services at any Resona Group banks' branch offices no matter where the account was originally opened

Asset Management Business

Strengthening group's AM business further with the establishment of Resona Asset Management (RAM)



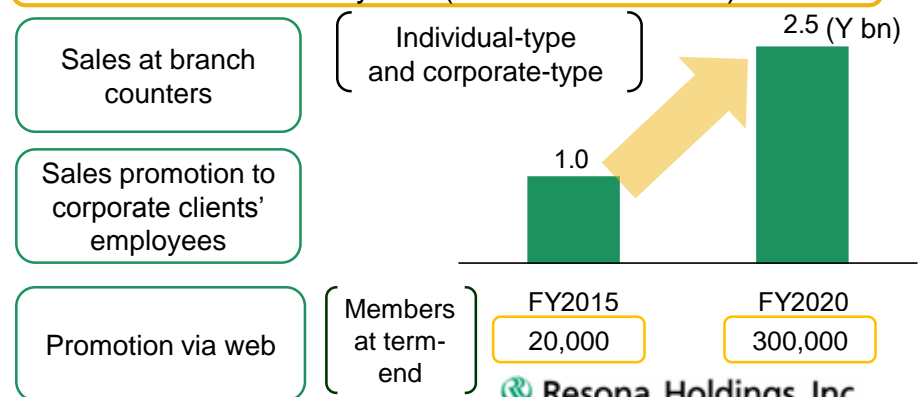
Aiming at No.1 brand for Individual DC

Scope of eligible members to be expanded significantly (Jan. 2017*1)

Eligible members: 20 to 59 years old
Category 1, 2 and 3 people covered by National Pension Scheme

	Before	After
Category 1	Self-employed and others	67 million
Category 2	Private sector employees not covered by corporate pension schemes	
	Private sector employees covered by corporate pension schemes	
	Public sector employees	
Category 3	Those who do not work outside home	Not covered

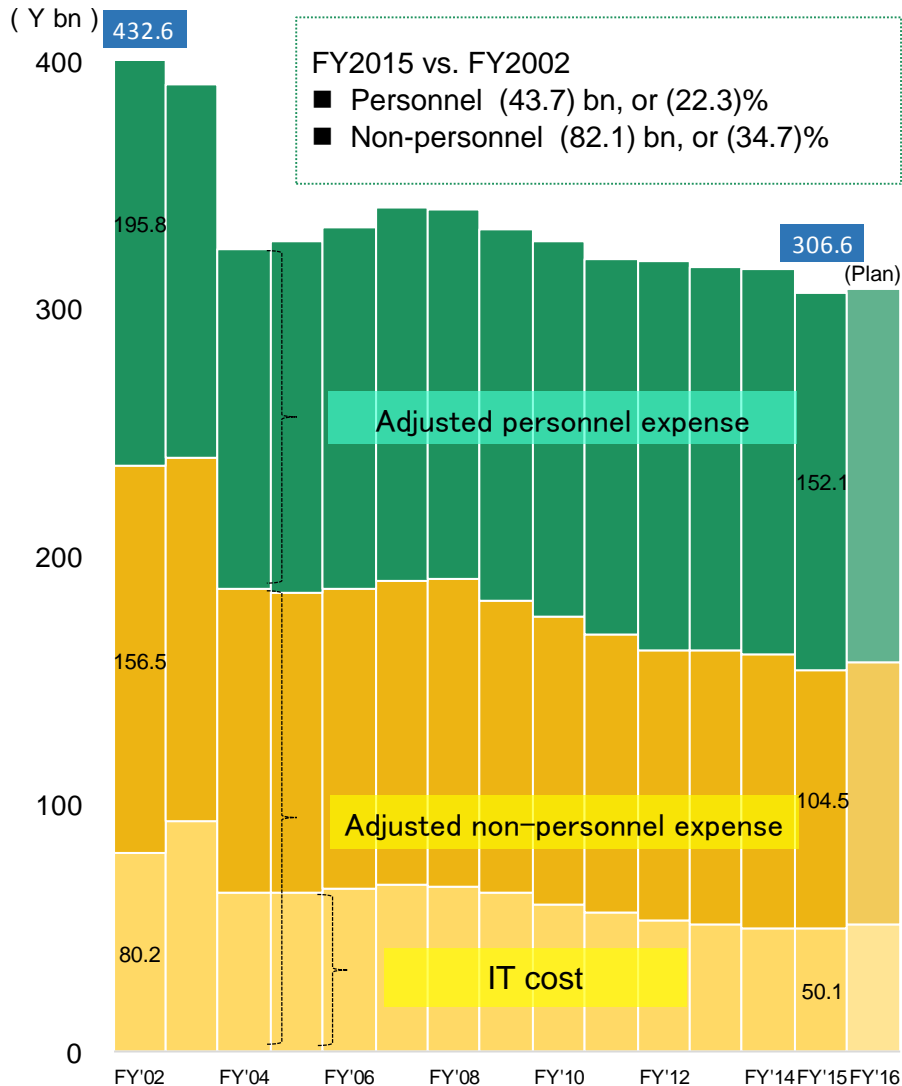
Gross operating profit from DC business to grow 2.5 times in 5 years (FY2015 vs FY2020)



Low-cost Operation and Strategic Mobilization of Resources

Intensively allocating expenses in strategic areas while curtailing total operating expenses

Adjusted personnel and non-personnel expense (Total of Group Banks)



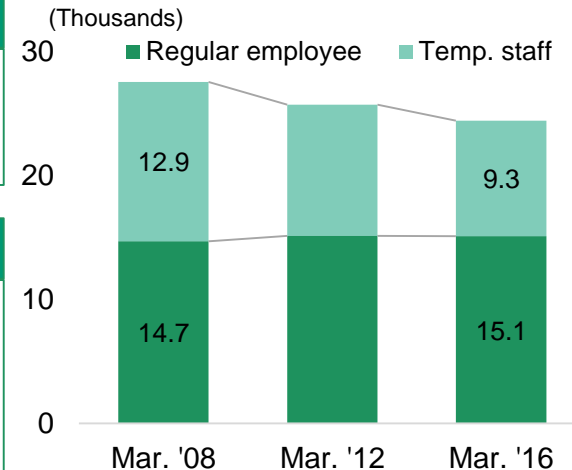
Employee Composition (Total of Group Banks)

Operational reform

- Reduced clerical work load enabled reduction in temp. staffs

Sales force

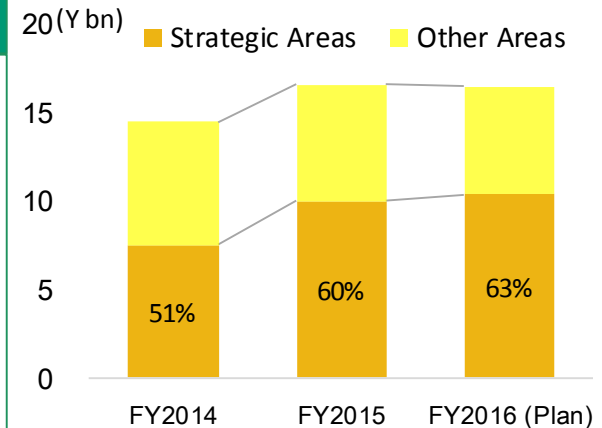
- Regular staffs on the rise, allocating many of them in sales dept.
- PH salary increase while curtailing total personnel expense



IT Investment Management

IT investments

- Intensive allocation to strategic areas such as Omni-channel strategy
- Investments in maintenance and administration areas planned carefully and executed efficiently
- Speedier (agile) systems development



Outline of Business Results for FY2015 and Updates on Major Businesses

Efforts to Build Solid Foundation for Sustainable Growth

Direction of Capital Management

Reference Material

Direction of Capital Management

Capital actions taken in FY2015

- Fully repaid the public funds in June 2015
 - Total amount injected: JPY 3,128 bn

- Bought back Class 4 PS (JPY63 bn) in July 2015
- Called T1 hybrid securities (USD 1.15 bn) in July 2015

Direction of Capital Management

Capital adequacy ratio

- Secure sufficient capital adequacy under the Japanese Domestic Std.
- Aim to achieve 8.0% and higher CET1 ratio*1 stably under the Int'l Std.

Mar. 31, 2016
CET1 ratio*1
8.13%

ROE

- Maintain ROE*2 above 10%, enhancing efficiency in capital utilization

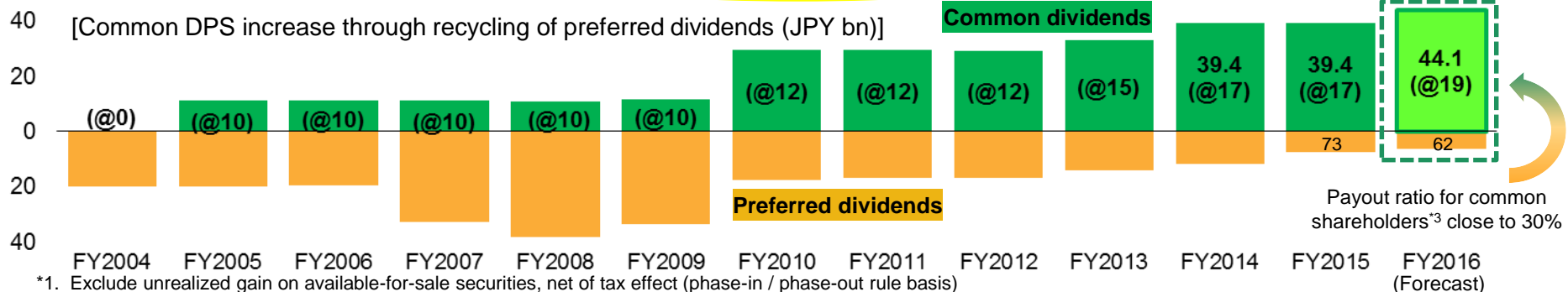
FY2015
Actual
14.41%

Shareholder return policy

- Maintain stable dividends for the time being while making efforts to strengthen capital base
- Give consideration to raising common DPS when repurchasing the non-convertible preferred shares (totaling JPY175.0 bn), shifting the preferred dividends (JPY7.3 bn) to be saved to common shareholders

Common DPS forecast for FY2016 19 yen annually (+2 yen, interim 9.5 yen)

- Intend to repurchase Class 6 PS (Total issue amount JPY75 bn, annual preferred dividend JPY3.7 bn) in FY2016, subject to an approval from regulators



*1. Exclude unrealized gain on available-for-sale securities, net of tax effect (phase-in / phase-out rule basis)

*2. (Net income – Preferred dividends) / (Total shareholders equity – balance of outstanding preferred shares)

*3. Total amount of common dividends planned for FY2016 / (Forecasted net income for FY2016 – Total preferred dividends to be paid)

Outline of Business Results for FY2015 and Updates on Major Businesses

Efforts to Build Solid Foundation for Sustainable Growth

Direction of Capital Management

Reference Material

Advanced Corporate Governance

Separated “management oversight” and “execution of operation”

- The first Japanese bank which adopted the three committees-based corporate governance model in 2003.
- Won “Corporate Governance of the Year Award 2015”
- Majority of the board members are independent outside directors who possess wide range of knowledge and can contribute diverse opinions.

Board of Directors of Resona HD

6 Outside Directors



Emi Osono

Member, Nominating Committee
Professor of Hitotsubashi University Graduate
School of International Corporate Strategy



Toshio Arima

Chairperson, Nominating Committee
Member, Compensation Committee
Chairperson of the Board, Global Compact Japan
Network
(Former President and Representative Director
of Fuji Xerox Co., Ltd)



Yoko Sanuki

Chairperson, Audit Committee
Attorney-at-law (Representative of NS Law Office)



Mitsudo Urano

Chairperson, Compensation Committee
Senior Advisor of Nichirei Corporation
(Former Representative Director and Chairperson
of Nichirei Corporation)



Tadamitsu Matsui

Member, Nominating Committee
Member, Compensation Committee
Representative Director and President of MATSUI
office corporation
(Former Representative Director and Chairperson
of Ryohin Keikaku Co.,Ltd.)



Hidehiko Sato

Member, Audit Committee
Attorney-at-law (Hibiki Law Office)
(Former National Police Agency Commissioner)

4 Internal Directors



Kazuhiro Higashi

Director, President and
Representative Executive
Officer



Tetsuya Kan

Director and Representative
Executive Officer
Group Strategy Division,
Purchasing Strategy Division



Yuji Furukawa

Director and Representative
Executive Officer
Human Resources Division



Kaoru Isono

Member, Audit Committee

Glass-walled executive room



Resona's Challenges Attracting Attentions from Outside

Resona's challenges towards "Retail No.1" are highly evaluated by various institutions

Corporate Governance of the Year® 2015

Japan Association of
Corporate Directors
selected Resona
Holdings as one of five
"Winner Companies"



Nikkei Excellent Product and Service Award 2015

"24 hours / 365
days intra-group
banks account
transfers" won
Nikkei Veritas
Award



Nikkin Award 2015

Omni-channel
Strategy



Nadeshiko Brand 2014 and 2015

Listed companies
promoting the
appointments
of women



Nikkei's Survey on Banks' Retail Capability 2015

All Resona banks ranked "top 10"

Saitama Resona #6
Resona #8
Kinki Osaka #9



ORICON Customer Satisfaction Ranking 2015

Resona Bank #1
Saitama Resona #5
(General Teller
Services)



Mercer MPA (Japan) Award 2015

Japanese equity /large cap
(5 year horizon) / Resona Bank



J.D. Power 2015 Japan investment advisory services

Resona Bank ranked
No.1 among all
major banks



Best In-house Magazine Award 2015 Japan by Japan Federation of Economic Organizations



Omni-channel Strategy: Measures Implemented Thus Far

Provide customers with overwhelming convenience

Overcome constraints of “time” for banking transactions (Anytime)

- Business hours extended to 17:00 (Oct. 2003~)
- 24H manned telephone banking services (May 2005~)
- **24H RTGS account transfers within Resona Group banks**
 - Individual customers (Apr. 2015~)
 - Corporate customers (Oct. 2015~)
- **Open 365 days / till 19:00 on weekdays**
 - 7 Days Plaza *Toyosu* (Nov. 2015~)
Opened as a model for new consulting-focused “anytime” outlet
 - Eleven “7 Days Plazas” as of the end of FY2015
- **Promoting HLs on holidays**
 - LPs open on holidays (Oct. 2003~)
68 LPs open on holidays (As of Apr. 30, 2016)
 - HL screening on holidays (June 2015~)
 - Execution of housing loans on holidays (Mar. 2016~)



“Nikkei Excellent Product and Service Award 2015”
Best Product Award

24時間 365日

Resona Group
my gate ATM



Products and Services

Abandon existing framework and common sense

Anytime

Anywhere

Overcome constraints of “space” for banking transactions (Anywhere)

■ Expand the net channel

- Strengthened Internet banking functions (“My Gate”) (Apr. 2014~)
- Chat function added to Resona web site (July 2015~)
- Web Settlement Portal Site (Nov. 2015~)
- Point Mall (Nov. 2015~)
- Resona Smart Store (Mar. 2016~)
 - #1 shot: JAL Smart Account (Internet branch)



■ **Mutual open-up of OTC services within Resona Group banks**

- Various notifications relating to ordinary deposits (Sep. 2015~)
- Ordinary deposits transactions (Nov. 2015~) (Common passbook for Resona group banks)

■ **Consulting-based sales activities utilizing tablets**

- Consultation by professional FPs via remote channel (June 2015~)
- One tablet for each sales rep (Mar. 2016~)

Upgraded backbone mainframe system (Jan. 2015)

Outline of Financial Results for FY2015

(Y bn)	Resona Holdings (Consolidated)		Difference		Total of group banks (Non-consolidated)		Resona Bank		Saitama Resona Bank		Kinki Osaka Bank	
	(A)	YoY change	(A)-(B)	YoY change	(B)	YoY change		YoY change		YoY change		YoY change
Gross operating profit (1)	619.5	(12.9)	47.5	(4.4)	572.0	(8.4)	383.5	(7.5)	137.4	+1.0	51.0	(2.0)
Net interest income (2)	401.3	(24.6)	5.8	(3.5)	395.5	(21.0)	253.7	(11.9)	105.1	(6.9)	36.6	(2.1)
Income from loans and deposits (3)					330.8	(18.0)	208.6	(10.5)	90.0	(5.5)	32.1	(1.9)
Trust fees (4)	21.2	(1.4)	(0.0)	+0.0	21.2	(1.4)	21.2	(1.4)	-	-	-	-
Fees and commission income (5)	147.4	+0.9	40.4	(1.0)	106.9	+1.9	77.9	+2.5	20.4	+1.0	8.6	(1.6)
Other operating income (6)	49.5	+12.2	1.2	+0.1	48.2	+12.0	30.5	+3.3	11.9	+6.9	5.7	+1.7
Net gain/(loss) on bonds (including futures) (7)	30.6	+11.1	-	-	30.6	+11.1	14.6	+3.0	10.4	+6.3	5.5	+1.7
Operating expenses (including non-recurring items) (8)	(347.5)	+10.2	(18.1)	+0.7	(329.3)	+9.5	(213.1)	+6.2	(76.8)	+2.2	(39.3)	+1.0
Operating expenses (9)					(326.3)	+8.9	(214.0)	+5.7	(74.7)	+2.0	(37.5)	+1.1
Actual net operating profit (10)					245.6	+0.5	169.4	(1.6)	62.6	+3.1	13.4	(0.9)
Net gain/(loss) on stocks (11)	(6.5)	(51.1)	0.2	+0.1	(6.7)	(51.3)	(9.8)	(52.8)	2.3	+1.7	0.7	(0.2)
Credit related expenses, net (12)	(25.8)	(48.2)	(2.3)	(0.4)	(23.4)	(47.8)	(24.8)	(49.7)	(1.6)	+0.6	2.9	+1.2
Other gain, net (13)	10.9	+26.3	2.5	+0.6	8.3	+25.6	8.3	+23.4	(0.6)	(1.1)	0.6	+3.3
Income before income taxes (14)	250.5	(75.7)	29.7	(3.2)	220.7	(72.4)	144.0	(80.3)	60.7	+4.5	16.0	+3.3
Income taxes and other (15)	(66.6)	+48.0	(9.2)	+8.7	(57.4)	+39.3	(43.1)	+31.2	(20.5)	+0.4	6.2	+7.6
Net income (attributable to owners of the parent) (16)	183.8	(27.6)	20.4	+5.4	163.3	(33.1)	100.8	(49.1)	40.2	+4.9	22.3	+11.0

Business Results by Major Group Business Segments

■ “RAROC” and “RVA”^{*1} as management indicators to measure profitability to allocated capital

Management Accounting by Major Group Business Lines (FY2015)

(Y bn, %)															
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	
						Gross operating profit		Operating expense							
						RVA ^{*1}	RAROC	OHR	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	
Customer Divisions	(1)	89.0	17.9%	61.4%	8.1%	178.0	(59.7)	199.6	(13.4)	518.0	(23.1)	(318.3)	+9.6	(21.6)	(46.3)
Personal Banking	(2)	54.3	31.9%	69.2%	8.6%	75.5	(8.2)	74.3	(9.2)	242.2	(13.8)	(167.8)	+4.6	1.1	+0.9
Corporate Banking	(3)	34.7	13.5%	54.5%	8.0%	102.5	(51.5)	125.3	(4.2)	275.8	(9.3)	(150.5)	+5.0	(22.7)	(47.2)
Markets	(4)	44.0	41.9%	16.4%	13.5%	55.9	(13.0)	55.9	(13.0)	66.9	(12.3)	(11.0)	(0.6)	-	-
Total ^{*2}	(5)	49.9	11.4%	56.5%	12.9%	231.6	(71.3)	253.3	(24.9)	582.7	(34.0)	(329.4)	+8.9	(21.6)	(46.3)

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

^{*2} Total of 3 group banks on a non-consolidated basis plus profit and loss of loan guarantee subsidiaries

Consolidated Subsidiaries and Affiliated Companies

Consolidated domestic subsidiaries (excluding subsidiary banks)

(Y bn)

Name	Line of business	Capital contribution ratio	Net income		
			FY2015	YoY change	FY2014
Resona Guarantee Co., Ltd. (1)	Credit guarantee (Mainly mortgage loan)	Resona Group 100%	15.3	+1.7	13.5
Daiwa Guarantee Co., Ltd. (2)	Credit guarantee (Mainly mortgage loan)	Resona Group 100%	0.7	+0.1	0.6
Kinki Osaka Shinyo Hosho Co., Ltd. (3)	Credit guarantee (Mainly mortgage loan)	Resona Group 100%	3.0	+1.8	1.2
Resona Card Co., Ltd. (4)	Credit card Credit guarantee	Resona Holdings 77.6% Credit Saison 22.4%	1.9	+0.0	1.9
Resona Kessai Service Co., Ltd. (5)	Factoring	Resona Holdings 100%	0.6	+0.1	0.5
Resona Research Institute Co., Ltd. (6)	Business consulting service	Resona Holdings 100%	0.1	+0.0	0.0
Resona Capital Co., Ltd. (7)	Venture capital	Resona Holdings 100%	0.3	+0.2	0.1
Resona Business Service Co., Ltd. (8)	Back office work Employment agency	Resona Holdings 100%	0.0	+0.0	0.0
Resona Asset Management Co., Ltd. (9)	Investment Trust Management	Resona Holdings 100% (Established in August 2015)	(0.1)		
Total			22.1	+4.2	18.0

Major consolidated overseas subsidiaries

Name	Line of business	Capital contribution ratio	Net income		
			FY2015	YoY change	FY2014
P.T. Bank Resona Perdania (10)	Banking business (Indonesia)	Resona Group 43.4% (Effective control approach)	1.4	(0.5)	1.9
P.T. Resona Indonesia Finance (11)	Leasing business (Indonesia)	Resona Group 100%	0.1	(0.0)	0.1
Total			1.5	(0.5)	2.0

Affiliated company accounted for by the equity method

Name	Line of business	Capital contribution ratio	Net income		
			FY2015	YoY change	FY2014
Japan Trustee Services Bank, Ltd. (12)	Banking and Trust	Resona Group 33.3% Sumitomo Mitsui Trust HD 66.6%	0.3	(0.1)	0.4

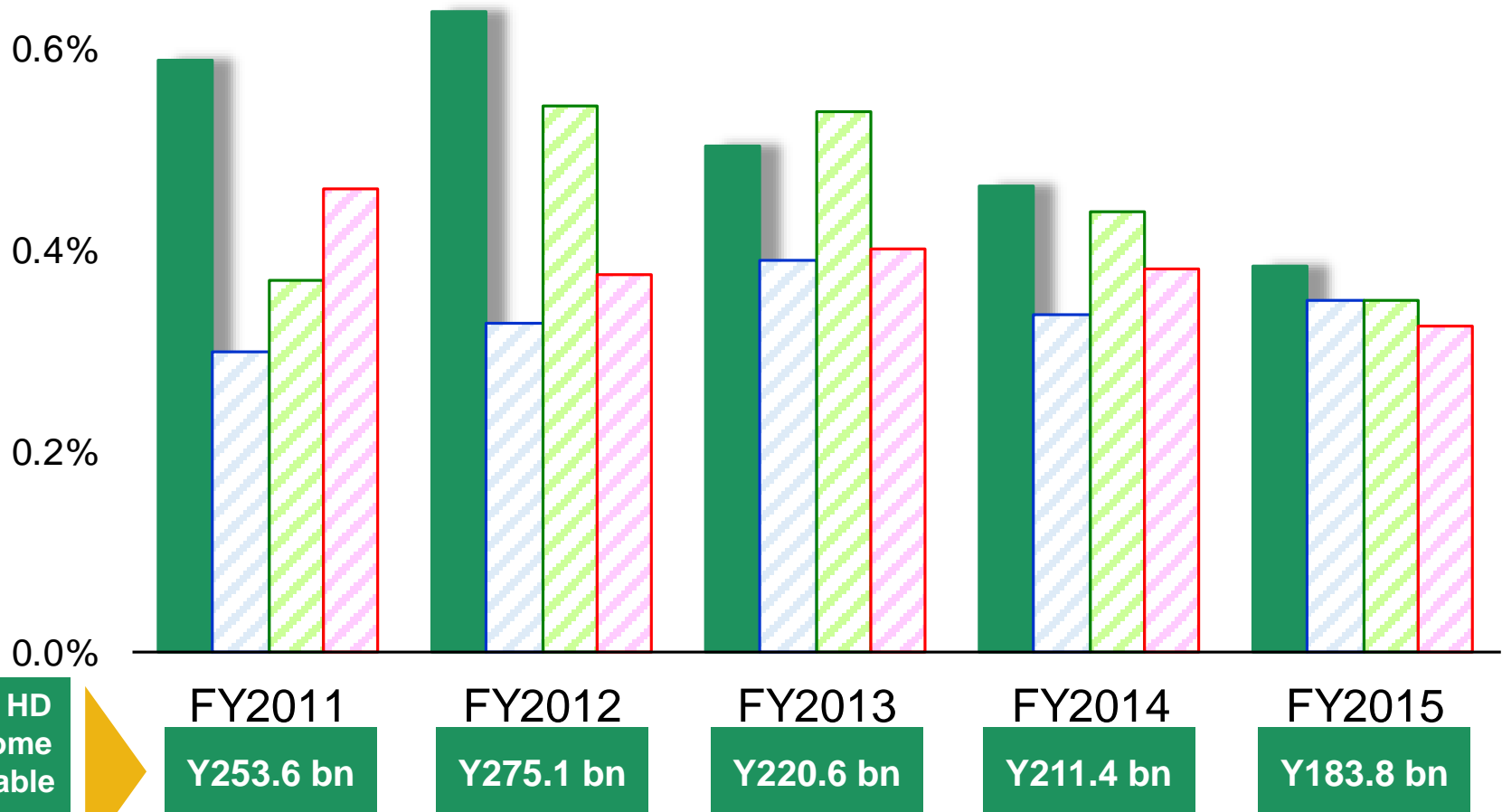
*1. Fiscal year end of the two overseas subsidiaries is December 31. RHD's consolidated business results reflect the accounts of these subsidiaries settled on December 31.

Stable Earnings Trend and High Profitability

- Resona has consistently generated stable profits supported by our sound balance sheet

Historical Consolidated ROA*1

■ Resona HD ■ Mizuho FG ■ SMFG ■ MUFG



Resona HD
Net Income
Attributable
to Owners
of the Parent

FY2011

Y253.6 bn

FY2012

Y275.1 bn

FY2013

Y220.6 bn

FY2014

Y211.4 bn

FY2015

Y183.8 bn

*1. Source: Company disclosure

Capital Adequacy Ratio (Subsidiary Banks)

Japanese Domestic Standard (Y bn)	Resona Bank (Consolidated) [Basel 3 A-IRB]			Saitama Resona Bank (Non-consolidated) [Basel 3 A-IRB]			Kinki Osaka Bank (Consolidated) [Basel 3 F-IRB]		
	Mar. 31, 2015	Mar. 31, 2016	Change	Mar. 31, 2015	Mar. 31, 2016	Change	Mar. 31, 2015	Mar. 31, 2016	Change
Capital adequacy ratio	13.58%	12.77%	(0.81)%	14.26%	13.78%	(0.48)%	10.93%	11.16%	+0.23%
Total capital	1,465.0	1,361.7	(103.3)	414.0	380.2	(33.8)	148.0	154.0	+5.9
Core Capital: instruments and reserves	1,485.5	1,383.3	(102.2)	427.6	394.6	(33.0)	148.2	156.0	+7.8
Core Capital: regulatory adjustments	20.5	21.6	+1.0	13.5	14.3	+0.8	0.1	2.0	+1.8
Risk weighted assets	10,786.1	10,656.6	(129.5)	2,902.4	2,759.3	(143.0)	1,354.1	1,379.6	+25.5
Credit risk weighted assets	9,857.5	9,373.9	(483.5)	2,572.0	2,324.5	(247.5)	1,262.9	1,290.6	+27.7
Amount equivalent to market risk / 8%	119.2	125.2	+6.0	10.3	29.7	+19.3	0.2	0.1	(0.0)
Amount equivalent to operational risk /8%	709.5	708.4	(1.0)	240.1	232.1	(8.0)	90.9	88.8	(2.0)
Credit risk weighted assets adjustments	99.7	448.8	+349.0	79.8	172.9	+93.1	-	-	-

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 total assets: Y49.0 tn
(As of Mar. 31, 2016)

Loans and bills discounted Y27.8tn (56%)	Domestic liquidity deposits Y24.4 tn(49%) Core liquidity deposits (x%)
Securities Y5.3 tn (10%)	Domestic time and other deposits Y10.6 tn (21%)
Cash and due from banks Y13.5 tn (27%)	Other Y12.2 tn (24%)
Other Y2.3 tn (4%)	Net assets Y1.7 tn(3%)

**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 of securities held (securities with contractual maturities, nominal amount basis)

(Y bn)		End of Mar. 2016							End of Mar. 2015						
		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
Bonds held to maturity (1)		166.2	381.6	1,039.6	231.4	549.5	15.5	2,384.1	130.0	417.2	567.6	768.2	550.0	3.0	2,436.2
JGBs (2)		118.0	284.3	945.2	130.0	400.0	3.0	1,880.5	82.0	323.3	486.3	667.9	400.0	3.0	1,962.5
Floating-rate JGBs (3)		118.0	135.3	294.7	-	-	-	548.0	2.0	236.3	166.3	145.4	-	-	550.0
Japanese local government bonds (4)		43.5	88.2	88.7	100.0	148.0	-	468.4	43.8	87.4	77.6	100.0	150.0	-	458.9
Japanese corporate bonds (5)		4.7	9.0	5.7	1.4	1.5	12.5	35.1	4.2	6.4	3.7	0.3	-	-	14.8
Available-for-sale securities (6)		403.5	688.7	295.1	117.1	365.5	124.1	1,994.3	940.7	863.4	777.2	284.2	433.4	84.5	3,383.6
Bonds (7)		381.2	671.5	282.1	76.9	231.2	27.8	1,671.0	917.6	851.3	753.6	238.9	377.7	23.1	3,162.5
JGBs (8)		240.0	289.2	80.0	-	128.0	17.5	754.7	690.2	532.0	413.0	185.0	310.0	-	2,130.2
Floating-rate JGBs (9)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Japanese local government bonds (10)		7.0	22.7	15.6	8.5	50.7	-	104.6	7.9	29.3	79.7	17.3	18.7	-	153.1
Japanese corporate bonds (11)		134.2	359.6	186.5	68.3	52.5	10.3	811.6	219.4	289.9	260.9	36.6	48.9	23.1	879.1
Other (12)		22.3	17.1	13.0	40.1	134.2	96.3	323.3	23.1	12.1	23.5	45.2	55.7	61.3	221.1

Unrealized gains/(losses)*1

[March 31, 2016] (Y bn)		B/S Amount	Change from Mar. '15	Unrealized gains/(losses)	Change from Mar. '15
Bonds held to maturity	(1)	2,383.5	(52.2)	93.6	21.0
Available-for-sale securities	(2)	2,922.9	(1,481.3)	460.6	(113.0)
Stocks	(3)	798.6	(72.2)	446.8	(93.1)
Bonds	(4)	1,696.5	(1,503.3)	14.6	1.6
Other	(5)	427.6	94.2	(0.8)	(21.6)

Trend of market and other indicators

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

	2013/3	2014/3	2015/3	2016/3
Duration (year) (1)	2.7	3.1	3.3	3.1
BPV (Y bn) (2)	(1.59)	(1.41)	(0.72)	(0.24)
10-year JGB yield (3)	0.560%	0.640%	0.395%	(0.050)%

[Break-even Nikkei Average Points]

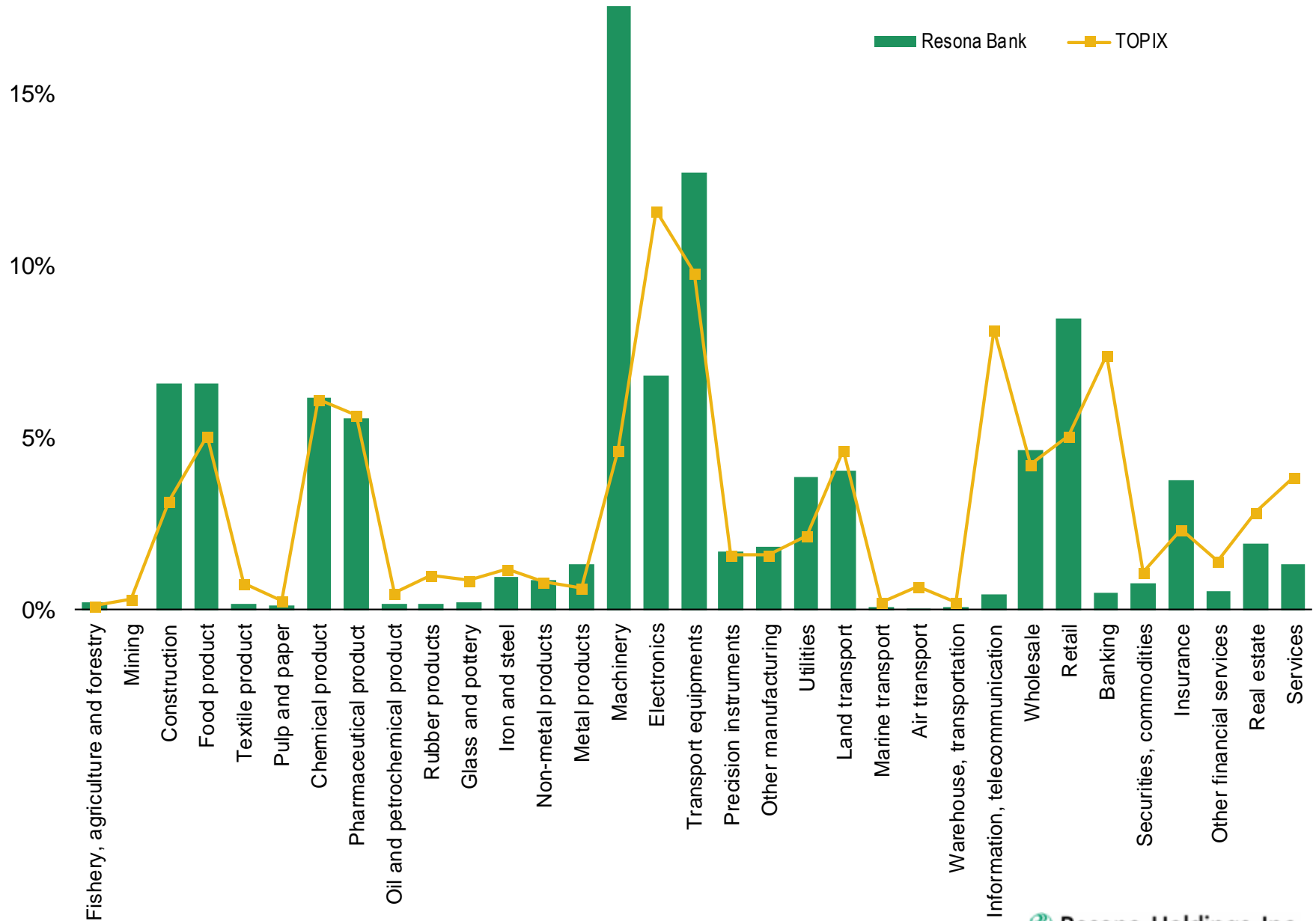
	2013/3	2014/3	2015/3	2016/3
Nikkei Average Points (Yen) (4)	5,900	6,500	5,500	6,500
BV of stock sold outright (Y bn) (5)	7.2	5.4	3.2	8.7

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

(Y bn)	FY2012	FY2013	FY2014	FY2015
Net gains/(losses) on bonds (6)	30.5	7.2	24.3	49.1
Net gains/(losses) on stocks (7)	(7.7)	22.3	44.5	(6.7)

*1. The figures reported above include securities, negotiable certificates of deposit(NCDs) included in "cash and due from banks" and a portion of "monetary claims bought."
The presented figures only include marketable securities.

Stocks Held by Industry (March 2016, RB)



(Balance sheet amount)

Maturity Ladder of Loan and Deposit (Total of Group Banks, Domestic Operation)

Loans and Bills Discounted

[End of March 2015]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(1)	1.5%	1.2%	4.4%	7.4%	14.5%
Prime rate-based	(2)	53.4%	0.2%	0.0%	0.0%	53.6%
Market rate-based	(3)	24.0%	1.4%	2.7%	3.9%	31.9%
Total	(4)	78.9%	2.7%	7.2%	11.3%	100.0%

Loans maturing
within 1 year

81.6%

[End of March 2016]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(5)	1.5%	1.3%	4.2%	7.5%	14.5%
Prime rate-based	(6)	52.3%	0.1%	0.0%	0.0%	52.5%
Market rate-based	(7)	25.2%	1.1%	2.5%	4.2%	33.0%
Total	(8)	79.1%	2.5%	6.7%	11.7%	100.0%

Loans maturing
within 1 year

81.6%

[Change in FY2015]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(9)	+0.0%	+0.1%	(0.2)%	+0.1%	+0.0%
Prime rate-based	(10)	(1.1)%	(0.0)%	(0.0)%	(0.0)%	(1.1)%
Market rate-based	(11)	+1.3%	(0.3)%	(0.2)%	+0.3%	+1.1%
Total	(12)	+0.2%	(0.2)%	(0.4)%	+0.4%	-

Loans maturing
within 1 year

(0.0)%

Deposits

[End of March 2015]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(1)	41.7%	1.5%	5.9%	20.5%	69.6%
Time deposits	(2)	14.3%	8.5%	6.0%	1.6%	30.4%
Total	(3)	56.0%	10.0%	11.9%	22.1%	100.0%

[End of March 2016]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(4)	42.6%	1.5%	6.0%	21.0%	71.1%
Time deposits	(5)	13.4%	8.4%	6.0%	1.1%	28.9%
Total	(6)	56.0%	9.9%	12.0%	22.0%	100.0%

[Change in FY2015]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(7)	+0.9%	+0.0%	+0.1%	+0.5%	+1.6%
Time deposits	(8)	(0.8)%	(0.1)%	(0.0)%	(0.6)%	(1.6)%
Total	(9)	+0.1%	(0.1)%	+0.1%	(0.1)%	-

*1. Data compiled for a management and administration purpose

Swap Positions by Remaining Periods (RHD Consolidated)

- Notional amounts of interest rate swaps (deferred hedge accounting applicable) by remaining period

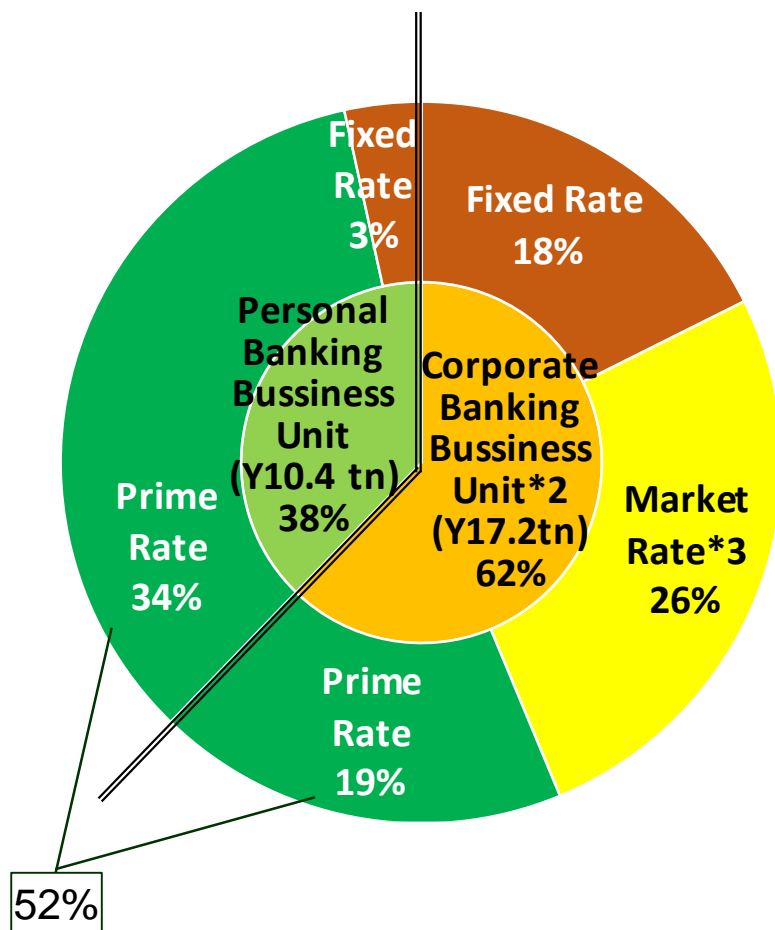
(Y bn)

		Mar. 31, 2016				Mar. 31, 2015			
		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	(1)	450.0	785.0	1,040.0	2,275.0	335.7	1,085.0	1,040.0	2,460.7
Receive floating rate/ Pay fixed rate	(2)	85.6	547.3	1.1	634.1	15.2	634.9	1.2	651.4
Net position to receive fixed rate	(3)	364.3	237.6	1,038.8	1,640.8	320.4	450.0	1,038.7	1,809.2

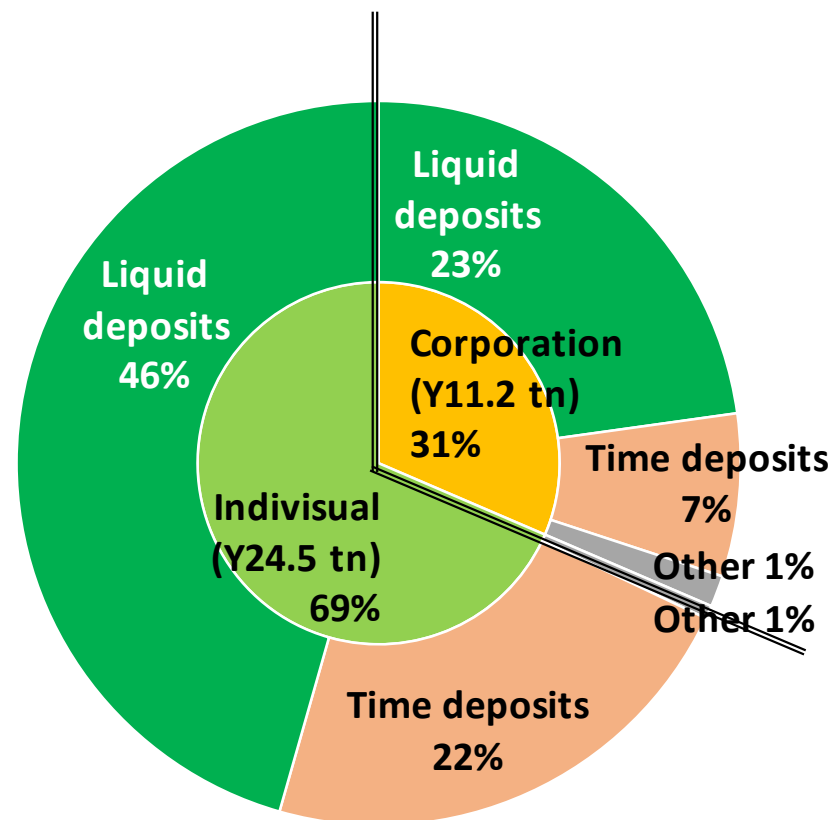
Composition of Loan Portfolio and Deposits (March 31, 2016)

(Total of Group Banks)

Loan*¹



Deposits*¹



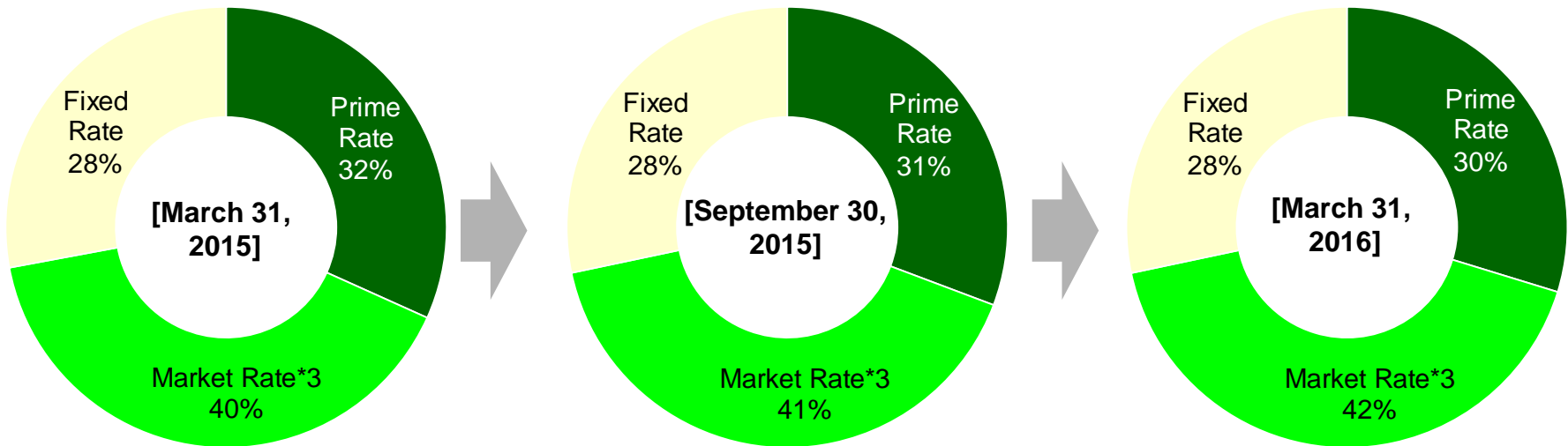
*1. Data compiled for a management and administration purpose

*2. Corporate Banking Business Unit includes apartment loans

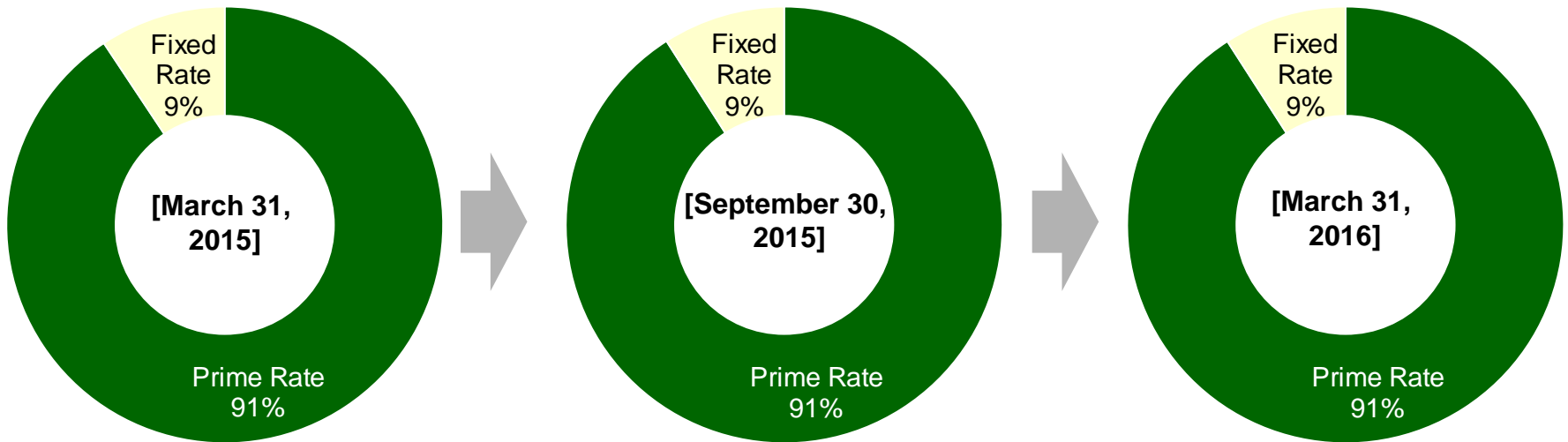
*3. Market rate-linked loans include the fixed-rate (spread) loans maturing in less than one year

Composition of Loan Portfolio by Base Rates (Total of Group Banks)

Corporate Banking Business Unit*1,2



Personal Banking Business Unit*1



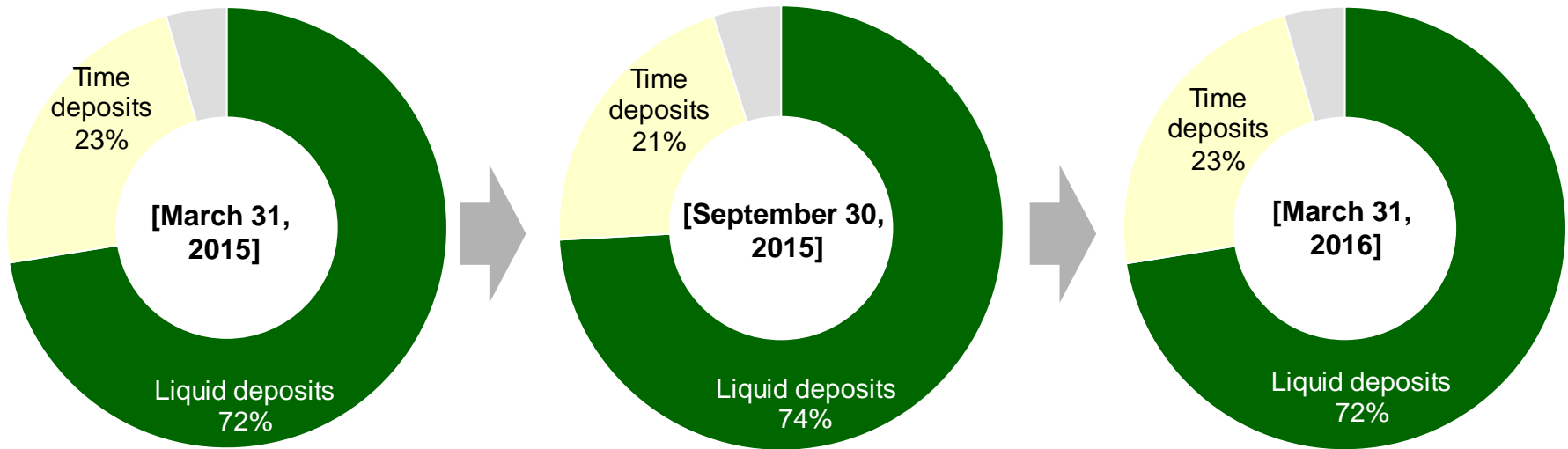
*1. Data compiled for a management and administration purpose

*2. Corporate Banking Business Unit includes apartment loans

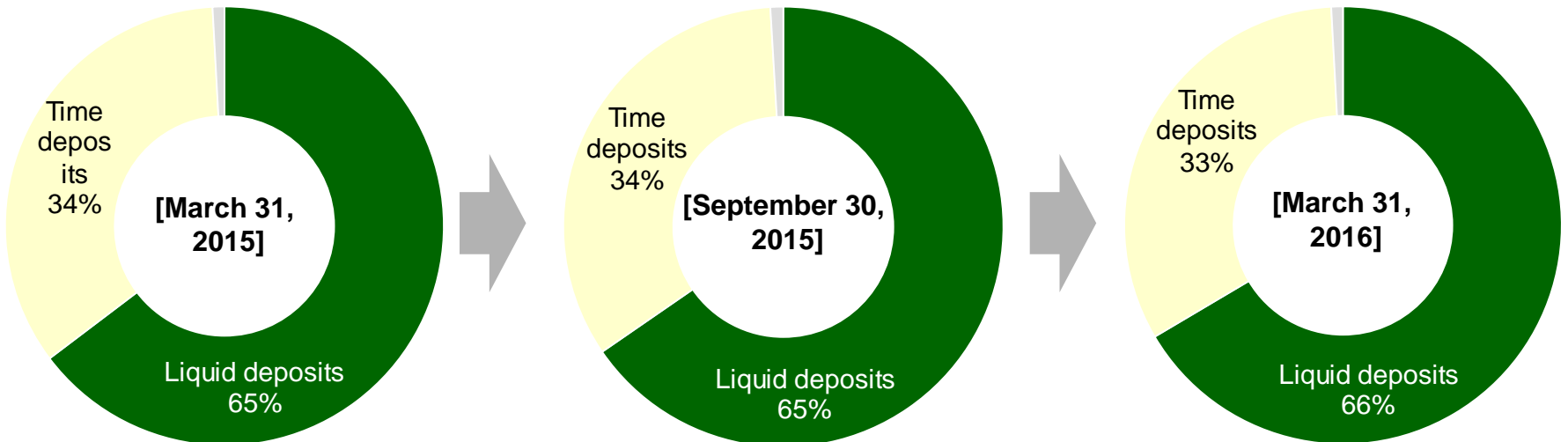
*3. Market rate-linked loans include the fixed-rate (spread) loans maturing in less than one year

Composition of Deposits by Types (Total of Group Banks)

Corporate Deposits



Individual Deposits



Migrations of Borrowers (RB, 1H of FY2015)

■ Exposure amount basis *1

		End of September 2015									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2015	Normal	98.2%	0.9%	0.0%	0.2%	0.1%	0.0%	0.6%	0.6%	0.0%	-	1.2%
	Other Watch	12.1%	81.8%	0.5%	1.8%	0.4%	0.1%	3.4%	3.4%	0.0%	12.1%	2.7%
	Special Attention	4.4%	3.0%	87.2%	3.5%	0.1%	0.0%	1.8%	1.8%	0.0%	7.5%	3.6%
	Doubtful	1.3%	6.9%	0.3%	82.4%	2.8%	1.8%	4.5%	4.5%	0.0%	8.5%	4.6%
	Effectively Bankrupt	0.1%	0.4%	0.0%	0.5%	66.9%	4.5%	27.5%	3.6%	23.9%	1.1%	4.5%
	Bankrupt	0.0%	0.1%	0.0%	1.8%	0.0%	76.3%	21.8%	1.2%	20.6%	1.9%	-

*1. Above table shows how a borrower belonging to a particular borrower category as of the end of March 2015 migrated to a new category as of the end of September 2015
 Percentage points are calculated based on exposure amounts as of the end of March 2015 (New loans extended, loans partially collected or written-off during the period are not taken into account)
 "Other" as of the end of September 2015 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims

Migrations of Borrowers (RB, 2H of FY2015)

■ Exposure amount basis *1

		End of March 2016									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of September 2015	Normal	98.8%	0.5%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%	0.0%	-	0.6%
	Other Watch	6.6%	86.9%	1.4%	1.3%	0.1%	0.1%	3.5%	3.5%	0.0%	6.6%	2.9%
	Special Attention	3.5%	2.0%	88.5%	2.2%	0.1%	0.0%	3.7%	3.7%	0.0%	5.5%	2.3%
	Doubtful	1.3%	6.0%	0.1%	63.9%	5.6%	17.7%	5.6%	5.1%	0.4%	7.3%	23.2%
	Effectively Bankrupt	0.3%	0.2%	0.0%	1.8%	75.9%	10.7%	11.1%	4.0%	7.1%	2.3%	10.7%
	Bankrupt	0.0%	0.1%	0.0%	1.6%	0.0%	62.6%	35.6%	1.1%	34.6%	1.8%	-

*1. Above table shows how a borrower belonging to a particular borrower category as of the end of September 2015 migrated to a new category as of the end of March 2016
 Percentage points are calculated based on exposure amounts as of the end of September 2015 (New loans extended, loans partially collected or written-off during the period are not taken into account)
 "Other" as of the end of March 2016 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims

Supports for SMEs Doing Business in Asia

Footholds in Asia to Extend Supports to SMEs

Overseas representative offices

■ 5 offices

- Open new Rep. office in Ho Chi Minh City, Vietnam, in Mar. 2015

Bank Resona Perdana

- JV bank in Indonesia with over 50 years of local experience

Regional coverage to offer local information (dispatched personnel to Japan desk)

- Vietnam
 - The Ho Chi Minh branch of Bangkok Bank
- Thailand
 - The Head Office of Bangkok Bank
- Philippines
 - RCBC
 - 3 party tie-up with RCBC and PEZA*¹ paved the way for one-stop consultation service
- Myanmar
 - Myanma Apex Bank



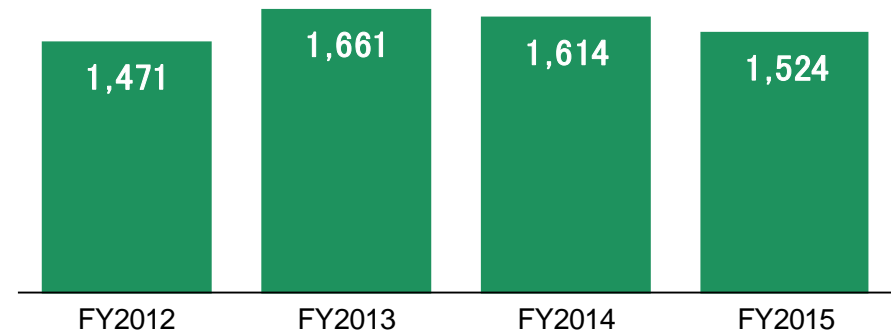
Local Services Offered through Alliances

- Entered business alliances with Sacom Bank, Yes Bank, and Axis Bank in May 2016
- Alliance network comprising 15 partner banks covering 13 countries and region
- Services offered through large number of branches and local expertise

Major Alliance Partners in Asia			
China	Bank of East Asia	Thailand	Bangkok Bank
	Bank of China	Vietnam	Bangkok Bank
	China Construction Bank		Saigon Thuong Tin Commercial Joint Stock Bank (Sacom Bank)
	Industrial and Commercial Bank of China	India	Yes Bank
	Bank of Communications		Axis Bank
Hong Kong	Bank of East Asia		State Bank of India
Korea	KEB Hana Bank	Philippines	Rizal Commercial Banking Corp.(RCBC)
Taiwan	Mega International Commercial Bank	Cambodia	Cambodian Public Bank
Singapore	Bank of East Asia	Laos	Public Bank
Malaysia	Public Bank	Myanmar	Myanma Apex Bank

Consultations handled by Global Business Division (RB) on a high level

■ Number of consultations handled by Global Business Division (RB)



*1. PEZA: Philippine Economic Zone Authority

Achievements in Cross-selling Efforts Measured with KPIs (YTD)

Primary Index			■ RLCs = Clients to whom the group have achieved cross-selling to some extent		
(Number of customers in thousands)			Mar. 31, 2015	Mar. 31, 2016	Change
(1)	Premier	AUM or condominium loan exceeding JPY50 million	55	55	(0.3)
(2)	Housing Loan	With housing loan for own home	560	564	+3.9
(3)	Asset Management	AUM exceeding JPY10 million	718	715	(3.2)
(4)	Potential I	AUM exceeding JPY5 million	795	795	(0.4)
(5)	Potential II	AUM below JPY 5 million/ with 3 or more products sold	4,762	4,809	+47.5
(6)	Resona Loyal Customers (RLCs)		6,890	6,938	+47.6
(7)	Potential III	AUM below JPY 5 million/ with 2 or less products sold	5,901	5,795	(106.3)
(8)	Total active retail customers		12,791	12,733	(58.7)

Reference Indices

Change in Past 1 Year

+21.2 bn

Lifetime Value (LTV)

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

Mar. 31, 2016

3.92 Products

Number of Products Sold

- Indicator to show the degree of RLCs utilizing Resona Group banks as a main bank.
- Base items such as account transfers, outward and inward remittances, loan and credit card items, savings and investment items are covered.

List of Preferred Shares and Subordinated Bonds (Mar. 31, 2016)

Preferred Shares

		Class 5 Preferred Shares	Class 6 Preferred Shares
Original issue date	(1)	8/28/2007	12/8/2009
Current number of shares	(2)	4,000,000 shares	3,000,000 shares
Issue price per share	(3)	JPY 25,000	JPY 25,000
Total issue amount remaining at present	(4)	JPY 100.0 Billion	JPY 75.0 Billion
Original total issue amount	(5)	JPY 100.0 Billion	JPY 75.0 Billion
Shareholder	(6)	Dai-ichi Life	Nippon Life Meiji Yasuda Life Daido Life
Preferred dividend	Dividend per share (Annual)	JPY 918.75	JPY 1,237.50
	Total amount of dividend (Annual)	JPY 3,675 Million	JPY 3,712 Million
	Yield (Annual)	3.675%	4.950%
Acquisition clause	(10)	Mandatory exchange not applicable Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date	Mandatory exchange not applicable Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date

Subordinated Bonds

Issuer	Amount outstanding	Issue date	Maturity	First call date ^{*1}	Dividend rate ^{*2}
Resona Bank	USD1,300 mn	September 15, 2005	Perpetual	April 15, 2016	5.85%
Resona Bank	JPY50.0 bn	July 17, 2009	June 20, 2019		2.766%
Resona Bank	JPY50.0 bn	March 4, 2010	March 4, 2020		2.084%
Resona Bank	JPY40.0 bn	September 28, 2010	September 28, 2020		1.606%
Resona Bank	JPY25.0 bn	June 1, 2011	June 1, 2021		1.878%
Resona Bank	JPY20.0 bn	December 22, 2011	December 22, 2026		2.442%
Resona Bank	JPY66.0 bn	February 22, 2012	April 21, 2022	April 21, 2017	1.47%
Resona Bank	JPY35.0 bn	March 14, 2012	March 15, 2022		1.78%
Resona Bank	JPY16.0 bn	March 14, 2012	March 15, 2027		2.464%
Resona Bank	JPY20.0 bn	June 21, 2012	June 21, 2022	June 21, 2017	1.32%
Saitama Resona Bank	JPY50.0 bn	October 19, 2011	October 19, 2021	October 19, 2016	1.45%
Saitama Resona Bank	JPY25.0 bn	July 27, 2012	July 27, 2022	July 27, 2017	1.24%

*1. Subject to an approval of regulatory authority

*2. Floating rate is applicable after the 1st call date.

Outline of Eligible Capital under the Japanese Domestic Std.

- Subordinated debts, preferred securities and non-convertible preferred shares*1
 - Subordinated debts and preferred securities issued under the Basel 2 can be fully included in Core Capital as of the end of March 2014. These grandfathering items are subject to a 10-year phase-out rule starting from March 2015.
 - Non-convertible preferred shares*1 can be fully included in Core Capital until March 2019 and will be subject to a 10-year phase-out rule starting from March 2020.

Capital instruments qualified for transitional arrangement to be phased out

At least
4%

Core Capital

- Common shares
- Retained earnings
- Non-controlling interests after adjustments
- Preferred shares with a mandatory conversion clause
- General reserve for possible loan losses
- Excess of eligible reserve relative to expected losses (banks adopting the IRB approach only)
- Public funds

At least
4%

Deduction items to be phased in

- Investments in other financial institutions, DTA, intangibles, retirement benefit-related assets, etc.
(No deduction as of March 2014 and thereafter subject to a 5-year phase-in rule)

Mar. 2014

Mar. 2019

Mar. 2024

Mar. 2029

*1. Non-cumulative preferred shares other than those with a mandatory conversion feature

Long Term Business Results

		(Y bn)	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
PL	Consolidated	Gross operating profit	901.8	775.0	763.1	768.6	805.2	769.3	739.5	678.3	667.0	655.2	637.1	608.5	632.4	619.5
		Net interest income	599.1	561.2	542.3	549.8	563.7	555.3	547.0	499.4	484.0	463.9	443.0	430.0	425.9	401.3
		Fee incomes ^{*1}	149.9	152.6	156.2	181.1	197.4	188.4	153.2	145.1	146.8	143.1	150.6	158.7	169.2	168.7
		Operating expenses	(597.6)	(510.0)	(382.0)	(384.0)	(384.6)	(385.9)	(384.4)	(387.5)	(369.4)	(360.9)	(361.6)	(348.4)	(357.7)	(347.5)
		Net gains/(losses) on stocks	(300.6)	57.6	91.0	58.5	72.7	(43.8)	(42.2)	0.6	(0.8)	2.3	(7.5)	22.6	44.5	(6.5)
		Credit related expenses	(552.1)	(1,418.3)	(41.5)	(6.9)	(69.7)	(58.4)	(181.4)	(114.6)	(61.5)	(13.8)	13.0	26.4	22.3	(25.8)
		Net income	(837.6)	(1,663.9)	365.5	383.2	664.8	302.8	123.9	132.2	160.0	253.6	275.1	220.6	211.4	183.8

BS	Total of 3 banks	Term end loan balance	29,545.1	26,475.3	25,702.1	26,406.1	26,566.7	26,163.8	26,608.9	26,306.1	26,177.9	26,050.4	26,682.1	26,986.0	27,755.5	27,932.1	
		Loans to SMEs	23,540.1	21,237.1	21,079.7	21,966.2	22,441.5	22,287.9	22,218.6	22,320.8	22,166.3	22,235.8	22,659.5	22,912.6	23,454.9	23,645.8	
			Housing Loans ^{*2}	8,527.6	9,373.8	10,170.9	10,864.2	11,419.7	11,563.8	11,701.0	12,042.9	12,145.4	12,250.3	12,651.9	12,918.3	13,125.0	13,188.0
				Residential Housing Loans	5,959.7	6,733.6	7,475.0	8,078.6	8,462.5	8,569.5	8,593.5	8,857.4	8,973.6	9,095.3	9,441.3	9,705.2	9,905.1
	NPL ratio	9.32%	6.74%	3.38%	2.55%	2.46%	2.19%	2.42%	2.42%	2.43%	2.32%	2.06%	1.74%	1.51%	1.51%		
	Consolidated	Stocks (Acquisition amount basis)	1,319.0	630.1	399.6	400.9	390.4	385.5	356.7	344.5	351.8	342.5	337.2	331.9	330.9	351.8	
		Unrealized gains/(losses) on available-for-sale securities	(25.8)	241.3	260.2	445.4	432.9	171.6	(32.5)	120.6	92.8	131.9	258.0	333.2	573.6	460.6	

Business ^{*4}	Total of 3 Banks	Investment Products sold	365.3	663.6	795.0	1,183.3	1,525.6	1,054.9	509.0	720.7	937.7	1,030.8	1,290.5	1,477.0	1,585.9	1,211.3
		Investment Trust	365.3	607.9	676.8	979.1	1,297.2	858.0	314.9	494.6	725.8	742.6	972.7	1,185.2	1,225.1	831.9
		Insurance	-	55.7	118.2	204.2	228.4	197.0	194.1	226.1	211.9	288.3	317.8	273.2	360.7	379.3
		Housing loan ^{*2}	-	1,758.8	1,852.9	1,853.4	1,662.0	1,394.3	1,222.4	1,435.4	1,341.1	1,301.8	1,559.5	1,478.6	1,352.9	1,292.7
		Residential Housing Loans	-	-	-	-	1,274.3	1,063.7	894.0	1,147.7	1,098.6	1,048.6	1,225.5	1,162.3	1,042.2	1,011.7
		Real estate business ^{*3}	6.0	8.5	9.3	12.0	15.0	14.5	7.2	6.3	6.6	7.7	7.8	8.3	11.2	13.3

Remaining Public Fund Balance			1,168.0	3,128.0	3,125.2	2,925.2	2,372.5	2,337.5	2,085.2	2,085.2	871.6	871.6	871.6	356.0	128.0	-
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*1. Fees and commissions income plus trust fees

*3. Excluding gains/(losses) from investments in real estate

*2. Includes apartment loans (Origination Includes Flat35)

*4. Data compiled for management and administration purposes

MMP Earnings Plan and Status of Progress

(Y bn)

Total of Group Banks (Non-consolidated)	FY2015			FY2016	FY2017
	Mid-term Plan	Actual	Difference	Mid-term Plan	Mid-term Plan
Gross operating profit	564.0	572.0	+8.0	570.0	600.0
Net interest income	414.0	395.5	(18.5)	415.5	437.0
Loan to deposit spread ^{*1}	1.30%	1.25%	(0.05)%	1.25%	1.27%
Fees and commission plus trust fees	123.3	128.2	+4.9	127.8	139.6
Other income (net)	26.7	48.2	+21.5	26.7	23.4
Operating expense	(336.0)	(326.3)	+9.7	(337.0)	(338.0)
Actual net operating profit ^{*2}	228.0	245.6	+17.6	233.0	262.0
Net gain on stocks	9.0	(6.7)	(15.7)	10.5	9.0
Credit costs, net	(18.5)	(23.4)	(4.9)	(19.0)	(20.5)
(Credit cost ratio) ^{*3}	0.06%	0.08%	+0.02%	0.06%	0.07%
Income before income taxes	217.0	220.7	+3.7	212.0	238.0
Net income	145.0	163.3	+18.3	145.0	163.0
Resona HD Net Income Attributable to Owners of the Parent	160.0	183.8	+23.8	160.0	175.0

Management indicators	FY2015	Mid-term Management Plan	
	Actual	FY2016	FY2017
ROE (HD Consolidated)	14.41%	Above 10%	
CET1 ratio ^{*4}	8.13%	8.0% and higher stably	
Cost income ratio (Total of group banks) ^{*5}	57.0%	59.1%	56.3%

Underlying assumptions	FY2015	Mid-term Management Plan	
	Actual ^{*6}	FY2016	FY2017
Overnight call rate (policy rate) %	(0.002)%	0.100%	0.300%
10 year JGB %	(0.050)%	0.850%	1.500%
Nikkei 225 (yen)	16,758.67	19,500	20,500

*1. Administrative accounting basis

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

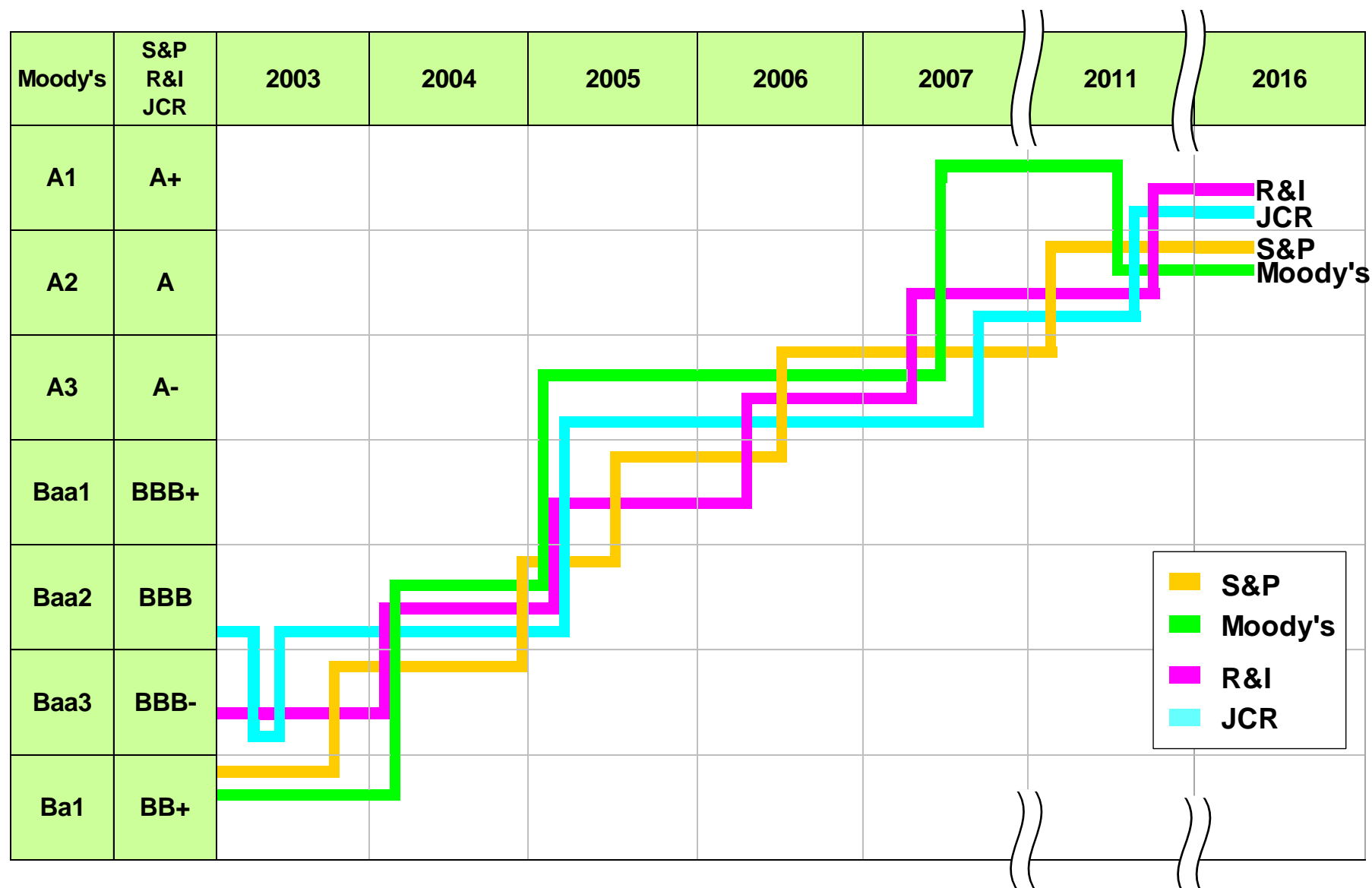
*3. Credit costs, net / Total credits (simple average of the balance at the beginning and end of the term)

*4. Excluding unrealized gain on available-for-sale securities (phase-in/phase-out rule basis)

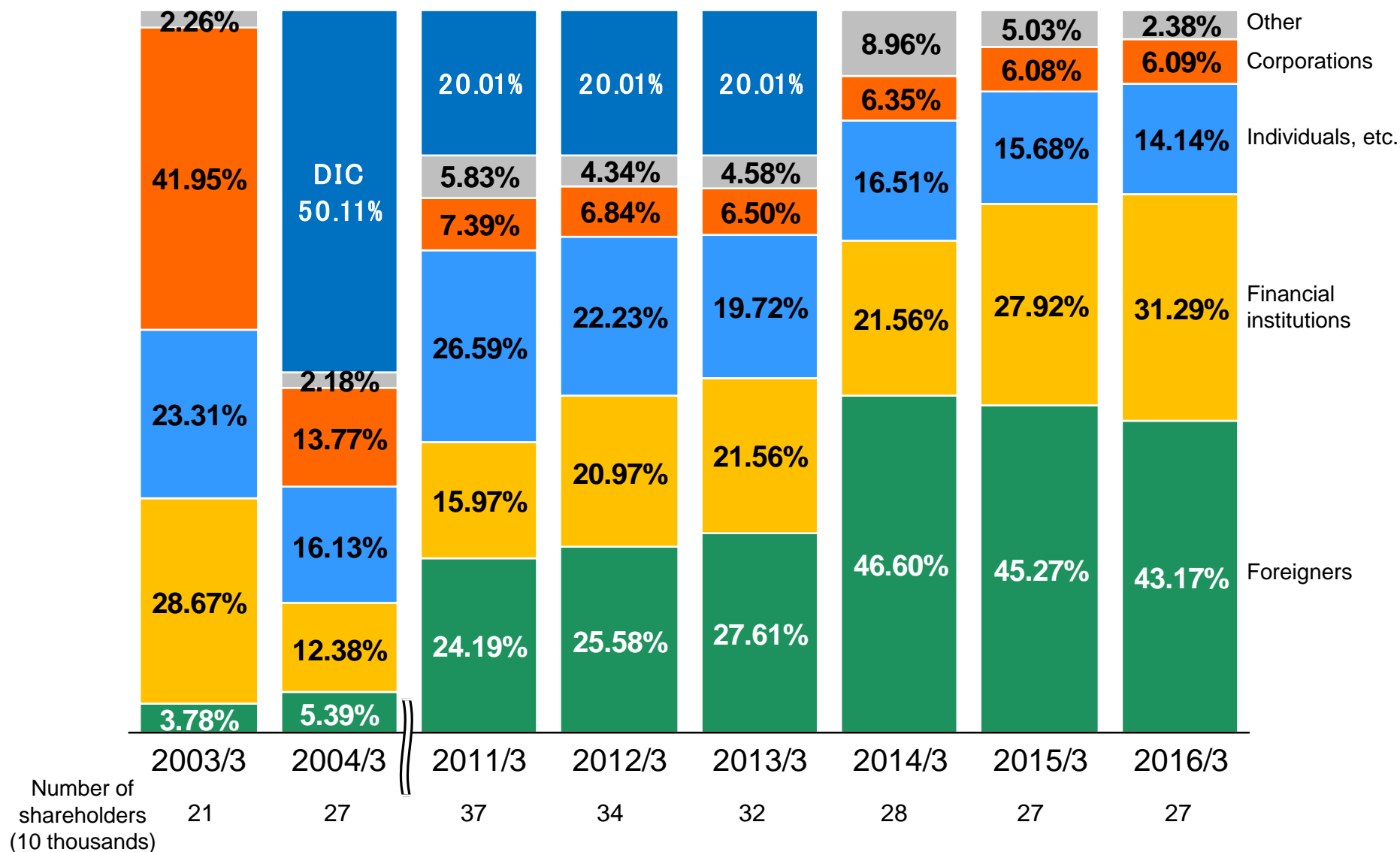
*5. Operating expense / Gross operating profit (before NPL charge-off in the trust account)

*6. As of the term-end.

Trend of Long-term Senior Debt Rating of Resona Bank



Composition of Resona HD's Common Shareholders



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.

Link Together Shape Future *Next Action* RESONA GROUP

