

Business Results for 1H of FY2017 and Future Management Direction



November 20, 2017

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<ol style="list-style-type: none"> 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, KMFG: Kansai Mirai Financial Group, KU: Kansai Urban Banking Corporation, MB: Minato Bank, KO: Kinki Osaka Bank Negative figures represent items that would reduce net income 		Direction of Capital Management	
		p35	Direction of Capital Management
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Outline of Business Results for 1H of FY2017 and Updates on Major Businesses

**Efforts to Business Challenges
for Sustainable Growth**

Direction of Capital Management

Reference Material

Outline of Financial Results for 1H of FY2017

■ Posted JPY94.0 bn of net interim income attributable to owners of the parent

- Down JPY2.8 bn, or 2.9%, YoY, but exceeding the 1H target by JPY21.0 bn, or +28.8%
- JPY 79.9 bn, if one-off gain from realignment of loan guarantee subsidiaries*¹ were excluded, exceeding the 1H target by JPY6.9 bn, or +9.4%.

■ Posted JPY108.6 bn of actual net operating profit

- Gross operating profit: JPY278.8 bn, Down JPY19.1 bn, or 6.4%, YoY
 - Net interest income from domestic loans and deposits : Down JPY10.8 bn, YoY, but almost in line with the company plan
Loan-to-deposit spread decreased by 10bps, while average loan balance increased 1.90% YoY
 - Fee income stayed almost flat YoY with the ratio to total top-line income at 30.3%
Decline in income from sale of insurance products and real estate brokerage was made up for by increase in corporate solution and other fees
 - Net gains on bonds (including futures): Down JPY14.6 bn YoY
- Operating expenses JPY170.3 bn, reduced by JPY1.9 bn YoY, with the cost income ratio (OHR) at 61.1%

■ Revised up full-year net income target to JPY165.0 bn, or +10.0% from the target announced at beginning of the year

■ No change to common DPS forecast

- DPS 20 yen per year (of which, interim 10 yen), +1 yen YoY

*1. Refer to "Announcement Regarding Realignment of Loan Guarantee Subsidiaries" released on Sep. 28, 2017.

*2. Domestic banking account, deposits include NCDs

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

Resona HD consolidated (JPY bn)		FY2017 1H	YoY change		Progress rate v.s. Previous Target
				%	
Net interim income attributable to owners of the parent	(1)	94.0	(2.8)	(2.9)%	62.7%
Gross operating profit	(2)	278.8	(19.1)	(6.4)%	
Net interest income	(3)	183.9	(4.2)		
Nil from loans and deposits (total of group banks)* ²	(4)	144.6	(10.8)		
Fee income	(5)	84.5	(0.0)		
Fee income ratio	(6)	30.3%	+1.9%		
Trust fees	(7)	9.0	+0.0		
Fees and commission income	(8)	75.4	(0.0)		
Other operating income	(9)	10.3	(14.9)		
Net gains on bonds (including futures)	(10)	0.4	(14.6)		
Operating expenses (excluding group banks' non-recurring items)	(11)	(170.3)	+1.9	+1.1%	
Cost income ratio (OHR)	(12)	61.1%	+3.2%		
Actual net operating profit * ³	(13)	108.6	(17.1)	(13.6)%	
Net gains on stocks (including equity derivatives)	(14)	4.3	+2.7		
Credit related expenses, net	(15)	7.5	(2.9)		
Other losses, net	(16)	(6.9)	(4.0)		
Income before income taxes	(17)	113.6	(21.4)	(15.8)%	
Income taxes and other	(18)	(19.5)	+18.6		
EPS (yen)	(19)	39.82	(0.35)		
BPS (yen)	(20)	833.13	+100.89		

Breakdown of Financial Results for 1H of FY2017

(JPY bn)	Resona Holdings (Consolidated)		Total of group banks (Non-consolidated)							Difference (Exclude the effect of realignment*3)	
		YoY change		YoY change	Difference from the company's 1H target issued at beginning of the year	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	effect of realignment *3		YoY change
Gross operating profit (1)	278.8	(19.1)	261.2	(14.1)	+0.7	173.7	62.0	25.4	4.9	22.5	(0.0)
Net interest income (2)	183.9	(4.2)	186.7	+0.7		116.7	49.6	20.3	4.9	2.2	(0.0)
Nil from domestic loans and deposits (3)			144.6	(10.8)		91.6	39.6	13.3			
Trust fees (4)	9.0	+0.0	9.1	+0.0		9.1				(0.0)	(0.0)
Fees and commission income (5)	75.4	(0.0)	55.4	(0.0)		39.1	11.7	4.5		19.9	+0.0
Other operating income (6)	10.3	(14.9)	9.8	(14.9)		8.7	0.6	0.4		0.4	(0.0)
Net gains / losses on bonds (including futures) (7)	0.4	(14.6)	0.4	(14.6)		0.9	(0.7)	0.3		—	—
Operating expenses (excluding group banks' non-recurring items) (8)	(170.3)	+1.9	(160.9)	+2.4	+3.5	(105.5)	(37.0)	(18.3)		(9.4)	(0.4)
Actual net operating profit *1 (9)	108.6	(17.1)	100.2	(11.7)	+4.2	68.2	25.0	7.0	4.9	13.3	(0.3)
Net gains on stocks (including equity derivatives) (10)	4.3	+2.7	57.2	+55.6	+53.7	43.2	12.8	1.1	52.9	0.0	+0.0
Credit related expenses, net (11)	7.5	(2.9)	9.0	+0.3	+13.5	6.1	2.1	0.7		(1.4)	(3.3)
Other losses, net (12)	(6.9)	(4.0)	(6.0)	(4.0)		(4.8)	(1.0)	(0.1)		(0.9)	+0.0
Income before income taxes (13)	113.6	(21.4)	160.5	+40.2	+69.5	112.7	39.0	8.7	57.9	10.9	(3.7)
Income taxes and other (14)	(19.5)	+18.6	(15.5)	+17.4		(6.6)	(7.7)	(1.1)	*2 14.1	(3.9)	+1.1
Net interim income (attributable to owners of the parent) (15)	94.0	(2.8)	144.9	+57.6	+80.9	106.1	31.3	7.5	72.0	7.0	(2.5)

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

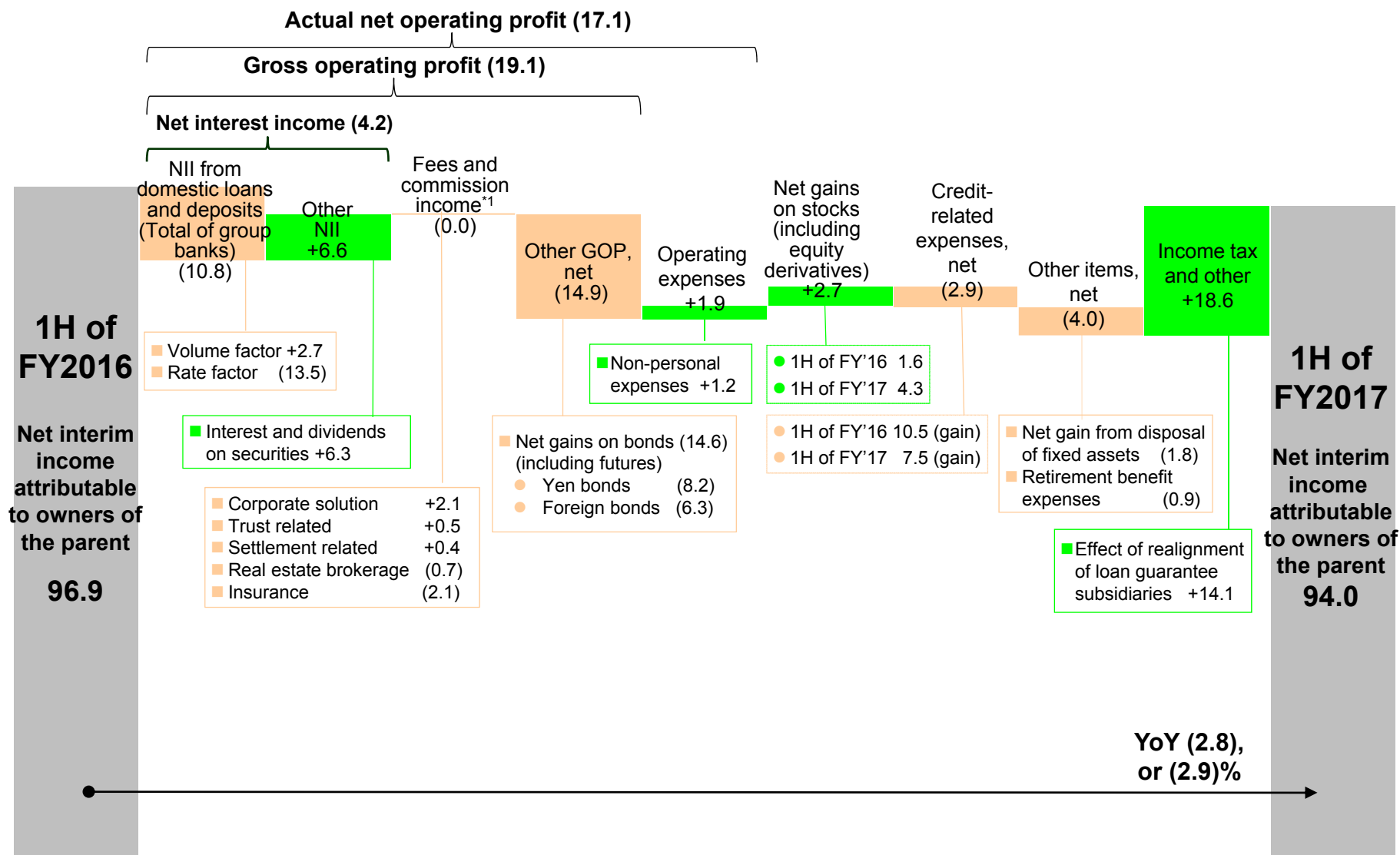
*2. The effect of income taxes is excluded from cancellation in a consolidation process

*3. Realignment of loan guarantee subsidiaries

Analysis on YoY Change in Net Interim Income

RHD
Consolidated

(JPY bn)



*1. Fees and commission income plus trust fees

Trend of Loans and Deposits

Total of
Group Banks

Average loan / deposit balance, rates and spread

<div> <div>Avg. bal : Trillion Yen</div> <div>Income/Cost : Billion Yen</div> </div>			1H		FY2017	
			Act.	YoY	Revised Plan	YoY vs.'17/3
Average loan balance (Banking account)		(1)	27.99	+1.89%		
Domestic acct.	Loans	Avg. Bal. (2)	27.49	+1.90%	27.51	+1.47% (+0.30%)
		Rate (3)	1.06%	(0.10)%	1.05%	(0.08)% (-0.00%)
		Income (4)	147.2	(11.0)	291.0	(19.8)
	Corporate Banking Business Unit *1	Avg. Bal. (5)	16.00	+2.31%	16.02	+1.83%
		Rate (6)	0.89%	(0.11)%	0.87%	(0.09)%
	Personal Banking Business Unit *2	Avg. Bal. (7)	10.49	+1.21%	10.53	+1.08%
		Rate (8)	1.37%	(0.08)%	1.36%	(0.07)%
	Deposits (Including NCDs)	Avg. Bal. (9)	41.38	+5.33%	41.04	+3.48%
		Rate (10)	0.01%	(0.00)%	0.01%	(0.00)%
		Cost (11)	(2.6)	+0.2	(5.2)	(0.1)
	Loan-to-deposit	Spread (12)	1.05%	(0.10)%	1.04%	(0.08)%
		Net interest income (13)	144.6	(10.8)	285.8	(19.9)

Data compiled for a management and administration purpose

*1. Corporate Banking Business Unit :

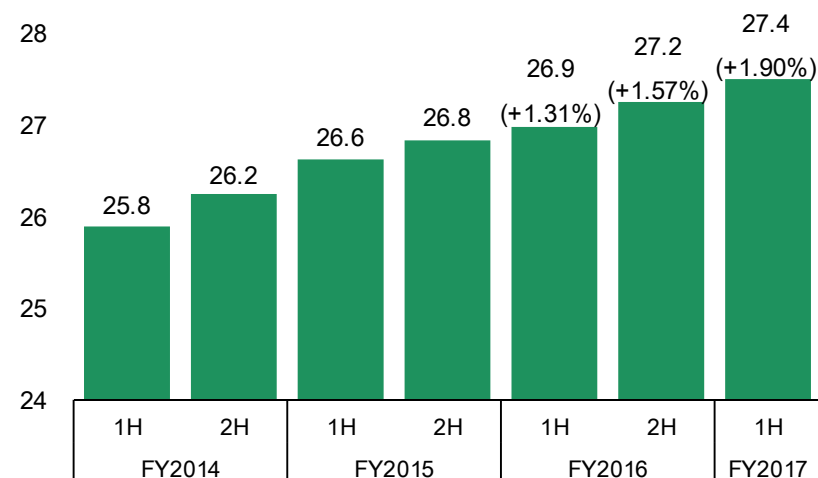
Corporate loans (excluding loans to governments) + apartment loans

*2. Personal Banking Business Unit:

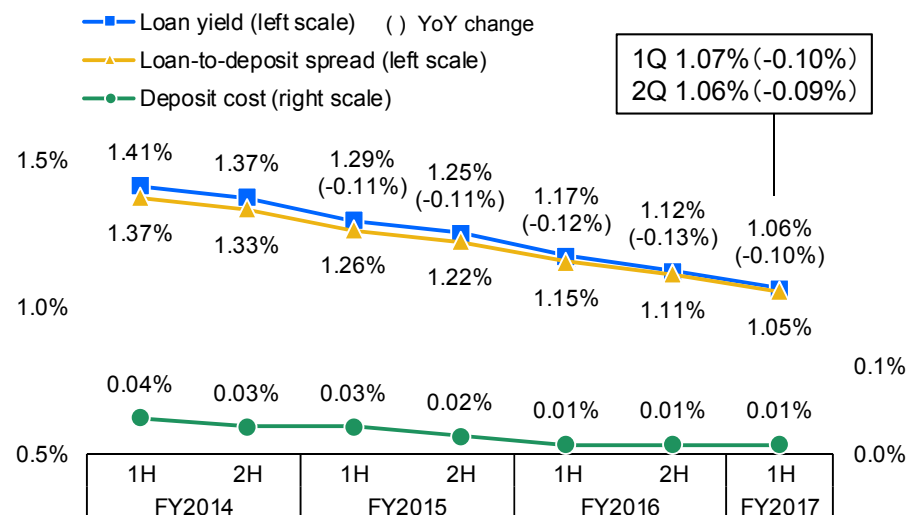
Residential housing loans + other consumer loans

Trend of average loan balance (Domestic account)

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



Loan and deposit rates and spread (Domestic account)



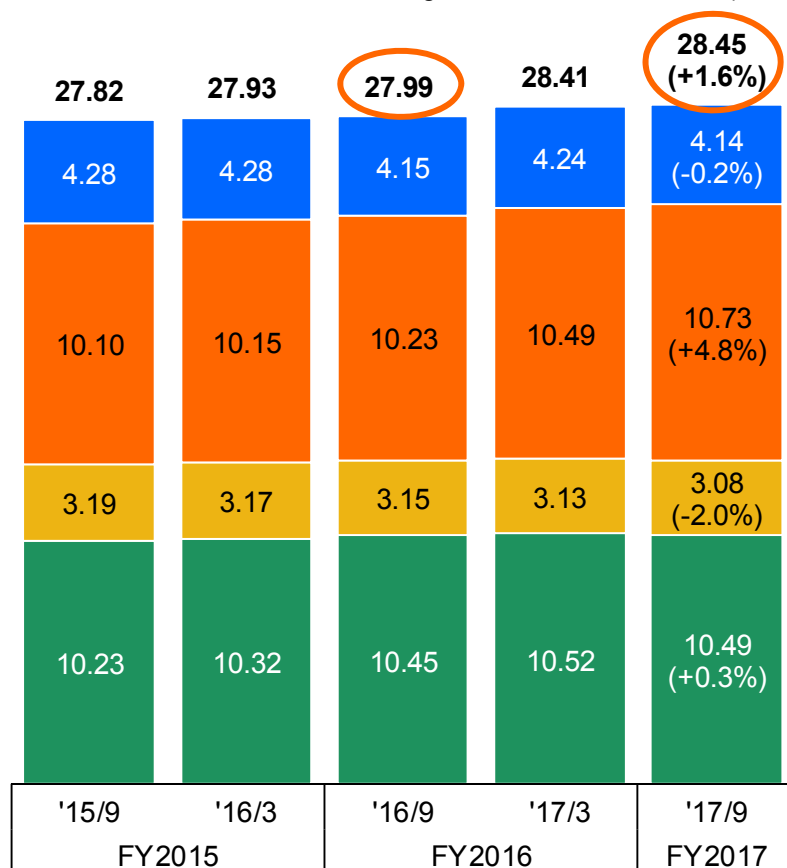
Term-end Balance of Loans and Deposits

Total of
Group Banks

Term-end loan balance

JPY tn, % represents
YoY change

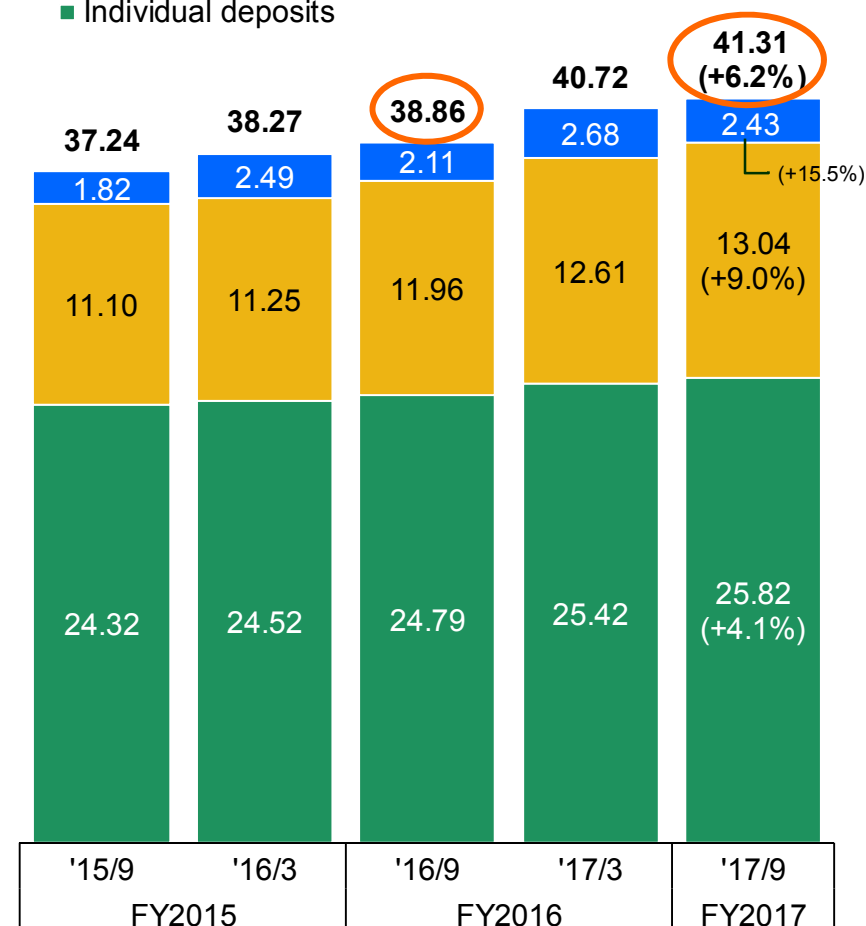
- Corporate (Large companies and other) *1
- Corporate (SMEs)
- Corporate (Apartment loans)
- Personal (Residential housing loans + Consumer loans)



Term-end deposit balance

JPY tn, % represents
YoY change

- Other
- Corporate deposits
- Individual deposits



*1. Include the loan extended to RHD from RB (JPY0.30 tn as of '15/9 ~ '16/9, JPY0.26 tn as of '17/3, JPY0.25 tn as of '17/9)

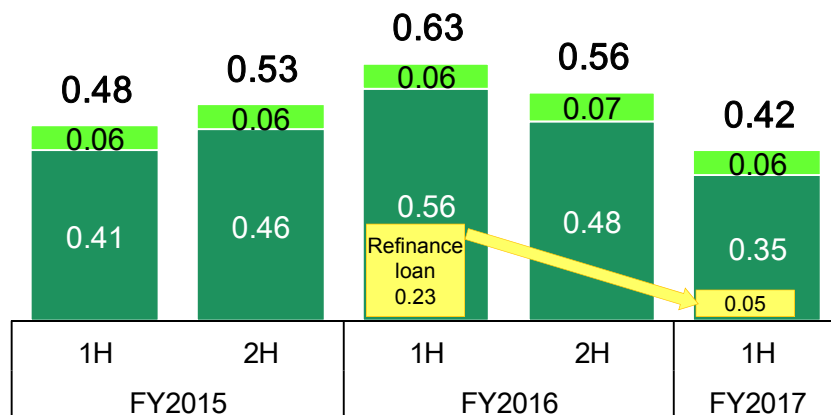
Trend of Residential Housing Loans

Total of
Group Banks

New loan origination

(JPY tn) ■ Flat 35

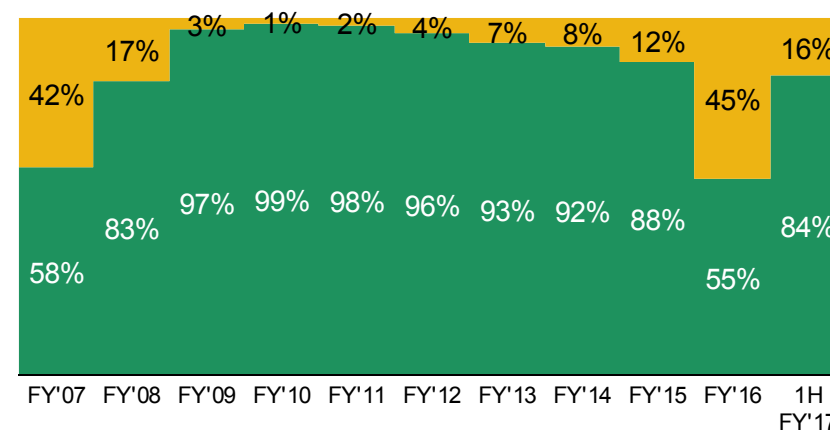
■ Residential housing loan



Composition of newly originated residential housing loans by interest rate type

■ Share of fixed rate residential housing loans

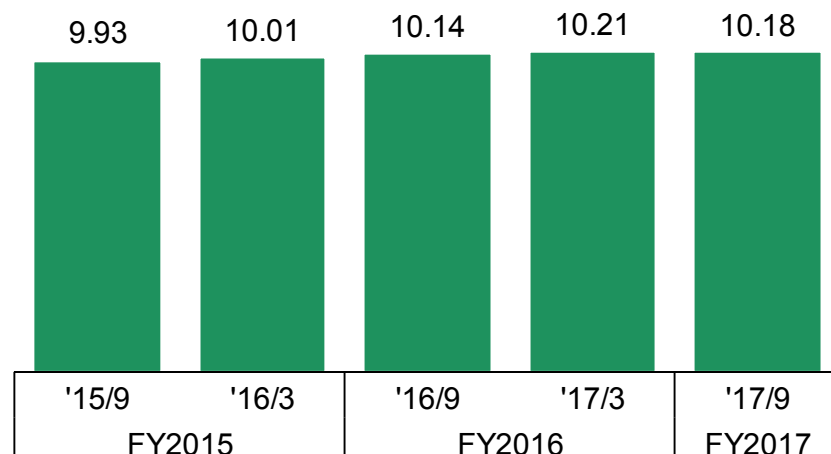
■ Share of variable rate residential housing loans



Term-end loan balance

(JPY tn)

■ Residential housing loan

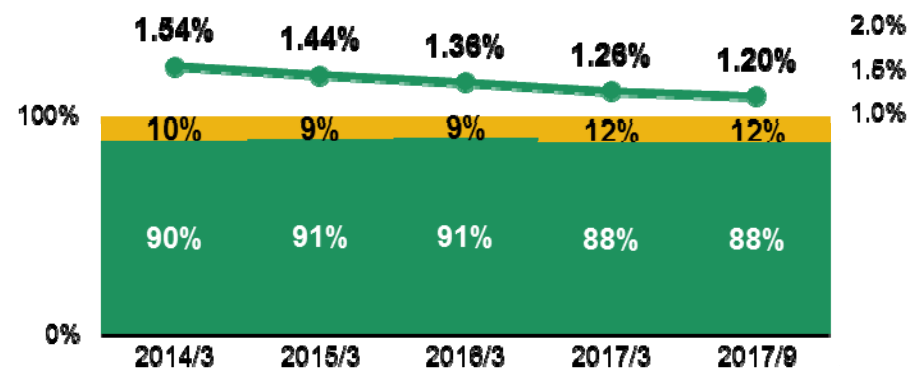


Loan yield on a stock basis and composition by interest rate type

■ Share of fixed rate residential housing loans

■ Share of variable rate residential housing loans

● Residential housing loans yield (right scale)

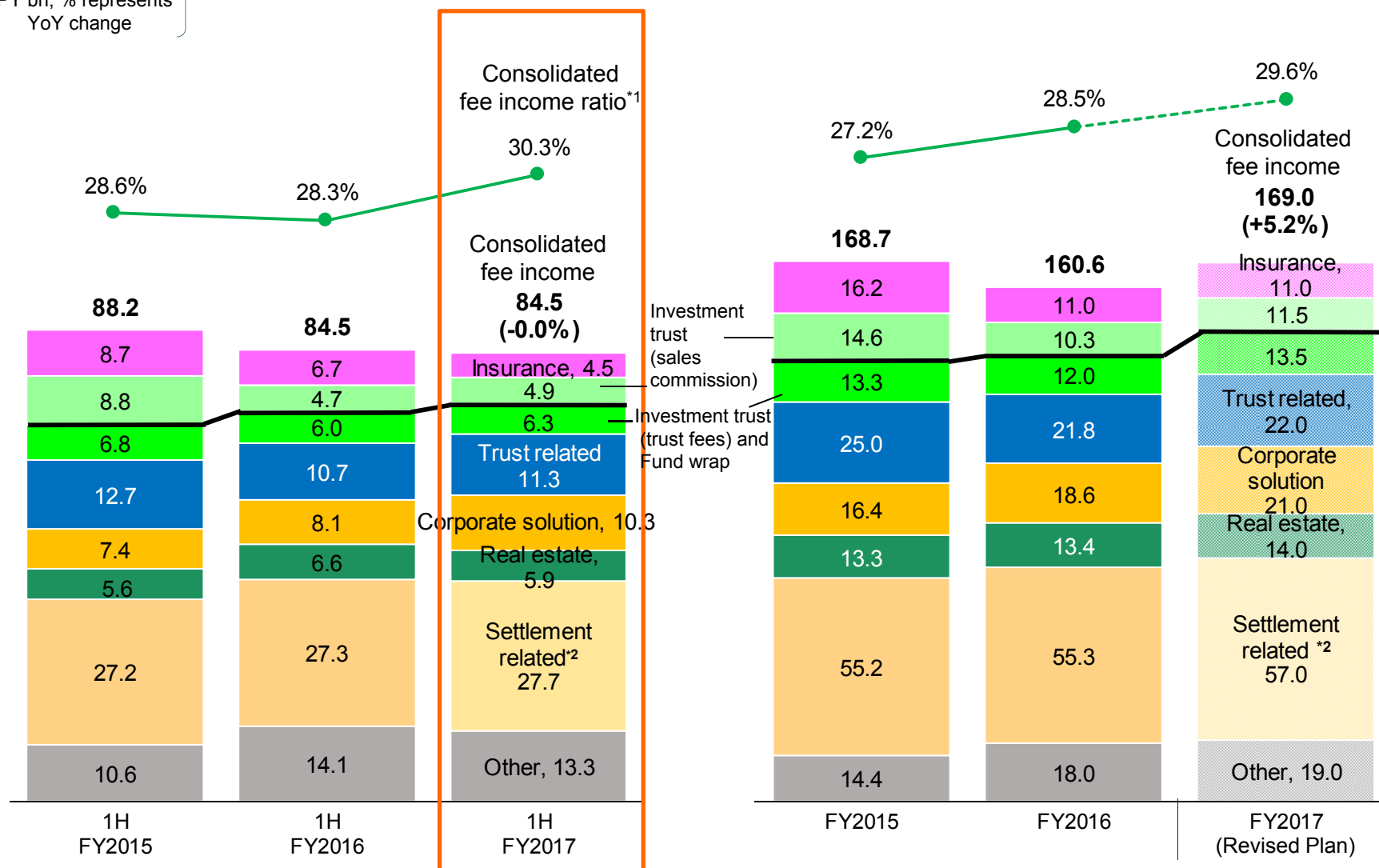


Trend of Fee Income

RHD
Consolidated

Consolidated fee income ratio at 30.3% for 1H of FY2017

JPY bn, % represents
YoY change



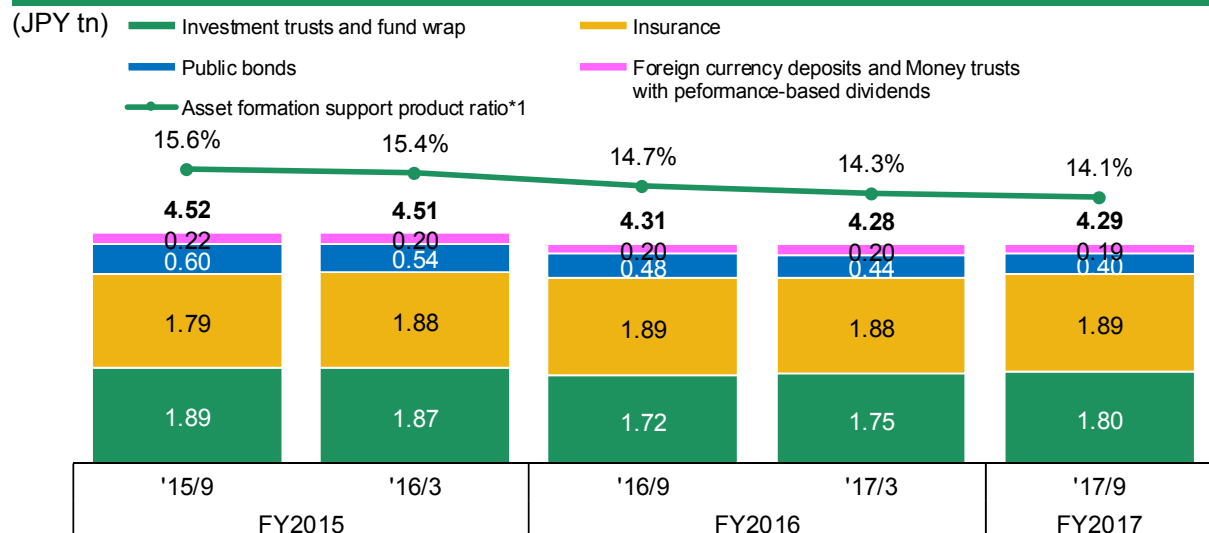
*1. (Fees and commission income + trust fees)/Consolidated gross operating profit

*2. Fees and commission from domestic exchange, credit transfer, EB, Visa debit and fee income from Resona Kessai Service and Resona Card

Asset Formation Support Business

Total of
Group Banks

Balance of asset formation support products sold to individuals



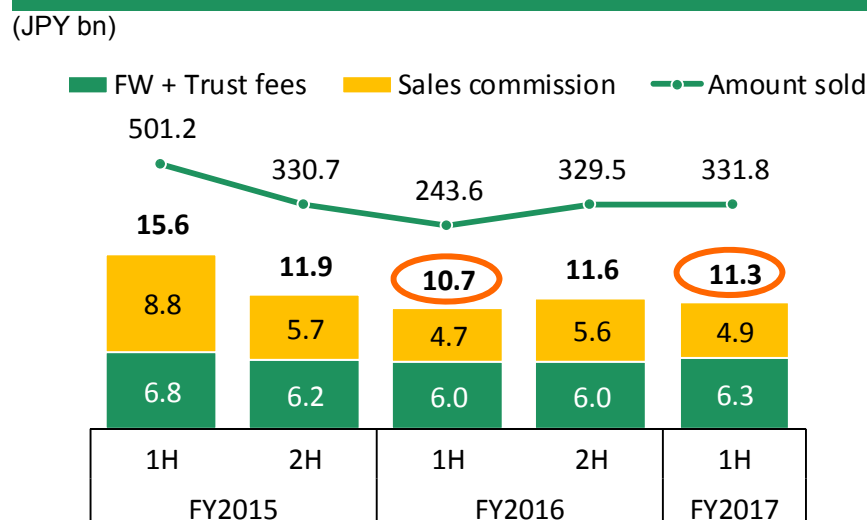
Balance of asset formation support products increased from '17/3

- Balance of fund wrap (including corporation) : '17/9 Approx. 150.0 bn
- Net inflow of funds of investment trust and fund wrap (New purchase – withdrawal and redemption) : 1H FY2017 Approx. +26.0 bn

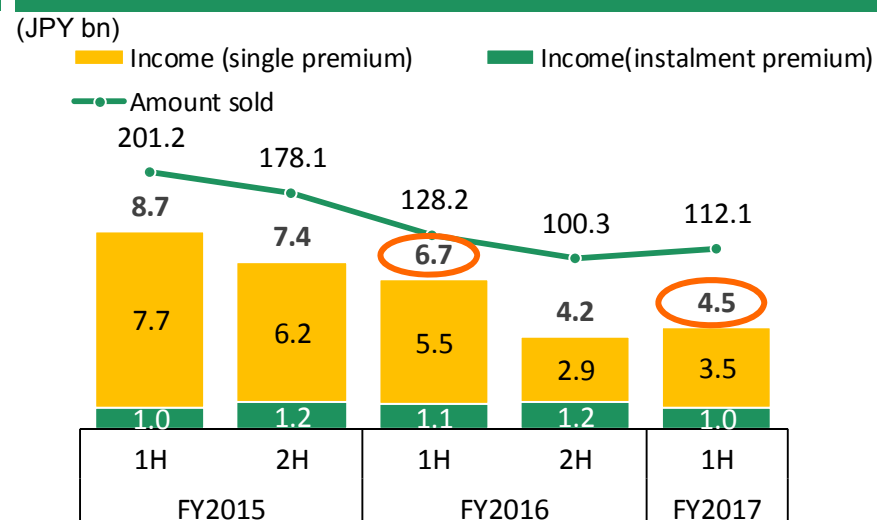
Number of individual customers having investment trust, fund wrap and insurance products 0.64 million as of '17/9

- NISA holders 0.20 million

Investment trust and fund wrap



Insurance



*1. Asset formation support product ratio = balance of asset formation support products sold to individuals / (balance of asset formation support products sold to individuals and yen deposits held by individuals)

*2. Reported figures are compiled for a business administration purpose.

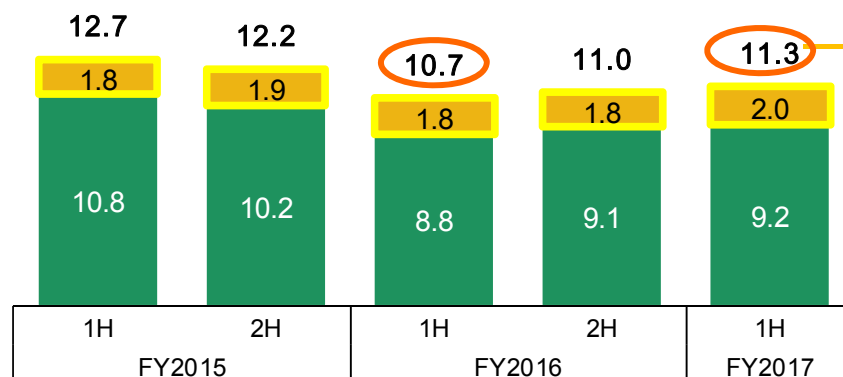
Major Fee Businesses

Total of
Group Banks

Trust-related business

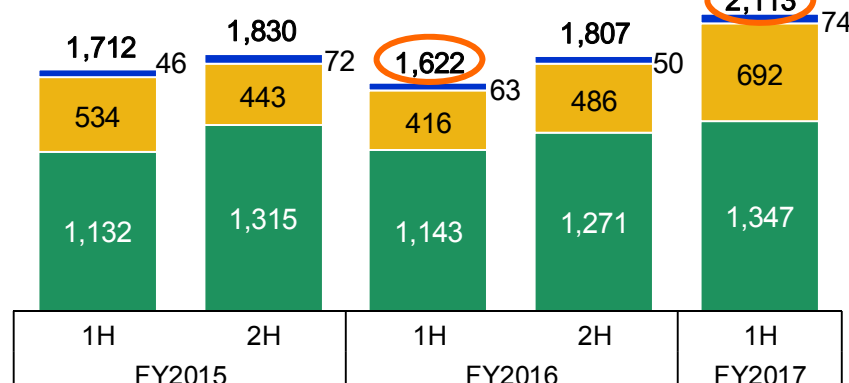
(JPY bn)

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



(Reference) Number of new asset succession-related contracts

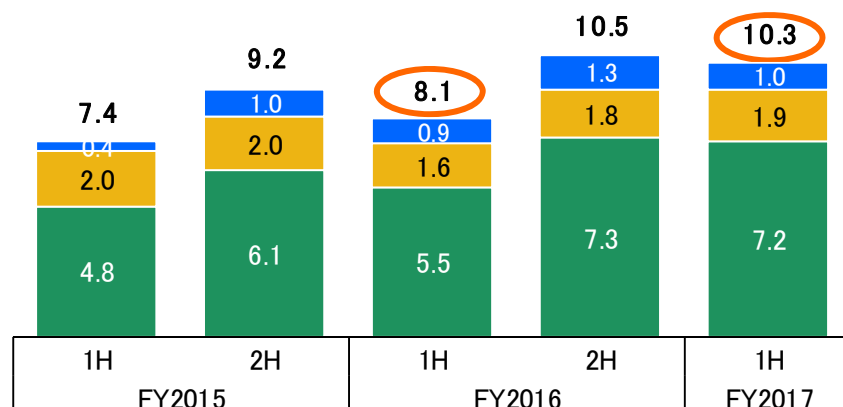
- Will trust + Estate division
- Asset succession
- Trust for transfer of own company stocks



Corporate solutions business

(JPY bn)

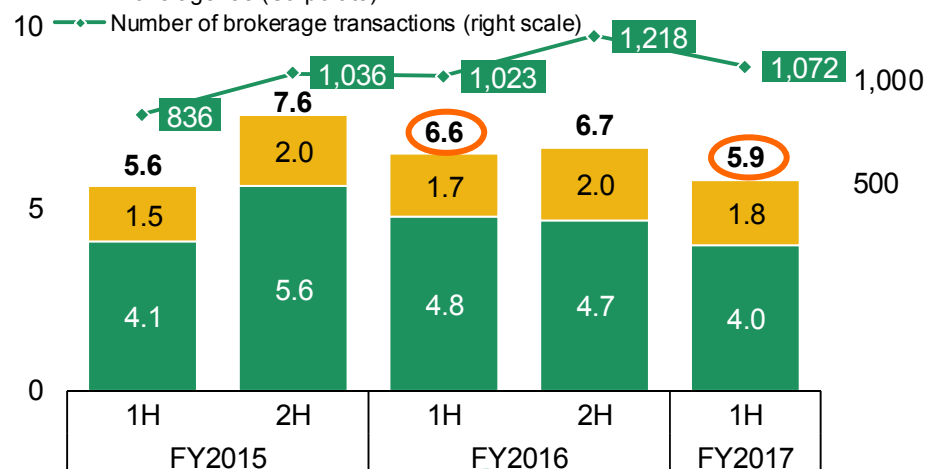
- M&A
- Private notes
- Commitment line, Syndicated loans, Covenants



Real estate business*1

(JPY bn)

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



*1. Excluding gains from investments in real estate funds

Credit Costs and NPL

RHD Consolidated
Total of Group Banks

Trend of credit costs

(JPY bn)	FY 2015	FY 2016		FY 2017	
	Act	1H Act	Act	1H Act	Revised Plan
Net credit cost (RHD consolidated) (1)	(25.8)	10.5	17.4	7.5	(3.0)

Net credit cost (Total of group banks) (2)	(23.4)	8.6	18.2	9.0	0.5
General reserve (3)	(0.0)	6.0	9.8	2.4	
Specific reserve and other items (4)	(23.4)	2.6	8.4	6.5	
New bankruptcy, downward migration (5)	(43.9)	(9.4)	(19.9)	(9.2)	
Collection/upward migration (6)	20.4	12.0	28.3	15.8	

Difference (1) - (2) (7)	(2.3)	1.9	(0.7)	(1.4)	(3.5)
HL guarantee subsidiaries (8)	2.6	0.7	2.0	(0.2)	
Resona Card (9)	(1.8)	(1.1)	(2.1)	(1.4)	

<Credit cost ratio>		(bps)			
RHD consolidated* ¹	(10)	(9.2)	7.5	6.1	5.2
Total of group banks* ²	(11)	(8.2)	6.0	6.3	6.1

(Note) Positive figures represent reversal gains

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

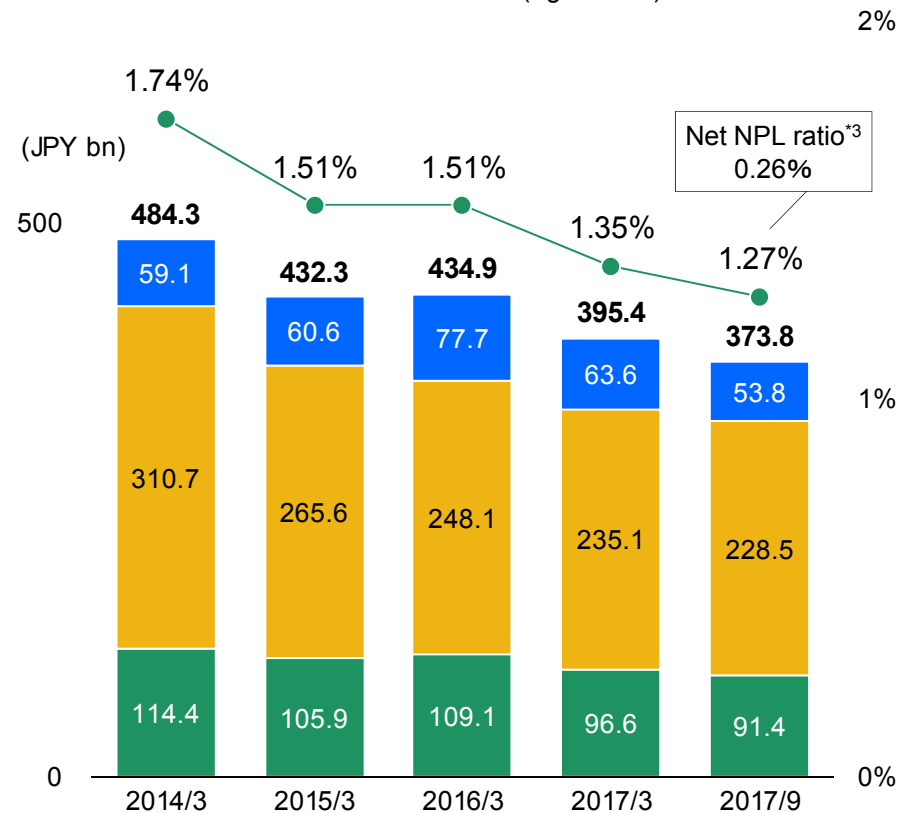
*2. Credit cost / total credits defined under the Financial Reconstruction Act
(Simple average of the balances at the beginning and end of the term)

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

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

(Financial Reconstruction Act criteria)

- Unrecoverable or valueless claims
- Risk claims
- Special attention loans
- NPL ratio (right scale)



Securities Portfolio

Total of
Group Banks

Securities portfolio

(JPY bn)	2016/3	2017/3	2017/9	Unrealized gain/(loss)
Available-for-sale securities ^{*1} (1)	2,459.7	2,403.3	2,289.6	603.3
Stocks (2)	351.5	348.3	346.5	608.9
Bonds (3)	1,681.9	1,431.8	1,248.1	(2.8)
JGBs (4)	760.2	544.1	293.2	(4.3)
Average duration (years) (5)	3.1	7.0	10.8	-
Basis point value (BPV) (6)	(0.24)	(0.38)	(0.31)	-
Local government bonds and corporate bonds (7)	921.6	887.6	954.8	1.4
Other (8)	426.3	623.1	694.9	(2.7)
Foreign securities (9)	239.2	258.0	374.4	(8.1)
Average duration (years) (10)	7.5	9.2	9.2	-
Basis point value (BPV) (11)	(0.16)	(0.22)	(0.33)	-
Net unrealized gain (12)	460.1	555.4	603.3	
Bonds held to maturity ^{*2} (13)	2,383.5	2,277.7	2,176.1	57.6
JGBs (14)	1,879.8	1,771.1	1,683.6	46.0
Net unrealized gain (15)	93.6	67.4	57.6	

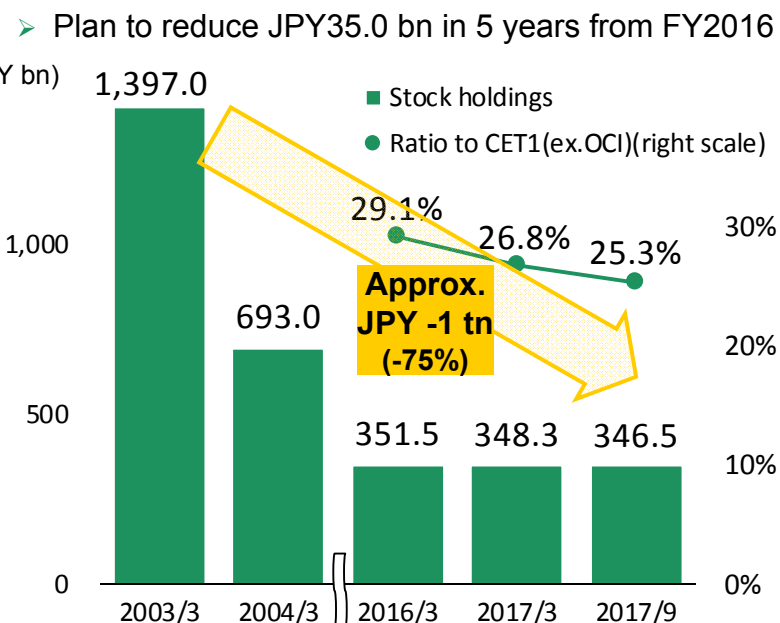
*1. Acquisition cost basis. The presented figures include marketable securities only

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

*3. Excluding OCI (other comprehensive income)

Status of policy-oriented stocks held

- Breakeven Nikkei average: Approx. 5,900 yen
- Decrease in listed stocks in 1H of FY2017 (acquisition cost) : JPY1.8 bn,
Net gain on sale: JPY2.5 bn
- Policy for holding policy-oriented stocks^{*1}
 - 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% of the CET1 capital^{*3} in the medium term.



Capital Adequacy Ratio

RHD
Consolidated

- CAR (Domestic std.) and CET1 ratio* (International std.) as of Sep. 30, 2017 were 11.59% and 9.26%, respectively, maintaining sound capital adequacy level

* Excluding unrealized gain on available-for-sale securities

Domestic standard

(JPY bn)	2017/3	2017/9	Change
Capital adequacy ratio (1)	11.69%	11.59%	(0.10)%
Total capital (2)	1,746.8	1,686.0	(60.8)
Core Capital: instruments and reserves (3)	1,775.9	1,715.1	(60.8)
Stockholders' equity (4)	1,361.5	1,426.0	+64.5
Non-cumulative perpetual preferred stock subject to transitional arrangement (5)	100.0	100.0	-
Subordinated loans and bonds subject to transitional arrangement (6)	281.9	150.9	(131.0)
Core Capital: regulatory adjustments (7)	29.1	29.0	(0.0)
Risk weighted assets (8)	14,930.8	14,542.9	(387.8)
Credit risk weighted assets (9)	13,342.7	12,871.3	(471.3)
Amount equivalent to market risk / 8% (10)	83.1	76.5	(6.5)
Amount equivalent to operational risk / 8% (11)	1,049.7	984.6	(65.1)
Credit risk weighted assets adjustments (12)	455.1	610.3	+155.2

■ Major factors for the change in total capital

- Net interim income attributable to owners of the parent +94.0 bn
- Dividends (25.0) bn
- Acquisition of treasury stock (establishment of ESOP) (4.5) bn
- Redemption of subordinated loans and bonds and other (131.0) bn

(Reference) International standard

(JPY bn)	2017/3	2017/9	Change
Common Equity Tier 1 capital ratio (13)	10.74%	11.65%	+0.91%
Excluding net unrealized gains on available-for-sale securities (14)	8.59%	9.26%	+0.67%
Tier 1 capital ratio (15)	11.40%	12.32%	+0.92%
Total capital ratio (16)	13.81%	13.96%	+0.15%
Common Equity Tier 1 capital (17)	1,653.8	1,749.6	+95.8
Instruments and reserves (18)	1,721.4	1,813.9	+92.5
Stockholders' equity (19)	1,361.5	1,426.0	+64.5
Net unrealized gains on available-for-sale securities (20)	331.8	358.5	+26.7
Regulatory adjustments (21)	67.6	64.3	(3.2)
Other Tier 1 capital (22)	101.2	100.9	(0.2)
Tier1 capital (23)	1,755.0	1,850.6	+95.5
Tier2 capital (24)	369.8	245.7	(124.1)
Total capital (Tier1+Tier2) (25)	2,124.9	2,096.3	(28.5)
Risk weighted assets (26)	15,386.1	15,015.6	(370.4)
Credit risk weighted assets (27)	14,036.9	13,607.2	(429.7)
Amount equivalent to market risk / 8% (28)	83.1	76.5	(6.5)
Amount equivalent to operational risk / 8% (29)	1,049.7	984.6	(65.1)
Credit risk weighted assets adjustments (30)	216.1	347.1	+131.0

■ (Reference) Group Banks

Domestic standard (JPY bn)	Resona (Consolidated)	Saitama Resona (Non-consolidated)	Kinki Osaka (Consolidated)
Capital adequacy ratio (31)	10.97%	12.16%	11.88%
Total capital (32)	1,150.5	339.0	156.7
Risk weighted assets (33)	10,482.0	2,786.5	1,318.5

Earnings Targets for FY2017(Released in November 2017)

RHD Consolidated
Total of Group Banks

RHD consolidated					Common DPS			
(JPY bn)	1H FY'17 (Actual)	Revised full-year target	Change from original target	YoY change		DPS	Change from original forecast	Change from previous year
Net (interim) income attributable to owners of the parent (1)	94.0	165.0	+15.0	+3.6	Common stock (annual) (3)	20.0 yen	No Change	+1.0 yen
Difference (1)-(11)+(12) (2)	7.0	15.5	(3.5)	(2.4)	Interim dividend (4)	10.0 yen	No Change	+0.5 yen

- Revised full-year earnings target shown above does not incorporate the expected reduction in corporate tax burden (of approximately JPY70 bn) mentioned in the previous announcement dated Sep. 26, 2017, which will materialize when the share exchanges relating to the management integration among the 3 regional banks in the Kansai region are implemented.

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

(JPY bn)	Total of group banks					Resona Bank				Saitama Resona Bank				Kinki Osaka Bank			
	1H FY'17 Actual	effect of realignment *1	Full year target	Change from original target	YoY change	1H FY'17 Actual	Full year target	Change from original target	YoY change	1H FY'17 Actual	Full year target	Change from original target	YoY change	1H FY'17 Actual	Full year target	Change from original target	YoY change
Gross operating profit (5)	261.2	4.9	524.0	+2.5	+6.3	173.7	357.0	(0.5)	+4.8	62.0	120.0	–	(2.1)	25.4	47.0	+3.0	+3.7
Operating expenses (6)	(160.9)	–	(325.5)	–	+1.2	(105.5)	(214.5)	–	(0.3)	(37.0)	(74.0)	–	+0.8	(18.3)	(37.0)	–	+0.6
Actual net operating profit (7)	100.2	4.9	198.5	+2.5	+7.6	68.2	142.5	(0.5)	+4.6	25.0	46.0	–	(1.2)	7.0	10.0	+3.0	+4.3
Net gains on stocks (including equity derivatives) (8)	57.2	52.9	64.0	+53.0	+60.8	43.2	48.0	+38.0	+48.3	12.8	14.0	+13.5	+11.4	1.1	2.0	+1.5	+1.1
Credit related expenses (9)	9.0	–	0.5	+11.5	(17.7)	6.1	2.0	+9.0	(12.7)	2.1	(1.5)	+1.0	(2.3)	0.7	–	+1.5	(2.6)
Income before income taxes (10)	160.5	57.9	249.5	+65.0	+47.8	112.7	185.0	+45.0	+42.5	39.0	54.5	+13.5	+5.0	8.7	10.0	+6.0	+0.3
Net (interim) income (11)	144.9	72.0	207.5	+76.5	+64.0	106.1	157.5	+57.5	+56.2	31.3	41.5	+13.5	+6.8	7.5	8.5	+5.5	+1.0
Profit from intra-group transactions*1 canceled out in a consolidation process (12)	57.9	–	57.9	–	–												

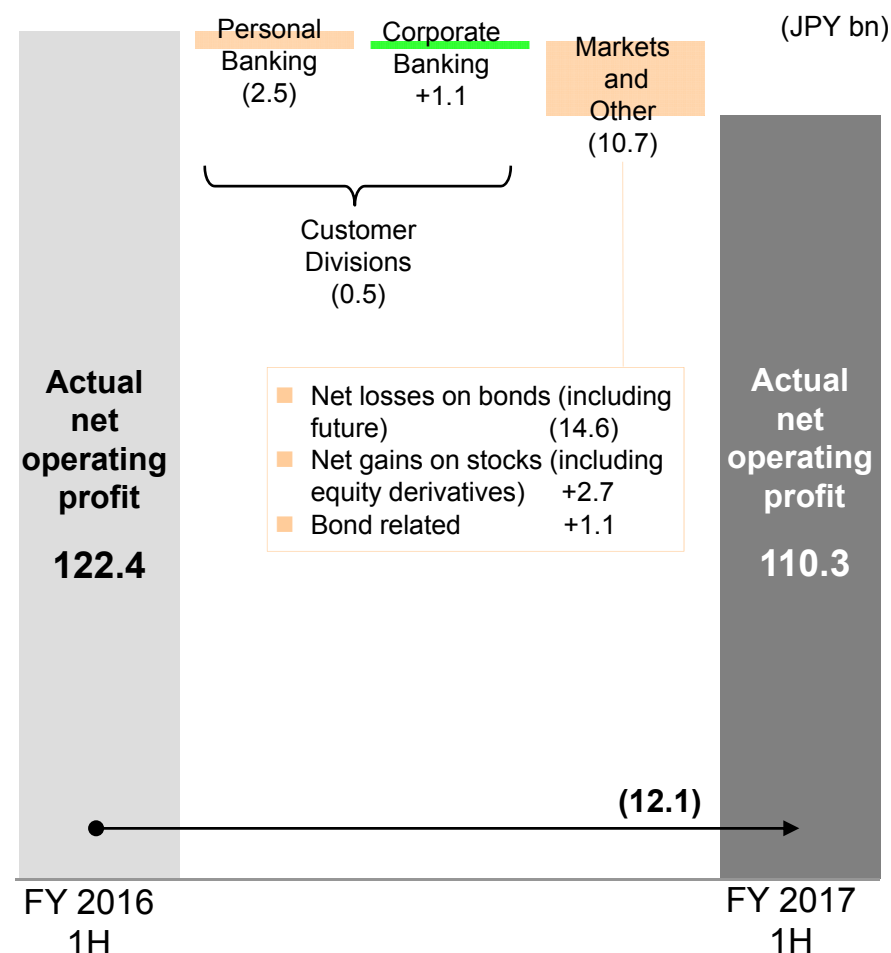
*1. Realignment of loan guarantee subsidiaries

(Reference) Outline of Financial Results of Each Segment (1)

RHD
Consolidated

**Actual net operating profit decreased by JPY12.1 bn YoY
due to profit decrease in market segment**

(JPY bn)		FY2017 1H	YoY Change
Customer Divisions	Gross operating profit (1)	245.3	(3.9)
	Operating expense (2)	(165.2)	+2.6
	Actual net operating profit (3)	80.3	(1.3)
Personal Banking	Gross operating profit (4)	113.0	(5.2)
	Operating expense (5)	(86.4)	+2.7
	Actual net operating profit (6)	26.5	(2.5)
Corporate Banking	Gross operating profit (7)	132.3	+1.3
	Operating expense (8)	(78.7)	(0.1)
	Actual net operating profit (9)	53.7	+1.1
Markets and Other	Gross operating profit (10)	34.4	(10.9)
	Operating expense (11)	(5.1)	(0.6)
	Actual net operating profit (12)	29.9	(10.7)
Total	Gross operating profit (13)	279.8	(14.8)
	Operating expense (14)	(170.3)	+1.9
	Actual net operating profit (15)	110.3	(12.1)



Definition of management accounting

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

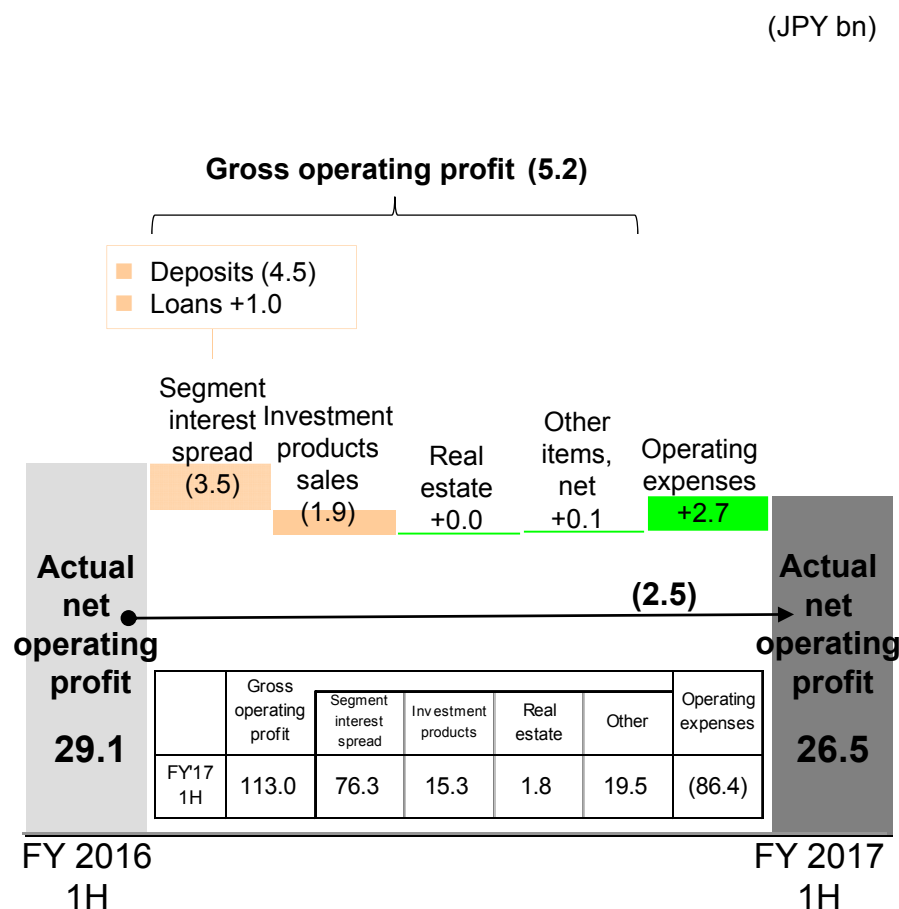
(Reference) Outline of Financial Results of Each Segment (2)

RHD
Consolidated

Personal Banking Segment

- Actual net operating profit : decreased by JPY2.5 bn YoY
 - Decreased mainly due to decline in profit from deposits and operating expenses improved.

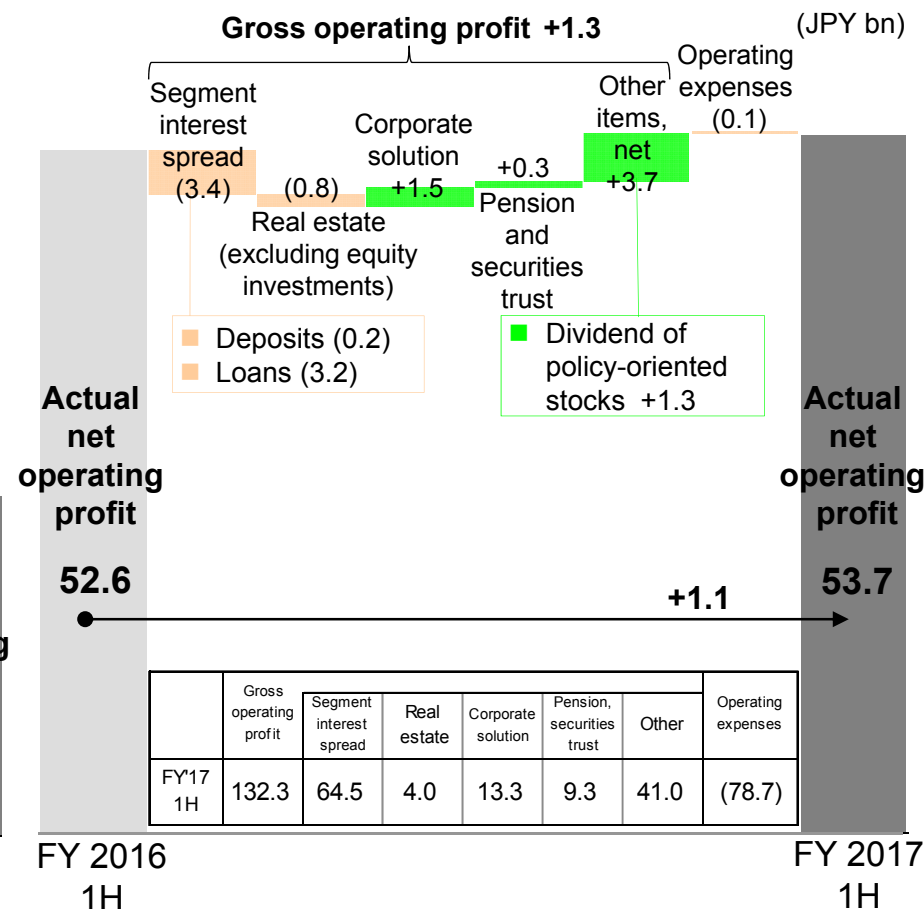
【 Comparison of actual net operating profit 】



Corporate Banking Segment

- Actual net operating profit : increased by JPY1.1 bn YoY
 - Corporate solution and trust related fees are robust.

【 Comparison of actual net operating profit 】



**Outline of Business Results for 1H of FY2017
and Updates on Major Businesses**

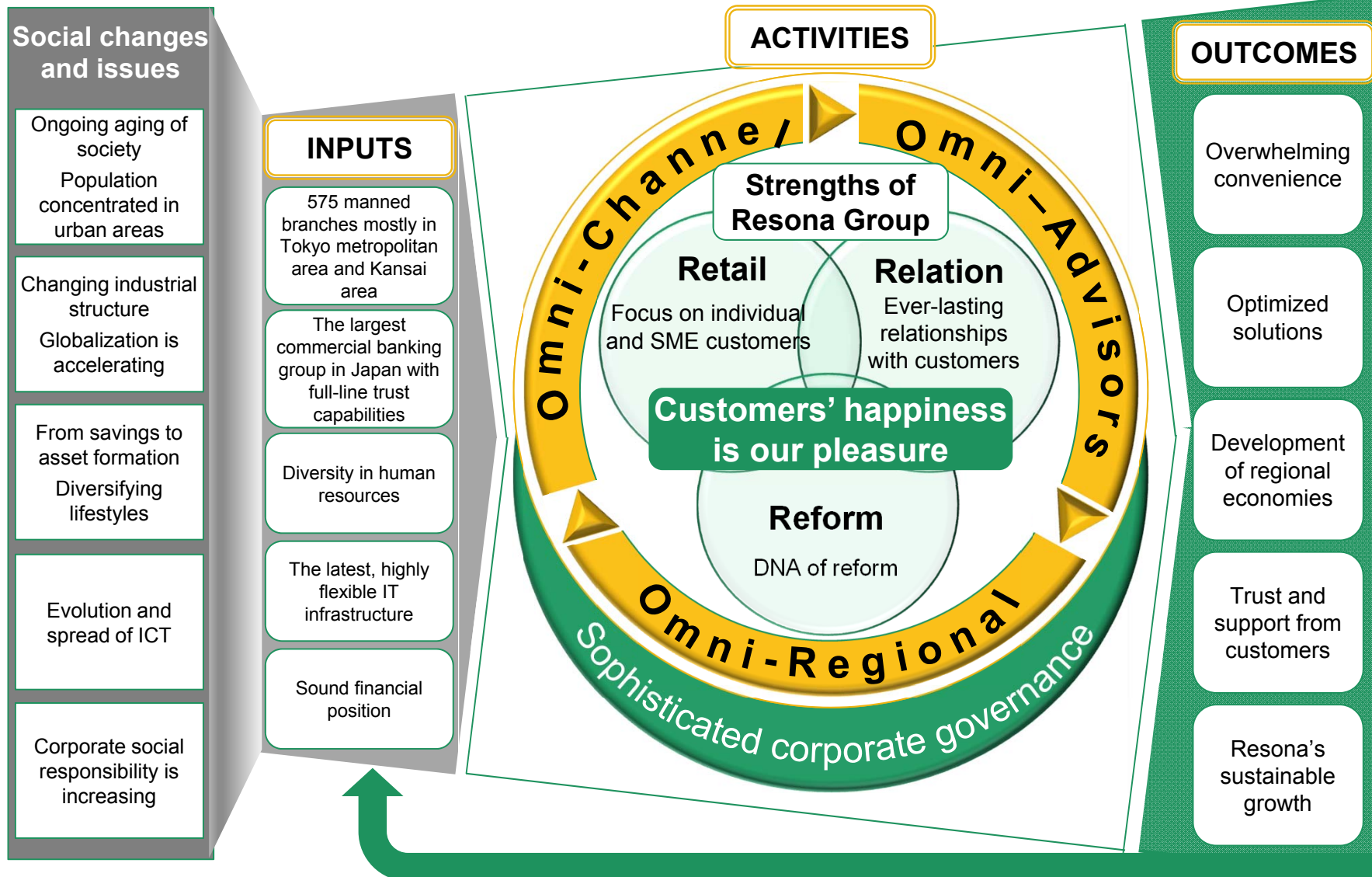
**Efforts to Business Challenges
for Sustainable Growth**

Direction of Capital Management

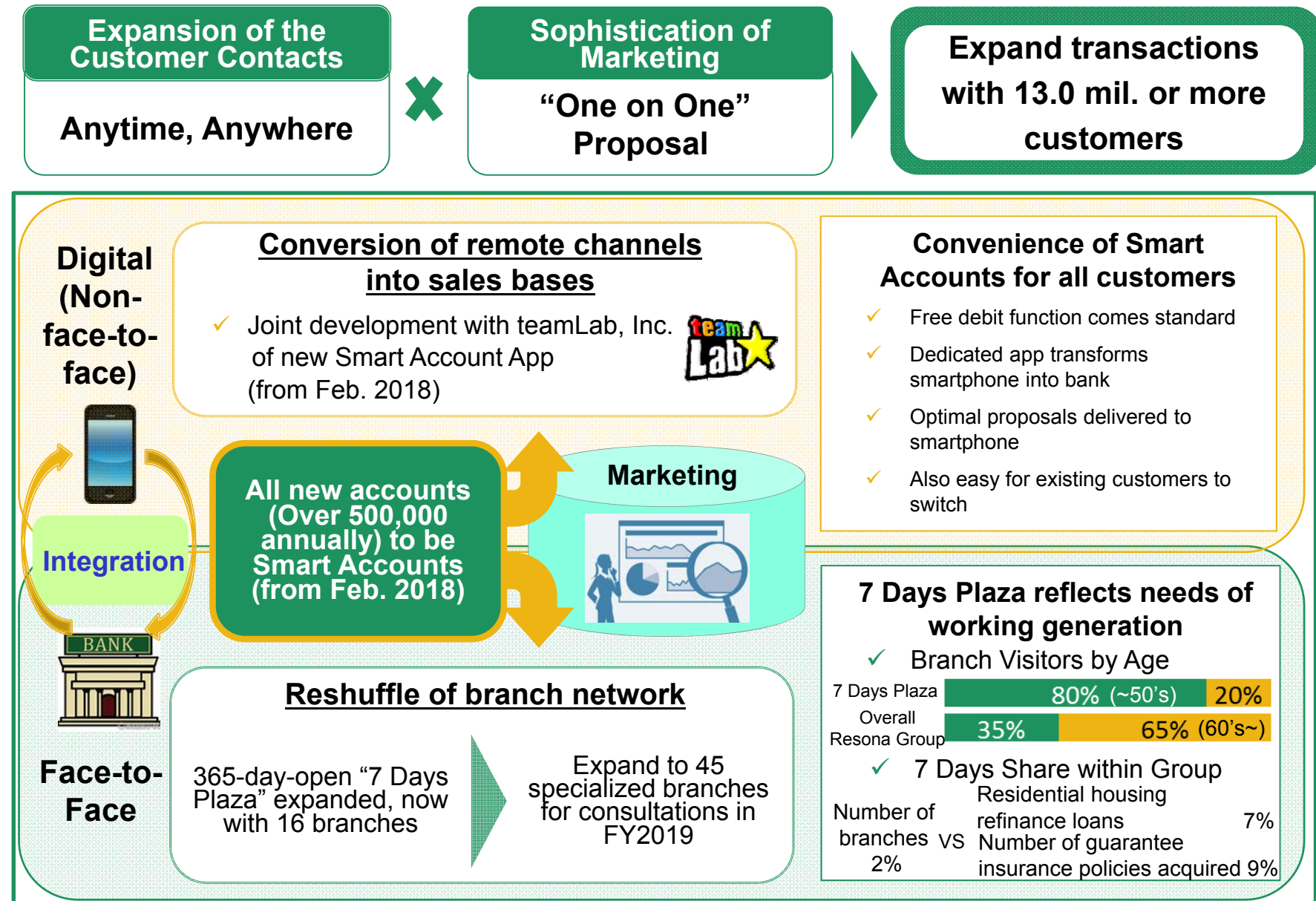
Reference Material

Value Creation Model for Becoming the “Retail No.1” Financial Services Group

Resona Group contributes to regional economies
and achieves sustainable growth together with its customers



Omni-Channel Strategy



Omni-Advisors Strategy

Expand Base of Long-Term Stable Customers through Consultants who can understand true latent needs of customers

- **Develop a corporate culture of highly customer-oriented awareness for all corporate and individual customers to provide “Independent Financial Advisor”-type service**

5 Attitudes of Omni-advisors

- “Customers' happiness is our pleasure”
- Draw out customer concerns
- Provide solution options and information that lead to solutions
- Propose what is thought good for the customer's future
- Turn down what is thought not good for the customer's future



3 Elements of Omni-advisors

Commitment to solutions

Communication skills

Extensive experience

- **Expand profit opportunities with all 26,000 Resona staff providing solutions**

Differentiate with Omni-advisors

Front
Client relations,
tellers, call
centers

Friendliness and
understanding of
concerns to bring out
latent needs

Back
Administration,
headquarters

Support front from
customer standpoint;
promote digitalization

(Initiative Examples)

New use of succession-related
trust function
1H FY'17 2,113 (+30% YoY)

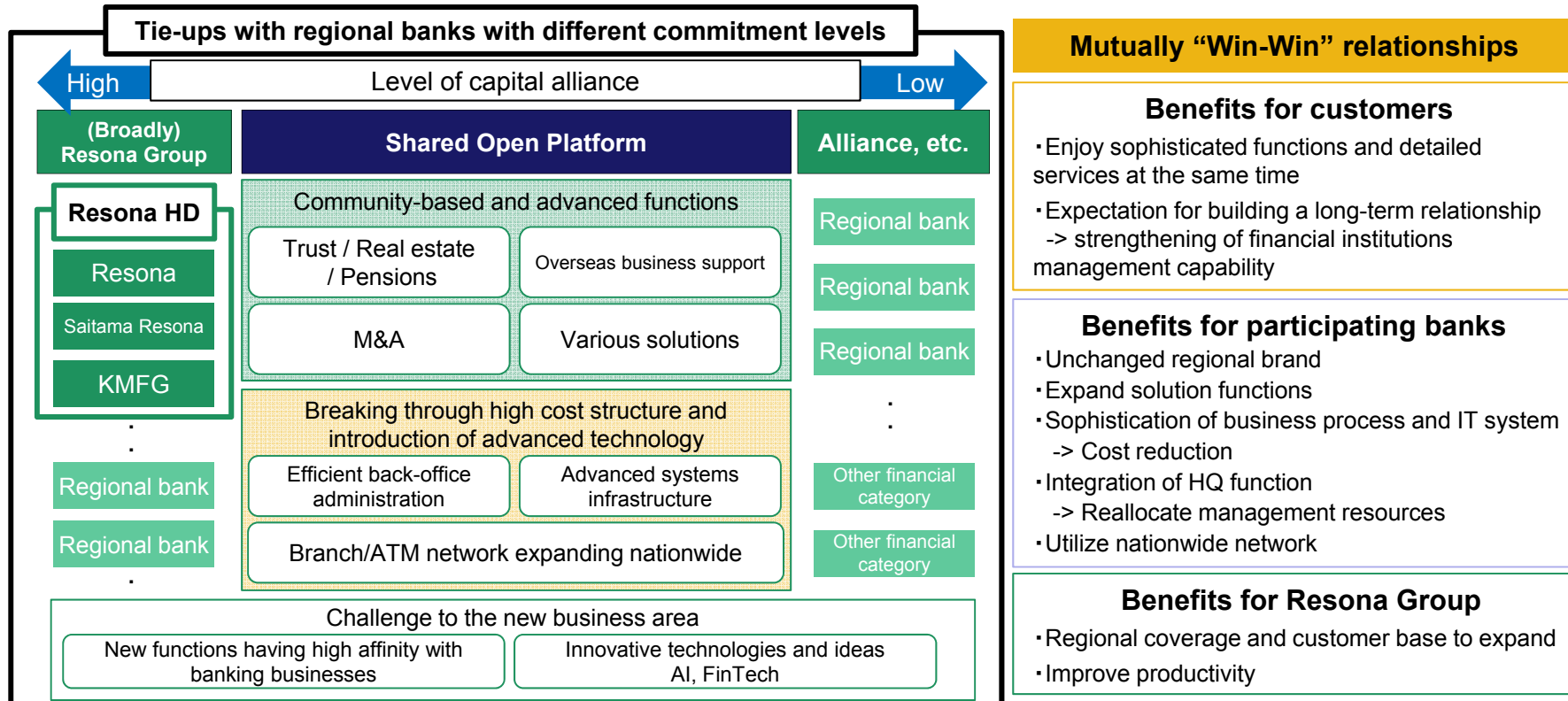
First insurance application system
for Japanese bank
1/3 customer application time

Expansion of Revenue Per Employee (Simulation)

(Millions of yen)	FY'16	FY'19
Consolidated Gross Profit	19.4	22.3
Consolidated Fee Income	5.5	7.6

Establishment of Omni-Regional Platform

Create new profit opportunities through providing new value to more customers



Creation of Kansai Mirai Financial Group (1)

Management principles

As a financial group which will advance together with the future of the Kansai region,
Grow with its customers,
Create a prosperous future for communities it serves,
Make innovative changes for continuous evolution

Overview (April 2018, at the time of integration)		FY 2016 (Total of 3 banks)	Management goal (In 5 years)
Head office address	2-1 Bingomachi 2-chome, Chuo-ku, Osaka		
Representative	Tetsuya Kan	Gross operating profit	Y148.2 bn
Governance structure	Company with audit and supervisory committee	Operating expense	Y113.2 bn
Major shareholder and ownership ratio	Resona Holdings 51% (100% at time of establishment)	Actual net operating profit	Y34.9 bn
Share listing	First Section of Tokyo Stock Exchange	OHR	76.4%
			Less than 60%

Policy Development from April 2018

Eliminating risks as much as possible, implement the systems integration with a sense of overwhelming speed

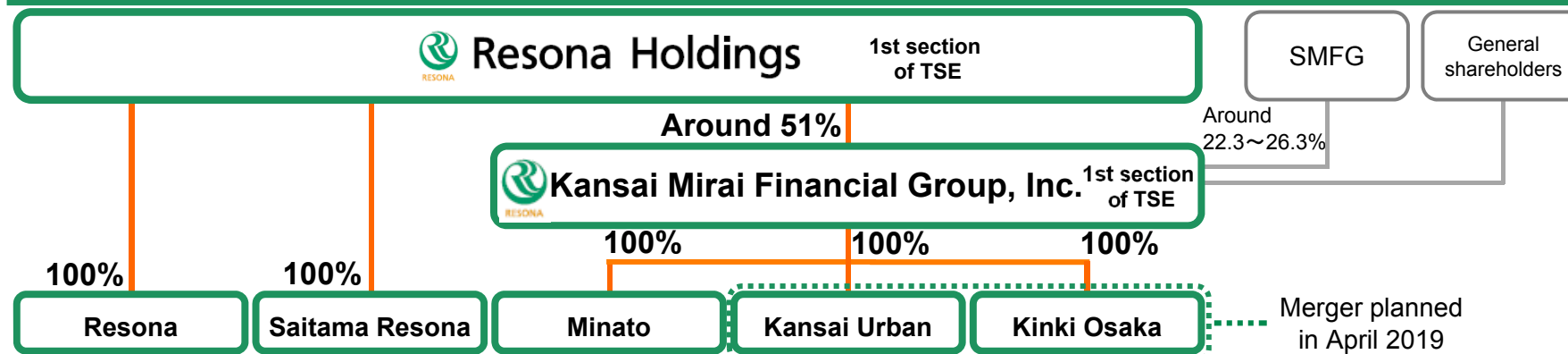
- Kansai Urban and Kinki Osaka to merge one year after integration, and to be integrated into the Resona Group's administrative functions and systems six months thereafter. In another year, Minato's system integration is planned.

	FY2017		FY2018				FY2019				FY2020		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Kansai Urban			Integration	Preparations for merger			Merger	System integration					
Kinki Osaka													
Minato								Preparations for systems integration				System integration	

- Targeting early realization of multifaceted integration synergies through maximum utilization of Group functions, expertise and other resources
 - Utilization of trust and real estate functions, etc.; streamlining of headquarters organizations and channel realignment; more advanced capital management systems; etc.

Creation of Kansai Mirai Financial Group (2)

Establish largest operating base in Kansai and strengthen foundation of Japan's largest retail financial group



The largest retail-focused banking group with full-line trust capabilities in Japan

FY2016 Balance: Y trillion Profit: Y billion	Resona Group (Total of 5 banks)	Resona	Saitama Resona	KMFG (Total of 3 banks)	Minato	Kansai Urban	Kinki Osaka
Total assets	56.5	30.9	13.9	11.6	3.4	4.5	3.5
Trust assets	26.6	26.6	-	-	-	-	-
Loans	34.7	18.8	7.0	8.8	2.5	3.8	2.4
Deposits	47.8	24.9	12.5	10.4	3.1	4.0	3.2
Net profits	150.4 ^{*1}	101.3	34.7	28.1	6.6	14.0	7.5
Number of branches	840	334	127	379	106	155	118

Equity finance not conducted, so increase in EPS, BPS

EPS	Increase through KMFG contribution profit (current term projection basis; JPY 8.8 bn ^{*2})	Further expand by demonstrating integration synergies
BPS	Acquired net assets, Projected recognition of DTA of approx. JPY 70.0 bn from KO transfer	

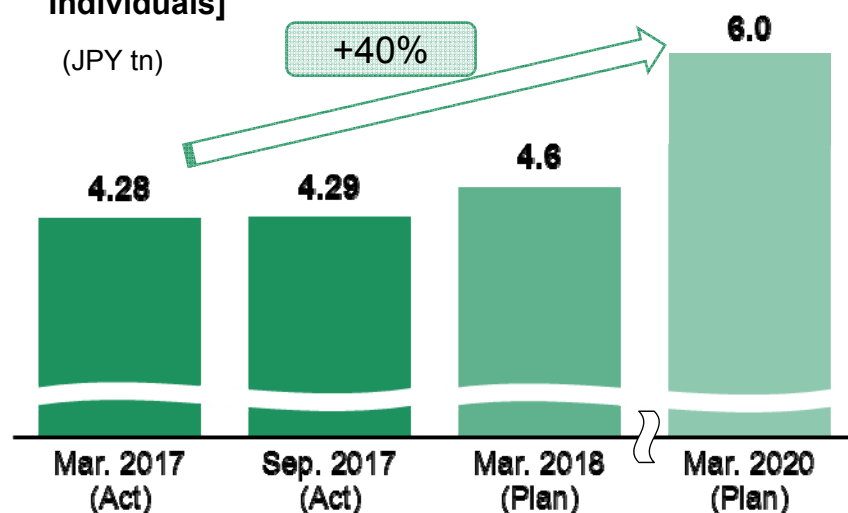
^{*1} Kansai Mirai FG profit calculated as 51% of the sum of the three banks. ^{*2} After incorporating change from equity ratio (the effect of realignment of loan guarantee subsidiaries is excluded from KO's revised earning target for FY'17 released in Nov. 2017)

Asset Formation Support Business

Increase asset formation support products balance based on fiduciary duty

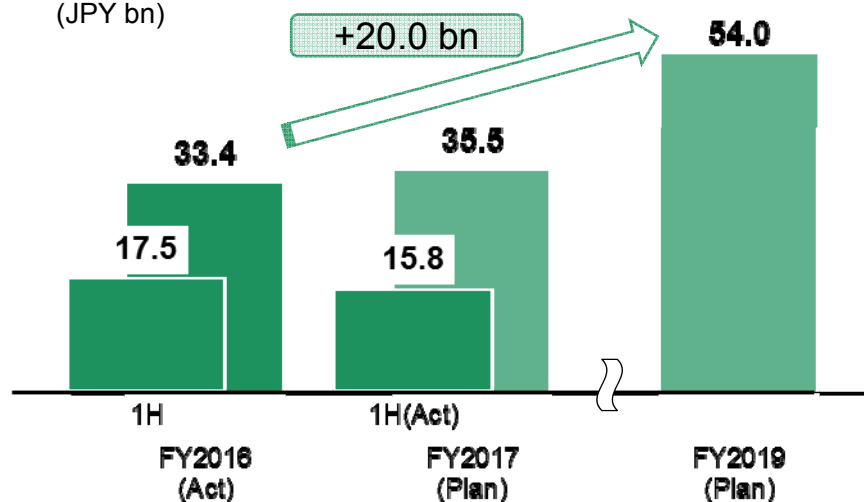
[Balance of Asset Formation Support Products for Individuals]

(JPY tn)



[Income from asset formation support]

(JPY bn)

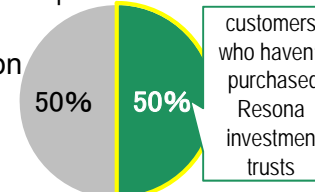


Detailed consulting tailored customers

[Fund Wrap]

- Began handling Feb. 2017
-> Balance in '17/9 exceeded JPY150.0 bn
- Propose optimal asset allocation from 60 types of portfolios
- Stable management via long-term diversified investment utilizing annuity know-how
- 87% of 60 types of portfolios have achieved targeted return (as of Oct., 17)

Fund Wrap Customer Attributes



Long-term support for asset formation segment

■ Legal and Tax Backup (iDeCo, NISA)

[iDeCo (Individual-type Defined Contribution Pension Plan)]

- DC Act revisions: Eligible members increase to 67 million
- Resona iDeCo members as of '16/9: 27,000, increase as of '17/9 to 58,000
- Tsumitate Plaza openings: Hirakata ('17/10), Yaesu ('17/11)
- Simple online entry on dedicated iDeCo site
- Consultations at approx. 600 Group branches; Among lowest fees in the industry

[Tsumitate (Savings) NISA]

- Began handling Oct. 2017 (program launches in Jan. 2018)
- Simple, low-cost product lineup optimal for long-term investment
- Easily complete account opening, product selection/purchase, and closing online or using smartphone (from 2018)

Settlement Business

Acquire broad-based and stable revenues by providing progressive, highly convenient settlement services

Strengthen Debit Card Strategy

[Introduce new product] (Oct. 2017~)

- Giving all customers convenience and a great deal



[With eMoney, no need for charge]

Penetration of Resona Debit

(1H FY'17)

Usage amount : +30% YoY

Number handled : +50% YoY

Increase account set rate

Increase convenience

For all customers

Expanded use

Include as standard with new accounts

Contactless integrated circuit card type

Integrated with cash card

Use at worldwide ATMs

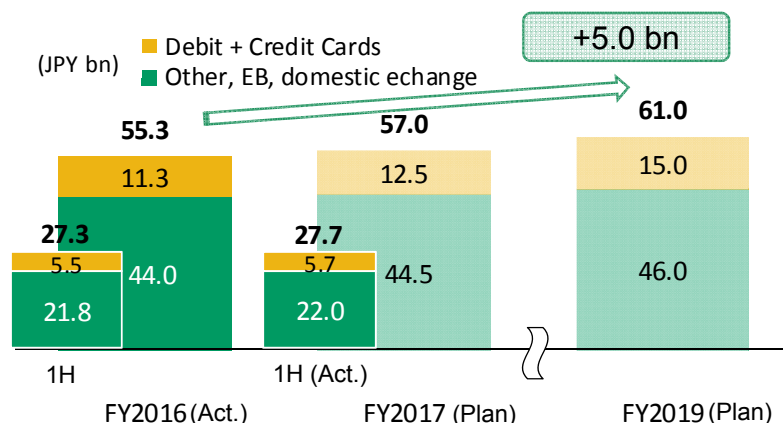
Instantly issued at all branches

Highest level security

Free of charge

Introduce debit app (Jan. 2018~)

[Settlement-Related Income]



Utilize Group Company Functions

Resona Kessai Service

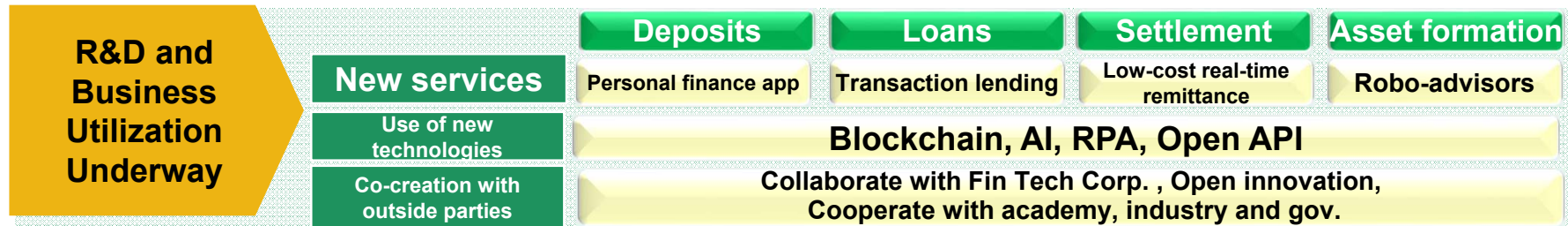
- Provide diverse, channel-based settlement service on total Group basis
 - Resona Flex Guarantee (Factoring with guarantee)
 - Resona Pay Resort (EC multi-settlement service)

Resona Card

- Solve issues related to corporate/individual settlement
 - Major corporate card (link with expense settlement system)

Utilization of FinTech

Utilize advanced technologies to pursue greater customer convenience and higher productivity



New Smart Account App (Feb. 2018~)

- Personalized proposals (marketing engine)
 - > Provide insights
 - > Promote use of diverse services
- (Sample message)

You're in your 20's. Did you know that average savings for someone in your generation is ¥X00,000? How about starting a savings account? It's easy.



Smartphone Settlement Service "PayB" (Jan. 2018~)

- Pay anytime, anywhere with barcode
 - > provide diverse payment methods -> More efficient

Scan barcode

Enter PIN

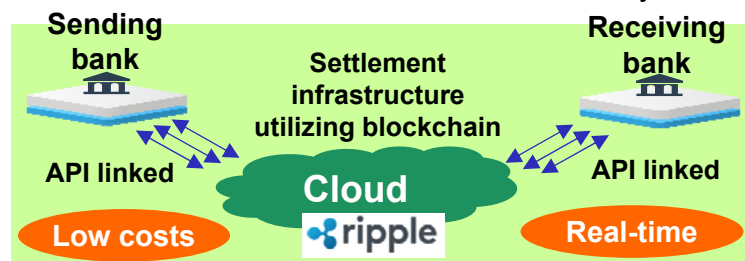
Payment complete !



(Business alliance with Billing System Corp.)

Blockchain Utilization

- Joined a consortium aiming at building up a new platform for domestic and international real time money transfers



Asset Formation Robo-Advisor

- Investment trust selection support function (Nov. 2017~)
- Defined contribution pension plan management support function (FY'18~)

Open Innovation

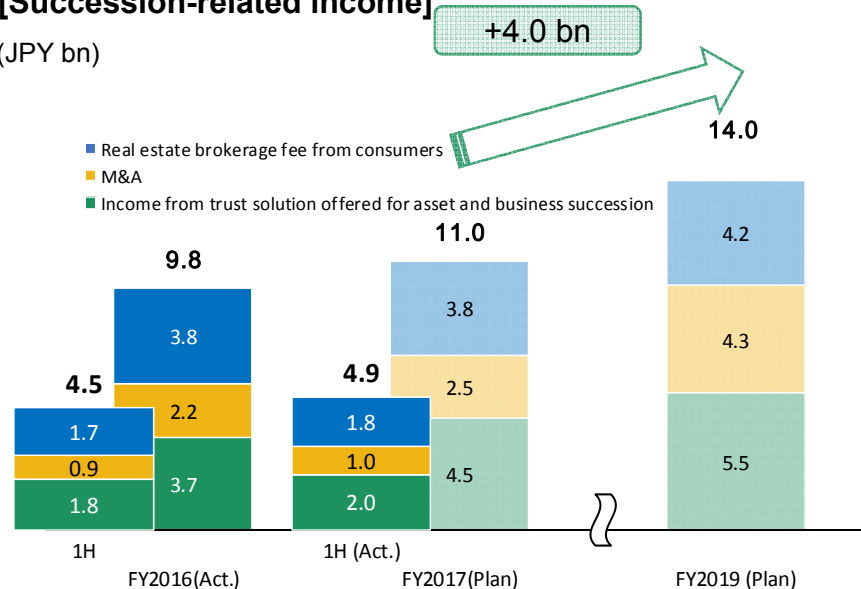
- Participate in outside R&D groups to consider on utilizing new technologies in business
- Collaboration with start-ups through Accelerator Program
 - e.g. : DG Lab (Digital Garage Inc.), Kobe Open Accelerator (Kobe City)

Succession Business

Expanding transactions with succession solutions that utilize strength in trusts

[Succession-related income]

(JPY bn)

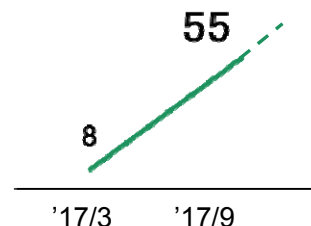


Approach latent premium segment (800,000)

Identify customers with latent needs based on asset background

Expand solution provision system qualitatively & quantitatively

Increase premium offices with dedicated consultants



✓ Promote/penetrate trust/real estate functions
-> Project stock 1 year after establishment (pre-introduced) **3x**

✓ Branch staff training

('17/3)

FP (1st grade)
approx. 1,000

FP (2nd grade)
approx. 10,000

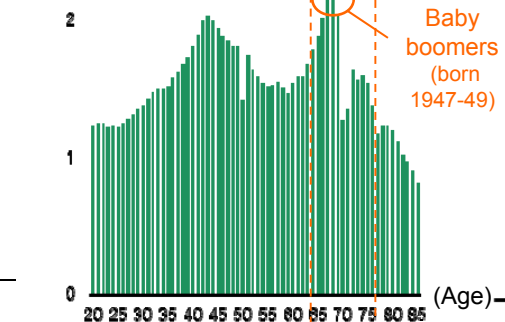
Real-estate
Notary
approx. 5,000

⇒ Further **Expansion**

Expanding succession market

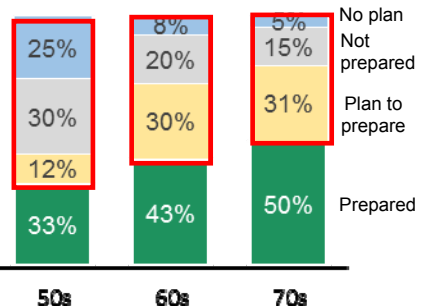
Population estimates by age*1

✓ With mounting business succession needs, 65-75 age group to peak in 10 years



Business succession preparations*2 (by president's age)

✓ Over approx. half of SMEs have not prepared for business succession



Succession solutions opportunity for multifaceted transactions

Retail customer base of commercial bank

• Trust and real estate
• Solutions and services of commercial bank

Succession solutions through manned branches of the commercial bank network

Develop into multifaceted transactions including next generation

Will trust

Investment
trust /
Insurance

Apartment
loan

Business
succession

Real
estate

*1 Statistics Bureau, Ministry of Internal Affairs and Communications Population Estimates (as of Oct. 1, 2016)

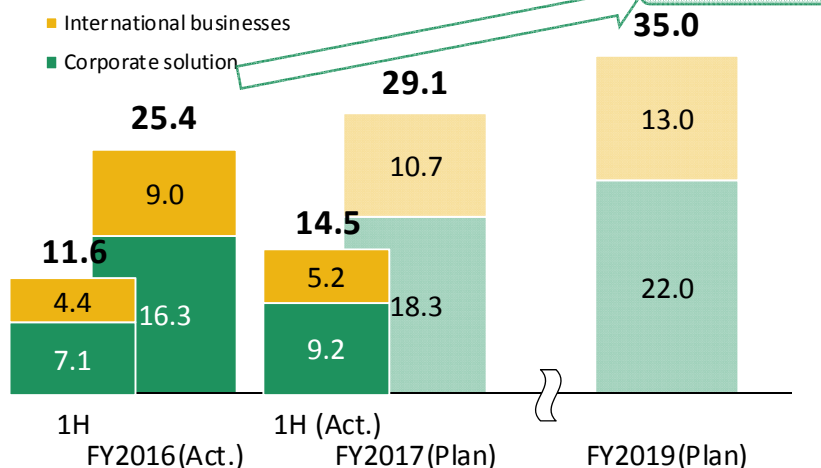
*2 Small and Medium Enterprise Agency's "Business Succession Manual for Business Owners"

SME Business

Deepening transactions with 400,000 total corporate customers through growth stage-based solutions

[Solutions/international business income]

(JPY bn)



Conversion

Growth
Maturation

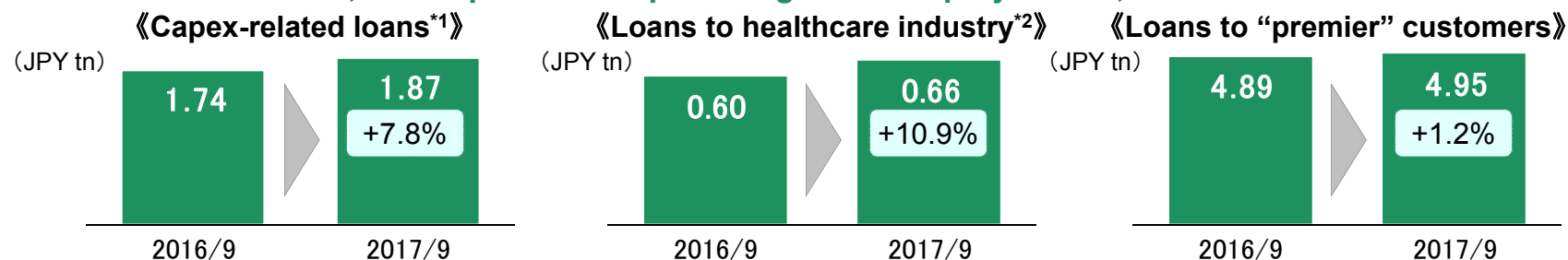
Founding

- Strengthen information linkage with regional financial institutions nationwide through M&A platform (from Nov. 2016)
- Utilize know-how of Resona Research Institute to strengthen consulting on transfer/discontinuation
- Utilize asset management know-how, etc. of Resona AM to strengthen services for corporations with surplus funds
- Utilize RMBA (from July 2017) to strengthen overseas support initiatives
- Strengthen support for management through "Start-up Support Pack"(EB, card, consulting), Start-up Support School (from April 2017) and membership-based website and other
- Plan to start business loans in second half of this fiscal year

[Loans to SMEs]

Sep. 2017 : ¥10.7 tn (+4.8% YoY)

- In providing loans through Tokyo metropolitan and Kansai region networks, put to work trust and real-estate functions, and experience of providing financial projections, etc.



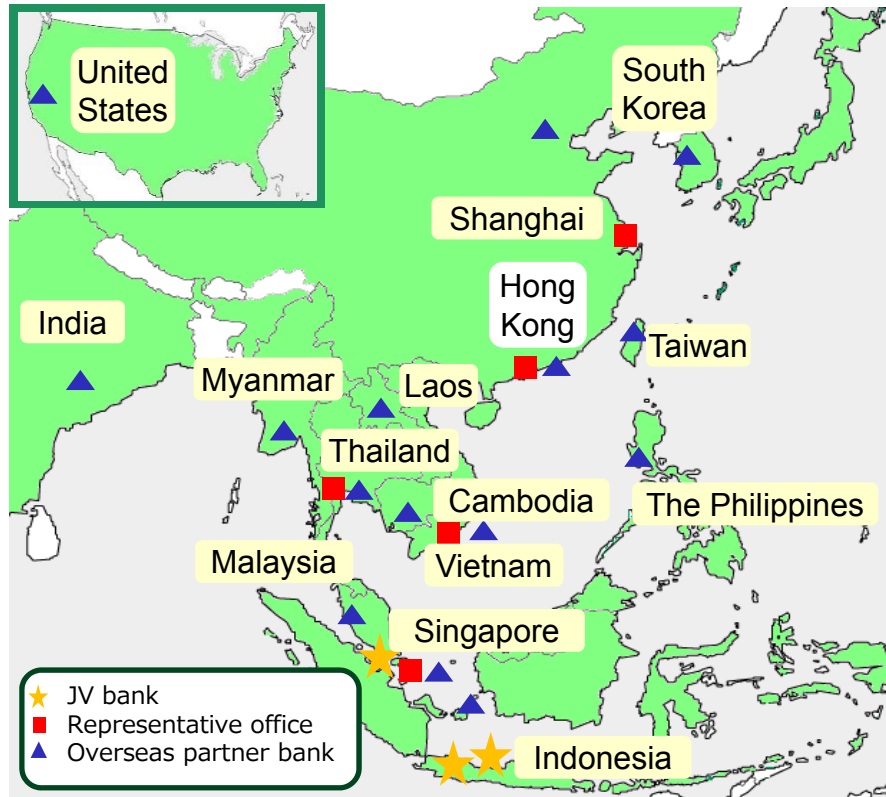
*1. Excluding loans to individuals, non-residents, and real estate sector companies

*2. Loans to medical and nursing care institutions and welfare facilities

International Business

Comprehensive support for customers' overseas business development, centering on Asia and U.S.

- Services offered by corporation among domestic branches, JV bank, representative offices and partner banks



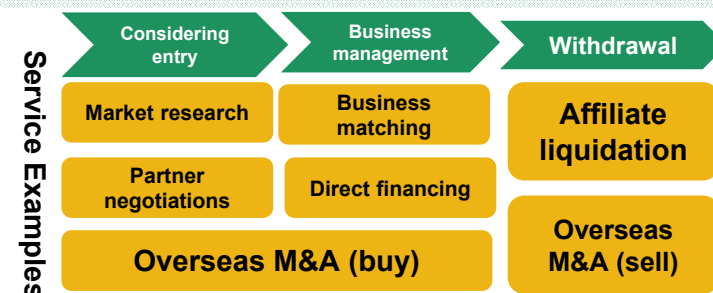
Supports by Domestic Headquarters/Branch

Approx. 600 Domestic Branches

- Branches: Strengthen consultative capacities
- Headquarters: Full support system via dedicated team
- Digital: On-line FX functions, e-rate service
- Information provision: Actively hold meetings, seminars, etc.

[Resona Merchant Bank Asia] (Singapore)

- Provide various solutions based on overseas business stage in Singapore and surrounding countries



[P.T. Bank Resona Perdania] (Indonesia)

- JV bank with 60 years of local experience (started business in 1958)

[Representative Offices]

5 Overseas Offices

- Provide custom-targeted local information

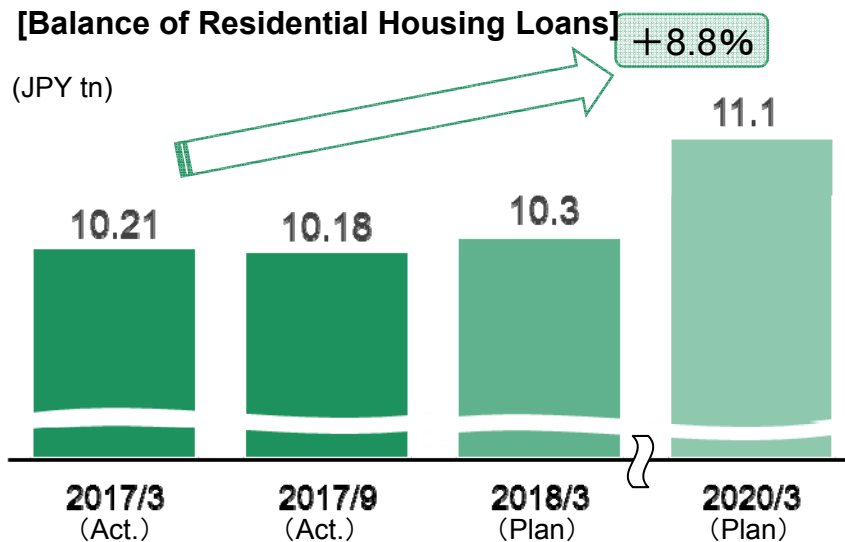
[Partner banks]

17 Banks in 14 Countries Overseas

- Provide dominant branch network of a local financial institution and full slate of banking functions locally
- Assign Company employees to five partner banks and provide services in Japanese at Japan desk

Individual Loan Business

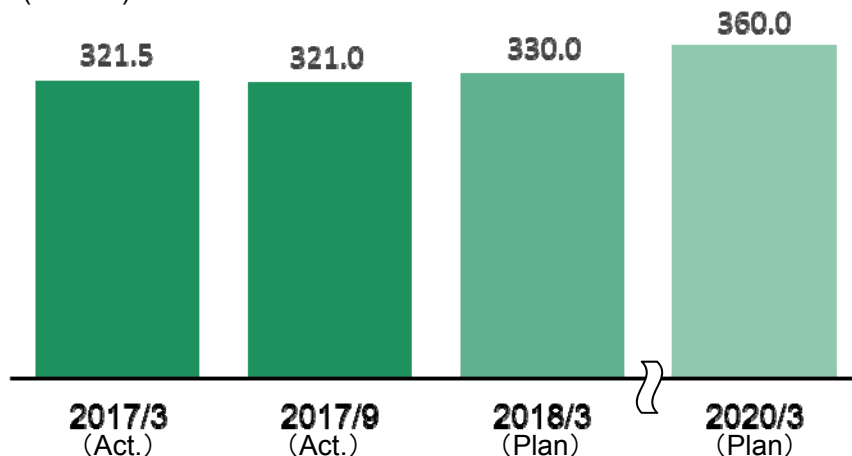
Achieve multifaceted transactions with more customers starting with financing for living



[Balance of Consumer Loans]

■ 90% of customers are loyal customers engaged in multifaceted transactions

(JPY bn)



Expand share of loans to individuals and increase profitability

Open, screening and execution on holidays

Nation-wide service through Smart Store

High value-added products

✓ Danshin Kakumei

✓ Women's support loans

Digitalization

Reduce administrative load
Improve Marketing capabilities

Strict Screening

Multifaceted Transactions Increase with Use of Residential Housing Loan

[Residential Housing Loan vs. No Residential Housing Loan]

Salary, Pension

1.6 times

Resona Card

1.8 times

Web transaction

1.6 times

Insurance

2.6 times

Investment trust

1.5 times

Consumer loan

3.3 times

Consumer Loan Initiatives

Meet sound financing needs

Appropriate information provision

Detailed product design

Change standard for acquiring proof of income

Review expressions used in advertising, etc.

Process Reform: Full-Scale Digitalization

Strengthen marketing capabilities and raise cost competitiveness through digitalization

Situate optimally sized branches in optimal locations

Improve customer convenience

- ✓ No-rush consultations at branches in convenient locations
- ✓ For simple procedures, speedy online
- ✓ Seal-less for convenience and security

Improve Resona's productivity

- ✓ Challenge of "zero clerical work" -> Branches as consultation centers
- ✓ Large decrease in staff members per branch
- ✓ Flexibility increase branches operating with small staffs

Policy development with emphasis on speed

Branch digitalization

- ✓ All branches to have instant card issuers (by Feb.'18)
- ✓ All branches to offer seal-less accounts (by Feb. '18)
- ✓ All branches to utilize tablet devices (by Feb. '18)

Client relations digitalization

- ✓ Tablet devices provided to client relations staff **Completed**
- ✓ Corporate sales support system launch (by May. '18)

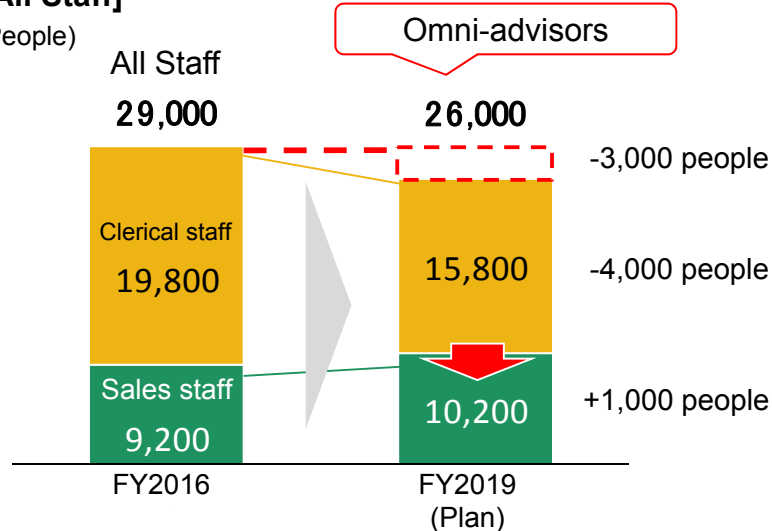
AI/RPA

- ✓ Introduce AI for administrative navigation and call centers **Completed**
- ✓ Operational efficiency of HQ and back office by RPA **Completed**

Reduce total staff by 3,000 and shift 1,000 to sales by March 2020

[All Staff]

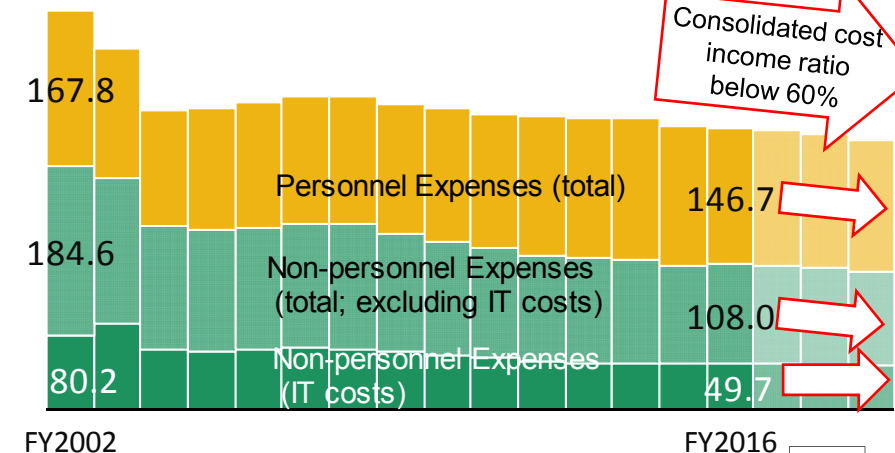
(People)



Consolidated cost income ratio below 60% in FY2019

[Personnel/Non-personnel Expenses (Total of group banks)]

(JPY bn)



Corporate Governance System

The first Japanese banking group which adopted a committee-based corporate governance structure in 2003 for management transparency and objectivity

Outside directors

 <p>Tadamitsu Matsui Chairperson, Nominating Committee Member, Compensation Committee Representative Director and President of MATSUI Office Corporation (Former Representative Director and Chairperson of Ryohin Keikaku Co., Ltd.)</p>	 <p>Mitsudo Urano Chairperson, Compensation Committee Senior Advisor of Nichirei Corporation (Former Representative Director and Chairperson of Nichirei Corporation)</p>	 <p>Yoko Sanuki Chairperson, Audit Committee Attorney-at-law (Representative of NS Law Office)</p>
 <p>Toshio Arima Member, Nominating Committee Member, Compensation Committee Chairperson of the Board, Global Compact Japan Network (Former President and Representative Director of Fuji Xerox Co., Ltd)</p>	 <p>Hidehiko Sato Member, Nominating Committee Member, Audit Committee Attorney-at-law (Hibiki Law Office) (Former National Police Agency Commissioner)</p>	 <p>Chiharu Baba Member, Audit Committee (Former Deputy President of Mizuho Trust & Banking Co., Ltd.)</p>

Internal directors

 <p>Kazuhiro Higashi President and Representative Executive Officer</p>	 <p>Tetsuya Kan Representative Executive Officer President and representative director of KMFG in Nov. '17</p>	 <p>Toshiki Hara Representative Executive Officer</p>	 <p>Kaoru Isono Member, Audit Committee</p>
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Board of Directors

- Majority of the Board members are independent outside directors with wide range of knowledge
 - Elects chairperson of the Board after conducting an annual analysis and self-evaluation of the Board
 - Free discussion sessions are held adding to the board to discuss on strategic matters

Nominating Committee

- Introduced succession plan in July 2007
- Ensure objectivity by drawing on the advice of outside consultants

Compensation Committee

- Abolished corporate performance based compensation, introduced Performance Share Unit Plan in 2017

Audit Committee

- Introduced double report line system in 2016

Outline of Business Results for 1H of FY2017 and Updates on Major Businesses

Efforts to Business Challenges for Sustainable Growth

Direction of Capital Management

Reference Material

Direction of Capital Management

Continue allocation policy of equal weight to 1) investment for future growth,
2) higher capital adequacy, and 3) enlargement of shareholder return

- Impact of KMFG establishment on capital adequacy ratio is recoverable soon and no change to the equal weight allocation policy

CAR target

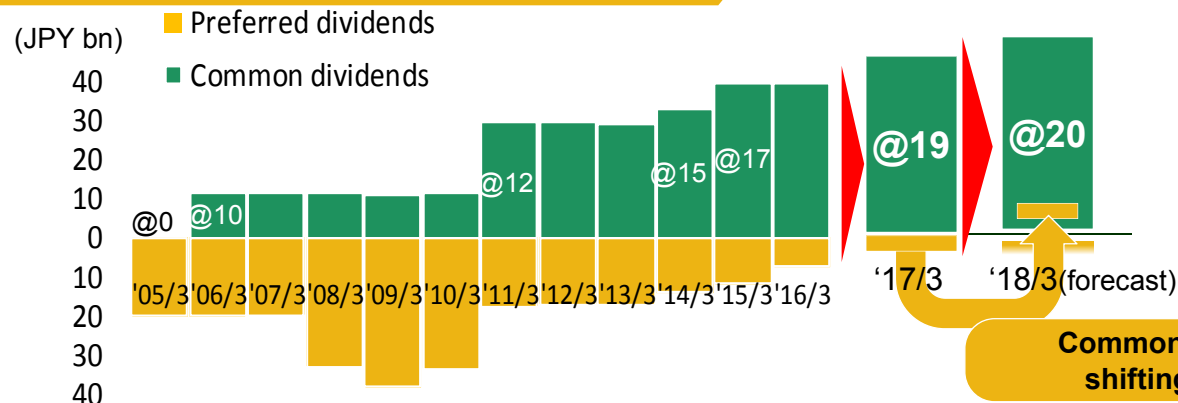
- Secure sufficient capital adequacy under the Japanese Domestic Std.
- Aim to achieve around 9% CET1 ratio^{*1,2} under the International Std. (Mar. 2020)
 - Cope with the revisions of Basel rules (SA and capital floor) utilizing the time horizon till such rules are to be fully implemented

ROE target

- Maintain ROE^{*1,3} above 10%
: FY2016 11.67%

Shareholder return policy

- Common DPS planned for FY2017:
20 yen per year, +1 yen YoY
(of which, interim 10 yen, +0.5 yen YoY)
 - Intend to repurchase and cancel Class 5 PS (total issue amount JPY100 bn) in FY2017, subject to a regulatory approval
- Consider further enlargement of shareholder return while keeping the level of common DPS after the above increase as “stable” dividends



Further shareholder return to be considered

*1. Reflect the impacts of integrating regional banks in the Kansai region

*2. Exclude unrealized gain on available-for-sale securities, net of tax effect

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

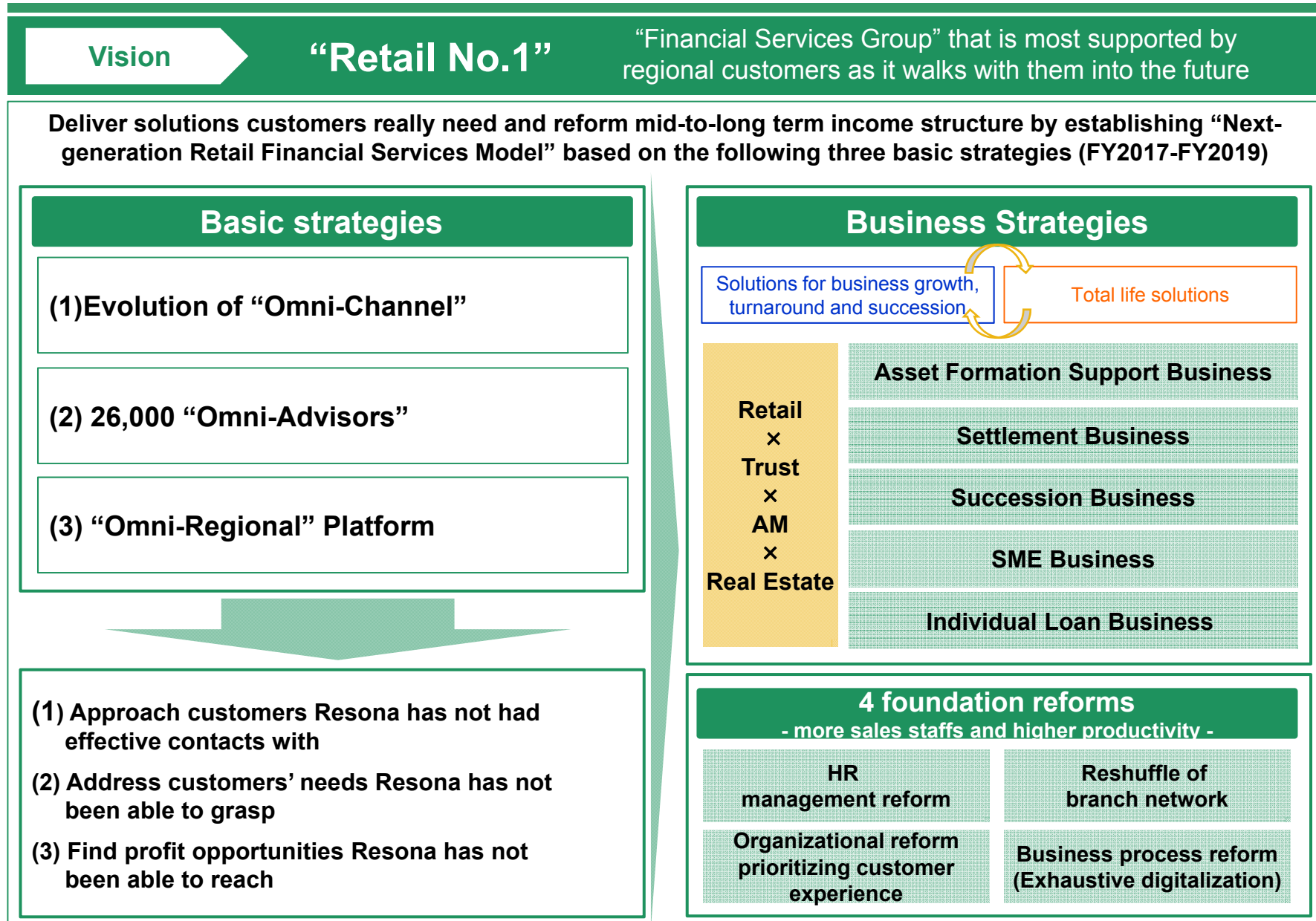
Outline of Business Results for 1H of FY2017 and Updates on Major Businesses

Efforts to Business Challenges for Sustainable Growth

Direction of Capital Management

Reference Material

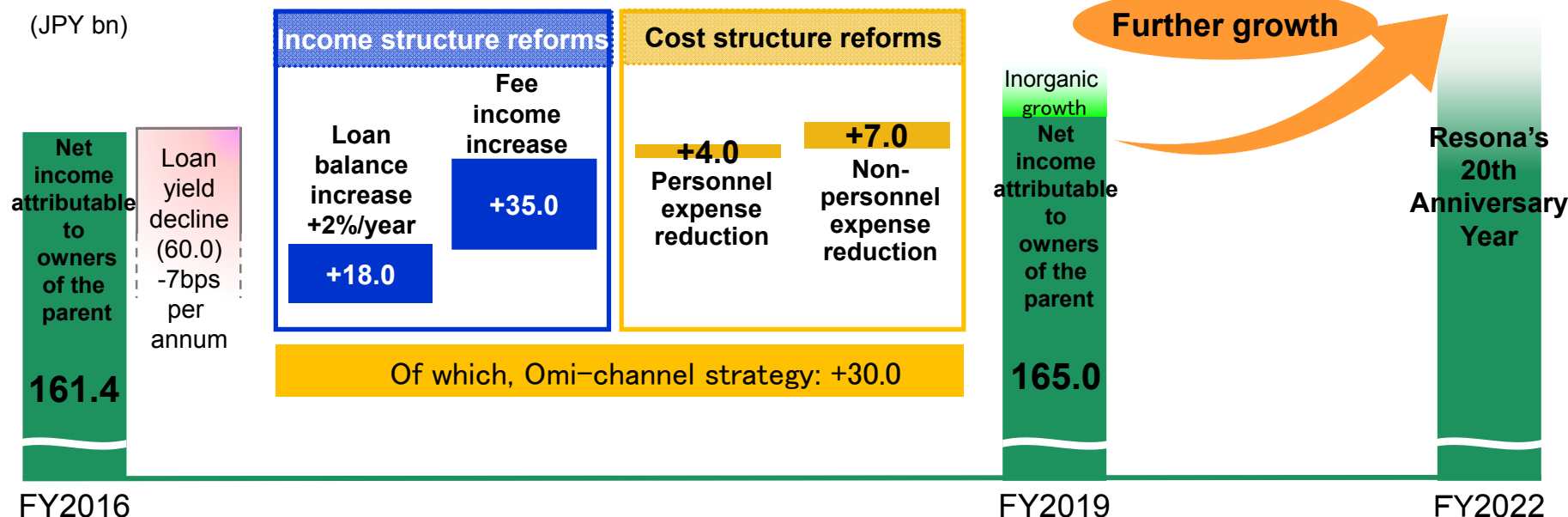
Overview of the Mid-term Management Plan



Income and Cost Structure Reforms

Develop tolerance to prolonged ultra-low interest rate environment via income and cost structure reforms

Higher profitability via perfection of new business model and better operating environment



Key Performance Indicators (KPIs) FY2019

Net income attributable to owners of the parent	JPY 165 bn	ROE*1,2	Over 10%
Consolidated fee income ratio	Over 35%	CET1 ratio*1,3	9% level
Consolidate cost income ratio	Below 60%	[FY2019 assumed conditions] Overnight call rate (0.05) %, Yield on 10Y JGB + 0.05%, Nikkei 225 18,000 yen to 21,000 yen level	

*1. Reflect the impacts of integrating regional banks in the Kansai region

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

*3. Exclude unrealized gain on available-for-sale securities, net of tax effect

Business Strategies

<div> <div>Solutions for business growth, turnaround and succession Supports to SME customers to solve business challenges</div> <div>Total life solutions Solutions for individual customers' anxieties and concerns, and for higher conveniences</div> </div>	
Cultivating "Retail x Trust x AM x Real Estate" further	
Business fields	Initiatives
Asset Formation Support Business	<ul style="list-style-type: none"> AM solutions to assist medium-to-long term asset formation based on customers' need (Fund wrap, NISA and iDeCo) Support customers' asset formation through the seamless fusion of F2F and non-F2F channels, and provision of simple products and procedures
Settlement Business	<ul style="list-style-type: none"> Collaborations among group companies and with FinTech companies Support start-up companies with a comprehensive solution package Expand customer base by promoting "Smart Store" (All procedures to be completed with smart phones)
Succession Business (Business and asset)	<ul style="list-style-type: none"> Increase solution consultants and station them at branch offices Diverse solutions (succession-related trusts, M&A, business abolition and transformation, MBO and LBO, etc.) Trust and real estate functions as a standard equipment
SME Business / International Business	<ul style="list-style-type: none"> Raise capability to assess clients' business Growth sectors (health care, environment and energy, etc.) Diverse solutions (syndicated loan, commitment line, etc.) Enhance productivity via corporate business reform (maximizing time spent on external affairs) Active use of overseas network including alliances with local partners, strengthened functions of FX Web Service
Individual Loan Business	<ul style="list-style-type: none"> Differentiation with holiday operations including application screening and execution, high value-added products Value-added proposals to existing HL customers Marketing-based promotion, all procedures on the Web and smart phones
Targets (vs. FY2016)	
<div> <div>Products to support asset formation for individuals (term-end bal.)</div> <div>Appx. JPY6 tn (+ Appx. 40%)</div> </div>	
<div> <div>Income from asset formation support</div> <div>Appx. JPY54 bn (+ Appx. JPY20 bn)</div> </div>	
<div> <div>Consolidated settlement-related income</div> <div>Appx. JPY61 bn (+ Appx. JPY 5 bn)</div> </div>	
<div> <div>Income from succession-related business</div> <div>Appx. JPY14 bn (+Appx. JPY4 bn)</div> </div>	
<div> <div>Loans to SMEs (term-end bal.)</div> <div>Appx. JPY11 tn (+ Appx. 10%)</div> </div>	
<div> <div>Income from corporate solution and international businesses</div> <div>Appx. JPY35 bn (+Appx. JPY10 bn)</div> </div>	
<div> <div>Residential housing loan (term-end bal.)</div> <div>Appx. JPY11 tn (+ Appx. 10%)</div> </div>	
<div> <div>Consumer loan (term-end bal.)</div> <div>Appx. JPY360 bn (+ Appx. 12%)</div> </div>	

Schedule for Integration

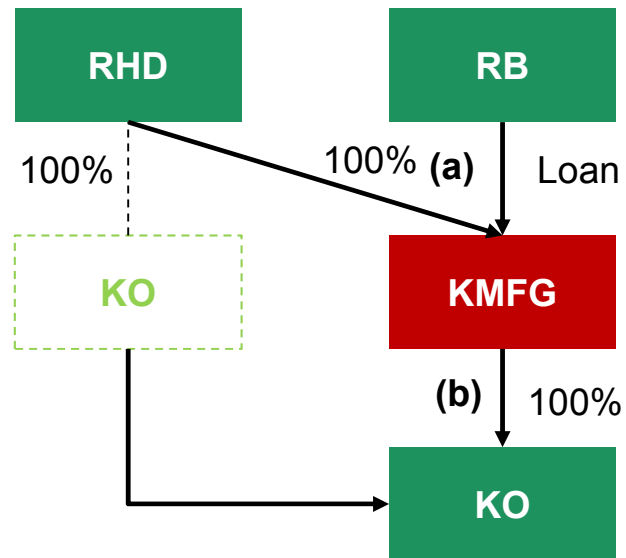
Schedule	Contents
September 26, 2017	Board resolution by Resona Holdings, SMBC, Minato, Kansai Urban and Kinki Osaka and determination of the executive officer of SMFG, regarding the execution of the Business Integration Agreement Execution of the Business Integration Agreement
October 16, 2017	Public notice of the record date for the respective extraordinary meetings of shareholders of Minato and Kansai Urban, and for the respective general meetings of class shareholders of Kansai Urban, which classes consist of the Shareholders of Common Stock and the Shareholders of Preferred Stock, respectively
October 31, 2017	The record date for the respective extraordinary meetings of shareholders of Minato and Kansai Urban, and for the respective general meetings of class shareholders of Kansai Urban, which classes consist of the Shareholders of Common Stock and the Shareholders of Preferred Stock, respectively
November 14, 2017	Incorporation of Kansai Mirai Financial Group(hereafter,KMFG) and execution of the Share Exchange Agreement
Around November-December 2017 (Scheduled)	Consummation of the Kinki Osaka Share Transfer
December 26, 2017(Scheduled)	The respective extraordinary meetings of shareholders of KMFG, Minato and Kansai Urban, and the respective general meetings of class shareholders of Kansai Urban, which classes consist of the Shareholders of Common Stock and the Shareholders of Preferred Stock, respectively
December 27, 2017 (Scheduled)	Commencement date of the Tender Offer for Minato Stock and the Tender Offer for Kansai Urban Stock
February 14, 2018 (Scheduled)	Termination date of the Tender Offer for Minato Stock and the Tender Offer for Kansai Urban Stock
February 20, 2018 (Scheduled)	Consummation of the Share Transfer of the Preferred Stock issued by Kansai Urban
March 28, 2018 (Scheduled)	Delisting of Minato's shares of common stock and Kansai Urban's shares of common stock
March 30, 2018 (Scheduled)	Effectuation of an amendment to the Articles of Incorporation of each of Minato and Kansai Urban regarding the deletion of the record date for voting rights
April 1, 2018 (Scheduled)	Effectuation of the Share Exchanges, The Technical Listing of shares of common stock of KMFG
Around April 2019 (Scheduled)	The Merger between Kansai Urban and Kinki Osaka

In going forward with the procedures and discussions regarding the Business Integration hereafter, changes may occur to the schedules above due to the reporting to the relevant authorities, such as the Financial Services Agency, and the obtaining of the approval and permission, the progress of other various preparations for the Business Integration, or any other reason.

Management Integration Process (1)

- Via phase 1 through 3, Kansai Mirai Financial Group (KMFG) will start fully-fledged operation in April 2018.

Phase 1 (November - December 2017)



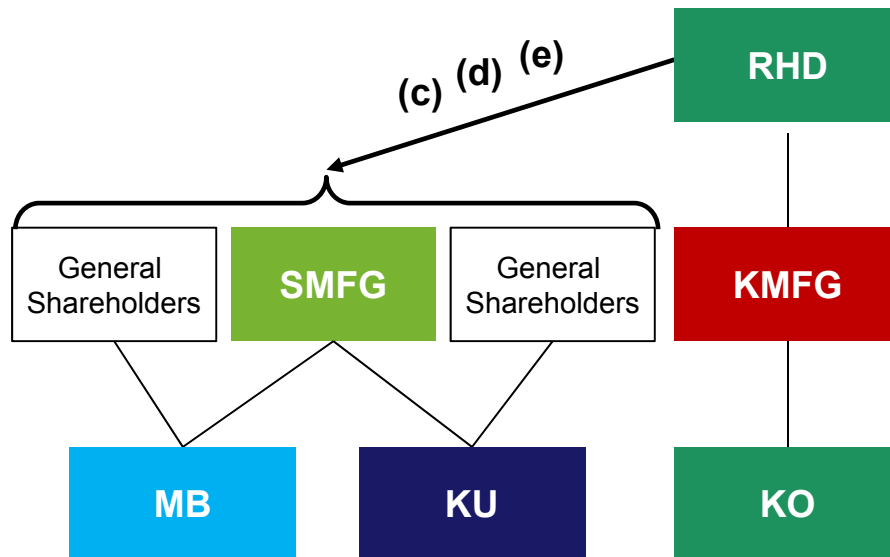
- (a) RHD established an intermediate holding company, KMFG, as its wholly-owned subsidiary. Subsequently, RHD will make the capital contribution of JPY 58.6 bn to KMFG, and RB will make the loan of JPY 27.4 bn to KMFG
- (b) Utilizing the capital and loan provided, KMFG will acquire all common shares of KO held by RHD, making KO its wholly-owned subsidiary.

The main terms of the KO share transfer from RHD to KMFG

RHD will sell all shares of KO it owns to KMFG at JPY 86.0 bn. (KMFG will purchase the shares of KO utilizing the JPY 58.6 bn capital invested by RHD and the JPY 27.4 bn loan provided by RB.)

Management Integration Process (2)

Phase 2 (To be implemented by February 2018)

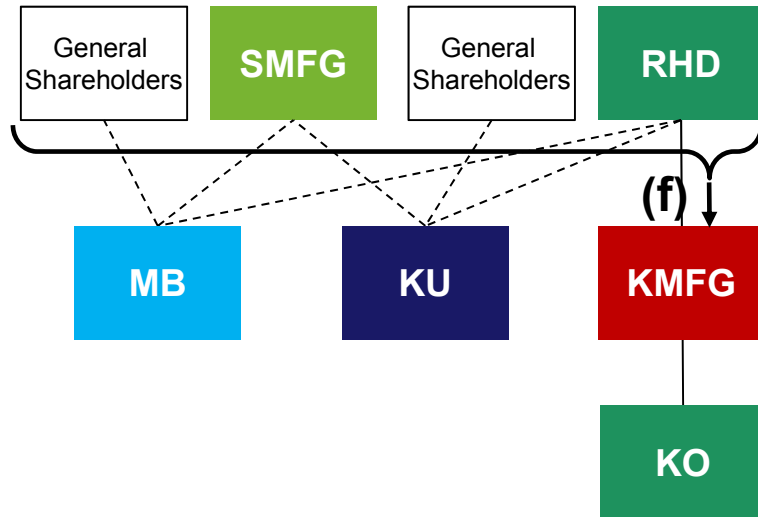


- (c) RHD will implement the tender offer up to 6,182,500 shares of common stock of MB (corresponding to 15% of the number of the voting rights of all of the shareholders of MB)
- (d) RHD will implement the tender offer up to 11,029,200 shares of common stock of KU (corresponding to 15% of the number of the voting rights of all of the shareholders of KU)
- (e) After completion of the tender offer, RHD will purchase all shares of preferred stock issued by KU and held by Sumitomo Mitsui Banking Corp (SMBC), a wholly-owned subsidiary of Sumitomo Mitsui Financial Group (SMFG).

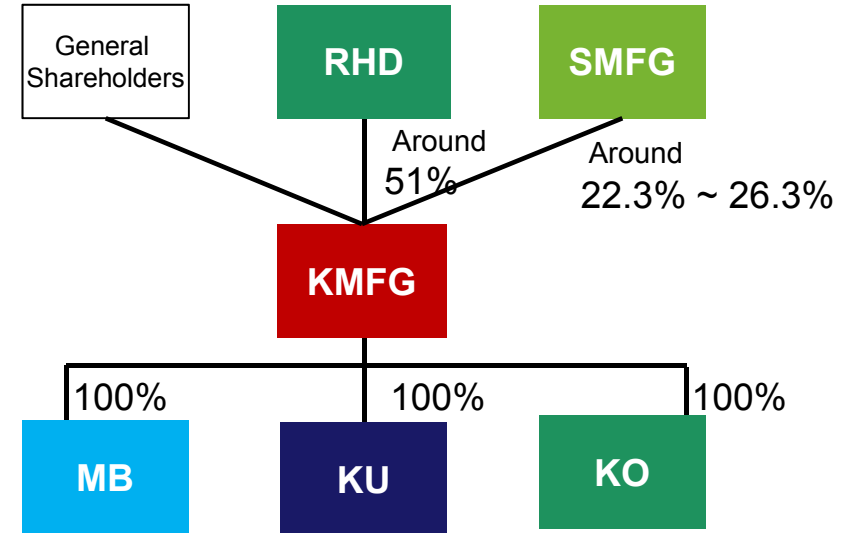
The main terms for tender offers by RHD	Minato Bank	<ul style="list-style-type: none"> • Tender offer price per one common share : 2,233 yen • Minimum number of shares to be purchased : N.A. • Maximum number of shares to be purchased : 6,182,500 shares (corresponding to 15% of all voting rights) • SMBC agreed to apply all common shares of MB (18,483,435 shares) it owns to the tender offer
	Kansai Urban Bank	<ul style="list-style-type: none"> • Tender offer price per one common share : 1,503 yen • Minimum number of shares to be purchased : N.A. • Maximum number of shares to be purchased : 11,029,200 shares (corresponding to 15% of all voting rights) • SMBC agreed to apply all common shares of KU (36,109,772 shares) it owns to the tender offer
Terms of share transfer of KU's preferred shares held by SMBC to RHD		RHD will purchase all shares of KU's preferred stock at JPY 74.0 bn

Management Integration Process (3)

Phase 3 (Planned in April 2018)



(f) Implement the share exchange with KMFG as a wholly-owning parent company and MB and KU as a wholly-owned subsidiaries.



MB, KU and KO to become wholly-owned subsidiaries of KMFG.

RHD will have 51% voting rights of the KMFG while SMFG holding between 22.3 and 26.3%.^{*1}

KMFG's common shares will be listed on the Tokyo Stock Exchange (technical listing)

Note 1.

In case all shareholders of MB and KU other than SMBC apply to the tender offer to sell all shares they own, SMFG will own 26.3% of KMFG after the tender offer. In case only SMBC applies to the TOB, SMFG will own 22.3% of KMFG.

Terms of share exchanges	Minato Bank	2.37 shares of common stock of the KMFG will be allotted for each share of common stock of MB	
	Kansai Urban Bank	Common stock	1.60 shares of common stock of KMFG will be allotted for each share of common stock of KU
		Preferred stock	Approx. 1.309 shares of common stock of KMFG will be allotted for each share of preferred stock of KU

KMFG's Strengths (1) : Market Potential

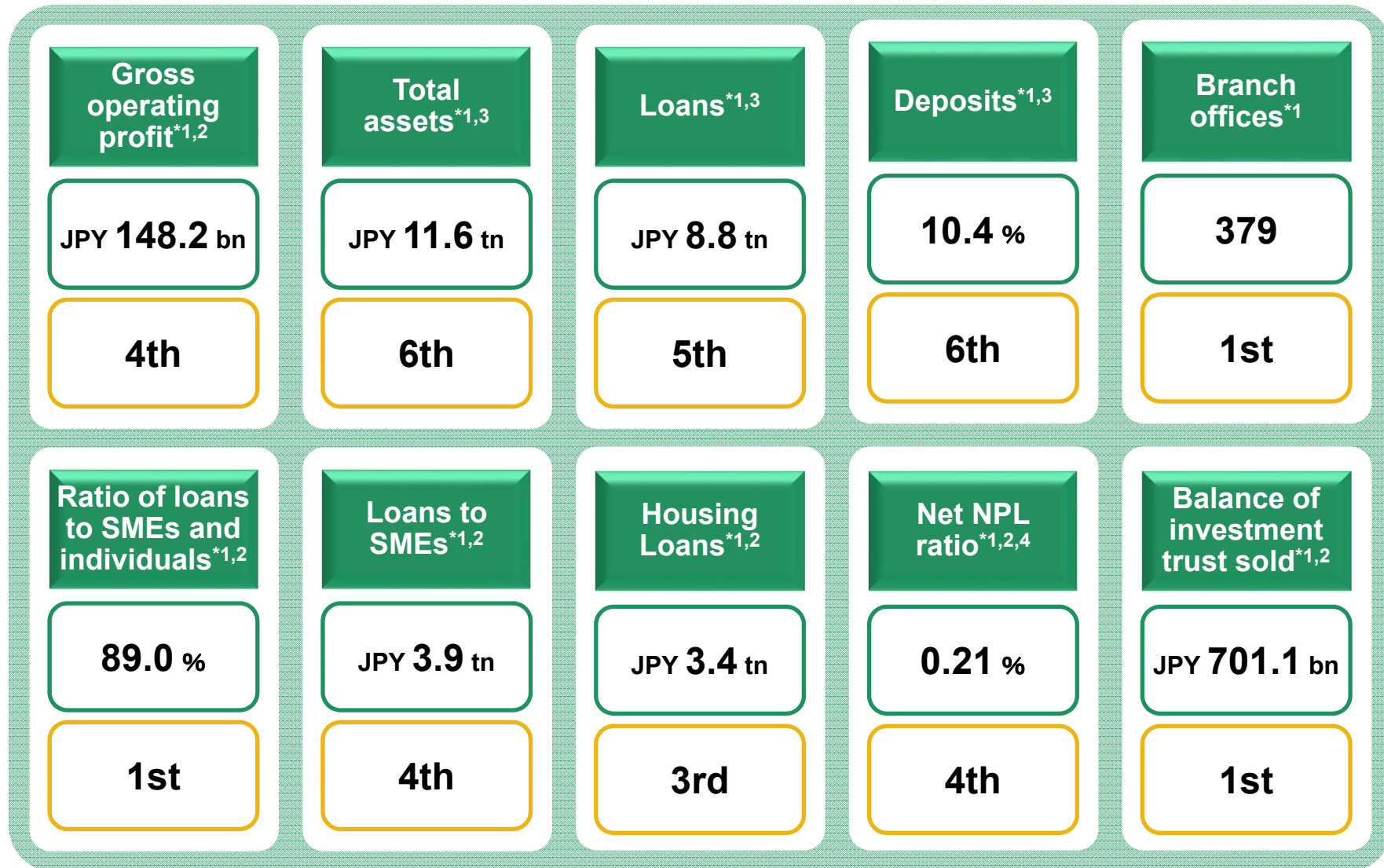
- Total population of Osaka, Hyogo and Shiga prefectures exceeds that of Tokyo Metropolitan Area
- Total GDP of Osaka, Hyogo and Shiga Prefectures amounts to 12% of entire Japan and 79% of the entire Kansai region

Population^{*1} Total of 3 prefs. 15.8 million <ul style="list-style-type: none"> ● Osaka 3rd, Hyogo 7th ● Total population of the 3 prefs. exceeds Tokyo Metropolitan Area 	GDP^{*2} Total of 3 prefs. JPY 63.6 trillion <ul style="list-style-type: none"> ● Osaka 2nd, Hyogo 7th ● Total GDP of the 3 prefs. amounts to 12% of entire Japan, 79% of the Kansai region 	Loan Amount^{*3} Total of 3 prefs. JPY 51.6 trillion <ul style="list-style-type: none"> ● Osaka 2nd, Hyogo 8th 	Number of business establishments^{*4} Total of 3 prefs. 709 thousands <ul style="list-style-type: none"> ● Osaka 2nd ● Total business establishments of the 3 prefs. amounts to 13% of entire Japan, which exceed Tokyo Metropolitan Area 	Export and imports^{*6} Total of 3 prefs. JPY 27.0 trillion <ul style="list-style-type: none"> ● Total export and import volume amounts to 20% of entire nation
Population Growth^{*1} (2010 to 2015) Shiga pref. +0.17% <ul style="list-style-type: none"> ● Shiga is one of 7 prefs. whose population is still growing 	Per Capita Income^{*2} Shiga JPY 3.126 million Osaka JPY 3.013 million Hyogo JPY 2.844 million <ul style="list-style-type: none"> ● Shiga 8th, Osaka 13th and Hyogo 22nd 	Deposit Amount^{*3} Total of 3 prefs. JPY 92.5 trillion <ul style="list-style-type: none"> ● Osaka 2nd, Hyogo 7th 	Businesses newly opened and abolished^{*5} Total of 3 prefs. Newly opened: 15 thousands Abolished: 10 thousands <ul style="list-style-type: none"> ● Share of the 3 prefs. amounts to 13% both in terms of "newly opened" and "abolished" businesses 	New housing starts^{*7} Total of 3 prefs. 113 thousands <ul style="list-style-type: none"> ● Osaka 3rd ● Total new housing starts reaching 12% of entire Japan

^{*1}. National Census 2015, Ministry of Internal Affairs and Communications
 ^{*2}. Report on Prefectural Accounts 2014, Cabinet Office
 ^{*3}. Cash, Deposits and Loans by Prefecture (End-March 2017), BOJ
^{*4}. Economic Census 2016, Ministry of Internal Affairs and Communications, Ministry of Economy, Trade and Industry
 ^{*5}. Employment Insurance Annual Report 2015, Ministry of Health, Labor and Welfare
 ^{*6}. Osaka Customs 2016
 ^{*7}. Ministry of Land, Infrastructure, Transport and Tourism 2016

KMFG's Strengths (2) :Top-class in Japan and the largest regional financial group in the Kansai region

■ Retail Focused Banking Model



*1. Comparison with the 10 largest regional financial groups in terms of consolidated total assets as of the end of March 2017 *2. Simple sum of non-consolidated figures of group banks *3. Consolidated basis. KMFG's figures are simple sum of figures of the 3 integrating banks

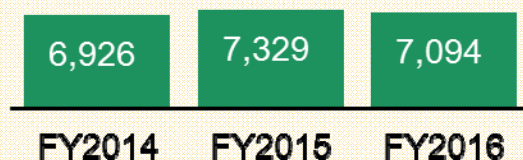
*4. Coverage with collaterals, guarantees and reserves are taken into account

CSR

To raise corporate value through contributing to the creation of a sustainable society, we have identified and are engaged in four priority areas – Community, Next Generation, Diversity and Environment

Community

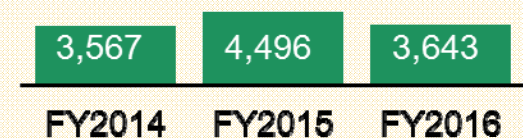
[“Re: Heart Club” members]



- “Re: Heart Club” (Employee volunteer group) joined various community activities
- Offering solutions suited for respective life stages of corporate customers
 - Strengthen management support via Start-up Support School (from April 2017)
 - 311 proposals made to assist business turnaround, change in business activities and closure of business (FY2016)

Next Generation

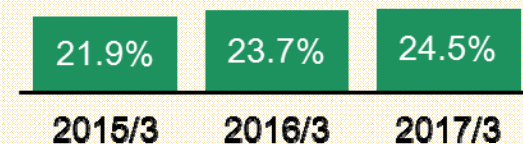
[Resona Kids’ Money Academy participants]



- Regularly hosting “Resona Kids’ Money Academy”(a financial and economic education activity for children) since 2005
- Hold events to bring together SMEs and job-seekers
- Supporting intergenerational transfer of assets, utilizing trust capabilities
 - Number of new asset succession-related contracts : 2,113 (1H FY2017)

Diversity

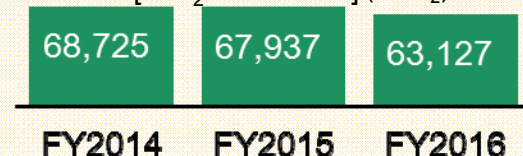
[Proportion of female line managers]



- Vibrant and diversified employees
 - Proportion of women in managerial posts 24.5%, Employment rate of persons with physical/intellectual disabilities 2.0% (FY2016)
- Promoting “work-life balance”: Introduced “Smart Employee” position
- Developed products for women: “*Rin next*” (housing loan) and “*Karada Kakumei*” (life insurance).

Environment

[CO₂ emissions] (t-CO₂)



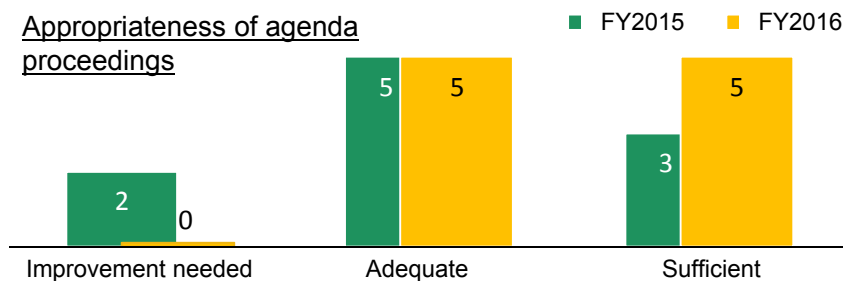
- Reduced paper usage through digitalization
- Group banks’ head office acquired ISO14001 certificates
- Revised the Credit Policy to include “Environmental Consideration” aspect
 - Environment-friendly loans: JPY151.5 bn (Mar. ‘17, +24% YoY)

Initiatives for Corporate Governance Evolution

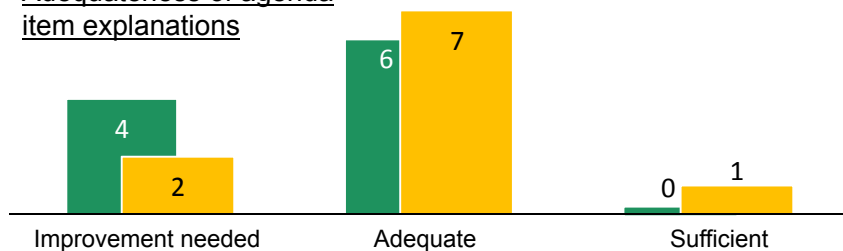
Self-evaluation of the board

- Improve effectiveness of Board of Directors meetings by revising operations, etc. through annual board evaluations

Appropriateness of agenda proceedings



Adequateness of agenda item explanations



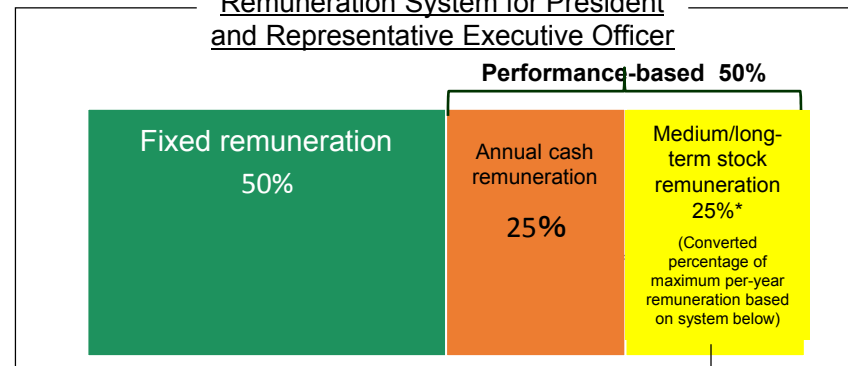
Glass-walled executive room



Performance share unit plan

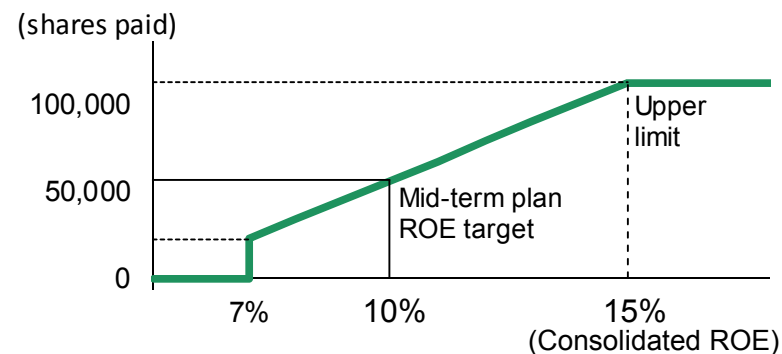
- Introduced in July 2017
- HD stock will be granted based on consolidated ROE for the final year of medium-term management plan

Remuneration System for President and Representative Executive Officer



Remuneration System (3 Years' Worth)

Consolidated ROE 15% (achievement rate of 150%) -> 112,500 shares (upper limit)
 Consolidated ROE 10% (achievement rate of 100%) -> 50% of above
 Consolidated ROE less than 7% -> Payment withheld



Resona's Challenges Attracting Attentions from Outside

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

Resona adopted by all three ESG stock indices selected by GPIF

66 companies adopted by all three indices.
Resona is the only one among Japanese banks.

- ✓ FTSE Blossom Japan Index
- ✓ MSCI Japan ESG Select Leaders Index
- ✓ MSCI Japan Empowering Women Index

Nadeshiko Brand FY2014, FY2015 and FY2016

Listed companies
promoting the appointments
of women
(for 3 consecutive years)



2017 30th Nikkei New Office Awards

7 Days Plaza Hirakata received the New Office Promotion Award for being a bank especially open to the community.



Won both R&I Fund Award 2017 and 15th MERCER MPA Award (Japan) 2017

Superior performance of the Japanese concentrated stock fund was highly evaluated



14th Corporate Philanthropy Award 2016

"Resona Kids' Money Academy," a financial and economic education activity for children, won grand prix



2015 Nikkei Superior Products and Services Awards

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



Example Activities of Omni-Advisors

Internal projects and awards programs to strengthen Resona's overall ability to understand true latent needs of customers

■ Examples of 20th Resona Brand Awards Presented in Sep. 2017

(Selected by vote of all employees from among monthly awards in second half of FY2016)

First
in Japan

Recovery from card magnetism error at ATMs via Customer Center insight and IT division expertise

Resona Group Customer Direct Banking Center,
Quick Lobby Operations Center,
Resona Holdings IT Planning Division

Utilized flextime program for early morning meetings and proposals to wholesaler market customers

Kiniki Osaka Bank, Noda Branch

Met unit/factory reorganization needs of owner of multiple businesses through business feasibility assessment, real estate brokerage and personnel consulting

Saitama Resona Bank, Kamifukuoka Branch
Corporate Banking Division,
Public Institutions Division

Examples of Monthly Awards from First Half of FY2017

First
in Japan

Reorganization of multiple company pensions on locally rooted, cross-industry model

Resona Bank
Pension Business Division
Asset Management Business Planning Division

Branch staff identify latent succession trust needs of many seniors

Saitama Resona Bank,
Sayama Branch

FX website redesigned for instant remittance

Resona Business Service
Resona Bank, Global Business Division

■ Main internal systems, etc.

Promise to customers

Brand awards

My credo

Omni-advisor awards

My strength project

Omni-advisor committee

Customer feedback bulletin

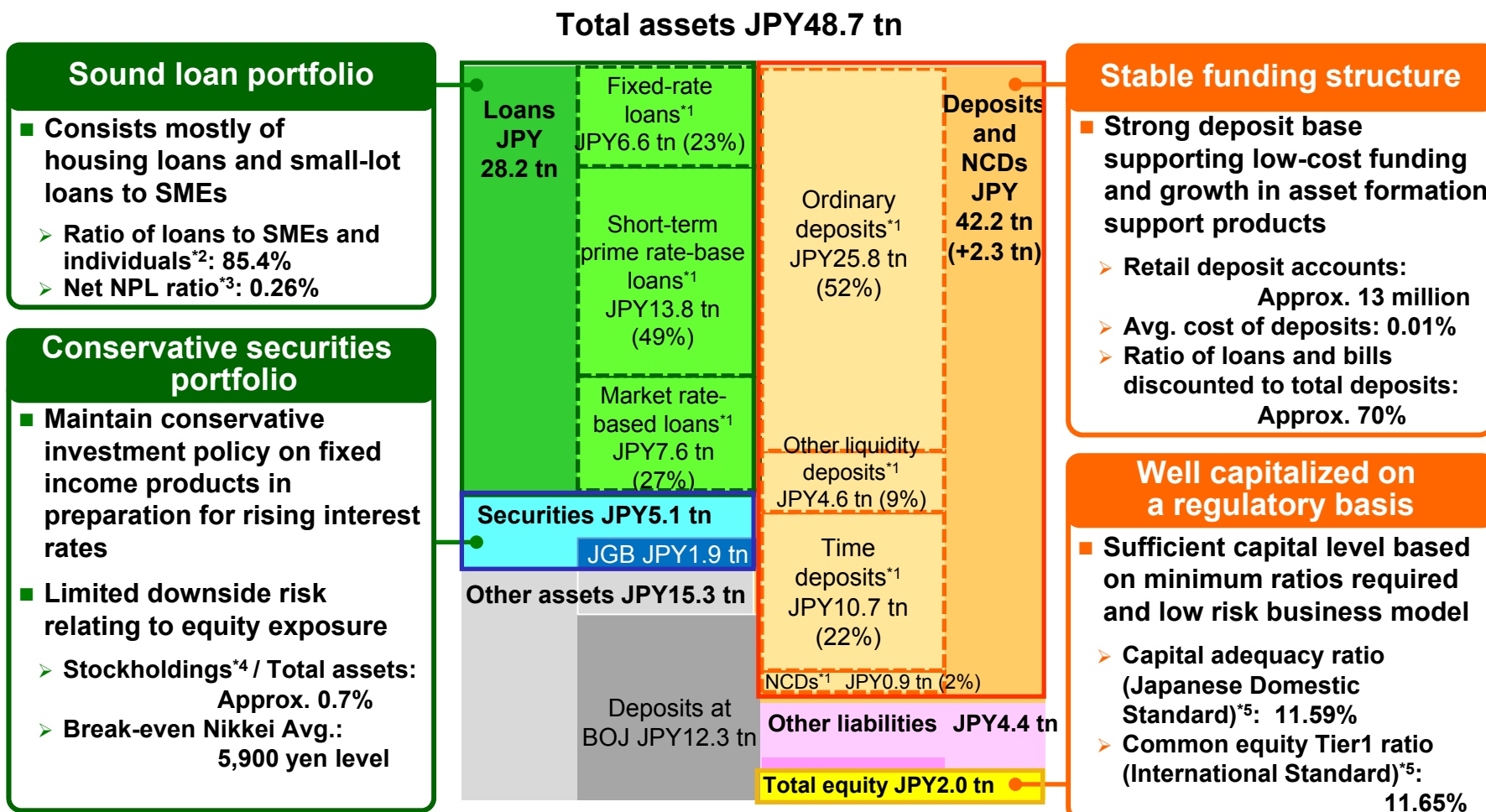
My proposal

Communication project

Sound Balance Sheet

■ Sound assets backed by very stable deposit funding

Resona's consolidated balance sheet (as of September 30, 2017)



*1. Total of group banks basis (Loan balance classified by base-rate is compiled for a management and administration purpose)

*2. Total of group banks (including trust account) *3. NPL ratio net of collateral, guarantees and loan loss reserves (Total of group banks)

*4. Acquisition cost basis

*5. Basel 3, Common equity Tier1 ratio is for a reference purpose only

Measures to Build Multifaceted Business Relationships with Customers

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	<p>Increase life-time profits by upgrading customer segments and by increasing the number of products</p> <p>Profit Matrix by Customer Segment and Number of Products sold (Illustrative)</p>
			2012/9	2017/9	Change			
Premier								
AUM or Apartment loan exceeding JPY50 million	(1)		48.5	57.6	+ 9.1	85.9	7.18	
Housing Loan								
With housing loan for own home	(2)		534.0	571.7	+ 37.7	25.3	4.70	
Asset Management								
AUM exceeding JPY10 million	(3)		677.8	737.8	+ 60.0	5.7	4.54	
Potential I								
AUM exceeding JPY5 million	(4)		786.6	801.2	+ 14.6	1.7	3.49	
Potential II								
AUM below JPY 5 million/ 3 or more products sold	(5)		4,519.5	4,897.5	+ 378.1	* 1	3.89	
Resona Loyal Customers (RLCs)								
	(6)		6,566.4	7,066.0	+ 499.5	4.2	4.00	
Potential III								
AUM below JPY 5 million/ 2 or fewer products sold	(7)		6,242.4	5,509.1	(733.3)	0.2	1.63	

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

Business Results by Major Group Business Segments

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

Management Accounting by Major Group Business Lines (1H FY2017)

(JPY 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	
						YoY Change	YoY Change	Gross operating profit		Operating expense		YoY Change	YoY Change		
RVA ^{*1}	RAROC	OHR													
	Customer Divisions (1)	27.2	15.6%	67.3%	9.2%	87.9	(3.2)	80.3	(1.3)	245.3	(3.9)	(165.2)	+2.6	7.5	(1.8)
	Personal Banking (2)	10.0	18.8%	76.4%	9.3%	23.5	(4.4)	26.5	(2.5)	113.0	(5.2)	(86.4)	+2.7	(2.9)	(1.9)
	Corporate Banking (3)	17.1	14.7%	59.4%	9.2%	64.3	+1.2	53.7	+1.1	132.3	+1.3	(78.7)	(0.1)	10.5	+0.0
	Markets (4)	24.8	45.5%	14.9%	10.4%	32.5	(9.3)	32.5	(9.3)	38.2	(9.3)	(5.7)	(0.0)	-	-
	Total ^{*2} (5)	23.5	13.4%	60.8%	11.0%	117.9	(15.1)	110.3	(12.1)	279.8	(14.8)	(170.3)	+1.9	7.5	(2.9)

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

*2. Numbers reported above refer to 3 Resona Group banks and consolidated subsidiaries

PL Summary and Factors for “Consolidated” and “Total of Group Banks” Difference

PL Summary (RHD consolidated / Total of group banks)						RHD consolidated / Total of group banks difference												
(JPY bn)	RHD Consolidated		Total of group banks (Non-consolidated)		effect of realignment of HL guarantee subsidiaries	(Major consolidated subsidiaries)												
		YoY change		YoY change		Difference (Exclude the effect of realignment)		YoY change	HL guarantee subsidiaries		YoY change	Resona Card		YoY change	Resona Kessai Service		YoY change	P. T. Bank Resona Perdania
Gross operating profit (1)	278.8	(19.1)	261.2	(14.1)	4.9	22.5	(0.0)	11.6	(1.2)	7.7	+0.1	1.3	+0.0	2.0	(0.1)			
Operating expenses (excluding group banks' non-recurring items) (2)	(170.3)	+1.9	(160.9)	+2.4		(9.4)	(0.4)	(1.6)	+0.0	(5.2)	+0.0	(0.8)	(0.0)	(0.9)	(0.1)			
Credit related expenses (3)	7.5	(2.9)	9.0	+0.3		(1.4)	(3.3)	(0.2)	(1.0)	(1.4)	(0.2)	(0.0)	+0.0	(0.2)	(0.1)			
Income before income taxes (4)	113.6	(21.4)	160.5	+40.2	57.9	10.9	(3.7)	*1 9.7	(1.4)	1.0	(0.1)	0.4	+0.0	0.8	(0.4)			
Net interim income (attributable to owners of the parent) (5)	94.0	(2.8)	144.9	+57.6	72.0	7.0	(2.5)	7.1	(1.0)	0.7	(0.1)	0.2	+0.0	0.6	(0.3)			
						Capital contribution ratio	Resona Group 100%		RHD 77.5%	RHD 100%		Resona Group 43.4%						

*1. Excludes the gains from the merger of Resona Guarantee and Daiwa Guarantee in April 2017. (YoY change reflects the profit of Daiwa Guarantee)

Consolidated Subsidiaries and Affiliated Companies

Consolidated domestic subsidiaries (excluding group banks)

(JPY bn)

Name	Line of business	Capital contribution ratio	Net income	
			1H FY2017	YoY change
Resona Guarantee Co., Ltd. (1)	Credit guarantee (Mainly mortgage loan) Japan's highest class of residential housing loan guarantee balances	Resona Holdings 100%	6.1	(1.1)
Kinki Osaka Shinyo Hosho Co., Ltd. (2)	Credit guarantee (Mainly mortgage loan) Housing loan guarantees based on experienced judgment	Resona Group 100%	0.9	+0.0
Resona Card Co., Ltd. (3)	Credit card Credit guarantee 1.6 million card members	Resona Holdings 77.5% Credit Saison 22.4%	0.7	(0.1)
Resona Kessai Service Co., Ltd. (4)	Collection service Factoring Collection services with 50 million cases annually	Resona Holdings 100%	0.2	+0.0
Resona Research Institute Co., Ltd. (5)	Business consulting service Management consulting with 800 project annually	Resona Holdings 100%	0.1	+0.0
Resona Capital Co., Ltd. (6)	Venture capital IPO support, SME business succession, re-growth support	Resona Holdings 100%	0.0	(0.0)
Resona Business Service Co., Ltd. (7)	Back office work Employment agency Practices quick and accurate operations	Resona Holdings 100%	0.0	(0.0)
Resona Asset Management Co., Ltd. (8)	Investment Trust Management Business started in Sep. 2015 utilizing 50 years of RB pension management expertise	Resona Holdings 100%	(0.1)	+0.0
Total (8 Companies)			8.2	(1.1)

Major consolidated overseas subsidiaries

Name	Line of business	Capital contribution ratio	Net income	
			1H FY2017	YoY change
P.T. Bank Resona Perdania (9)	Banking business (Indonesia) Oldest Japan-affiliated bank in Indonesia	Resona Group 43.4% (Effective control approach)	0.6	(0.3)
P.T. Resona Indonesia Finance (10)	Leasing business (Indonesia)	Resona Group 100%	0.0	+0.0
Resona Merchant Bank Asia (RMBA) (11)	Finance, M&A (Singapore) Became consolidated subsidiary July 2017; direct financing and M&A brokerage, etc.	Resona Group 100%	-	-
Total (3 Companies)			0.7	(0.3)

Affiliated company accounted for by the equity method

Name	Line of business	Capital contribution ratio	Net income	
			1H FY2017	YoY change
Japan Trustee Services Bank, Ltd. (12)	Banking and Trust With the most assets of any bank in Japan	Resona Group 33.3% Sumitomo Mitsui Trust HD 66.6%	0.4	+0.2

*1. Net income of Resona Guarantee excludes the gains from merger with Daiwa Guarantee. (YoY change reflects the profit of Daiwa Guarantee)

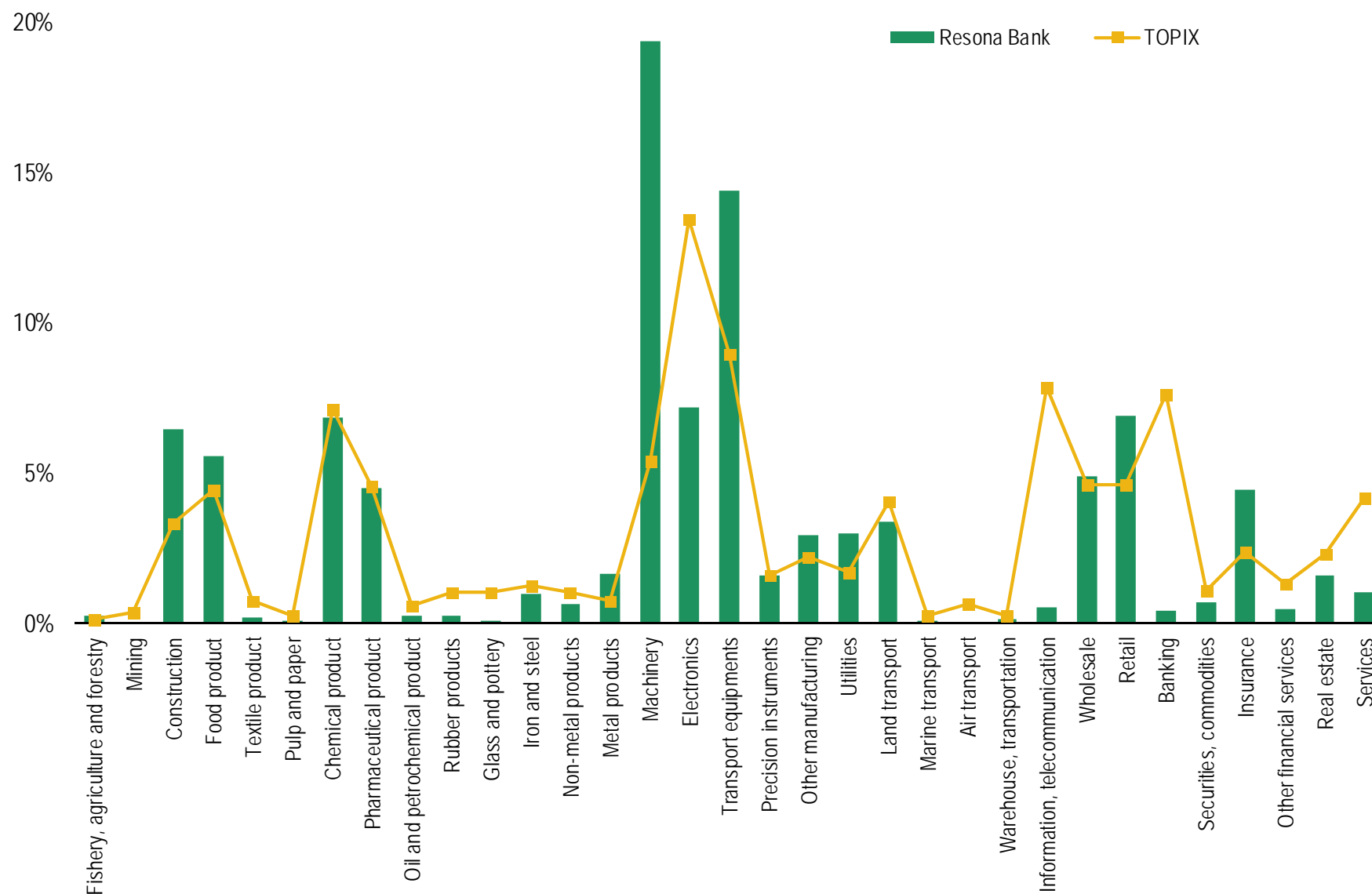
*2. Fiscal year end of the overseas subsidiaries is December 31. RHD's consolidated business results reflect the accounts of these subsidiaries settled on June 30.
(The net income of RMBA is to be reflected from 3Q of FY2017)

Capital Adequacy Ratio (Group Banks)

Japanese Domestic Standard (JPY bn)	Resona Bank (Consolidated) [A-IRB]			Saitama Resona Bank (Non-consolidated) [A-IRB]			Kinki Osaka Bank (Consolidated) [F-IRB]		
	Mar. 31, 2017	Sep. 30, 2017	Change	Mar. 31, 2017	Sep. 30, 2017	Change	Mar. 31, 2017	Sep. 30, 2017	Change
Capital adequacy ratio	11.03%	10.97%	(0.06)%	11.58%	12.16%	+0.58%	11.51%	11.88%	+0.37%
Total qualifying capital	1,201.3	1,150.5	(50.8)	333.0	339.0	+6.0	154.6	156.7	+2.1
Core Capital: instruments and reserves	1,225.5	1,173.2	(52.2)	351.2	357.5	+6.3	159.1	161.7	+2.6
Core Capital: regulatory adjustments	24.1	22.7	(1.3)	18.1	18.4	+0.2	4.5	4.9	+0.4
Risk weighted assets	10,890.7	10,482.0	(408.6)	2,875.7	2,786.5	(89.1)	1,342.3	1,318.5	(23.8)
Credit risk weighted assets	9,599.0	9,073.9	(525.0)	2,481.0	2,401.3	(79.7)	1,257.0	1,237.6	(19.3)
Amount equivalent to market risk /8%	51.9	42.6	(9.2)	31.1	33.7	+2.5	0.1	0.1	(0.0)
Amount equivalent to operational risk /8%	706.7	664.0	(42.7)	227.4	211.6	(15.8)	85.2	80.8	(4.4)
Credit risk weighted assets floor adjustments	533.0	701.3	+168.3	136.0	139.7	+3.7	-	-	-

Stocks Held by Industry (September 2017)

RB



(Balance sheet amount)

Swap Positions by Remaining Periods

RHD
Consolidated

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

(JPY bn)

		Sep. 30, 2017				Mar. 31, 2017			
		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)	280.0	585.0	980.0	1,845.0	375.0	500.0	1,100.0	1,975.0
Receive floating rate/ Pay fixed rate	(2)	230.2	458.8	552.0	1,241.0	340.9	639.0	472.0	1,451.9
Net position to receive fixed rate	(3)	49.7	126.1	428.0	603.9	34.0	(139.0)	628.0	523.0

Maturity Ladder of Loan and Deposit (Domestic Operation)

Total of
Group Banks

Loans and Bills Discounted

[End of March 2017]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(1)	1.6%	1.3%	6.4%	14.0%	23.4%
Prime rate-based	(2)	50.1%	0.1%	0.0%	0.0%	50.2%
Market rate-based	(3)	25.5%	1.0%			26.4%
Total	(4)	77.2%	2.3%	6.4%	14.0%	100.0%

Loans maturing
within 1 year

79.6%

[End of September 2017]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(5)	1.8%	1.2%	6.2%	14.4%	23.6%
Prime rate-based	(6)	49.3%	0.0%	0.0%	0.0%	49.3%
Market rate-based	(7)	26.1%	1.0%			27.1%
Total	(8)	77.2%	2.2%	6.2%	14.4%	100.0%

Loans maturing
within 1 year

79.4%

[Change in 1H FY2017]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(9)	+0.1%	(0.1)%	(0.2)%	+0.4%	+0.2%
Prime rate-based	(10)	(0.8)%	(0.1)%	+0.0%	+0.0%	(0.9)%
Market rate-based	(11)	+0.7%	+0.0%			+0.7%
Total	(12)	(0.0)%	(0.2)%	(0.2)%	+0.4%	-

Loans maturing
within 1 year

(0.2)%

Deposits

[End of March 2017]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(1)	52.0%	1.1%	4.5%	15.6%	73.3%
Time deposits	(2)	12.9%	8.0%	5.0%	0.9%	26.7%
Total	(3)	64.9%	9.1%	9.5%	16.5%	100.0%

[End of September 2017]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(4)	52.8%	1.1%	4.4%	15.3%	73.5%
Time deposits	(5)	13.1%	7.6%	4.7%	1.0%	26.5%
Total	(6)	65.9%	8.7%	9.1%	16.3%	100.0%

[Change in 1H FY2017]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(7)	+0.8%	(0.0)%	(0.1)%	(0.3)%	+0.3%
Time deposits	(8)	+0.3%	(0.3)%	(0.3)%	+0.1%	(0.3)%
Total	(9)	+1.0%	(0.4)%	(0.4)%	(0.2)%	-

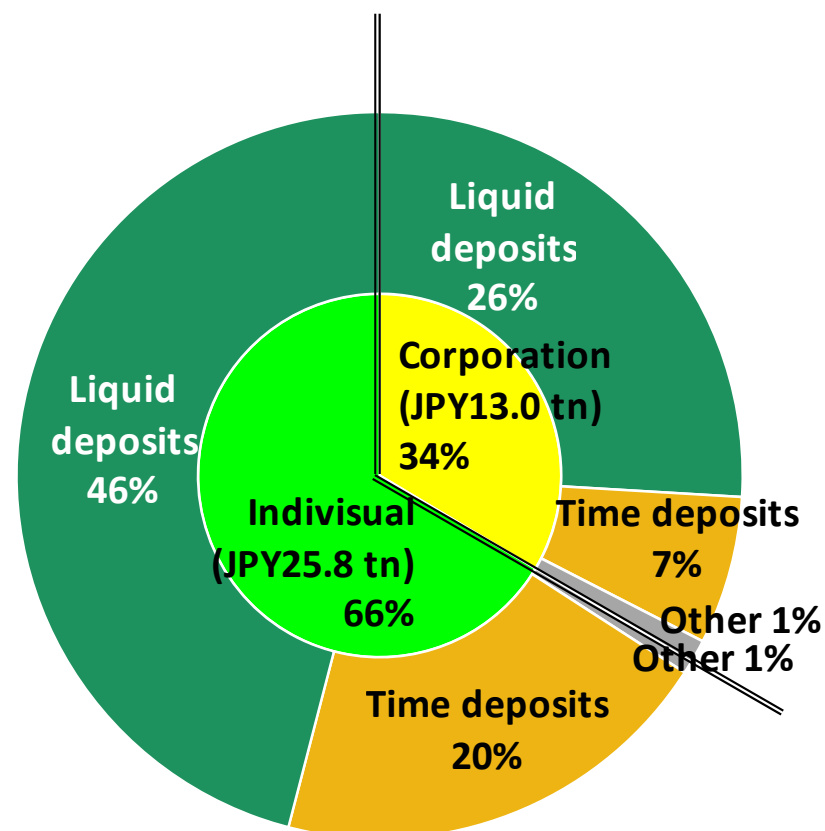
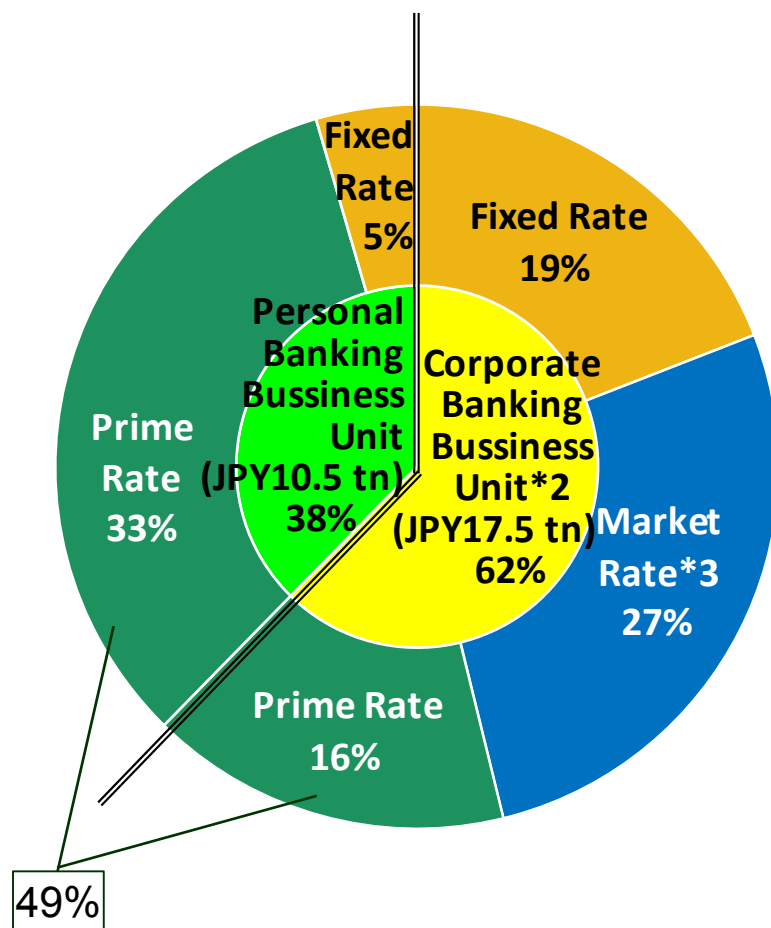
*1. Data compiled for a management and administration purpose

Composition of Loan Portfolio and Deposits (September 30, 2017)

Total of
Group Banks

Loans*¹

Deposits*⁴

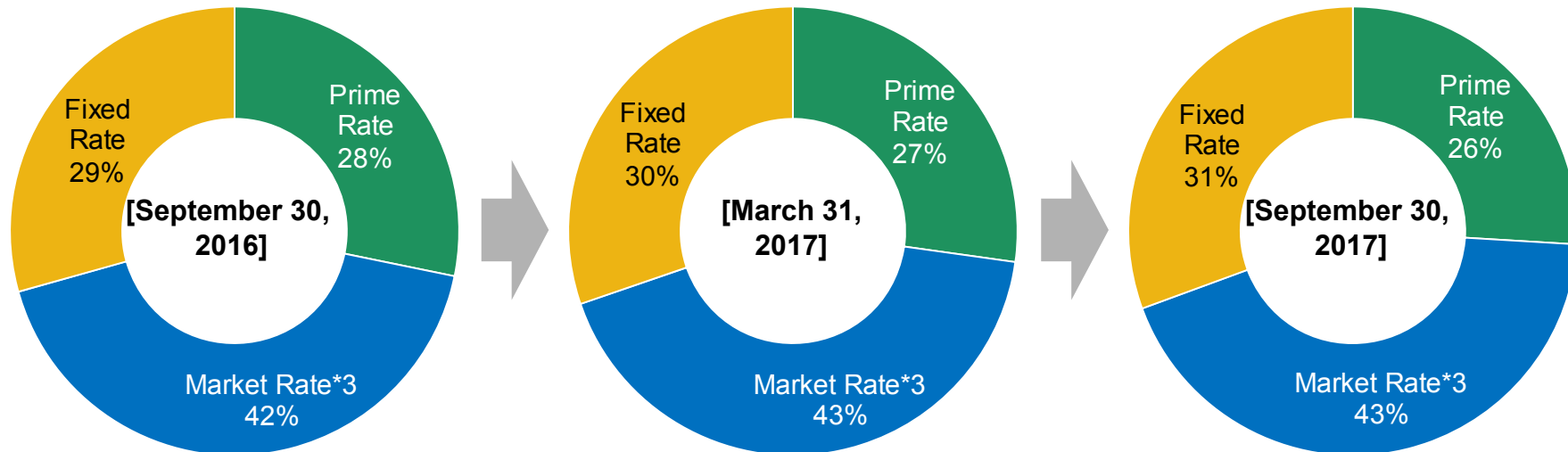


- *1. Data compiled for a management and administration purpose
 *2. Corporate Banking Business Unit includes apartment loans
 *3. Market rate-linked loans include the fixed-rate (spread) loans maturing in less than one year
 *4. Domestic individual deposits + Domestic corporate deposits

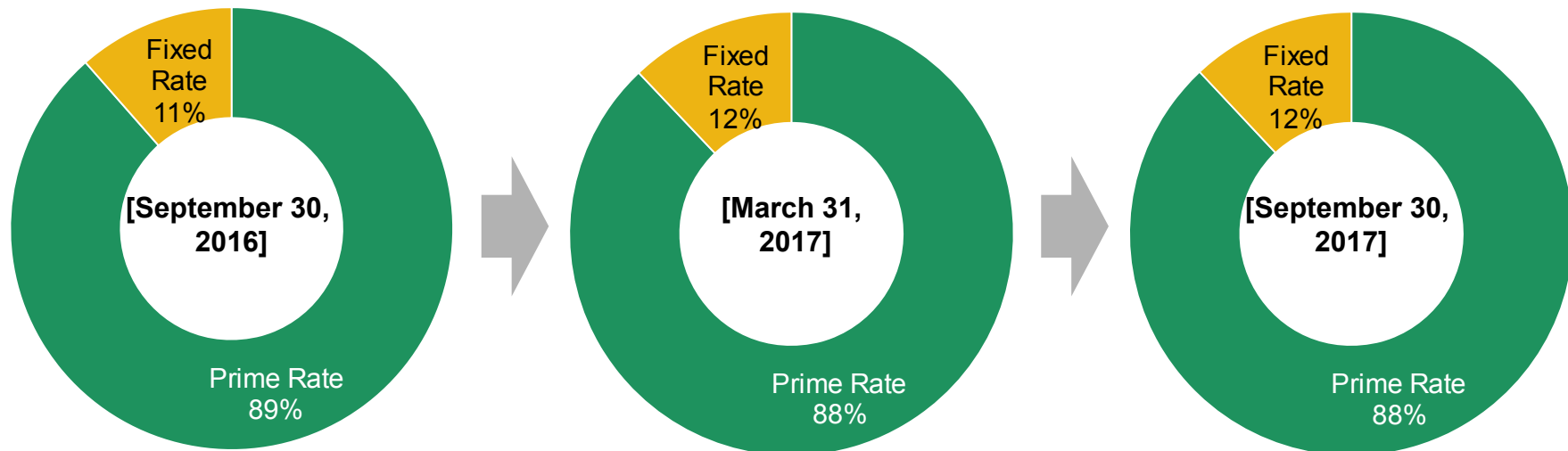
Composition of Loan Portfolio by Base Rates

Total of
Group Banks

Corporate Banking Business Unit*1,2



Personal Banking Business Unit*1



*1. Data compiled for a management and administration purpose

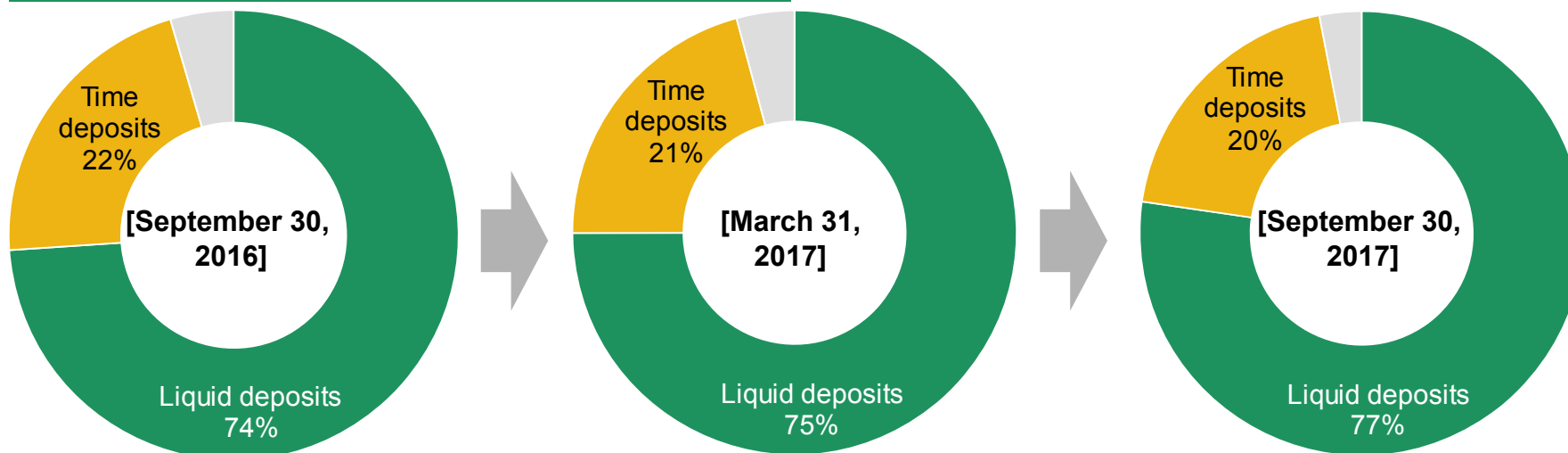
*2. Corporate Banking Business Unit includes apartment loans

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

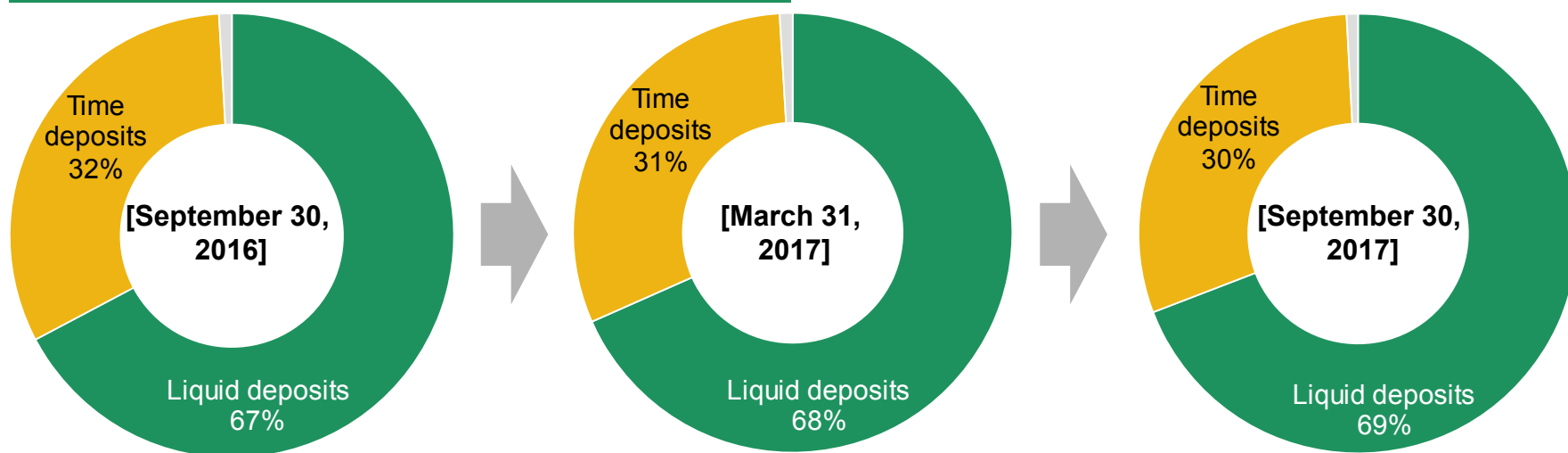
Composition of Deposits by Types

Total of
Group Banks

Corporate Deposits



Individual Deposits



Migrations of Borrowers (1H of FY2017)

RB

■ Exposure amount basis *1

		End of September 2017									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2017	Normal	98.7%	0.5%	0.0%	0.0%	0.0%	0.0%	0.7%	0.7%	0.0%	-	0.6%
	Other Watch	13.2%	80.7%	0.4%	2.1%	0.1%	0.0%	3.6%	3.6%	0.0%	13.2%	2.6%
	Special Attention	3.6%	3.2%	90.7%	1.9%	0.2%	0.0%	0.4%	0.4%	0.0%	6.8%	2.1%
	Doubtful	1.7%	8.9%	1.6%	78.7%	1.6%	1.2%	6.2%	6.2%	0.0%	12.2%	2.8%
	Effectively Bankrupt	0.3%	0.5%	0.0%	1.8%	88.3%	3.4%	5.8%	5.5%	0.2%	2.5%	3.4%
	Bankrupt	0.1%	0.0%	0.0%	1.8%	0.0%	89.2%	8.9%	0.7%	8.2%	1.9%	-

*1. Above table shows how a borrower belonging to a particular borrower category as of the end of March 2017 migrated to a new category as of the end of September 2017. Percentage points are calculated based on exposure amounts as of the end of March 2017 (New loans extended, loans partially collected or written-off during the period are not taken into account)
 "Other" as of the end of September 2017 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

List of Preferred Shares and Subordinated Bonds (Oct. 30, 2017)

Preferred Shares

		Class 5 Preferred Shares
Original issue date	(1)	8/28/2007
Current number of shares	(2)	4,000,000 shares
Issue price per share	(3)	JPY 25,000
Total issue amount remaining at present	(4)	JPY 100.0 Billion
Original total issue amount	(5)	JPY 100.0 Billion
Shareholder	(6)	Dai-ichi Life
Preferred dividend	Dividend per share (Annual)	(7) JPY 918.75
	Total amount of dividend (Annual)	(8) JPY 3,675 Million
	Yield (Annual)	(9) 3.675%
Acquisition clause	(10)	Mandatory exchange not applicable Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date

Subordinated Bonds

Subordinated Bonds

Issuer	Amount outstanding	Issue date	Maturity	Dividend rate
Resona Bank	JPY50.0 bn	July 17, 2009	June 20, 2019	2.766%
	JPY50.0 bn	March 4, 2010	March 4, 2020	2.084%
	JPY40.0 bn	September 28, 2010	September 28, 2020	1.606%
	JPY25.0 bn	June 1, 2011	June 1, 2021	1.878%
	JPY20.0 bn	December 22, 2011	December 22, 2026	2.442%
	JPY35.0 bn	March 14, 2012	March 15, 2022	1.78%
	JPY16.0 bn	March 14, 2012	March 15, 2027	2.464%

Responses to the Ongoing International Discussion over Further Tightening of Financial Regulation

Major items of financial regulation being discussed internationally

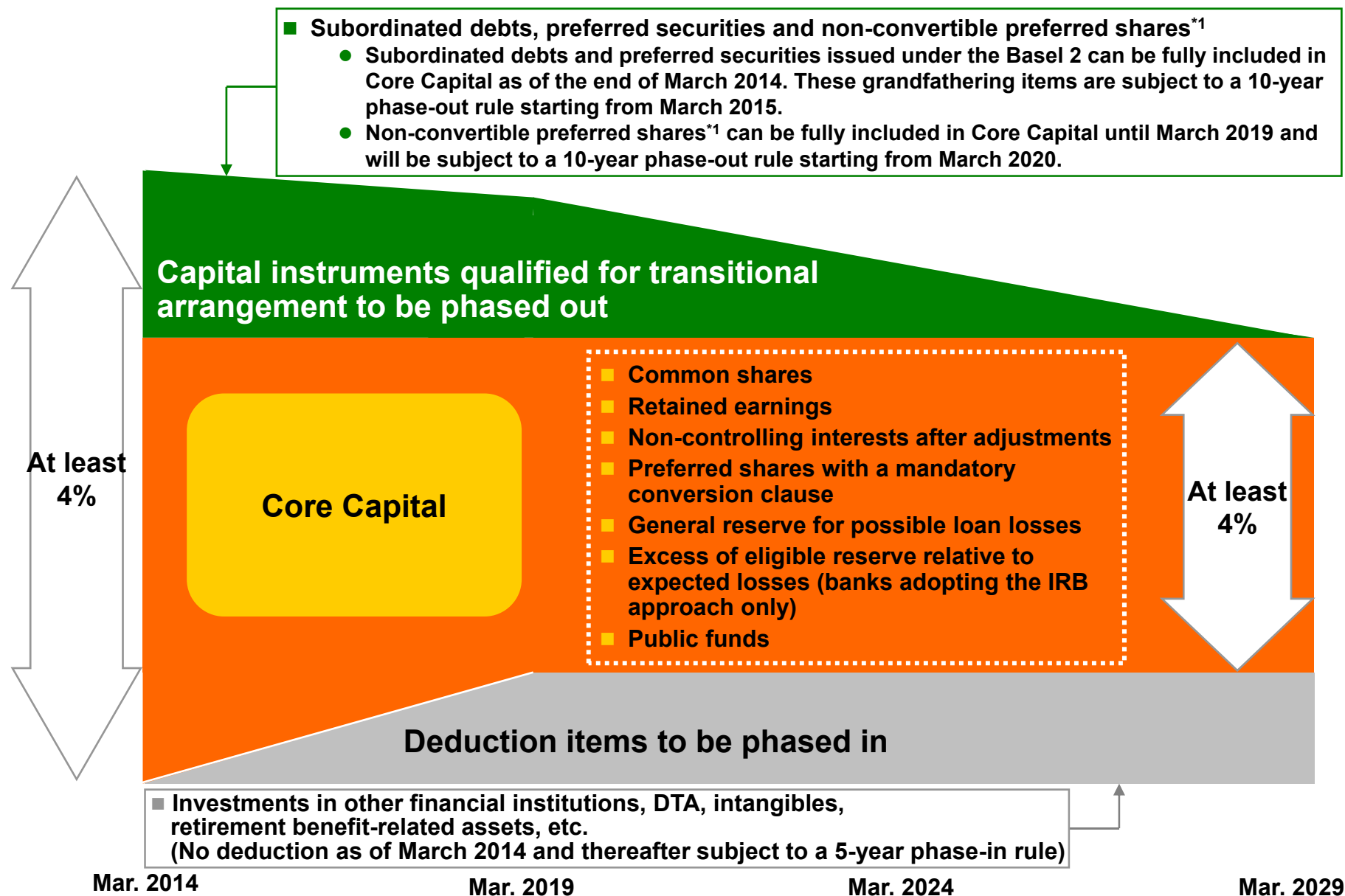
- For many items, international rules will be finalized hereafter and local authorities will start working on domestic rules.

Major regulatory items	Outline	Important updates
Review of Standardized Approach (SA) (Credit and operational risks) Review of IRB approach, Capital floor based on SA	Reviewing credit risk measurement method to better reflect risks and ensure higher comparability Reviewing operational risk measurement method to reflect actual loss data New capital floor rule requiring a reference to the SA.	<ul style="list-style-type: none"> • Under discussion for an agreement of the international rule. • We could see some possible impacts depending on the final forms. • Details including the level of floor and actual implementation schedule will be determined hereafter.
Liquidity regulations (LCR/NSFR)	[LCR] Requiring banks to hold high-quality liquid assets to prepare for significant outflow of funds under a severe stress. [NSFR] Requiring banks to hold certain capital and liabilities for the risk of having illiquid assets	<ul style="list-style-type: none"> • LCR requirement already started in 2015. (Applicable to banks subject to the International Std.) • Japanese authority is planning to introduce a local NSFR rule.
Leverage ratio	Introduced to complement capital adequacy ratio requirements. Tier 1 capital as a numerator. Exposure amount, not RWA, to be a denominator.	<ul style="list-style-type: none"> • Disclosure requirement already started in 2015 (Applicable to banks subject to the International Std.) • Japanese authority is planning to introduce a local rule for leverage ratio.
IRRBB (interest rate risk in the banking book)	Requiring banks to control interest rate risk within 15% of their Tier 1 capital	<ul style="list-style-type: none"> • Pillar 2 regulation. International rule already agreed on changes in how to measure, manage and disclose the interest rate risk. The Japanese authority is now working on setting up a local rule.
Derivatives-related (Margin deposit, SA-CCR, CVA, etc.)	Requiring banks to pay/receive margin deposits for OTC derivatives not to be cleared by CCP. Including review of method to calculate derivatives exposure and CVA	<ul style="list-style-type: none"> • Resona is subject to the variable margin requirements from March 2017. Initial margin requirements are supposed to be introduced in September 2020. • Japanese authority is planning to introduce a local SA-CCR (Standardized Approach) and CVA rules
Various capital buffers G-SIBs/D-SIBs, TLAC	Capital buffer requirements include capital conservation buffer, counter-cyclical buffer and SIBs' buffer. TLAC requires banks to hold additional capacity to absorb loss.	<ul style="list-style-type: none"> • Capital buffers were already introduced in March 2016 with a phase-in period given (Applicable to G-SIBs/D-SIBs, banks subject to the International Std.) • TLAC to be officially introduced in 2019 (applicable to G-SIBs)

- Our responses and preparedness

- Secured sufficient capital needed to sustain our business model at this point in time
- Even when regulations are tightened further, we establish a system with which we can control both numerator and denominator in a timely manner taking into account the comprehensive impacts of numerous regulations so that we can fulfill our mission of continuing to extend credits to our customers.

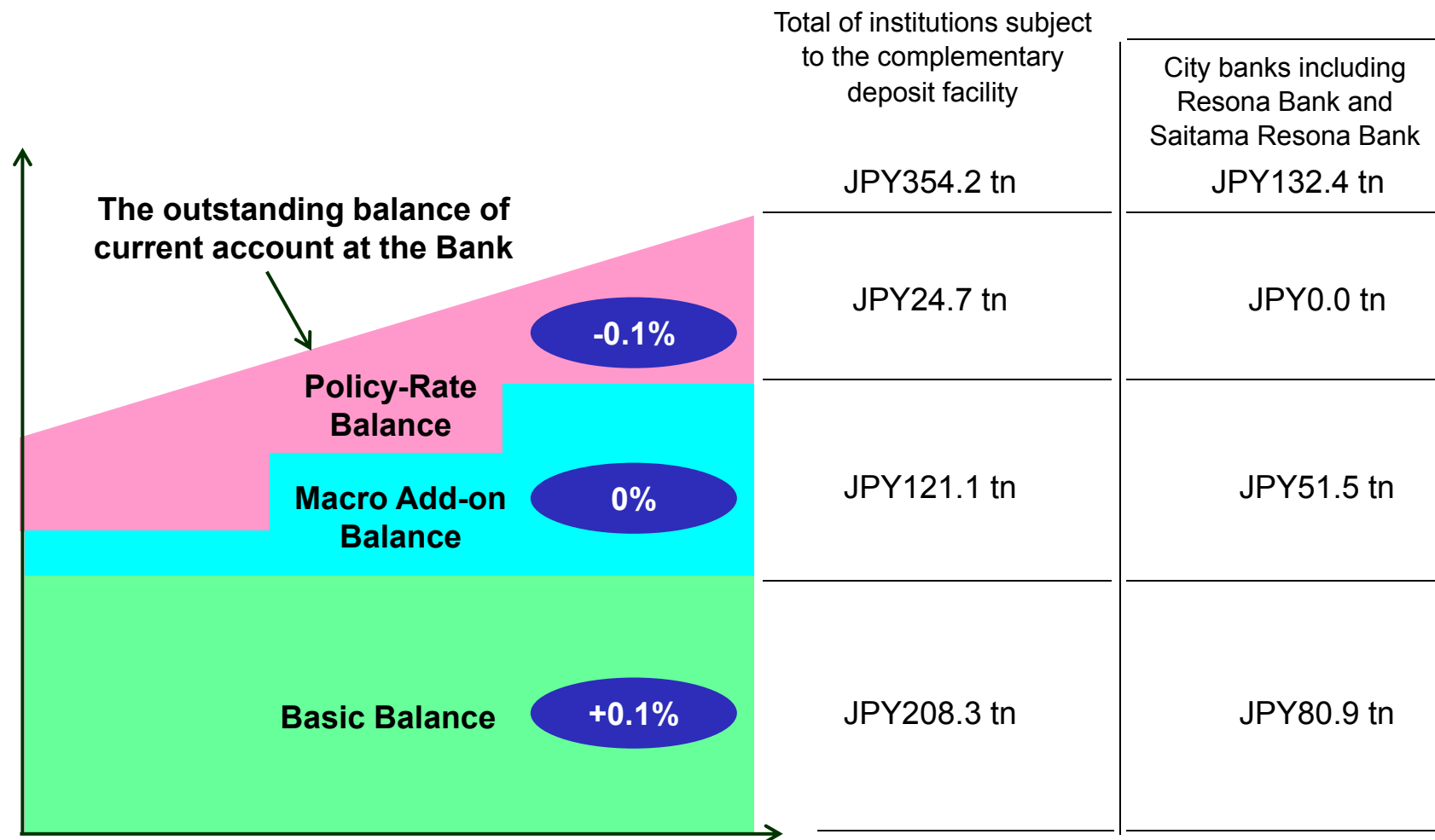
Outline of Eligible Capital under the Japanese Domestic Std.



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

BOJ Current Account Balances

Monthly average balance of BOJ current account
(16 Oct. -15 Nov.)



*1. Source: Bank of Japan

Long Term Business Results

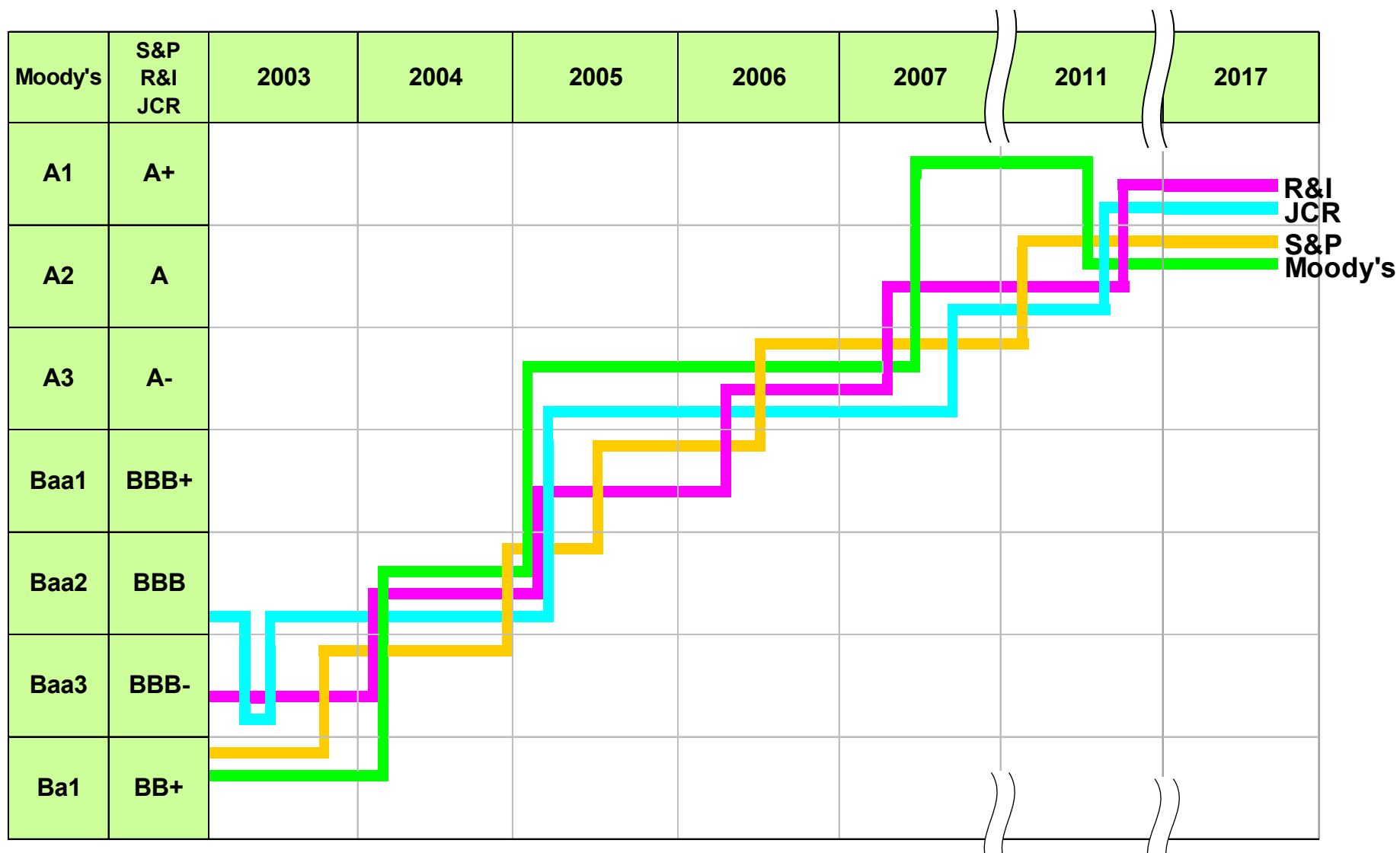
		(JPY bn)	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
PL	Consolidated	Gross operating profit	901.8	775.0	763.1	768.6	805.2	769.3	739.5	678.3	667.0	655.2	637.1	608.5	632.4	619.5	563.1
		Net interest income	599.1	561.2	542.3	549.8	563.7	555.3	547.0	499.4	484.0	463.9	443.0	430.0	425.9	401.3	377.9
		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	160.6
		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)	(362.4)
		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)	25.1
		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)	17.4
		Net income attributable to owners of the parent	(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	161.4
BS	Total of group 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	28,412.0
		Loans to SMEs and individuals	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	24,163.8
		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	13,356.3
		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	10,015.1	10,218.6
		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%	1.35%
	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	348.6
		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	555.8
Business*4	Total of group 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	801.6
		Investment trust/ Fund wrap	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	573.1
		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	228.5
		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	1,481.4
		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	1,198.7
		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	13.4
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	-	-

*1. Fees and commissions income plus trust fees
*3. Excluding gains/(losses) from investments in real estate

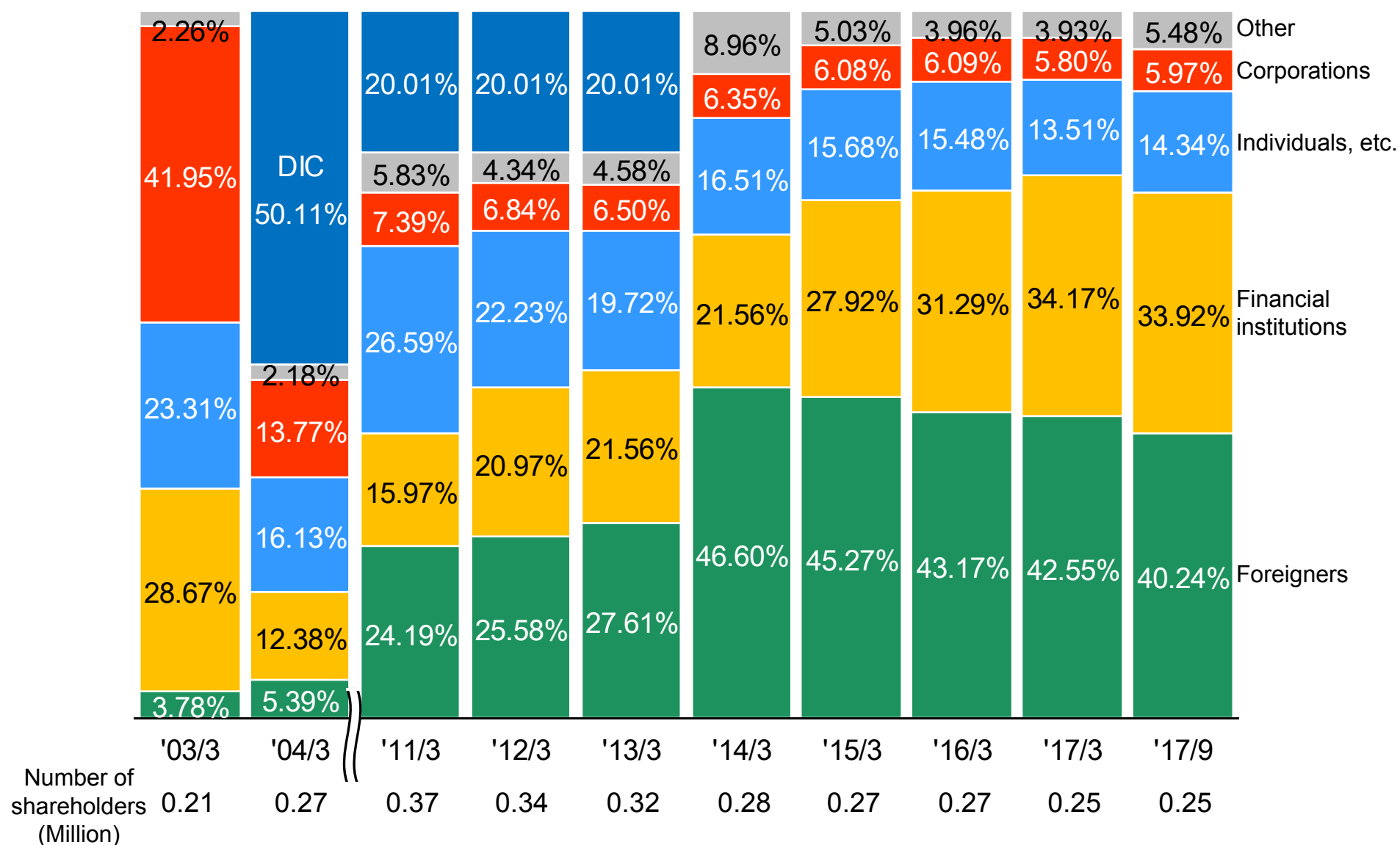
*2. Includes apartment loans (Origination Includes Flat35)
*4. Data compiled for management and administration purposes

Trend of Long-term Senior Debt Rating

RB

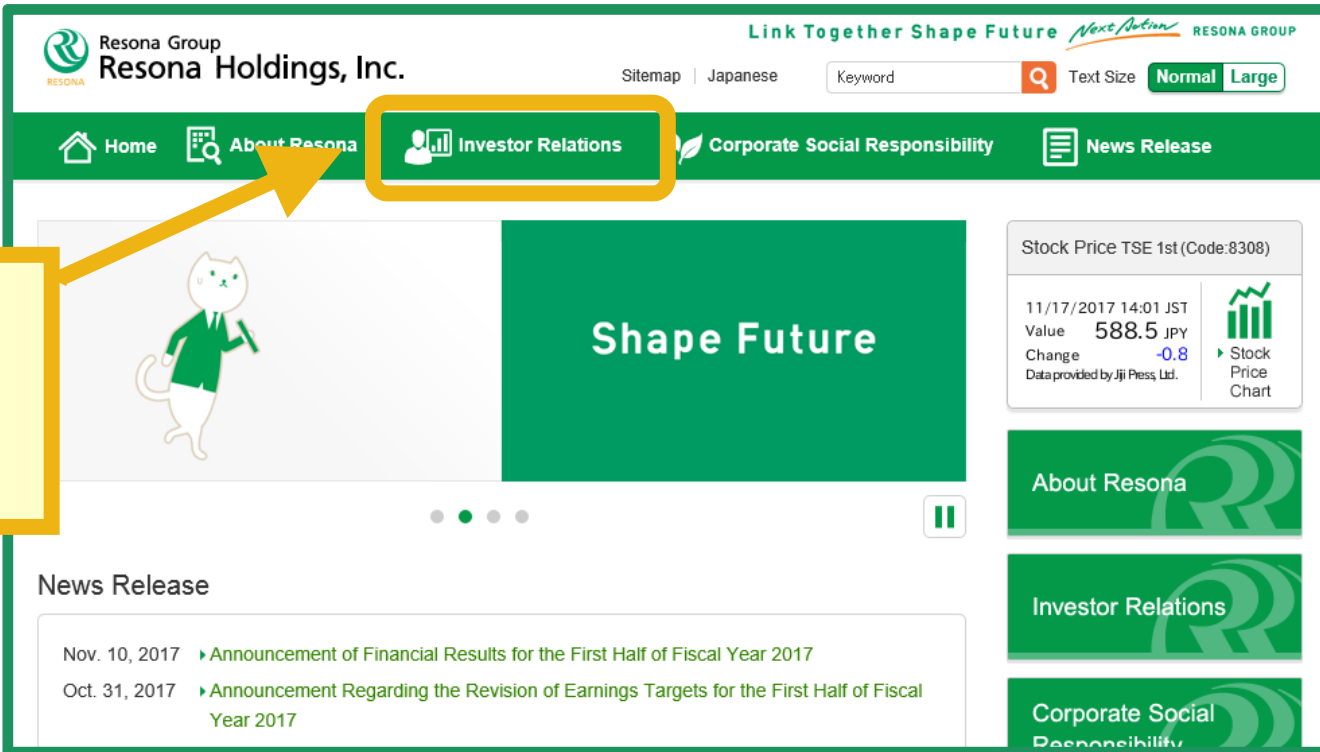


Composition of Resona HD's Common Shareholders



Our Website Information

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



The screenshot shows the Resona Holdings, Inc. website. The header includes the Resona Group logo, the company name, and navigation links for Sitemap, Japanese, and a search bar. The main navigation bar features links for Home, About Resona, Investor Relations (highlighted with a yellow box and an arrow), Corporate Social Responsibility, and News Release. The main content area has a large green banner with the text "Shape Future" and a cartoon cat character. To the right, there is a stock price section for TSE 1st (Code: 8308) showing a value of 588.5 JPY and a change of -0.8. Below the banner, there is a "News Release" section with two entries: "Nov. 10, 2017 - Announcement of Financial Results for the First Half of Fiscal Year 2017" and "Oct. 31, 2017 - Announcement Regarding the Revision of Earnings Targets for the First Half of Fiscal Year 2017". On the right side, there are three vertical buttons: "About Resona", "Investor Relations", and "Corporate Social Responsibility".

Materials for investors are available from here



Official You Tube
(in Japanese language)
<http://www.youtube.com/user/ResonaGroup>



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



Official Twitter account
(in Japanese language)
http://twitter.com/resona_pr

Proactively Communicating with Our Shareholders and Investors

Publication of Integrated Report 2017 of Resona Group

<http://www.resona-gr.co.jp/holdings/english/investors/financial/integrated/index.html>

Integrated Report explains in a simple manner to all stakeholders the Resona Group's strengths and measures undertaken to create sustainable corporate value.



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 and central bank's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group.

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

The integration of regional banks in Kansa region is subject to the approval and permission of the relevant authorities, and to the approvals of each extraordinary meeting of the shareholders at MB and KU.

Link Together Shape Future *Next Action* **RESONA GROUP**

