

Business Results for FY2018 and Future Management Direction



Resona Holdings

May 23, 2019

- Abbreviations and definitions of the figures presented in this material are as follows:

In order to facilitate understandings of how management integration of KMFG impacted the periodic profitability of Resona Holdings, “YoY” and “Adjusted YoY” comparisons are presented in this material. Definitions are as follows:

[YoY]		Comparison with the HD’s consolidated results for FY2017
[Adjusted YoY]	HD Consolidated	Comparison with the total sum of HD consolidated, KU consolidated and MB consolidated results for FY2017 *(HD’s consolidated net income is adjusted to exclude non-controlling interests (48.8%) in KU consolidated, KO consolidated and MB consolidated net income)
	5 Banks Total	Comparison with the total sum of non-consolidated results of 5 banks

Abbreviations

[HD] Resona Holdings, [RB] Resona Bank, [SR] Saitama Resona Bank,
[KMFG] Kansai Mirai Financial Group, [KU] Kansai Urban Banking Corporation, [KO] Kinki Osaka Bank,
[MB] Minato Bank,
[3 Banks] RB, SR, KO, [5 Banks] RB, SR, KU, KO, MB

Figures include data for internal administration purpose.

The forward-looking statements contained in this material may be subject to material change due to the following factors. These factors may include changes in the level of stock price in Japan, any 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.

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Outline of Business Results for FY2018 and Updates on Major Businesses

Efforts to Business Challenges for Sustainable Growth

Direction of Capital Management

Reference Material

Outline of Financial Results for FY2018

■ Posted JPY175.1 bn of net income attributable to owners of parent

Down JPY61.0 bn, or 25.8%, YoY

Down JPY69.0 bn, or 28.2%, on an adjusted YoY basis

Down JPY24.9 bn from the target announced in Nov. 2018

Up JPY5.1 bn from the revised target in Apr. 2019

- Changes in one-off gains JPY(45.7) bn
 - Management integration of KMFG JPY(31.6) bn
 - Realignment of loan guarantee subsidiaries JPY(14.1) bn
- Measures to improve soundness of securities portfolio JPY(22.7) bn

■ Posted JPY644.1 bn of gross operating profit

Down JPY17.1 bn, or 2.5%, on an adjusted YoY basis

Contraction of loan-to-deposit spread moderated while increase in loan balance and fee income continued

Income structure reform has made discernible progress

- Net interest income from domestic loans and deposits:
 - Down JPY11.1 bn on an adjusted YoY basis
 - Average loan balance : +2.89%, outpacing the plan +2.54%
 - Loan-to-deposit spread contracted by 6 bps, in line with the plan
- Fee income: Up JPY6.0 bn, or 3.2%, on an adjusted YoY basis
 - Fee income ratio : 30.0%
 - Fee income climbed to a record high level
 - Primarily driven by insurance and housing loan-related fees

■ Operating expenses: JPY420.5 bn

Down JPY0.0 bn, on an adjusted YoY basis

■ Credit related expenses: JPY1.3 bn

Increased by JPY11.4 bn, on an adjusted YoY basis

■ Shareholder return policy for FY2019

Enlarge shareholder return further by share buy back

(1) Share buy back up to JPY10.0 bn

(2) Continue 21 yen per annum common DPS

HD consolidated (JPY bn)	FY2018	YoY change		[Reference]	
			%	Adjusted YoY change	%
Net income attributable to owners of parent (1)	175.1	(61.0)	(25.8)%	(69.0)	(28.2)%
EPS (yen) (2)	75.63	(24.88)	(24.7)%		
BPS (yen) (3)	911.17	+10.45	+1.1%		
ROE (stockholders' equity) *1 (4)	10.85%	(4.91)%			
Gross operating profit (5)	644.1	+91.6	+16.5%	(17.1)	(2.5)%
Net interest income (6)	435.9	+67.5		(18.3)	
NII from loans and deposits*2 (7)	353.7	+66.0		(11.1)	
Fee income (8)	193.8	+25.7		+6.0	
Fee income ratio (9)	30.0%	(0.3)%		+1.7%	
Trust fees (10)	19.2	+0.6		+0.6	
Fees and commission income (11)	174.5	+25.1		+5.4	
Other operating income (12)	14.4	(1.7)		(4.9)	
Net gains on bonds (including futures) (13)	(7.8)	(2.7)		(2.9)	
Operating expenses (excluding group banks' non-recurring items) (14)	(420.5)	(79.3)	(23.2)%	(0.0)	(0.0)%
Cost income ratio (OHR) (15)	65.2%	+3.5%		+1.7%	
Actual net operating profit (16)	225.6	+14.0	+6.6%	(15.4)	(6.3)%
Net gains on stocks (including equity derivatives) (17)	7.1	(5.9)		(10.6)	
Credit related expenses, net (18)	(1.3)	(16.0)		(11.4)	
Other gains, net (19)	7.1	+30.7		+32.6	
Net income before income taxes and non-controlling interests (20)	238.6	+22.7	+10.5%	(4.8)	(1.9)%
Income taxes and other (21)	(57.3)	(78.3)		(72.2)	
Net income attributable to non-controlling interests (22)	(6.1)	(5.5)		+8.0	
【Target for FY2019】				Net income attributable to owners of parent	
				160.0	

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

*2. Total of non-consolidated domestic banking accounts of 5 banks, deposits include NCDs

*3. Negative figures represent items that would reduce net income

Breakdown of Financial Results

(JPY bn)	Resona Holdings (Consolidated)			Total of group banks		Resona Bank	Saitama Resona Bank	Total of group banks under KMFG	Difference
	(a)	YoY (b)	[reference] Adjusted YoY (c)	(d)	[reference] Adjusted YoY (e)	(f)	(g)	(h)	
Gross operating profit (1)	644.1	+91.6	(17.1)	593.0	(16.2)	339.9	113.5	139.5	51.1
Net interest income (2)	435.9	+67.5	(18.3)	434.5	*i (16.2)	229.3	89.4	115.7	1.3
Nil from domestic loans and deposits (3)				353.7	(11.1)	178.3	75.0	100.2	
Fee income (4)	193.8	+25.7	+6.0	147.3	+6.7	101.3	24.0	22.0	46.4
Fee income ratio (5)	30.0%	(0.3)%	+1.7%	24.8%	+1.7%	29.8%	21.1%	15.7%	
Trust fees (6)	19.2	+0.6	+0.6	19.2	+0.5	19.2			(0.0)
Fees and commission income (7)	174.5	+25.1	+5.4	128.1	+6.1	82.1	24.0	22.0	46.4
Other operating income (8)	14.4	(1.7)	(4.9)	11.0	(6.6)	9.2	0.0	1.8	3.3
Net gains on bonds (including futures) (9)	(7.8)	(2.7)	(2.9)	(9.7)	(4.9)	(6.9)	(2.6)	(0.1)	1.9
Operating expenses (excluding group banks' non-recurring items) (10)	(420.5)	(79.3)	(0.0)	*1 (397.6)	(0.3)	(211.2)	(74.3)	*1 (112.0)	(22.9)
Cost income ratio (OHR) (11)	65.2%	+3.5%	+1.7%	67.0%	+1.8%	62.1%	65.4%	80.2%	
Equity in gains of affiliates (12)	*2 2.1	+1.8	+1.8						2.1
Actual net operating profit (13)	225.6	+14.0	(15.4)	195.3	(16.6)	128.6	39.2	27.5	30.3
Net gains on stocks (including equity derivatives) (14)	7.1	(5.9)	(10.6)	12.0	*j (58.1)	10.5	(2.2)	3.7	(4.9)
Credit related expenses, net (15)	(1.3)	(16.0)	(11.4)	0.1	(14.5)	5.1	(0.8)	(4.1)	(1.4)
Other gains/(losses), net (16)	7.1	+30.7	+32.6	(31.4)	(9.9)	(16.4)	(3.8)	(11.2)	38.5
One-off gain related to management integration under KMFG (17)	39.8	+39.8	+39.8						39.8
Net income before income taxes (18)	238.6	+22.7	(4.8)	176.1	(99.3)	127.9	32.2	15.9	62.4
Income taxes and other (19)	(57.3)	*3 (78.3) *k	*3 (72.2) *k	(50.2)	*k (0.9)	(37.2)	(10.1)	(2.8)	(7.0)
Net income attributable to non-controlling interests (20)	(6.1)	(5.5)	+8.0						(6.1)
Net income (attributable to owners of parent) (21)	175.1	(61.0)	(69.0)	125.8	(100.2)	90.7	22.0	13.0	49.2

*1. Exclude goodwill amortization by KU, JPY(0.7) bn, related to acquisition of former Biwako Bank.

*2. Include gains on negative goodwill, JPY1.7 bn, related to Shutoken Leasing and DFL Lease which newly became equity method-applied affiliates.

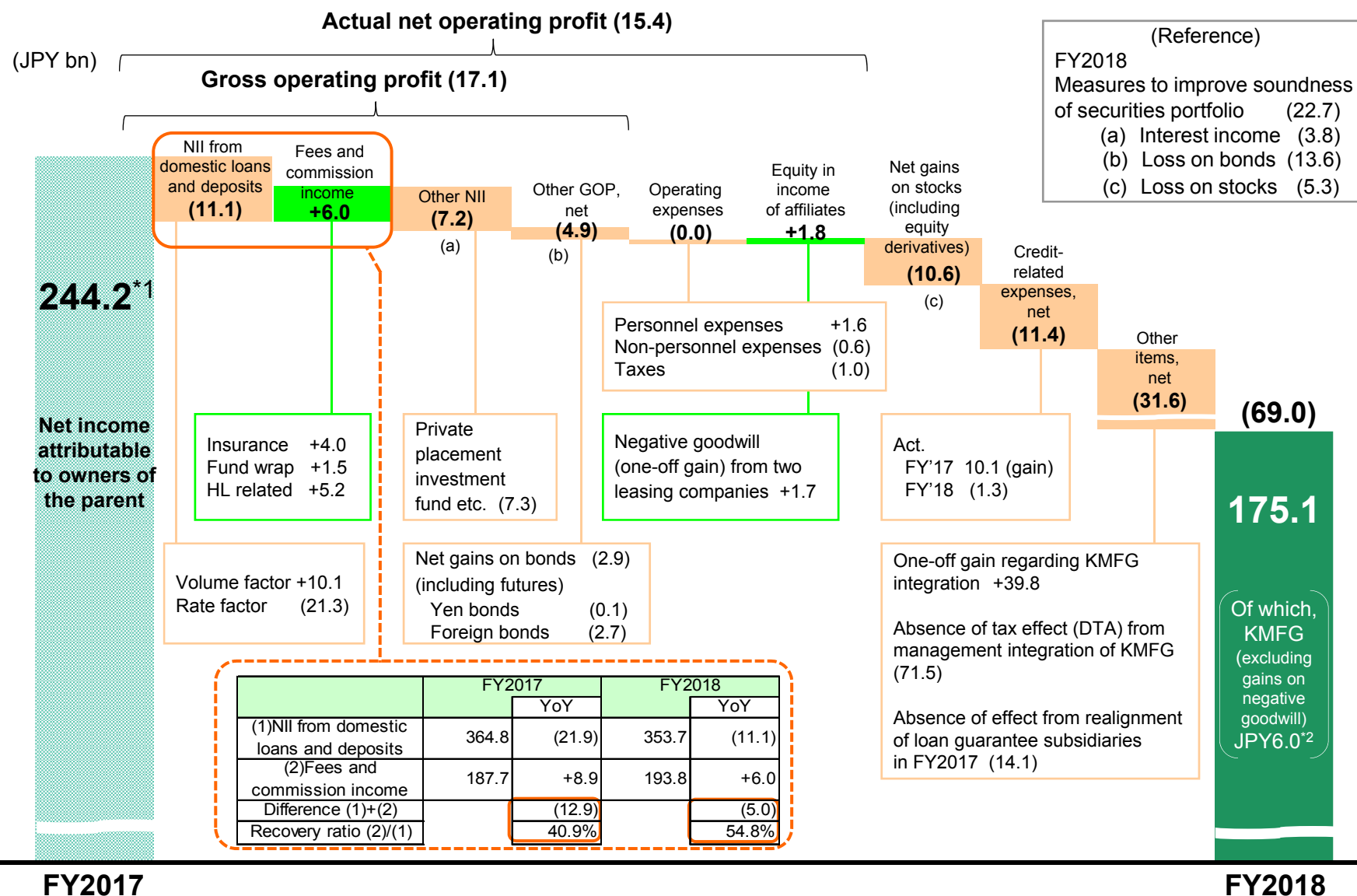
*3. Include absence of tax effect, JPY(71.5) bn, from management integration of KMFG

*4. Include absence of effect from realignment of loan guarantee subsidiaries in FY2017

[*i. Special dividend (JPY4.9 bn, cancelled out in consolidation) paid by Kinki Osaka Shinyo Hosho to KO. *j. Gain on sale of shares of Resona Guarantee totaling JPY52.9 bn (JPY39.3 bn recognized by RB and JPY13.5 bn by SR, respectively) (Cancelled out in consolidation) *k. Reduction of income tax charge, JPY14.1 bn, due to a tax loss recognized]

Factors for the Changes in Periodic Profits (Adjusted YoY Comparison)

HD
Consolidated



*1. HD consolidated net income (JPY236.2 bn)+ { KU consolidated net income (JPY13.8 bn) + MB consolidated net income (JPY7.6 bn) } x 51.2% - KO consolidated net income (JPY6.1 bn) x (100% - 51.2%) as of FY2017

*2. { KMFG consolidated net income (JPY68.4 bn) - KMFG gains on negative goodwill (JPY56.6 bn) } x 51.2%

Trend of Loans and Deposits (Domestic Account)

Total of
Group Banks

Average loan / deposit balance, rates and spread

Avg. bal : Trillion Yen Income/Cost : Billion Yen		FY2018		FY2019	
		Act. (a)	Adjusted YoY*3 (b)	Plan (c)	YoY [vs. '19/3]*3 (d)
Loans	Avg. Bal. (1)	34.90	+2.89%	35.63	+2.08%
	Rate (2)	1.03%	(0.06)%	0.98%	(0.04)%
	Income (3)	361.3	(12.9)	351.9	(9.4)
	Avg. Bal. (4)	20.90	+3.89%	21.40	+2.36%
	Rate (5)	0.87%	(0.06)%	0.83%	(0.04)%
	Income (6)	12.86	+1.50%	13.14	+2.21%
Corporate Banking Business Unit *1	Avg. Bal. (4)	20.90	+3.89%	21.40	+2.36%
	Rate (5)	0.87%	(0.06)%	0.83%	(0.04)%
	Income (6)	12.86	+1.50%	13.14	+2.21%
Personal Banking Business Unit *2	Avg. Bal. (6)	12.86	+1.50%	13.14	+2.21%
	Rate (7)	1.32%	(0.07)%	1.26%	(0.06)%
	Income (8)	361.3	(12.9)	351.9	(9.4)
Deposits (Including NCDs)	Avg. Bal. (8)	50.81	+3.45%	51.77	+1.89%
	Rate (9)	0.01%	(0.00)%	0.01%	(0.00)%
	Cost (10)	(7.6)	+1.7	(6.6)	+0.9
Loan-to-deposit	Spread (11)	1.02%	(0.06)%	0.97%	(0.04)%
	Net interest income (12)	353.7	(11.1)	345.2	(8.4)

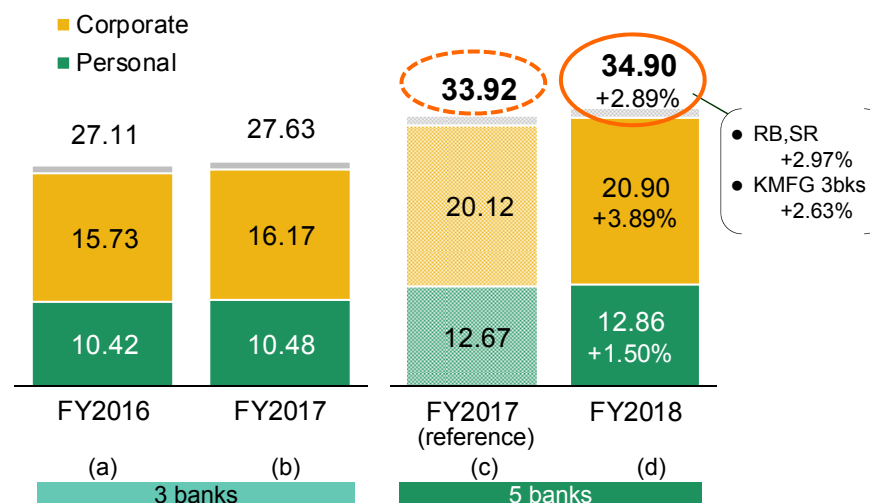
*1. Corporate Banking Business Unit : Corporate loans (excluding loans to governments) + apartment loans

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

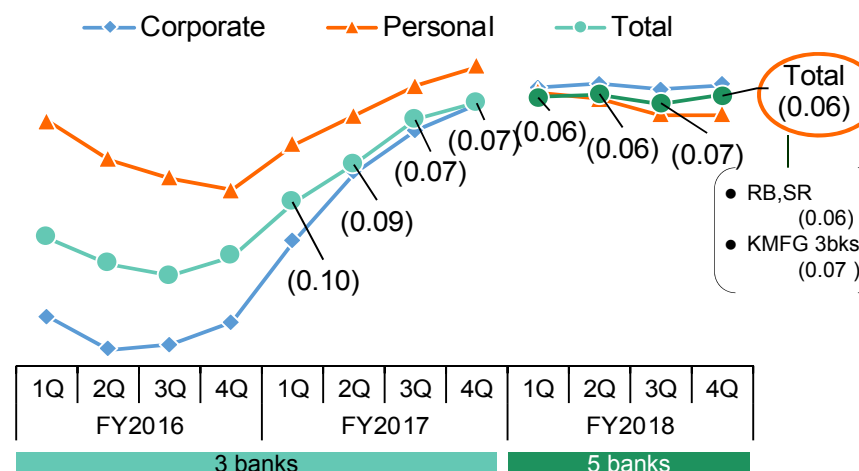
*3. Average balance : rate of change

Trend of average loan balance, loan rate change

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



[Loan rate YoY change (%)]



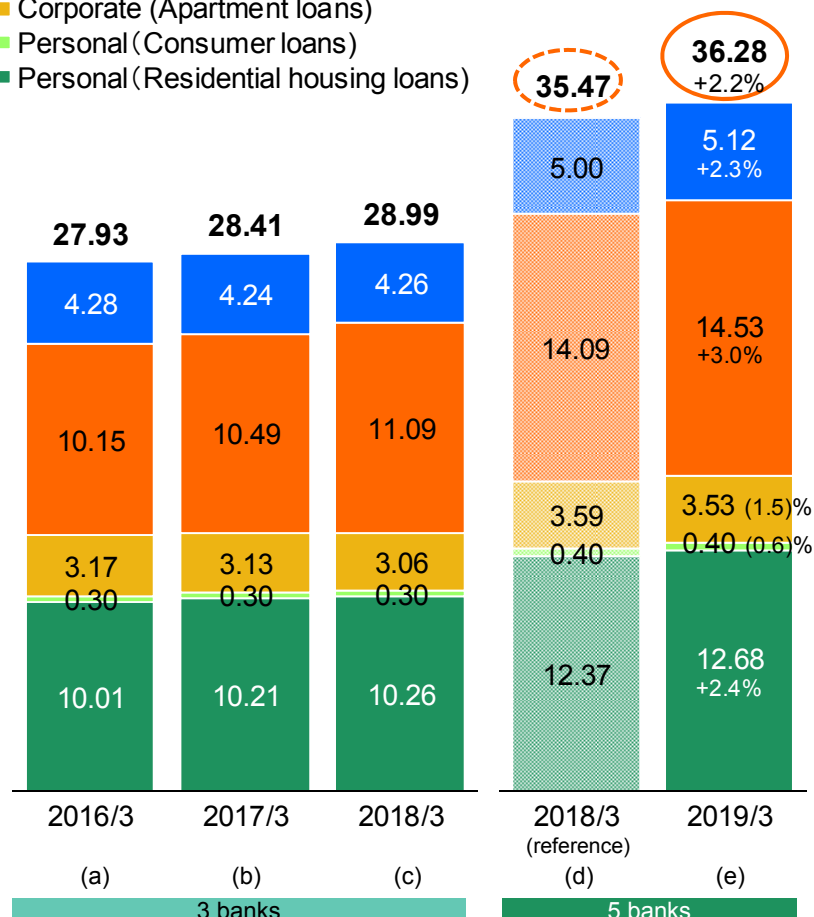
Term-end Balance of Loans and Deposits

Total of
Group Banks

Term-end loan balance

JPY tn, % represents
adjusted YoY change

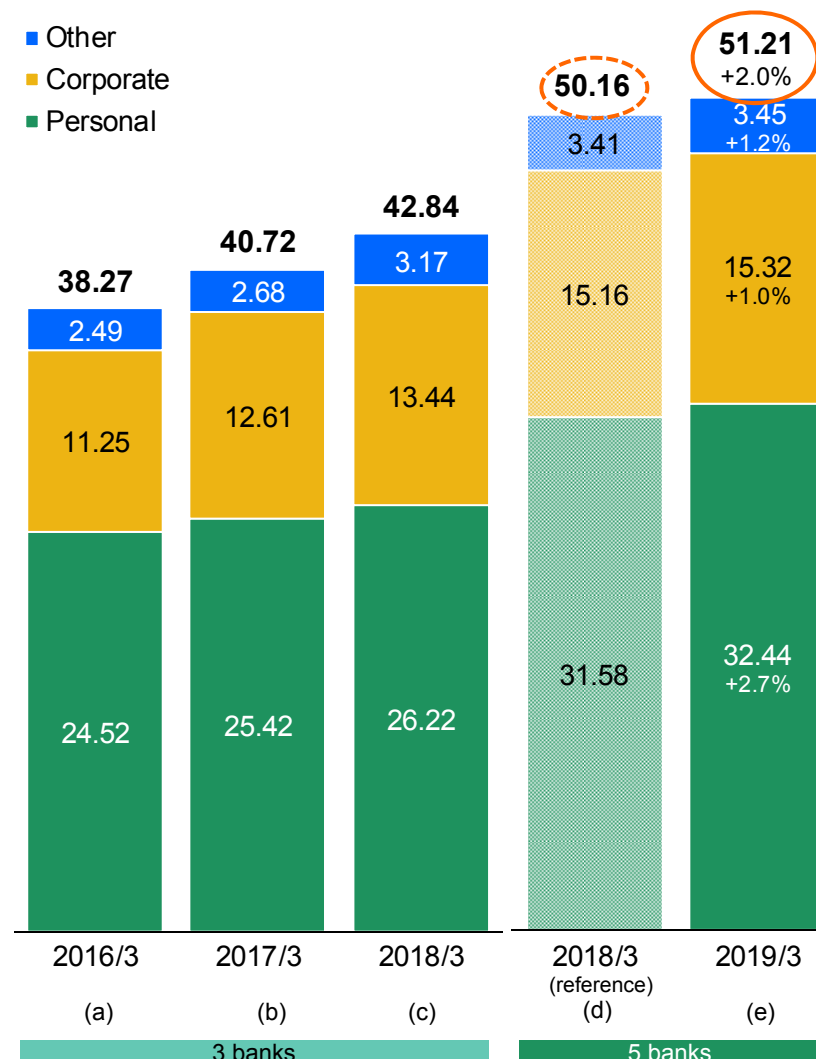
- Corporate (Large companies and other)
- Corporate (SMEs)
- Corporate (Apartment loans)
- Personal (Consumer loans)
- Personal (Residential housing loans)



Term-end deposit balance

JPY tn, % represents
adjusted YoY change

- Other
- Corporate
- Personal



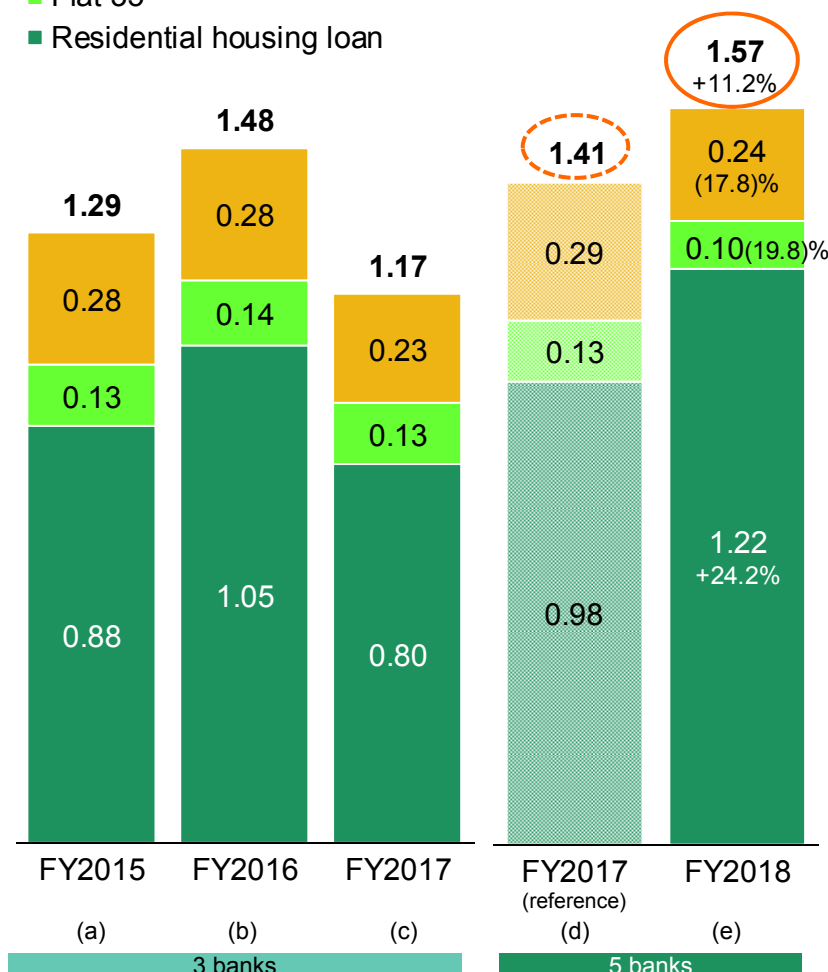
Housing Loan Business

Total of
Group Banks

New housing loan origination

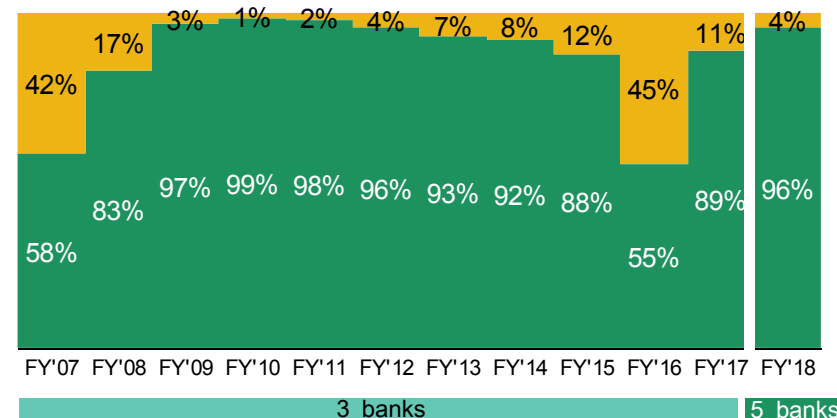
JPY tn, % represents
adjusted YoY change

- Apartment loan
- Flat 35
- Residential housing loan



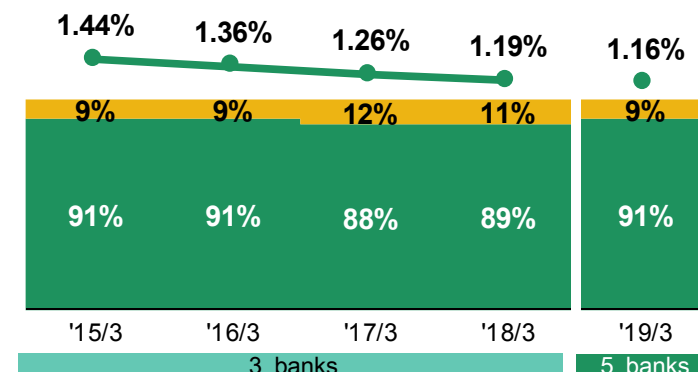
Composition of newly originated residential housing loans by interest rate type

- Share of fixed rate residential housing loans
- Share of variable rate residential housing loans



Residential housing loans yield on a stock basis and composition by interest rate type

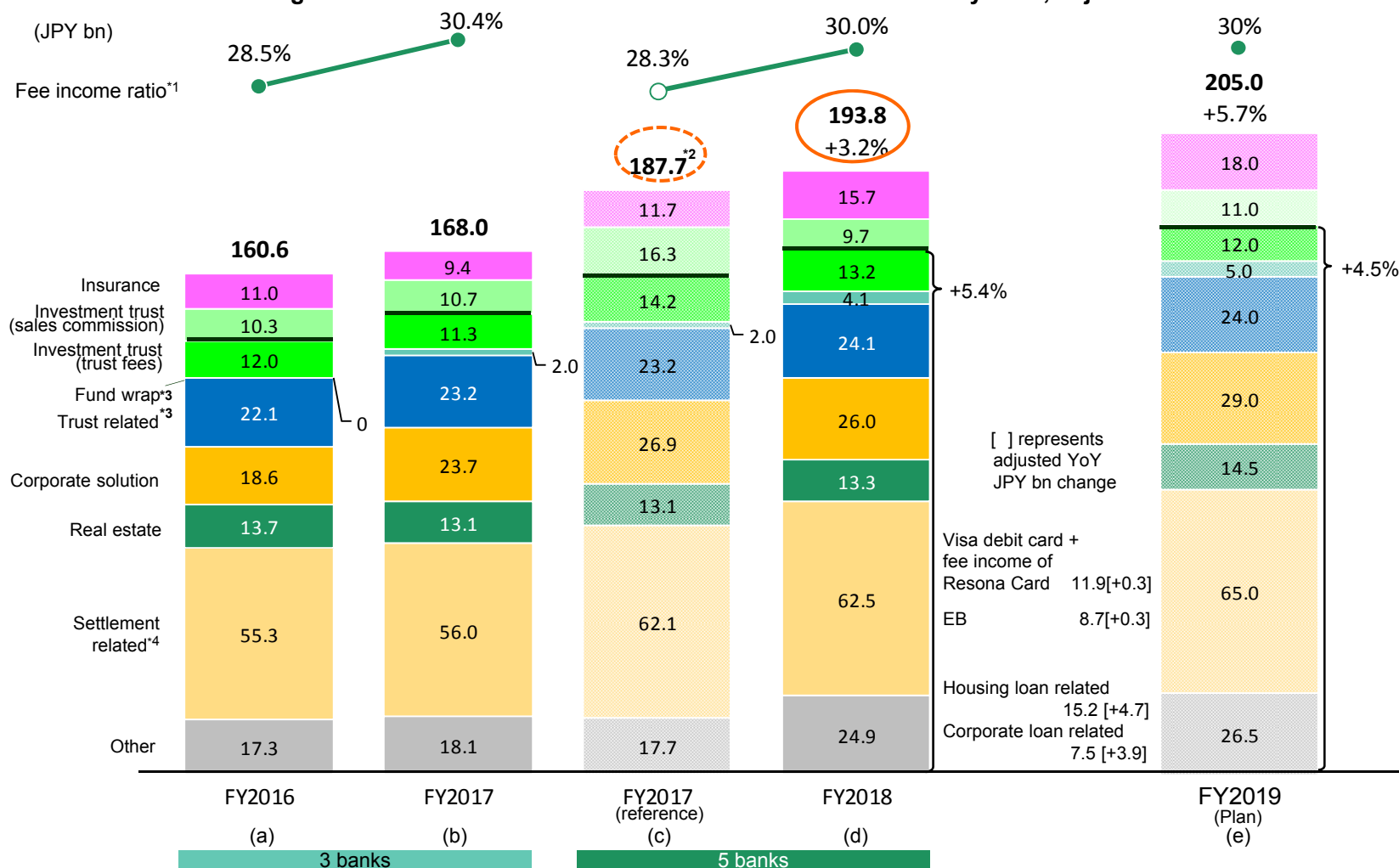
- Share of fixed rate residential housing loans
- Share of variable rate residential housing loans
- Residential housing loans yield



Fee Income

HD
Consolidated

- Consolidated fee income ratio*¹ for FY2018: 30.0%
- Primarily driven by insurance (+34%, adjusted YoY basis), fund wrap (× 2 times, adjusted YoY basis) and housing loan related fees (+45%, adjusted YoY basis)
- Fee income excluding fees from insurance and investment trust sale increased by 5.4%, adjusted YoY basis



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

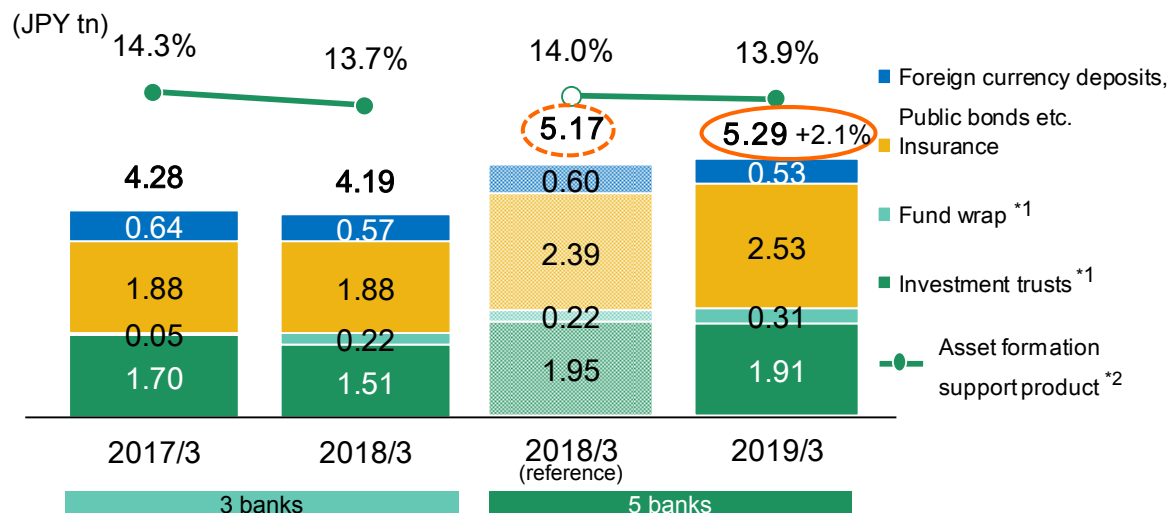
*2. Total of HD consolidated, KU consolidated and MB consolidated figures *3. Including fee income earned by Resona Asset Management

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

Major Fee Businesses(1) (Asset Formation Support Business)

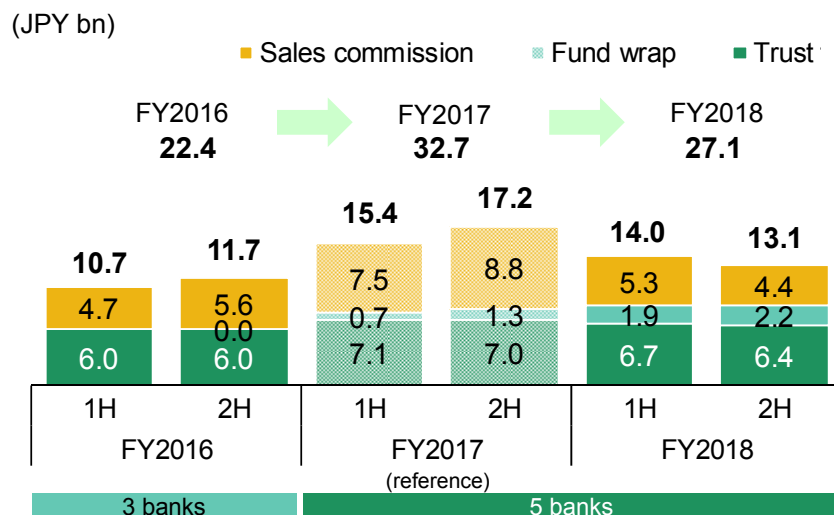
HD
Consolidated

[Balance of asset formation support products sold to individuals]

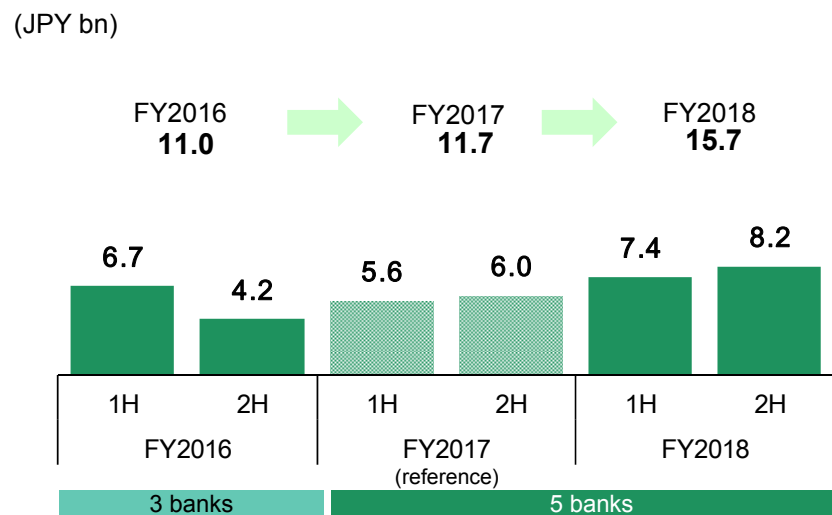


- Balance of fund wrap*1: '19/3 JPY310.3 bn (JPY347.6 bn including corporation)
- Increase in balance of investment trust and fund wrap: Approx. +JPY44.0 bn
- Net inflow (new purchase – withdrawal and redemption): Approx. +JPY46.0 bn in FY2018
- Number of individual customers having investment trust, fund wrap and insurance products: '19/3 0.90 million
- NISA account holders*3: 0.33 million
- iDeCo participants*4: '19/3 99 thousand +33%, YoY

[Investment trust and fund wrap]



[Insurance]



*1. Based on market value *2. Balance of asset formation support products sold to individuals / (balance of asset formation support products sold to individuals and yen deposits held by individuals)

*3. NISA, Junior NISA, Cumulative NISA *4. iDeCo participants + members giving investment instructions

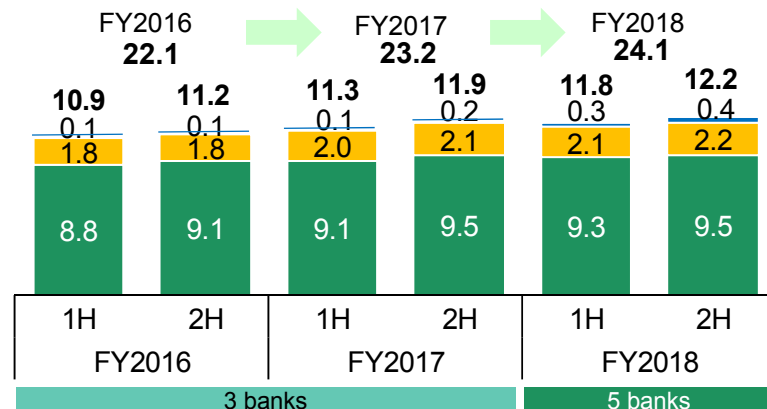
Major Fee Businesses(2) (Trust, Corporate Solution, Real Estate Business)

HD
Consolidated

Trust-related business income

(JPY bn)

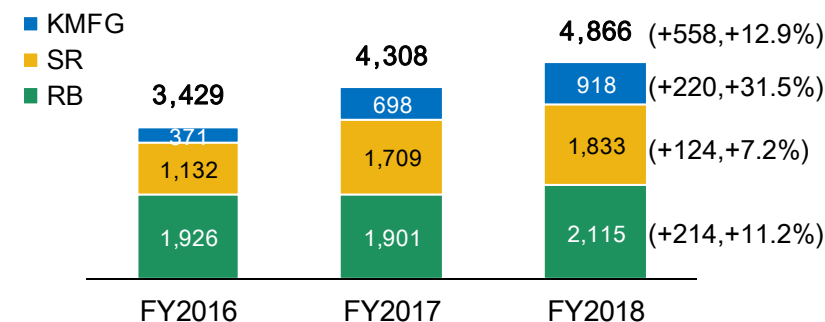
- Resona Asset Management
- Trust solution offered for asset and business succession
- Pension/Securities trust



- Expand business opportunities through providing group banks' customers with trust functions

⇒ Asset and business succession: Income and number of new contracts renewed all-time record high

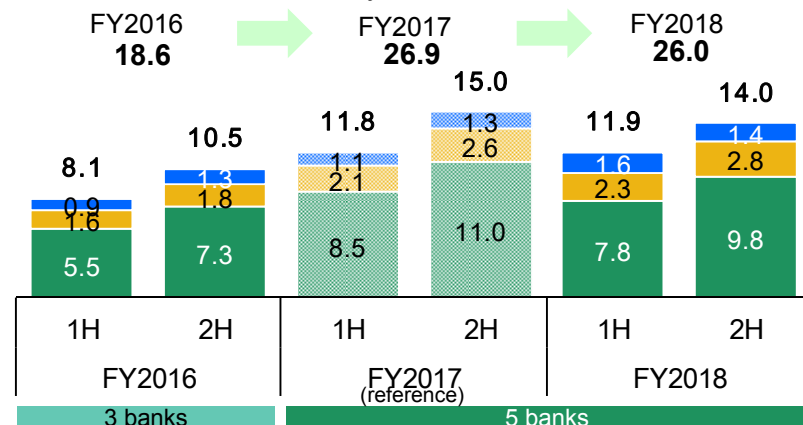
[Number of new asset succession-related contracts]



Corporate solutions business income

(JPY bn)

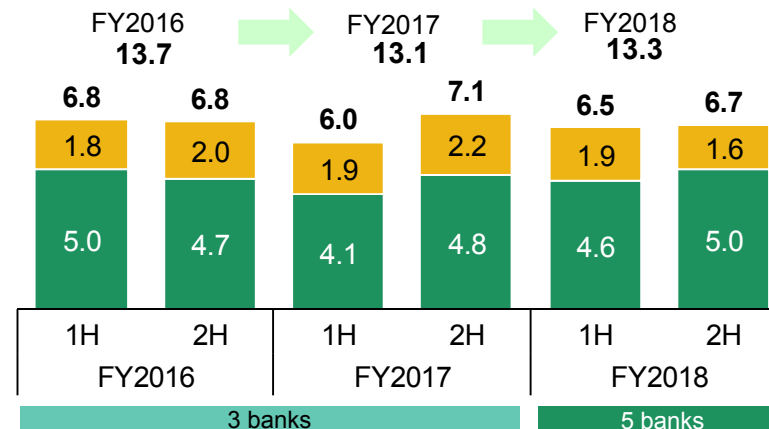
- M&A
- Private notes
- Commitment line, Syndicated loans, Covenants



Real estate business income*1

(JPY bn)

- Consumer
- Corporate



*1. Excluding gains from investments in real estate funds

Credit Costs and NPL

HD Consolidated
Total of Group Banks

Credit costs

		3 banks	5 banks		
(JPY bn)		FY 2017	FY 2017	FY 2018	FY 2019
		(a)	(reference)	(c)	(Plan)
		(b)			(d)
Net credit cost^{*1}	(1)	14.7	10.1	(1.3)	(22.5)
Net credit cost (Total of group banks)	(2)	17.5	14.7	0.1	(17.0)
General reserve	(3)	6.6	9.0	11.2	
Specific reserve and other items	(4)	10.8	5.7	(11.0)	
New bankruptcy, downward migration	(5)	(15.4)	(22.2)	(31.3)	
Collection/upward migration	(6)	26.2	27.9	20.2	
Difference (1) - (2)	(7)	(2.7)	(4.6)	(1.4)	(5.5)
HL guarantee subsidiaries	(8)	1.1	0.0	3.0	
Resona Card	(9)	(2.3)	(2.3)	(2.2)	
<Credit cost ratio> (bps)					
HD consolidated ^{*1,2}	(10)	5.1	2.8	(0.3)	(6.1)
Total of group banks ^{*3}	(11)	5.9	4.0	0.0	(4.5)

*(Note) Positive figures represent reversal gains

*1. Figures of FY2017 (5 banks): HD consolidated + KU consolidated + MB consolidated

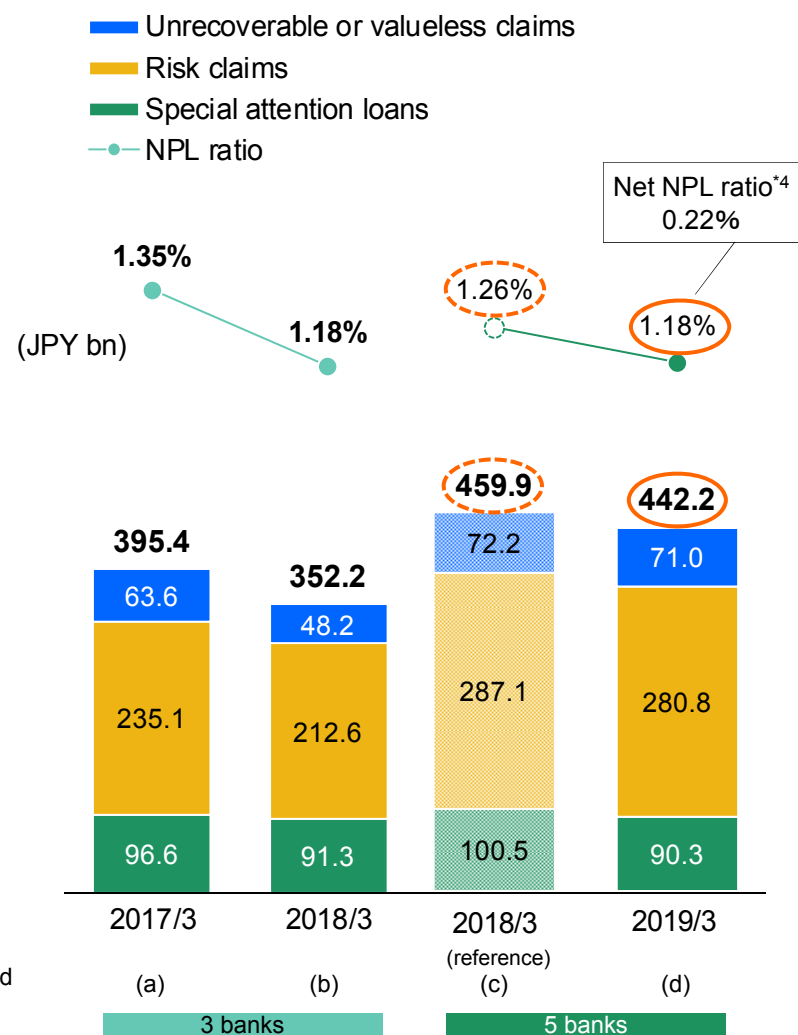
*2. Credit cost / (Loans and bills discounted + acceptances and guarantees)
(Simple average of the balances at the beginning and end of the term)

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

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

NPL balance and ratio (Total of Group Banks)

(Financial Reconstruction Act criteria)



Securities Portfolio

Total of
Group Banks

Securities portfolio*1

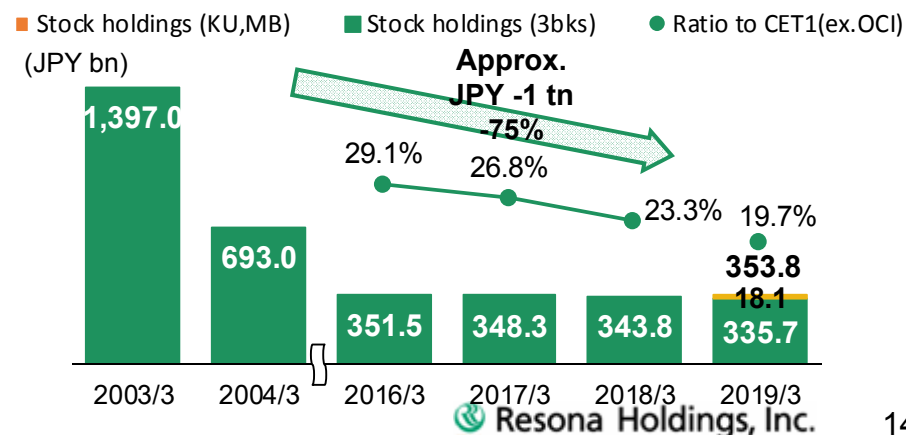
		5 banks			
(JPY bn)		2018/3 (reference) (a)	2018/9 (b)	2019/3 (c)	Unrealized gain/(loss) (d)
Available-for-sale securities	(1)	2,918.1	3,975.7	2,566.5	598.3
Stocks	(2)	365.4	362.0	353.8	587.0
Bonds	(3)	1,532.7	2,280.0	1,188.2	6.5
JGBs	(4)	325.1	1,112.5	46.1	0.5
Average duration (years)	(5)	6.5	7.4	6.7	—
Basis point value (BPV)	(6)	(0.21)	(0.82)	(0.03)	—
Local government and corporate bonds	(7)	1,207.5	1,167.5	1,142.0	5.9
Other	(8)	1,019.9	1,333.6	1,024.5	4.7
Foreign bonds	(9)	389.2	737.0	472.3	6.4
Average duration (years)	(10)	8.4	7.7	5.3	—
Basis point value (BPV)	(11)	(0.31)	(0.51)	(0.18)	—
Investment trusts (Domestic)	(12)	608.0	574.7	540.6	(4.5)
Net unrealized gain	(13)	672.8	687.1	598.3	
Bonds held to maturity	(14)	2,057.1	2,185.1	2,127.4	47.1
JGBs	(15)	1,565.5	1,607.0	1,539.5	34.1
Net unrealized gain	(16)	52.0	40.5	47.1	

- Implemented measures to improve soundness of securities portfolio in the volatile market environment JPY(22.7) bn

- Unrealized losses in 3 assets improved (4)+(9)+(12)
'18/9 JPY(28.6) bn ⇒ '18/12 JPY(32.1) bn ⇒ '19/3 JPY2.4 bn
- Reduce downside risk of income in FY2019

Status of policy-oriented stocks held

- Breakeven Nikkei average: Approx. 7,600 yen
- Balance of listed stocks disposed in FY2018 (acquisition cost basis): JPY11.6 bn, Net gain on sale: JPY16.7 bn
- Resona Group will 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*2 in the medium term.
- Plan to reduce JPY35.0 bn in 5 years from FY2016



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

*2. Excluding OCI (other comprehensive income)

Capital Adequacy Ratio

HD
Consolidated

- CAR (Domestic std.) and CET1 ratio* (International std.) as of March 31, 2019 were 10.10% and 9.30%, respectively, maintaining sound capital adequacy level

* Excluding unrealized gain on available for sale securities

Domestic standard				
(JPY bn)		2018/3	2019/3	Change
Capital adequacy ratio (1)		10.65%	10.10%	(0.55)%
Total capital (2)		1,626.0	1,925.9	+299.8
Core Capital: instruments and reserves (3)		1,689.9	1,978.1	+288.1
Stockholders' equity (4)		1,544.0	1,636.7	+92.7
Adjusted non-controlling interests (5)		14.6	236.2	+221.6
Subordinated loans and bonds subject to transitional arrangement (6)		130.9	97.0	(33.9)
Core Capital: regulatory adjustments (7)		63.8	52.1	(11.7)
Risk weighted assets (8)		15,262.1	19,062.0	+3,799.9
■ Change in RWAs				
● Consolidation of KU and MB (as of April 1, 2018)		+4,539.0 br		
● Increase in loan balance		+338.5 br		
● Decline in parameters and other		(627.9) br		
● Decline in the balance of investment trusts and ETFs		(328.4) br		

Group banks, Bank holding company

Domestic standard (JPY bn)	Resona (Consolidated)	Saitama Resona (Non-consolidated)	KMFG (Consolidated)
Capital adequacy ratio (24)	10.33%	12.33%	6.86%
Total capital (25)	1,076.2	338.6	462.0
Risk weighted assets (26)	10,413.2	2,744.7	6,727.4

(Reference) International standard				
(JPY bn)	2018/3	2019/3	Change	
Excluding net unrealized gains on available-for-sale securities (9)	9.50%	9.30%	(0.20)%	
Common Equity Tier1 capital ratio (10)	12.58%	11.47%	(1.11)%	
Tier1 capital ratio (11)	12.60%	11.54%	(1.06)%	
Total capital ratio (12)	13.56%	12.21%	(1.35)%	
Common Equity Tier1 capital (13)	1,990.7	2,239.2	+248.5	
Instruments and reserves (14)	2,065.2	2,309.3	+244.1	
Stockholders' equity (15)	1,544.0	1,636.7	+92.7	
Net unrealized gains on available-for-sale securities (16)	486.6	423.9	(62.7)	
Adjusted non-controlling interests (17)	3.3	222.7	+219.4	
Regulatory adjustments (18)	74.4	70.1	(4.3)	
Other Tier1 capital (19)	2.7	11.8	+9.0	
Tier1 capital (20)	1,993.5	2,251.1	+257.5	
Tier2 capital (21)	152.9	130.6	(22.3)	
Total capital (Tier1+Tier2) (22)	2,146.4	2,381.7	+235.2	
Risk weighted assets (23)	15,818.0	19,506.6	+3,688.6	

(Reference)

- F-IRB approach applicable to KMB and MB (2019/6~)

Impact from the finalized Basel 3

CET1 ratio: Approx. 8.8%*

(Excluding unrealized gains on available-for-sale securities)

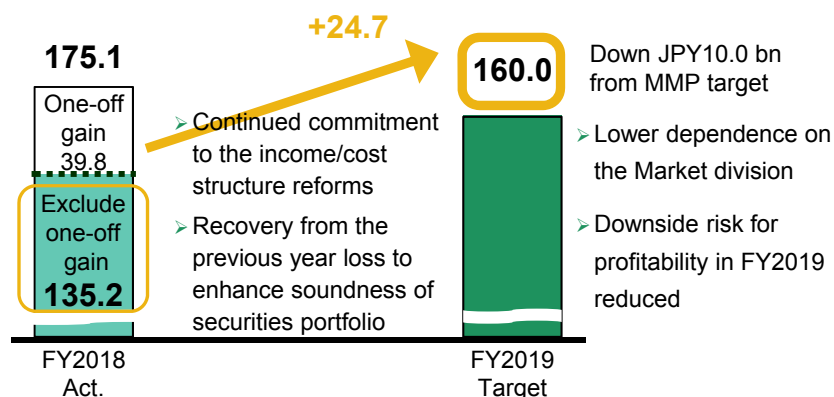
*Trial calculation which took into consideration the estimated increase in RWAs owing to the finalization of Basel 3 (SA and capital floor revisions) based on the actual CET1 ratio excluding net unrealized gains on available-for-sale securities as of Mar. 31, 2019 reported as (9) in the above table

Earnings Targets for FY2019

HD Consolidated
Total of Group Banks

HD consolidated

(JPY bn)		1H	Full-year	YoY change
Net (interim) income attributable to owners of the parent (1)		76.0	160.0	(15.1)
KMFG *1 (2)		2.5	6.5	
Difference (3)		7.5	15.5	



Total of group banks / Non-consolidated

(JPY bn)	Total of group banks			Resona Bank			Saitama Resona Bank			KMFG (total of group banks)		
	1H	Full-year	YoY change	1H	Full-year	YoY change	1H	Full-year	YoY change	1H	Full-year	YoY change
Gross operating profit (4)	306.0	616.0	+23.0	176.0	352.5	+12.6	61.0	120.0	+6.5	69.0	143.0	+3.5
Operating expenses (5)	(201.0)	(401.5)	(3.9)	(105.0)	(209.5)	+1.7	(37.0)	(74.5)	(0.2)	(59.0)	(117.5)	(5.5)
Actual net operating profit (6)	105.0	214.5	+19.2	71.0	143.0	+14.4	24.0	45.5	+6.3	10.0	25.5	(2.0)
Net gains on stocks (including equity derivatives) (7)	5.5	27.0	+15.0	3.5	18.5	+8.0	0.5	4.0	+6.2	1.5	4.5	+0.8
Credit related expenses, net (8)	(6.0)	(17.0)	(17.1)	(3.0)	(8.5)	(13.6)	(1.0)	(3.0)	(2.2)	(2.5)	(5.5)	(1.4)
Income before income taxes (9)	99.5	209.5	+33.4	71.0	151.0	+23.1	21.5	43.0	+10.8	6.5	15.5	(0.4)
Net (interim) income *2 (10)	70.5	149.0	+23.2	51.0	108.0	+17.3	15.0	30.0	+8.0	4.5	11.0	(2.0)

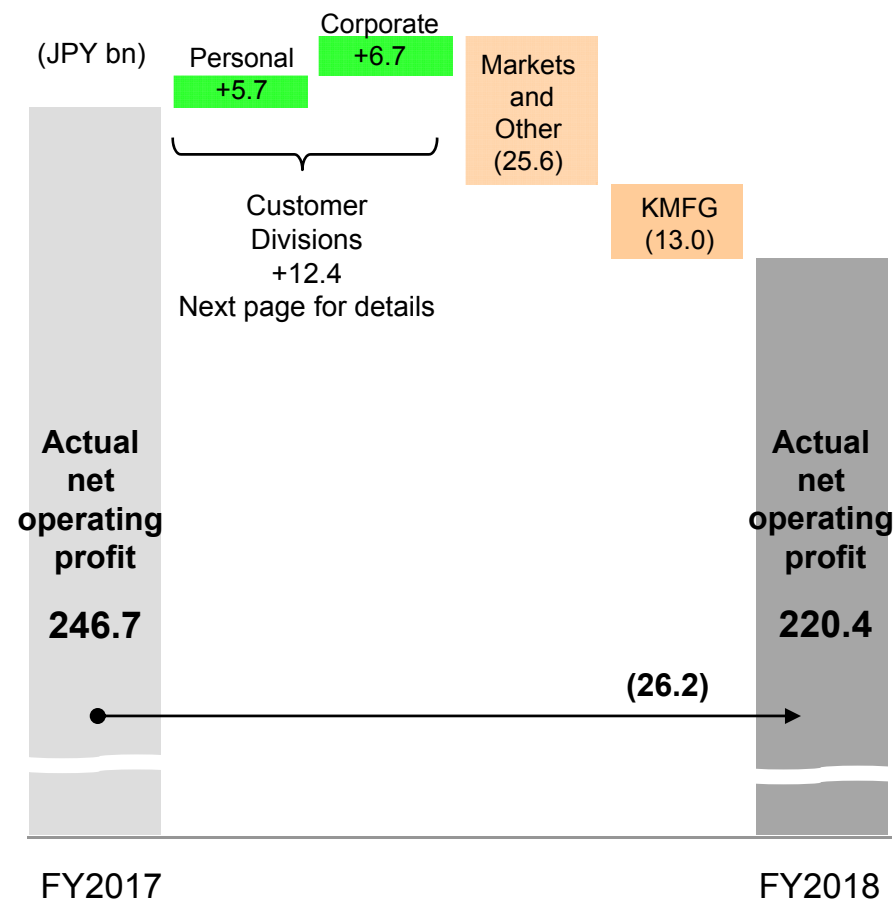
*1. Applied HD's 51% stake to the KMFG's consolidated net income guidance for FY2019

*2. Net (interim) income attributable to non-controlling shareholders is not deducted

(Reference) Outline of Financial Results of Each Segment

HD
Consolidated

(JPY bn)		FY2018	Adjusted YoY Change
Customer Divisions	Gross operating profit (1)	469.1	+16.0
	Operating expense (2)	(298.6)	(3.4)
	Actual net operating profit (3)	170.5	+12.4
Personal Banking	Gross operating profit (4)	206.0	+7.5
	Operating expense (5)	(153.0)	(1.8)
	Actual net operating profit (6)	52.9	+5.7
Corporate Banking	Gross operating profit (7)	263.1	+8.4
	Operating expense (8)	(145.6)	(1.5)
	Actual net operating profit (9)	117.6	+6.7
Markets and Other	Gross operating profit (10)	23.4	(30.9)
	Operating expense (11)	(5.4)	+3.2
	Actual net operating profit (12)	19.9	(25.6)
KMFG	Gross operating profit (13)	146.4	(13.0)
	Operating expense (14)	(116.4)	+0.0
	Actual net operating profit (15)	29.9	(13.0)
Total	Gross operating profit (16)	638.9	(27.9)
	Operating expense (17)	(420.5)	(0.0)
	Actual net operating profit (18)	220.4	(26.2)



Definition of management accounting

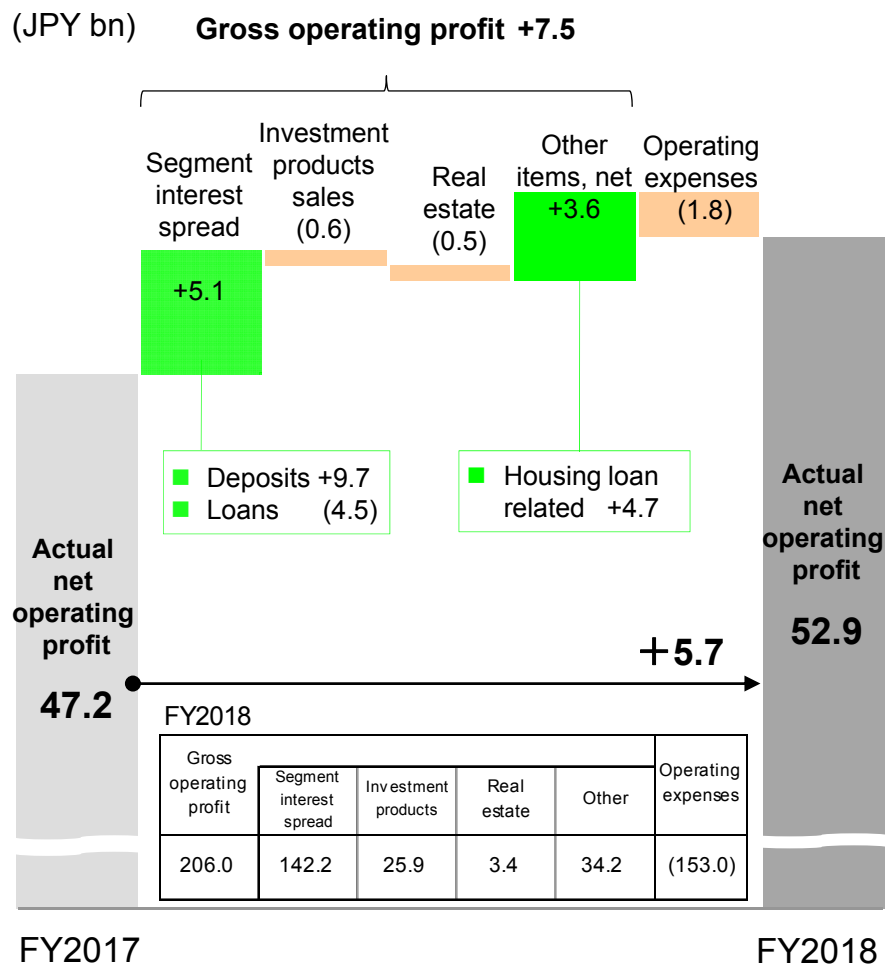
1. "Customer Divisions" and "Markets and Other" segment refers to the HD Consolidated subsidiaries, except KMFG consolidated subsidiaries.
2. Gross operating profit of "Markets" segment includes a part of net gains/losses on stocks. "Other" segment refers to the divisions in charge of management and business administration.
3. Adjusted YoY change of "KMFG" refers to the comparison with the total sum of KU consolidated, KO consolidated and MB consolidated results of FY2017

(Reference) Outline of Financial Results of Customer Divisions

HD Consolidated
(exclude KMFG)

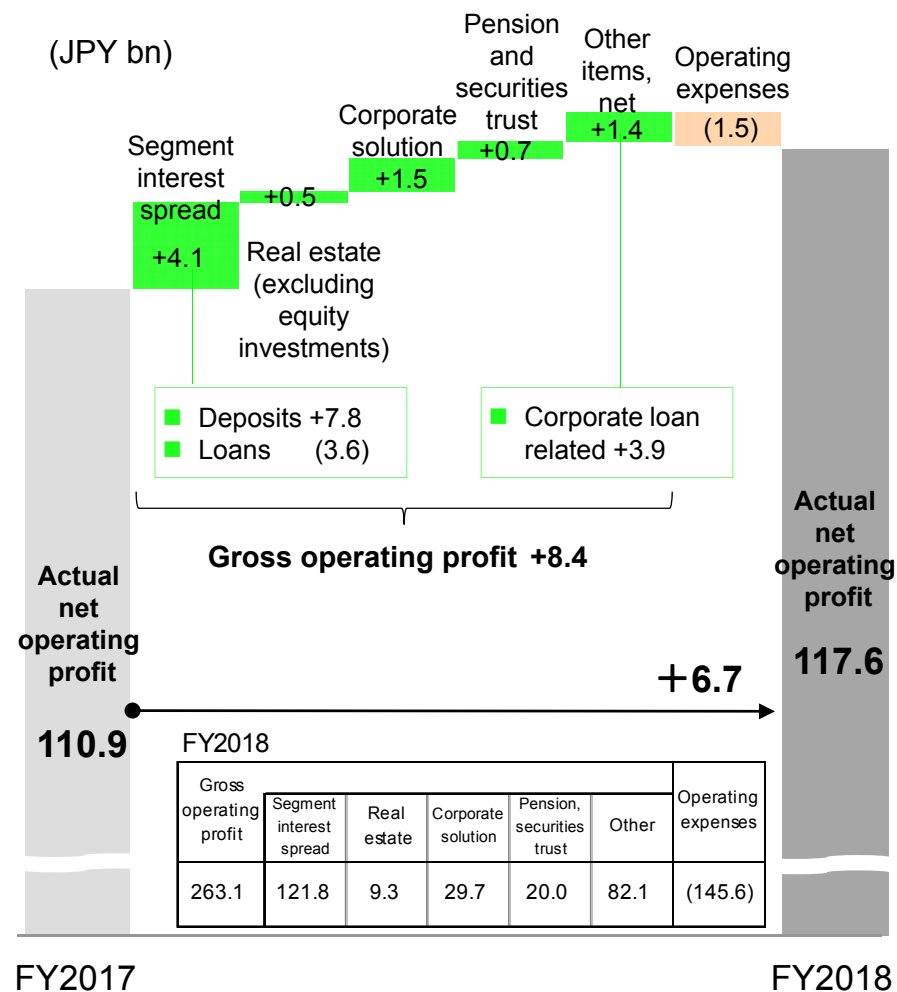
Personal banking segment

- Actual net operating profit : Up JPY5.7 bn, YoY



Corporate banking segment

- Actual net operating profit : Up JPY6.7 bn, YoY



**Outline of Business Results for FY2018
and Updates on Major Businesses**

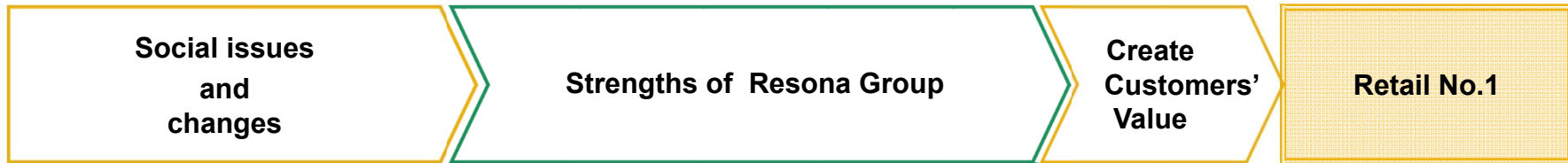
Efforts to Business Challenges for Sustainable Growth

Direction of Capital Management

Reference Material

For Becoming the “Retail No.1” Financial Services Group

SDGs management : “Retail No.1” by solving social issues through our business



Priority Themes in RSC2030*1

Local Communities

Revitalization of Local Economies



Low Birthrate and Aging Society

Elimination of Anxiety Triggered by Low Birthrate and Aging Society



Environment

Response to Global Warming and Climate Change



Human Rights

Diversity & Inclusion



Strengths

Approx. 840 manned branches mostly in the Tokyo metropolitan area and the Kansai area

Customer base
Individual customers: 16 million
Corporate customers: 0.5 million

Largest commercial banking group in Japan with full-line trust capabilities

Diversity in human resources

Latest IT infrastructure

Sound financial position

Sophisticated corporate governance

MMP (FY2017~FY2019)

Omni-Channel
P21, 22

Omni-Regional
P23, 24

Omni-Advisors
P25

<Business strategy>

Asset Formation Support Business	P27
Settlement Business	P28, 29
Succession Business	P30
SME Business	P31, 32
Individual Loan Business	P33

Focus on retail

DNA of reform

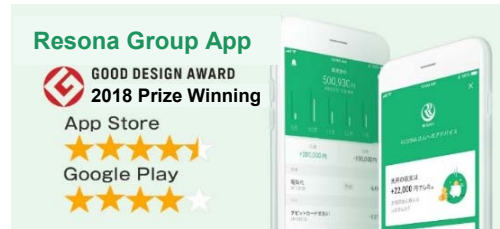
Ever-lasting relationships with customers

*1. Commitments Towards Achieving the Sustainable Development Goals 2030 (Resona Sustainability Challenge 2030) released in '18/11

Omni-Channel Strategy (1) ~Digital~

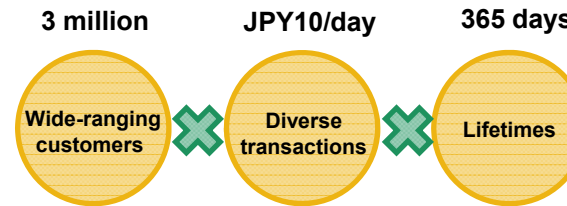
Diverse transactions with wide-ranging customers over their lifetimes through Resona Group App

- Outstanding design and user-friendliness

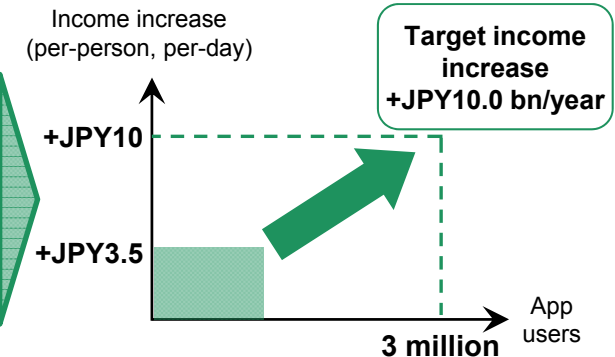


As of Apr. 2019,
1 million downloads
Since the Feb. 2018 release

- Recurring fee business model

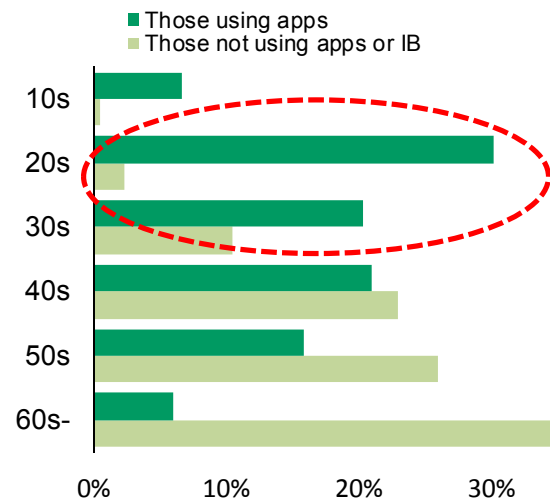


Eliminate negative perceptions among customers (inconvenience, uncertainty, dissatisfaction, distrust)



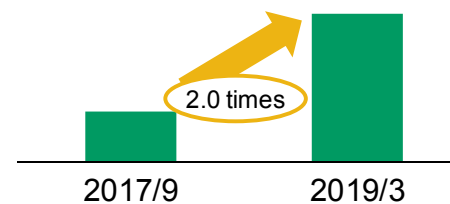
- Reach out to new customers

【Age distribution of users】



- Contribute to multifaceted transactions for potential customers

【 Income effect*1】



Usage amount of debit card*1:
3.0 times

Number of inter-bank transfers*1:
1.6 times

Foreign currency and exchange-
related income*1: 1.4 times

Enhance service menu (Plans for 2019)

Investment trust
accounts

Charging e-money

Housing loan
available only via
apps

Installing service
apps on branch
terminals
(trial basis)

Sophisticated marketing methods

Data Science
Office
(Apr. 2019)

AI-based proposal
systems

*1. Comparing the results for RB, SR, KO app users (potential customers, 15 to 69 years old) in March 2018

Omni-Channel Strategy (2) ~Face-to-face~

Social structure

- Graying society
- Diversifying lifestyles
- Decline in working-age population

Needs at branches

- Importance of face-to-face consultation
- Decline in customers visiting branches
- Branch location and business hours

Simultaneously enhance customer convenience and low cost operation

■ Approx. 840 physical branches

- Maintain existing branches as much as possible
- Placement of staff according to market characteristics

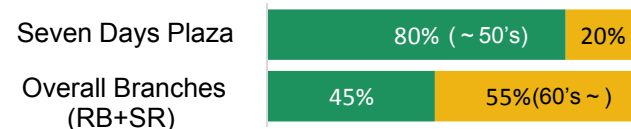
■ Establish low-cost operations

- Digitalization
 - Branch operation with fewer staffs
- Downsizing and relocation
 - Optimize branch facilities and locations

■ Raise the number of branches that operate on holidays

- Consultation-focused branches, which open seven days a week (26 branches as of May, 2019)
 - Open in weekdays evenings, on weekends and holidays
 - Continue to open new branches

【Branch visitors by age】



Features of new branch system (FY2020~)

No counter, no back office space

Handle all basic procedures in a single line



Digital service offices (TV counters)

Complicated inquiries and consultation via teleconferencing



Self-service banking transactions

Inspire customers by offering new banking experience with tablets

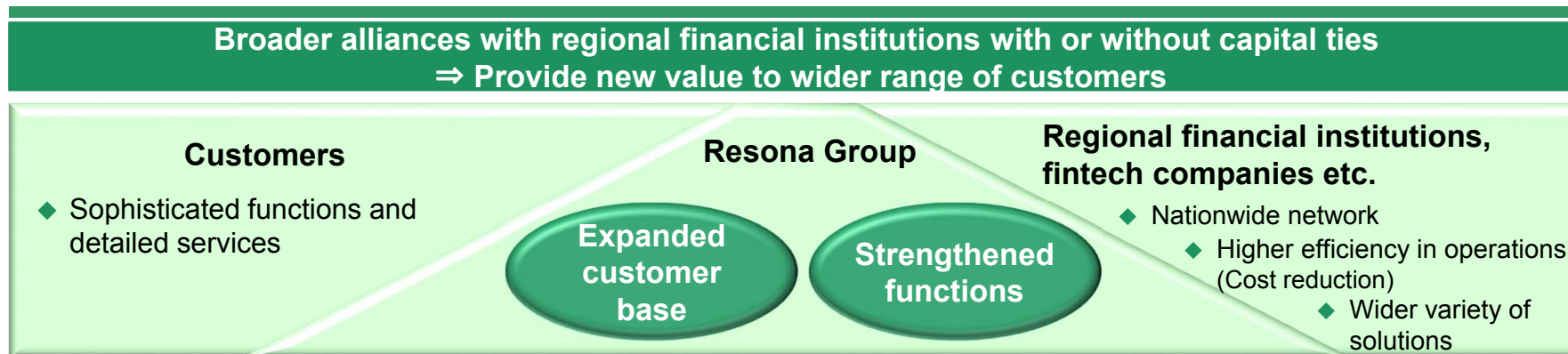


Location free

Integrate consultation services and banking procedures via the use of tablets



Omni-Regional Strategy



Recent Activities

Basis	Creation of new banking group Kansai Mirai Financial Group	International business Expanded business alliances/cooperation Jul. '18 BIDV (Vietnam) Oct. '18 Bank of Yokohama Daido Life Insurance	iDeCo More financial institutions now offering Resona's products 17 financial institutions*2 offering Resona's products	M & A M&A platform 36 companies*2 participated
	Cashless (RCP*1) Strategic alliances with 12 companies	System NTT Data Sofia, D&I Information Systems Became equity-method affiliates in Nov. '17	Lease DFL Lease Shutoken Leasing Became equity-method affiliates in Jul. '18	SME Support (Succession/business succession) (Support for management improvement, etc.) Business alliance Oct. '18 Daido Life

Further Initiatives to regional financial institutions etc.

Resona Group App	RCP*1	System	Products managed by RAM*3
-------------------------	--------------	---------------	----------------------------------

*1. Resona Cashless Platform *2. As of Apr. 30, 2018 *3. Resona Asset Management

KMFG/Aiming to Realize Synergies at the Earliest Possible Date

PMI*1 for earlier realization of integration synergies progressing according to plan

Strengths of KMFG

- Presence in Osaka, Hyogo, Shiga
- High Consulting ability that contributes to individual customers asset formation
- Complementarity in retail business



Strengths of Resona

- Nationwide network and customer base
- Trust and real estate functions
- Operational reform know-how

Initiatives to realize synergies at the earliest possible date

- Progress in the management integration
 - '19/4: Kansai Mirai Bank (KMB) started Realignment of credit cards subsidiaries (merger between Resona Card and Kansai Credit Service)
 - '19/10: Integration of KMB clerical work process and systems (plan) 2H of FY '21: Integration of MB clerical work process and systems (plan)
- Broaden the scope of collaboration between Group entities

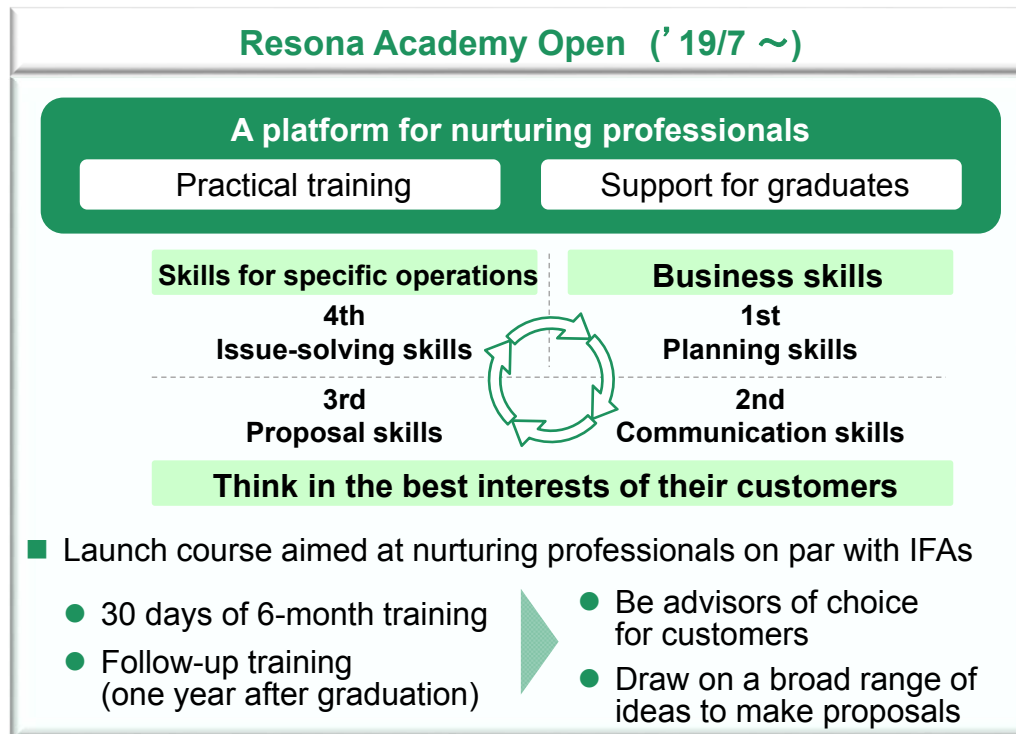
Personnel exchanges	32 people in trust, real estate, PB and other divisions	
Products and services Number of transactions newly acquired by KMFG (YoY)	[Individual]	New iDeCo accounts: approx. 1.9 times Will trusts: approx. 1.6 times New estate division: approx. 1.4 times
	[Corporate]	BM deals: approx. 1.3times M&A commissions: approx. 2 times Global expansion assistance: approx. 1.3 times
'18/6~: RAM investment trust (R246, <i>Nihon-no-Mirai</i> , <i>Mitsuboshi Flight</i> , etc.) FY' 19: Group apps, fund wrap, cashless platforms, etc.		
Capital management	FY' 18: Adopted the same credit rating system as Resona's FY' 19: F-IRB approach applicable to KMB and MB (plan)	
Market operations	Pursue more sophisticated market analysis and risk management methods while strengthening HR development and management systems via, for example, staff exchange	

*1. Post Merger Integration

Omni-Advisors Strategy

**Raise consultants who can think and act in the best interests of their customers
⇒ Attain “Customers’ happiness”**

- | | | | | |
|---|---|--|---|--|
| Think in the best interests of their customers | ✕ | Improve ability to offer solution | ✕ | Expand sales contacts and time |
| <ul style="list-style-type: none"> ■ Work-style reforms ■ Diversity | | <ul style="list-style-type: none"> ■ Training for professionals | | <ul style="list-style-type: none"> ■ Digitalization |



Programs designed to inspire employees to pursue growth

- Employee Support Series (FY' 19~)
 - Extend retirement age to 70, promote “telework” and switch portion of childcare leave to additional paid leave

Customer-Centric Approach

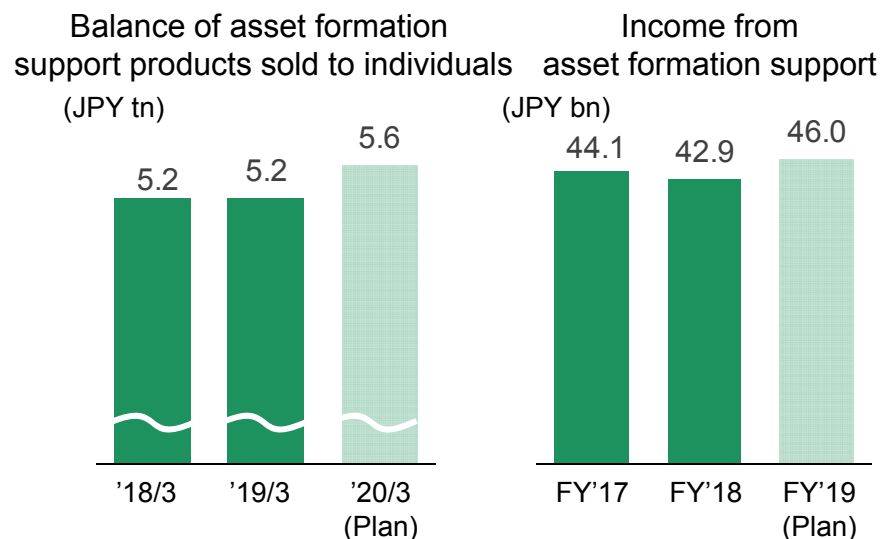
- Fiduciary Duty Action (FDA) (Apr. 2016)
 - Abolished sales targets for financial products and placed focus on balance of asset formation support products
 - Set up an Asset Advisory Committee
- Principles for Customer-Oriented Business Conduct (Jun. 2017)
 - Upgraded the FDA to the Resona Fiduciary Duty Basic Policies
 - Set up a FD Promoting Committee

Improve ability to offer solutions and expand time to engage with customers via digitalization

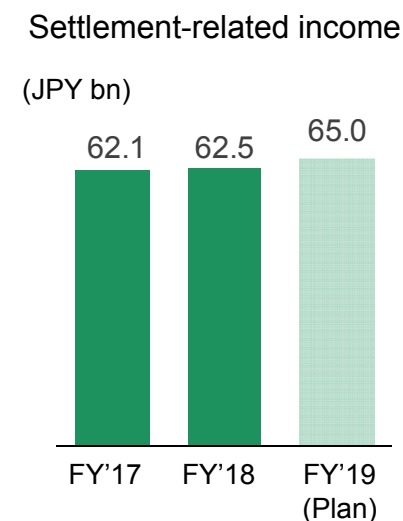
- Proposal via tablet devices
 - Insurance ('16/5~), Investment trusts ('19/6~)
- Corporate SFA (Sales Force Automation) ('18/5~)

Progress of Key Business and FY2019 Plan

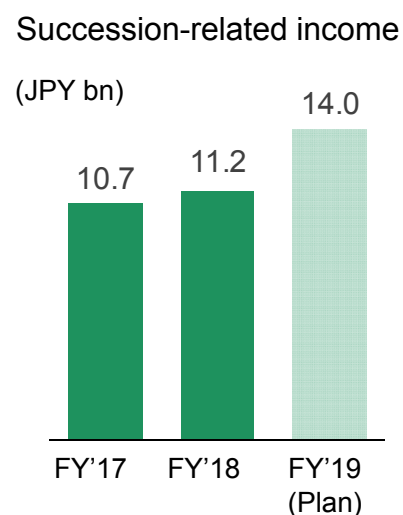
Asset formation support business



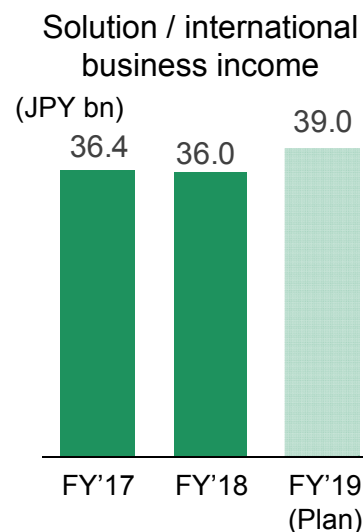
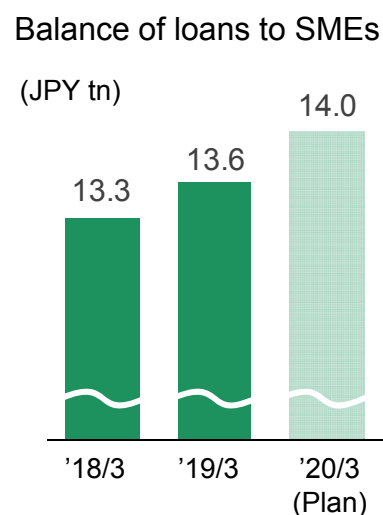
Settlement business



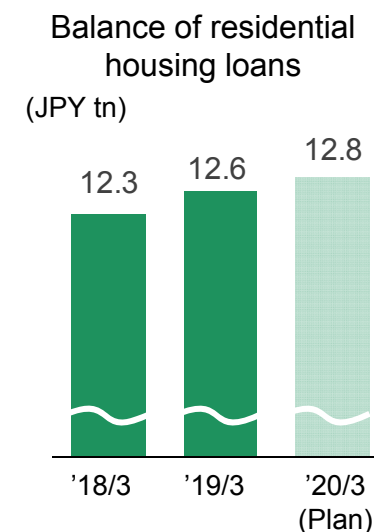
Succession business



SME business / International business



Individual loan business

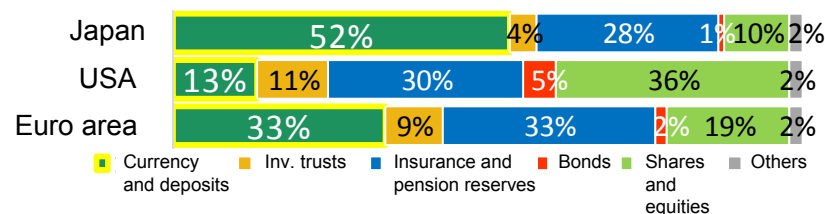


*1. Figures of '18/3 and FY'17 are total of 5 banks (reference)

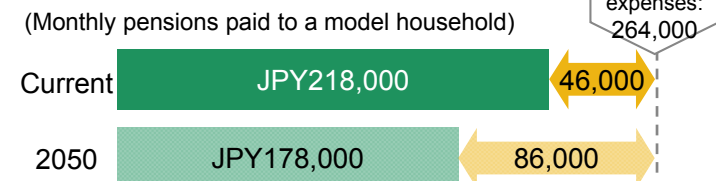
Asset Formation Support Business

Help customers address their concerns about the future by supporting long-term asset formation

[Proportion of financial assets*1]



[Forecast for public pensions*2]



Resona's strengths

Investment capability from corporate pensions

Investment products with due attention to the fiduciary duties

16.0 million Individual customer base

■ Apply investment know-how from corporate pensions expertise to retail customers

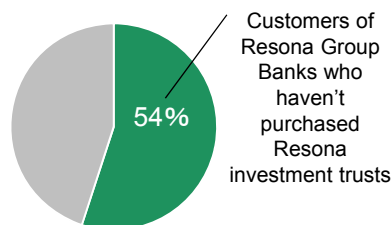
● Balance of net assets managed by Resona AM grew steadily '19/3 JPY603.9 bn (+215.2 bn, YoY)

Fund Wrap

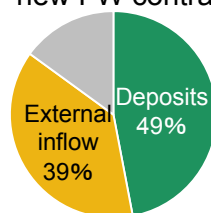
➢ '17/2~, Balance as of '19/3: JPY347.6 bn

➢ '18/6~ Welcome Plan (JPY300,000 minimum, fees only incurred for success)

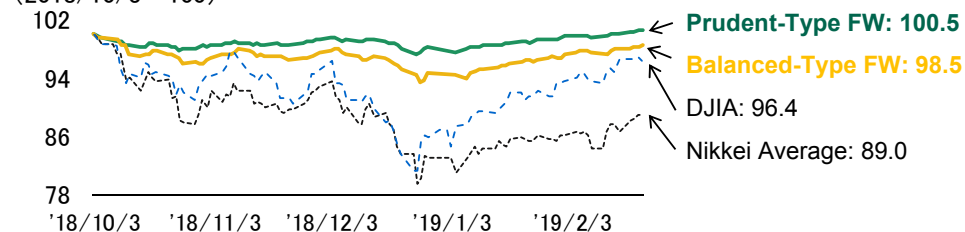
[FW customer attributes]



[Anticipated source of new FW contracts]



[Standard fund wrap (FW) prices/Japan and U.S. stock prices] (2018/10/3=100)



Mitsubishi Flight³

➢ The bank provides minimum guarantee (95% of principal)

iDeCo

➢ 99,000 customers (As of Mar. 31, 2019; up 24,000 from Mar. 31, 2018)

● Expand Resona AM management functions ('20/1~)

➢ Strengthen investment capability

➢ Increase profit opportunities

➢ Secure higher efficiency while developing human resources

➢ Establish a robust system for managing conflict of interest

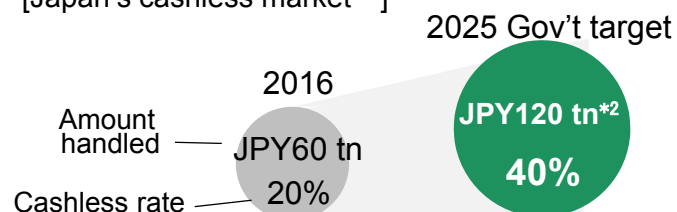
*1. "Flow of Funds: Overview of Japan, the United States, and the Euro area", Bank of Japan Research and Statistics Dpt.

*2. Ministry of Health, Labor and Welfare *3. Resona Risk Control Fund

Settlement Business

Contributing to reduction in social costs and improve customers' convenience and productivity

[Japan's cashless market *1]



■ A tailwind of return measures to be executed along with consumption tax hikes

- Consumers: Receive 5% returns at SME stores and 2% returns at franchised stores
 - SME merchants: Receive subsidies equivalent to 1/3 of merchant fees and 2/3 of cost for installing dedicated terminals※
- ※Resona provides free of charge

Resona's strengths

Customer base
Corporate:0.5 million, Individual:16 million

Strategic business alliance transcend traditional boundaries between financial institutions

■ Resona cashless platform: approx. 6,000 stores planning to install (as of end of '19/4)

- Solve corporate customers issues

Member store services ※a

(Installing dedicated terminals for free)



Partner wallet service ※b

(Provide app on white-label basis)

Benefits

Reduce settlement costs

Receive cash frequently

More efficient cash register operations

More powerful sales promotions

*a. Ratio of settlement fees (VISA and Master): ~2.95%

*b. Ratio of settlement fees: Around 1.5%

- Provide individual customers with more convenient services/lower fees

[Resona customers]

Resona wallet app

- QR payment
- point/coupon function

[Store customers]

Partner wallet app

- Membership card function

Benefits

Convenient!
Pay with your smartphone

Discounts!
Points and coupons

Debit card

- Standard with new accounts
- Integrated debit card with cash card
- Visa payWave: Global standard NFC

- Debit card for individual customers

Number issued
Approx. 1.49 mil

Usage amount:
x1.3 increase
(YoY)

Number handled:
x1.4 increase
(YoY)

- Business debit card (2018/4-)

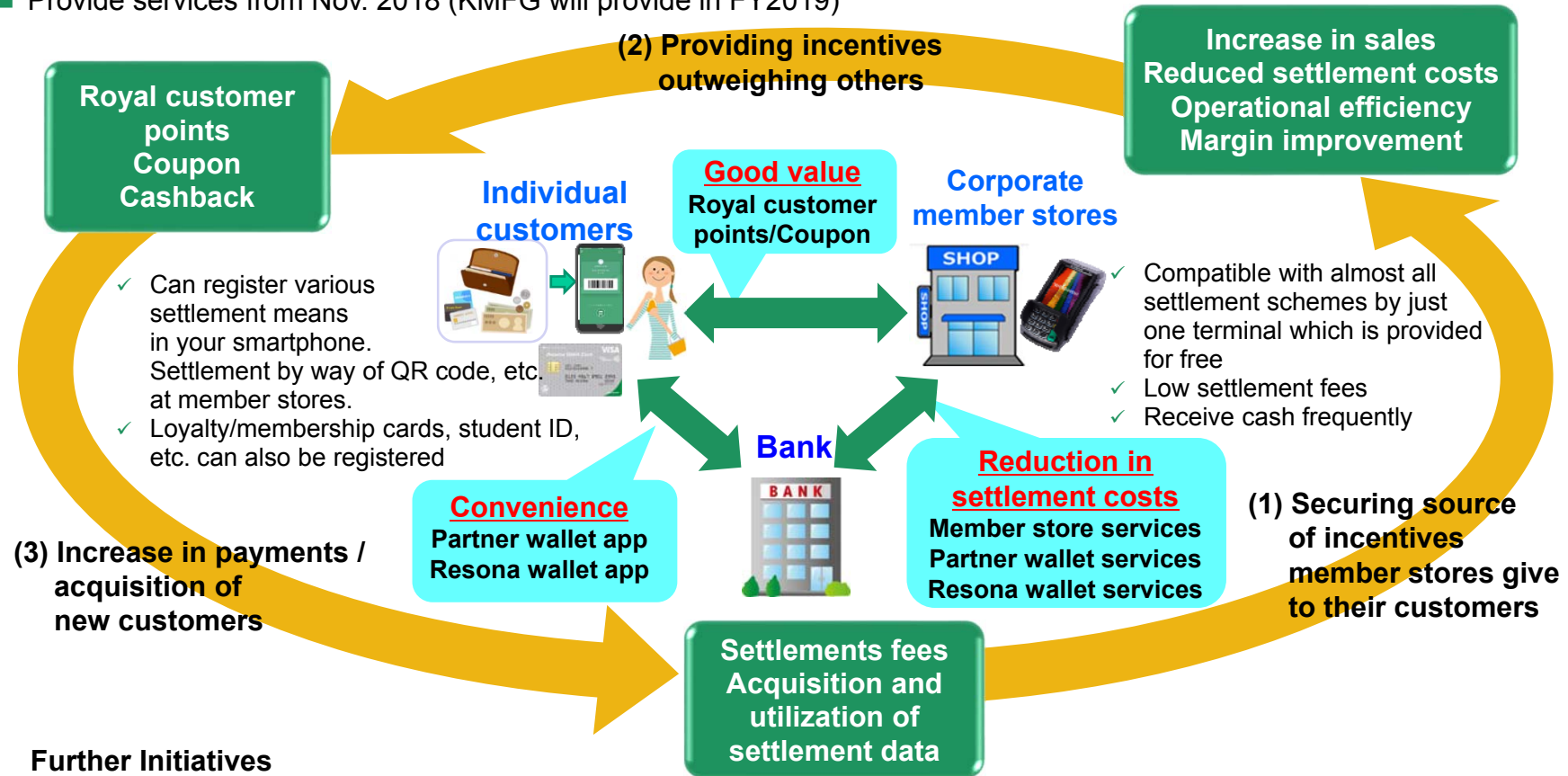
Number issued
Approx. 22,000

*1. Prepared by Resona Holdings based on documents from the Ministry of Economy, Trade and Industry

*2. Assuming private consumption to stay at the same level as in 2016

Outline of Resona Cashless Platform

- Settlement infrastructure capable of resolving management issues confronting corporate customers and providing individual customers with more convenient services with smaller fees
- Provide services from Nov. 2018 (KMFG will provide in FY2019)



Further Initiatives

Measures to strengthen Wallet functions

- Automatic value charge functions for prepaid cards, P2P value transfer function
- Settlement in regional currencies, loyalty points exchange function

- Transaction lending (small lot loan)
- Featuring "Bank Pay" (tentative name)

Measures to utilize the data

- Combination of purchase data (flow) and financial data (stock)
- Effective utilization of API
⇒ Creating new value and reducing costs

Succession Business

Expand the scope of transactions deriving from trust-related solutions

- Household financial assets: Approx. JPY1,830 tn*¹
Approx. 65%*² possessed by seniors (age 60 and over)
- Revised inheritance tax laws ('15/1)
 - Taxable individual*⁴ : '14 approx. 56,000 ⇒ '17 approx. 112,000
 - Change in basic tax deduction for inherited assets
- 48.7% of SME owners at age of 60 or older have no successors*³

JPY50 million +
(JPY10 million X number of legal heirs)

JPY30 million +
(JPY6 million X number of legal heirs)

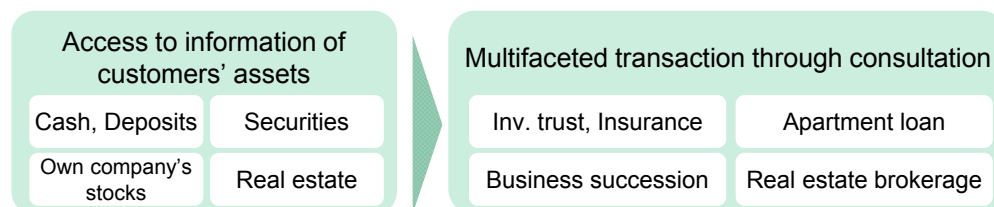
Resona's strengths

A variety of solutions to address asset and business succession needs

Customer base
Corporate 0.5 million, Individual 16 million

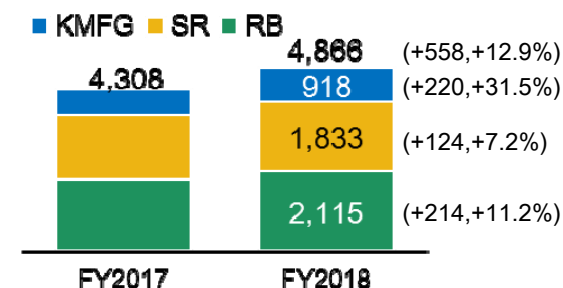
Trust products that can lead to multilateral transactions

- More than doubled gross operating profits from customers who use our trust services*⁵
 - Will trusts: 2.6 times*⁶
 - Asset succession trusts: 2.3 times*⁶



An even broader range of customers

- Number of new asset succession-related contracts achieved a record-high



- Develop a more robust structure

Specialists assigned to sales offices

➤ Trust office '17/3:8 → '18/3:55 → '19/3:88

Increase M&A personnel

➤ Corporate advisory office (RB) '17/9:24 → '18/3:35 → '19/3:42

*1. "Flow of Funds: Overview of Japan, the United States, and the Euro area," Bank of Japan Research and Statistics Dept.

*2. "The Annual Report on the Aging Society" Cabinet Office *3. White Paper on Small and Medium Enterprises in Japan

*4. Overview of Revised Inheritance and Gift Tax Laws announced by the Tax Office *5. RB+SR

*6. Comparison among Asset management, Housing loan and Premier customers segments

SME Business

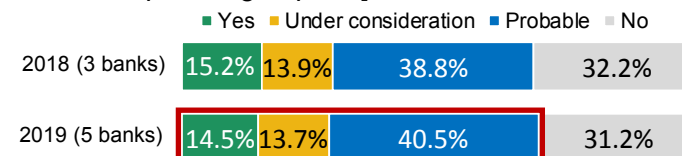
A variety of solutions help customers adapt to changes in the environment

■ SMEs face serious worker shortages

	2009	2014	2019
Surplus/shortage of workers DI*1	7.9	(10.2)	(22.5)
Active job operating-to-applicant ratio*2	0.52	1.07	1.63

■ Over 60% of SMEs seek to undertake capital expenditure

[Number of SMEs planning capex*3]



Resona's strengths

Customer base
Corporate 0.5 million

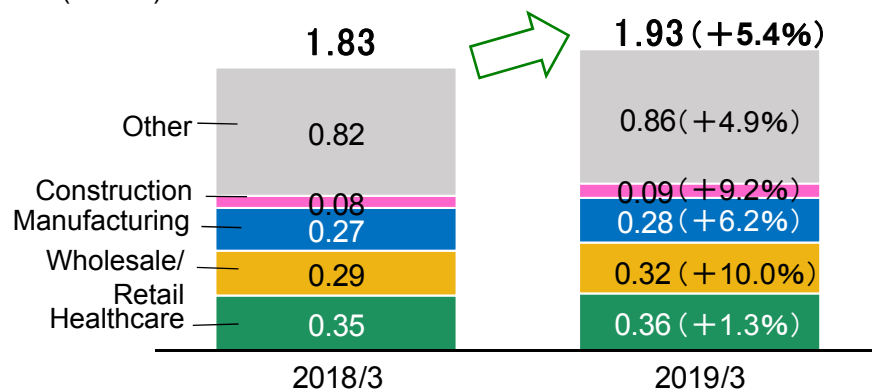
Resona's network across Tokyo
metropolitan and Kansai areas

Trust-related
solutions

Cutting-edge initiatives
for SDGs

■ Capex-related loans(RB,SR)*4

(JPY tn)

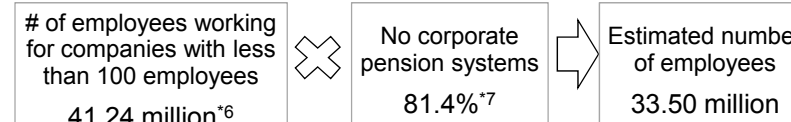


■ Opened 3 “Business Plaza” in Tokyo, Saitama and Osaka

- The number of business matching:
22,078 in FY2018 (YoY, +34%)

■ Enhance employee benefit programs with iDeCo+*5

⇒ Secure human resources



■ Assist SMEs in their efforts to achieve SDGs

- SDGs Consulting Fund (RB, SR): JPY24.5 bn, 151 projects in FY2018
 - SDGs consulting by Resona Research Institute
- Nationwide Private Placement CSR Bonds ('17/12~'19/3) : JPY143.3 bn , 1,242 projects
 - Part of proceeds from placement is donated to SDGs advocacy groups: Donated amount now totals approx. JPY100 million
- Private placement SDGs promotion bonds ('19/6~)
 - Regularly handle these bonds without limiting total amount or placement period

*1. Small and Medium Enterprises in Japan , from Jan. to Mar. *2. Ministry of Health, Labor and Welfare, Mar. *3. Results of survey of group banks corporate customers (respondents: approx. 30,000 companies; survey period: '18/12~'19/2) *4. Excluding loans to individuals, non-residents, local governments, and real estate industry *5. Contribution plans for SMEs under mutual aid schemes *6. Ministry of Internal Affairs and Communications *7. Ministry of Health, Labor and Welfare

International Business

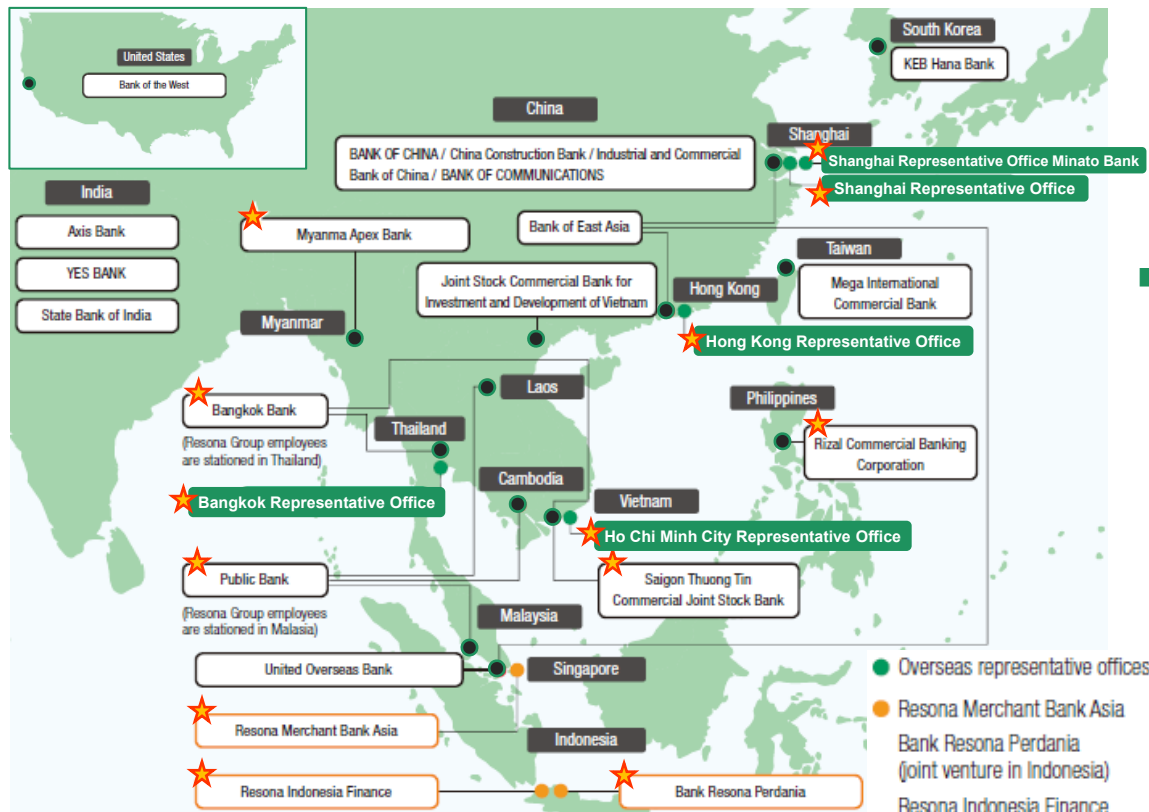
Offer comprehensive assistance to businesses seeking to expand into countries abroad, especially Asia

- Strong needs among businesses seeking to expand into China and ASEAN
- Provide solutions via local subsidiaries

【Ranking of future destination countries/regions*1】

#1: China #2: Vietnam #3: Thailand #4: USA #5: Indonesia

- Covering the Asia and US via overseas bases and partner banks
- Meticulous services by Japanese (overseas representative offices, Japan Desk, etc.)



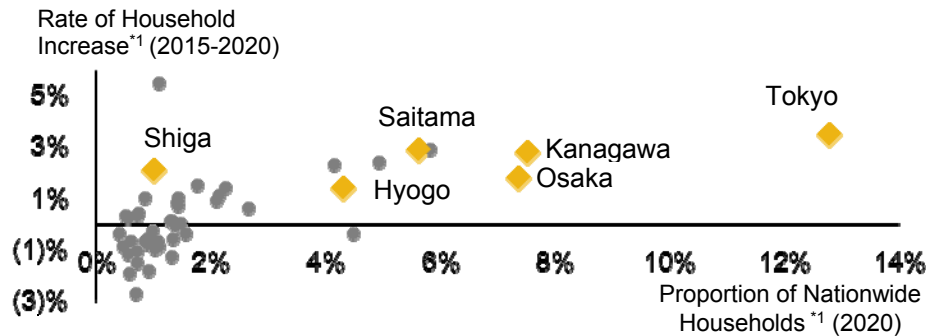
- Bank Resona Perdania (Indonesia)
 - Boasting a business track record spanning more than 60 years and full-fledged banking functions serving locals
 - Bank of Yokohama, Daido Life will acquire part of shares
- Resona Merchant Bank Asia (Singapore)
 - financing, M&A assistance, consulting, etc.
- Synergies with business alliance partners
 - Business cooperation with Bank of Yokohama
 - Cooperation in international businesses (Cooperation of overseas base, etc.)
 - Business alliance with Daido Life
 - Provide support to overseas expansion needs and trade activities for Daido Life customers, etc.

*1. FY2018 Survey on the International Operations of Japanese Firms conducted by JETRO

Individual Loan Business

Residential housing loan

■ Resona's franchise: accumulation of households



■ New housing loan origination: JPY1.3 tn, up 18% YoY

Unique, high-value-added products

Danshin Kakumei (up 39%^{*2})
Commission fee-type (up 92%^{*2})

Promotion structure to meet market needs

Loans for acquiring used properties (up 37%^{*2})

■ Multifaceted transactions

Average no. of products cross-sold^{*2}

No HL 2.7^{*3}

VS

With HL 4.7^{*3}

■ Enhance customer convenience and bank productivity

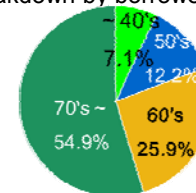
- E-contract service (Apr. 2018~)
- Reorganize our loan plaza network
 - 95 bases as of Mar. 2017 ⇒ 82 bases as of Mar. 2019 (of these, 73 bases operate on holidays)

Portfolio soundness of apartment loans

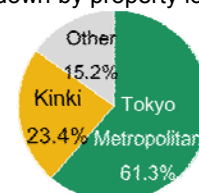
■ Solution tools targeting premier customers

- Qualification as an apartment owner and his/her asset background
- Appropriateness in purpose of funds, loan amount, loan period, and collateral value, etc.
- Rent prediction system allows for loan screenings based on rationally estimated net cash flows
- Stress scenario applied with respect to asset value, rents and loan interest rate
- Located mainly in Tokyo metropolitan and Kinki area

[Breakdown by borrower age^{*4}]



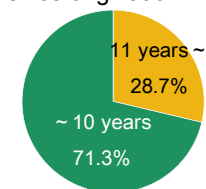
[Breakdown by property location^{*5}]



- A sound portfolio reflecting the accumulation of our longstanding initiatives

- Normal^{*6} : 94.9%
- Delinquency ratio^{*6} : 0.09%
- Current balance / Origination amount : 65%
⇒ Lower LTV in a practical sense
≡ Increase in coverage ratio

[Composition of balance by time elapsed since origination^{*6}]



■ Fraud prevention system

- Further sophistication in loan screening process as a counter measure for increase in fraudulent loan applications
- Strictly monitoring developers and each application

^{*1}. National Institute of Population and Social Security Research ^{*2}. RB+SR ^{*3}. Comparison with potential II and III customers

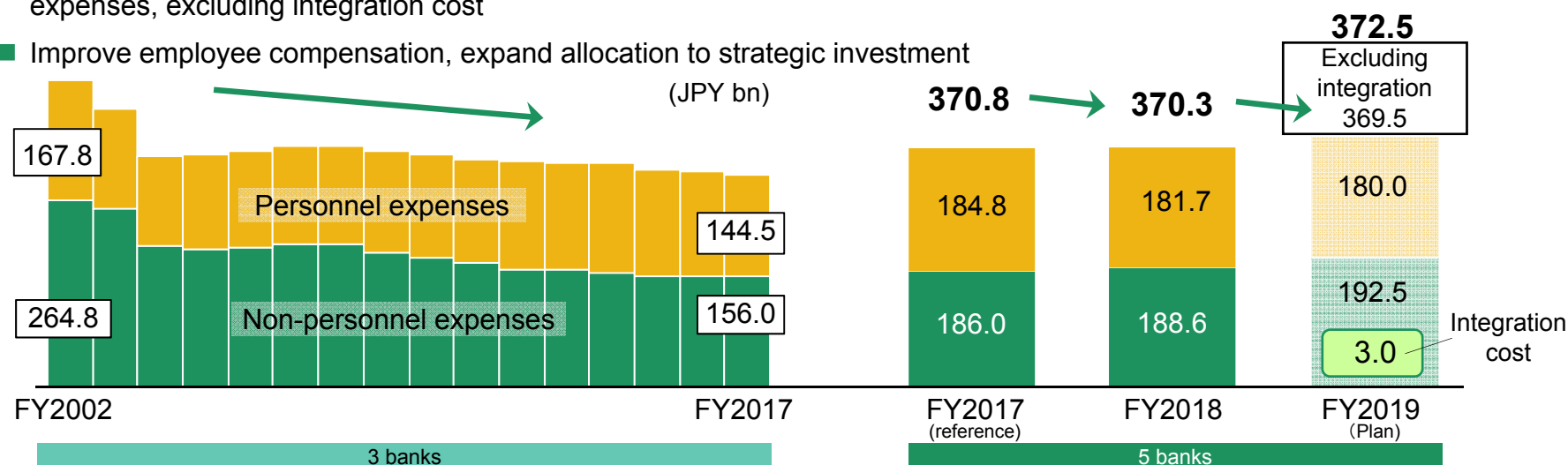
^{*4}. Balance of loans furnished to individual borrowers for apartment and condominium operations as of Mar. 31, 2019 (RB+SR) ^{*5}. Based on the value of new loans furnished to individual borrowers or property management company for apartment and condominium operations (FY'15-'18)(RB+SR) ^{*6}. Balance of loans

to individual and property management company as of Mar. 31, 2019 (RB+SR)

Cost Structure Reforms

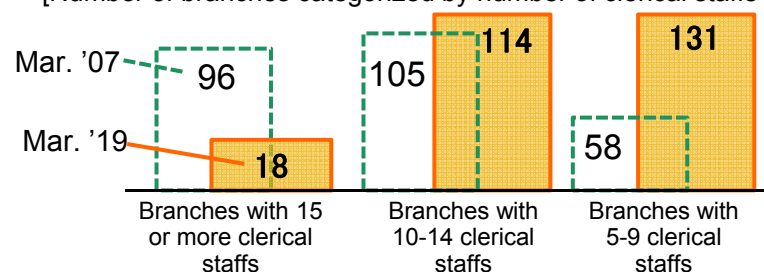
Reduce overall costs while absorbing IT investment and one-off integration costs

- Established a low cost management through operational reforms, continuously reduce personnel and non-personnel expenses, excluding integration cost
- Improve employee compensation, expand allocation to strategic investment



- Halve clerical work from FY'04 to FY'15, halve it again by FY'21
 - Tablet devices handled by all branches ('18/2)
 - RPA saving clerical work a year: 100,000 hours*1 ⇒ Mar. 2022: 1 million hours (Target)

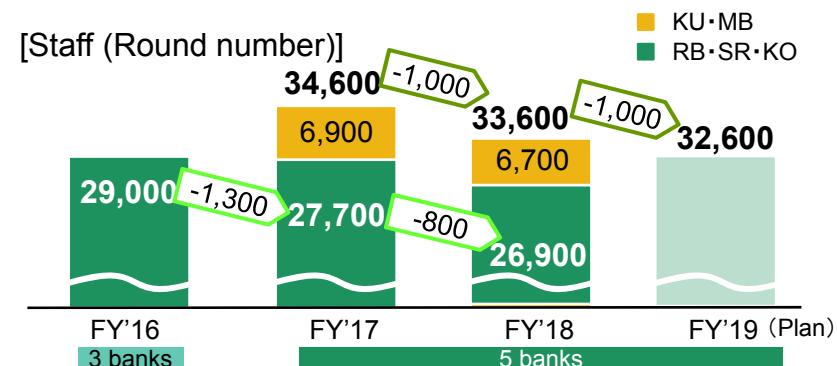
- Branch operation with fewer staffs
[Number of branches categorized by number of clerical staffs*2]



*1. Based on RPA in operation as of Apr. 2019

*2. RB, excluding sub-branches

- Personnel downsizing
 - Reduced 2,100 staff by FY'18, ahead-of MMP schedule of 3,000 staff reduction (3 banks basis)
 - Share Resona's know-how with KMFG



Outline of Business Results for FY2018 and Updates on Major Businesses

Efforts to Business Challenges for Sustainable Growth

Direction of Capital Management

Reference Material

Direction of Capital Management

Equal-weight allocation policy among (1) investment for future growth, (2) higher capital adequacy, and (3) enlargement of shareholder return

CAR Target

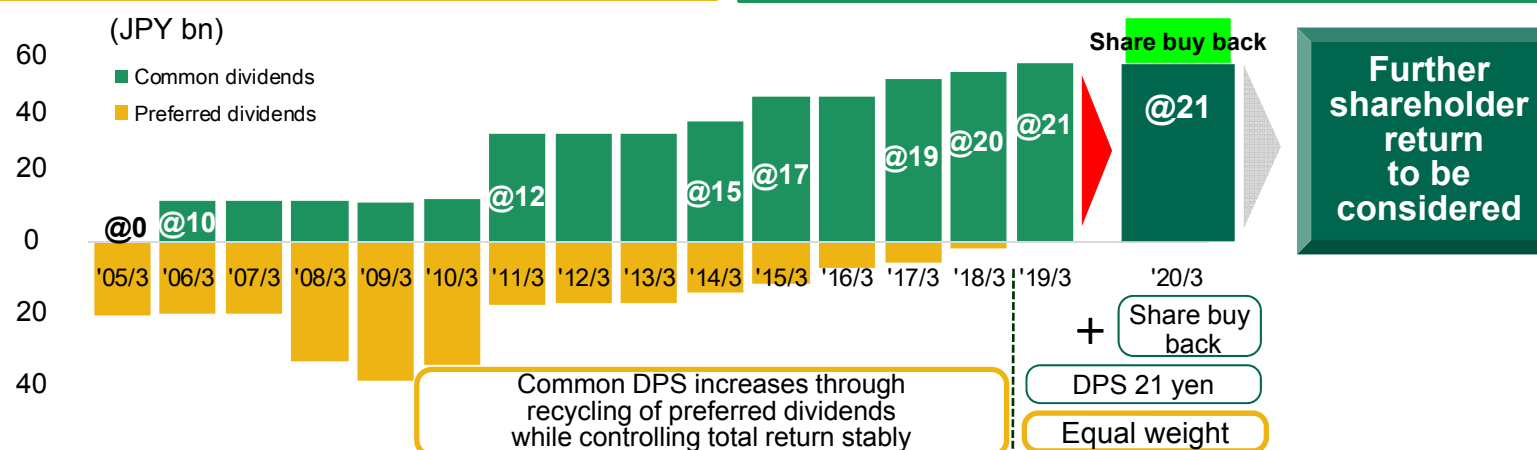
- Achieved the CET1 ratio target of 9%*¹ set for March 2020 in the MMP one year earlier
 - CET1 ratio as of March-end 2019: 9.30%
 - Coping with the finalized Basel 3 (SA and capital floor revisions) utilizing the time horizon till their fully loaded implementations

ROE target

- Maintain ROE*² above 10%
 - FY2018 (Act) : 10.85%

Shareholder return policy

- Making efforts to further expand return to shareholders while maintaining stable dividends based on our equal-weight allocation policy
 - FY2018 (Act): Common DPS of 21 yen per annum (+1 yen increase from previous year)
To be paid as forecasted at beginning of the year though business results fell short of the guidance
 - FY2019 (Forecast): (1) Continue common DPS of 21 yen per annum, and (2) share buy back of up to JPY10.0 bn or 30 million shares
 - (2) above is an additional action in response to the current share price
 - JPY10.0 bn size share buy back partially funded with resources in excess of “equal-weight” allocation limit
 - Forecasted total payout ratio for FY2019*³: 36.7%



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

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

*3. Forecasted total shareholder return ratio based on the consolidated net income guidance (JPY160.0 bn) for FY2019

Outline of Business Results for FY2018 and Updates on Major Businesses

Efforts to Business Challenges for Sustainable Growth

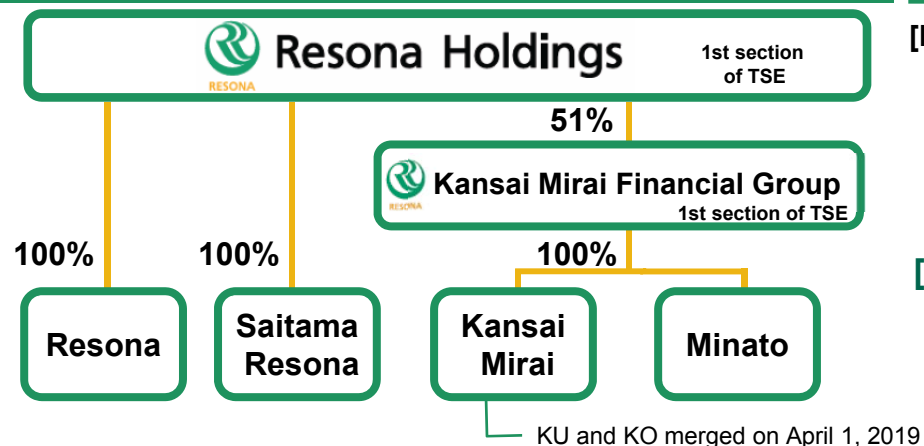
Direction of Capital Management

Reference Material

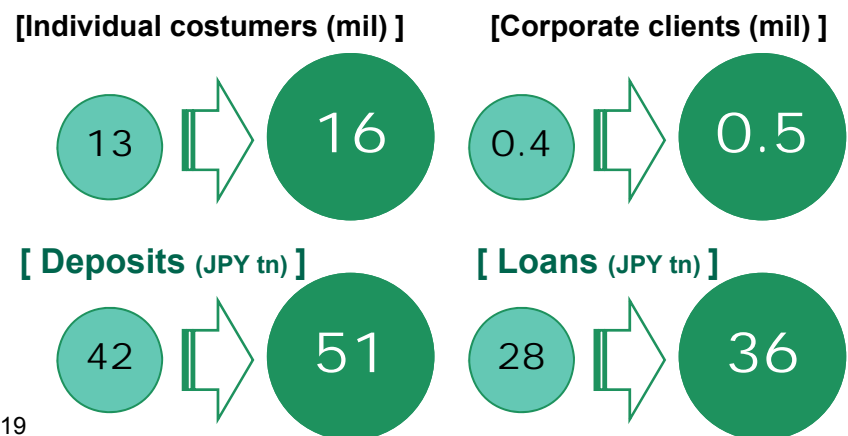
Resona Group at a Glance

- Resona focuses management resources on Tokyo and Kansai metropolitan areas and retail banking business
- Resona Group is the largest retail-focused bank with full-line trust capabilities in Japan with a well-established customer base especially in Kansai Region due to creation of KMFG

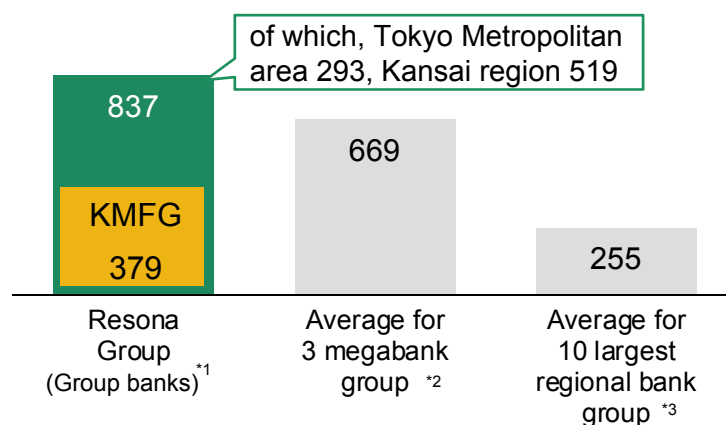
Corporate Structure



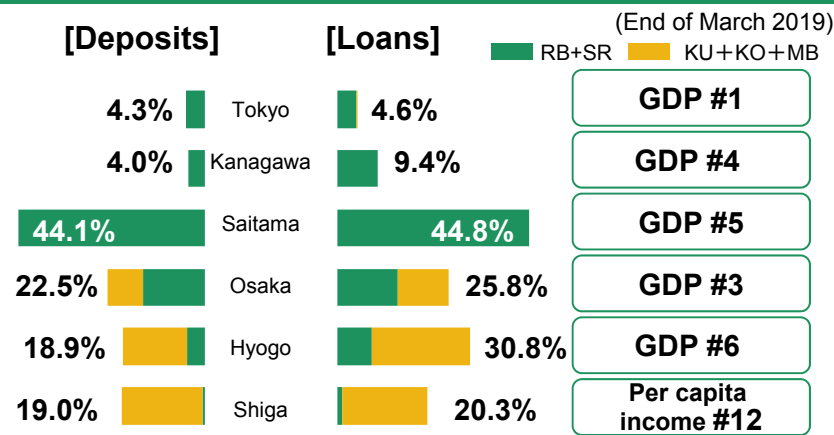
Customer Base and Business Scale



Number of Manned Branch Office



Market Share^{*4}

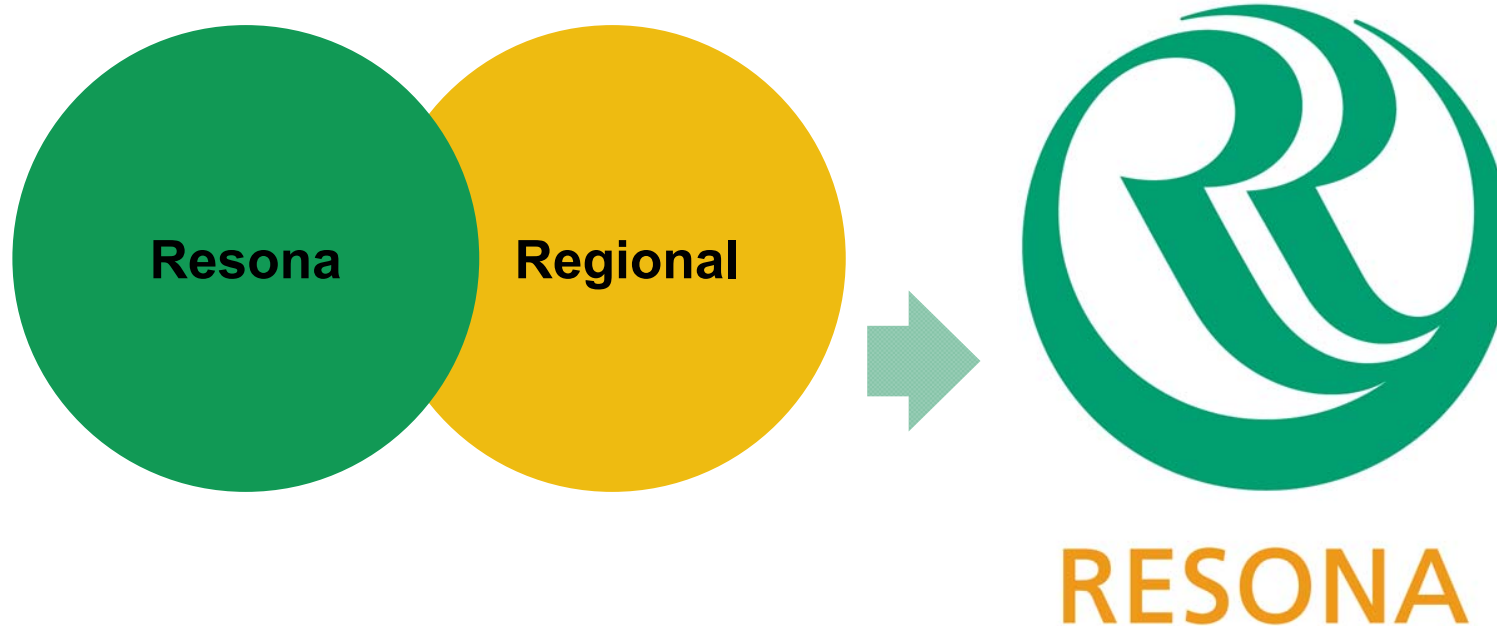


^{*1} As of Mar. 31, 2019 ^{*2} 1H of FY2018 Financial Statements, Megabank groups: MUFG BK+ MUTB, Mizuho BK+ Mizuho Trust, SMBC + SMBCTB
^{*3} 10 largest regional bank groups by consolidated assets (Fukuoka FG, Concordia FG, Meibuki FG, Chiba, Hokuhoku FG, Shizuoka, Nishinippon FH, Kyushu FG, Yamaguchi FG, Hachijuni: 1H of FY2018 Financial Statements) ^{*4} Total of group banks, market share based on deposits, and loans and bills discounted by prefecture (domestically licensed banks from BOJ)

Resona Group's Brand Identity

The Resona Group's corporate name is derived from the Latin word (*resonus*) meaning "resonate" or "resound" in English

We attach great importance to customers' voice. By adopting the corporate name Resona, we want to express our desire to build stronger ties with communities and customers by "resonating" or "resounding" with them.



- Group Logo expresses the resonance between the "R" in Resona and the "R" in the Group's key word "Regional."

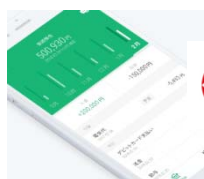
- Two "Rs" inside a perfect circle express a sense of security and trust.
- Green suggests "gentleness" and "transparency" and orange creates a sense of "familiarity" and "warmth."

Resona's Challenges Attracting Attentions from Outside

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

Resona Group App Good Design Award 2018

Rated highly for outstanding design and user-friendliness



GOOD DESIGN AWARD
2018 Prize Winning

Principles for Financial Action for the 21st Century Winning the Minister of the Environment Award

Highly evaluated thanks to our initiatives to develop and popularize products aimed at facilitating the pursuit of SDGs



Winning Awards to Commend Leading Companies Where Women Shine

- The Prime minister Award (SR)
- FY2017 Osaka City Female Achievement Leading Company Mayor Award (RB, KU, KO)
- Ranked #2 in "100 Best Companies Where Women Play Active Part" 2019*1 (HD)



Resona adopted by 4 index of GPIF's selected 4 ESG index (domestic stock)

- FTSE Blossom Japan Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Select Index
- S&P/JPX Carbon Efficient Index Series

Won R&I Fund Award 2019 and 16th MERCER MPA Award (Japan) 2018

Superior performance of the Japanese concentrated stock fund was highly evaluated



Gomez IR Site Ranking 2018 Gold Prize

Easy to use, informative IR website



*1. Based on a Survey of Workplace Opportunities for Female Workers undertaken by Nikkei Woman

Corporate Governance System

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

Board of Directors	<div><div>■ Majority of the Board members are independent outside directors</div><div><div>Independent6</div><div>Internal5</div></div><div><div>● Elects chairperson of the Board after conducting an annual analysis and self-evaluation of the Board</div><div>● Free discussion sessions without internal directors are held adding to the board</div></div></div>		<div><div>■ Outside directors only</div><div>■ Introduced succession plan in July 2007 and ensure objectivity by drawing on the advice of outside consultants</div></div>
		<div><div>Nominating Committee</div><div>Compensation Committee</div><div>Audit Committee</div></div>	<div><div>■ Outside directors only</div><div>■ Abolished corporate performance based compensation, introduced Performance Share Unit Plan in 2017</div></div>
			<div><div>■ Majority of outside directors</div><div>■ Introduced double report line system in 2016</div></div>

Area of expertise of outside directors

■ Corporate management ■ Finance ■ Law

Outside directors

Scheduled to be appointed in June, 2019



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.)



Mitsudo Urano ■
Chairperson, Compensation Committee
(Former Representative Director and Chairperson of Nichirei Corporation)



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



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



Chiharu Baba ■ ■
Member, Audit Committee
(Former Deputy President of Mizuho Trust & Banking Co., Ltd.)



Kimie Iwata ■
Member, Nominating Committee
Member, Compensation Committee
(Former Deputy Director-General Human Resource Development Bureau Ministry of Labor, Former Director & Executive Vice President, Shiseido Co., Ltd.)

Internal directors

Scheduled to be appointed in June, 2019



Kazuhiro Higashi
President and Representative Executive Officer



Shoichi Iwanaga
Representative Executive Officer



Satoshi Fukuoka
Representative Executive Officer



Masahiro Minami
Executive Officer



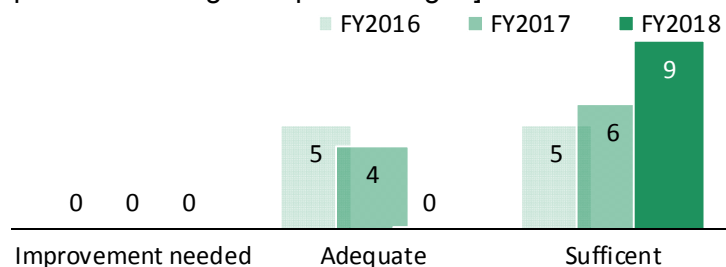
Kaoru Isono
Member, Audit Committee

Initiatives for Corporate Governance Evolution

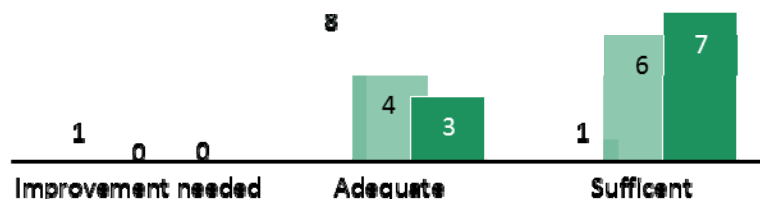
Self-evaluation of the board

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

[Appropriateness of agenda proceedings*1]



[Constructive dialogue]



RB and SR transition to a company with audit committees system (Jun. 2019)

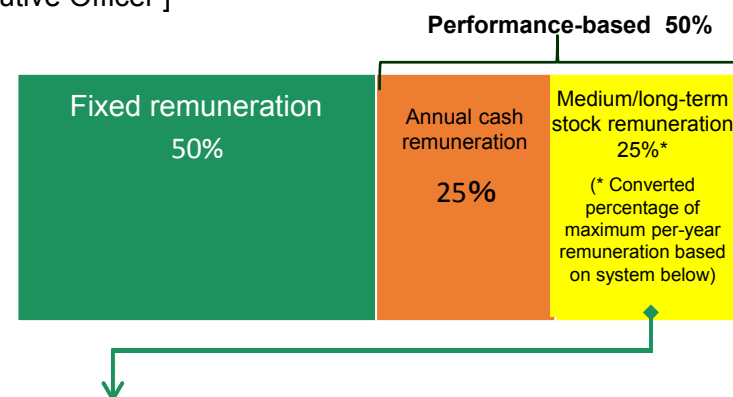
- Improve effectiveness of Board of Directors
- Enhance corporate governance framework



Performance share unit plan (PSU)

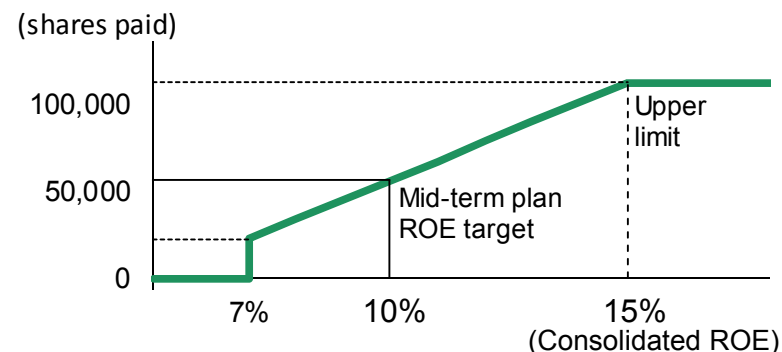
- Introduced in July 2017
- HD stock will be granted based on consolidated ROE for the final year of medium-term management plan

[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



*1. Chairman of the Board has not participated in evaluation process from FY2018 onward

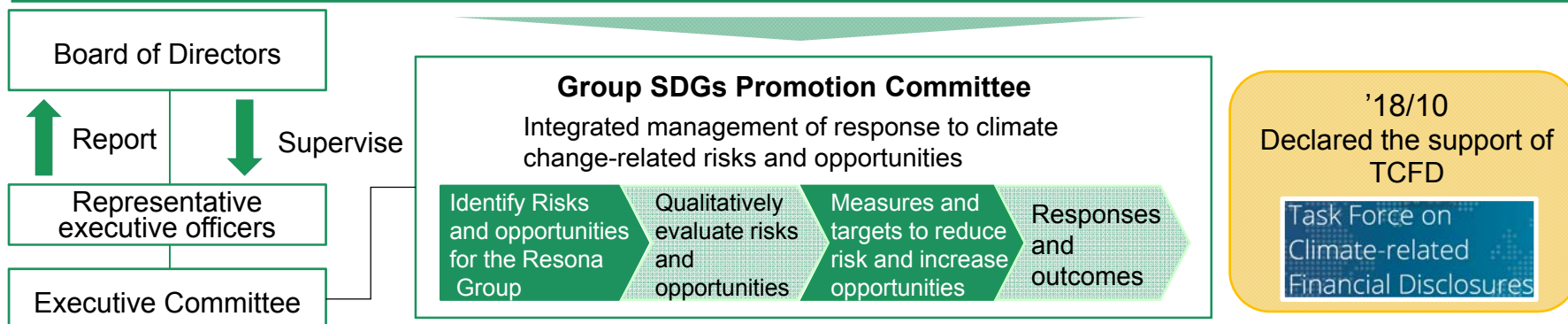
Commitments Towards Achieving the Sustainable Development Goals 2030 (Resona Sustainability Challenge 2030)

Theme	SDGs item	Commitment
Local Communities Revitalization of Local Economies	 All 17 goals	<ul style="list-style-type: none"> Realizing a sustainable society together with customers through constructive dialogue on the themes of environmental and social issues and other measures. Revitalizing local economies and creating livable communities through supporting the growth of companies, including nurturing of start-up companies, and the operational efficiency of social infrastructure. Increasing convenience in society and daily lives through the provision of innovative financial services accessible to all people at anytime and anywhere.
Low Birthrate and Aging Society Elimination of Anxiety Triggered by Low Birthrate and Aging Society		<ul style="list-style-type: none"> Improving customers' lifetime quality of life through the support for formation and succession of assets enabled by financial consulting and financial education to enhance financial literacy.
Environment Response to Global Warming and Climate Change		<ul style="list-style-type: none"> Realizing low-carbon and circular society by taking action with society to reduce environmental burden such as accelerating the use of renewable energy and reducing greenhouse gas emissions.
Human Rights Diversity & Inclusion		<ul style="list-style-type: none"> Creating a society in which all people respect human rights and diversity and can fulfill their potential while attaining work-life balance.

As concrete initiatives for the commitments, each of the companies in the Group will draw upon action plan, put it into practice, and report the progress to the public.

Initiatives for TCFD (Task Force on Climate-Related Financial Disclosures Initiatives)

Governance: Board of Directors Proactively pursue Resona Sustainability Challenge 2030 and step up climate change countermeasures



Reflect outcomes of multilateral discussions on risks and opportunities in Group strategies and risk management

- Impact on our largest asset class, loans
- Help corporate and individual customers mitigate and adapt to climate change through financial services

Minimize the risks	Loan initiatives	<ul style="list-style-type: none"> ■ Proactively engage with corporate customers who have yet to fully commit to environmental issues, encouraging them to step up their initiatives ■ Enforce general rule of abstaining from extending new loans to coal-fired thermal-generation projects 	
	Investment initiatives	<ul style="list-style-type: none"> ■ Incorporate an ESG-oriented viewpoint into investment decision-making process ■ Maintain constructive dialogue and engagement with investees ⇒ Discussion meetings to address palm oil issues (from 2016 onward) 	
Expand the opportunities	Conserving the environment through our products and services	[Individual customers]	[Corporate clients]
		<ul style="list-style-type: none"> ■ <i>Nihon-no-Mirai</i> (investment trust) ■ Environment-friendly housing loans ■ Will trusts specifying donation recipients 	<ul style="list-style-type: none"> ■ Various environment-friendly loans ■ SDGs Consulting Fund ■ Facilitate the formation of environment-friendly real estate

Winning the Minister of the Environment Award that is given only to businesses engaged in exemplary efforts



【CDP scores*1】

- **Resona HD B**
- Mizuho FG B-
- MUFG C
- SMFG C
- SMTH C

*1. CDP Report 2018

Initiatives for a Better Society

Community

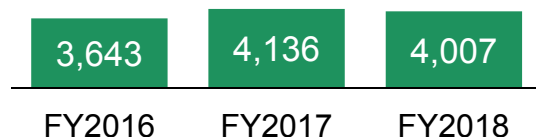
["Re: Heart Club" members]



- "Re: Heart Club" (Employee volunteer group) joined various community activities
- Supported regional revitalization through the Resona Group Regional Revitalization Council
- Privately-placed bonds with donations
 - '18/6~ CSR privately-placed bond (SDGs Support Fund): JPY88.1 bn (FY'18)

Next Generation

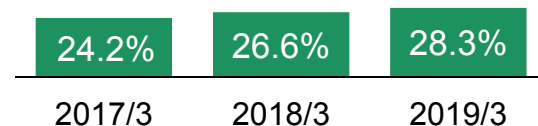
[Resona Kids' Money Academy participants *1]



- Regularly hosting "Resona Kids' Money Academy" (a financial and economic education activity for children) since 2005: Total of 37,000 participants
- Organized career seminars for high-school students: 78 participants (held in Oct. '18)
- Resona Foundation for Future *2: Provided scholarships to a total of 180 students

Diversity

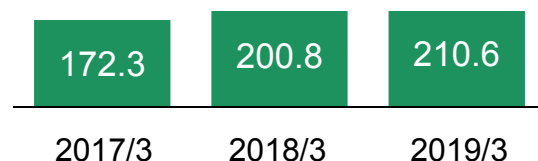
[Proportion of female line managers *3]



- Maintained a "smart employee" system for three years as part of promoting flexible working styles
 - Ratio of female managers rose to 28.3%
- Resona Women's Council, an advisory body operating directly under management, made suggestions influencing various policies
- All managers took part in seminars on how to promote work style reforms and assist staff engaging in child rearing

Environment

[Environment-friendly corporate loans (JPY bn)]



- Action to reduce environmental impact through eco-friendly products/services
- Reduced paper usage through digitalization
- Specify action on climate change and other societal issues as a component of our credit policy

*1. Including "Mirai Kids' Money Academy" in FY2018

*2. Funded by Resona group

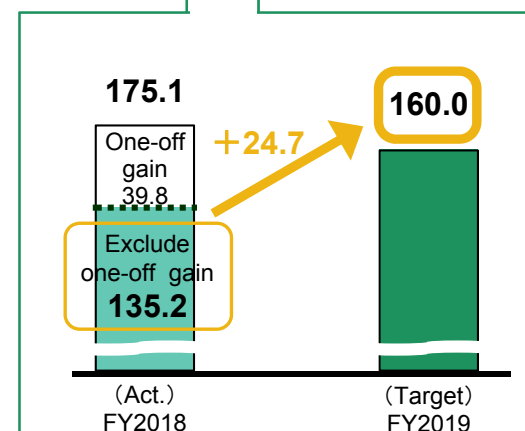
*3. RB+SR

Final Year's KPIs of MMP

KPIs	FY2018 (Act.)	KMFG Integration reflected* ¹ (FY2019)
Net income attributable to owners of the parent	JPY175.1 bn	JPY170.0 bn
Consolidated fee income ratio	30.0%	Lower half of the 30% range
Consolidated cost income ratio	65.2%	60% level
ROE* ²	10.85%	Over 10%
CET1 ratio* ³	9.30%	9% level

[Earnings Target for FY2019]

JPY160.0 bn Down JPY10.0 bn from MMP target



■ Down JPY10.0 bn from MMP target

- Lower dependence on the Market division
- Downside risk for profitability reduced

■ Continued commitment to the income/cost structure reforms

*1. Adjustments to the current HD's medium-term management plan (MMP) are made by combining the following (1) and (2)

(1) KPIs for the final year (FY2019) in the HD's MMP is adjusted to exclude KO's targets

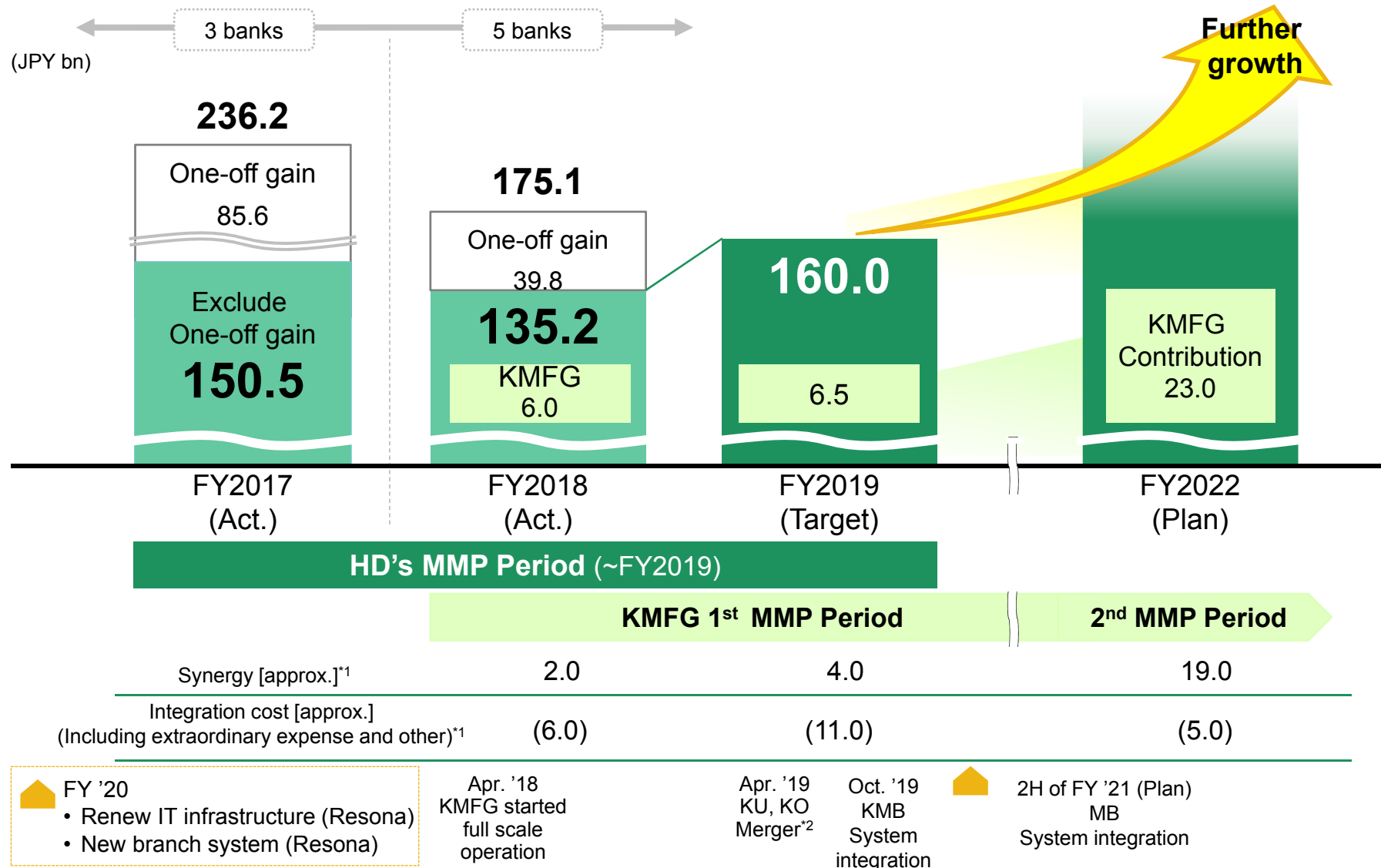
(2) KMFG's target for the second year (FY2019) in the KMFG's MMP

*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

Envisage Stable Net Income

Achieve steady income growth through implementation of the income-cost structure reforms and enlargement of KMFG's income contribution



*1. Before consideration of HD's stake in KMFG (51%) *2. Merge to form Kansai Mirai Bank (KMB)

Overview of the KMFG's Mid-term Management Plan



Kansai Mirai Financial Group

New retail financial services model advancing together with the future of Kansai region

Goal

Banking group considered “absolutely essential” by customers

Position of the first mid-term management plan (FY2018-FY2020)

- ◆ Build strong corporation among 3 banks through the management integration
- ◆ Contribute to regional societies by strengthening face-to-face interactions with our customers
- ◆ Fully preparing for the planned merger and systems integration

Overview of the strategy

Basic strategies

- Contributing to development and invigoration of communities KMFG serves
 - Sharing distinctive strengths each bank has developed
 - Offering customers first-class financial services and solutions with one stop convenience
- Enhancing productivity and customer convenience at the same time
 - Sharing the know-how of operational reforms
 - Adopting unified clerical work process and IT platforms
- Raising profitability, efficiency and soundness as one of the largest regional financial groups in Japan
 - Potential of vibrant Kansai market
 - Scale merit advantage

Business strategies

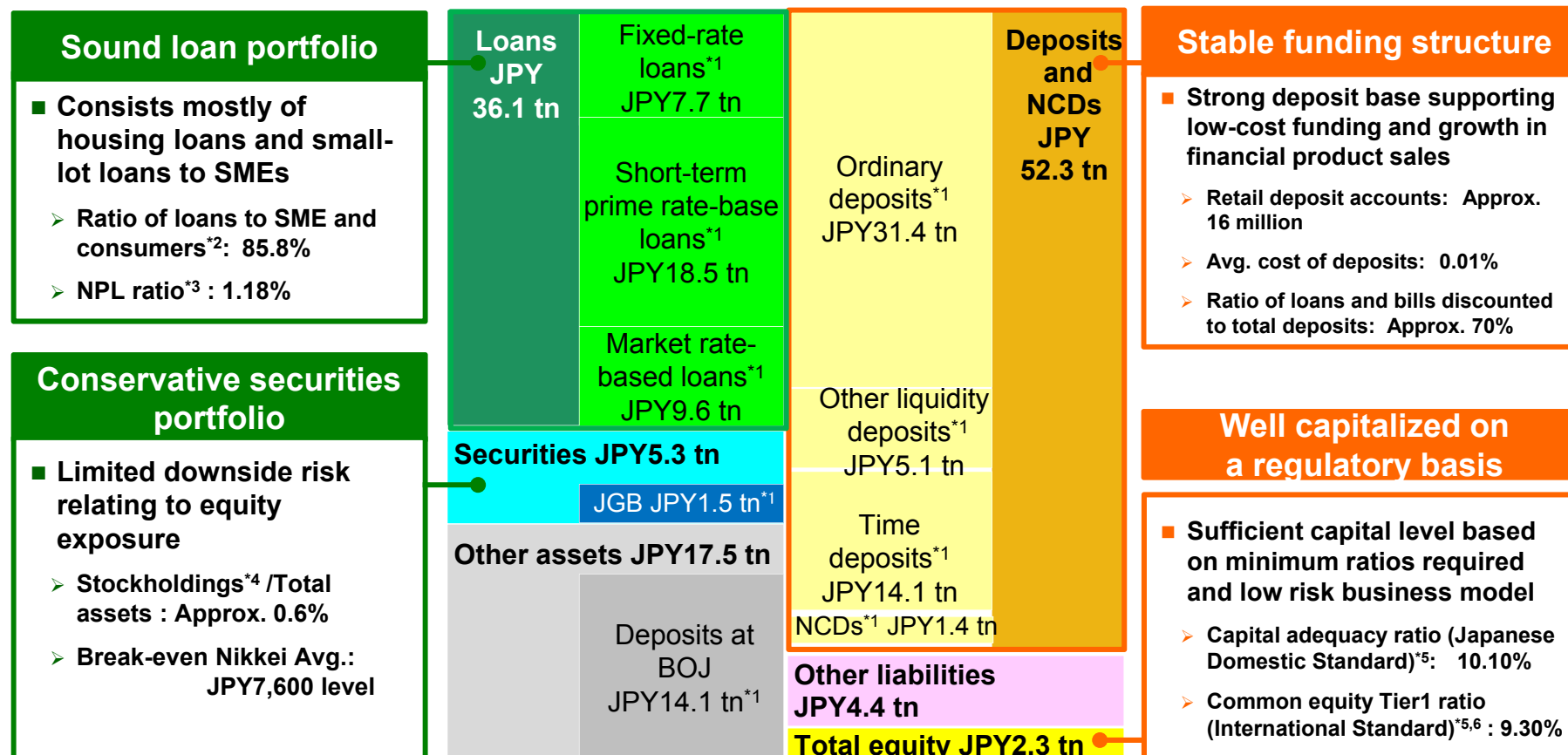
- | | |
|--------------------|---|
| Corporate strategy | <ul style="list-style-type: none"> • Expand loan volume • Strengthen consulting function |
| Personal strategy | <ul style="list-style-type: none"> • Differentiate services based on customer profile • Develop AUM business further |
| Loan strategy | <ul style="list-style-type: none"> • Strengthen housing loan • Strengthen apartment loan • Strengthen other consumer loans |

Primary KPIs

KPIs	FY2020	FY2022
(Consolidated) Net income	JPY29.0 bn	JPY45.0 bn
(Non-consolidated) Actual net operating profit	JPY52.0 bn	JPY70.0 bn
Loans and bills discounted	JPY9.8 tn	JPY10.5 tn
Deposits	JPY11.9 tn	JPY12.6 tn
Consolidated fee income ratio	Middle of the 20% range	Latter half of the 20% range
Consolidated cost income ratio	Latter half of the 60% range	60% level
ROE	Over 5%	8% level
Capital adequacy ratio	7% level	Over 7%

Resona HD Consolidated Balance Sheet (As of March 31, 2019)

Total assets JPY59.1 tn



*1. Total of group banks *2. Total of group banks including trust account *3. Total of group banks (Financial Reconstruction Act criteria)

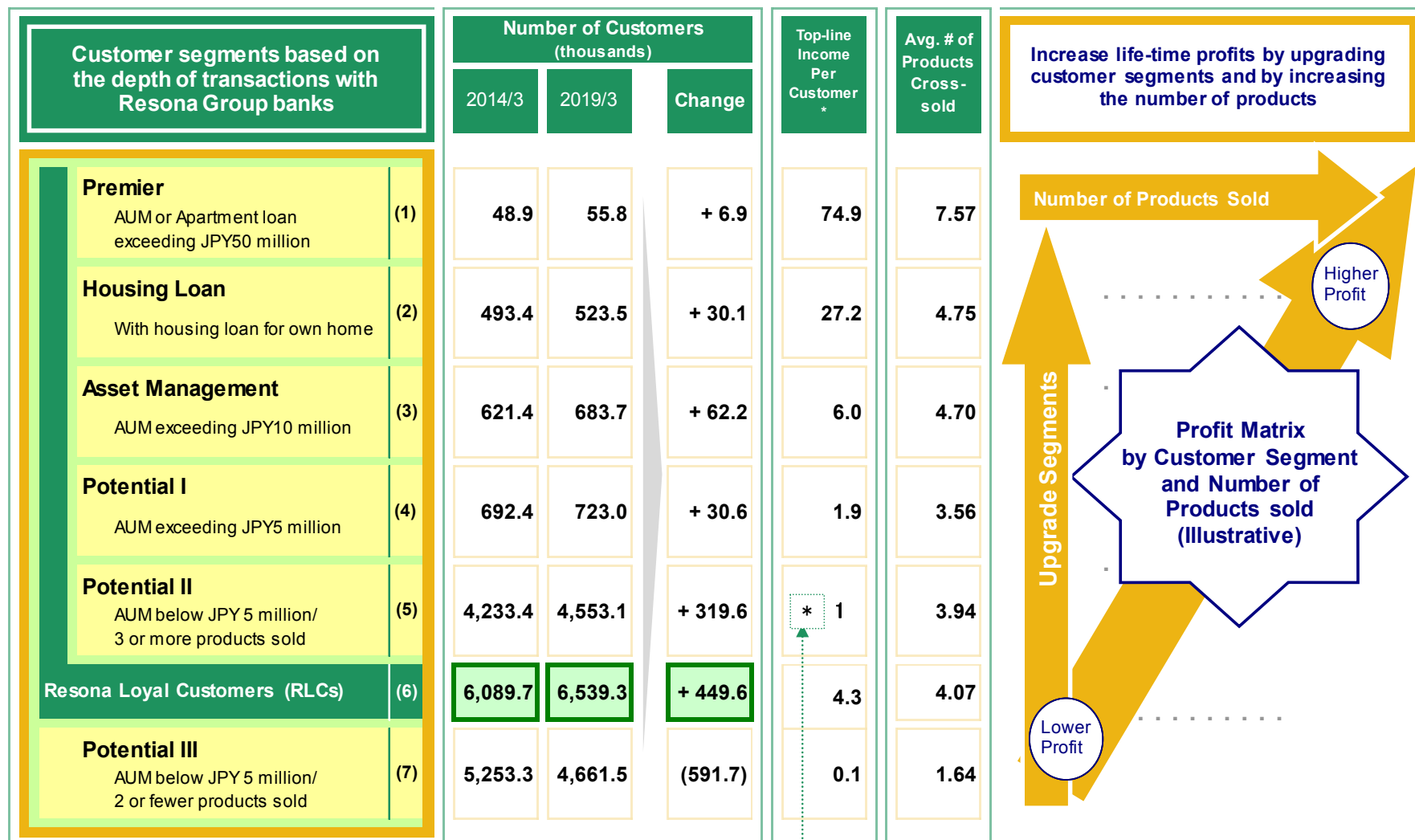
*4. At cost *5. Basel 3, Common equity Tier1 ratio is for a reference purpose only

*6. Exclude unrealized gain on available-for-sale securities

Measures to Build Multifaceted Business Relationships with Customers

Total of
Two Banks
(RB, SR)

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



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

Business Results by Major Group Business Segments

Management accounting by major group business lines (FY2018)

(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				
						RVA ^{*1}	RAROC	OHR		YoY Change		YoY Change	Gross operating profit		Operating expense			YoY Change
	Customer Divisions (1)	61.8	17.8%	63.6%	9.1%	174.1	+3.0	170.5	+12.4	469.1	+16.0	(298.6)	(3.4)	3.5	(9.3)			
	Personal Banking (2)	34.0	30.8%	74.2%	8.9%	54.2	+8.1	52.9	+5.7	206.0	+7.5	(153.0)	(1.8)	1.2	+2.4			
	Corporate Banking (3)	27.8	14.9%	55.3%	9.1%	119.9	(5.0)	117.6	+6.7	263.1	+8.4	(145.6)	(1.5)	2.2	(11.8)			
	Markets (4)	2.2	13.0%	31.5%	13.0%	18.6	(26.9)	18.6	(26.9)	27.2	(29.1)	(8.5)	+2.1	-	-			
	KMFG (5)	(27.9)	5.4%	79.5%	6.8%	24.9	(15.1)	29.9	(13.0)	146.4	(13.0)	(116.4)	+0.0	(5.0)	(2.1)			
	Total ^{*2} (6)	(21.0)	11.7%	65.8%	9.9%	219.1	(37.6)	220.4	(26.2)	638.9	(27.9)	(420.5)	(0.0)	(1.3)	(11.4)			

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

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

Consolidated Subsidiaries and Affiliated Companies

Major consolidated domestic subsidiaries (excluding group banks)

(JPY bn)

Name		Line of business	Capital contribution ratio	Fiscal year	Net income	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%	FY'18 (Mar.31 2019)	14.4	(4.4)
Resona Card Co., Ltd.	(2)	Credit card Credit guarantee 1.5 million card members	Resona Holdings 77.5% Credit Saison 22.4%	FY'18 (Mar.31 2019)	1.4	+0.0
Resona Kessai Service Co., Ltd.	(3)	Collection service Factoring Collection services with 50 million cases annually	Resona Holdings 100%	FY'18 (Mar.31 2019)	0.5	(0.0)
Resona Research Institute Co., Ltd.	(4)	Business consulting service Management consulting with 800 project annually	Resona Holdings 100%	FY'18 (Mar.31 2019)	0.1	+0.0
Resona Capital Co., Ltd.	(5)	Venture capital IPO support, SME business succession, re-growth support	Resona Holdings 100%	FY'18 (Mar.31 2019)	0.1	(0.1)
Resona Business Service Co., Ltd.	(6)	Back office work Employment agency Practices quick and accurate operations	Resona Holdings 100%	FY'18 (Mar.31 2019)	0.0	(0.0)
Resona Asset Management Co., Ltd.	(7)	Investment management business Business started in Sep. 2015 utilizing 50 years of RB pension management expertise	Resona Holdings 100%	FY'18 (Mar.31 2019)	0.1	+0.3
Total (7 Companies)					16.9	(4.1)

Major consolidated overseas subsidiaries

Name		Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change
P.T. Bank Resona Perdania	(8)	Banking business (Indonesia) Oldest Japan-affiliated bank in Indonesia	Resona Group 43.4% (Effective control approach)	FY'18 (Dec.31 2018)	0.1	+2.9
P.T. Resona Indonesia Finance	(9)	Leasing business (Indonesia)	Resona Group 100%	FY'18 (Dec.31 2018)	0.0	(0.1)
Resona Merchant Bank Asia	(10)	Finance, M&A (Singapore) Became consolidated subsidiary July 2017; direct financing and M&A brokerage, etc.	Resona Group 100%	FY'18 (Dec.31 2018)	(0.5)	+0.1
Total (3 Companies)					(0.4)	+2.9

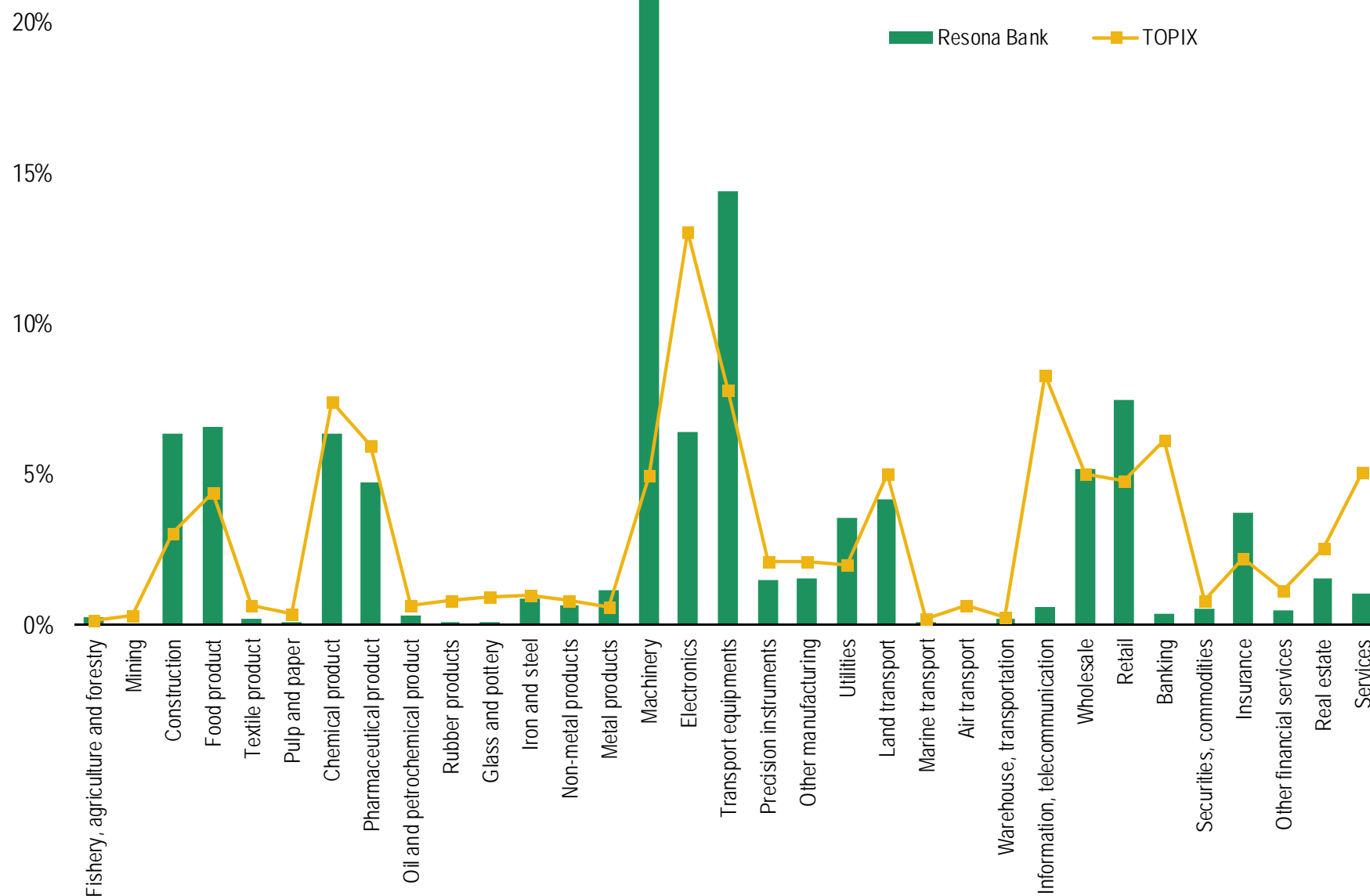
Affiliated company accounted for by the equity method

Name		Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change
JTC Holdings, Ltd.	(11)	Supervision of subsidiaries' operations and other ancillary businesses One of the largest asset size in Japan	Resona Group 16.6% Sumitomo Mitsui Trust HD 33.3%	FY'18 (Mar.31 2019)	0.6	—
NTT Data Sofia	(12)	IT system development Became affiliated company accounted for by the equity method in Oct. 2017; responsible for the system development of the group	Resona Holdings 15% NTT Data 85%	FY'18 (Mar.31 2019)	0.2	(0.0)
D&I Information Systems	(13)	IT system development	Resona Holdings 15% IBM Japan 85%	FY'18 (Dec.31 2018)	0.2	+0.0
Shutoken Leasing	(14)	Leasing business Became affiliated company accounted for by the equity method in Jul. 2018; responsible for the leasing business of the group	Resona Holdings 20.26% Mitsubishi UFJ Lease & Finance 70.71%	FY'18 (Mar.31 2019)	1.1	(0.1)
DFL Lease	(15)	Leasing business	Resona Holdings 20% Mitsubishi UFJ Lease & Finance 80%	FY'18 (Mar.31 2019)	0.5	+0.3
Total (5 Companies)					2.8	+0.8

* Fiscal year end of the overseas subsidiaries (8)-(10) and D&I Information Systems (13) are December 31. HD's consolidated business results reflect the accounts of these subsidiaries settled on December 31.

Stocks Held by Industry (March 31, 2019)

RB



(Balance sheet amount)

Swap Positions by Remaining Periods

HD
Consolidated

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

(JPY bn)

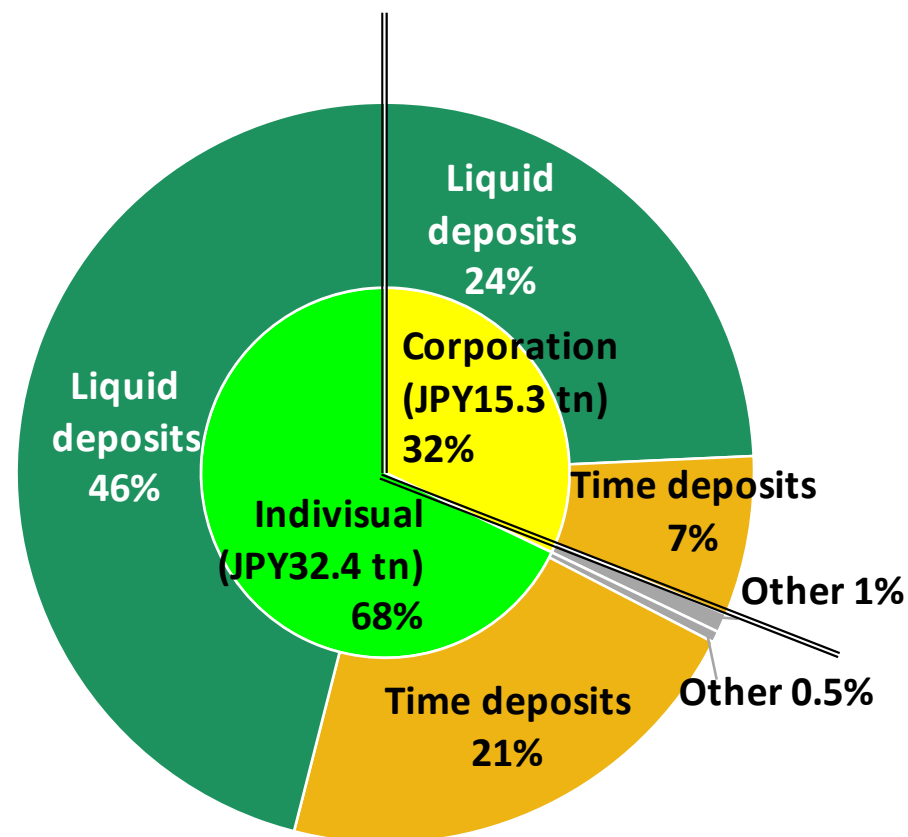
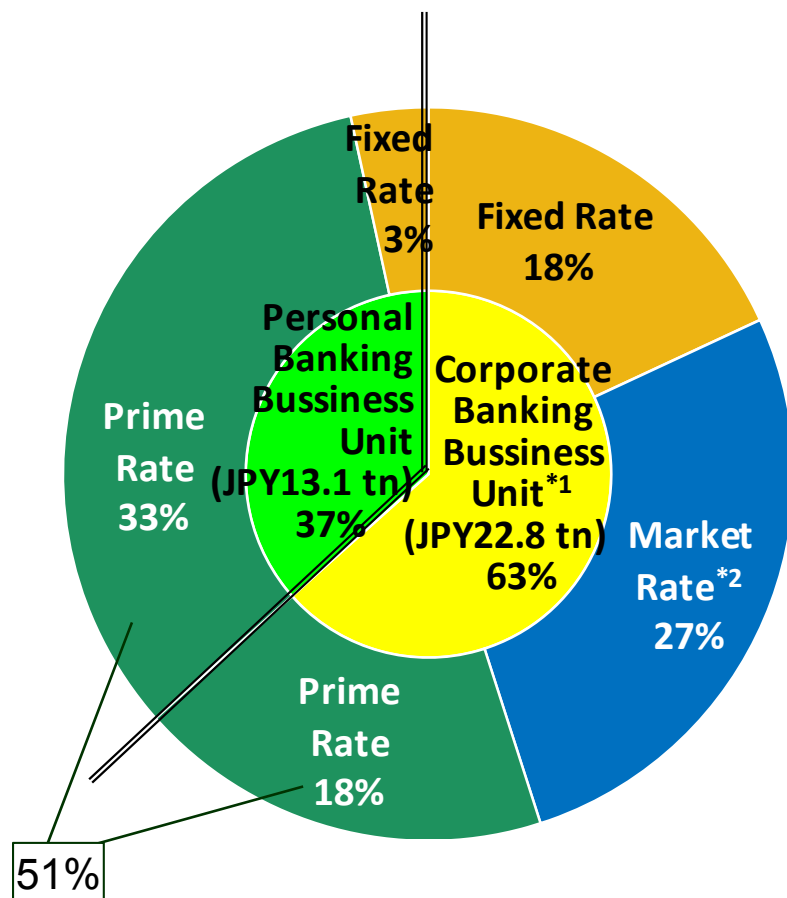
		Mar. 31, 2019				Mar. 31, 2018			
		Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/ Pay floating rate	(1)	215.0	910.0	530.0	1,655.0	40.0	725.0	930.0	1,695.0
Receive floating rate/ Pay fixed rate	(2)	57.6	473.1	546.6	1,077.3	204.1	479.1	573.3	1,256.6
Net position to receive fixed rate	(3)	157.3	436.8	(16.6)	577.6	(164.1)	245.8	356.6	438.3

Composition of Loan Portfolio and Deposits (March 31, 2019)

Total of
Five Banks

Loans^{*1}

Deposits^{*3}



*1. Corporate Banking Business Unit includes apartment loans

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

*3. Domestic individual deposits + Domestic corporate deposits

Maturity Ladder of Loan and Deposit (Domestic Operation)

Total of
Two Banks
(RB, SR)

Loans and bills discounted

[End of March 2018]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(1)	1.1%	1.0%	6.2%	15.5%	23.9%
Prime rate-based	(2)	46.2%	0.1%			46.3%
Market rate-based	(3)	28.8%	0.9%			29.8%
Total	(4)	76.2%	2.0%	6.2%	15.5%	100.0%

Loans maturing
within 1 year

78.2%

[End of March 2019]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(5)	1.0%	1.0%	6.2%	15.3%	23.5%
Prime rate-based	(6)	45.7%	0.1%			45.7%
Market rate-based	(7)	29.7%	1.0%			30.8%
Total	(8)	76.4%	2.1%	6.2%	15.3%	100.0%

Loans maturing
within 1 year

78.5%

[Change in FY2018]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(9)	(0.1)%	(0.0)%	(0.0)%	(0.3)%	(0.4)%
Prime rate-based	(10)	(0.6)%	(0.0)%			(0.6)%
Market rate-based	(11)	+0.9%	+0.1%			+1.0%
Total	(12)	+0.2%	+0.1%	(0.0)%	(0.3)%	-

Loans maturing
within 1 year

+0.3%

Deposits

[End of March 2018]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(1)	54.0%	1.2%	4.6%	16.0%	75.7%
Time deposits	(2)	12.0%	6.9%	4.3%	1.2%	24.3%
Total	(3)	65.9%	8.0%	8.9%	17.2%	100.0%

[End of March 2019]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(4)	39.8%	1.9%	7.8%	26.9%	76.4%
Time deposits	(5)	11.5%	6.4%	4.3%	1.3%	23.6%
Total	(6)	51.3%	8.4%	12.1%	28.3%	100.0%

[Change in FY2018]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(7)	(14.2)%	+0.8%	+3.2%	+10.9%	+0.7%
Time deposits	(8)	(0.4)%	(0.4)%	+0.0%	+0.1%	(0.7)%
Total	(9)	(14.7)%	+0.4%	+3.2%	+11.1%	-

Migrations of Borrowers (1H of FY2018)

RB

- Exposure amount basis (Migrations of borrowers for 1H of FY2018 *1)

		End of September 2018									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2018	Normal	98.3%	0.6%	0.0%	0.0%	0.0%	0.0%	1.1%	1.1%	0.0%	-	0.6%
	Other Watch	12.4%	81.4%	1.0%	1.9%	0.1%	0.1%	3.2%	3.2%	0.0%	12.4%	3.0%
	Special Attention	35.7%	3.9%	48.2%	6.3%	0.4%	0.0%	5.7%	5.7%	0.0%	39.6%	6.6%
	Doubtful	1.4%	9.6%	0.2%	77.3%	4.0%	0.7%	6.8%	6.1%	0.7%	11.3%	4.7%
	Effectively Bankrupt	0.2%	0.2%	0.0%	0.6%	91.0%	2.7%	5.4%	4.1%	1.3%	1.0%	2.7%
	Bankrupt	0.0%	0.0%	0.0%	2.5%	0.0%	94.3%	3.1%	0.6%	2.5%	2.5%	-

*1. Above table shows how a borrower belonging to a particular borrower category as of the end of March 2018 migrated to a new category as of the end of September 2018.

Percentage points are calculated based on exposure amounts as of the end of March 2018.

New loans extended, loans partially collected or written-off(including partial direct written-off) during the period are not taken into account.

"Other" as of the end of September 2018 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

Migrations of Borrowers (2H of FY2018)

RB

- Exposure amount basis (Migrations of borrowers for 2H of FY2018 *1)

		End of March 2019									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of September 2018	Normal	98.6%	0.8%	0.1%	0.1%	0.0%	0.0%	0.4%	0.4%	0.0%	-	1.0%
	Other Watch	9.2%	84.7%	0.8%	1.6%	0.2%	0.1%	3.4%	3.4%	0.0%	9.2%	2.7%
	Special Attention	1.7%	3.0%	80.5%	11.2%	0.7%	0.0%	2.9%	2.9%	0.0%	4.7%	11.9%
	Doubtful	1.5%	5.7%	0.0%	79.9%	4.0%	0.7%	8.1%	7.7%	0.3%	7.2%	4.8%
	Effectively Bankrupt	0.1%	0.3%	0.0%	0.3%	80.8%	5.5%	13.0%	3.4%	9.6%	0.7%	5.5%
	Bankrupt	0.0%	0.0%	0.0%	2.0%	0.0%	87.2%	10.8%	1.2%	9.5%	2.0%	-

*1. Above table shows how a borrower belonging to a particular borrower category as of the end of September 2018 migrated to a new category as of the end of March 2019.

Percentage points are calculated based on exposure amounts as of the end of September 2018.

New loans extended, loans partially collected or written-off(including partial direct written-off) during the period are not taken into account.

"Other" as of the end of March 2019 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

List of Subordinated Bonds (March 31, 2019)

RB

Amount outstanding	Issue date	Maturity	Dividend rate
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 (No serious impact on Resona)

Major items of financial regulation being discussed internationally

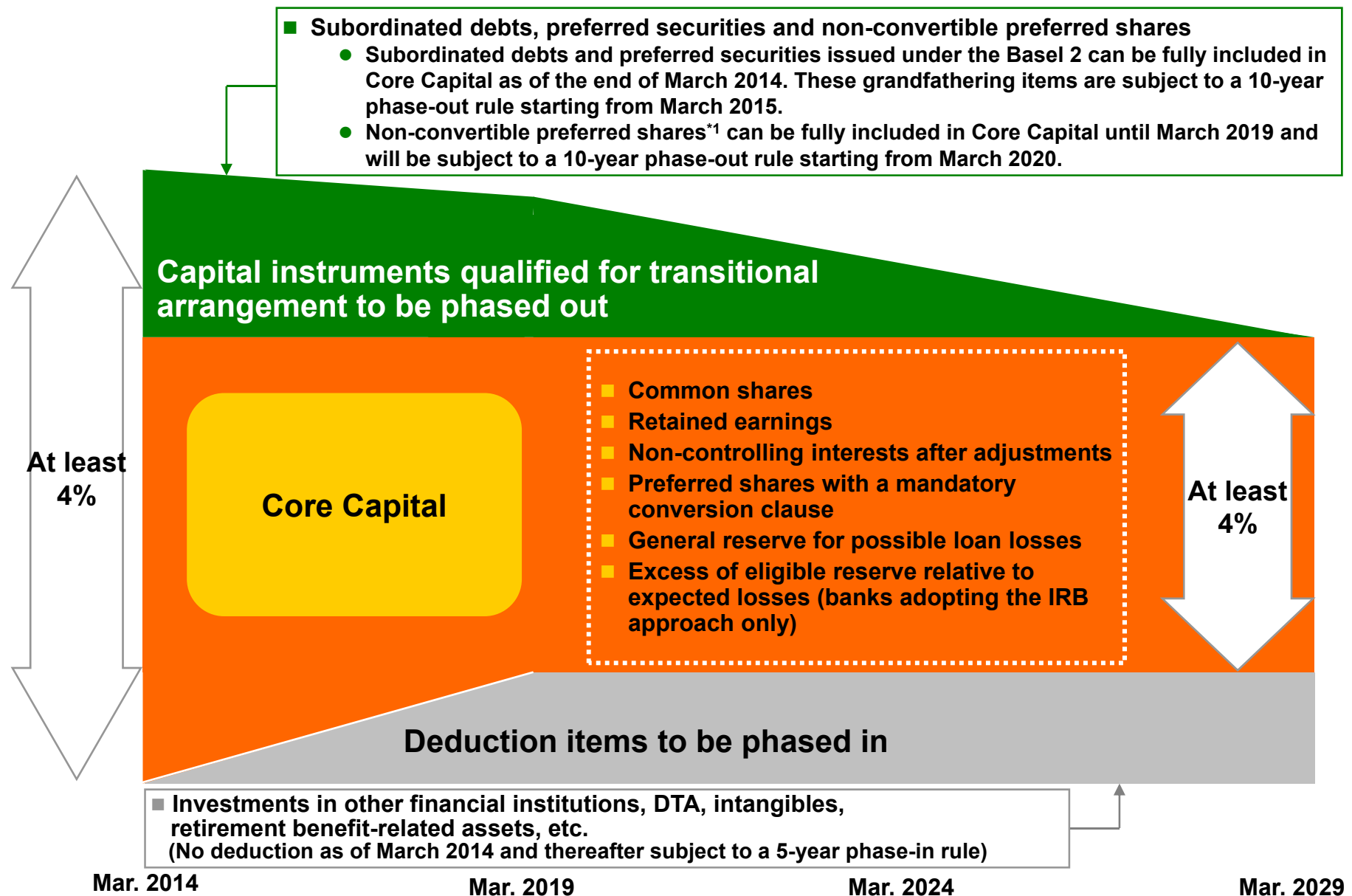
■ International rules will be finalized hereafter and local authorities will start working on domestic rules.

Major regulatory items	Outline of regulation	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"> International rules have been finalized in December 2017. The impacts would be smaller than expected from the consultation draft. Domestic rules will be formulated to be implemented from 2022.
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"> Minimum requirements apply to banks subject to the International Std. Implementation schedule of NSFR regulations has yet to be determined
Leverage ratio	Introduced to complement capital adequacy ratio requirements. Tier 1 capital as a numerator. Exposure amount, not RWA, to be a denominator.	
IRRBB (interest rate risk in the banking book)	Requiring banks to control interest rate risk to within 15% of their Tier 1 capital (domestic banks : within 20% of core 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.
Derivatives-related (Margin requirements, 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. International CVA rule has been finalized. Domestic CVA rules will be formulated hereafter. Adoption of SA-CCR (Standardized Approach) is optional for the time being.
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 was implemented in 2019 (applicable to 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.

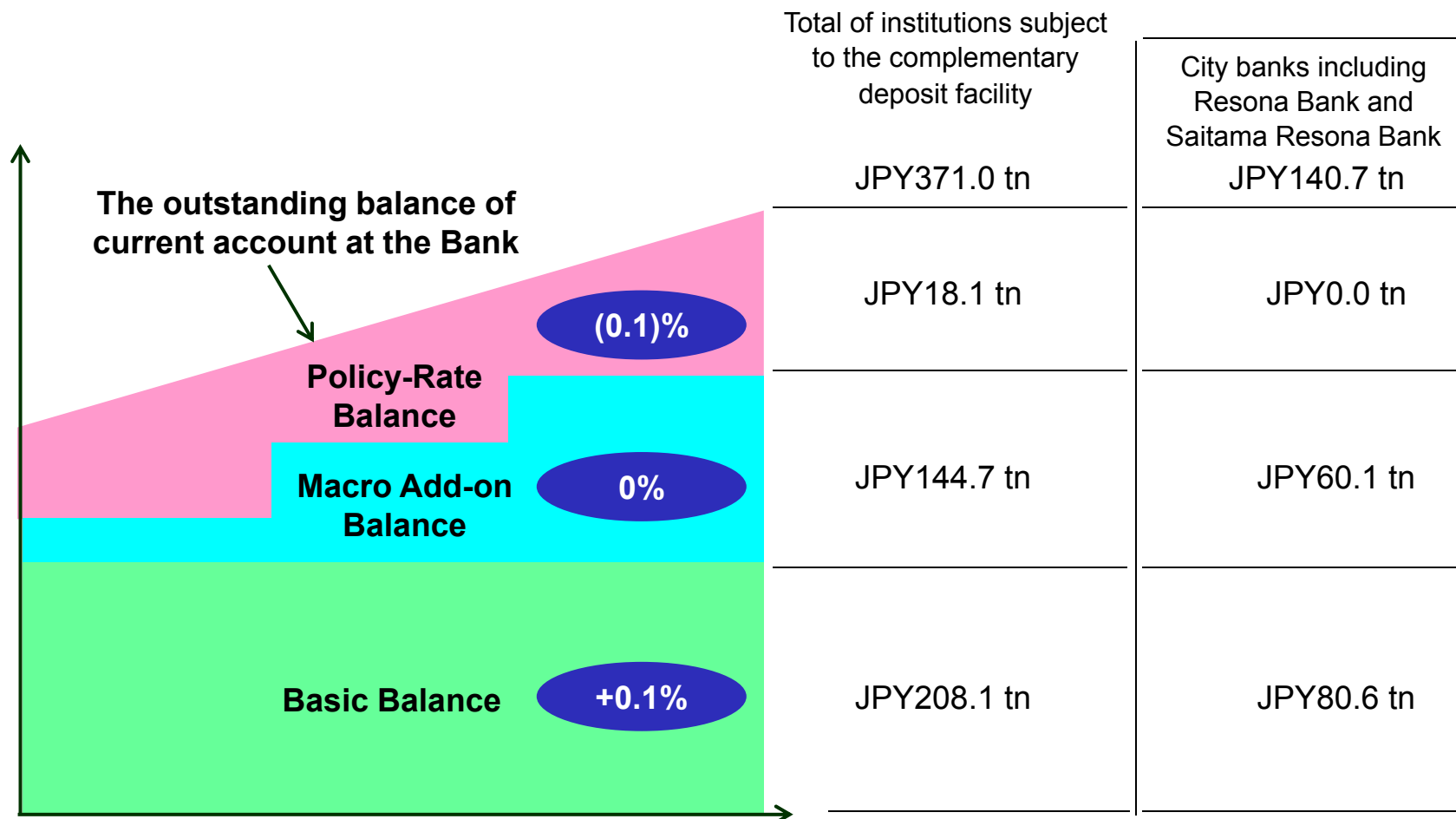
Outline of Eligible Capital under the Japanese Domestic Std.



*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 March -15 April)



*1. Source: Bank of Japan

Long Term Business Results

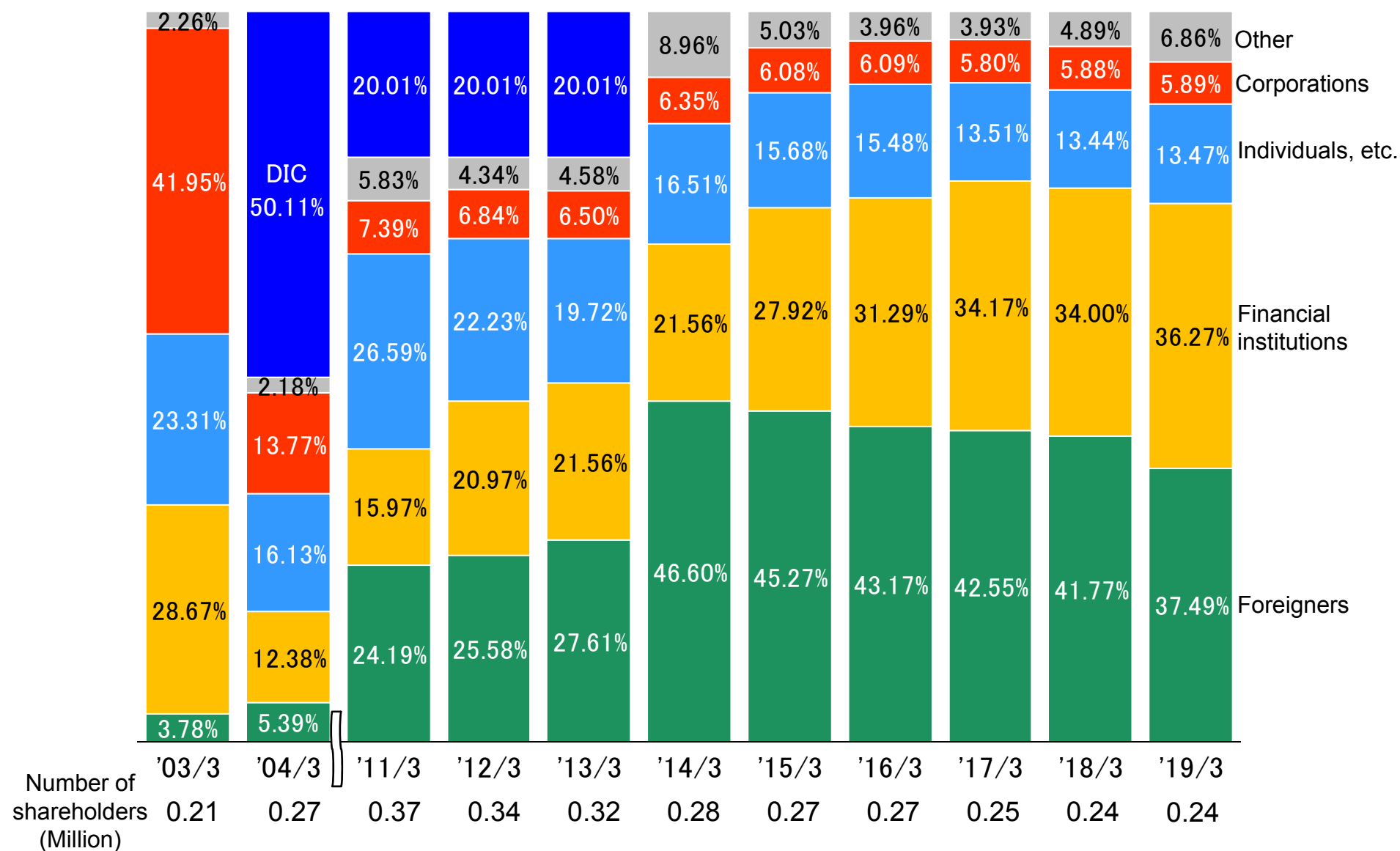
		3 banks									5 banks		
(JPY bn)			FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2017	FY2018
PL	Consolidated	Gross operating profit	678.3	667.0	655.2	637.1	608.5	632.4	619.5	563.1	552.5	661.3	644.1
		Net interest income	499.4	484.0	463.9	443.0	430.0	425.9	401.3	377.9	368.3	454.2	435.9
		Fee incomes**1	145.1	146.8	143.1	150.6	158.7	169.2	168.7	160.6	168.0	187.7	193.8
		Operating expenses	(387.5)	(369.4)	(360.9)	(361.6)	(348.4)	(357.7)	(347.5)	(362.4)	(360.6)	(442.6)	(439.4)
		Net gains/(losses) on stocks	0.6	(0.8)	2.3	(7.5)	22.6	44.5	(6.5)	25.1	16.7	21.4	10.1
		Credit related expenses	(114.6)	(61.5)	(13.8)	13.0	26.4	22.3	(25.8)	17.4	14.7	10.1	(1.3)
		Net income attributable to owners of the parent	132.2	160.0	253.6	275.1	220.6	211.4	183.8	161.4	236.2	244.2	175.1
BS	Total of group banks	Term end loan balance	26,306.1	26,177.9	26,050.4	26,682.1	26,986.0	27,755.5	27,932.1	28,412.0	28,992.1	35,478.5	36,282.9
		Loans to SMEs and individuals	22,320.8	22,166.3	22,235.8	22,659.5	22,912.6	23,454.9	23,645.8	24,163.8	24,728.4	30,473.3	31,161.3
		Housing loans**2	12,042.9	12,145.4	12,250.3	12,651.9	12,918.3	13,125.0	13,188.0	13,356.3	13,331.6	15,968.5	16,223.1
		Residential housing loans	8,857.4	8,973.6	9,095.3	9,441.3	9,705.2	9,905.1	10,015.1	10,218.6	10,267.5	12,374.7	12,683.6
		NPL ratio	2.42%	2.43%	2.32%	2.06%	1.74%	1.51%	1.51%	1.35%	1.18%	1.26%	1.18%
	Consolidated	Stocks (Acquisition amount basis)	344.5	351.8	342.5	337.2	331.9	330.9	351.8	348.6	448.4	470.3	376.2
		Unrealized gains/(losses) on available-for-sale securities	120.6	92.8	131.9	258.0	333.2	573.6	460.6	555.8	658.2	682.8	577.2
Business	Total of group banks	Investment products sold	720.7	937.7	1,030.8	1,290.5	1,477.0	1,585.9	1,211.3	801.6	945.6	1,253.7	1,042.9
		Investment trust/ Fund wrap	494.6	725.8	742.6	972.7	1,185.2	1,225.1	831.9	573.1	723.0	959.5	664.1
		Insurance	226.1	211.9	288.3	317.8	273.2	360.7	379.3	228.5	222.6	294.1	378.7
		Housing loan**2	1,435.4	1,341.1	1,301.8	1,559.5	1,478.6	1,352.9	1,292.7	1,481.4	1,174.9	1,418.4	1,577.7
		Residential housing loans	1,147.7	1,098.6	1,048.6	1,225.5	1,162.3	1,042.2	1,011.7	1,198.7	939.0	986.6	1,225.5
		Real estate business	6.3	6.6	7.7	7.8	8.3	11.2	13.5	13.7	13.1	13.1	13.3
		Remaining public fund balance		2,085.2	871.6	871.6	871.6	356.0	128.0	Fully repaid in June 2015			

*1. Fees and commissions income plus trust fees *2. Includes apartment loans (Origination Includes Flat35)

Credit Rating Information (Long Term)

	Moody's	S&P	R&I	JCR
Resona Holdings	-	-	A	-
Resona Bank	A2	A	A+	AA-
Saitama Resona Bank	A2	-	A+	AA-
Kansai Mirai Financial Group	-	-	-	A+
Kansai Mirai Bank	-	-	-	A+
Minato Bank	-	-	-	A+

Composition of Resona HD's Common Shareholders

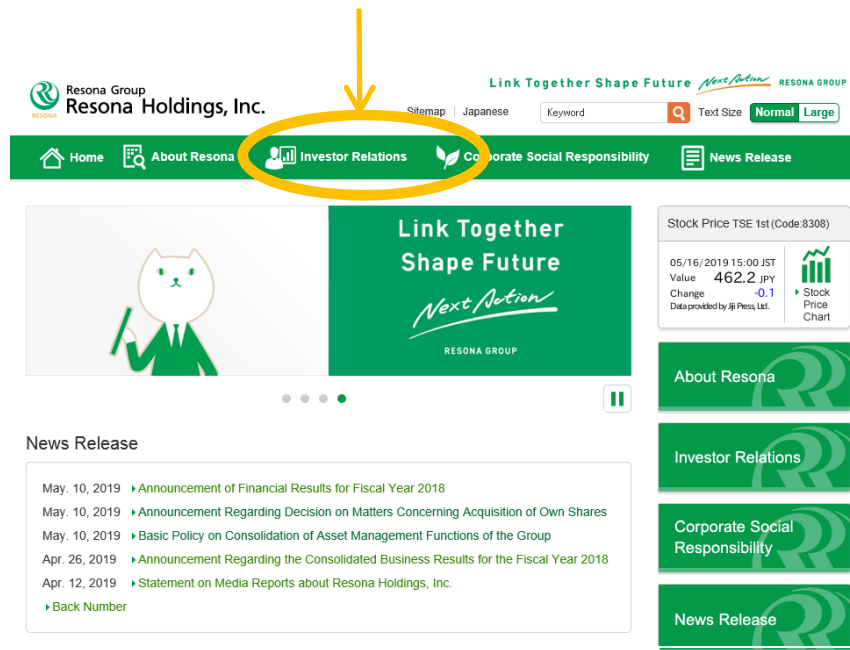


Proactively Communicating with Our Shareholders and Investors

Resona Group HP

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

View IR presentation material from here



Integrated Report of Resona Group

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

