

Business Results for FY2019 and Medium-term Management Plan



Resona Holdings

May 18, 2020

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

[HD] Resona Holdings, [RB] Resona Bank, [SR] Saitama Resona Bank,
[KMFG] Kansai Mirai Financial Group, [KMB] Kansai Mirai Bank*, [MB] Minato Bank
* [KU] Kansai Urban Banking Corporation and [KO] Kinki Osaka Bank merged on April 1, 2019
[RAM] Resona Asset Management [RCD] Resona Card [RKS] Resona Kessai Service [RVC] Resona Capital

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.

Table of Contents

Outline of Business Results for FY2019 and Updates on Major Businesses	Medium-term Management Plan
p4 Outline of Financial Results for FY2019	p22 For Becoming the “Retail No. 1”
p5 Breakdown of Financial Results	p23 Establish “Resonance Model”
p6 Factors for the Changes in Net Income Attributable to Owners of Parent (YoY Comparison)	p24 Business Strategy and Rebuild Foundations (Overview)
p7 Trend of Loans and Deposits (Domestic Account)	p25 Reflection on the Previous Medium-term Management Plan
p8 Term-end Balance of Loans and Deposits	p26 KPIs
p9 Housing Loan Business	p27 Roadmap for Securing Profit
p10 Fee Income	p28 Business Strategy Further Development Asset and Business Succession
p11 Major Fee Businesses(1) (Asset Formation Support Business)	p29 Business Strategy Further Development Asset Formation Support Business
p12 Major Fee Businesses(2)	p30 Business Strategy Further Development SME Loans and International Businesses
(Trust, Corporate Solution, Real Estate Business)	p31 Business Strategy Further Development Loans for Individuals
p13 Credit Costs and NPL	p32 Business Strategy Further Development × New Challenges Omni-Channel
p14 Securities Portfolio	p33 Business Strategy Further Development × New Challenges Settlement Business
p15 Capital Adequacy Ratio	p34 KMFG the MMP and Pursue Group synergies(1)
p16 Earnings Targets for FY2020	p35 KMFG the MMP and Pursue Group synergies(2)
p17 Impact from COVID-19(1)	p36 Business Strategy New Challenges Breaking Free of the Banking Model
p18 Impact from COVID-19(2) (Credit Cost)	p37 Rebuilding our Foundations (1) Human Resources
p19 (Reference) Outline of Financial Results of Each Segment	p38 Rebuilding our Foundations (2) Business Processes, Sales Approach, Channel Network
p20 (Reference) Outline of Financial Results of Customer Divisions	p39 Rebuilding our Foundations (3) Systems
	Direction of Capital Management
	p41 Direction of Capital Management
	ESG Initiatives (P43 ~)
	Reference Material (P49 ~)

Outline of Business Results for FY2019 and Updates on Major Businesses

Medium-term Management Plan

Direction of Capital Management

ESG Initiatives

Reference Material

Outline of Financial Results for FY2019

- **Net income attributable to owners of parent: JPY152.4 bn**
 - Down JPY22.7 bn, or 12.9%, YoY
Up JPY17.1 bn, or 12.6%, YoY, excluding one-off gain*¹ posted in FY'18
 - Progress rate against the full year target*² : 95.2%
- **Actual net operating profit: JPY241.9 bn**
Up JPY16.3 bn, or 7.2%, YoY
 - **Gross operating profit: JPY658.6 bn**
Up JPY14.5 bn, or 2.2%, YoY
 - Net interest income from domestic loans and deposits:
Down JPY11.0 bn, YoY
Average loan balance : +1.35%, YoY
Loan-to-deposit spread : contracted by 4bps, YoY
In line with the plan, contraction of loan-to-deposit spread continued to moderate
 - Fee income : Down JPY3.5 bn, YoY
Fee income ratio : 28.8%
Income from Inv. trust and insurance declined while focused businesses such as FW, settlement related have grown steadily
 - Net gains on bonds (including futures) : Up JPY19.1 bn, YoY
Increase from measures for sound securities portfolio in FY'18 and building-up trading profits in a timely manner
 - **Operating expenses: JPY417.1bn**, improved by JPY3.4 bn, YoY
Both personnel and non-personnel expenses decreased, Cost income ratio improved by 1.9 points, YoY, to 63.3%
- **Credit related expenses: JPY22.9 bn (cost)**
Increased by JPY21.6 bn, YoY
YoY increase attributable to 1) absence of reversal gain posted in FY'18, 2) preemptive provisioning of loan loss reserves against certain apartment loan portfolio and 3) recognition of credit cost from certain large borrowers.
- **Earnings target for FY2020**
Net income attributable to owners of parent:
JPY120.0 bn, down JPY32.4 bn, YoY
- **Launched a new Medium-term Management plan**
“Establish a Resonance Model”(FY2020-FY2022)

HD consolidated (JPY bn)	FY2019 (a)	YoY change		Target for FY2020 (d)
		(b)	% (c)	
Net income attributable to owners of parent (1)	152.4	(22.7)	(12.9)%	120.0
EPS (yen) (2)	66.27	(9.36)	(12.3)%	
BPS (yen) (3)	904.60	(6.57)	(0.7)%	
ROE(stockholders' equity) ³ (4)	8.91%	(1.93)%		
Gross operating profit (5)	658.6	+14.5	+2.2%	
Net interest income (6)	431.1	(4.7)		
Nil from loans and deposits ⁴ (7)	342.6	(11.0)		
Fee income (8)	190.2	(3.5)		
Fee income ratio (9)	28.8%	(1.2)%		
Trust fees (10)	19.0	(0.1)		
Fees and commission income (11)	171.1	(3.4)		
Other operating income (12)	37.3	+22.8		
Net gains on bonds (including futures) (13)	11.3	+19.1		
Operating expenses (excluding group banks' non-recurring items) (14)	(417.1)	+3.4	+0.8%	
Cost income ratio (OHR) (15)	63.3%	(1.9)%	(Improved)	
Actual net operating profit (16)	241.9	+16.3	+7.2%	
Net gains on stocks (including equity derivatives) (17)	9.3	+2.2		
Credit related expenses, net (18)	(22.9)	(21.6)		
Other gains, net (19)	(16.2)	(23.3)		
Net income before income taxes and non-controlling interests (20)	212.1	(26.4)	(11.0)%	
Income taxes and other (21)	(56.7)	+0.5		
Net income attributable to non-controlling interests (22)	(3.0)	+3.1		

*1. One-off gain regarding KMFG integration : JPY39.8 bn *2. Full year target of FY2019: JPY160.0 bn

*3. Net income attributable to owners of parent / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)

*4. Total of non-consolidated domestic banking accounts of group banks, deposits include NCDs

*5. 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)	(c)	YoY (d)					(e)
Gross operating profit	(1)	658.6	+14.5	605.3	+12.3	355.2	114.5	135.5	53.3
Net interest income	(2)	431.1	(4.7)	426.8	(7.6)	231.4	85.2	110.1	4.2
NII from domestic loans and deposits	(3)			342.6	(11.0)	173.4	71.7	97.4	
Gains/(losses) on cancellation of investment trusts	(4)	3.5	+4.9	3.4	+5.4	0.7	(0.1)	2.8	0.1
Fee income	(5)	190.2	(3.5)	142.4	(4.9)	97.6	24.2	20.4	47.8
Fee income ratio	(6)	28.8%	(1.2)%	23.5%	(1.3)%	27.5%	21.1%	15.0%	
Trust fees	(7)	19.0	(0.1)	19.0	(0.1)	19.0			(0.0)
Fees and commission income	(8)	171.1	(3.4)	123.3	(4.8)	78.6	24.2	20.4	47.8
Other operating income	(9)	37.3	+22.8	36.0	+24.9	26.0	5.0	4.9	1.2
Net gains on bonds (including futures)	(10)	11.3	+19.1	11.7	+21.5	6.6	2.8	2.2	(0.4)
Operating expenses (excluding group banks' non-recurring items)	(11)	(417.1)	+3.4	*1 (393.4)	+4.1	(209.7)	(73.8)	*1 (109.8)	(23.7)
Cost income ratio (OHR)	(12)	63.3%	(Improved) (1.9)%	64.9%	(Improved) (2.0)%	59.0%	64.4%	81.0%	
Equity in gains of affiliates	(13)	0.5	*2 (1.6)						0.5
Actual net operating profit	(14)	241.9	+16.3	211.9	+16.5	145.4	40.7	25.7	30.0
Core net operating profit *3 (excluding gains/(losses) on cancellation of investment trust)	(15)			190.5	(8.7)	133.7	36.3	20.4	
Net gains on stocks (including equity derivatives)	(16)	9.3	+2.2	18.7	+6.7	10.3	2.9	5.4	(9.3)
Credit related expenses, net	(17)	(22.9)	(21.6)	(18.8)	(18.9)	(9.5)	(4.4)	(4.7)	(4.1)
Other gains/(losses), net	(18)	(16.2)	*4 (23.3)	(16.2)	+15.1	0.8	(2.9)	(14.0)	0.0
Net income before income taxes	(19)	212.1	(26.4)	195.5	+19.4	147.0	36.2	12.3	16.5
Income taxes and other	(20)	(56.7)	+0.5	(53.0)	(2.8)	(39.1)	(9.9)	(3.9)	
Net income attributable to non-controlling interests	(21)	(3.0)	+3.1						
Net income (attributable to owners of parent)	(22)	152.4	(22.7)	142.5	+16.6	107.9	26.2	8.3	

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

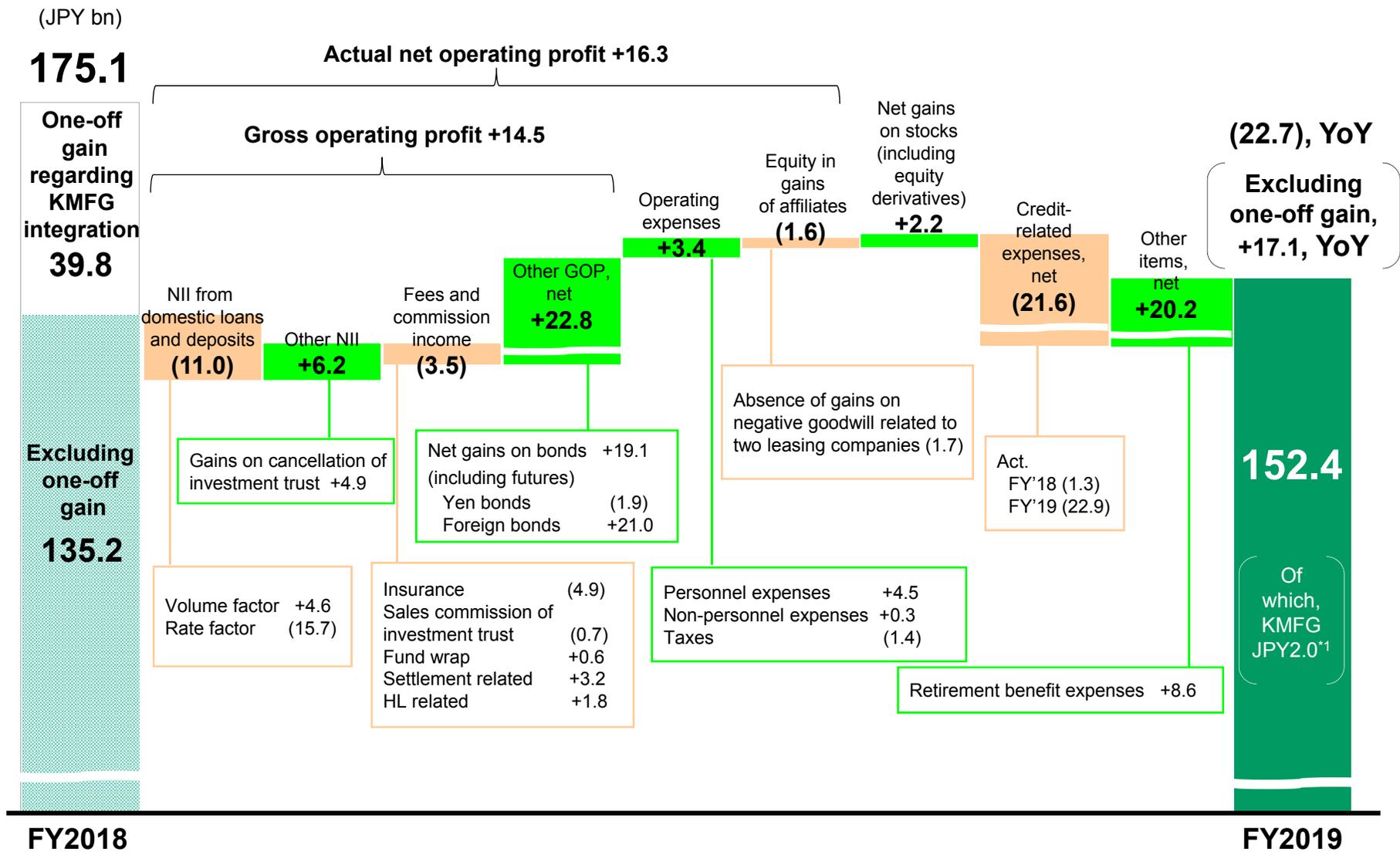
*2. Include absence of gains on negative goodwill of JPY1.7 bn, posted in FY'18, related to two leasing companies which newly became equity method-applied subsidiaries

*3. Actual net operating profit - gains on cancellation of investment trust - Net gains on bonds

*4. Include absence of one-off gain, JPY(39.8) bn, regarding KMFG integration in FY2018 and increase in KMFG integration cost JPY(11.2) bn

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

HD Consolidated



*1. KMFG consolidated net income (JPY3.9 bn) x 51.2%

Trend of Loans and Deposits (Domestic Account)

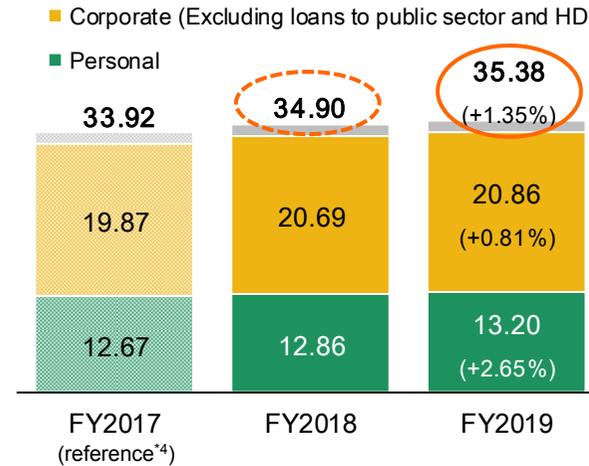
Total of Group Banks

Average loan / deposit balance, rates and spread

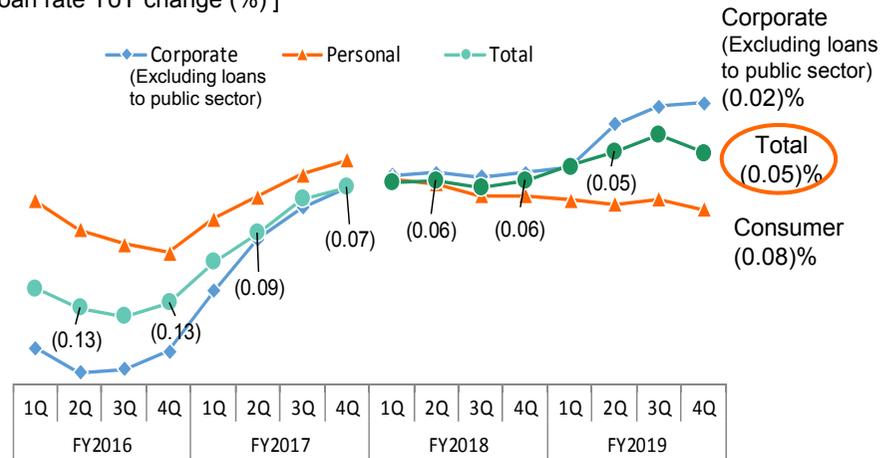
Avg. bal : Trillion Yen Income/Cost : Billion Yen		FY2019		FY2020	
		Act. (a)	YoY *3 (b)	Plan (c)	YoY *3 (d)
Loans	Avg. Bal. (1)	35.38	+1.35%	35.78	+1.12%
	Rate (2)	0.98%	(0.04)%	0.94%	(0.04)%
	Income (3)	349.8	(11.5)	339.2	(10.5)
Corporate Banking Business Unit *1	Avg. Bal. (4)	20.86	+0.81%	20.94	+0.40%
	Rate (5)	0.84%	(0.04)%	0.82%	(0.02)%
Corporate Loan	Avg. Bal. (6)	17.18	+1.49%	17.35	+1.00%
	Rate (7)	0.78%	(0.03)%	0.76%	(0.02)%
Personal Banking Business Unit *2	Avg. Bal. (8)	13.20	+2.65%	13.42	+1.64%
	Rate (9)	1.25%	(0.07)%	1.19%	(0.05)%
Deposits (Including NCDs)	Avg. Bal. (10)	52.12	+2.58%	52.86	+1.41%
	Rate (11)	0.01%	(0.00)%	0.01%	(0.00)%
	Cost (12)	(7.2)	+0.4	(6.4)	+0.7
Loan-to-deposit	Spread (13)	0.97%	(0.04)%	0.93%	(0.03)%
	Net interest income (14)	342.6	(11.0)	332.8	(9.8)

Trend of average loan balance, loan rate change

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



[Loan rate YoY change (%)]



*1. Corporate Banking Business Unit : Corporate loans (excluding loans to public sector and HD) + apartment loans, Figures are internal administration purpose
 *2. Personal Banking Business Unit: Residential housing loans + other consumer loans, Figures are internal administration purpose
 *3. Average balance : rate of change
 *4. Figures are adjusted to reflect KMFG integration

Term-end Balance of Loans and Deposits

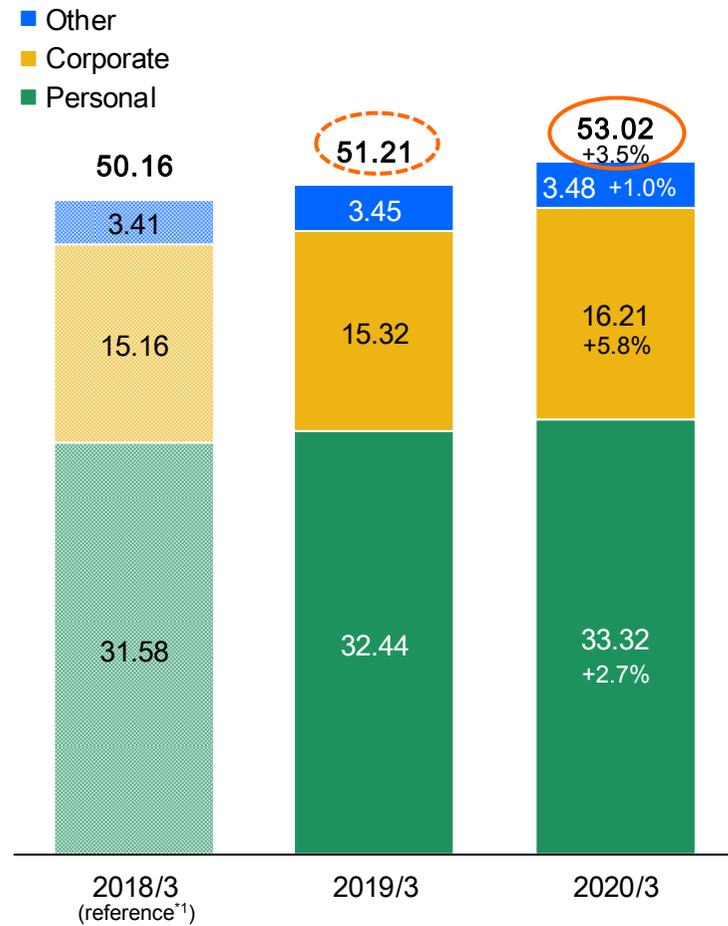
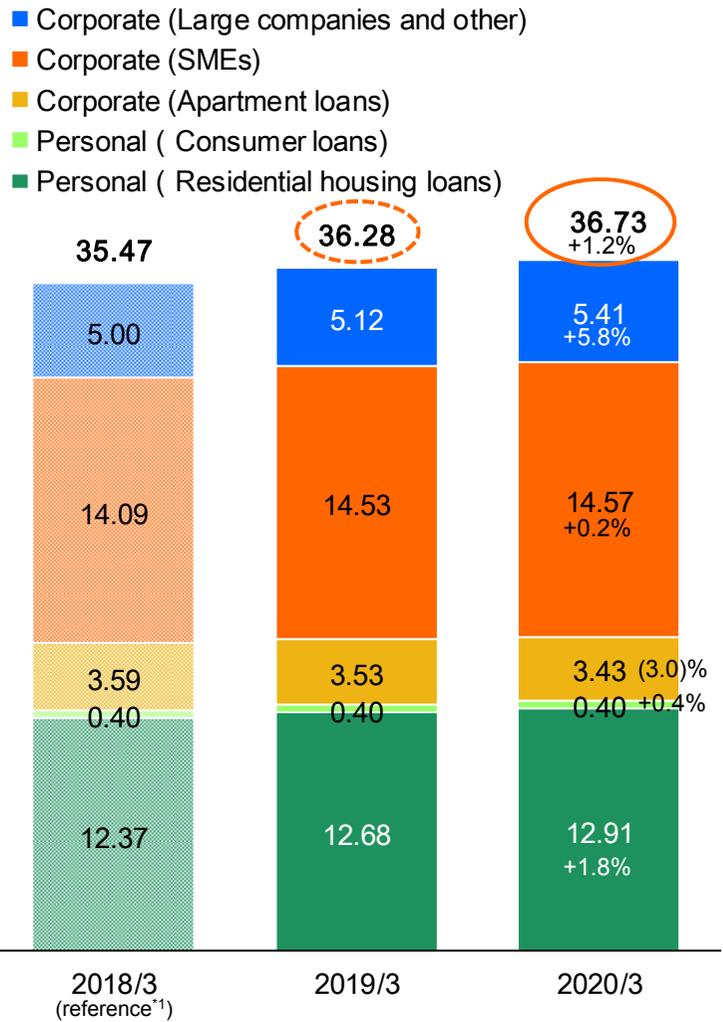
Total of Group Banks

Term-end loan balance

Term-end deposit balance

[JPY tn, % represents YoY change]

[JPY tn, % represents YoY change]



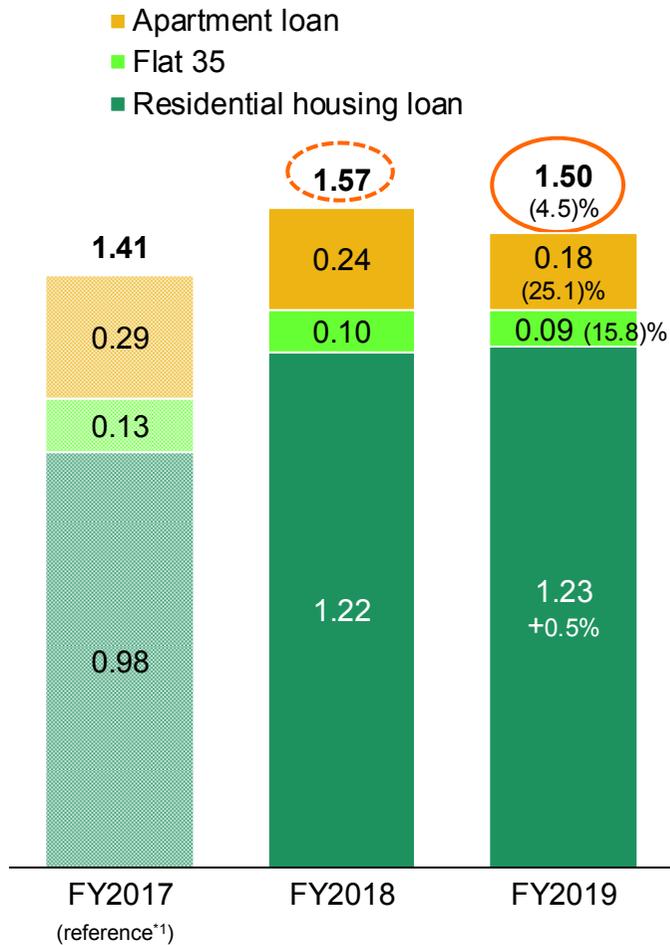
*1. Figures are adjusted to reflect KMFG integration

Housing Loan Business

Total of Group Banks

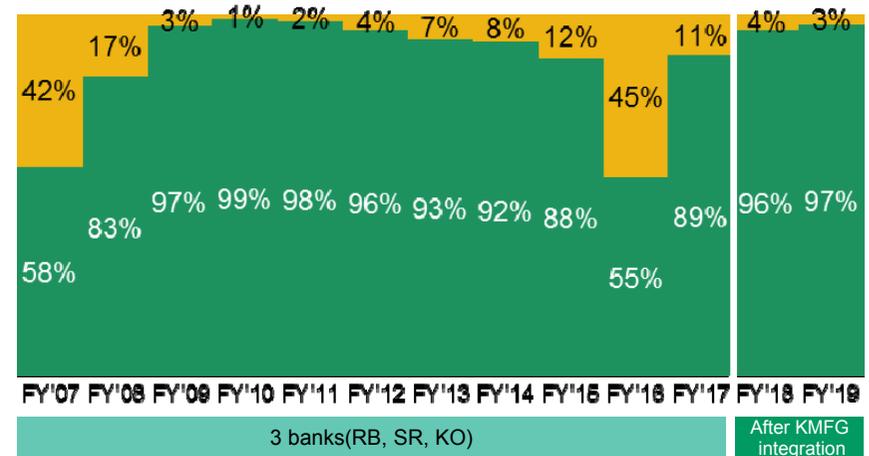
New housing loan origination

[JPY tn, % represents YoY change]



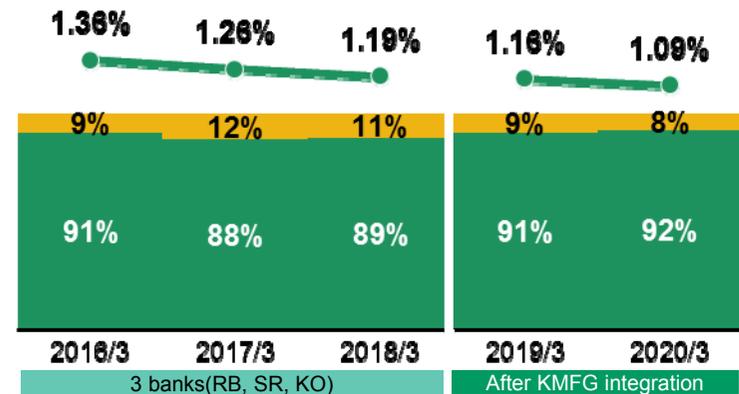
Composition of newly originated residential housing loans by interest rate type

- 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

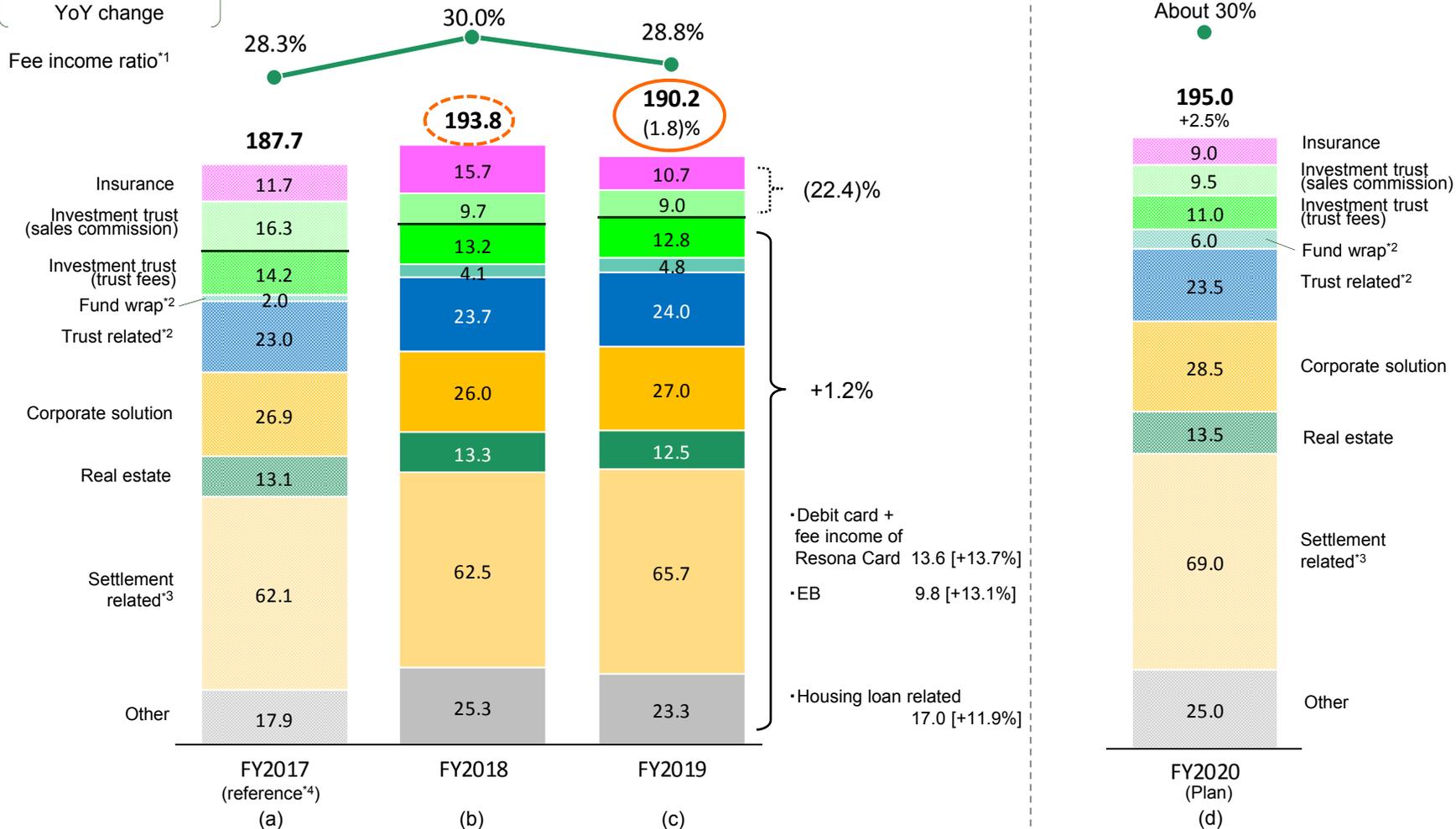


*1. Figures are adjusted to reflect KMFG integration

Fee Income

- Consolidated fee income ratio*1 for FY2019 : 28.8%
- While sales of insurance and investment trust have slowed down, fund wrap (+16.8% YoY), settlement related (+5.1%, YoY), corporate solution (+4.0%,YoY) have grown steadily.

(JPY bn, % represents
YoY change)



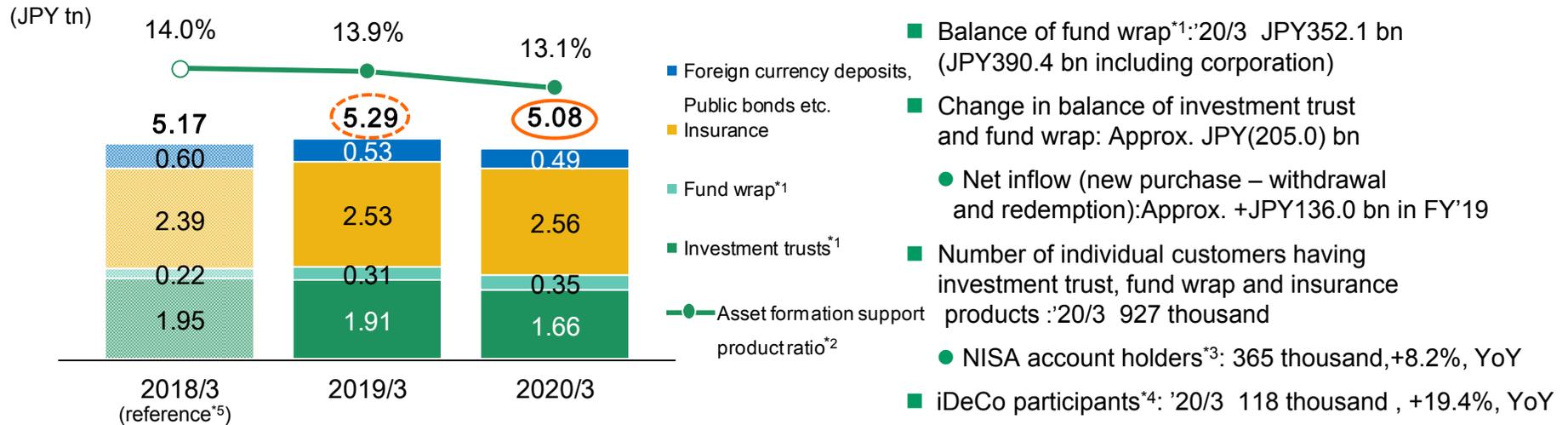
*1. (Fees and commission income + trust fees) / Consolidated gross operating profit *2. Including fee income earned by Resona Asset Management

*3. Fees and commission from domestic exchange, account transfer, EB, debit card and fee income earned by Resona Kessai Service and Resona Card *4. Figures are adjusted to reflect the KMFG integration.

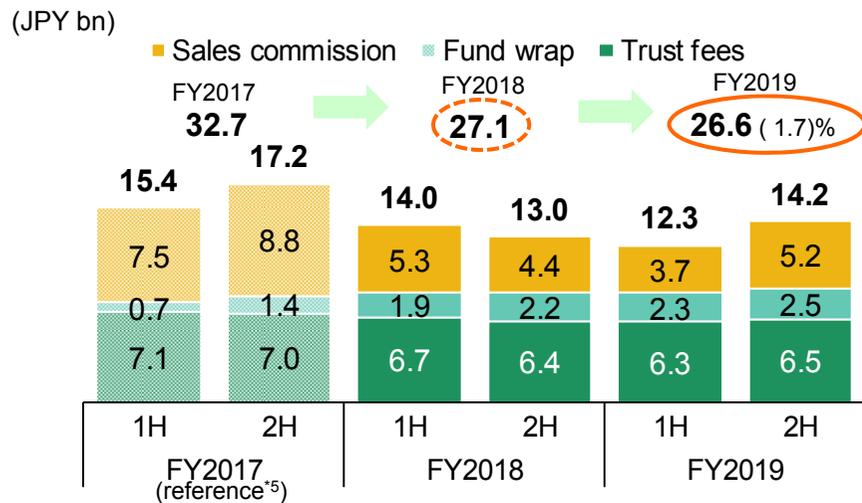
Major Fee Businesses(1) (Asset Formation Support Business)

HD Consolidated

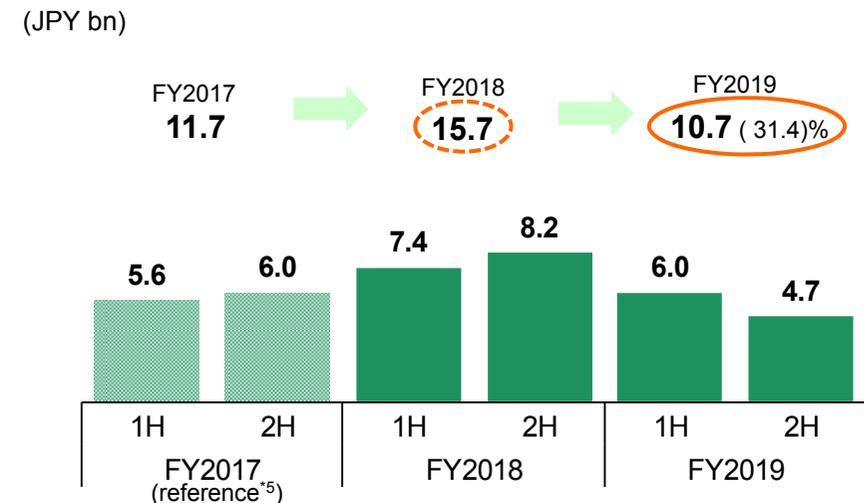
Balance of asset formation support products sold to individuals



Investment trust and fund wrap income



Insurance income



*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
 *5. Figures are adjusted to reflect the KMFG integration.

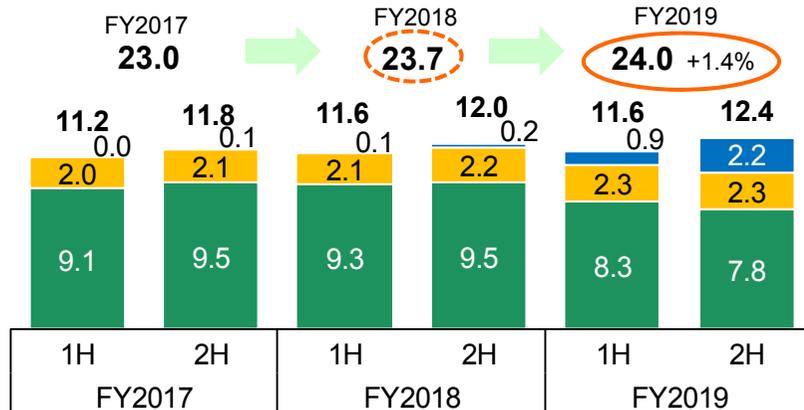
Major Fee Businesses(2) (Trust, Corporate Solution, Real Estate Business)

HD Consolidated

Trust-related business income

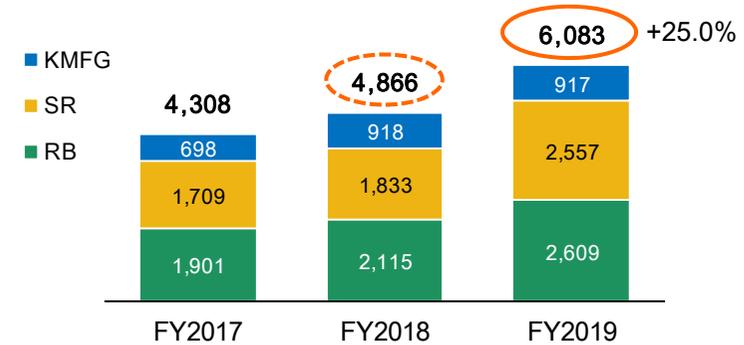
(JPY bn)

- 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

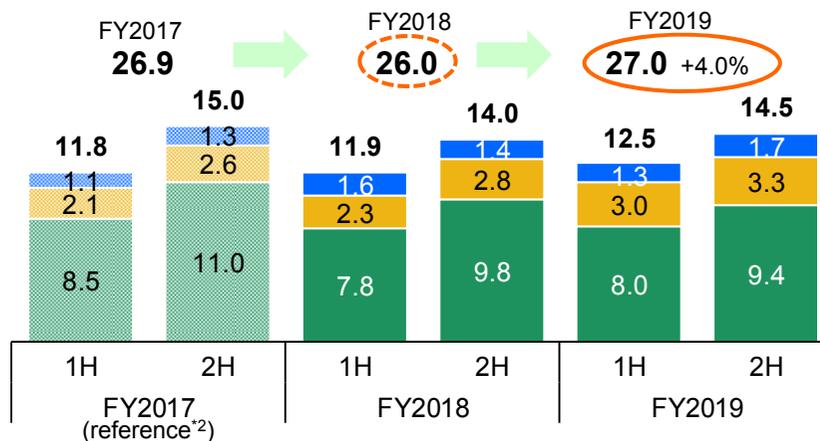
[Number of new asset succession-related contracts]



Corporate solutions business income

(JPY bn)

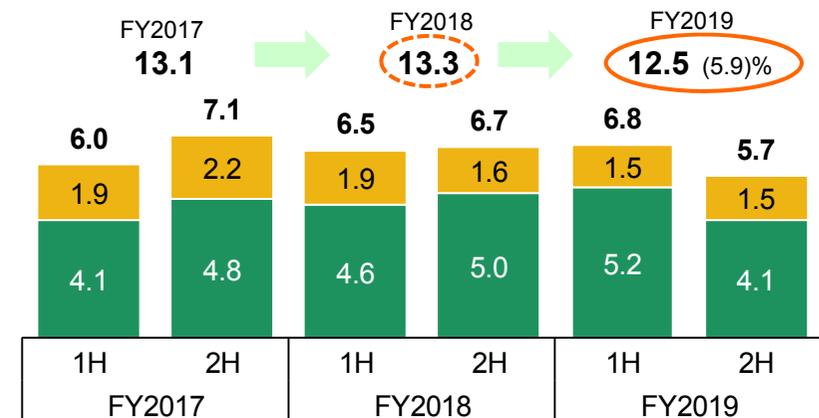
- M&A
- Private notes
- Commitment line, Syndicated loans, Covenants



Real estate business income^{*1}

(JPY bn)

- Corporate
- Consumer



*1. Excluding gains from investments in real estate funds

*2. Figures are adjusted to reflect the KMFG integration.

Credit Costs and NPL

HD Consolidated
Total of Group Banks

Credit costs

(JPY bn)	FY2017 (Reference ^{*1})	FY2018	FY2019	FY2020 Plan
	(a)	(b)	(c)	(d)
Net credit cost (HD consolidated) (1)	10.1	(1.3)	(22.9)	(50.0)

Net credit cost (Total of group banks) (2)	14.7	0.1	(18.8)	(42.0)
General reserve (3)	9.0	11.2	(4.7)	
Specific reserve and other items (4)	5.7	(11.0)	(14.0)	
New bankruptcy, downward migration (5)	(22.2)	(31.3)	(27.1)	
Collection/upward migration (6)	27.9	20.2	13.1	

Difference (1) - (2) (7)	(4.6)	(1.4)	(4.1)	(8.0)
HL guarantee subsidiaries (8)	0.0	3.0	(2.3)	
Resona Card (9)	(2.3)	(2.2)	(2.1)	

<Credit cost ratio> (bps)

HD consolidated ^{*2} (10)	2.8	(0.3)	(6.2)	(13.4)
Total of group banks ^{*3} (11)	4.0	0.0	(5.0)	(11.1)

*(Note) Positive figures represent reversal gains

*1. Figures are adjusted to reflect the KMFG integration.

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

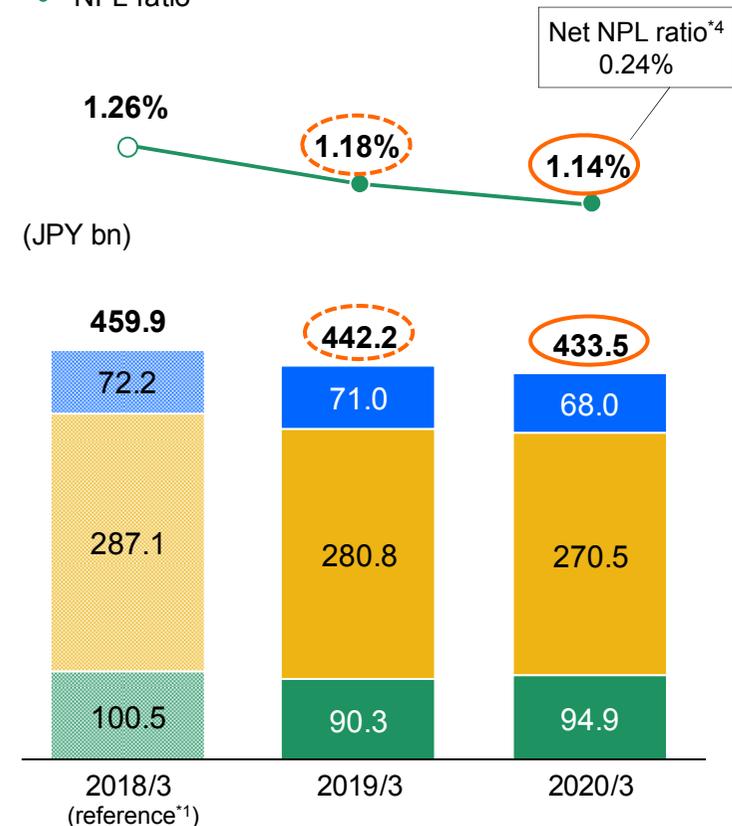
*3. Credit cost / total credits defined under the Financial Reconstruction Act
(Simple average of the balances at the beginning and end of the term)

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

NPL balance and ratio (Total of Group Banks)

(Financial Reconstruction Act criteria)

- Unrecoverable or valueless claims
- Risk claims
- Special attention loans
- NPL ratio



Securities Portfolio*1

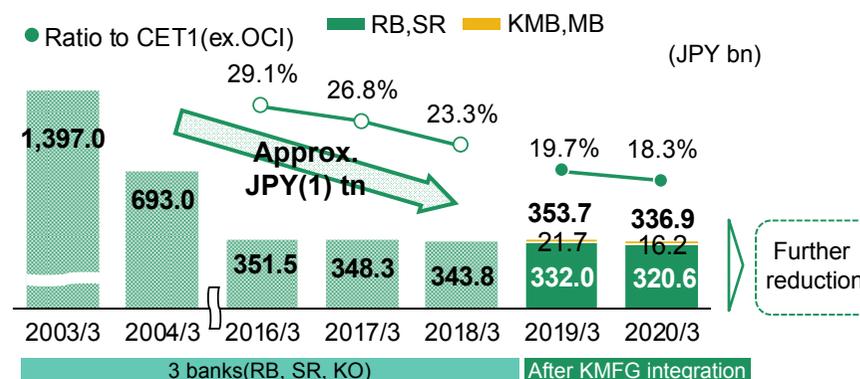
(JPY bn)		2018/3	2019/3	2020/3	Unrealized gains/(losses) (d)
		(reference*2) (a)	(b)	(c)	
Available-for-sale securities	(1)	2,918.1	2,566.5	3,055.7	420.7
Stocks	(2)	365.4	353.8	336.9	422.8
Bonds	(3)	1,532.7	1,188.2	1,722.8	(3.0)
JGBs	(4)	325.1	46.1	459.6	(6.4)
Average duration (years)	(5)	6.5	6.7	14.8	-
Basis point value (BPV)	(6)	(0.21)	(0.03)	(0.68)	-
Local government and corporate bonds	(7)	1,207.5	1,142.0	1,263.1	3.4
Other	(8)	1,019.9	1,024.5	995.9	0.9
Foreign bonds	(9)	389.2	472.3	554.1	18.1
Average duration (years)	(10)	8.4	5.3	2.4	-
Basis point value (BPV)	(11)	(0.31)	(0.18)	(0.00)	-
Investment trusts (Domestic)	(12)	608.0	540.6	435.0	(18.5)
Net unrealized gain	(13)	672.8	598.3	420.7	
Bonds held to maturity	(14)	2,057.1	2,127.4	1,968.4	28.1
JGBs	(15)	1,565.5	1,539.5	1,144.2	20.5
Net unrealized gain	(16)	52.0	47.1	28.1	

- Unrealized gains/(losses) in 3 assets (4)+(9)+(12)
'18/3*2 JPY(21.2) bn ⇒ '19/3 +JPY2.4 bn ⇒ '20/3 JPY(6.9) bn
- CLO: Zero

Status of policy-oriented stocks held

- Results of FY2019
Balance of listed stocks disposed in FY2019 (acquisition cost basis): JPY16.9 bn,
Net gain on sale: JPY22.2 bn
Breakeven Nikkei average: Approx. 7,100 yen

【Stock holdings】



■ Reduction plan in the new MMP period

- Accelerate reduction in the new plan
- Determine whether or not to hold policy-oriented stocks after examining risks and returns, including the realizability of medium- and long-term business prospects

Previous plan	New plan	Total
FY'15-FY'19 (5 years) Planned to reduce JPY35.0 bn Results by FY'19 JPY32.6 bn ···(1) (Achieved 93% in 4 years)	'20/3~'23/3 (3 years) Plan to reduce JPY30.0 bn ···(2)	'16/3~'23/3 (7 years) Cumulative total JPY62.6 bn (1)+(2)
Planned to reduce to 10%-20% of CET1 capital*3 18.3% as of Mar. '20	Around 15% of CET1 capital*4	

*1. Acquisition cost basis. The presented figures include marketable securities only
*2. Figures are adjusted to reflect the KMFG integration. *3. Excluding OCI (other comprehensive income)
*4. Excluding unrealized gain on available for sale securities

Capital Adequacy Ratio

HD
Consolidated

- CAR (Domestic std.) and CET1 ratio* (International std.) as of March 31, 2020 were 11.17% and 10.54%, respectively, maintaining sound capital adequacy level
- * Excluding unrealized gain on available for sale securities

Domestic standard

(JPY bn)	2019/3	2020/3	Change
Capital adequacy ratio (1)	10.10%	11.17%	+1.07%
Total capital (2)	1,925.9	1,947.0	+21.0
Core Capital: instruments and reserves (3)	1,978.1	2,012.4	+34.2
Stockholders' equity (4)	1,636.7	1,733.4	+96.7
Adjusted non-controlling interests (5)	236.2	221.1	(15.0)
Subordinated loans and bonds subject to transitional arrangement (6)	97.0	60.4	(36.5)
Core Capital: regulatory adjustments (7)	52.1	65.3	+13.2
Risk weighted assets (8)	19,062.0	17,427.7	(1,634.3)

- Change in total capital
 - Stockholders' equity +96.7 bn
 - Net income attributable to owners of parent +152.4 bn
 - Dividends distributed (48.3) bn
 - Acquisition of own shares (10.0) bn
 - Decrease of non-controlling interests (15.0) bn
 - Decrease of subordinated bonds included in Core Capital (36.5) bn
- Change in RWAs
 - IRB approach applicable to KMB and MB* (1,135.6) bn
(*Applicable at an RHD-consolidated level)
 - Decline in parameters and other (251.4) bn
 - Decline in balance of investment trusts (460.0) bn

■ Group banks, Bank holding company

Domestic standard	Resona (Consolidated)	Saitama Resona (Non-consolidated)	KMFG (Consolidated)
Capital adequacy ratio	10.49%	14.13%	8.05%

(Reference) International standard

(JPY bn)	2019/3	2020/3	Change
Excluding net unrealized gains on available-for-sale securities (9)	9.30%	10.54%	+1.24%
Common Equity Tier1 capital ratio (10)	11.47%	12.28%	+0.81%
Tier1 capital ratio (11)	11.54%	12.52%	+0.98%
Total capital ratio (12)	12.21%	13.06%	+0.85%
Common Equity Tier1 capital (13)	2,239.2	2,154.7	(84.5)
Instruments and reserves (14)	2,309.3	2,232.9	(76.4)
Stockholders' equity (15)	1,636.7	1,733.4	+96.7
Net unrealized gains on available-for-sale securities (16)	423.9	306.1	(117.7)
Adjusted non-controlling interests (17)	222.7	178.7	(44.0)
Regulatory adjustments (18)	70.1	78.1	+8.0
Other Tier1 capital (19)	11.8	40.9	+29.0
Tier1 capital (20)	2,251.1	2,195.6	(55.4)
Tier2 capital (21)	130.6	95.4	(35.1)
Total capital (Tier1+Tier2) (22)	2,381.7	2,291.1	(90.6)
Risk weighted assets (23)	19,506.6	17,533.4	(1,973.2)

(Reference)

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

■ Impact from the finalized Basel 3

CET1 ratio: Approx. 9.1%*

(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, 2020 reported as (9) in the above table

Earnings Targets for FY2020

HD Consolidated
Total of Group Banks

HD consolidated

(JPY bn)	Full-year	YoY change
Net income attributable to owners of the parent (1)	120.0	(32.4)
KMFG *1 (2)	3.0	
Difference (3)	14.5	

Common DPS

	DPS	YoY change
Common stock (annual) (4)	21.0 yen	-
Interim dividend (5)	10.5 yen	-

Total of group banks

(JPY bn)	Total of group banks		Resona Bank		Saitama Resona Bank		KMFG (total of group banks)	
	Full-year	YoY change	Full-year	YoY change	Full-year	YoY change	Full-year	YoY change
Gross operating profit (6)	581.0	(24.3)	336.5	(18.7)	111.5	(3.0)	133.0	(2.5)
Operating expenses (7)	(397.5)	(4.1)	(209.5)	+0.2	(76.0)	(2.2)	(112.0)	(2.2)
Actual net operating profit (8)	183.5	(28.4)	127.0	(18.4)	35.5	(5.2)	21.0	(4.7)
Net gains on stocks (including equity derivatives) (9)	23.5	+4.8	17.5	+7.2	3.5	+0.6	2.5	(2.9)
Credit related expenses, net (10)	(42.0)	(23.2)	(22.0)	(12.5)	(7.5)	(3.1)	(12.5)	(7.8)
Income before income taxes (11)	152.5	(43.0)	118.0	(29.0)	27.0	(9.2)	7.0	(5.3)
Net income *2 (12)	107.5	(35.0)	83.5	(24.4)	19.0	(7.2)	5.0	(3.3)

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

*2. Net income attributable to non-controlling shareholders are not deducted from net income

Impact from COVID-19(1)

Immediate impact of the COVID-19 on our operating results and business activities

■ FY2019 (Act.) Some effect in connection with operations handled by the market and other divisions

Corporate

- Saw growth in profit arising from the provision of lending-related solutions, such as those associated with loans and commitment lines, as businesses confront the need to raise funds for working capital earlier than they originally planned
- Saw the postponement of a growing number of real estate transactions and M&A deals due to restrictions on face-to-face consulting and a sense of uncertainty regarding market trends
- Recognized additional credit costs for customers in retail, tourism, restaurant, accommodation and other industries

Personal

- Suffered from stagnant sales of financial products due to restrictions on face-to-face consulting and a sense of uncertainty regarding market trends. Most of our fund customers—the majority of whom hold balance-type funds—responded to the impact of the pandemic calmly thanks to our diligent efforts to provide need-to-know information
- The number of accounts opened via the Resona Group App doubled year on year, reflecting ongoing expansion in the volume of non face-to-face transactions

Market

- Recorded losses on sale of securities due to confusion in the financial market

■ FY2020 (Plan) Matters to be considered due to the impact of downside factors (the deceleration of fee businesses, increase in credit costs, etc. ⇒ see also page 18)

Corporate

- Maintain our structure for extending meticulous, swift and flexible support for our corporate customers via the close monitoring of their business results and fundraising activities, with our help desks operating even on weekends and holidays
- Our outstanding lending balance is higher than planned due to robust fundraising needs among businesses seeking to secure working capital; we are receiving a constant and heavy stream of inquiries regarding the provision or upward revision of commitment lines
- Progress in real estate transactions and M&A deals remains stagnant; although, in terms of credit costs, Resona has not seen the occurrence of large-scale non-performing loans so far amid this crisis

Personal

- Financial product sales made a sluggish start, as unfavorable circumstances have prevailed since the end of the previous fiscal year
- The number of housing loan applicants requesting pre-lending screening decreased due to the shutdown of model rooms and other outlets

Market

- Building-up trading profits in a timely manner while maintaining a conservative stance

■ Changes in customer awareness and our business outlook for the post-pandemic period

Crisis-driven changes in customer awareness

- ✓ Growing awareness of the need to review future life planning and become financially prepared for crises
- ✓ Growing awareness of the utility of digital technologies



Our business outlook for the post-pandemic period

- ✓ Opportunities arising from needs associated with business and asset succession, asset formation support and the provision of commitment lines
- ✓ Greater focus on non face-to-face transactions, cashless settlement and SME assistance in terms of IT utilization

Impact from COVID-19(2) (Credit Cost)

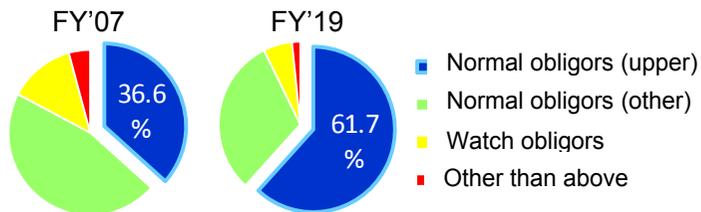
Credit cost guidance assumes 1) COVID-19 impacts to spread across broad industries, and 2) possibility of forward-looking provisions of loan loss reserves in case of prolongation

- **Consolidated credit cost plan for FY'20:** JPY(50.0) bn, increase by JPY27.0 bn, YoY
Credit cost ratio (13.4)bps, increase by 7.2 bps, YoY

Corporation : higher risk tolerance as compared to the Lehman crisis

Crisis nature	Lehman crisis	COVID-19
	<ul style="list-style-type: none"> ● Financial crisis driven by rapid credit contraction 	<ul style="list-style-type: none"> ● Rapid deceleration of economic activities ● Risk could be controllable given ample financial supports extended by governments and private banks till the crisis subsides

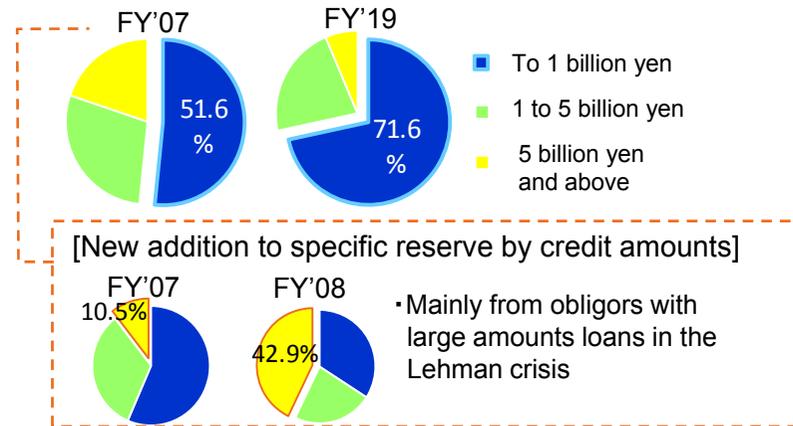
- Credit rating*1: Improvement in loan portfolio quality



- Trend of SME's stability index: Soundness improved

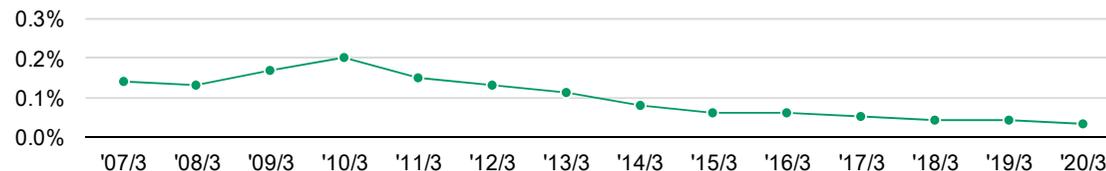
	Jan.to Mar.'08	Oct. to Dec. '19
Equity capital ratio*2	30.4%	41.7%
Interest bearing liability ratio*2	31.7%	25.1%

- Loan composition of other than normal obligors by credit amounts*1: Well-diversified to small lots



Housing loan: Sound portfolio based on the strict screening model

[Trend of net loss ratio (subrogation ratio x (1-recovery ratio))]



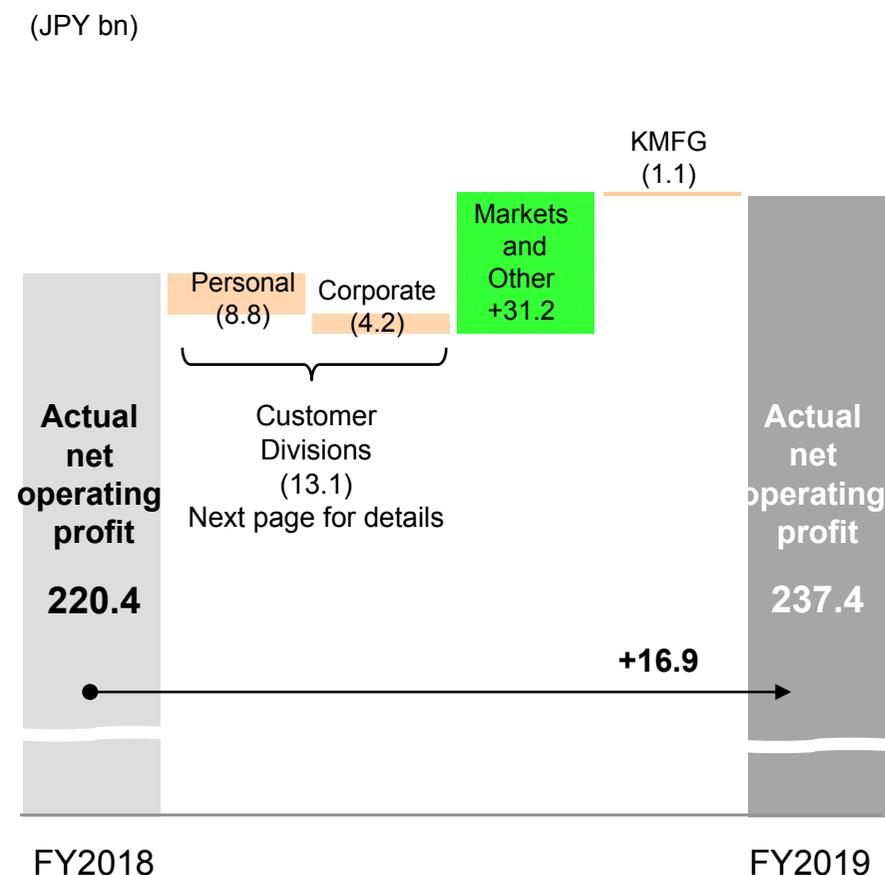
	'Mar. '08	'Mar. '09	'Mar. '10	'Mar. '20
Subrogation ratio	100	113	121	33
Collection ratio	100	93	86	111

Indexed against the data as of Mar '08=100

*1. RB+SR, Exposure amount basis *2. Financial Statements Statistics of Corporation, Companies capitalized at 10M-100M (JPY) excluding banking insurance industries, 4quarters moving average

(Reference) Outline of Financial Results of Each Segment

(JPY bn)		FY2019	YoY Change
Customer Divisions	Gross operating profit (1)	455.6	(13.4)
	Operating expense (2)	(298.3)	+0.3
	Actual net operating profit (3)	157.3	(13.1)
Personal Banking	Gross operating profit (4)	196.1	(9.8)
	Operating expense (5)	(152.0)	+0.9
	Actual net operating profit (6)	44.0	(8.8)
Corporate Banking	Gross operating profit (7)	259.5	(3.6)
	Operating expense (8)	(146.2)	(0.6)
	Actual net operating profit (9)	113.3	(4.2)
Markets and Other	Gross operating profit (10)	55.9	+32.5
	Operating expense (11)	(5.2)	+0.2
	Actual net operating profit (12)	51.1	+31.2
KMFG	Gross operating profit (13)	142.4	(3.9)
	Operating expense (14)	(113.6)	+2.8
	Actual net operating profit (15)	28.8	(1.1)
Total	Gross operating profit (16)	654.1	+15.1
	Operating expense (17)	(417.1)	+3.4
	Actual net operating profit (18)	237.4	+16.9



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.

(Reference) Outline of Financial Results of Customer Divisions

HD Consolidated
(exclude KMFG)

Personal Banking Segment

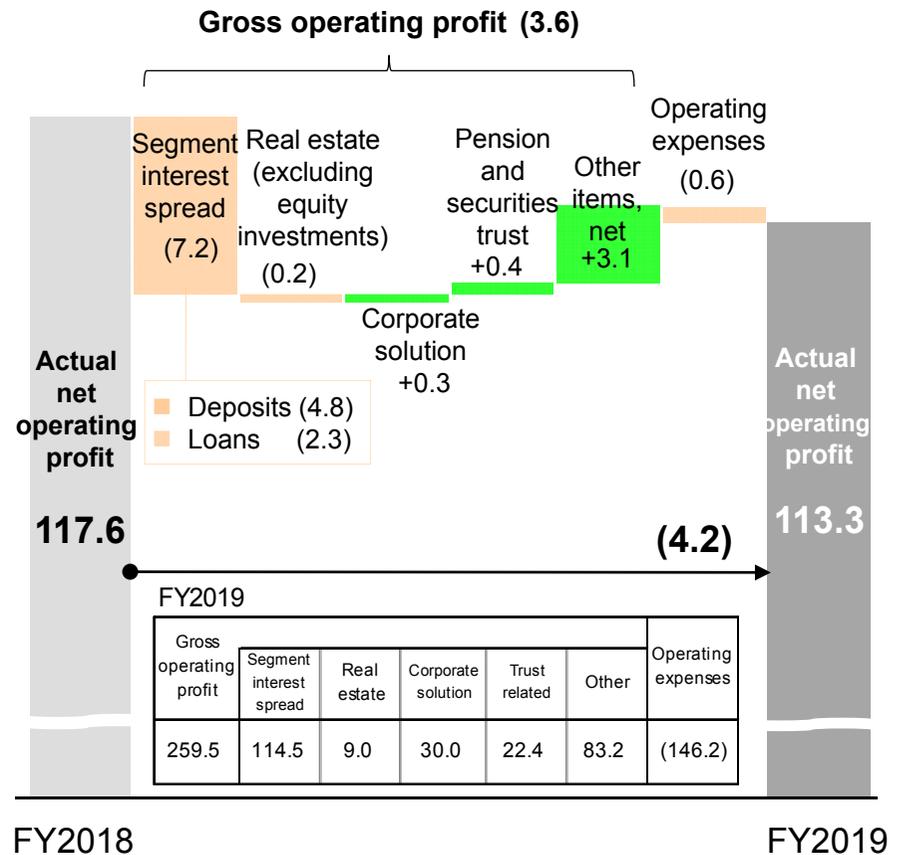
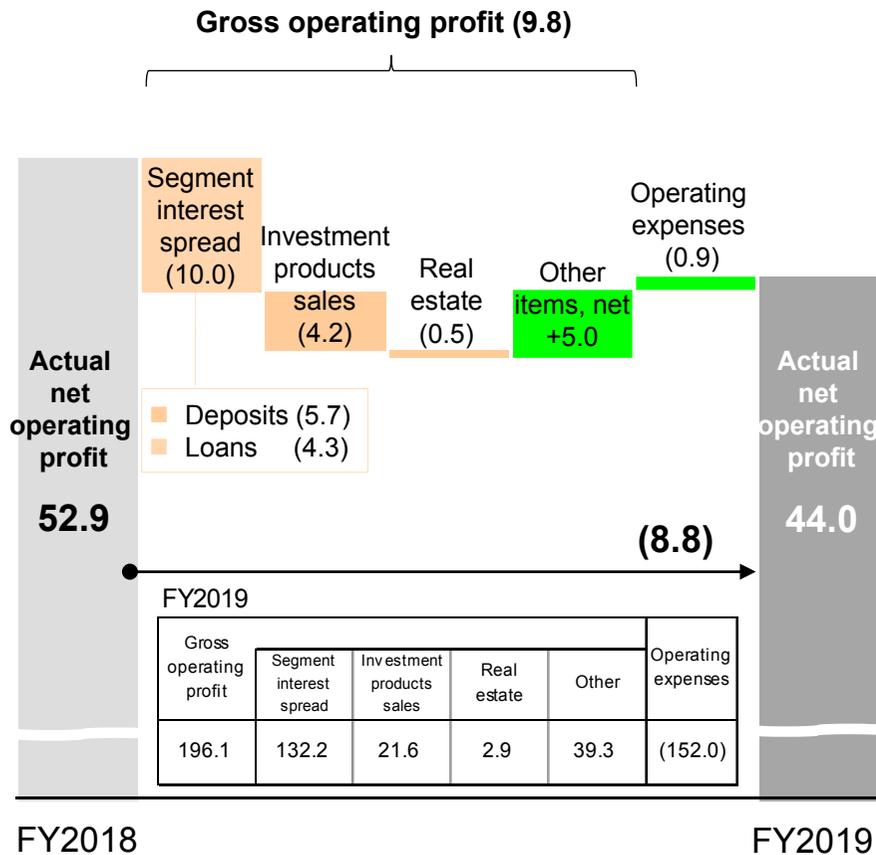
Corporate Banking Segment

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

Actual net operating profit : Down JPY4.2 bn, YoY

(JPY bn)

(JPY bn)



**Outline of Business Results for FY2019
and Updates on Major Businesses**

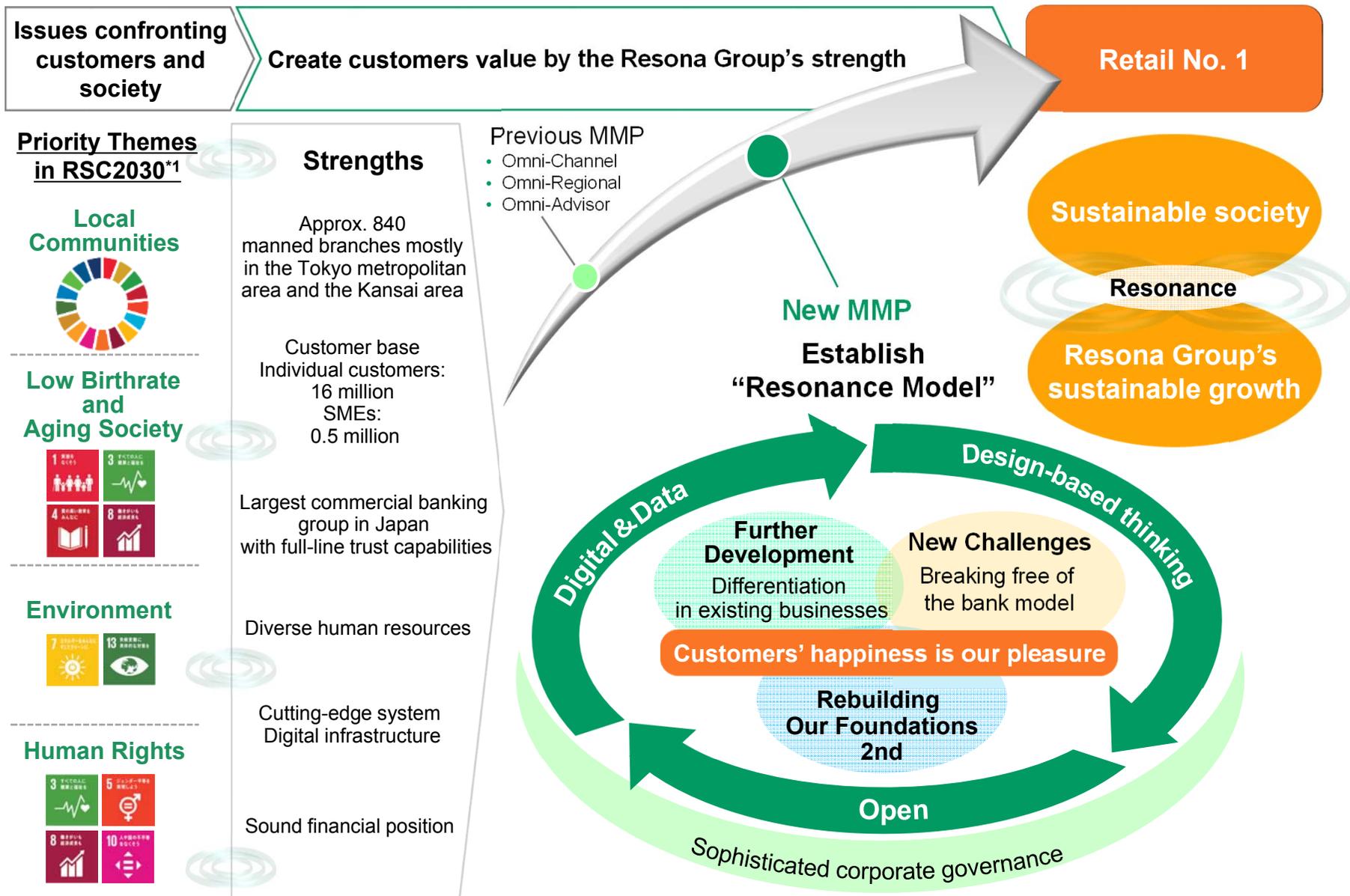
Medium-term Management Plan

Direction of Capital Management

ESG Initiatives

Reference Material

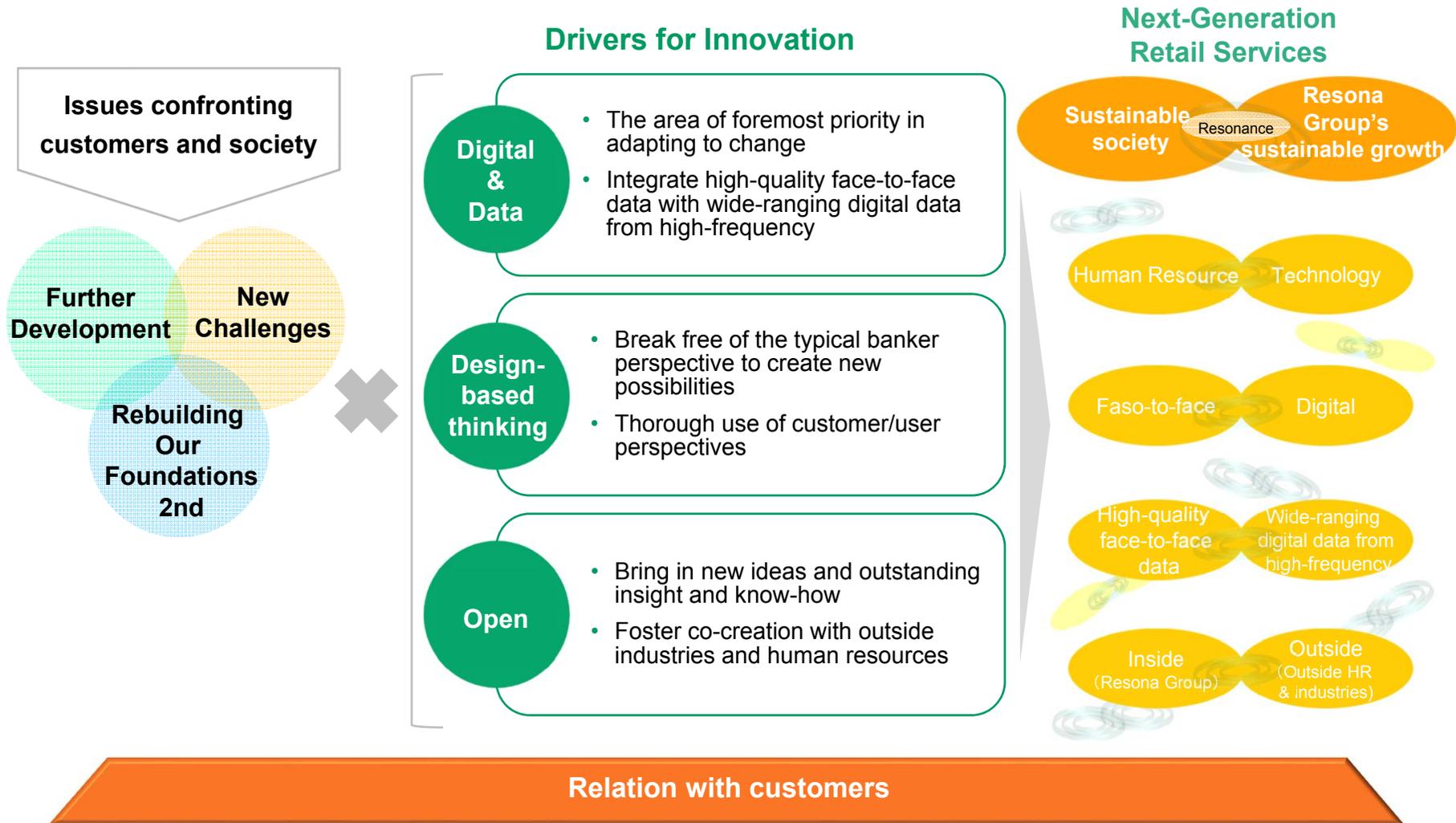
For Becoming the “Retail No. 1”



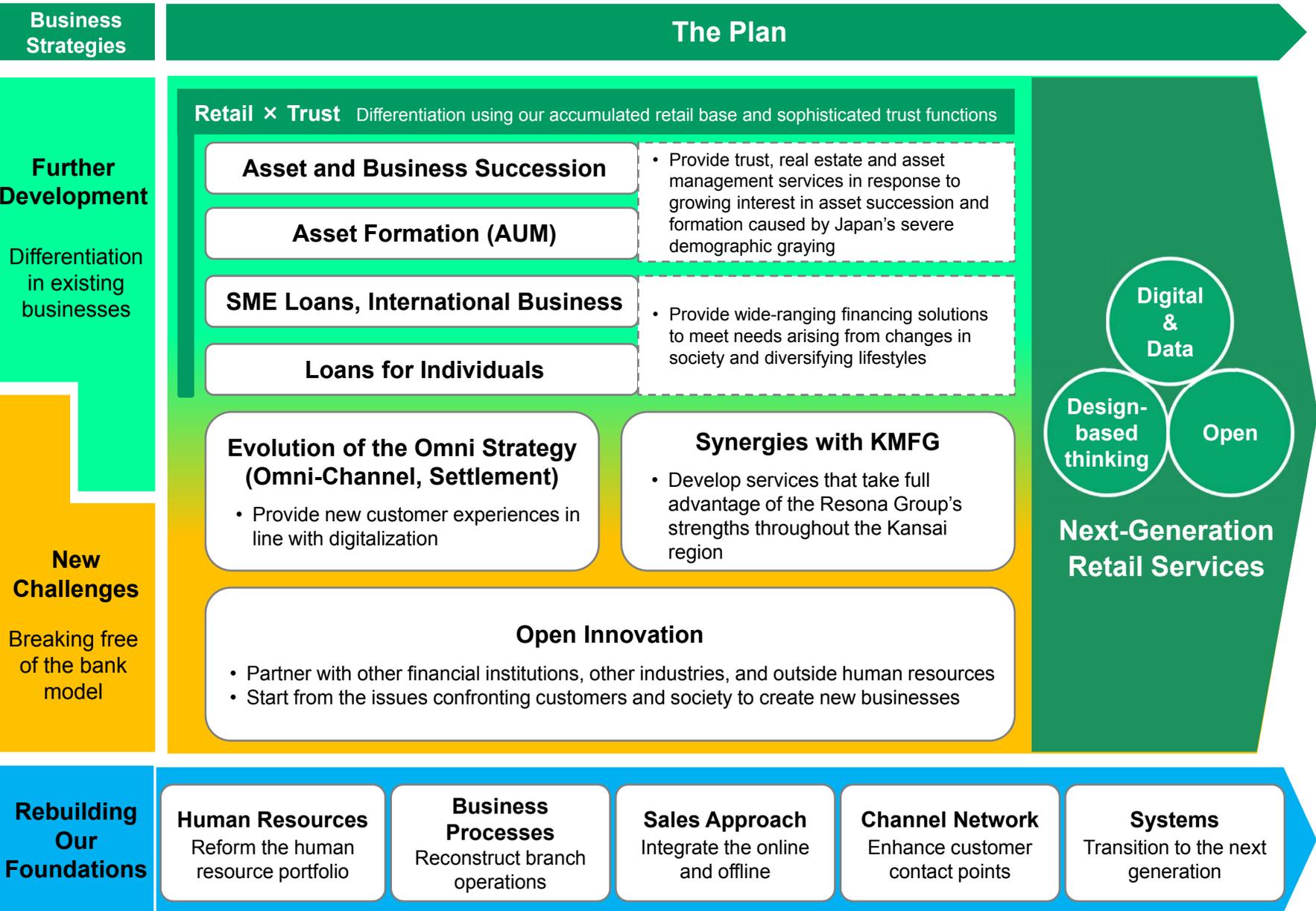
*1. Commitment Towards Achieving the Sustainable Development Goals 2030 (Resona Sustainability Challenge 2030) released in Nov. '18

Establish “Resonance Model”

We will provide new value to customers, starting from the issues confronting customers and society, by moving beyond conventional banking frameworks through diverse resonance generated by new ideas and wide-ranging connections



Business Strategy and Rebuild Foundations (Overview)



Reflection on the Previous Medium-term Management Plan

	FY2019	Previous MMP targets*1	
KPIs	Net income attributable to owners of parent	JPY152.4 bn	JPY170 bn
	Consolidated fee income ratio	28.8%	Lower half of the 30% range
	Consolidated cost income ratio	63.3%	60% level
	ROE*2	8.9%	Over 10%
	CET1 ratio*3	10.54%	9% level
	Shareholder return (Total payout ratio)	38.2%	Equal-weight 33%

■ Income and cost structure reforms progressed steadily

- NII from loans and deposits
 - Quality-focused operations progressed
 - Contraction of loan-to-deposit spread moderated compared to the plan
- Fees
 - Recurring fees businesses expanded
 - Some issues remain regarding the monetization of the Omni Strategy
- Operating Expenses
 - Digitalization promoted
 - Succeeded in downsizing the headcount by more than plans called for

	Omni-Channel	Omni-Advisors	Omni-Regional
Major Initiatives	<ul style="list-style-type: none"> ■ Expand contacts through Resona Group App <ul style="list-style-type: none"> ● 2.2 million downloads as of Mar. '20 ■ Enhance branch convenience and low-cost operations through digitalization <ul style="list-style-type: none"> ● Consultation-focused branches, which open seven days a week <ul style="list-style-type: none"> ➢ 30 branches as of Apr. '20 	<ul style="list-style-type: none"> ■ Train and increase consultants who can think and act in the best interests of their customers <ul style="list-style-type: none"> ● Resona Academy ● Programs designed to inspire employees to pursue growth <ul style="list-style-type: none"> ➢ Extend retirement age to 70 ● Customer-Centric Approach <ul style="list-style-type: none"> ➢ FW balance Approx. JPY390.0 bn as of Mar. '20 	<ul style="list-style-type: none"> ■ Broader alliances with regional financial institutions <ul style="list-style-type: none"> ● Creation of KMFG in Apr. '18 <ul style="list-style-type: none"> ➢ Oct. '19 KMB business process & system integrated ● Resona Cashless Platform <ul style="list-style-type: none"> ➢ Aug. '18 Strategic alliances with 12 companies ● Resona Group App <ul style="list-style-type: none"> ➢ Joint study with Mebuki FG

*1. Adjustments to the HD's medium-term management plan (MMP) announced in Apr. '17 are made by combining the following (1) and (2)
 (1) KPIs for the final year (FY'19) in the HD's MMP is adjusted to exclude KO's targets (2) KMFG's target for the second year (FY'19) in the KMFG's MMP
 *2. Net income /Total shareholders equity (simple sum of the balance at the end of beginning and the end off the term/2)
 *3. Exclude unrealized gain on available-for-sale securities

KPIs

		FY2022
<p>Realize medium- to long-term income structure reform</p>	Net income attributable to owners of parent	JPY 160 bn
	Consolidated fee income ratio	Over 35%
	Consolidated cost income ratio	60% level
	ROE*1	8% level
	CET1 ratio*2	10% level
<p>Realize a sustainable society</p>	ESG index selected by GPIF*3	Aim to be adopted for all indexes

[FY2022 assumed conditions : Overnight call rate (0.05) %, Yield on 10Y JGB (0.05) %, Nikkei 225 23,000 yen]

*1. Net income / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)

*2. Based on the finalization of Basel 3. Exclude unrealized gains on available-for-sale securities

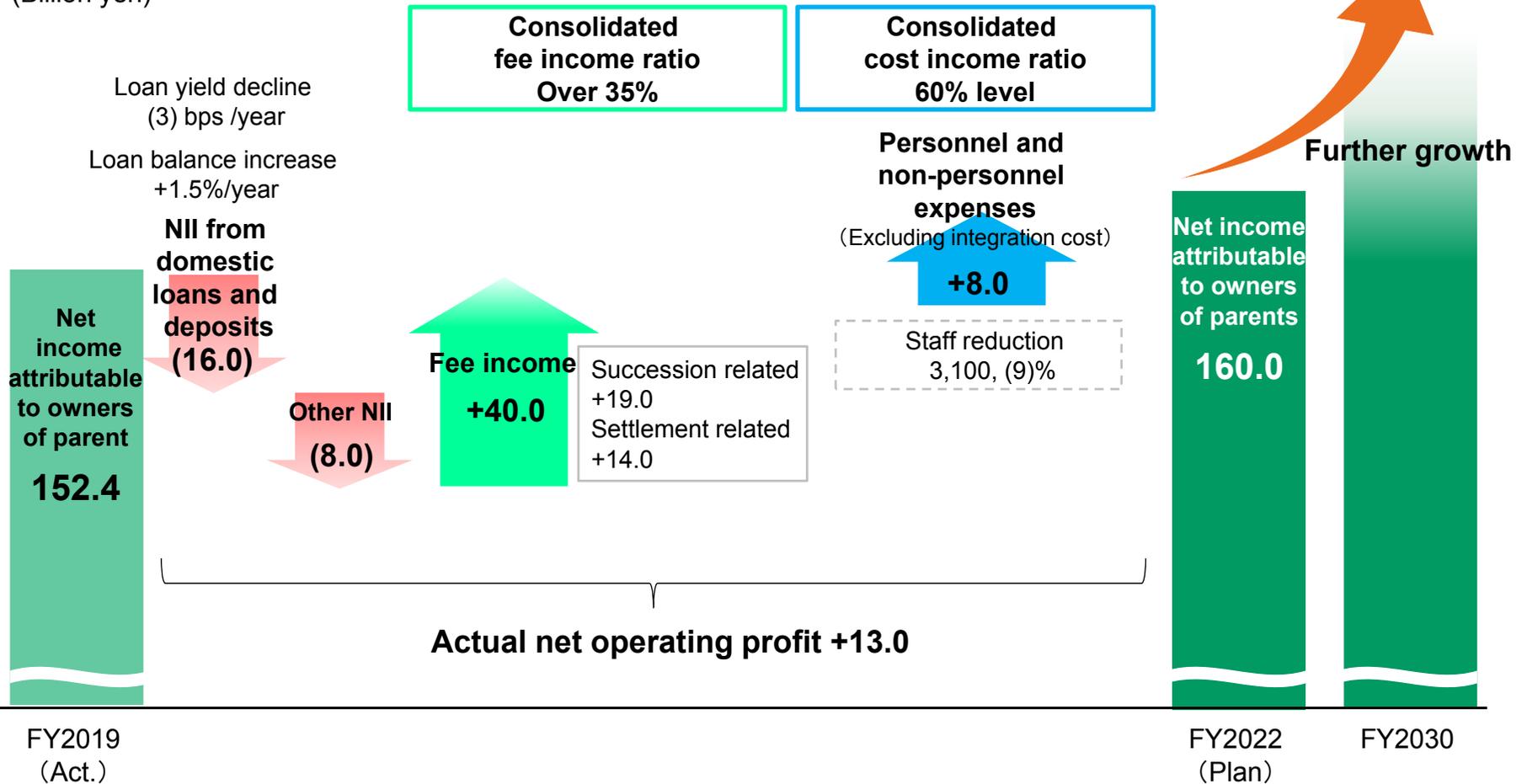
*3. FTSE Blossom Japan Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index, S&P/JPX Carbon Efficient Index

Roadmap for Securing Profit

Establish “Resonance Model” and medium-to long-term income structure reform

Sustainable society x Resona’s sustainable growth

(Billion yen)



Business Strategy Further Development Asset and Business Succession

Issues confronting customers

Local Communities



Need for the smooth succession of businesses and assets

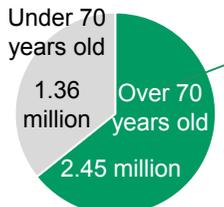
Worries about becoming victims of fraud and other concerns associated with asset administration

Low Birthrate and Aging Society



Need for ensuring proper nursing care for elderly parents as well as for customers themselves

[Aging of SMEs owners: Estimates as of 2025*1]



Resona's Strength

Function/services, network and customer base of commercial bank

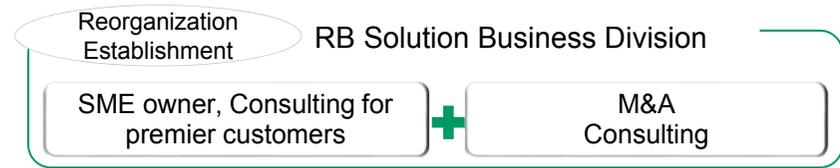
Full-line trust capabilities (Real estate, trust)

Largest commercial bank in Japan with full-line trust capabilities
Our advantages in platforms and functions

[KPI] FY2022 (vs FY2019) Succession-related income*2 JPY39.0 bn (Approx. +JPY19.0 bn)

■ One-stop solutions provided through the concentration of HR and intelligence

- # of M&A contracts FY'22 250, +Approx.120

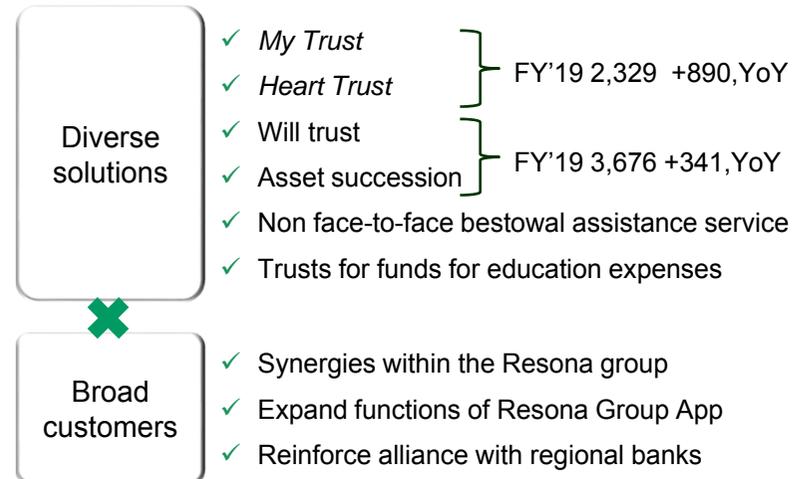


■ Reinforce real estate business

- # of real estate brokerage transactions FY'22 2,000, +Approx. 1,000
 - Provide succession solutions
 - Double our staffing to strengthen our capability to collect intelligence and handle customer requests Mar. '20 202 staffs ⇒ Mar. '23 Approx. 400 staffs

■ Offer support for the protection and succession of assets

- # of new asset succession-related contracts FY'22 10,000, +Approx. 3,900



*1. Age of SME and small business owners, The Small and Medium Enterprise Agency
 *2. Income from M&A, real estate excluding equity and succession-related transaction

Business Strategy Further Development Asset Formation Support Business

Issues confronting customers

Local Communities



Low Birthrate and Aging Society



Asset formation in the “Era of 100-year-life expectancy”

Don't know anyone who can give reliable advice

No time to visit bank branches in weekdays

[Proportion of financial assets*1]

Region	Currency and deposits	Inv. trusts	Insurance and pension reserves	Bonds	Shares and equities	Others
Japan	53%	3%	28%	1%	10%	3%
Euro area	34%	8%	34%	2%	18%	2%
USA	12%	12%	31%	6%	34%	2%

Legend: Currency and deposits (yellow), Inv. trusts (orange), Insurance and pension reserves (blue), Bonds (purple), Shares and equities (green), Others (grey)

Resona's Strength

16 million individual customers

Products and services based on fiduciary duty

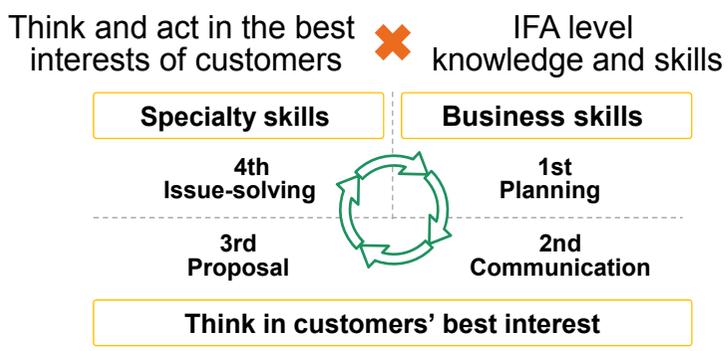
Omni-advisors

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

[KPI] FY2022 (vs FY2019) Balance of AUM (RAM) JPY24.0 tn (Approx. +JPY2.2 tn)

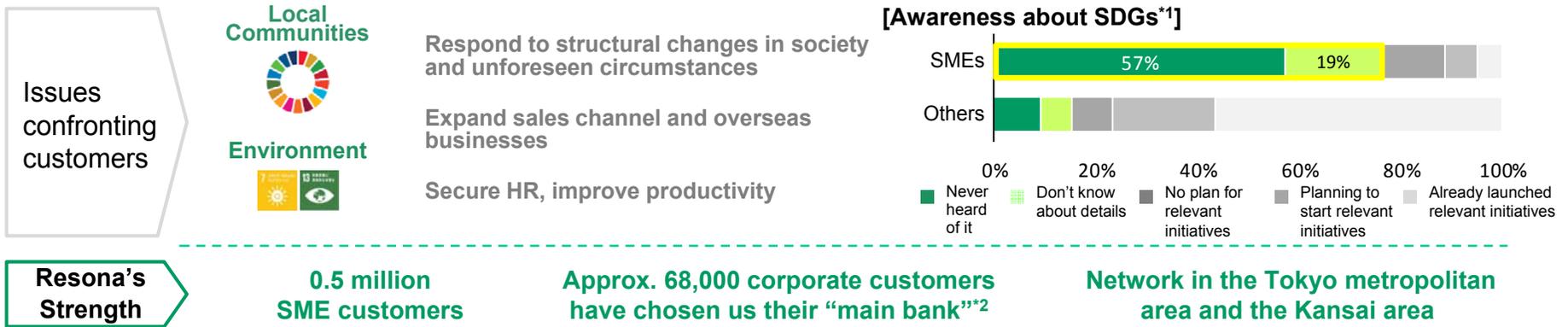
- **Consolidation of Asset Management Functions into RAM (Jan. '20~)**
 - Seize opportunity to address growing need for stable, medium- to long-term asset management
 - RAM : Mar. '20 147 staffs ⇒ Mar. '23 Approx.175 staffs
 - Expand our sales channels ⇒ See P54 for FW
 - KMB, MB providing FW
 - KMB: Oct. '19~
 - MB: 2H of FY'20 (Scheduled)
 - Provide affiliated regional financial institutions with employee educational programs themed on product features and fiduciary duty
 - Mar. '20~ Iyo Bank and two other partners started to sell *Mitsuboshi Cruise**2 serving as outlets
 - Offer our products to institutional investors and others handling the management of surplus assets

- **Nurture professionals by Resona Academy**
 - FY'19 38 staffs finished the 1st course ⇒ Plan to nurture 300 professionals by Mar. '23
 - Extend generous support to those who completed programs via periodic follow-up training



*1. "Flow of Funds: Overview of Japan, the United States and the Euro Area," Bank of Japan Research and Statistics Dept.
 *2. Risk controlled balance fund with limited loss function for beginner investors

Business Strategy Further Development SME Loans and International Businesses



Offer solutions to customers, addressing their obvious needs while helping them clearly identify their latent needs

[KPI] FY2022 (vs FY2019) Balance of loans to SMEs JPY14.6 tn (Approx. +JPY0.8 tn)

- **A sales approach focused on identifying issues**
 - Assist SMEs in their efforts to achieve SDGs
 - Help customers create new opportunities and eliminate risks
 - Private placement SDGs promotion bonds: FY '19 JPY140.4 bn*3, +46% YoY
 - SDGs Consulting Fund: JPY39.5 bn*4 (Sep. '18 ~ Mar. '20)
 - First Green Bond issued via private placement (Feb. '20)
 - Business matching: FY'19 25,286, +14% YoY
 - 5 business plazas*5
 - Support for overseas businesses (⇒P55)
 - Support for overseas expansion, financing and M&A
 - Strengthen solution capability of RMBA, Bank Resona Perdania

- **Provide diverse solutions aligned with the growth stage of each customer**

Start-ups
Growth stage

 - Expand non face-to-face businesses
 - Corporate version of our App, loan products offered via solely web-based procedures, etc.
 - Engage in optimal proposals via information sharing between specialists at HQ departments and sales staff
- **Support for customers affected by the COVID-19**

Loan assistance

 - ✓ Fund products that support corporate countermeasures Interest-free, no-collateral loans (employing prefectural loan subsidy programs)

Consultation

 - ✓ Set up help desks for those facing fundraising issues and provide consultation even on weekends and holidays
 - ✓ Form a dedicated team for supporting stable corporate management (SR, KMB, MB)

*1. Based on a 2019 policy survey conducted by the Bureau of Industrial and Labor Affairs, Tokyo Metropolitan Government
 *2. Teikoku Databank (The Research in 2019) *3. Amount of issue *4. RB+SR, provided by all group banks from Apr. '20
 *5. Tokyo, Osaka, Saitama, Kobe, Biwako as of Mar. '20

Business Strategy Further Development Loans for Individuals

Issues confronting customers

Local Communities



Anxiety about borrowing money

Unable to take a day off to complete loan procedures

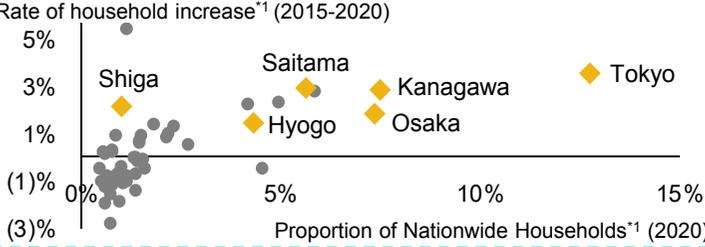
Low Birthrate and Aging Society



Anxiety about how to adhere to repayment schedule when affected by disaster or disease

[Rate of household increase in Japan]

Rate of household increase*1 (2015-2020)



Resona's Strength

A Leading bank for housing loans

16 million individual customers

A variety of products according to the life event

Digital & Data ⇒ Simultaneously enhance customer convenience and cost competitiveness

[KPI] FY2022 (vs FY2019) **Balance of housing loans** **JPY13.8 tn (Approx. +JPY0.9 tn)**

- **Expand e-contract service**
 - HLs offered solely via app-based procedures (planned)
- **Bidirectional customer communications via Resona Group App**
 - Offer optimally timed personalized proposals
 - Great potential for the promotion of multilateral transactions starting with housing loans

[Average rate of cross-sold products]

	With HL	vs	No HL*2
Payroll	50.3%		30.2%
Consumer loans*3	12.3%		3.1%
Investment trusts	6.1%		3.2%
Insurance	4.1%		1.4%

- **Streamline HL business process and digitalization**
 - Improve the efficiency of loan transactions obtained through real estate brokers
 - Enhance digitalization of as middle- & back-office operations
 - Downsize loan-related administrative and planning departments
- **Provide contingency solutions**

Unique and distinctive products and services

- ✓ *Danshin Kakumei*
- ✓ Natural disaster support options
- ✓ “Life Support Plan” card loan program
⇒ Help customers sign up and complete procedures solely via the website amid the enforcement of “Stay Home” protocols

consultation

Set up help desks that operate even on weekends and holidays

Business Strategy Further Development X New Challenges Omni-Channel

Issues confronting customers

Local Communities



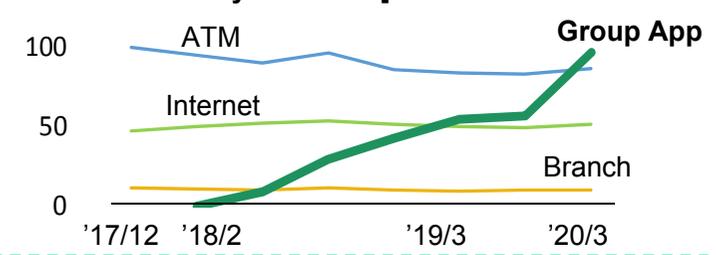
User-unfriendly bank apps
No time to visit a bank branch

Environment



Don't know any financial specialist who can give personalized advice

[Number of users by channel*1]



Resona's Strength

16 million individual customers

Advanced digital channel

The largest manned branch network in Japan

Provide customers with best solutions “anytime” “anywhere”

[KPI] FY2022
Group App downloads
To 5 million

- Resona Group App: 2.2 million downloads as of Mar. '20
Income increase per-person, per-day: +3.5 yen

- Earned a solid reputation thanks to the thoroughgoing incorporation of the user perspective



- Our App is expected to become a central transaction channel*2
 - The ratio of customers using the App: Installment time deposit: 82%, Foreign currency deposit: 75%
- Expand functions further
 - Provide international remittance and foreign-language services (Apr. '20~)
 - To expand new functions for iDeCo etc.

- Integrate physical and online branch services to enhance our sales approach

Over 800 manned branches

- ✓ Omni-advisors
- ✓ DX by new terminals

Group App

- ✓ Personalized proposals (# of proposed models: x 1.2, YoY)



Data Science Office

- ✓ Data-based marketing
- ✓ Proposals employing a seamless and integrated approach on every channel

*1. Number of ATM users as of Dec. '17 as 100 (per day, RB) *2. Number of new accounts by channel (as of Jan. '20)

Business Strategy Further Development X New Challenges Settlement Business

Issues confronting customers

Local Communities

 Quite confused by many of the cashless payment methods

Environment

 Dislike higher settlement costs and longer cash recipient cycles

IT systems not updated to accommodate cashless settlement procedures

[Cashless market to expand*1]

Amount handled: 2016 JPY60 tn

Cashless rate: 20%

2025 Target: **JPY 120 tn*2** (40%)

Resona's Strength

Extensive branch network

Corporate and individual customer base

Provide IT solutions and acquiring services by bank itself

Promote cashless to reduce social cost and support for improving customers' productivity and convenience

[KPI] FY2022 (vs FY2019) Settlement-related income JPY80.0 bn (Approx. +JPY.14.0 bn)

■ Provide corporate customers with IT solutions



Resona Cashless Platform (RCP)

Approx. 1,100 corporations, 14,000 stores planning to install (Mar. '20)

- ✓ Compatible with various settlement schemes by just one terminal
- ✓ Mar. '23 (target): Approx. 4,000 corporations



- Future initiatives**
- ✓ Build-up B2B settlement platform
 - Support for digitalization of B2B transactions
 - ✓ Utilize settlement data
 - Transaction lending etc.

■ Provide individual customers with more convenient services

- # of debit card issued: 2.01 million as of Mar. '20
 - Standard with new accounts (Integrated debit card with cash card, Visa payWave)
 - Target as of Mar.'23: 2.55 million
 - Resona Wallet app
 - Mobile settlement, coupons, change savings with a single App
- 

*1. Prepared by Resona HD based on documents issued by the Ministry of Economy, Trade and Industry (METI)
 *2. Assuming private consumption to stay at the 2016 level, based on data publicized by METI

KMFG the MMP and Pursue Group synergies (1)

Realize “New Retail Financial Service Model” advancing together with the future of Kansai region

Stage 1 Inauguration of KMFG - organizational development

Stage 2 New medium-term management plan (FY2020-FY2022)
-Establish the KMFG brand and realize its full potential-

- PM progressing according to plan
 - ⇒ Developed foundations for realizing synergies
 - Merger of KU and KO ⇒ KMB started (Apr. '19)
 - KMB's business process and systems integrated (Oct. '19)
- Launched the following initiatives to achieve the earliest monetization
 - < Business Synergies >
 - ✓ Utilize Resona's differentiated products and platforms
 - ✓ Utilize group network
 - ✓ Personnel exchanges in the Group
 - < Cost Synergies >
 - ✓ Share Resona's system
 - ✓ Utilize know-how of operational reforms
 - ✓ Rebuild channel

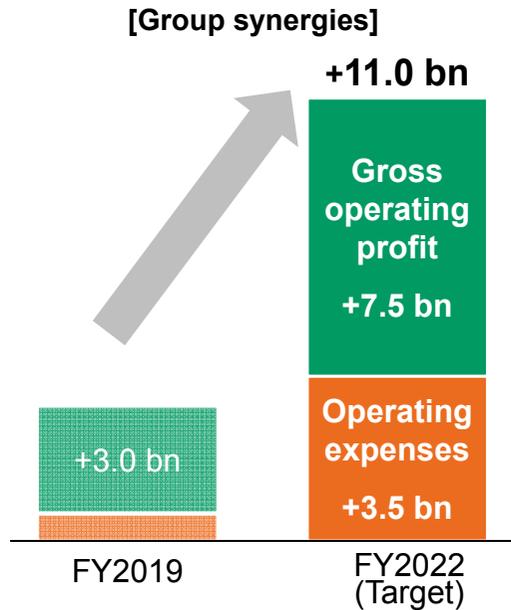
Gross operating profit +JPY5.0 bn (Total of Group Banks) Operating expenses +JPY10.0 bn (Improved) (Excluding integration cost) (Total of Group Banks)

Strategic businesses	Asset formation	Provide support according to customers' life event	Bal. of inv. trust·FW, insurance	+JPY0.5 tn (1.5⇒2.0)
	Business development	Provide diverse solutions to SMEs	# of BM	+1,500 (4,300⇒5,800)
	Succession	Utilize trust function	# of business succession handled	+200 (1,800⇒2,000)
Foundations reform	Channel	Optimize branches Omni-channel strategy	# of branches (Kansai area)	(90) (370⇒280)
	Digitalization	Share Resona's know-how	Branches' clerical work volume	(40)%
	Human resources	Optimize HR	# of staff	(1,700) (8,500⇒6,800) Gross reduction (1,900) Reallocation +200

KPIs		FY2019	FY2022
Profitability	Net income attributable to owners of parent	JPY3.9 bn	JPY20.0 bn
	Consolidated fee income ratio	19.6%	25%
	ROE	0.83%	4% level
Efficiency	Consolidated cost income ratio	79.5%	Latter half of the 60% range
Financial soundness	Capital adequacy ratio	8.05%	8% level

KMFG the MMP and Pursue Group synergies (2)

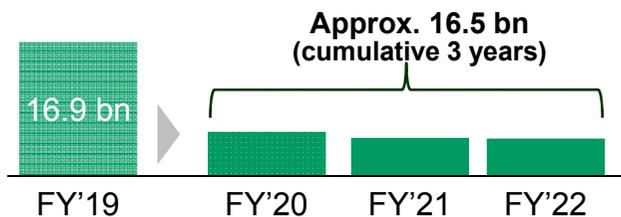
Pursue maximum synergies by optimizing group assets



※Integration cost

Reduce financial burdens arising in the new medium-term management plan period via the following initiatives

- Recognized expenses for FY'19 associated with channel reforms, etc.
- Integrate MB's systems in two phases

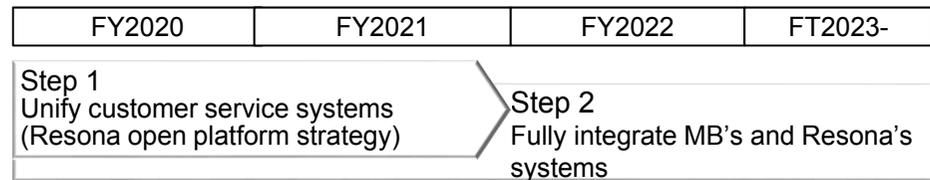


Sales synergies

- Utilize function of Trust and Real estate
 - FW, asset succession, real estate brokerage, etc.
- Develop Omni-channel strategy and differentiated products within the group
 - Resona Group App, Debit card, RCP, etc.
- Resona Group information network
 - M&A platform, Business Plaza, Overseas network, etc.

Cost synergies

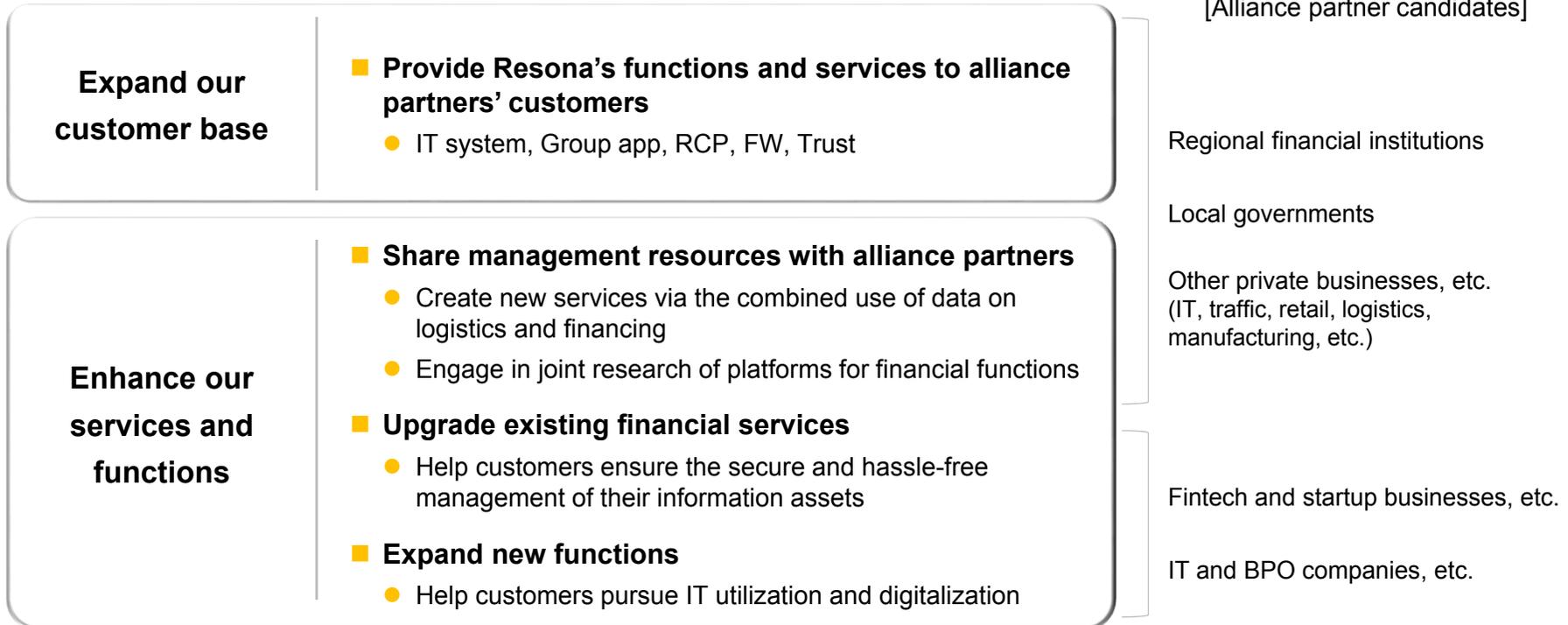
- Optimize channel (⇒P38)
- Optimize human resource allocation (⇒P37)
- Systems
 - Share IT systems
 - Integrate MB's systems in two phases



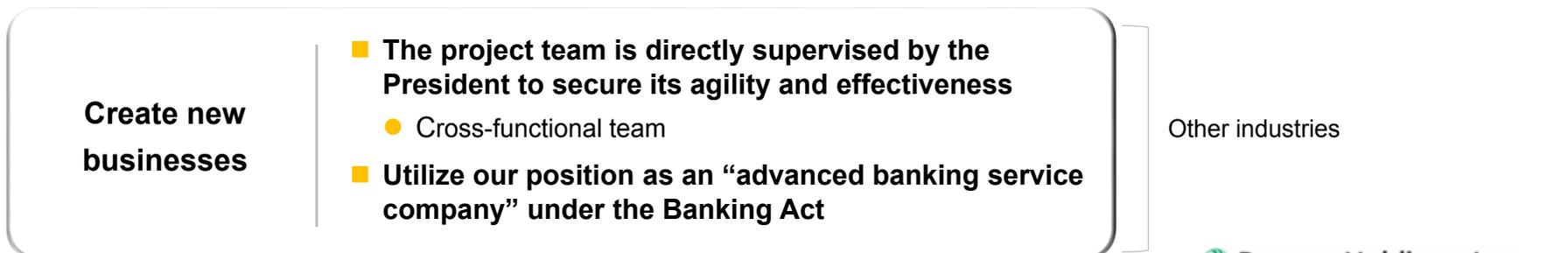
Business Strategy New Challenges Breaking Free of the Banking Model

Open innovation

Employ a broad range of external relationships to pursue co-creation



Deliver new value employing new ideas



Rebuilding Our Foundations (1) Human Resources

Reform the human resource portfolio with an emphasis on diversity and specialization

- Multi-path personnel system**
 - Transfer existing HR system to a multi-path HR system with a total of approx. 20 distinct career paths

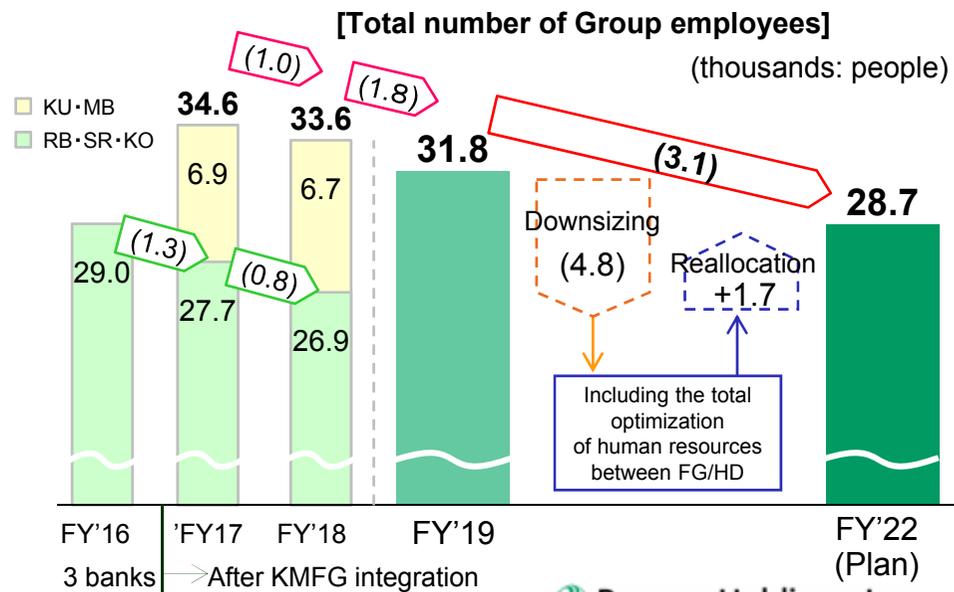
- Nursing Omni-Advisor**
 - Building on the results of the previous medium-term management plan, focus on nurturing omni-advisors who can think and act in the best interest of customers

- Develop and hire specialized professionals**
 - Step up collaboration with and hiring of external human resources who have earned success in IT and other industries ⇒ 1,000 digital and IT specialists

- Recurrent training**
 - Assist all employees in their efforts to take on new career development challenges as Resona strives to build a workforce boasting a larger number of consulting specialists

Reallocate human resources to our fields of focus

- Downsize to around 29,000, the level equivalent to the number prior to the integration of KMFG (natural decrease in step with retirement)**
 - Reduce total headcount by 3,100, (9%)
 - Raising productivity via channel reforms and branch digitalization
- Reallocate human resources across the Group in a bold and flexible manner**
 - Strengthen fields of focus (succession, Omni-Channel, etc.)
 - Strengthen new businesses (digital, IT, etc.)
 - Optimise human resource allocation between KMFG and HD



Rebuilding Our Foundations (2)

Business Processes, Sales Approach, Channel Network

Enhance customer contact points × Low-cost operations
⇒ a system in which all employees are involved in sales and consulting

Business Processes

- **Reconstruct them by shifting mindsets and digitalizing**
 - Change the mission of the over 10,000 administrative staff
 - Build a system that handles all procedures in a single line to relieve the staff of stress arising from back-office work
 - Reduce operational costs through productivity improvement

[Image of a branch after introduction of the new branch system]

“No back office space”



Complicated inquiries and consultation via teleconferencing (DSO^{*1})

Sales Approach

- **Transition to a system in which all employees are involved in sales and consulting**
- **Integrate digital data in real time, and link these between channels**
 - High-quality data from existing face-to-face business x wide-ranging digital data from high-frequency sources about customers' daily behavior

“Self” terminal^{*3}

Screen layouts allowing customers to easily navigate just like Resona Group App



Channel Network

- **Enhance customer contact points and reduce channel-related costs at the same time**
 - Further development of area operations
 - Reallocate the staff based on market potential
 - Integrate bases that are located near each other while optimizing the functions of each branch
 - Reorganize around 90 branches^{*2}, especially those run by KMB
 - Convert approximately 10 bases into joint branches in which both RB and KMFG operate^{*2}
 - Pursue thoroughgoing downsizing and ensure that each branch is able to focus on its mission

“Location-free”



Consultation services and banking procedures via the use of tablets

*1. Digital service office *2. During the new medium-term management plan period *3. To be introduced by the end of FY'20 (RB, SR, KMB) Resona Holdings, Inc.

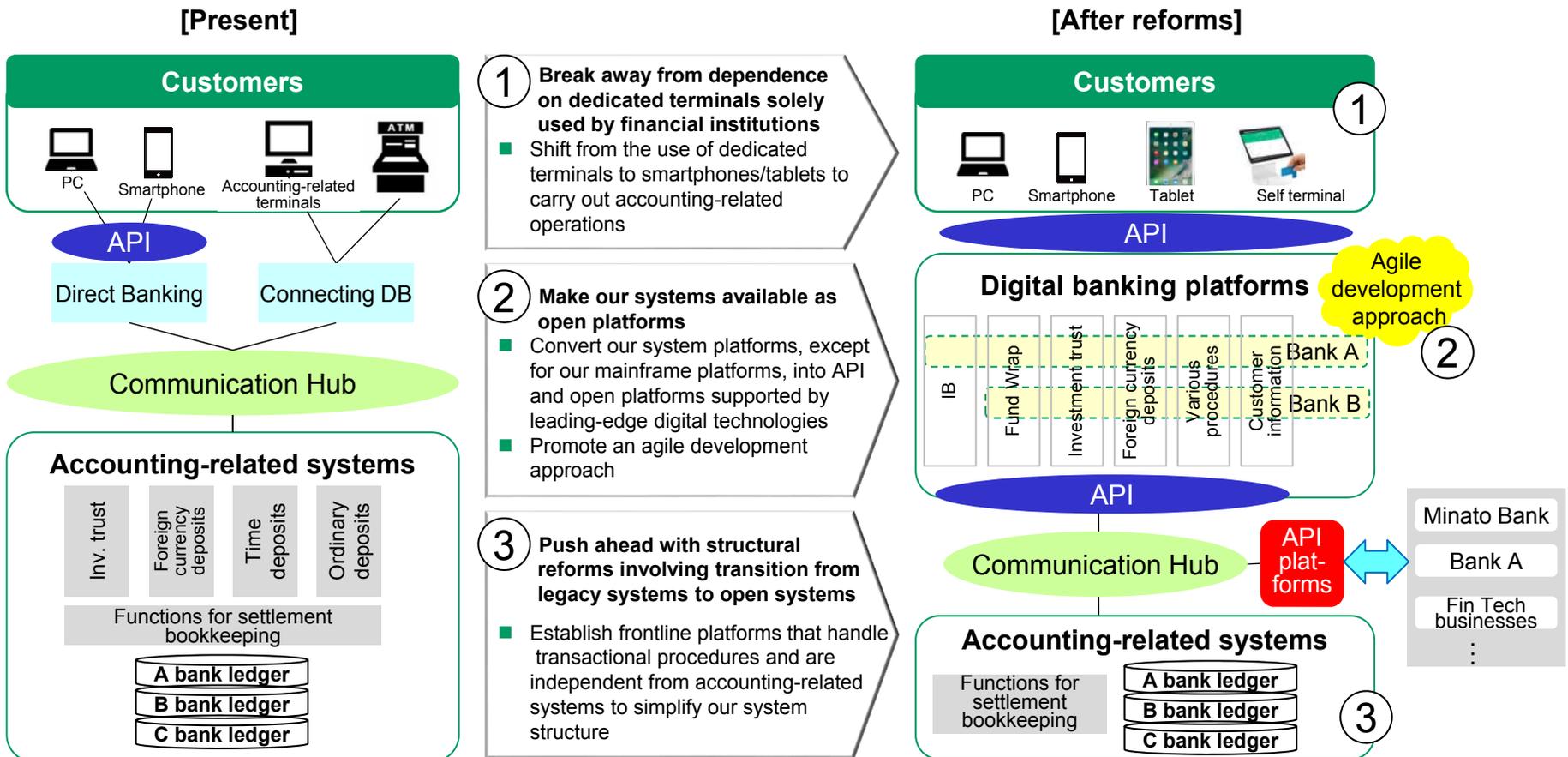
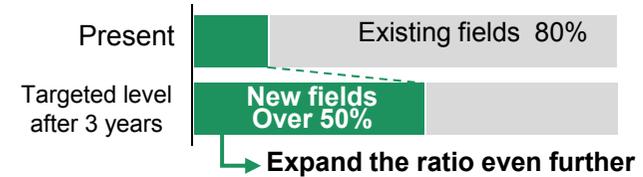
Rebuilding Our Foundations (3) Systems

Shrink existing systems with an eye to technological advancement and build next-generation systems

Structural system reforms

- Significantly reduce system-related costs for the entire Group
⇒ Shift more resources to strategic investment
- Greatly increase speed, flexibility and applicability in strategy implementation by using API

[Image of system related cost]



**Outline of Business Results for FY2019
and Updates on Major Businesses**

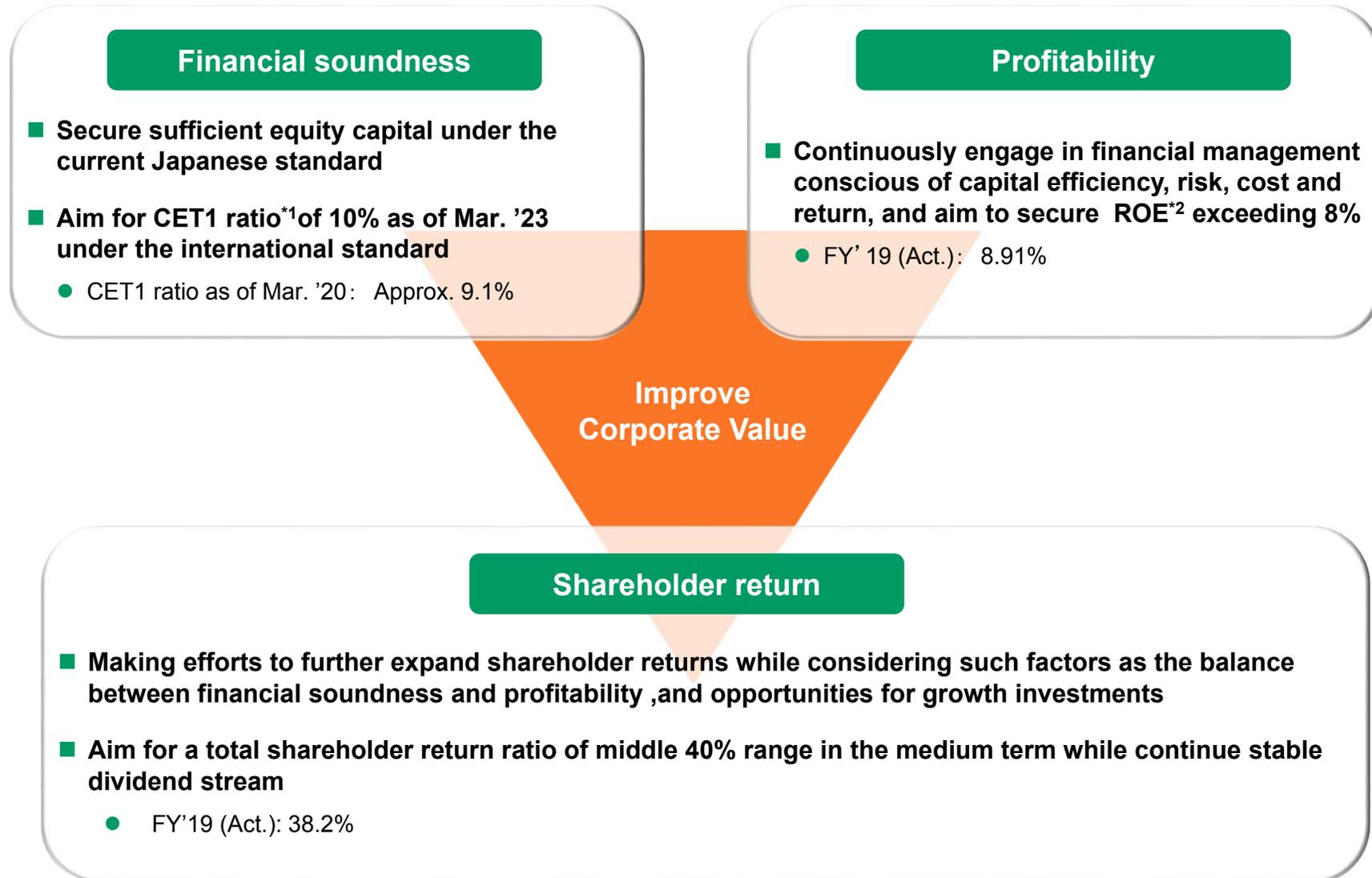
Medium-term Management Plan

Direction of Capital Management

ESG Initiatives

Reference Material

Direction of Capital Management



*1. Based on the finalization of Basel 3. Exclude unrealized gains on available-for-sale securities

*2. Net income / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)

**Outline of Business Results for FY2019
and Updates on Major Businesses**

Medium-term Management Plan

Direction of Capital Management

ESG Initiatives

Reference Material

E (Environment)

Board of directors proactively pursue Resona Sustainability Challenge 2030 and step up climate change countermeasures



Reflect outcomes of discussions on risks and opportunities from climate change in the 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 	<p>Winning the Minister of the Environment Award that is given only to businesses engaged in exemplary efforts</p>											
	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]	<p>[CDP scores*1]</p> <table border="1"> <tr> <td>Resona HD</td> <td>B</td> </tr> <tr> <td>Mizuho FG</td> <td>B</td> </tr> <tr> <td>MUFG</td> <td>C</td> </tr> <tr> <td>SMTH</td> <td>C</td> </tr> <tr> <td>SMFG</td> <td>D</td> </tr> </table>	Resona HD	B	Mizuho FG	B	MUFG	C	SMTH	C	SMFG	D
		Resona HD	B											
Mizuho FG	B													
MUFG	C													
SMTH	C													
SMFG	D													
		<ul style="list-style-type: none"> ✓ <i>Nihon-no-Mirai</i> (investment trust) ✓ Optional support for those suffering damage due to natural disasters (housing loans) ✓ 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 											

*1. CDP Report 2019

S (Social)

Focus on helping resolve social issues through business and innovation



Asset and Business Succession: p28
Loans for Individuals: p31

Asset Formation: p29
Omni-Channel: p32

SME Loans, International Business: p30
Settlement: p33



Initiatives for a better society

Contribution for Community

[“Re: Heart Club” members]



'16/3 '17/3 '18/3 '19/3 '20/3

[Volunteer activity on natural disaster]

- ✓ Supported people suffering from Typhoon Hagibis



Initiatives for children who will lead a future society

[Resona Kids' Money Academy participants*1]



'16/3 '17/3 '18/3 '19/3 '20/3

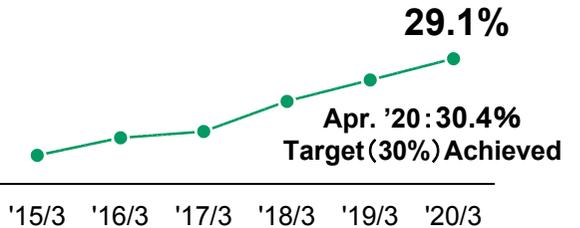
[Resona Foundation for Future]

- ✓ Offer support for children and working single parents in need of financial assistance



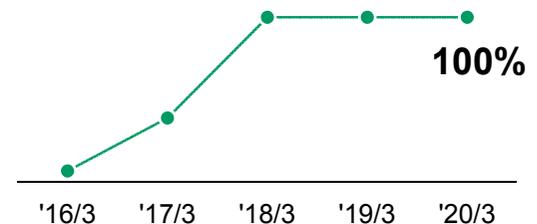
Diversity and Inclusion

[Proportion of female line managers*2]



'15/3 '16/3 '17/3 '18/3 '19/3 '20/3

[Ratio of male employees' taking child care related leave]



'16/3 '17/3 '18/3 '19/3 '20/3

*1. Held during summer holidays, includes “Mirai Kids' Money Academy”

*2. RB·SR, ratio of women to the total number of those in management positions or above charged with overseeing staff

G (Corporate Governance)

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

Board of Directors

- Majority of the Board members are independent outside directors
- | | |
|------------------|---------------|
| Independent
6 | Internal
4 |
|------------------|---------------|
- Ratio of female directors: 20%
 - Chairman does not concurrently serve as an executive officer, separating management supervision and business execution

Nominating Committee

- Outside directors only
- Introduced succession plan in 2007 and ensure objectivity by drawing on the advice of outside consultants

Compensation Committee

- Outside directors only
- Introduced share benefit trust as performance based stock compensation program for officers in 2020

Audit Committee

- Majority of outside directors
- Introduced double report line system in 2016

Area of expertise of outside directors

■ Corporate management
 ■ Finance
 ■ Law
 ■ Marketing

Outside directors

(After AGM in Jun. 2020)



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



Tadamitsu Matsui ■
Chairperson, Nominating Committee
Member, Compensation Committee
 Representative Director and President of MATSUI Office Corporation
 (Former Representative Director and Chairperson of Ryohin Keikaku)



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



Chiharu Baba ■ ■
Chairperson, Audit Committee
 (Former Deputy President of Mizuho Trust & Banking)



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



Setsuko Egami ■
Member, Nominating Committee
Member, Compensation Committee
 Professor, Faculty of Sociology, Musashi University

Internal directors

(After AGM in Jun. 2020)



Kazuhiro Higashi
Chairman



Masahiro Minami
President and Representative Executive Officer



Mikio Noguchi
Executive Officer



Takahiro Kawashima
Member, Audit Committee

Initiatives for Corporate Governance Evolution

Our Initiatives to Improve the Effectiveness of the Board of Directors' Operations

Outside directors' meetings

- ✓ Outside directors deliberate on the results of the self-evaluation of the Board of Directors' operations

Free discussion sessions

- ✓ Utilize input from outside directors into such key activities as business strategies in a timely manner

(Main theme) Identification of issues to be addressed in the course of the formulation of the next medium-term management plan

Study sessions and onsite tours

- ✓ Facilitate understanding of the Resona Group's business operations via visits to branches and other bases as well as dialogue with frontline employees

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

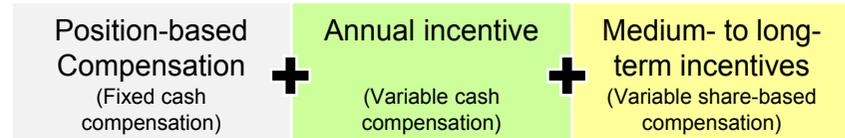
- Improve effectiveness of Board of Directors
- Enhance corporate governance framework



Glass-walled Executive room

Remuneration for directors and executive officers

- Compensation system for executive officers



Annual incentive

Annually examine the status of specific key indices in terms of consistency with MMP targets

Corporate performance	Individual achievements
Net income attributable to owners of parent	<ul style="list-style-type: none"> ✓ Evaluate the status of initiatives aimed at helping realize SDGs ✓ Evaluate the status of medium- to long-term initiatives and the degree of accomplishment of annual targets
Fee income ratio	
Cost income ratio	
CET1 ratio	

Medium- to long- term incentives

- ✓ Enhance linkage with shareholder value
- ✓ Encourage efforts employing medium- to long-term perspectives to improve corporate value

[Matrix-based evaluation based on two indices]	"Board Benefit Trust"
<p>Relative TSR (Relative to peers in the banking industry)</p> <p>Consolidated ROE (Based on shareholders' equity)</p>	<ul style="list-style-type: none"> ✓ Utilize a trust scheme ✓ Grant shares ✓ Enhance linkage with performance

ESG-Based Recognitions and Initiatives

Status of inclusion into ESG-based stock indices

[ESG indexes selected by GPIF (domestic stock)] **Aim to be included in all of four indices during the current MMP period**

<p>FTSE Blossom Japan Index</p>  <p>FTSE Blossom Japan</p>	<p>S&P/JPX Carbon Efficient Index</p> 
<p>MSCI Japan ESG Select Leaders Index</p>  <p>MSCI Japan ESG Select Leaders Index</p>	<p>MSCI Japan Empowering Women Index</p>  <p>MSCI Japan Empowering Women Index (WIN)</p>

 FTSE4Good
  2019 Constituent MSCI ESG Leaders Indexes
  Member of SNAM Sustainability Index 2019

Our support for ESG-related initiatives at home and abroad



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

**Outline of Business Results for FY2019
and Updates on Major Businesses**

Medium-term Management Plan

Direction of Capital Management

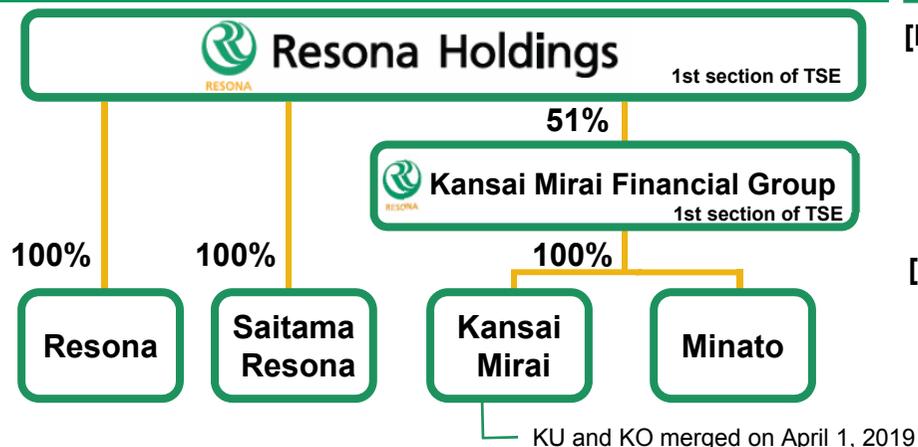
ESG Initiatives

Reference Material

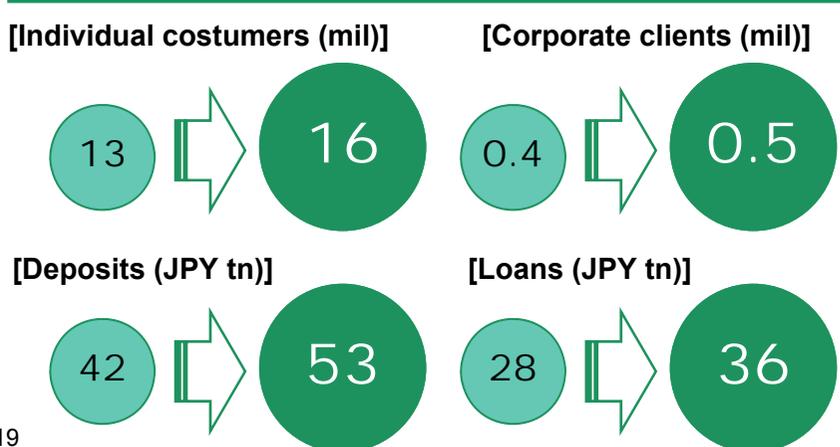
Resona Group at a Glance

- 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

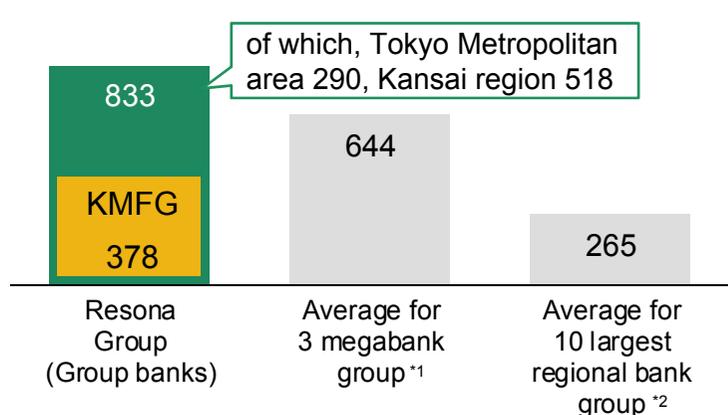
Corporate Structure



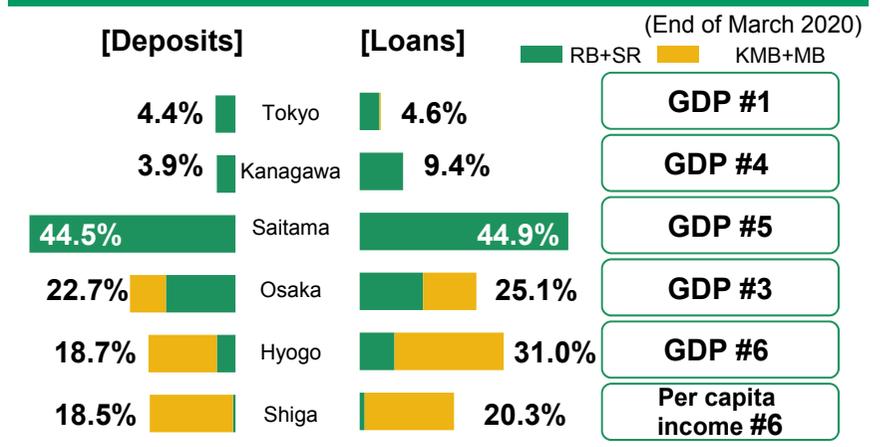
Customer Base and Business Scale



Number of Manned Branch Office



Market Share^{*4}



*1 As of Mar.31 2020 *2 Megabank groups: MUFG BK+ MUTB, Mizuho BK+ Mizuho Trust, SMBC + SMBCTB, 1H of FY'19 Financial Statements

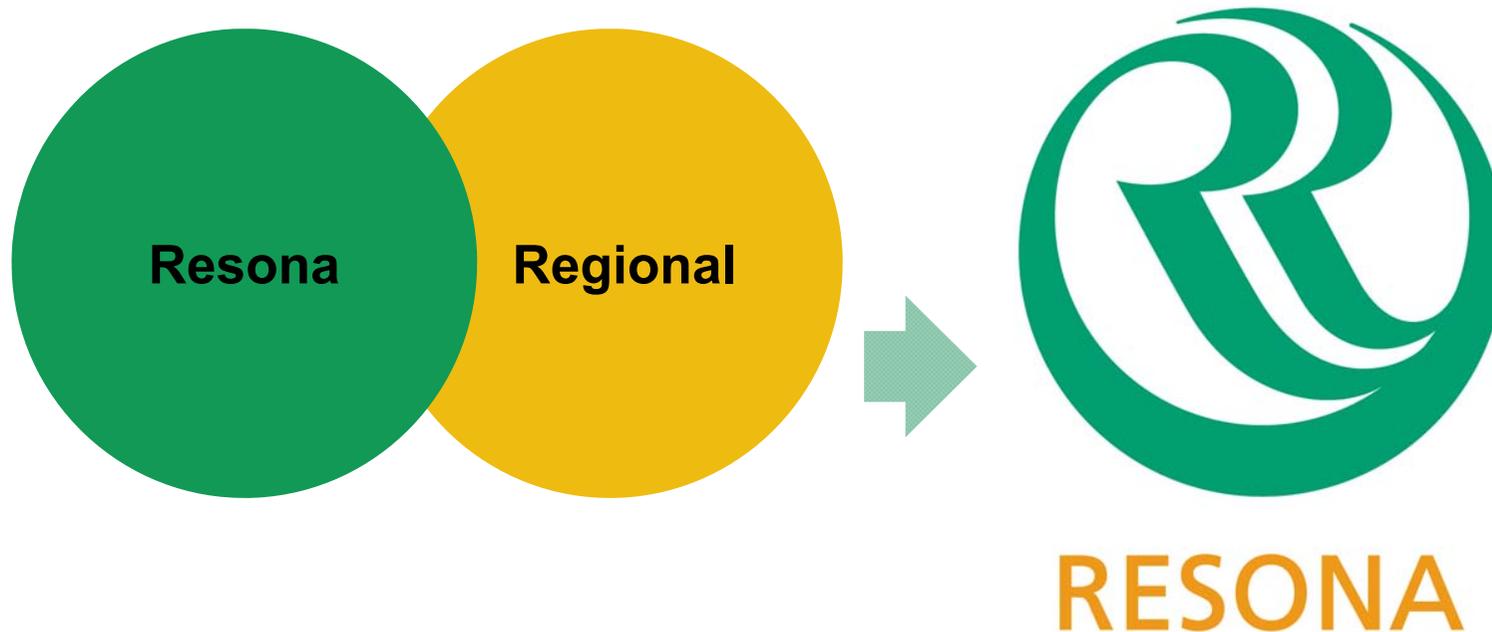
*3. 10 largest regional bank groups by consolidated assets (Fukuoka FG, Concordia FG, Mebuki FG, Chiba, Hokuohoku FG, Shizuoka, Nishi-Nippon FHG, Kyushu FG, Yamaguchi FG, Hachijuni), 1H of FY'19 Financial Statements

*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."

Points of Focus in the New Medium-term Management Plan toward the 2030 Realization of SDGs

Theme	Expected issues customers will face in the next 10 years	Key policies under the new medium-term management plan
<p>Local Communities</p>  <p>All 17 goals</p>	<ul style="list-style-type: none"> ■ Adapt to a digitalized and global society <ul style="list-style-type: none"> ● Widespread use of cashless settlement ● Rapid advance of digitalization ● Need for supply chain maintenance 	<p>Settlement</p> <p>Omni-Channel</p>
<p>Low Birthrate and Aging Society</p> 	<ul style="list-style-type: none"> ■ Adapt to the low birth rate and graying society <ul style="list-style-type: none"> ● Need for ensuring smooth succession of assets and businesses as well as securing funds for life after retirement ● Human resource shortages 	<p>Succession</p> <p>Asset formation</p>
<p>Environment</p> 	<ul style="list-style-type: none"> ■ Respond to climate change risks <ul style="list-style-type: none"> ● Rising living expenses and housing costs ● Need for de-carbonization and preparation for natural disasters 	<p>Provide support for de-carbonization</p> <p>Green finance</p> <p>Loan exemptions for those hit by natural disasters</p>
<p>Human Rights</p> 	<ul style="list-style-type: none"> ■ Adapt to diversifying value systems and working styles <ul style="list-style-type: none"> ● Need to meet higher skill requirements and develop second careers ● Need to expand hiring of foreigners and elderly people 	<p>Measures for diversity & inclusion</p> <p>Develop human resources capable of meeting diversifying customer needs for sophisticated solutions</p>

Resona's Challenges Attracting Attentions from Outside

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

Highly evaluated for our initiatives to develop and popularize products facilitating SDGs and to strengthen ESG investment

- Principles for Financial Action for the 21st Century Winning the Minister of the Environment Award (HD, FY2018)
 
- Won a Bronze Award under the ESG Finance Award Japan program (investor category) (RAM, FY2019)
 

Resona Group App
outstanding design and user-friendliness



- 
- 
- 

Won the Most Excellent Award under the 2020 R&I Customer Satisfaction Award program (pension category)

Ranked first in the Japan Pension Service's Customer Satisfaction Questionnaire Survey in terms of total customer satisfaction rating (RB)^{*1}



Winning Awards to Commend Leading Companies of Diversity

- Leading companies where women shine 2018 Winning the Prime minister Award (SR)
 
- Awarded the highest gold rating in the PRIDE Index (for three consecutive years)
- Obtained *Platinum Kurumin* (all group banks)
 
- Ranked #5 in "100 Best Companies Where Women Play Active Part" 2020^{*2} (HD)

Easy to use, informative IR website

- Gomez IR Site Ranking 2019 Gold Prize (for two consecutive years)
 
- Commended as operating a most excellent website in the 2019 Nikko IR All Japanese Listed Companies' Website Ranking (for three consecutive years)
 

Resona group banks ranked 1st, 2nd and 5th on Nikkei's survey on Banks' Retail Capability 2019

Earned customer support thanks to our strong consulting capabilities in such fields as asset formation

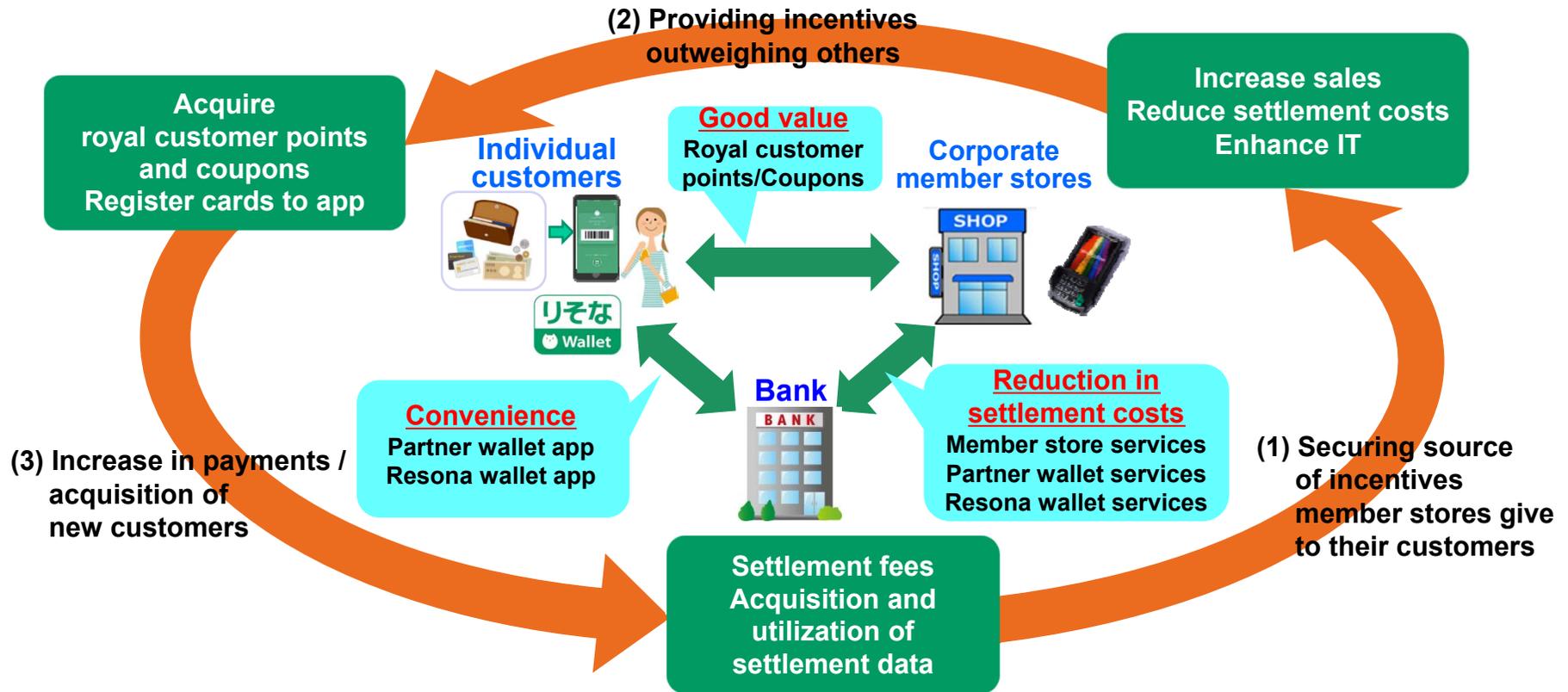
[15th (2019) (Out of 114 banks surveyed)^{*3}]

- 1st** Saitama Resona
- 2nd** Resona
- 5th** Kansai Mirai

*1. https://www.r-i.co.jp/pension/news_flash/2020/03/news_flash_20200309_1_1.html *2. Based on a Survey of Workplace Opportunities for Female Workers undertaken by *Nikkei Woman* *3. Reported on *Nikkei Veritas* in Sep.29, '19

Outline of Resona Cashless Platform

Promote cashless = Reduce social cost and improve corporate customers' productivity



[Customers' reasons for adopting RCP]

- Reduced settlement cost
- More efficient cash register operations employing an all-in-one terminal
- Powerful sales promotion effect (provide incentives)
- Merchant stores can opt to receive cash as frequently as every business day

[Examples of businesses utilizing RCP]

- Restaurants, car dealers, etc.
- Defining factors: a reasonable cost for introducing highly functional terminals and expectation for a positive sales effect arising from the provision of partner wallet services under the merchant's own labels

Outline of Resona Fund Wrap

Core products meeting customer needs for long-term asset formation

■ **Feb. '17~: Balance as of Mar. 31, '20** Approx. JPY390.0 bn

■ **Operation course according to customer's request**

- Standard course JPY3 million~, index fund investment
- Premium course JPY5 million~, mainly active fund investment

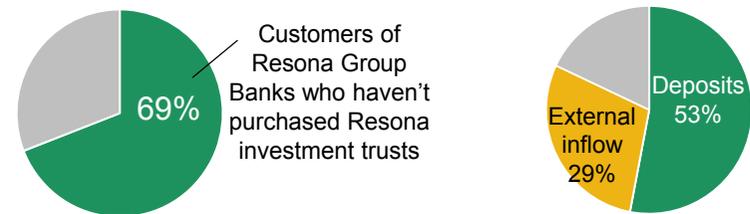
- Welcome Plan: JPY300,000 minimum (Jun. '18~)
 - Fees only incurred for success*1
 - 77% of fund wrap accounts reached the profit-lock-in point (as of Mar. 31, '20)
- Periodic receipt service meeting customer needs for spending (May '19~)

■ **Cost competitive**

⇒ Lowest level of investment advisory fees in the industry

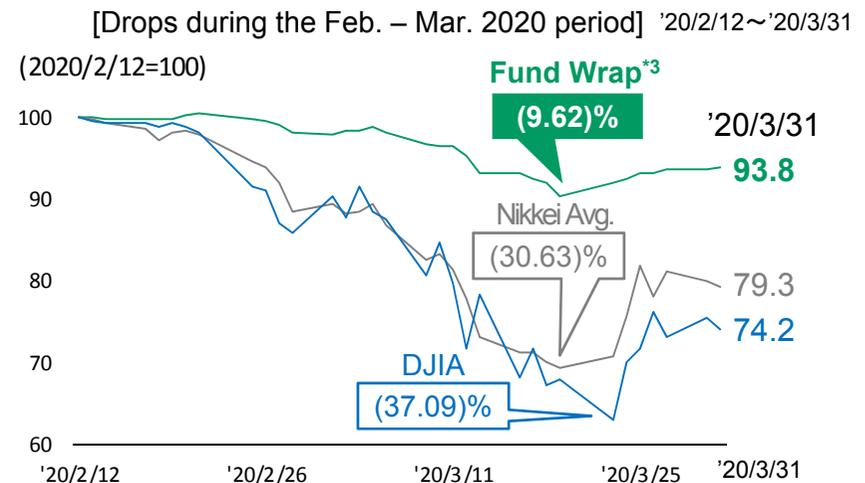
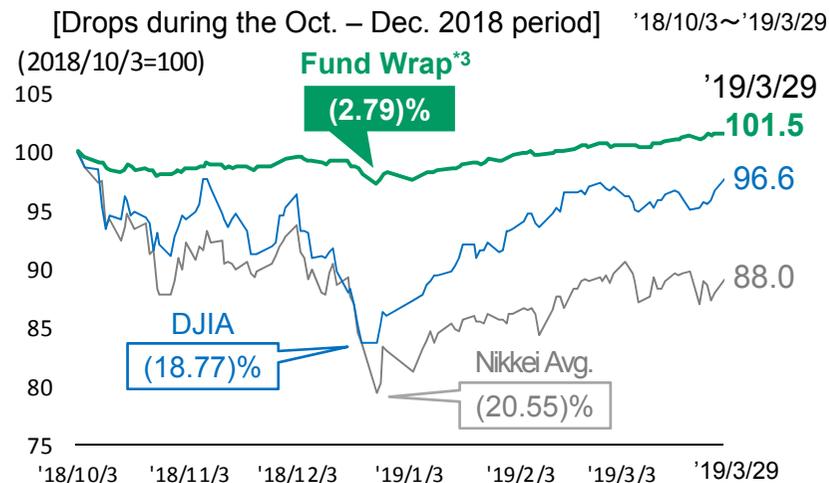
■ **Shift from savings to asset formation**

[FW customer attributes] [Anticipated source of new FW contracts]



Positive effects arising from Resona's diversified investment approach despite market volatility attributable to the novel coronavirus pandemic

Comparisons of most radical drops in market prices in a stock price correction phase (benchmark is set at the last record high hit by the NY Dow Jones Industrial Average)*2



*1. Investment advisory fees consist only of success-based fees determined in accordance with performance. Regardless of the existence or absence of excess returns, customers are asked to indirectly bear trust fees and other expenses associated with investment trusts designed solely for the fund wraps in which they invest.

*2. Prepared by Resona HD based on data publicized Bloomberg

*3. Resona Standard Prudent-Type FW (including investments in alternative and emerging countries)

Resona's Overseas network

Covering the Asia and US via overseas bases and partner banks

- Station Japanese-speaking Resona staff in 15 locations to provide meticulous services

- Dispatch Resona staff to BIDV (Hanoi) (Oct. '19~)

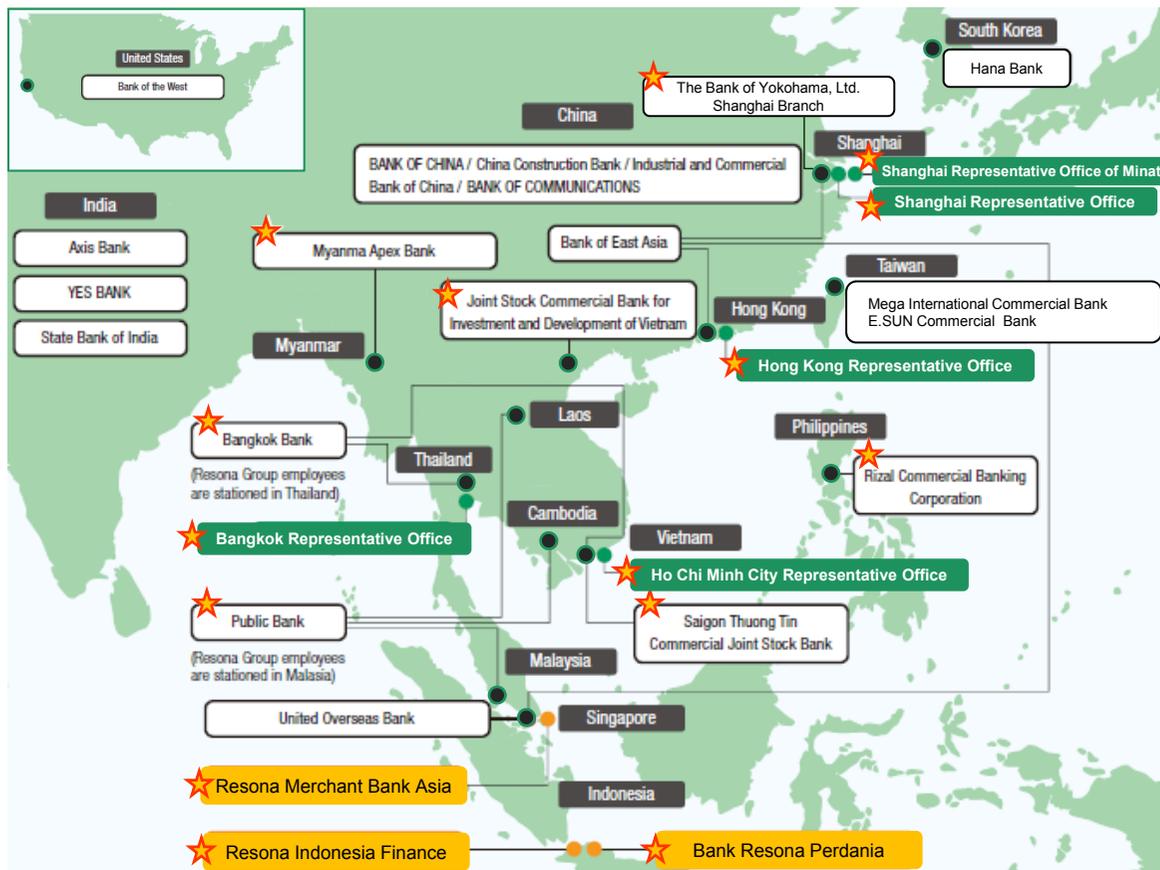
- Provide a wide range of consultations concerning overseas expansion, financing, etc.

- Strengthen the customer support by Expanding overseas network

- Concluded a memorandum for business cooperation with E.SUN Commercial Bank (Mar. '20~)

- Provide solutions via local subsidiaries

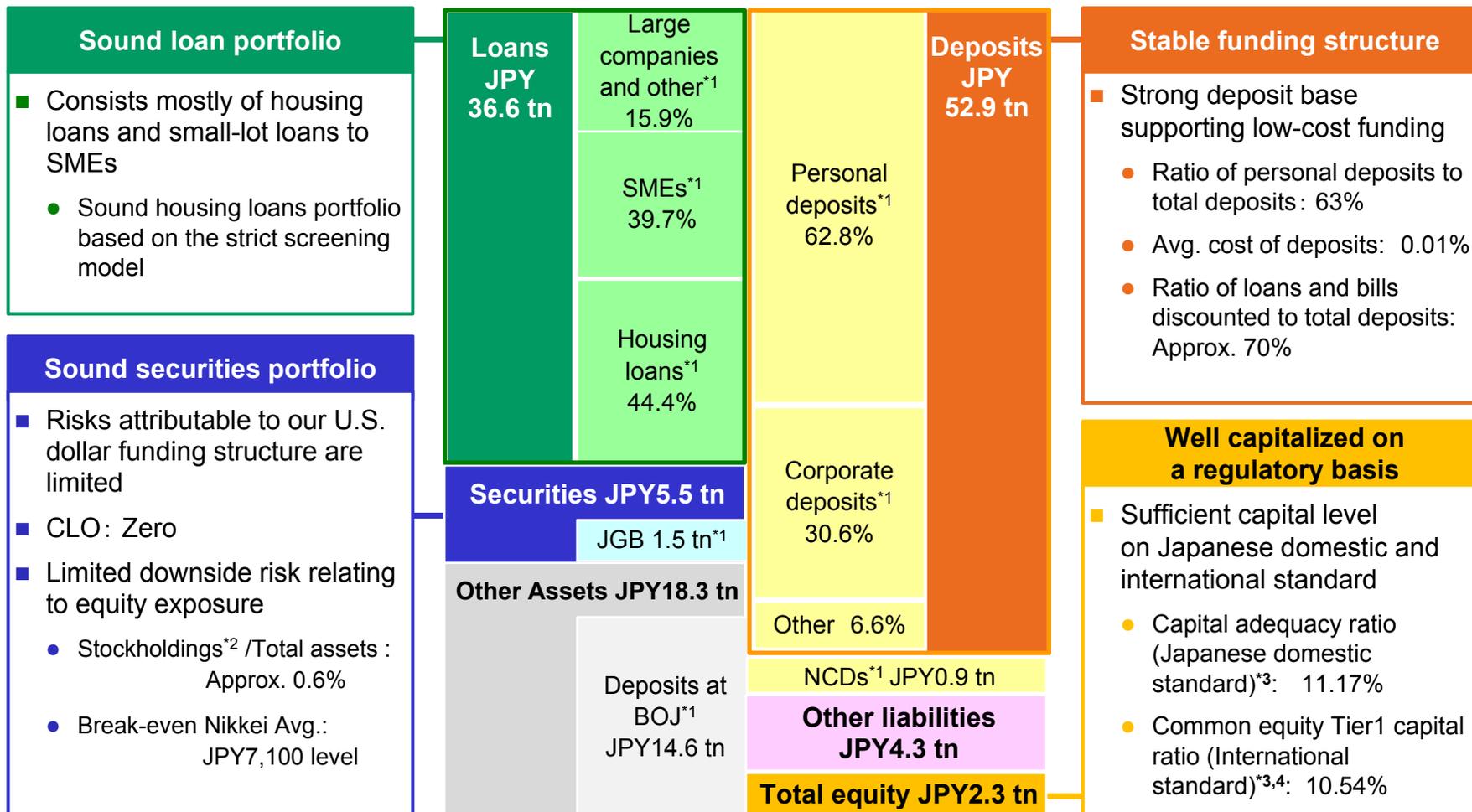
- Bank Resona Perdania (Indonesia)
 - Boasting a business track record spanning more than 60 years and full-fledged banking functions serving locals
- Resona Merchant Bank Asia (Singapore)
 - Lending, M&A assistance, consulting, etc. in ASEAN, Hong Kong and India.
 - Aug. '19 JPY10.0 bn capital increase



- Overseas representative offices
- Resona Merchant Bank Asia
- Bank Resona Perdania (joint venture in Indonesia)
- Resona Indonesia Finance
- Partner banks, etc.
- ★ Offices with Resona Group employees

Structure that is relatively resilient against the negative impact of COVID-19 (As of March 31, 2020)

Total assets JPY60.5 tn



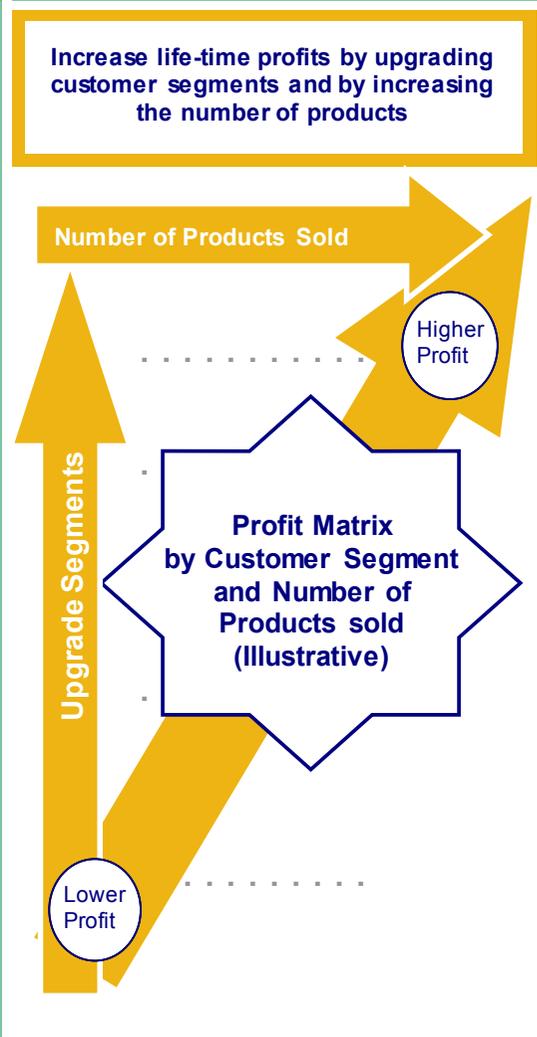
*1. Total of group banks *2. At cost *3. Basel 3, Common Equity Tier1 capital ratio is for a reference purpose only
*4. Exclude unrealized gains on available-for-sale securities

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”

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
	2015/3	2020/3	Change		
Premier AUM or Apartment loan exceeding JPY50 million (1)	51.0	56.5	+ 5.4	73.8	7.52
Housing Loan With housing loan for own home (2)	500.6	530.2	+ 29.6	27.4	4.80
Asset Management AUM exceeding JPY10 million (3)	633.9	702.0	+ 68.0	5.1	4.71
Potential I AUM exceeding JPY5 million (4)	697.6	734.9	+ 37.3	1.7	3.60
Potential II AUM below JPY 5 million/ 3 or more products sold (5)	4,305.8	4,634.3	+ 328.4	* 1	3.98
Resona Loyal Customers (RLCs) (6)	6,189.1	6,658.1	+ 468.9	4.2	4.11
Potential III AUM below JPY 5 million/ 2 or fewer products sold (7)	5,168.2	4,537.4	(630.7)	0.1	1.65



* 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 (FY2019)

(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	YoY Change			
				YoY Change			YoY Change	YoY Change	YoY Change						
Customer Divisions (1)	31.2	14.7%	65.4%	9.1%	140.6	(33.4)	157.3	(13.1)	455.6	(13.4)	(298.3)	+0.3	(16.7)	(20.2)	
Personal Banking (2)	21.9	24.1%	77.5%	9.1%	41.8	(12.3)	44.0	(8.8)	196.1	(9.8)	(152.0)	+0.9	(2.1)	(3.4)	
Corporate Banking (3)	9.3	12.6%	56.3%	9.1%	98.7	(21.1)	113.3	(4.2)	259.5	(3.6)	(146.2)	(0.6)	(14.5)	(16.8)	
Markets (4)	39.5	45.1%	14.8%	14.5%	53.0	+34.3	53.0	+34.3	62.2	+35.0	(9.2)	(0.6)	-	-	
KMFG (5)	(30.5)	4.8%	79.7%	7.9%	22.6	(2.3)	28.8	(1.1)	142.4	(3.9)	(113.6)	+2.8	(6.2)	(1.1)	
Total ^{*2} (6)	(32.9)	11.1%	63.7%	8.7%	214.4	(4.7)	237.4	+16.9	654.1	+15.1	(417.1)	+3.4	(22.9)	(21.6)	

*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'19 (Mar.31 2020)	10.8	(3.6)
Resona Card Co., Ltd. (2)	Credit card Credit guarantee 1.5 million card members	Resona Holdings 77.5% Credit Saison 22.4%	FY'19 (Mar.31 2020)	1.5	+0.1
Resona Kessai Service Co., Ltd. (3)	Collection service Factoring Collection services with 50 million cases annually	Resona Holdings 100%	FY'19 (Mar.31 2020)	0.8	+0.3
Resona Research Institute Co., Ltd. (4)	Business consulting service Management consulting with 800 project annually	Resona Holdings 100%	FY'19 (Mar.31 2020)	0.1	(0.0)
Resona Capital Co., Ltd. (5)	Venture capital IPO support, SME business succession, re-growth support	Resona Holdings 100%	FY'19 (Mar.31 2020)	0.0	(0.0)
Resona Business Service Co., Ltd. (6)	Back office work Employment agency Practices quick and accurate operations	Resona Holdings 100%	FY'19 (Mar.31 2020)	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'19 (Mar.31 2020)	1.7	+1.6
Total (7 Companies)				15.2	(1.6)

Major consolidated overseas subsidiaries

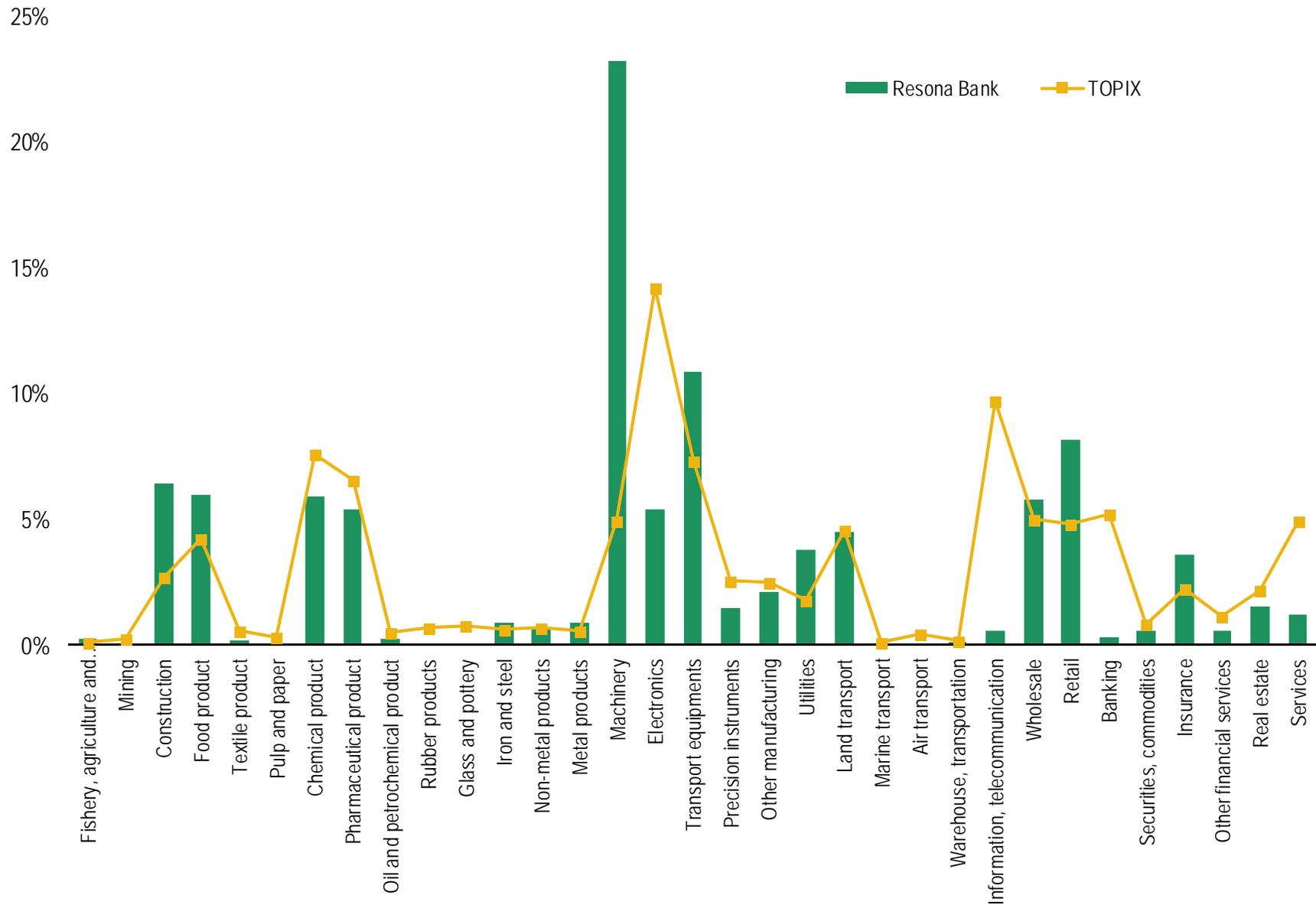
Name	Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change
P.T. Bank Resona Perdania (8)	Banking business (Indonesia) Oldest Japan-affiliated bank in Indonesia	Resona Group 48.4% (Effective control approach)	FY'19 (Dec.31 2019)	0.5	+0.4
P.T. Resona Indonesia Finance (9)	Leasing business (Indonesia)	Resona Group 100%	FY'19 (Dec.31 2019)	(0.5)	(0.5)
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'19 (Dec.31 2019)	(0.0)	+0.5
Total (3 Companies)				(0.0)	+0.4

Affiliated companies 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'19 (Mar.31 2020)	0.5	(0.0)
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'19 (Mar.31 2020)	0.4	+0.2
D&I Information Systems (13)	IT system development Became affiliated company accounted for by the equity method in Jul. 2018; responsible for the leasing business of the group	Resona Holdings 15% IBM Japan 85%	FY'19 (Dec.31 2019)	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'19 (Mar.31 2020)	0.9	(0.1)
DFL Lease (15)	Leasing business	Resona Holdings 20% Mitsubishi UFJ Lease & Finance 80%	FY'19 (Mar.31 2020)	0.5	(0.0)
Total (5 Companies)				2.8	(0.0)

* 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, 2020)



(Balance sheet amount)

Swap Positions by Remaining Periods

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

(JPY bn)

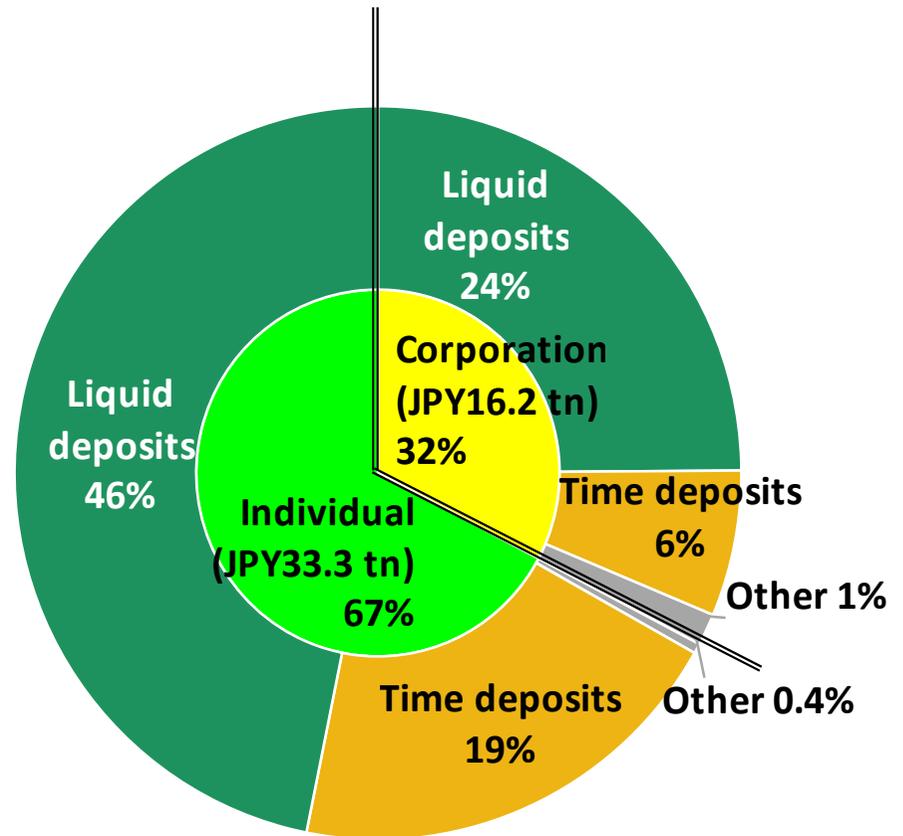
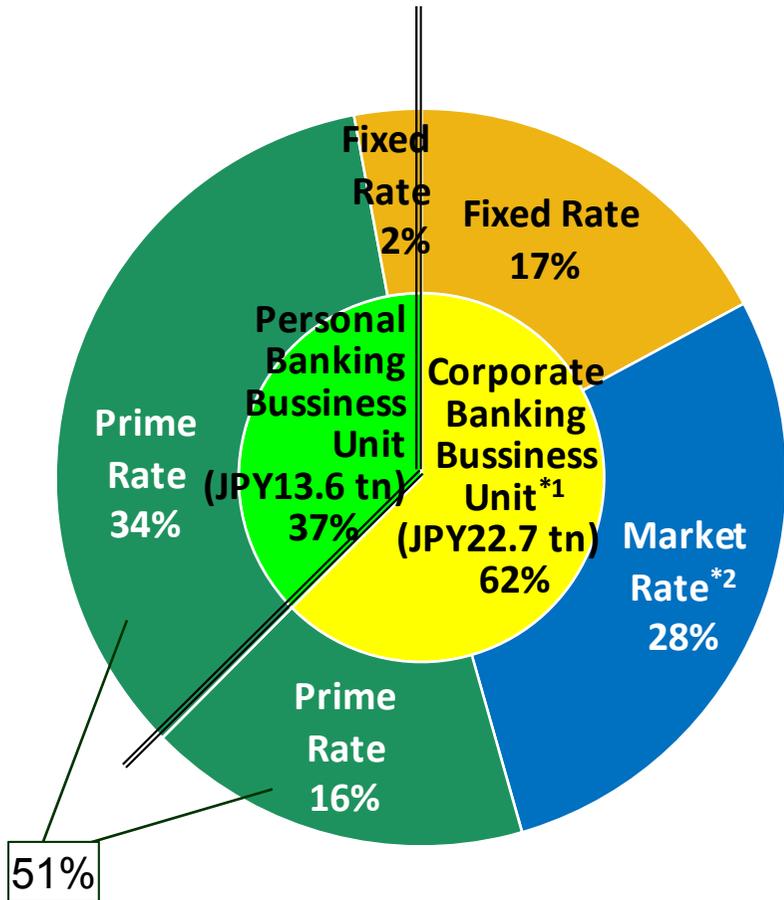
		Mar. 31, 2020				Mar. 31, 2019			
		Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/ Pay floating rate	(1)	150.0	890.0	400.0	1,440.0	215.0	910.0	530.0	1,655.0
Receive floating rate/ Pay fixed rate	(2)	230.4	418.0	364.7	1,013.2	57.6	473.1	546.6	1,077.3
Net position to receive fixed rate	(3)	(80.4)	471.9	35.2	426.7	157.3	436.8	(16.6)	577.6

Composition of Loan Portfolio and Deposits (March 31, 2020)

Total of
Group 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 2019]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate (1)		1.0%	1.0%	6.1%	15.2%	23.5%
Prime rate-based (2)		45.6%	0.0%			45.7%
Market rate-based (3)		29.7%	1.0%			30.7%
Total (4)		76.4%	2.1%	6.1%	15.2%	100.0%

Loans maturing
within 1 year

78.5%

[End of March 2020]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate (5)		0.9%	0.8%	6.1%	14.1%	22.0%
Prime rate-based (6)		45.6%	0.0%			45.6%
Market rate-based (7)		31.2%	0.9%			32.2%
Total (8)		77.8%	1.8%	6.1%	14.1%	100.0%

Loans maturing
within 1 year

79.7%

[Change in FY2019]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate (9)		(0.0)%	(0.1)%	(0.0)%	(1.1)%	(1.4)%
Prime rate-based (10)		(0.0)%	(0.0)%			(0.0)%
Market rate-based (11)		+1.5%	(0.0)%			+1.4%
Total (12)		+1.3%	(0.2)%	(0.0)%	(1.1)%	-

Loans maturing
within 1 year

+1.2%

Deposits

[End of March 2019]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits (1)		39.7%	1.9%	7.7%	26.9%	76.4%
Time deposits (2)		11.5%	6.4%	4.3%	1.3%	23.5%
Total (3)		51.2%	8.3%	12.0%	28.2%	100.0%

[End of March 2020]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits (4)		40.9%	1.9%	7.8%	27.0%	77.8%
Time deposits (5)		10.8%	6.1%	4.1%	1.0%	22.1%
Total (6)		51.7%	8.1%	11.9%	28.1%	100.0%

[Change in FY2019]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits (7)		+1.2%	+0.0%	+0.0%	+0.1%	+1.3%
Time deposits (8)		(0.6)%	(0.2)%	(0.1)%	(0.2)%	(1.3)%
Total (9)		+0.5%	(0.2)%	(0.0)%	(0.1)%	-

Migrations of Borrowers (1H of FY2019)

■ Exposure amount basis (Migrations of borrowers for 1H of FY2019*1)

		End of September 2019									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2019	Normal	98.5%	0.9%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%	0.0%	-	0.9%
	Other Watch	13.4%	80.7%	0.7%	1.8%	0.1%	0.1%	3.2%	3.2%	0.0%	13.4%	2.7%
	Special Attention	3.4%	5.8%	76.1%	10.9%	0.9%	0.8%	2.0%	2.0%	0.0%	9.3%	12.6%
	Doubtful	1.3%	6.5%	0.4%	82.9%	3.3%	0.5%	5.1%	5.1%	0.0%	8.2%	3.8%
	Effectively Bankrupt	0.2%	0.1%	0.0%	0.6%	88.0%	4.5%	6.7%	6.6%	0.1%	0.9%	4.5%
	Bankrupt	0.0%	0.0%	0.0%	2.2%	0.0%	93.2%	4.5%	0.8%	3.7%	2.2%	-

*1. Above table shows how a borrower belonging to a particular borrower category as of the end of March 2019 migrated to a new category as of the end of September 2019. Percentage points are calculated based on exposure amounts as of the end of March 2019. 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 2019 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

Migrations of Borrowers (2H of FY2019)

■ Exposure amount basis (Migrations of borrowers for 2H of FY2019*1)

		End of March 2020									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of September 2019	Normal	98.4%	0.8%	0.0%	0.0%	0.0%	0.0%	0.7%	0.7%	0.0%	-	0.9%
	Other Watch	6.6%	85.9%	2.2%	1.5%	0.2%	0.1%	3.4%	3.4%	0.0%	6.6%	4.0%
	Special Attention	1.7%	4.6%	66.9%	5.9%	0.1%	0.0%	20.8%	20.8%	0.0%	6.3%	6.0%
	Doubtful	1.5%	5.9%	0.4%	79.7%	6.7%	2.0%	3.9%	3.9%	0.0%	7.8%	8.6%
	Effectively Bankrupt	0.1%	0.1%	0.0%	0.2%	78.3%	8.1%	13.3%	3.7%	9.6%	0.3%	8.1%
	Bankrupt	0.0%	0.0%	0.0%	1.5%	0.0%	86.3%	12.2%	0.5%	11.7%	1.5%	-

*1. Above table shows how a borrower belonging to a particular borrower category as of the end of September 2019 migrated to a new category as of the end of March 2020. Percentage points are calculated based on exposure amounts as of the end of September 2019. 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 2020 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

List of Subordinated Bonds (March 31, 2020)

RB

Amount outstanding	Issue date	Maturity	Dividend rate
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

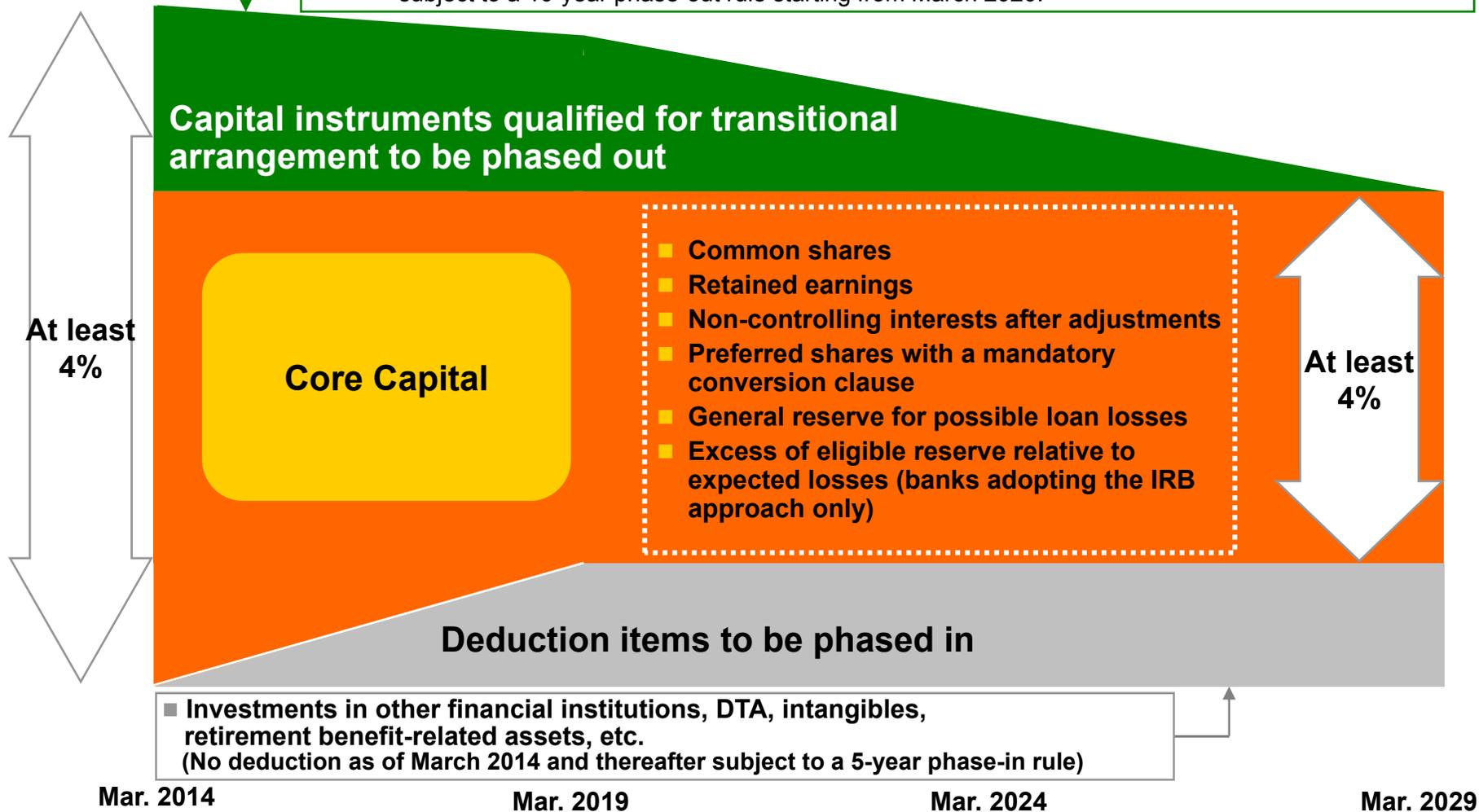
Major items of financial regulation being discussed internationally / Impact on Resona

- With Basel 3 finalized, local authorities are currently formulating the domestic rules.
- At present there is no regulation which cause serious impacts on Resona.

Major regulatory items	Outline of regulation	Important updates
Finalization of Basel 3 <ul style="list-style-type: none"> • Review of Standardized Approach (SA) (Credit and operational risks) • Review of IRB approach • Capital floor based on SA 	Reviewing credit risk calculation method to enhance the risks sensitivity and improve comparability. Reviewing operational risk calculation method to reflect loss data. New capital floor rule requiring a reference to the SA (final output floor calibration : 72.5%).	<ul style="list-style-type: none"> • The Implementation date has been deferred by one year to 2023. • Common Equity Tier 1 (CET1) capital ratio based on finalized Basel 3 (excluding net unrealized gains on available-for-sale securities) is around 9.1%※ ※Trial calculation to CET1 capital ratio of 10.54% as of Mar. 31, 2020 by only taking in consideration the estimated increase in RWAs due to the finalization of Basel 3 (SA and capital floor revisions, fully phased-in basis).
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 are applicable to banks subject to the International standard. • 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)	To strengthen the interest rate risk management by measuring the decline in economic value of equity (Δ EVE) and net interest income (Δ NI) under certain interest rate shock scenarios.	<ul style="list-style-type: none"> • Pillar 2 regulation. The threshold of ΔEVE is set at within 15% of Tier 1 capital (in case of domestic standard banks, within 20% of Total capital), the figures are within the threshold.
Derivatives-related (Margin requirements, SA-CCR, CVA, etc.)	Requiring banks to pay/receive margins for OTC derivatives not to be cleared by CCP, reviewing the calculation method of derivatives exposure and CVA.	<ul style="list-style-type: none"> • Resona is subject to variable margin requirements from March 2017. Initial margin requirements are scheduled to be introduced after September 2021. • Adoption of SA-CCR (Standardized Approach) is optional for the time being. • Accounting CVA will be introduced from the first quarter of 2021.
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 are applicable to G-SIBs/D-SIBs, and banks subject to the International standard. • TLAC was implemented in 2019 which is applicable to SIBs.

Outline of Eligible Capital under the Japanese Domestic Std.

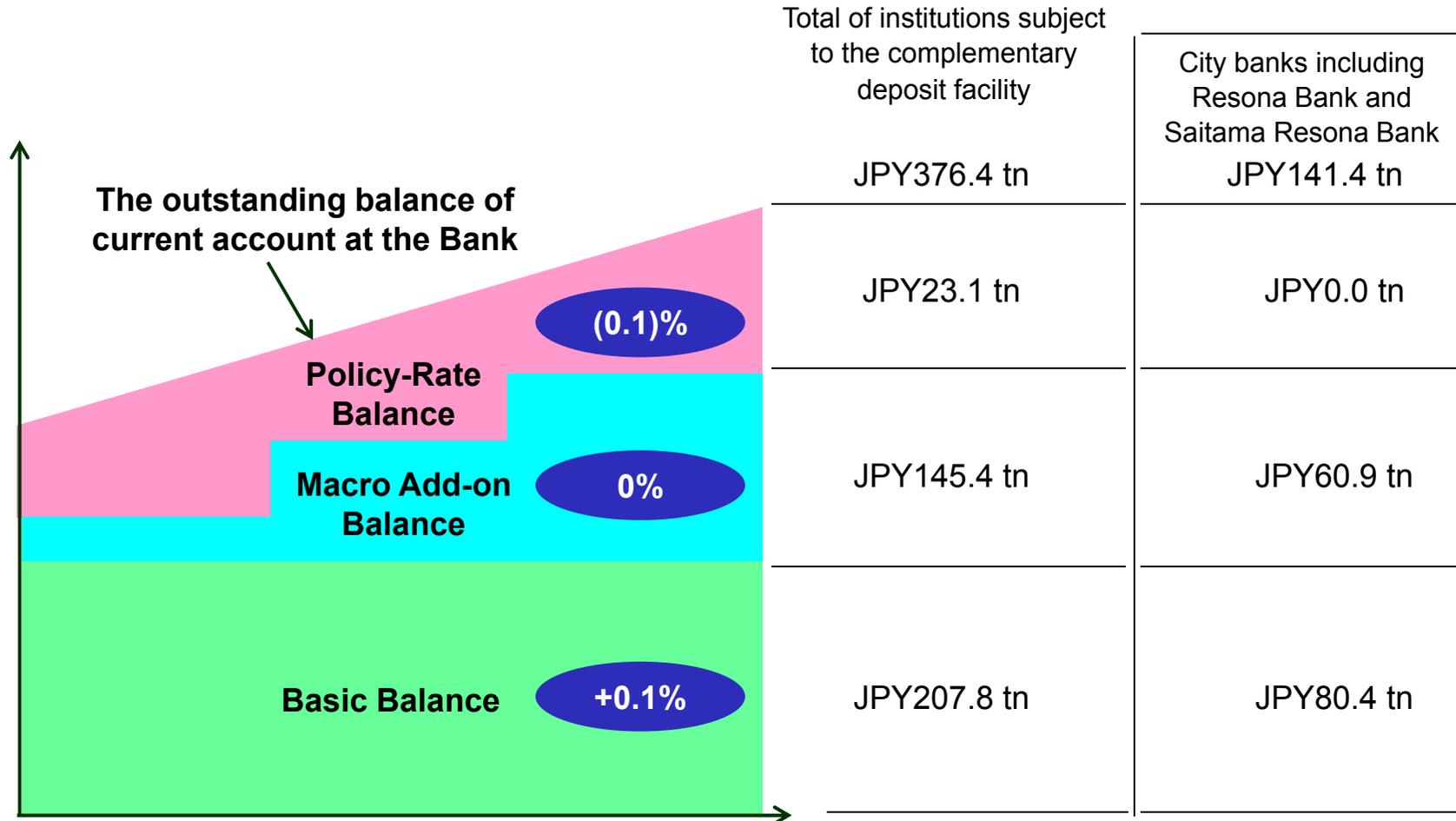
- **Subordinated debts, preferred securities and non-convertible preferred shares**
 - Subordinated debts and preferred securities issued under the Basel 2 can be fully included in Core Capital as of the end of March 2014. These grandfathering items are subject to a 10-year phase-out rule starting from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



*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. Bank of Japan

Long Term Business Results

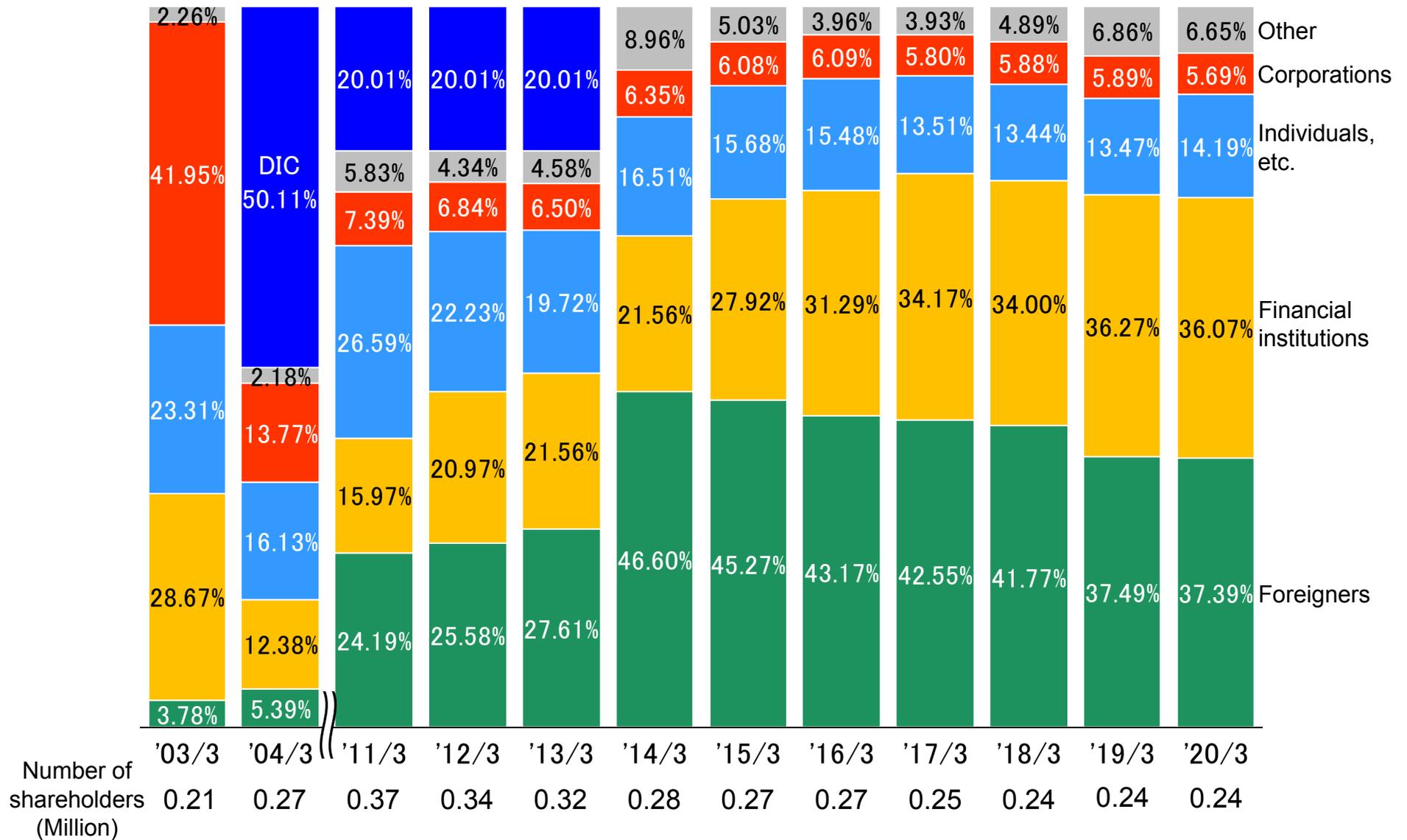
		3 banks (RB,SR,KO)							After KMFG integration				
		(JPY bn)	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2017	FY2018	FY2019
PL	Consolidated	Gross operating profit	667.0	655.2	637.1	608.5	632.4	619.5	563.1	552.5	661.3	644.1	658.6
		Net interest income	484.0	463.9	443.0	430.0	425.9	401.3	377.9	368.3	454.2	435.9	431.1
		Fee incomes ^{*1}	146.8	143.1	150.6	158.7	169.2	168.7	160.6	168.0	187.7	193.8	190.2
		Operating expenses	(369.4)	(360.9)	(361.6)	(348.4)	(357.7)	(347.5)	(362.4)	(360.6)	(442.6)	(439.4)	(426.5)
		Net gains/(losses) on stocks	(0.8)	2.3	(7.5)	22.6	44.5	(6.5)	25.1	16.7	21.4	10.1	0.5
		Credit related expenses	(61.5)	(13.8)	13.0	26.4	22.3	(25.8)	17.4	14.7	10.1	(1.3)	(22.9)
		Net income attributable to owners of the parent	160.0	253.6	275.1	220.6	211.4	183.8	161.4	236.2	244.2	175.1	152.4
BS	Total of group banks	Term end loan balance	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	36,738.2
		Loans to SMEs and individuals	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	31,318.9
		Housing loans ^{*2}	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	16,342.6
		Residential housing loans	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	12,912.2
		NPL ratio	2.43%	2.32%	2.06%	1.74%	1.51%	1.51%	1.35%	1.18%	1.26%	1.18%	1.14%
		Stocks (Acquisition amount basis)	351.3	342.1	336.9	331.6	330.6	351.5	348.3	343.8	365.4	353.8	336.9
		Unrealized gains/(losses) on available-for-sale securities	92.6	131.5	257.5	332.8	573.1	460.1	555.4	649.4	672.8	598.3	420.7
Business	Total of group banks	Balance of Investment products sold to individuals	3,125.6	3,177.2	3,492.5	3,538.9	3,791.5	3,751.7	3,645.7	3,618.6	4,569.7	4,762.3	4,585.8
		Investment trust/ Fund wrap	1,956.8	1,827.1	1,951.9	1,915.3	2,070.9	1,871.1	1,759.3	1,733.7	2,178.4	2,222.4	2,017.0
		Insurance	1,168.8	1,350.1	1,540.6	1,623.5	1,720.6	1,880.6	1,886.3	1,884.9	2,391.2	2,539.8	2,568.7
		Housing loan ^{*2}	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	1,506.3
		Residential housing loans	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	1,232.7
		Real estate business	6.6	7.7	7.8	8.3	11.2	13.5	13.7	13.1	13.1	13.3	12.5
Remaining public fund balance			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

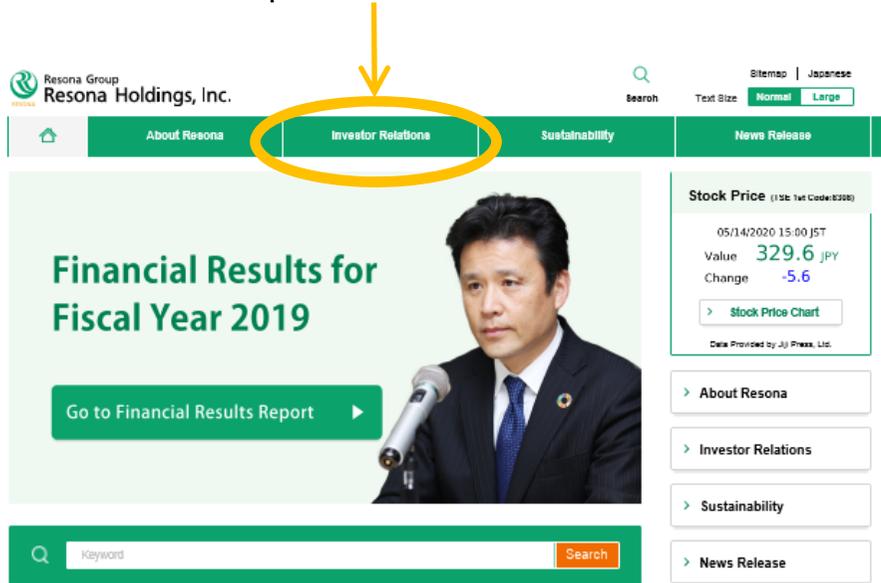


Proactively Communicating with Our Shareholders and Investors

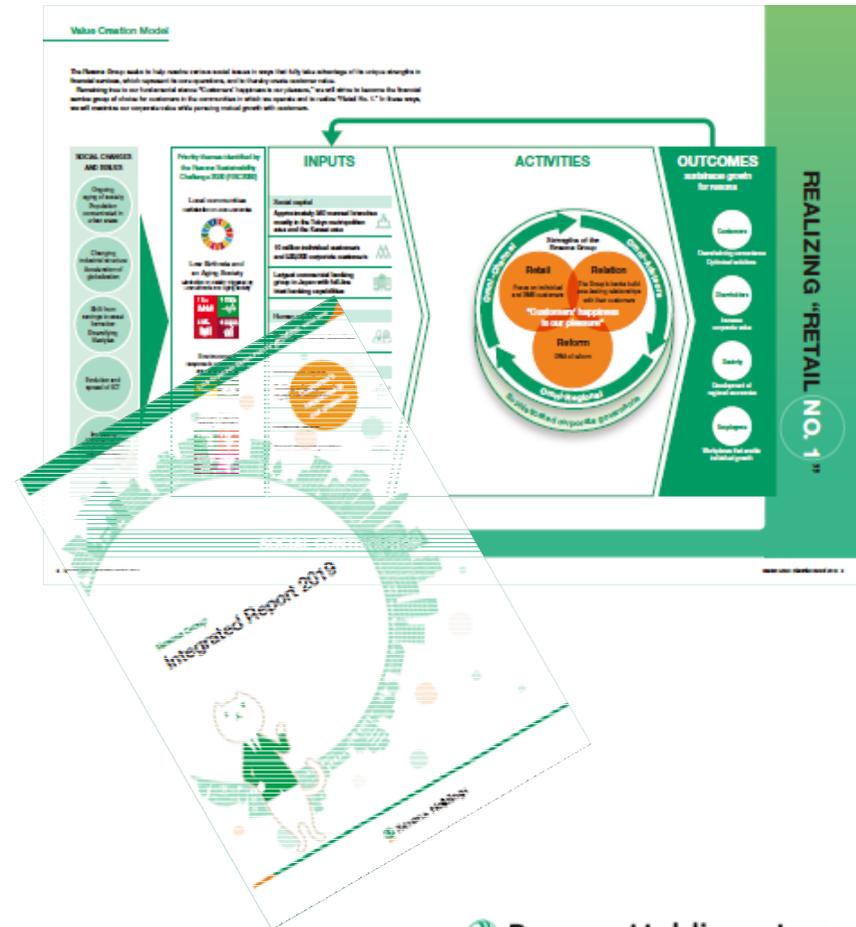
Resona Group HP
<https://www.resona-gr.co.jp/holdings/english/index.html>

Integrated Report of Resona Group

View IR presentation material from here



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



News Release

- May. 12, 2020 > [New Medium-term Management Plan](#)
- May. 12, 2020 > [Announcement of Financial Results for Fiscal Year 2019](#)
- May. 12, 2020 > [Notice Concerning Introduction of New Performance-Based Stock Compensation Program for Company Group Officers](#)
- Apr. 30, 2020 > [Announcement Regarding the Revision of Earnings Targets for the Fiscal Year 2019 of Resona Holdings, Inc. and its Consolidated Subsidiary, Kansai Mirai Financial Group, Inc.](#)
- Mar. 31, 2020 > [Notice regarding recording of valuation loss on shares of subsidiary \(as an extraordinary loss\) in the Non-consolidated financial statements](#)