
Financial Results for FY 2013
Financial Highlights



RESONA

May 13, 2014



Resona Holdings, Inc.

I. Financial Highlights for FY2013

Posted Y220.6 bn of consolidated net income (Pages 1-2)

- ⇒ Decreased by Y54.4bn (-19.8%) YoY, but exceeded forecast by Y35.6 bn (+19.2%)
- ⇒ Y35.6 bn increase YoY with an adjustment of one-time tax-related gain (Y90.1 bn) posted in the previous year
- Net gains on stocks improved by Y30.1 bn YoY and exceeded the forecast by Y2.3 bn (total of 3 group banks)
- Net credit-related expenses improved by Y13.4 bn YoY and Y41.6 bn from the forecast (total of 3 group banks)

Core businesses flourished, but market division receded (Pages 3-4)

- ⇒ Actual net operating profit (total of 3 group banks) declined by Y23.3 bn (-9.5%) YoY and Y10.4 bn (-4.4%) from the forecast
- ⇒ Increase in trust fees and fees & commission income (Y10.0bn) and reduction in operating expenses (Y2.9bn) made up for a decline in net interest income (Y12.0bn)
- Consolidated loan balance grew by over Y200.0 bn YoY, two years in a row
- Financial product sale: Investment trust sale exceeded Y1 tn, renewing the post-Lehman crisis record
- Asset/business succession business flourished while real estate mediation business expanded
- ⇒ Net gains on bonds (total of 3 group banks) declined Y23.2 bn YoY
- ⇒ Implemented portfolio rebalancing

Maintained soundness in asset quality (Page 5.7)

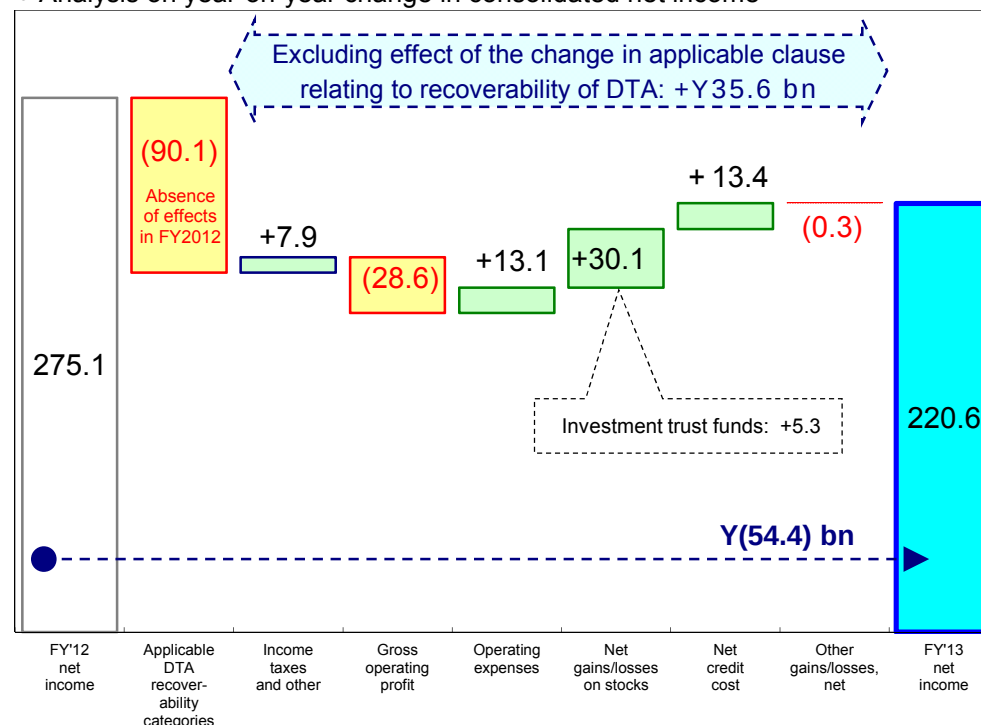
- NPL ratio as of Mar. 31, 2014 at 1.74% (total of 3 group banks), Classified claims (NPL) as of Mar. 31, 2014 reduced to below Y500.0 bn (total of 3 group banks)
- Unrealized gain on available-for-sale securities as of Mar. 31, 2014: Y332.8 bn (total of 3 group banks)
- Consolidated capital adequacy ratio (Domestic Std.): 14.33% (preliminary)
- Consolidated common equity Tier1 ratio (Int'l Std.): 7.73% (reference)

Steady Progress of "Public Funds Full Repayment Plan" (Page 6)

- ⇒ Repaid in total Y515.6 bn* on an infusion amount basis in FY2013
- ⇒ Dividend on common stock increased by 3 yen (+25%) per share (from 12 yen to 15 yen)

* Deposit Insurance Act Preferred Stock: Y254.0 bn, Deposit Insurance Act Common Stock: Y261.6 bn

Analysis on year-on-year change in consolidated net income



Resona Holdings (Consolidated)	FY2013 (Announced in Nov. 2013)		
		YoY change	Change from forecast
Ordinary profit	312.1	+27.0	+42.1
Net income	220.6	(54.4)	+35.6

Resona Holdings (Non-consolidated)	FY2013 (Announced in Nov. 2013)		
		YoY change	Change from forecast
Ordinary profit	444.6	+206.8	+1.6
Net income	445.4	+207.6	+2.4

	Total of 3 group banks (Non-consolidated)			Resona Bank (Non-consolidated)			Saitama Resona Bank (Non-consolidated)			Kininki Osaka Bank (Non-consolidated)		
	FY2013	YoY change	Change from forecast	FY2013	YoY change	Change from forecast	FY2013	YoY change	Change from forecast	FY2013	YoY change	Change from forecast
Gross operating profit	555.2	(26.3)	(7.8)	368.0	(19.8)	(6.0)	135.5	(6.3)	(1.5)	51.7	(0.1)	(0.3)
Operating expenses	(332.6)	+2.9	(2.6)	(219.0)	+1.2	(2.0)	(75.4)	+0.0	(0.9)	(38.1)	+1.7	+0.4
Actual net operating profit*	222.6	(23.3)	(10.4)	148.9	(18.6)	(8.1)	60.0	(6.2)	(2.5)	13.6	+1.5	+0.1
Cost income ratio (after NPL disposal in the trust account)	59.9%	+2.2%		59.5%	+2.7%		55.6%	+2.4%		73.7%	(3.0)%	

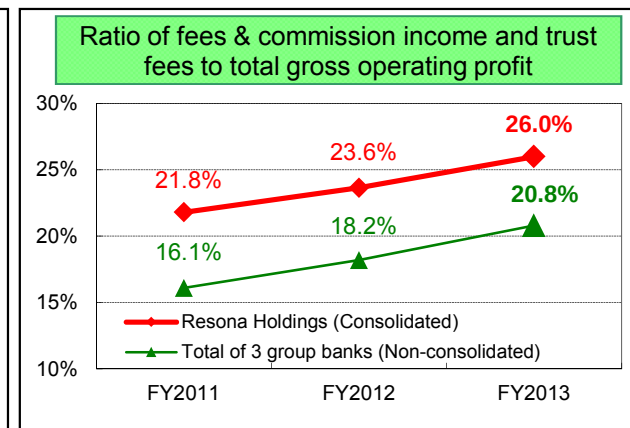
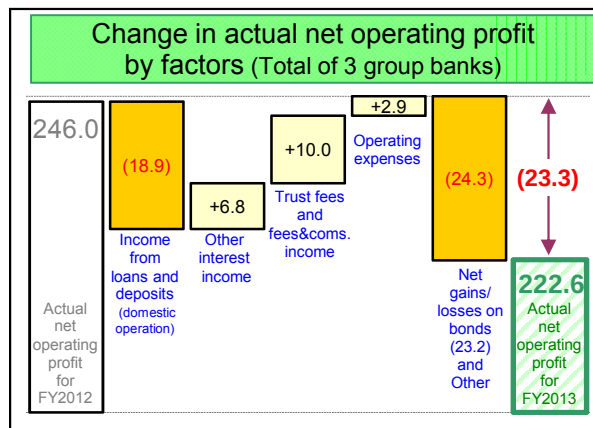
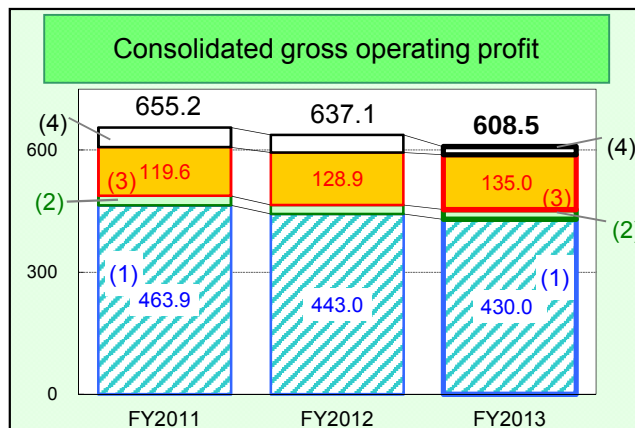
* Actual net operating profit: net operating profit before NPL disposal in the trust account and before provision to general reserve for possible loan losses

Note 1. Amounts less than 0.1 billion yen are rounded down

Note 2. In principle, figures are based on non-consolidated figures of 3 group banks

II. Outline of Financial Results for FY2013

	Resona Holdings (Consolidated)		Difference (A) - (B)	Total of 3 group banks (Non-consolidated)		Resona	Saitama	Kinki Osaka	Factors accounting for the difference (A)-(B) (Approx. figures) RC: Resona Card, RG: Resona Guarantee
	(A)	YoY change		(B)	YoY change	(Non-consolidated)	Resona	(Non-consolidated)	
Gross operating profit	608.5	(28.6)	+53.2	555.2	(26.3)	368.0	135.5	51.7	
(1) Net interest income	430.0	(13.0)	+9.0	420.9	(12.0)	264.1	117.0	39.7	RC 2.7 bn and other
Income from loans and deposits				366.5	(18.9)	229.9	100.5	36.0	Domestic operations, Banking account and Deposits include NCDs
(2) Trust fees	23.7	+2.1	(0.0)	23.7	+2.0	23.7	-	-	
(3) Fees and commission income	135.0	+6.0	+42.8	92.1	+7.9	67.3	17.1	7.6	RG 27.9 bn, RC 14.0 bn and other
(4) Other operating income	19.7	(23.7)	+1.2	18.4	(24.3)	12.7	1.3	4.3	
Net gains/(losses) on bonds	7.2	(23.2)	-	7.2	(23.2)	1.8	1.3	3.9	
Actual net operating profit				222.6	(23.3)	148.9	60.0	13.6	Net operating profit before NPL disposal in the trust account and before provision to general reserve for possible loan losses
Operating expenses (including non-recurring items)	(348.4)	+13.1	(17.6)	(330.8)	+12.8	(214.9)	(76.6)	(39.2)	RC (11.1) bn, RG (3.2) bn and other
Net gains/(losses) on stocks	22.6	+30.1	+0.3	22.3	+30.1	20.4	1.0	0.7	
Credit related expenses, net	26.4	+13.4	(0.6)	27.1	+5.6	31.5	(1.1)	(3.2)	RG 1.4 bn, RC (1.4) bn and other
Other gains/(losses), net	2.9	(0.3)	+2.8	0.0	(2.0)	1.2	(0.6)	(0.4)	
Income before income taxes	312.0	+27.7	+38.0	274.0	+20.2	206.3	58.0	9.5	
Income taxes and other	(91.4)	(82.2)	(14.2)	(77.1)	(75.3)	(52.9)	(20.6)	(3.6)	Minority interests in net income (6.8) bn, Income tax of RHD and other (7.4) bn
Net income	220.6	(54.4)	+23.8	196.8	(55.1)	153.4	37.4	5.9	

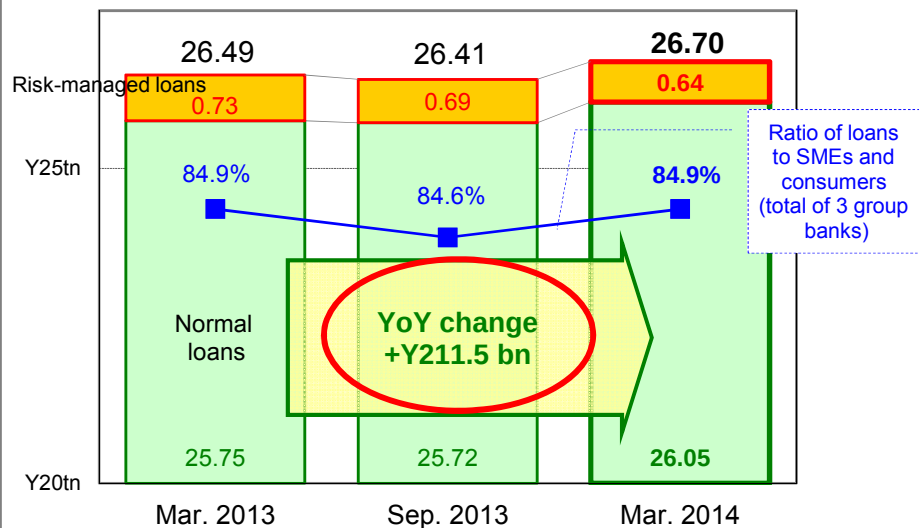


Note 1. Amounts less than 0.1 billion yen are rounded down

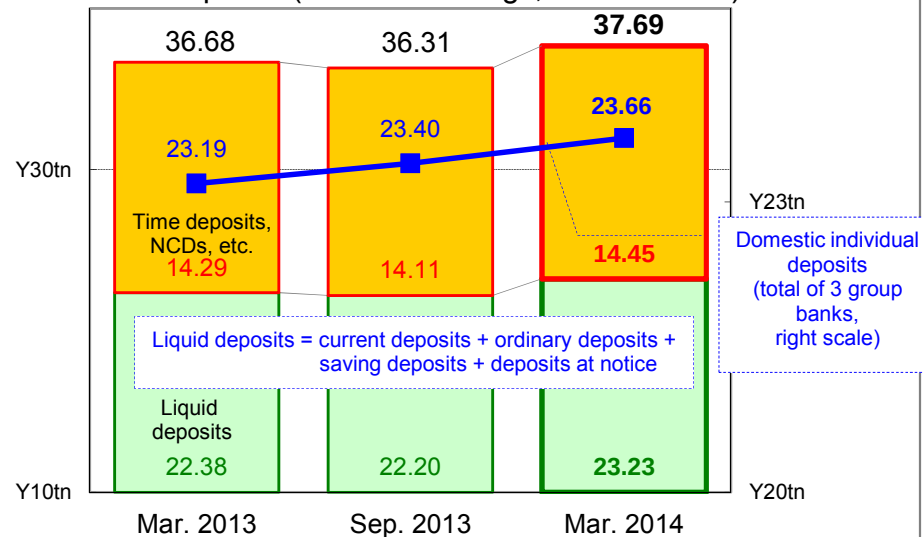
Note 2. In principle, figures are based on non-consolidated figures of 3 group banks

III. Deposits, Loans and Bills discounted

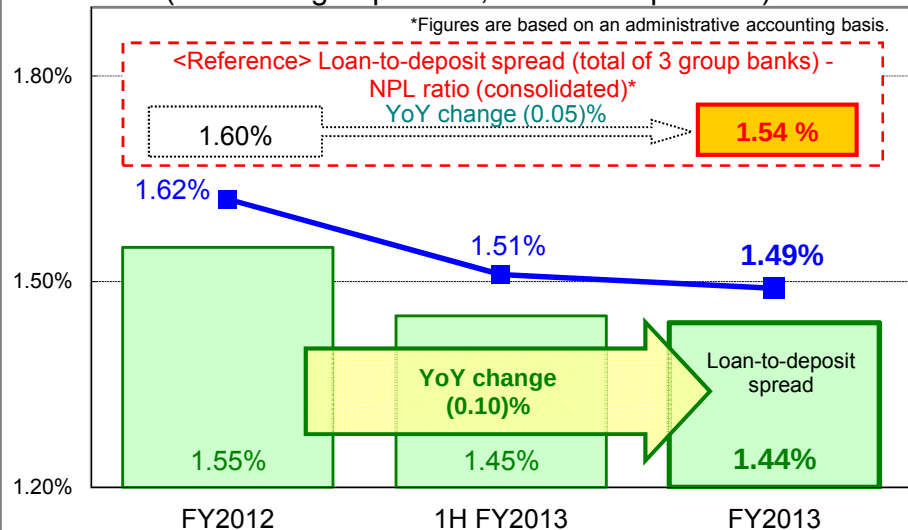
Loans and bills discounted (Resona Holdings, Consolidated)



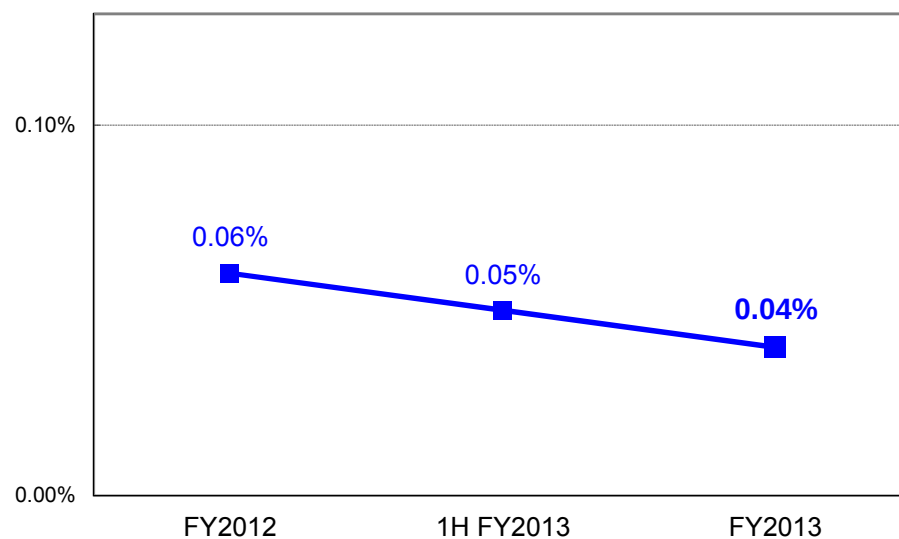
Deposits (Resona Holdings, Consolidated)



Interest rate on loans and bills discounted
(Total of 3 group banks, Domestic operation)



Deposit rate (Total of 3 group banks, Domestic operation)



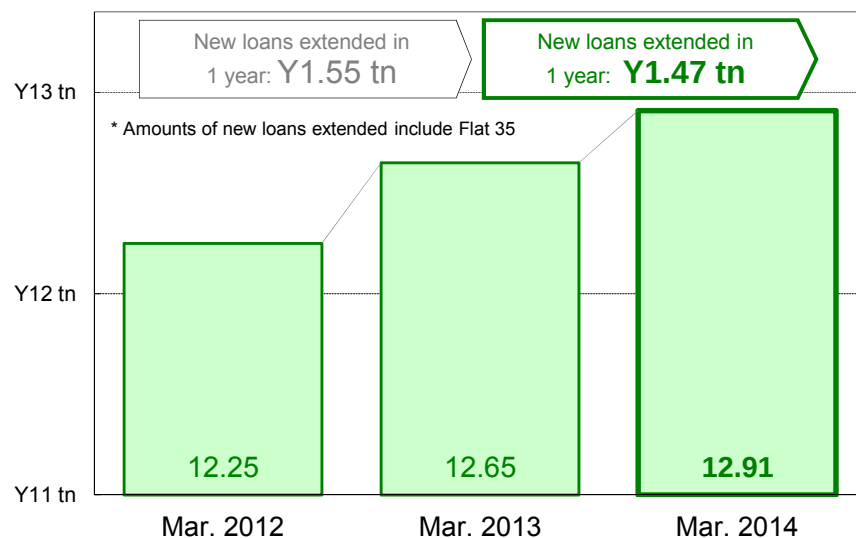
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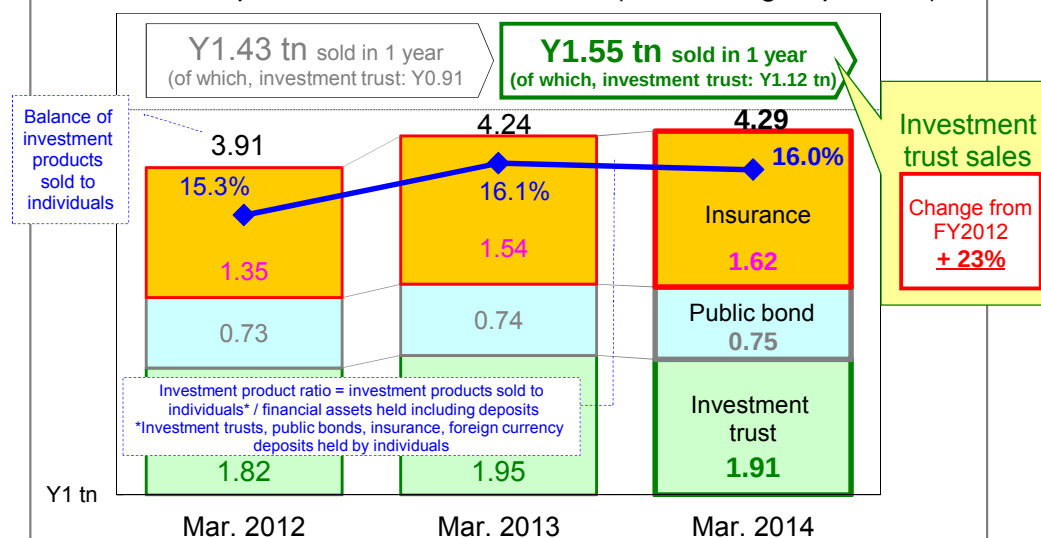
IV. Resona's Core Business ~Leading Field~

*Figures are based on an administrative accounting basis.

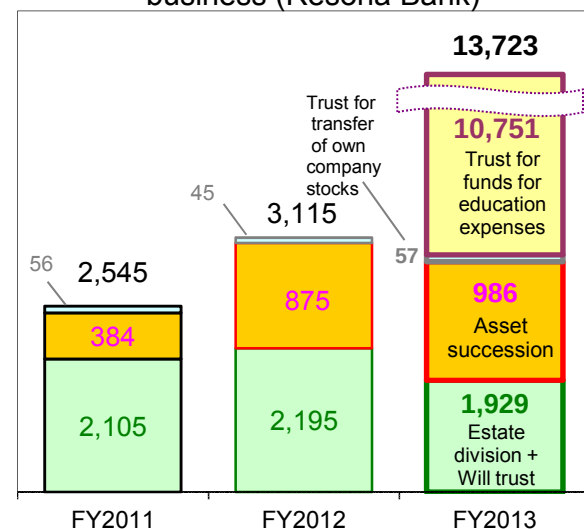
Housing loans (Total of 3 group banks)



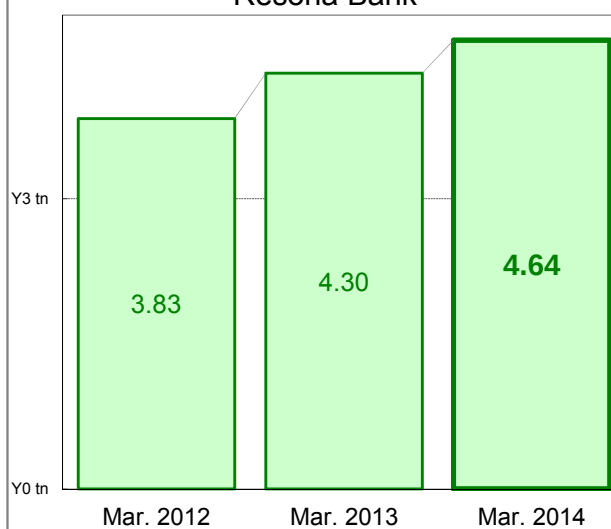
Investment products sold to individuals (Total of 3 group banks)



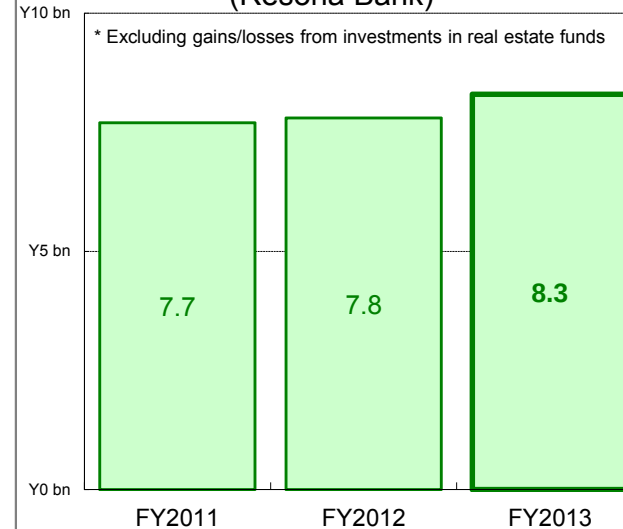
Inheritance/Asset succession Trust business (Resona Bank)



Balance of corporate pension entrusted to Resona Bank



Income from real estate business (Resona Bank)



Note 1. Amounts less than 0.1 billion yen are rounded down

Note 2. In principle, figures are based on non-consolidated figures of 3 group banks

V. Classified Claims (NPL) and Credit Related Expenses

	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Total credit-related expenses	27.1	31.5	(1.1)	(3.2)
Change from Mar. 31, '13	+5.6	+1.9	+1.0	+2.6
(1) New bankruptcy, downward migration	(36.8)	(20.9)	(9.1)	(6.7)
Change from Mar. 31, '13	+8.4	+10.2	(1.5)	(0.2)
(2) Upward migration	8.5	6.3	1.2	0.9
Change from Mar. 31, '13	(16.4)	(16.9)	(0.2)	+0.7
(3) Off-balancing and other	26.9	23.2	3.0	0.5
Change from Mar. 31, '13	+14.6	+8.3	+3.9	+2.3
(4) Provision of general reserve	28.4	22.8	3.7	1.8
Change from Mar. 31, '13	(0.9)	+0.4	(1.0)	(0.2)

- (1) Loss from new bankruptcy or deterioration in borrower category, etc.
(2) Reversal of loan loss reserve due to improvements in borrower category, etc.
(3) Collection of claims from "doubtful" or lower category borrowers, gain from reversal of loan loss reserve due to off-balancing, and gain from recoveries of write-off claims
(4) Net impact of actual transfer to and reversal from general reserve for possible loan losses

	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Unrecoverable or valueless claims	59.1	38.8	11.1	9.1
Risk claims	310.7	177.3	74.8	58.5
Special attention loans	114.4	69.4	24.3	20.6
Total classified claims (NPL)	484.3	285.6	110.3	88.3
Change from Mar. 31, '13	(80.8)	(72.6)	(3.5)	(4.6)
NPL ratio ^{*1}	1.74%	1.55%	1.63%	3.42%
Change from Mar. 31, '13	(0.31)%	(0.41)%	(0.06)%	(0.17)%

*1. NPL ratio = Total classified claims / Total claims defined under the Financial Reconstruction Act.
(Banking and trust accounts) (Total of 3 group banks)

*2. Reported figures do not include stocks issued by subsidiaries and affiliated companies and unlisted stocks.

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

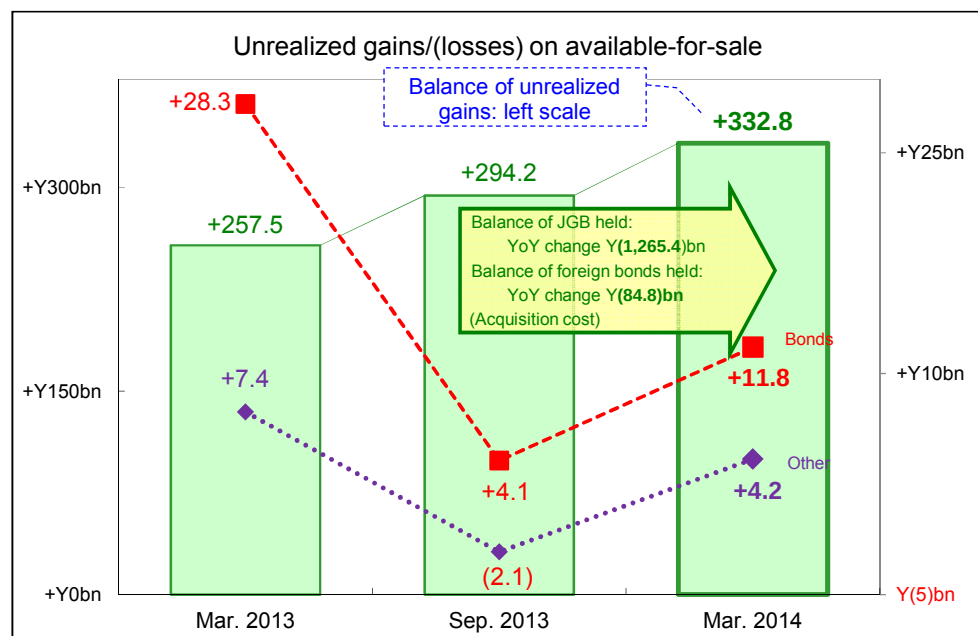
*4. Fair values of floating-rate Japanese government bonds, which are included in "bonds" in "Available-for-sale securities", are based on the reference transaction price statistics prepared by the Japan Securities Dealers Association. These floating-rate JGBs would have ¥1.2 bn of unrealized gain based on the fair values computed with a valuation model utilized for an internal administration purpose.

VI. Unrealized gains/(losses) on securities

(Billions of Yen)

	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Held to maturity	67.8	39.0	21.5	7.1
Available for sale ^{*3}	332.8	251.3	70.3	11.1
Change from Mar. 31, '13	+75.2	+80.1	(4.4)	(0.4)
Bonds ^{*4}	11.8	0.4	8.8	2.5
Floating rate JGBs	0.0	-	0.0	-
Stocks	316.7	249.4	61.4	5.7
Other	4.2	1.4	(0.0)	2.8

Balance of stock held (acquisition cost) ^{*2}	331.6	264.8	62.3	4.4
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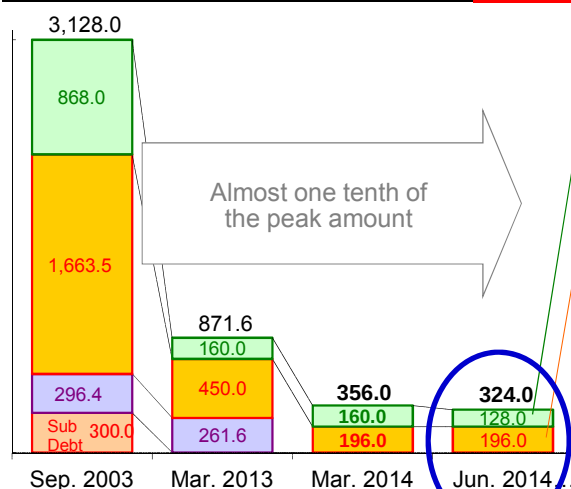


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Note 2. In principle, figures are based on non-consolidated figures of 3 group banks

VII. Status of Public Funds

	Amount Sep. 30, 2003 (1)	Amount Mar. 31, 2014 (2)	(2) - (1)	Time of Repayment
Total public funds received	3,128.0	356.0	(2,772.0)	
Preferred shares	2,531.5	356.0	(2,175.5)	
Early Strengthening Act	868.0	160.0	(708.0)	
Class B	408.0	—	(408.0)	Fully repaid in Mar. '09
Class C	60.0	60.0	—	
Class E	300.0	—	(300.0)	Fully repaid in Mar. '09
Class F	100.0	100.0	—	
Deposit Insurance Act	1,663.5	196.0	(1,467.5)	
Class 1	550.0	—	(550.0)	Fully repaid in Mar. '11
Class 2	563.5	—	(563.5)	Fully repaid in Mar. '11
Class 3	550.0	196.0	(354.0)	Repaid in Feb. '14 and another time
Subordinated debts	300.0	—	(300.0)	
Financial Function Stabilization Act	200.0	—	(200.0)	Fully repaid in Oct. '05
Early Strengthening Act	100.0	—	(100.0)	Fully repaid in Mar. '09
Common shares	296.4	—	(296.4)	Fully repaid in Feb. '14



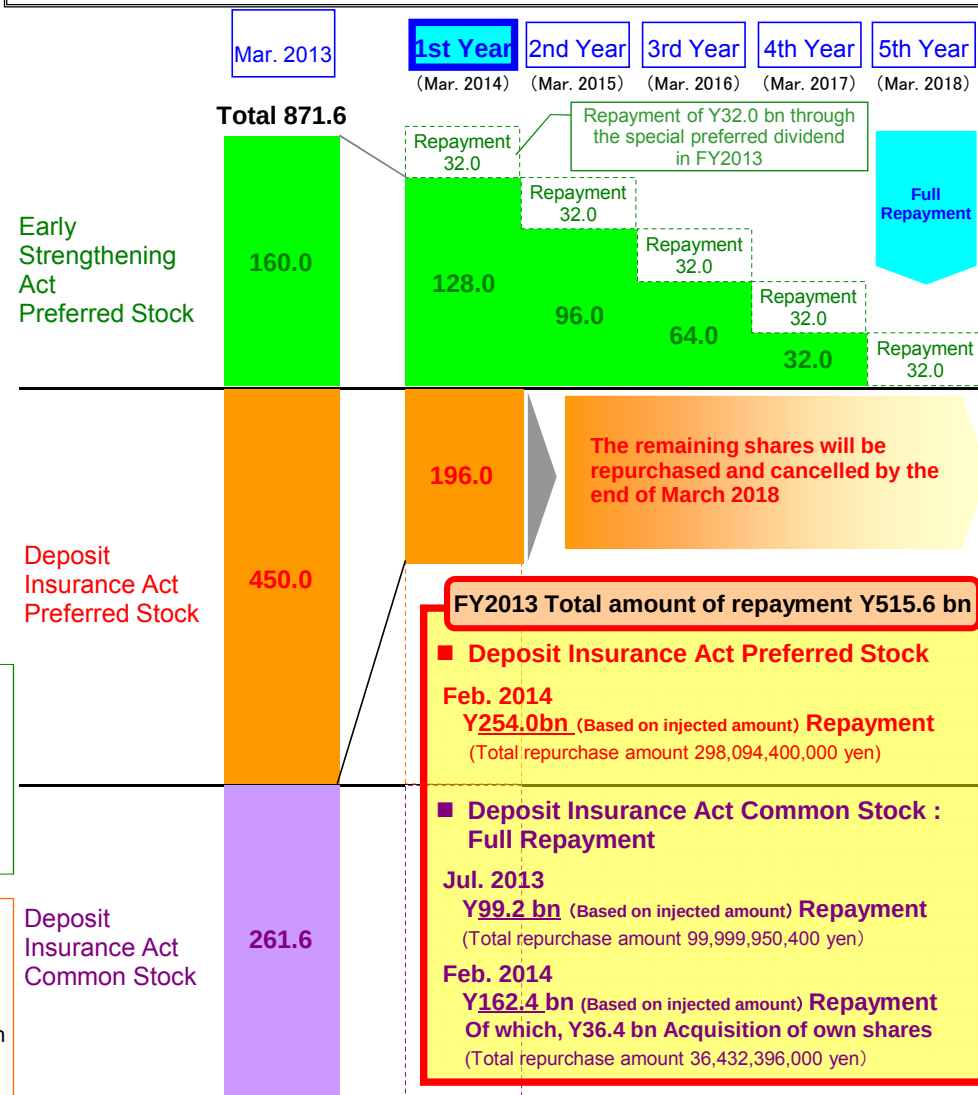
Early Strengthening Act Preferred Stock: Y128.0 bn (Jun. 2014)

- Repayment of Y32.0 bn each year shall be implemented through the special preferred dividend from FY2013

Deposit Insurance Act Common Stock: Y1,960 bn

- The remaining portion is planned to be repaid by March 2018 through repurchase and cancellation

Outline of "Public Funds Full Repayment Plan" (Announced in May 2013) and Progress to Date



(Billions of Yen)

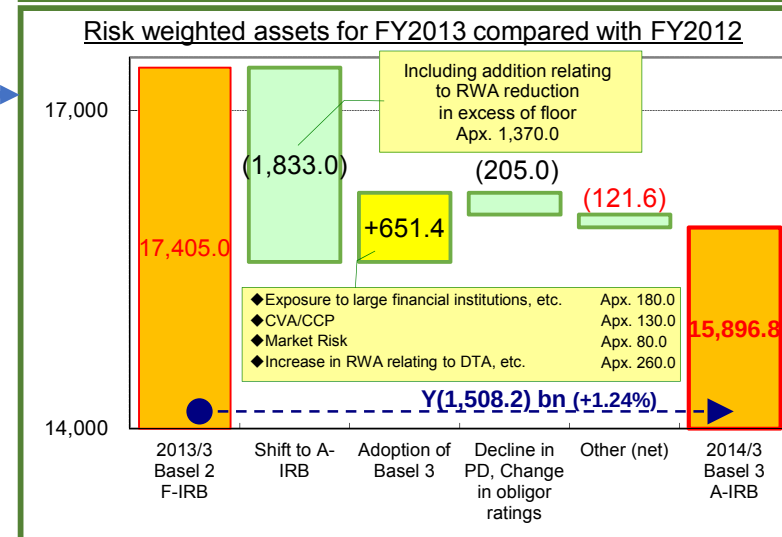
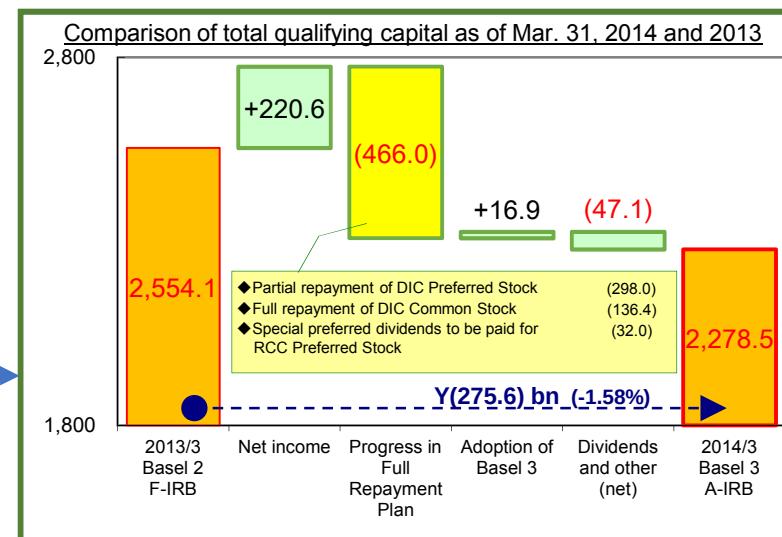
VIII. Capital Adequacy Ratio

Japanese Domestic Standard (Billions of Yen/ %)	Resona Holdings (Consolidated)			Regulatory minimum ratio
	Mar. 2013	Mar. 2014	Change from Mar. '13	
	Basel 2	Basel 3		
Capital adequacy ratio* ¹	14.67%	14.33%	(0.34)%	4.0%
Tier 1 ratio	10.74%			
Total qualifying capital* ²	2,554.1	2,278.5	(275.6)	
Tier 1	1,870.5			
Risk weighted assets* ³	17,405.0	15,896.8	(1,508.2)	

(Reference) International Standard, March 31, 2014

Common Equity Tier 1 ratio	7.73%
Tier 1 ratio	9.38%
Total capital adequacy ratio	13.68%

Japanese Domestic Standard (Billions of Yen/ %)	Resona (Consolidated)		Saitama Resona (Non-consolidated)		Kinki Osaka (Consolidated)	
	Mar. 2013	Mar. 2014	Mar. 2013	Mar. 2014	Mar. 2013	Mar. 2014
	Basel 2	Basel 3	Basel 2	Basel 3	Basel 2	Basel 3
Capital adequacy ratio ^{*1}	13.49%	13.37%	12.46%	13.40%	13.35%	13.20%
Total qualifying capital ^{*2}	1,681.1	1,547.5	428.7	435.5	170.4	176.8
Risk weighted assets ^{*3}	12,456.7	11,572.4	3,440.9	3,248.4	1,275.8	1,338.5



*1. Capital adequacy ratio is calculated in accordance with the Notification on Capital Adequacy.

*2. Resona Group is subject to the Japanese domestic standard and adopted the Basel 3 from Mar. 31, 2014. Total qualifying capital as of Mar. 31, 2014 is based on the core capital defined under the Basel 3.

*3. For the methodology to calculate the credit risk-weighted assets, Resona Holdings, Resona Bank and Saitama Resona Bank started adopting the A-IRB approach effectively from Mar. 31, 2014, instead of the F-IRB approach formerly utilized.

(Billions of Yen)

IX. Earnings Forecasts for Fiscal Year Ending March 31, 2015

	Resona Holdings (Consolidated)		
	Interim forecasts	Full year forecasts	Change from previous year
Consolidated ordinary profit	116.5	231.5	(80.6)
Net (interim) income	74.0	150.0	(70.6)

	Forecast for term-end per share dividend*
Common stock	15 yen
Preferred stock	As pre-determined

* For details of the status of dividend distribution, please refer to the "Consolidated Financial Results for Fiscal Year 2013".

	Resona Holdings (Non-consolidated)		
	Interim forecasts	Full year forecasts	Change from previous year
Operating income	27.0	128.5	(324.9)
Operating profit	23.5	121.5	(325.1)
Ordinary profit	23.5	121.5	(323.1)
Net (interim) income	23.5	121.5	(323.9)

	Total of 3 group banks (approx. figures)				Resona Bank			Saitama Resona Bank			Kinki Osaka Bank		
	Interim Forecasts	Full year forecasts	Change from previous year	Change from BRP	Interim Forecasts	Full year forecasts	Change from previous year	Interim Forecasts	Full year forecasts	Change from previous year	Interim Forecasts	Full year forecasts	Change from previous year
Gross operating profit	278.5	557.0	+1.8	(11.0)	186.0	372.5	+4.5	67.5	135.0	(0.5)	24.5	49.5	(2.2)
Operating expenses	(170.5)	(335.0)	(2.4)	+1.0	(112.0)	(220.5)	(1.5)	(38.5)	(76.5)	(1.1)	(19.5)	(38.5)	(0.4)
Actual net operating profit	108.0	222.0	(0.6)	(10.0)	74.0	152.0	+3.1	29.0	58.5	(1.5)	5.0	11.0	(2.6)
Ordinary profit	103.5	208.0	(68.8)	+15.0	76.0	154.0	(54.4)	25.5	50.0	(8.4)	2.0	4.0	(5.8)
Income before income taxes	98.5	203.0	(71.0)	+11.0	72.0	150.0	(56.3)	25.0	49.5	(8.5)	1.5	3.0	(6.5)
Net (interim) income	65.5	135.0	(61.8)	+14.0	48.0	100.5	(52.9)	16.5	32.0	(5.4)	1.0	2.0	(3.9)
Net gains on stocks	5.0	10.0	(12.3)	+4.0	4.0	9.0	(11.4)	—	—	(1.0)	1.0	1.0	+0.3
Credit related expenses	(12.5)	(25.5)	(52.6)	+22.5	(7.0)	(13.0)	(44.5)	(2.5)	(6.5)	(5.4)	(3.0)	(6.0)	(2.8)

The forward-looking statements contained in this presentation may be subject to material change due to various factors. These factors may include changes in the level of stock price in Japan, any development and change related to the government's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group. These forward-looking statements are not intended to provide any guarantees of the Group's future performance. Please also note that the actual performance may differ from these statements.