

Supplementary Explanatory Material for the Results of 1Q Period of FY 2013



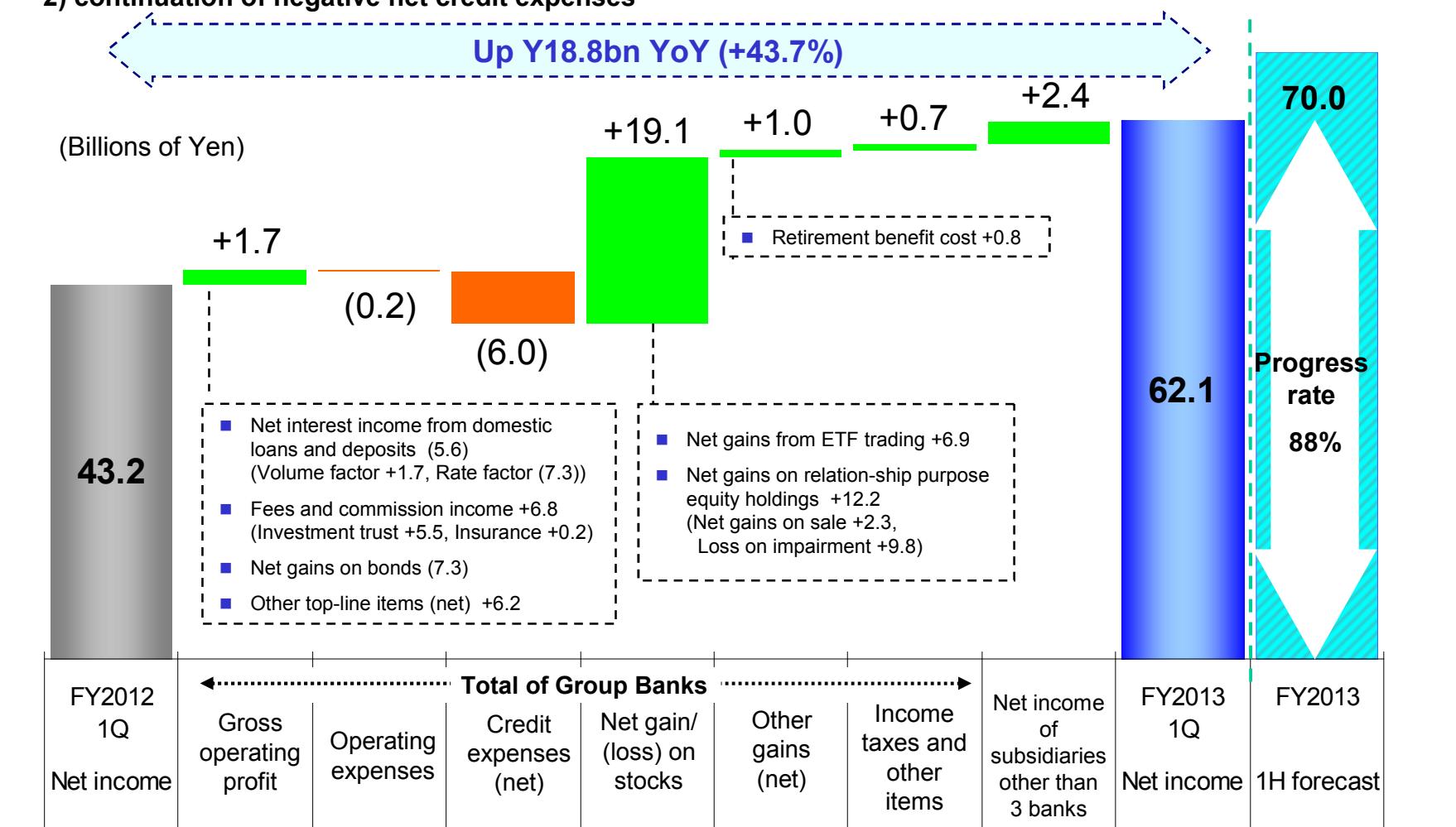
RESONA

July 31, 2013

Resona Holdings

Consolidated Net Income for 1Q FY2013 Compared with 1Q FY2012

- Posted ¥62.1bn of consolidated net income, +¥18.8bn YoY, with a progress rate against 1H forecast being 88%
- Gross operating profit increased by ¥1.7bn YoY with a decrease in net interest income from loans and deposits owing to a spread contraction being more than offset by strong fee income from investment trust sale.
- High progress rate driven by 1) absence of impairment loss on stockholdings incurred in 1Q FY2012 and 2) continuation of negative net credit expenses



Summary of Operating Results for the 1Q Period of FY2013

Total of Group Banks (A) (Amounts in billions of yen)		1Q FY2012	1Q FY2013	Change	Rate of Progress ^{*3}	Comments
(1)	Gross operating profit	143.5	145.3	+1.2%	51.5%	(1) Gross operating profit increased by Y1.7 bn YoY. Progress rate against the 1H guidance is 51.5%
(2)	Net interest income	108.4	104.1	(3.9)%	—	(2) Net interest income decreased by Y4.2 bn YoY, mainly due to a decrease in income from domestic loans and deposits attributable to a contraction of loan-to-deposit spread
(3)	Fees and commission income ^{*1}	24.0	31.0	+29.5%	—	(3) Fees and commission income increased by Y7.0 bn YoY
(4)	Net gains on bonds	12.5	5.2	(58.1)%	—	<ul style="list-style-type: none"> • Sale of investment trust: +Y5.5 bn • Sale of insurance product: +Y0.2 bn
(5)	Other income (net)	(1.4)	4.7	—	—	(4) Net gains on bonds (including hedges) Y8.6 bn, up Y0.5 bn YoY
(6)	Operating expenses	(82.7)	(83.0)	+0.2%	49.7%	(6) Operating expenses remained almost flat due to sustained efforts for further cost savings
(7)	Actual net operating profit ^{*2}	60.7	62.2	+2.5%	54.1%	(7) Actual net operating profit increased by Y1.5 bn YoY with a progress rate against 1H guidance reaching 54.1%
(8)	Net gain/(loss) on stocks	(12.3)	6.8	—	—	(8) Net gain on stocks increased by Y19.1bn, driven by 1) absence of impairment loss posted in 1Q FY2012 and 2) booking of a gain of Y6.3bn from ETF trading
(9)	Credit expense, net	13.2	7.2	—	—	(9) Posted a negative credit expense of Y7.2 bn, primarily owing to a gain from reversal of general reserve for possible loan losses
(10)	Pre-tax income	60.7	76.4	+25.7%	78.7%	(11) Net income increased by Y16.4 bn YoY with a progress rate against 1H guidance reaching 87.2%
(11)	Net income	39.4	55.8	+41.7%	87.2%	
Resona HD Consolidated (B) (Amounts in billions of yen)		1Q FY 2012	1Q FY 2013	Change	Rate of Progress ^{*3}	Comments
(12)	Net Income	43.2	62.1	+43.6%	88.8%	(12) Posted consolidated net income of Y62.1bn, up Y18.8 bn YoY with a progress rate against 1H guidance reaching 88.8%
(13)	Difference (B) – (A)	3.8	6.3	+63.1%	—	

*1. Fees and commission income plus trust fees

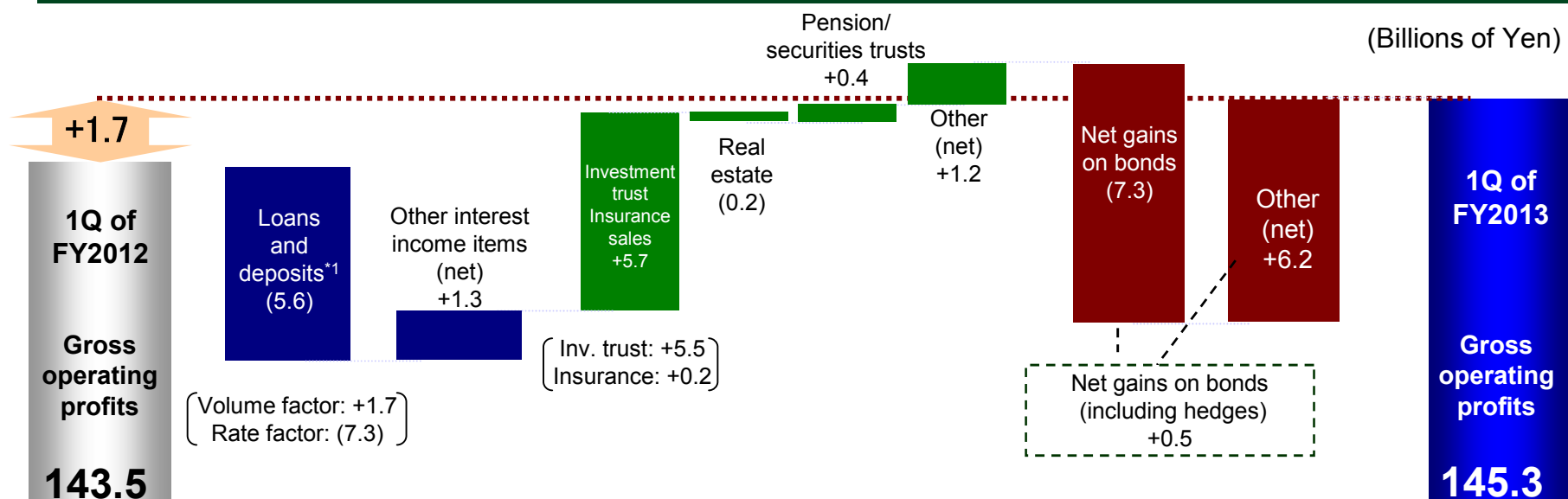
*2. Net operating profit before transfer to general reserve for possible loan losses and expenses related to NPL disposal in the trust account

*3. Rate of progress against the guidance for the 1H of FY2013 announced in May 2013

*4. Figures in parentheses represent items that would reduce net income.

Gross Operating Profits for 1Q FY2013 Compared with 1Q FY2012 (Total of Group Banks)

Gross operating profits has risen by Y1.7bn YoY, primarily driven by strong investment trust sale

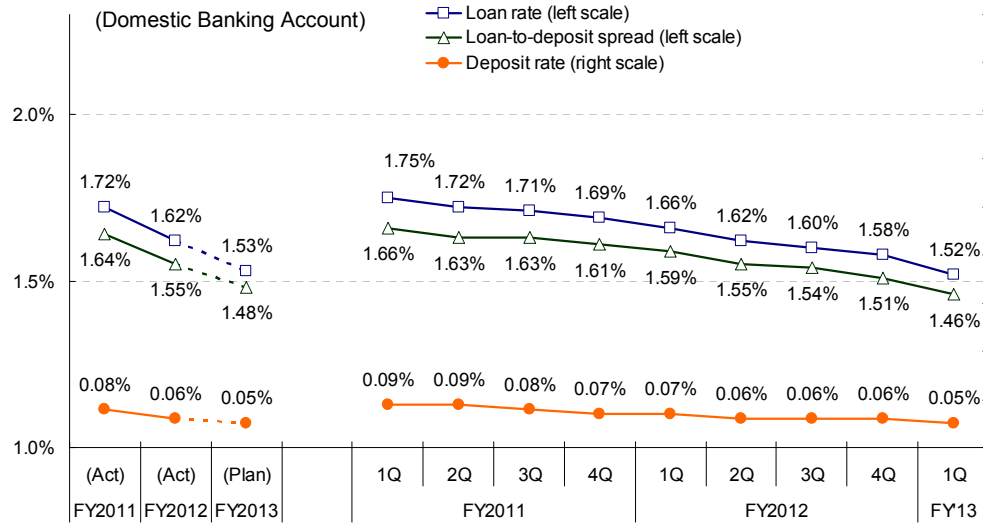


Net interest income: (4.2)			Fees and commission income*2: +7.0			Net gains on bonds and other (net): (1.0)		
1Q period of :	FY2012	FY2013	1Q period of :	FY2012	FY2013	1Q period of :	FY2012	FY2013
Net interest income	108.4	104.1	Fees and commission income*2	24.0	31.0	Net gains on bonds and other (net)	11.0	10.0
Domestic loans and deposits	97.8	92.2	Investment trust and insurance sales	7.9	13.6	Net gains on bonds	12.5	5.2
Other interest income items (net)	10.6	11.9	Real estate (excluding equity investments)	1.1	0.9	Other items (net)	(1.4)	4.7
			Pension and securities trusts	5.2	5.6			
			Other items (net)	9.6	10.8			

*1. Domestic operations (Deposits include NCDs) *2. Fees and commission income plus trust fees

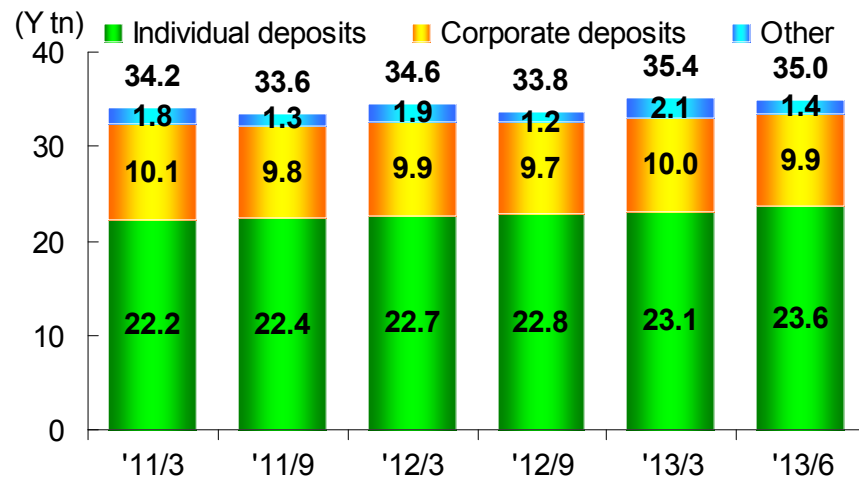
Trend of Loan and Deposit (Total of Group Banks)

Trend of loan and deposit rates and spread

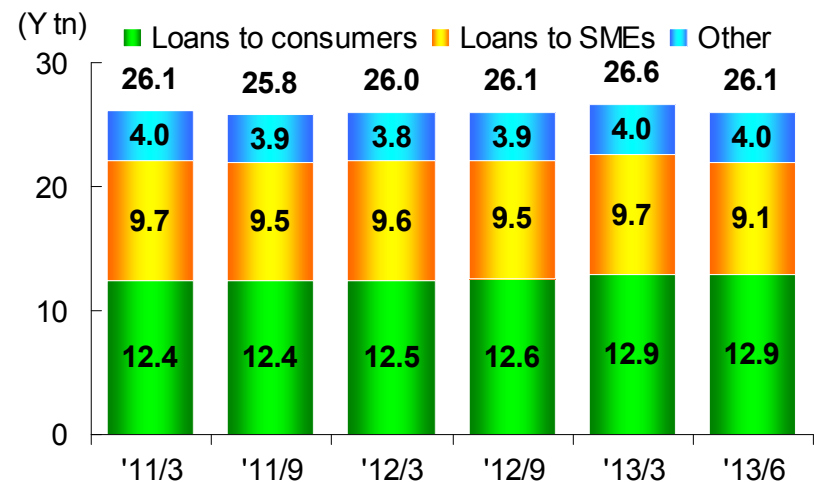


(Trillion Yen)		1Q of FY2012	1Q of FY2013	Change
Loans	Average balance	25.11	25.60	0.48
	Yield	1.66%	1.52%	(0.13)%
Deposits (Including NCDs)	Average balance	34.81	35.93	1.12
	Cost	0.07%	0.05%	(0.01)%
Loan-to-deposit spread		1.59%	1.46%	(0.12)%

Trend of term-end deposit balance



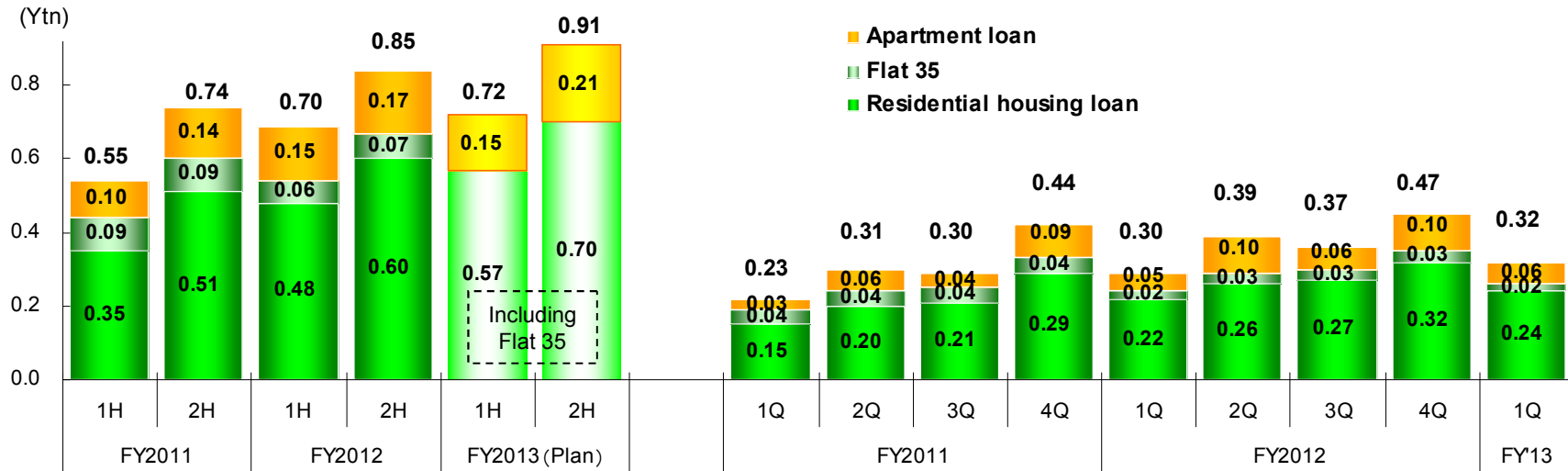
Trend of term-end loan balance



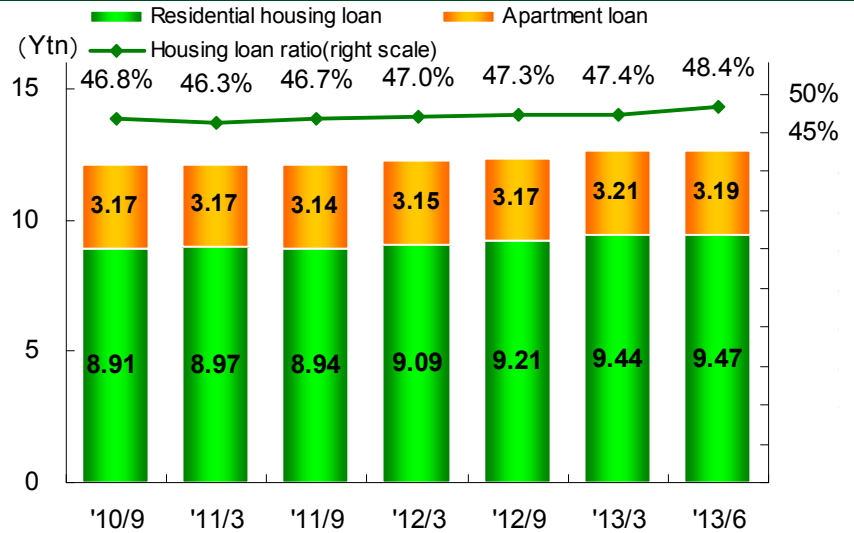
* Include the loan Resona Bank extended to Resona Holdings (Y0.27 trillion as of 2011/3 and 2011/9, Y0.24 trillion as of 2012/3 and 2012/9, Y0.19 trillion as of 2013/3 and Y0.30 trillion as of 2013/6.)

Trend of Housing Loan Business (Total of Group Banks)

Trend of Housing Loan Origination



Trend of Housing Loan Balance



Indices to measure soundness

Ratio of subrogation payment*1

Approx. 0.3-0.4%

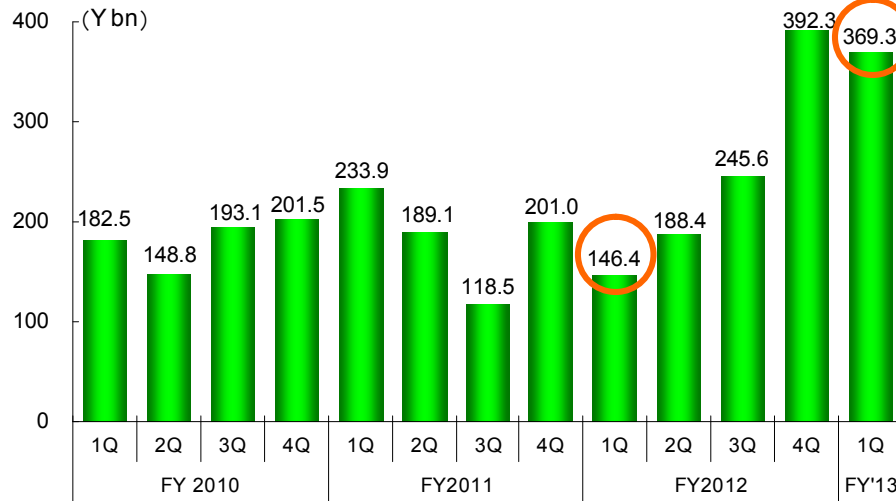
Net loss ratio *2

Approx. 0.1-0.2%

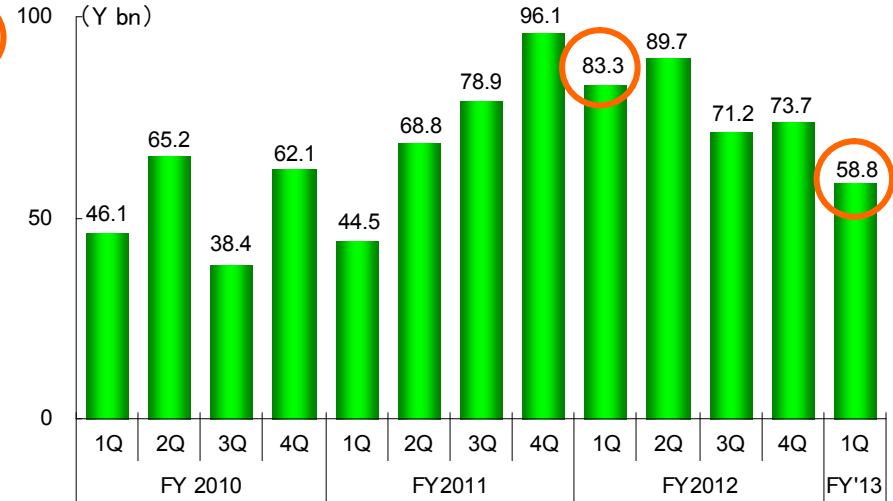
*1. Rate of subrogation repayment by loan guarantee subsidiaries
 *2. Subrogation ratio x (1 – rate of recovery after subrogation)

Trend of Investment Product Sale Business (Total of Group Banks)

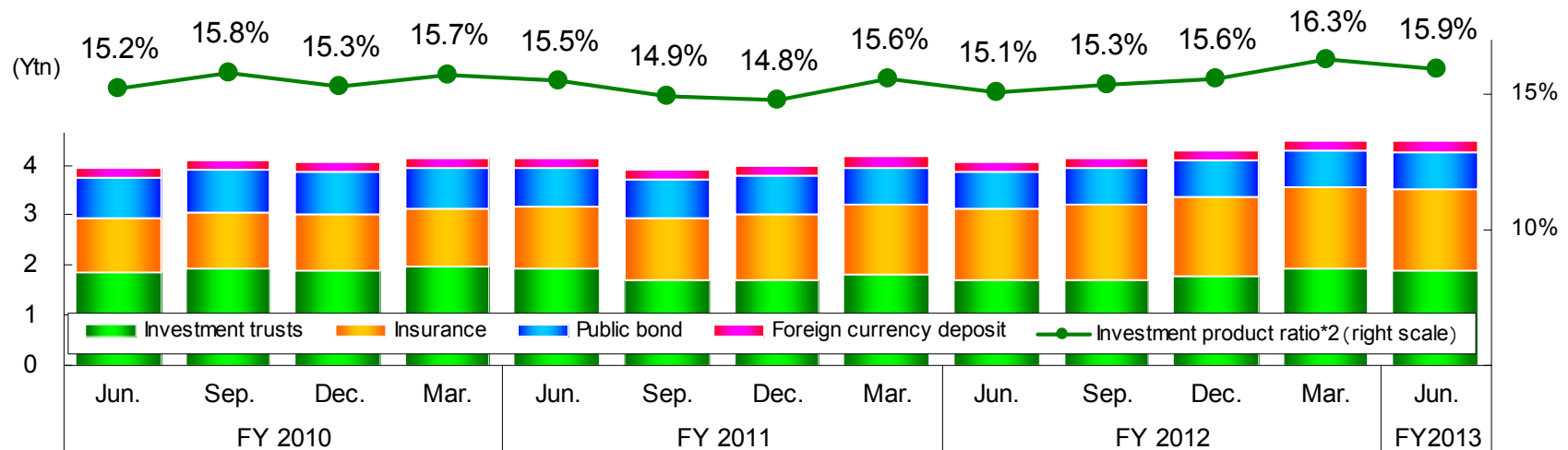
Investment Trusts*1



Insurance*1



Balance of Investment Products sold to Individual*1



*1 Data compiled for a business administration purpose

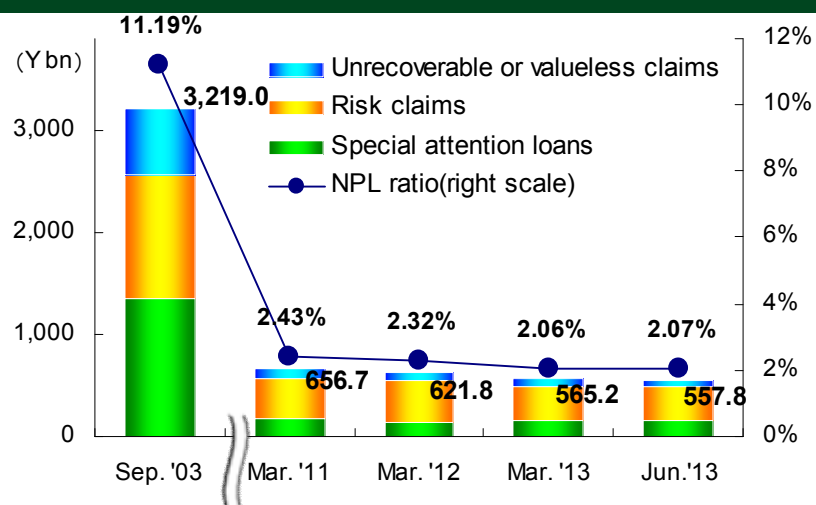
*2 Investment product ratio = balance of investment products sold / balance of investment products sold and deposits held by individuals

Trend of Credit Cost, NPL and Securities Portfolio

Trend of credit costs

	(Y bn)					
	FY2011		FY2012			FY '13
	1H	2H	1Q	1H	2H	1Q
Total of group banks (A)						
General reserve	22.0	27.3	23.0	20.4	8.9	7.2
Specific reserve and other items	(21.5)	(32.2)	(9.8)	(9.1)	1.1	0.0
New bankruptcy, downward migration	(27.4)	(28.3)	(11.4)	(28.2)	(16.9)	(6.9)
Other	5.8	(3.9)	1.6	19.1	18.1	6.8
Net credit cost	0.4	(4.8)	13.2	11.2	10.1	7.2
Difference (B) - (A)	(7.1)	(2.1)	(1.9)	(5.9)	(2.4)	1.4
RHD consolidated (B)						
Net credit cost	(6.7)	(7.0)	11.3	5.3	7.7	8.7

Trend of NPL and NPL ratio (Total of Group Bank)



Securities portfolio (RHD Consolidated)

Available-for-sale securities

- Net unrealized gain as of Jun. 30, 2013 : Y229.9 bn
- Stocks : Ratio of stockholdings to total assets = 0.77%
- JGB : Average duration 3.2 years, BPV Y1.93 bn
 - Balance of floating-rate JGBs : Y152.5 bn

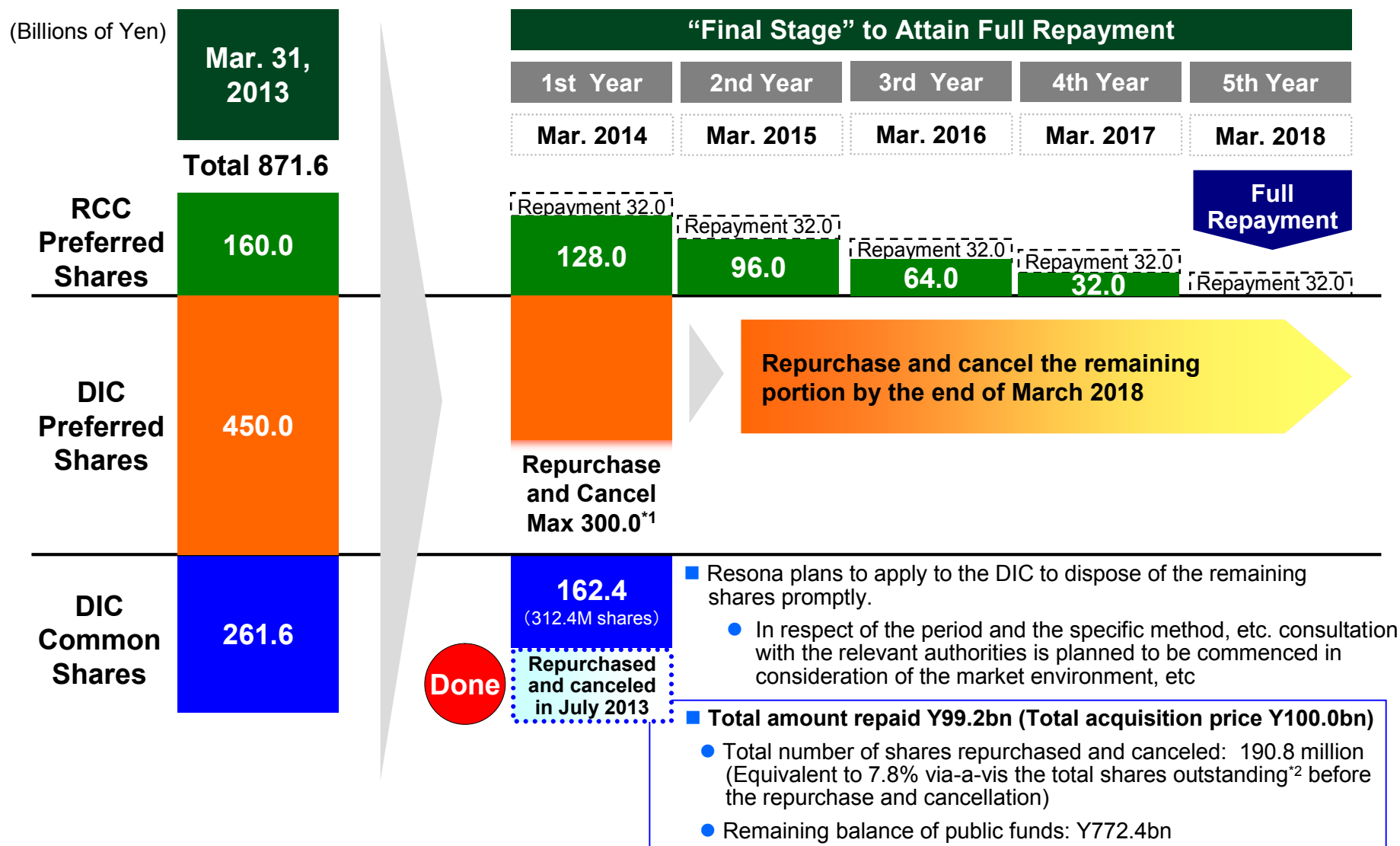
	(Y bn)			
	Mar.'11	Mar.'12	Mar.'13	Jun.'13
Available-for-sale securities *1	8,153.4	9,158.7	7,697.0	7,976.3
Stocks	351.8	342.5	337.2	334.4
Bonds	7,530.0	8,451.0	6,962.2	7,249.1
JGBs	6,337.8	7,393.3	5,662.8	6,005.6
Average duration (years)	2.1	2.4	2.7	3.2
Basis Point Value (BPV)	(1.35)	(1.81)	(1.59)	(1.93)
Local Government Bonds	150.4	183.5	214.7	214.4
Corporate Bonds	1,041.7	874.1	1,084.7	1,029.0
Other	271.5	365.1	397.4	392.7
Foreign securities	98.6	237.6	268.3	248.7
Unrealized gains/(losses)	92.8	131.9	258.0	229.9
Bonds held to maturity *2	1,667.9	2,060.6	2,224.7	2,230.2
Unrealized gains/(losses)	24.5	49.6	76.4	52.7

*1. Acquisition cost basis

*2. Balance sheet amount basis

Public Funds Full Repayment Plan Being Activated with A Partial Repurchase and Cancellation of DIC Common Shares in July 2013

- Relevant agendas proposed to the AGM were all approved in June and the planned partial repurchase and cancellation of DIC common shares were implemented successfully in July



*1. At repurchase price

*2. Excluding the number of treasury shares

The forward-looking statements contained in this presentation may be subject to material change due to the following factors.

These factors may include changes in the level of stock price in Japan, any development and change related to the government's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group.

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