



# Resona Holdings, Inc.

## Consolidated Financial Results for Fiscal Year 2017 (April 1, 2017 - March 31, 2018/ Unaudited) <under Japanese GAAP>



Code number: 8308 Stock exchange listings: Tokyo  
 URL: <http://www.resona-gr.co.jp>  
 Representative: Kazuhiro Higashi, President and Representative Executive Officer  
 General Meeting of Stockholders: June 22, 2018 Dividends payment date: June 7, 2018  
 Annual securities report issuing date: June 26, 2018 Trading accounts: Established  
 Supplemental information for the financial results: Available  
 Investor relations meeting: Scheduled (for institutional investors and analysts)

Note: Amounts of less than one million yen are rounded down.

### 1. Consolidated Financial Results for Fiscal Year 2017 (April 1, 2017- March 31, 2018)

(1) Consolidated Operating Results (% represents the change from the previous fiscal year)

|                  | Ordinary Income |         | Ordinary Profits |          | Net Income Attributable to Owners of Parent |          |
|------------------|-----------------|---------|------------------|----------|---|----------|
|                  | Million yen     | %       | Million yen      | %        | Million yen                                 | %        |
| Fiscal Year 2017 | 742,927         | ( -2.0) | 217,777          | ( -3.8)  | 236,251                                     | ( 46.3)  |
| Fiscal Year 2016 | 757,955         | ( -7.3) | 226,278          | ( -10.1) | 161,485                                     | ( -12.2) |

Note: Comprehensive Income: FY 2017: 311,063 million yen (30.9%) FY 2016: 237,718 million yen (159.5%)

|                  | Net Income per Share of Common Stock | Diluted Net Income per Share of Common Stock | Net Income to Net Assets Attributable to Stockholders Ratio | Ordinary Profits to Total Assets Ratio | Ordinary Profits to Ordinary Income Ratio |
|------------------|--------------------------------------|--|---|--|---|
|                  | Yen                                  | Yen  | %   | %                                      | %   |
| Fiscal Year 2017 | 100.51                               | —  | 11.8  | 0.4                                    | 29.3                                      |
| Fiscal Year 2016 | 66.89                                | —  | 8.6   | 0.5                                    | 29.9                                      |

(Reference) Equity in earnings of investments in affiliates: FY 2017: 296 million yen FY 2016: 130 million yen

Note: Diluted Net Income per Share of Common Stock is not disclosed because there are no potentially dilutive common shares.

(2) Consolidated Financial Conditions

|                | Total Assets | Net Assets  | Net Assets Attributable to Stockholders to Total Assets Ratio | Net Assets per Share of Common Stock |
|----------------|--------------|-------------|---|--------------------------------------|
|                | Million yen  | Million yen | %   | Yen                                  |
| March 31, 2018 | 50,243,789   | 2,102,936   | 4.2   | 900.72                               |
| March 31, 2017 | 48,456,133   | 1,946,779   | 4.0   | 786.94                               |

(Reference) Net Assets Attributable to Stockholders: March 31, 2018: 2,085,147 million yen March 31, 2017: 1,928,924 million yen

Note: "Net Assets Attributable to Stockholders to Total Assets Ratio" is (Net assets at year-end minus Stock option at year-end minus Noncontrolling interests at year-end) divided by Total assets at year-end. This ratio is not calculated based on the "Notification on Consolidated Capital Adequacy."

(3) Consolidated Cash Flows

|                  | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash and Cash Equivalents at Fiscal Year-end |
|------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                  | Million yen                          | Million yen                          | Million yen                          | Million yen                                  |
| Fiscal Year 2017 | 923,028                              | 110,518                              | (265,843)                            | 13,256,798                                   |
| Fiscal Year 2016 | (757,454)                            | 212,667                              | (316,808)                            | 12,489,100                                   |

### 2. Dividends on Common Stock

|                             | Dividends per Share         |                             |                             |                 |       | Total Dividends (Annual) | Dividend Payout Ratio (Consolidated) | Dividends to Net Assets Ratio (Consolidated) |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------|-------|--------------------------|--------------------------------------|--|
|                             | 1 <sup>st</sup> Quarter-end | 2 <sup>nd</sup> Quarter-end | 3 <sup>rd</sup> Quarter-end | Fiscal Year-end | Total |                          |                                      |  |
|                             | Yen                         | Yen                         | Yen                         | Yen             | Yen   | Million yen              | %                                    | %  |
| Fiscal Year 2016            | —                           | 9.50                        | —                           | 9.50            | 19.00 | 44,140                   | 28.4                                 | 2.5  |
| Fiscal Year 2017            | —                           | 10.00                       | —                           | 10.00           | 20.00 | 46,462                   | 19.9                                 | 2.4  |
| Fiscal Year 2018 (Forecast) | —                           | 10.00                       | —                           | 10.50           | 21.00 |                          | 24.3                                 |  |

Note: The table shows dividends on common stock. Please refer to following "Dividends on Classified Stock" for the details of dividends on classified stock (unlisted) whose legal rights differ from common stock.

**3. Earnings Targets for Fiscal Year 2018 (April 1, 2018 - March 31, 2019)**

(% represents the change from the same period in the previous fiscal year)

|  | Net Income Attributable to Owners of Parent |         | Net Income per Share of Common Stock |
|--|---|---------|--------------------------------------|
|  | Million yen                                 | %       | Yen                                  |
| 1 <sup>st</sup> Half of Fiscal Year 2018 | 113,000                                     | ( 20.1) | 48.81                                |
| Fiscal Year 2018 (Full year)             | 200,000                                     | (-15.3) | 86.39                                |

**※ Other Notes**

(1) Changes in Significant Subsidiaries during the Fiscal Year: Yes

New : 2 companies Resona Merchant Bank Asia Limited and Kansai Mirai Financial Group, Inc.

Excluded : 1 company Daiwa Guarantee Co., Ltd.

(2) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement during the Fiscal Year

A) Changes due to revision of accounting standards: No

B) Changes due to other reasons: No

C) Changes in accounting estimates: No

D) Restatement: No

(3) Number of Shares of Common Stock Outstanding

A) Total outstanding shares including treasury stock at the fiscal year-end

March 31, 2018: 2,324,118,091 shares March 31, 2017: 2,324,118,091 shares

B) Treasury stock at the fiscal year-end

March 31, 2018: 9,153,062 shares March 31, 2017: 2,372,831 shares

C) Average outstanding shares during the fiscal year

Fiscal Year 2017: 2,315,491,365 shares Fiscal Year 2016: 2,320,770,353 shares

Note: Treasury stock at the fiscal year-end included the stocks owned by ESOP-type Stock Benefit Trust for the Employee Shareholding Association.

March 31, 2018 8,179,100 shares March 31, 2017: 1,410,300 shares

**※ This Consolidated Financial Results is not subject to audit by Certified Public Accountants or Audit Firm.****※ Disclaimer regarding Forward-looking Statements and Other notes**

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the company considers to be reasonable. Risks, uncertainties and other factors may cause actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Please refer to attachment "1. Overview of Operating Results (2) Future Outlook" for the assumptions used for the earnings targets.

Note: How to get supplemental information for the financial results

Supplemental information for the financial results is disclosed through TD net. Investor relations meeting for institutional investor or analyst is scheduled on May 21, 2018. Materials for the meeting will be available on the web site after the meeting.

○ **Dividends on Classified Stock**

Dividends per share on classified stock whose legal rights differ from common stock are as follows:

|                            | Dividends per Share         |                             |                             |                 |         |
|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------|---------|
|                            | 1 <sup>st</sup> Quarter-end | 2 <sup>nd</sup> Quarter-end | 3 <sup>rd</sup> Quarter-end | Fiscal Year-end | Total   |
| Class Five Preferred Stock |                             |                             |                             |                 |         |
| FY 2016                    | —                           | 459.375                     | —                           | 459.375         | 918.75  |
| FY 2017                    | —                           | 459.375                     | —                           | —               | 459.375 |
| FY 2018 (Forecast)         | —                           | —                           | —                           | —               | —       |
| Class Six Preferred Stock  |                             |                             |                             |                 |         |
| FY 2016                    | —                           | 618.75                      | —                           | —               | 618.75  |
| FY 2017                    | —                           | —                           | —                           | —               | —       |
| FY 2018 (Forecast)         | —                           | —                           | —                           | —               | —       |

Note: 1. Regarding Class Five Preferred Stock, the Company implemented acquisition and cancellation on March 15, 2018.

2. Regarding Class Six Preferred Stock, the Company implemented acquisition and cancellation on December 8, 2016.

○ **Formula for Targeted Net Income per Share of Common Stock**

Targeted net income attributable to owners of parent

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Forecasted average number of shares of common stock (excluding treasury stock)

\* Forecasted average number of shares of common stock (excluding treasury stock):                      2,314,965,029 shares

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## 1. Overview of Operating Results

### (1) Overview of Operating Results and Financial Conditions

Consolidated gross operating profit for the fiscal year 2017 decreased by ¥10.5 billion from the previous fiscal year to ¥552.5 billion because interest income decreased due to narrowed spread between deposit rates and loan rates though increase in loan balance, and net gains on bonds decreased, they were partially offset by increase in fees relating to corporate solution. Income before income taxes decreased by ¥12.3 billion from the previous fiscal year to ¥215.8 billion because operating expenses were saved and credit costs were gain on reversal, though net gains on stocks and other securities decreased. Net income attributable to owners of parent increased by ¥74.7 billion from the previous fiscal year to ¥236.2 billion as a result that income taxes decreased.

Total assets on a consolidated basis increased by ¥1,787.6 billion from the previous fiscal year-end to ¥50,243.7 billion. With regards to assets, cash and due from banks increased by ¥777.0 billion to ¥13,419.0 billion, securities decreased by ¥17.2 billion to ¥5,278.5 billion, and loans and bills discounted increased by ¥568.4 billion to ¥28,755.1 billion from the previous fiscal year-end. With regards to liabilities, deposits increased by ¥2,069.1 billion from the previous fiscal year-end to ¥42,744.5 billion. Net assets increased by ¥156.1 billion from the previous fiscal year-end to ¥2,102.9 billion mainly due to net income and increase in net unrealized gains on available-for-sale securities. Total trust assets increased by ¥643.6 billion from the previous fiscal year-end to ¥27,252.5 billion.

With regards to cash flows on a consolidated basis, cash flows from operating activities was provided by ¥923.0 billion mainly due to net increase in deposits though net increase in loans and bills discounted. Cash flows from investing activities was provided by ¥110.5 billion mainly due to proceeds from sales and redemption of securities which exceeded purchases of securities. And cash flows from financing activities was used in ¥265.8 billion mainly due to repayment of subordinated bonds and purchases of treasury stock. As a result, cash and cash equivalents increased by ¥767.6 billion from the beginning of the fiscal year 2017 to ¥13,256.7 billion.

### (2) Future Outlook

For consolidated earnings outlook for the fiscal year 2018, ¥200.0 billion of net income attributable to owners of parent is set as target, which is mostly comprised of the group banks' earnings. For total of the group 5 banks, ¥227.5 billion and ¥153.5 billion of actual net operating profit and net income, respectively, are set as target.

The Group provides financial services such as credit card administration in addition to the banking and trust business. There exists a variety of uncertainty caused by the economic environment, such as a negative interest rate introduced by the Bank of Japan. Therefore, the Company discloses consolidated earnings targets instead of consolidated earnings forecasts.

The Company has realized enlargement of common shareholders' return by repurchasing and cancelling the preferred stocks and shifting the preferred dividends so saved to common shareholders. During the fiscal year 2017, the Company repurchased and cancelled all remaining shares of Class 5 preferred stock (total issue amount: 100.0 billion yen) and realized its capital stock comprised of common stock only. Annual dividends per share of common stock for the fiscal year 2017 increased by ¥1 to ¥20 (interim dividend ¥10 and year-end dividend ¥10).

For the fiscal year 2018, the Company plans to increase annual dividends per share of common stock by ¥1 to ¥21 (interim dividend ¥10.5 and year-end dividend ¥10.5).

Based on the shareholder return policy stated in the Mid-term Management Plan, the Company intends to sustain stable dividends at the same level after implemented increase in dividend while endeavoring to enlarge return to shareholders further with an eye on the optimal balance between financial soundness and profitability and on the investment opportunities for growth.

## 2. Basic Stance on Selection of Accounting Standards

The Company applies accounting principles generally accepted in Japan, though, in response to IFRS adoption in the future, the Company makes an effort to conduct impact study and clarifying the issues. Timing of the adoption is not determined yet.

## 3. Consolidated Financial Statements

## (1) Consolidated Balance Sheet

(Millions of yen)

|   | March 31, 2017      | March 31, 2018      |
|---|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |
| Cash and due from banks                               | ¥ 12,641,987        | ¥ 13,419,003        |
| Call loans and bills bought                           | 156,529             | 308,806             |
| Monetary claims bought                                | 355,371             | 337,705             |
| Trading assets  | 348,599             | 270,639             |
| Money held in trust                                   | 1,005               | —                   |
| Securities  | 5,295,787           | 5,278,544           |
| Loans and bills discounted                            | 28,186,730          | 28,755,172          |
| Foreign exchange assets                               | 95,455              | 160,226             |
| Other assets  | 770,601             | 1,110,787           |
| Tangible fixed assets                                 | 304,035             | 303,088             |
| Buildings   | 99,587              | 98,404              |
| Land  | 180,032             | 178,692             |
| Leased assets   | 11,655              | 11,779              |
| Construction in progress                              | 2,200               | 3,537               |
| Other tangible fixed assets                           | 10,560              | 10,674              |
| Intangible fixed assets                               | 31,377              | 30,329              |
| Software  | 7,457               | 9,519               |
| Leased assets   | 18,795              | 15,654              |
| Other intangible fixed assets                         | 5,124               | 5,155               |
| Net defined benefit asset                             | 16,849              | 18,496              |
| Deferred tax assets                                   | 1,776               | 1,692               |
| Customers' liabilities for acceptances and guarantees | 418,574             | 389,011             |
| Reserve for possible loan losses                      | (168,487)           | (139,668)           |
| Reserve for possible losses on investments            | (62)                | (47)                |
| <b>Total Assets</b>                                   | <b>48,456,133</b>   | <b>50,243,789</b>   |
| <b>Liabilities and Net Assets</b>                     |                     |                     |
| <b>Liabilities</b>                                    |                     |                     |
| Deposits  | 40,675,397          | 42,744,541          |
| Negotiable certificates of deposit                    | 965,590             | 1,060,650           |
| Call money and bills sold                             | 709,383             | 155,975             |
| Payables under repurchase agreements                  | 5,000               | 5,000               |
| Payables under securities lending transactions        | 429,272             | 624,703             |
| Trading liabilities                                   | 184,809             | 101,709             |
| Borrowed money  | 699,224             | 675,975             |
| Foreign exchange liabilities                          | 2,471               | 4,071               |
| Bonds   | 456,336             | 385,142             |
| Due to trust account                                  | 1,015,305           | 1,056,058           |
| Other liabilities                                     | 829,747             | 824,467             |
| Reserve for employees' bonuses                        | 16,106              | 15,634              |
| Net defined benefit liability                         | 12,699              | 10,120              |
| Other reserves  | 44,597              | 44,312              |
| Deferred tax liabilities                              | 24,722              | 23,501              |
| Deferred tax liabilities for land revaluation         | 20,114              | 19,976              |
| Acceptances and guarantees                            | 418,574             | 389,011             |
| <b>Total Liabilities</b>                              | <b>46,509,354</b>   | <b>48,140,853</b>   |
| <b>Net Assets</b>                                     |                     |                     |
| Capital stock   | 50,472              | 50,472              |
| Retained earnings                                     | 1,436,150           | 1,522,075           |
| Treasury stock  | (1,181)             | (5,250)             |
| <b>Total stockholders' equity</b>                     | <b>1,485,442</b>    | <b>1,567,297</b>    |
| Net unrealized gains on available-for-sale securities | 414,750             | 486,665             |
| Net deferred gains on hedges                          | 40,447              | 33,462              |
| Revaluation reserve for land                          | 44,032              | 43,699              |
| Foreign currency translation adjustments              | (3,143)             | (3,021)             |
| Remeasurements of defined benefit plans               | (52,604)            | (42,956)            |
| <b>Total accumulated other comprehensive income</b>   | <b>443,482</b>      | <b>517,849</b>      |
| Noncontrolling interests                              | 17,854              | 17,789              |
| <b>Total Net Assets</b>                               | <b>1,946,779</b>    | <b>2,102,936</b>    |
| <b>Total Liabilities and Net Assets</b>               | <b>¥ 48,456,133</b> | <b>¥ 50,243,789</b> |

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**[Consolidated Statement of Income]**

(Millions of yen)

|   | For the fiscal<br>year ended<br>March 31, 2017 | For the fiscal<br>year ended<br>March 31, 2018 |
|---|--|--|
| <b>Ordinary income</b>  | ¥ 757,955                                      | ¥ 742,927                                      |
| Interest income   | 406,328  | 399,788  |
| Interest on loans and bills discounted                          | 323,169  | 305,971  |
| Interest and dividends on securities                            | 51,305   | 61,564   |
| Interest on call loans and bills bought                         | 1,208  | 1,947  |
| Interest on receivables under securities borrowing transactions | 0  | —  |
| Interest on due from banks                                      | 10,296   | 11,096   |
| Other interest income   | 20,349   | 19,208   |
| Trust fees  | 17,928   | 18,635   |
| Fees and commissions  | 200,556  | 208,126  |
| Trading income  | 8,853  | 7,146  |
| Other operating income  | 42,252   | 28,096   |
| Other ordinary income   | 82,035   | 81,133   |
| Reversal of reserve for possible loan losses                    | 16,531   | 18,441   |
| Recoveries of written-off loans                                 | 14,971   | 13,350   |
| Other   | 50,532   | 49,341   |
| <b>Ordinary expenses</b>  | 531,676  | 525,150  |
| Interest expenses   | 28,422   | 31,432   |
| Interest on deposits  | 10,612   | 13,273   |
| Interest on negotiable certificates of deposit                  | 169  | 95   |
| Interest on call money and bills sold                           | 2,909  | 2,753  |
| Interest on payables under repurchase agreement                 | 0  | 0  |
| Interest on payables under securities lending transactions      | 974  | 3,499  |
| Interest on borrowed money                                      | 2,508  | 2,829  |
| Interest on bonds   | 8,008  | 5,961  |
| Other interest expenses   | 3,238  | 3,019  |
| Fees and commissions  | 57,845   | 58,704   |
| Trading expenses  | 164  | —  |
| Other operating expenses  | 26,344   | 19,107   |
| General and administrative expenses                             | 362,497  | 360,674  |
| Other ordinary expenses   | 56,401   | 55,231   |
| Other   | 56,401   | 55,231   |
| <b>Ordinary profits</b>   | 226,278  | 217,777  |
| <b>Extraordinary gains</b>                                      | 3,902  | 1,278  |
| Gains on disposal of fixed assets                               | 3,902  | 1,278  |
| <b>Extraordinary losses</b>                                     | 1,970  | 3,219  |
| Losses on disposal of fixed assets                              | 1,110  | 849  |
| Impairment losses on fixed assets                               | 859  | 2,370  |
| <b>Income before income taxes</b>                               | 228,210  | 215,836  |
| Income taxes – current  | 49,264   | 11,852   |
| Income taxes – deferred   | 16,642   | (32,853)                                       |
| Total income taxes  | 65,907   | (21,000)                                       |
| <b>Net income</b>   | 162,303  | 236,836  |
| <b>Net income attributable to noncontrolling interests</b>      | 817  | 584  |
| <b>Net income attributable to owners of parent</b>              | ¥ 161,485                                      | ¥ 236,251                                      |

**[Consolidated Statement of Comprehensive Income]**

(Millions of yen)

|   | <b>For the fiscal<br/>year ended<br/>March 31, 2017</b> | <b>For the fiscal<br/>year ended<br/>March 31, 2018</b> |
|---|---|---|
| <b>Net income</b>   | ¥ 162,303   | ¥ 236,836   |
| <b>Other comprehensive income</b>   | 75,414  | 74,226  |
| Net unrealized gains (losses) on available-for-sale securities                          | 67,287  | 71,912  |
| Net deferred gains (losses) on hedges   | (9,092)   | (6,985)   |
| Revaluation reserve for land  | 6   | (6)   |
| Foreign currency translation adjustments  | (306)   | (301)   |
| Remeasurements of defined benefit plans   | 17,537  | 9,650   |
| Share of other comprehensive income of affiliates accounted for using the equity method | (17)  | (42)  |
| <b>Total comprehensive income</b>   | <u>¥ 237,718</u>  | <u>¥ 311,063</u>  |
| <b>Total comprehensive income attributable to:</b>                                      |   |   |
| Owners of parent  | ¥ 237,112   | ¥ 310,944   |
| Noncontrolling interests  | ¥ 605   | ¥ 118   |



**(3) Consolidated Statement of Changes in Net Assets**  
**For the fiscal year ended March 31, 2017**

(Millions of yen)

|  | Stockholders' equity |                 |                   |                |                            |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury stock | Total stockholders' equity |
| Balance at the beginning of the fiscal year                        | ¥ 50,472             | ¥ —             | ¥ 1,399,576       | ¥ (1,902)      | ¥ 1,448,147                |
| Changes during the fiscal year                                     |                      |                 |                   |                |                            |
| Dividends paid   |                      |                 | (49,204)          |                | (49,204)                   |
| Net income attributable to owners of parent                        |                      |                 | 161,485           |                | 161,485                    |
| Purchase of treasury stock   |                      |                 |                   | (75,712)       | (75,712)                   |
| Disposal of treasury stock   |                      | (0)             |                   | 726            | 726                        |
| Cancellation of treasury stock                                     |                      | (75,706)        |                   | 75,706         | —                          |
| Transfer from retained earnings to capital surplus                 |                      | 75,706          | (75,706)          |                | —                          |
| Net changes except for stockholders' equity during the fiscal year |                      |                 |                   |                |                            |
| Total changes during the fiscal year                               | —                    | —               | 36,573            | 721            | 37,295                     |
| Balance at the end of the fiscal year                              | ¥ 50,472             | ¥ —             | ¥ 1,436,150       | ¥ (1,181)      | ¥ 1,485,442                |

|  | Accumulated other comprehensive income                |                              |                              |  |   |  | Noncontrolling interests | Total net assets |
|--|---|------------------------------|------------------------------|--|---|--|--------------------------|------------------|
|  | Net unrealized gains on available-for-sale securities | Net deferred gains on hedges | Revaluation reserve for land | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                          |                  |
| Balance at the beginning of the fiscal year                        | ¥ 347,491   | ¥ 49,540                     | ¥ 44,025                     | ¥ (3,012)                                | ¥ (70,190)                              | ¥ 367,855                                    | ¥ 17,468                 | ¥ 1,833,470      |
| Changes during the fiscal year                                     |   |                              |                              |  |   |  |                          |                  |
| Dividends paid   |   |                              |                              |  |   |  |                          | (49,204)         |
| Net income attributable to owners of parent                        |   |                              |                              |  |   |  |                          | 161,485          |
| Purchase of treasury stock   |   |                              |                              |  |   |  |                          | (75,712)         |
| Disposal of treasury stock   |   |                              |                              |  |   |  |                          | 726              |
| Cancellation of treasury stock                                     |   |                              |                              |  |   |  |                          | —                |
| Transfer from retained earnings to capital surplus                 |   |                              |                              |  |   |  |                          | —                |
| Net changes except for stockholders' equity during the fiscal year | 67,258  | (9,092)                      | 6                            | (130)                                    | 17,586                                  | 75,627                                       | 386                      | 76,013           |
| Total changes during the fiscal year                               | 67,258  | (9,092)                      | 6                            | (130)                                    | 17,586                                  | 75,627                                       | 386                      | 113,308          |
| Balance at the end of the fiscal year                              | ¥ 414,750   | ¥ 40,447                     | ¥ 44,032                     | ¥ (3,143)                                | ¥ (52,604)                              | ¥ 443,482                                    | ¥ 17,854                 | ¥ 1,946,779      |

**(3) Consolidated Statement of Changes in Net Assets - Continued**  
**For the fiscal year ended March 31, 2018**

(Millions of yen)

|  | Stockholders' equity |                 |                   |                |                            |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury stock | Total stockholders' equity |
| Balance at the beginning of the fiscal year                        | ¥ 50,472             | ¥ —             | ¥ 1,436,150       | ¥ (1,181)      | ¥ 1,485,442                |
| Changes during the fiscal year                                     |                      |                 |                   |                |                            |
| Dividends paid   |                      |                 | (48,976)          |                | (48,976)                   |
| Net income attributable to owners of parent                        |                      |                 | 236,251           |                | 236,251                    |
| Purchase of treasury stock   |                      |                 |                   | (107,127)      | (107,127)                  |
| Disposal of treasury stock   |                      | (0)             |                   | 1,381          | 1,381                      |
| Cancellation of treasury stock                                     |                      | (101,676)       |                   | 101,676        | —                          |
| Transfer from retained earnings to capital surplus                 |                      | 101,676         | (101,676)         |                | —                          |
| Reversal of revaluation reserve for land                           |                      |                 | 326               |                | 326                        |
| Net changes except for stockholders' equity during the fiscal year |                      |                 |                   |                |                            |
| Total changes during the fiscal year                               | —                    | —               | 85,925            | (4,069)        | 81,855                     |
| Balance at the end of the fiscal year                              | ¥ 50,472             | ¥ —             | ¥ 1,522,075       | ¥ (5,250)      | ¥ 1,567,297                |

|  | Accumulated other comprehensive income                |                              |                              |  |   |  | Noncontrolling interests | Total net assets |
|--|---|------------------------------|------------------------------|--|---|--|--------------------------|------------------|
|  | Net unrealized gains on available-for-sale securities | Net deferred gains on hedges | Revaluation reserve for land | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                          |                  |
| Balance at the beginning of the fiscal year                        | ¥ 414,750   | ¥ 40,447                     | ¥ 44,032                     | ¥ (3,143)                                | ¥ (52,604)                              | ¥ 443,482                                    | ¥ 17,854                 | ¥ 1,946,779      |
| Changes during the fiscal year                                     |   |                              |                              |  |   |  |                          |                  |
| Dividends paid   |   |                              |                              |  |   |  |                          | (48,976)         |
| Net income attributable to owners of parent                        |   |                              |                              |  |   |  |                          | 236,251          |
| Purchase of treasury stock   |   |                              |                              |  |   |  |                          | (107,127)        |
| Disposal of treasury stock   |   |                              |                              |  |   |  |                          | 1,381            |
| Cancellation of treasury stock                                     |   |                              |                              |  |   |  |                          | —                |
| Transfer from retained earnings to capital surplus                 |   |                              |                              |  |   |  |                          | —                |
| Reversal of revaluation reserve for land                           |   |                              |                              |  |   |  |                          | 326              |
| Net changes except for stockholders' equity during the fiscal year | 71,915  | (6,985)                      | (333)                        | 122                                      | 9,647                                   | 74,366                                       | (64)                     | 74,302           |
| Total changes during the fiscal year                               | 71,915  | (6,985)                      | (333)                        | 122                                      | 9,647                                   | 74,366                                       | (64)                     | 156,157          |
| Balance at the end of the fiscal year                              | ¥ 486,665   | ¥ 33,462                     | ¥ 43,699                     | ¥ (3,021)                                | ¥ (42,956)                              | ¥ 517,849                                    | ¥ 17,789                 | ¥ 2,102,936      |

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

|  | For the fiscal year ended March 31, 2017 |             | For the fiscal year ended March 31, 2018 |           |
|--|--|-------------|--|-----------|
| <b>Cash flows from operating activities</b>  |  |             |  |           |
| Income before income taxes   | ¥  | 228,210     | ¥  | 215,836   |
| Adjustment for:  |  |             |  |           |
| Depreciation and amortization  |  | 25,434      |  | 24,854    |
| Impairment losses on fixed assets  |  | 859         |  | 2,370     |
| Amortization of goodwill   |  | —           |  | 647       |
| Equity in earnings of investments in affiliates  |  | (130)       |  | (296)     |
| Increase/(decrease) in reserve for possible loan losses                                |  | (33,594)    |  | (29,704)  |
| Increase/(decrease) in reserve for possible losses on investments                      |  | 5           |  | (15)      |
| Increase/(decrease) in reserve for employees' bonuses                                  |  | (801)       |  | (472)     |
| (Increase)/decrease in net defined benefit asset                                       |  | (5,553)     |  | 11,141    |
| Increase/(decrease) in net defined benefit liability                                   |  | (1,513)     |  | (1,413)   |
| Interest income (accrual basis)  |  | (406,328)   |  | (399,788) |
| Interest expenses (accrual basis)  |  | 28,422      |  | 31,432    |
| Net (gains)/losses on securities   |  | (21,123)    |  | (9,198)   |
| Net foreign exchange (gains)/losses  |  | (16,627)    |  | 10,882    |
| Net (gains)/losses on disposal of fixed assets   |  | (2,791)     |  | (429)     |
| Net (increase)/decrease in trading assets  |  | 126,783     |  | 77,960    |
| Net increase/(decrease) in trading liabilities   |  | (106,830)   |  | (83,099)  |
| Net (increase)/decrease in loans and bills discounted                                  |  | (521,766)   |  | (565,628) |
| Net increase/(decrease) in deposits  |  | 2,446,576   |  | 2,069,143 |
| Net increase/(decrease) in negotiable certificates of deposit                          |  | (378,910)   |  | 95,060    |
| Net increase/(decrease) in borrowed money (excluding subordinated borrowed money)      |  | (109,824)   |  | (23,249)  |
| Net (increase)/decrease in due from banks (excluding those deposited at Bank of Japan) |  | 10,910      |  | (8,964)   |
| Net (increase)/decrease in call loans and other  |  | 71,841      |  | (134,610) |
| Net increase/(decrease) in call money and other  |  | 101,466     |  | (553,407) |
| Net increase/(decrease) in payables under securities lending transactions              |  | 284,165     |  | 195,430   |
| Net (increase)/decrease in foreign exchange assets                                     |  | (26,588)    |  | (64,771)  |
| Net increase/(decrease) in foreign exchange liabilities                                |  | 479         |  | 1,600     |
| Net increase/(decrease) in straight bonds  |  | 28,019      |  | 39,806    |
| Net increase/(decrease) in due to trust account  |  | (2,692,353) |  | 40,752    |
| Interest receipts (cash basis)   |  | 405,973     |  | 395,434   |
| Interest payments (cash basis)   |  | (33,863)    |  | (31,665)  |
| Other, net   |  | (125,727)   |  | (339,216) |
| Subtotal   |  | (725,178)   |  | 966,420   |
| Income taxes paid or tax refund  |  | (32,275)    |  | (43,391)  |
| <b>Net cash provided by/(used in) operating activities</b>                             | ¥  | (757,454)   | ¥  | 923,028   |

## (4) Consolidated Statement of Cash Flows - Continued

|   | (Millions of yen)                              |  |
|---|--|--|
|   | For the fiscal<br>year ended<br>March 31, 2017 | For the fiscal<br>year ended<br>March 31, 2018 |
| <b>Cash flows from investing activities</b>                                       |  |  |
| Purchases of securities   | ¥ (7,217,070)                                  | ¥ (9,057,335)                                  |
| Proceeds from sales of securities   | 6,825,911                                      | 7,696,500                                      |
| Proceeds from redemption of securities  | 609,151  | 1,492,231                                      |
| Increase in money held in trust   | (827)  | —  |
| Decrease in money held in trust   | —  | 1,005  |
| Purchases of tangible fixed assets  | (10,197)                                       | (10,903)                                       |
| Proceeds from sales of tangible fixed assets                                      | 9,169  | 1,653  |
| Purchases of intangible fixed assets  | (3,331)  | (5,040)  |
| Proceeds from sales of intangible fixed assets                                    | 3  | —  |
| Purchases of shares of affiliates accounted for using the equity method           | —  | (212)  |
| Purchases of shares of subsidiaries resulting in change in scope of consolidation | —  | (7,062)  |
| Other, net  | (141)  | (318)  |
| <b>Net cash provided by/(used in) investing activities</b>                        | <u>212,667</u>                                 | <u>110,518</u>                                 |
| <b>Cash flows from financing activities</b>                                       |  |  |
| Repayment of subordinated bonds   | (192,662)                                      | (111,000)                                      |
| Dividends paid  | (49,204)                                       | (48,976)                                       |
| Dividends paid to noncontrolling interests of consolidated subsidiaries           | (219)  | (182)  |
| Purchases of treasury stock   | (75,712)                                       | (107,127)                                      |
| Proceeds from sales of treasury stock   | 990  | 1,443  |
| <b>Net cash provided by/(used in) financing activities</b>                        | <u>(316,808)</u>                               | <u>(265,843)</u>                               |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>               | <u>(23)</u>                                    | <u>(6)</u>                                     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                       | <u>(861,618)</u>                               | <u>767,697</u>                                 |
| <b>Cash and cash equivalents at the beginning of the fiscal year</b>              | <u>13,350,719</u>                              | <u>12,489,100</u>                              |
| <b>Cash and cash equivalents at the end of the fiscal year</b>                    | <u>¥ 12,489,100</u>                            | <u>¥ 13,256,798</u>                            |

**(5) Note on Going-Concern Assumption**

Not applicable

**(6) Other Notes****【Segment Information】**

For the fiscal year 2017

## 1. Segment information

Principal operating activities of the segments are as follows:

| Segment           | Principal operating activity  |
|-------------------|---|
| Consumer banking  | Mainly for individual customers, provide consulting services regarding consumer loan, asset management and asset succession   |
| Corporate banking | Mainly for corporate customers, support their business growth by providing services regarding corporate loan, trust asset management, real estate business, corporate pension and business succession |
| Market trading    | In financial markets, transact in short term lending, borrowing, exchange transaction, bond purchase and sale, and derivatives trading  |

## 2. Profit and loss by segment

Profit and loss of each segment for the fiscal year ended March 31, 2018 were as follows:

|                                       | Segment          |                   |                |           | Other     | Total     |
|---------------------------------------|------------------|-------------------|----------------|-----------|-----------|-----------|
|                                       | Consumer banking | Corporate banking | Market trading | Sub total |           |           |
| Gross operating profit                | ¥ 219,370        | ¥ 273,156         | ¥ 64,002       | ¥ 556,530 | ¥ (1,826) | ¥ 554,703 |
| General and administrative expenses   | (172,037)        | (159,400)         | (11,783)       | (343,222) | 1,991     | (341,231) |
| Actual net operating profit           | 47,333           | 114,052           | 52,218         | 213,604   | 164       | 213,768   |
| Credit cost                           | (2,043)          | 16,749            | —              | 14,706    | 45        | 14,752    |
| Net operating profit less credit cost | ¥ 45,289         | ¥ 130,801         | ¥ 52,218       | ¥ 228,310 | ¥ 210     | ¥ 228,520 |

Notes:

- 1.The Consumer banking unit and Corporate banking unit contain operating results of the consolidated credit guarantee subsidiaries and other subsidiaries.
  - 2.Actual net operating profit of Corporate banking unit does not include credit cost incurred in trust accounts amounting to ¥0 million of gain but include share of profit of entities accounted for using the equity method amounting to ¥296 millions of gain.
  - 3.Gross operating profit of the Market trading unit contains some portion of gains/losses on equity securities.
  - 4.“Other” includes all other departments, such as management office, which are not operating segments.
  - 5.Depreciation expense is included in general and administrative expenses.
3. Reconciliation between the segment information and the consolidated financial statement for the fiscal year ended March 31, 2018 was as follows:

| Profit  | Amount    |
|---|-----------|
| Total amounts of segments                               | ¥ 228,310 |
| Net gains (losses) of “Other”                           | 210       |
| Net non-recurring gains (losses) other than credit cost | (10,743)  |
| Net extraordinary gains (losses)                        | (1,940)   |
| Income before income taxes                              | ¥ 215,836 |

Notes:

1. Non-recurring gains (losses) other than credit cost include some portion of gain/loss on securities and retirement benefit expenses.
2. Net extraordinary gains (losses) other than credit cost include impairment loss.

**【Per Share Information】**

## 1. Net assets per share of common stock and its calculation base

(Millions of yen, except “Net assets per share of common stock” and number of shares)

|   | Fiscal year 2016<br>(March 31, 2017) | Fiscal year 2017<br>(March 31, 2018) |
|---|--------------------------------------|--------------------------------------|
| Net assets per share of common stock  | 786.94 yen                           | 900.72 yen                           |
| (Calculation base)  |                                      |                                      |
| Total net assets  | ¥ 1,946,779                          | ¥ 2,102,936                          |
| Deductions from total net assets  | 119,691                              | 17,789                               |
| Noncontrolling interests  | 17,854                               | 17,789                               |
| Preferred stock   | 100,000                              | -                                    |
| Preferred dividends   | 1,837                                | -                                    |
| Net assets attributable to common stock at the end of the fiscal year   | ¥ 1,827,087                          | ¥ 2,085,147                          |
| Number of shares of common stock at the end of the fiscal year used for the calculation of net assets per share of common stock (shares in thousands) | 2,321,745                            | 2,314,965                            |

## Note:

(\*1) The number of shares of common stock at the end of the fiscal year used for the calculation of net assets per share of common stock is after deductions of 1) the number of treasury shares and 2) the number of shares held by ESOP-type Stock Benefit Trust for the Employee Shareholding Association (1,410 thousand shares as of March 31, 2017 and 8,179 thousand shares as of March 31, 2018).

## 2. Net income per share of common stock and its calculation base

(Millions of yen, except “Net income per share of common stock” and number of shares)

|   | Fiscal year 2016<br>(From April 1, 2016<br>To March 31, 2017) | Fiscal year 2017<br>(From April 1, 2017<br>To March 31, 2018) |
|---|---|---|
| Net income per share of common stock  | 66.89 yen   | 100.51 yen  |
| (Calculation base)  |   |   |
| Net income attributable to owners of parent   | ¥ 161,485   | ¥ 236,251   |
| Amounts not attributable to common stock  | 6,238   | 3,513   |
| Dividends on preferred stock  | 5,531   | 1,837   |
| Retirement difference on preferred stock  | 706   | 1,676   |
| Net income attributable to common stock   | ¥ 155,247   | ¥ 232,737   |
| Weighted-average number of common shares during the fiscal year (shares in thousands) | 2,320,770   | 2,315,491   |

## Notes:

(\*1) Average number of common shares during the period is after deductions of 1) the number of treasury shares and 2) the number of shares held by the ESOP-type Stock Benefit Trust for the Employee Shareholding Association (2,391 thousand shares for the fiscal year ended March 31, 2017 and 7,659 thousand shares for the fiscal year ended March 31, 2018).

(\*2) Diluted net income per share of common Stock is not disclosed because there are no potentially dilutive common shares.

**【Significant Subsequent Event】****Business Integration between Kansai Urban Banking Corporation, The Kinki Osaka Bank, Ltd. and The Minato Bank, Ltd.**

The Company has owned voting rights of Kansai Urban Banking Corporation (“Kansai Urban”) and The Minato Bank, Ltd., (“Minato”) by implementing the tender offers subject to the respective shares of common stocks of Kansai Urban and Minato (both tender offer period was from December 27, 2017 to February 14, 2018) and purchasing all shares of Class 1 preferred stock of Kansai Urban owned by Sumitomo Mitsui Banking Corporation on February 20, 2017.

In addition, pursuant to the Share Exchange Agreement dated on November 14, 2017, in which share exchanges with (i) Kansai Mirai Financial Group, Inc. (“Kansai Mirai FG”), a consolidated subsidiary of the Company, as the wholly-owning parent company and Kansai Urban as the wholly-owned subsidiary and (ii) Kansai Mirai FG as the wholly-owning parent company and Minato as a wholly-owned subsidiary set forth, the share exchanges became effective on April 1, 2018 and the Company has been allotted shares of common stock of Kansai Mirai FG in exchange for shares of Class 1 preferred stock and common stock of Kansai Urban, and shares of common stock of Minato. As a result of the share exchanges, Kansai Urban and Minato became wholly-owned subsidiaries of Kansai Mirai FG, consequently, Kansai Urban and Minato became the subsidiaries of the Company on April 1, 2018.

## 1. Overview of the business combination

## (1) Name and business of acquired companies

- ① Name of the acquired company: Kansai Urban Banking Corporation  
Business of the acquired company: Banking
- ② Name of the acquired company: The Minato Bank, Ltd.  
Business of the acquired company: Banking

## (2) Main reason of the business combination

Kansai Urban, The Kinki Osaka Bank, Ltd. (“Kinki Osaka”) and Minato (collectively, the “Integrating Parties” and individually, the “Integrating Party”) essentially believe that contributing to the further stimulation and vigorous growth of the Kansai economy, while making the best use of the strengths and characteristics of each Integrating Party, is the most important mission for financial institutions whose primary market is the Kansai region and will eventually contribute to the sustainable growth of the Japanese economy. Based on the recognition, the Integrating Parties have proceeded with a discussion and consideration on governance, management policy, business model and integrated form, etc. aiming at creating a “New Retail Financial Services Model that is in Step with the Future of the Kansai Region” based on the relationships with customers and local communities that each Integrating Party has fostered for many years. As a result, the Integrating Parties have determined that the Integrating Parties are able to realize improvement of the corporate value more than when each Integrating Party solely exists as separate entities, by implementing the Business Integration where the Integrated Parties gather together under Kansai Mirai FG.

## (3) Date of the business combination

April 1, 2018

## (4) Legal form of the business combination

Share exchanges with (i) Kansai Mirai FG as the wholly-owning parent company and (ii) Kansai Urban and Minato as the wholly-owned subsidiaries.

## (5) Company name after the combination

Kansai Mirai Financial Group, Inc.

## (6) Acquired voting rights ratio

- ① Kansai Urban
 

|   |   |
|---|---|
| Voting rights ratio owned immediately preceding the business combination          | 15.07%                                  |
| Voting rights ratio additionally acquired on the date of the business combination | 84.92%                                  |
| Voting rights ratio after acquired  | 100.00%                                 |
|   | (Including indirect ownership: 100.00%) |
- ② Minato.
 

|   |   |
|---|---|
| Voting rights ratio owned immediately preceding the business combination          | 15.08%                                  |
| Voting rights ratio additionally acquired on the date of the business combination | 84.91%                                  |
| Voting rights ratio after acquired  | 100.00%                                 |
|   | (Including indirect ownership: 100.00%) |

As a result of the share exchanges, the Company owns 51.41% of voting rights of Kansai Mirai FG, including 0.21% of indirect ownership.

## (7) The main grounds to determine the acquiring company

Kansai Mirai FG is the acquiring company because it acquires wholly voting rights of the acquired companies.

2. Share exchange ratios by class of shares, valuation methodologies of share exchange ratios by class of shares, and delivered number of the shares

(1) Share exchange ratios by class of shares

- |   |   |               |
|---|---|---------------|
| ① | Share exchange ratio for common stock between Kansai Mirai FG and Kansai Urban            | 1:1.60        |
| ② | Share exchange ratio for Class 1 preferred stock between Kansai Mirai FG and Kansai Urban | 1:1.30975768. |
| ③ | Share exchange ratio for common stock between Kansai Mirai FG and Minato                  | 1:2.37        |

(2) Valuation methodologies of share exchange ratios

In order to ensure the fairness and appropriateness of the determination of the share exchange ratio, the Company selected Merrill Lynch Japan Securities Co., Ltd. ("Merrill Lynch Japan Securities"), Kansai Urban selected PwC Advisory LLC ("PwC"), and Minato selected Ernst & Young Transaction Advisory Services Co., Ltd. ("EYTAS"), respectively, as a third-party appraiser for calculation of the share exchange ratio, and requested to analyze the economic conditions and calculate the share exchange ratio.

The related parties carefully and repeatedly discussed and negotiated the share exchange ratio by comprehensively taking into consideration various factors, including the financial conditions, asset conditions and future prospects, etc. of each of the integrating parties, and by the Company's examining the terms and conditions of the sequence of the business integrations as a whole, by reference to the results of the analysis and calculation by such third-party appraisers, and reached the conclusion that the share exchange ratios stated above are appropriate. Therefore, the related parties determined and agreed on the share exchange ratio in the share exchanges.

(3) Delivered number of the shares

310,456,594 shares



**【Statement of Trust Assets and Liabilities】**

March 31, 2018

(Millions of Yen)

| Assets                             | Amount              | Liabilities                             | Amount              |
|------------------------------------|---------------------|---|---------------------|
| Loans and bills discounted         | ¥ 30,195            | Money trusts                            | ¥ 10,012,007        |
| Securities                         | 0                   | Pension trusts                          | 2,472,020           |
| Beneficiary rights                 | 25,584,390          | Property formation benefit trusts       | 1,053               |
| Securities held in custody account | 17,158              | Securities investment trusts            | 13,643,163          |
| Monetary claims                    | 185,805             | Money entrusted other than money trusts | 307,582             |
| Tangible fixed assets              | 353,591             | Securities trusts                       | 17,200              |
| Intangible fixed assets            | 2,753               | Monetary claims trusts                  | 191,249             |
| Other claims                       | 6,174               | Land and fixtures trusts                | 21,945              |
| Due from banking account           | 1,056,058           | Composite trusts                        | 586,325             |
| Cash and due from banks            | 16,420              |   |                     |
| <b>Total assets</b>                | <b>¥ 27,252,547</b> | <b>Total liabilities</b>                | <b>¥ 27,252,547</b> |

## Notes:

1. Amounts of less than one million yen have been rounded down.
2. The trust without readily determinable monetary values was excluded.
3. Beneficiary rights worth of ¥25,584,390 million were re-entrusted for asset administration purpose.
4. Co-managed trust funds under other trust bank's administration amounted to ¥132,557 million.
5. Loans and bills discounted where the Bank guarantees the principal is amounted to ¥30,195 million including Loans to borrowers in legal bankruptcy of ¥21 million and Past-due loans of ¥486 million. There are no Loans past due 3 months or more and Restructured loans at the end of the fiscal year 2017.
6. Subsidiary subject to aggregation is Resona Bank, Ltd., only.

Appendix: The trust in the principal indemnification agreement, including the trust that was re-entrusted for operations, consists of followings.

## Money trusts

(Millions of Yen)

| Assets                     | Amount             | Liabilities               | Amount             |
|----------------------------|--------------------|---------------------------|--------------------|
| Loans and bills discounted | ¥ 30,195           | Principal                 | ¥ 1,079,892        |
| Other                      | 1,049,824          | Special loan loss reserve | 91                 |
|                            |                    | Other                     | 35                 |
| <b>Total assets</b>        | <b>¥ 1,080,019</b> | <b>Total liabilities</b>  | <b>¥ 1,080,019</b> |

## Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

| Assets  | March 31, 2017<br>(A) | March 31, 2018<br>(B) | Difference<br>(B)-(A) |
|---|-----------------------|-----------------------|-----------------------|
| Loans and bills discounted  | ¥ 31,092              | ¥ 30,195              | ¥ (897)               |
| Securities  | 0                     | 0                     | -                     |
| Beneficiary rights  | 24,987,140            | 25,584,390            | 597,249               |
| Securities held in custody account                                | 14,987                | 17,158                | 2,171                 |
| Monetary claims   | 186,134               | 185,805               | (328)                 |
| Tangible fixed assets   | 353,537               | 353,591               | 54                    |
| Intangible fixed assets   | 3,012                 | 2,753                 | (259)                 |
| Other claims  | 4,989                 | 6,174                 | 1,185                 |
| Due from banking account  | 1,015,305             | 1,056,058             | 40,752                |
| Cash and due from banks   | 12,740                | 16,420                | 3,679                 |
| <b>Total assets</b>   | <b>26,608,939</b>     | <b>27,252,547</b>     | <b>643,608</b>        |
| Co-managed trust funds under<br>other trust bank's administration | ¥ 164,048             | ¥ 132,557             | ¥ (31,490)            |

| Liabilities                             | March 31, 2017<br>(A) | March 31, 2018<br>(B) | Difference<br>(B)-(A) |
|---|-----------------------|-----------------------|-----------------------|
| Money trusts                            | ¥ 9,422,640           | ¥ 10,012,007          | ¥ 589,366             |
| Pension trusts                          | 2,615,046             | 2,472,020             | (143,025)             |
| Property formation benefit trusts       | 1,003                 | 1,053                 | 50                    |
| Securities investment trusts            | 13,401,496            | 13,643,163            | 241,666               |
| Money entrusted other than money trusts | 321,509               | 307,582               | (13,927)              |
| Securities trusts                       | 15,028                | 17,200                | 2,171                 |
| Monetary claims trusts                  | 202,136               | 191,249               | (10,886)              |
| Land and fixtures trusts                | 22,841                | 21,945                | (896)                 |
| Composite trusts                        | 607,231               | 586,325               | (20,912)              |
| <b>Total liabilities</b>                | <b>¥ 26,608,939</b>   | <b>¥ 27,252,547</b>   | <b>¥ 643,608</b>      |

Note: Amounts of less than one million yen have been rounded down.

# Financial Results Report for FY2017

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| 6 | Results of self-assessment of asset quality <Total of three banks, Non-consolidated figures of each bank> | II | 6-7  |
| 7 | Progress in off-balancing of claims (Banking and trust accounts)  | II | 8    |
|   | <Total of three banks, Non-consolidated figures of each bank>   |    |      |
| 8 | Loans and bills discounted by industry <Total of three banks, Non-consolidated figures of each bank>      | II | 9-12 |
|   | (1) Industry breakdown of total loans and bills discounted  | II | 9    |
|   | (2) Risk-managed loans by industry  | II | 10   |
|   | (3) Loans to consumers  | II | 11   |
|   | (4) Loans to small and medium-sized enterprises and consumers   | II | 12   |
| 9 | Balance of deposits and loans <Total of three banks, Non-consolidated figures of each bank>               | II | 13   |
|   | <Reference> Domestic breakdown of individual, corporate and other deposits                                | II | 14   |
|   | <Reference> Investment trust and other investment products for individual customers                       | II | 14   |

### III. Computation of Deferred Tax Assets

III 1

### IV. Reference Materials (Group Banks' Financial Statements)

|  |  |    |       |
|--|--|----|-------|
|  | Resona Bank <Non-consolidated>         | IV | 1-6   |
|  | Saitama Resona Bank <Non-consolidated> | IV | 7-11  |
|  | Kinki Osaka Bank <Non-consolidated>    | IV | 12-16 |

Note: [Total of three banks] Sum of non-consolidated figures for Resona Bank (including the trust account), Saitama Resona Bank, and Kinki Osaka Bank.

## I. Highlights of Financial Results for Fiscal Year 2017

### 1. Statements of income

<Consolidated>

(Millions of yen)

|   |    | FY 2017 (A) | (A)-(B)  | FY 2016 (B) |
|---|----|-------------|----------|-------------|
| <b>Ordinary income</b>  | 1  | 742,927     | (15,027) | 757,955     |
| Gross operating profit  | 2  | 552,549     | (10,593) | 563,142     |
| Interest income   | 3  | 368,355     | (9,550)  | 377,906     |
| Trust fees (after disposal of problem loans in the trust account) | 4  | 18,635      | 707      | 17,928      |
| <Disposal of problem loans in the trust account>                  | 5  | 0           | (22)     | 22          |
| Fees and commissions  | 6  | 149,422     | 6,711    | 142,711     |
| Trading income  | 7  | 7,146       | (1,543)  | 8,689       |
| Other operating income  | 8  | 8,988       | (6,918)  | 15,907      |
| Expenses(excluding non-recurring items)                           | 9  | (341,231)   | 3,724    | (344,955)   |
| Personnel expenses  | 10 | (163,924)   | 1,748    | (165,672)   |
| Non-personnel expenses  | 11 | (154,362)   | 1,390    | (155,753)   |
| Taxes   | 12 | (22,944)    | 585      | (23,529)    |
| Actual net operating profit (2-5+9+19)                            | 13 | 211,614     | (6,680)  | 218,294     |
| Provision to general reserve for possible loan losses             | 14 | —           | —        | —           |
| Other gains/(losses), net   | 15 | 6,458       | (1,632)  | 8,091       |
| Net gains/(losses) on stocks                                      | 16 | 16,799      | (8,398)  | 25,197      |
| Disposal of problem loans   | 17 | (17,039)    | (2,966)  | (14,072)    |
| Reversal of credit expenses                                       | 18 | 31,791      | 288      | 31,503      |
| Equity in earnings of investments in affiliates                   | 19 | 296         | 166      | 130         |
| <b>Ordinary profit</b>  | 20 | 217,777     | (8,501)  | 226,278     |
| Extraordinary gains   | 21 | 1,278       | (2,623)  | 3,902       |
| Extraordinary losses  | 22 | (3,219)     | (1,249)  | (1,970)     |
| Net income before income taxes                                    | 23 | 215,836     | (12,374) | 228,210     |
| Income taxes-current  | 24 | (11,852)    | 37,411   | (49,264)    |
| Income taxes-deferred   | 25 | 32,853      | 49,495   | (16,642)    |
| Net income  | 26 | 236,836     | 74,533   | 162,303     |
| Net income attributable to non-controlling interests              | 27 | (584)       | 233      | (817)       |
| <b>Net income attributable to owners of the parent</b>            | 28 | 236,251     | 74,766   | 161,485     |

|   |    |          |         |          |
|---|----|----------|---------|----------|
| <b>Credit expense (5+14+17+18)</b>                      | 29 | 14,752   | (2,700) | 17,452   |
| Disposal of problem loans in the trust account          | 30 | 0        | (22)    | 22       |
| Provision to general reserve for possible loan losses   | 31 | 14,050   | (558)   | 14,609   |
| Write-off of loans                                      | 32 | (16,735) | (3,061) | (13,674) |
| Provision to specific reserve for possible loan losses  | 33 | 4,390    | 2,468   | 1,921    |
| Provision to special reserve for certain overseas loans | 34 | 0        | (0)     | 0        |
| Other disposal of problem loans                         | 35 | (303)    | 94      | (398)    |
| Gains on recoveries of written-off loans                | 36 | 13,350   | (1,620) | 14,971   |

<Reference> Number of consolidated subsidiaries

(Companies)

|   |    | FY 2017 (A) | (A)-(B) | FY 2016 (B) |
|---|----|-------------|---------|-------------|
| Number of consolidated subsidiaries                               | 37 | 15          | 1       | 14          |
| Number of affiliated companies accounted for by the equity method | 38 | 3           | 2       | 1           |
| Total   | 39 | 18          | 3       | 15          |

<Total of three banks, Non-consolidated figures of each bank>

(Millions of yen)

|  |    | Total of three banks |         |                | Resona Bank    |         |                |
|--|----|----------------------|---------|----------------|----------------|---------|----------------|
|  |    | FY 2017<br>(A)       | (A)-(B) | FY 2016<br>(B) | FY 2017<br>(A) | (A)-(B) | FY 2016<br>(B) |
| Gross operating profit (7+15)                                      | 1  | 509,604              | (8,136) | 517,741        | 345,465        | (6,762) | 352,227        |
| Interest income  | 2  | 366,173              | (6,746) | 372,920        | 234,960        | (6,140) | 241,101        |
| Fees and commissions (include trust fees)                          | 3  | 128,132              | 6,914   | 121,218        | 96,579         | 4,331   | 92,247         |
| Trading income   | 4  | 7,102                | (1,487) | 8,589          | 7,102          | (1,487) | 8,589          |
| Other operating income   | 5  | 8,196                | (6,817) | 15,013         | 6,823          | (3,466) | 10,289         |
| Net gains/(losses) on bonds  | 6  | (6,264)              | (3,379) | (2,884)        | (5,324)        | (635)   | (4,689)        |
| Gross operating profit from domestic operations (8+9+11+12+13)     | 7  | 473,394              | (6,940) | 480,335        | 312,248        | (4,083) | 316,331        |
| Interest income  | 8  | 346,995              | (6,743) | 353,738        | 217,070        | (5,844) | 222,914        |
| Trust fees (after disposal of problem loans in the trust account)  | 9  | 18,660               | 728     | 17,932         | 18,660         | 728     | 17,932         |
| <Disposal of problem loans in the trust account>                   | 10 | 0                    | (22)    | 22             | 0              | (22)    | 22             |
| Fees and commissions   | 11 | 107,200              | 6,150   | 101,049        | 75,972         | 3,558   | 72,414         |
| Trading income   | 12 | 330                  | 104     | 225            | 330            | 104     | 225            |
| Other operating income   | 13 | 208                  | (7,180) | 7,389          | 214            | (2,630) | 2,845          |
| Net gains/(losses) on bonds  | 14 | 1,006                | (5,225) | 6,231          | 42             | (2,912) | 2,955          |
| Gross operating profit from international operations (16+17+18+19) | 15 | 36,209               | (1,196) | 37,406         | 33,216         | (2,679) | 35,895         |
| Interest income  | 16 | 19,178               | (3)     | 19,182         | 17,889         | (296)   | 18,186         |
| Fees and commissions   | 17 | 2,271                | 35      | 2,236          | 1,945          | 44      | 1,901          |
| Trading income   | 18 | 6,771                | (1,591) | 8,363          | 6,771          | (1,591) | 8,363          |
| Other operating income   | 19 | 7,987                | 363     | 7,624          | 6,608          | (835)   | 7,444          |
| Net gains/(losses) on bonds  | 20 | (7,270)              | 1,845   | (9,116)        | (5,367)        | 2,277   | (7,644)        |
| Expenses (excluding non-recurring items)                           | 21 | (322,190)            | 4,556   | (326,747)      | (211,963)      | 2,264   | (214,228)      |
| Personnel expenses   | 22 | (144,557)            | 2,164   | (146,722)      | (92,926)       | 1,229   | (94,155)       |
| Non-personnel expenses   | 23 | (156,058)            | 1,690   | (157,749)      | (105,542)      | 402     | (105,944)      |
| Taxes  | 24 | (21,574)             | 701     | (22,276)       | (13,494)       | 633     | (14,127)       |
| Actual net operating profit (1+21-10)                              | 25 | 187,413              | (3,558) | 190,971        | 133,501        | (4,475) | 137,977        |
| Core net operating profit (25-6)                                   | 26 | 193,677              | (178)   | 193,856        | 138,826        | (3,840) | 142,667        |
| Provision to general reserve for possible loan losses              | 27 | -                    | -       | -              | -              | -       | -              |
| Net operating profit (1+21+27)                                     | 28 | 187,413              | (3,580) | 190,994        | 133,501        | (4,497) | 137,999        |
| Other gains/(losses), net  | 29 | 65,175               | 56,229  | 8,946          | 54,647         | 49,009  | 5,637          |
| Net gains/(losses) on stocks                                       | 30 | 69,725               | 44,536  | 25,189         | 52,304         | 32,185  | 20,118         |
| Disposal of problem loans  | 31 | (10,157)             | (144)   | (10,013)       | (7,914)        | (1,523) | (6,390)        |
| Reversal of credit expenses  | 32 | 27,657               | (573)   | 28,230         | 21,692         | 595     | 21,097         |
| Other  | 33 | (22,050)             | 12,410  | (34,460)       | (11,434)       | 17,752  | (29,187)       |
| Ordinary profit (28+29)  | 34 | 252,589              | 52,648  | 199,940        | 188,149        | 44,511  | 143,637        |
| Extraordinary gains/(losses), net                                  | 35 | (1,598)              | (3,443) | 1,844          | (1,685)        | (578)   | (1,106)        |
| Gains/(losses) on disposal of fixed assets                         | 36 | 392                  | (2,311) | 2,704          | (301)          | 160     | (462)          |
| Impairment losses on fixed assets                                  | 37 | (1,991)              | (1,131) | (859)          | (1,383)        | (739)   | (644)          |
| Net income before income taxes (34+35)                             | 38 | 250,990              | 49,204  | 201,785        | 186,464        | 43,933  | 142,531        |
| Income taxes-current   | 39 | (34,796)             | 8,070   | (42,866)       | (23,611)       | 6,158   | (29,770)       |
| Income taxes-deferred  | 40 | (9,624)              | 5,733   | (15,357)       | (6,004)        | 5,411   | (11,415)       |
| Net income (38+39+40)  | 41 | 206,569              | 63,008  | 143,560        | 156,848        | 55,503  | 101,345        |
| Credit expense (10+27+31+32)                                       | 42 | 17,500               | (739)   | 18,239         | 13,777         | (951)   | 14,728         |
| Disposal of problem loans in the trust account                     | 43 | 0                    | (22)    | 22             | 0              | (22)    | 22             |
| Provision to general reserve for possible loan losses              | 44 | 6,683                | (3,120) | 9,803          | 3,998          | (1,566) | 5,564          |
| Write-off of loans   | 45 | (10,158)             | (265)   | (9,892)        | (7,985)        | (1,227) | (6,757)        |
| Provision to specific reserve for possible loan losses             | 46 | 7,716                | 3,000   | 4,715          | 7,365          | 1,364   | 6,000          |
| Provision to special reserve for certain overseas loans            | 47 | 0                    | (0)     | 0              | 0              | (0)     | 0              |
| Other disposal of problem loans                                    | 48 | 0                    | 120     | (120)          | 70             | (296)   | 366            |
| Gains on recoveries of written-off loans                           | 49 | 13,258               | (452)   | 13,711         | 10,328         | 797     | 9,531          |

(Millions of yen)

|   |               | Saitama Resona Bank |          |                | Kinki Osaka Bank |          |                |          |
|---|---------------|---------------------|----------|----------------|------------------|----------|----------------|----------|
|   |               | FY 2017<br>(A)      | (A)-(B)  | FY 2016<br>(B) | FY 2017<br>(A)   | (A)-(B)  | FY 2016<br>(B) |          |
| Gross operating profit  | (7+15)        | 1                   | 117,183  | (4,958)        | 122,141          | 46,956   | 3,583          | 43,372   |
| Interest income   |               | 2                   | 96,041   | (2,748)        | 98,789           | 35,171   | 2,142          | 33,029   |
| Fees and commissions (include trust fees)                         |               | 3                   | 21,810   | 554            | 21,255           | 9,743    | 2,028          | 7,714    |
| Trading income  |               | 4                   | -        | -              | -                | -        | -              | -        |
| Other operating income  |               | 5                   | (668)    | (2,764)        | 2,096            | 2,041    | (586)          | 2,627    |
| Net gains/(losses) on bonds                                       |               | 6                   | (2,616)  | (2,048)        | (568)            | 1,677    | (696)          | 2,374    |
| Gross operating profit from domestic operations (8+9+11+12+13)    |               | 7                   | 115,049  | (6,305)        | 121,355          | 46,096   | 3,448          | 42,647   |
| Interest income   |               | 8                   | 95,016   | (3,092)        | 98,108           | 34,908   | 2,193          | 32,714   |
| Trust fees (after disposal of problem loans in the trust account) |               | 9                   | -        | -              | -                | -        | -              | -        |
| <Disposal of problem loans in the trust account>                  |               | 10                  | -        | -              | -                | -        | -              | -        |
| Fees and commissions  |               | 11                  | 21,640   | 563            | 21,077           | 9,586    | 2,028          | 7,558    |
| Trading income  |               | 12                  | -        | -              | -                | -        | -              | -        |
| Other operating income  |               | 13                  | (1,607)  | (3,776)        | 2,169            | 1,600    | (773)          | 2,374    |
| Net gains/(losses) on bonds                                       |               | 14                  | (636)    | (1,539)        | 902              | 1,600    | (773)          | 2,374    |
| Gross operating profit from international operations(16+17+18+19) |               | 15                  | 2,133    | 1,347          | 786              | 859      | 135            | 724      |
| Interest income   |               | 16                  | 1,025    | 344            | 680              | 262      | (51)           | 314      |
| Fees and commissions  |               | 17                  | 169      | (9)            | 178              | 156      | 0              | 156      |
| Trading income  |               | 18                  | -        | -              | -                | -        | -              | -        |
| Other operating income  |               | 19                  | 938      | 1,011          | (73)             | 440      | 187            | 253      |
| Net gains/(losses) on bonds                                       |               | 20                  | (1,980)  | (509)          | (1,471)          | 77       | 77             | -        |
| Expenses (excluding non-recurring items)                          |               | 21                  | (73,578) | 1,299          | (74,877)         | (36,649) | 992            | (37,641) |
| Personnel expenses  |               | 22                  | (32,430) | 577            | (33,008)         | (19,200) | 357            | (19,558) |
| Non-personnel expenses  |               | 23                  | (35,567) | 838            | (36,406)         | (14,948) | 449            | (15,397) |
| Taxes   |               | 24                  | (5,580)  | (117)          | (5,462)          | (2,500)  | 185            | (2,685)  |
| Actual net operating profit                                       | (1+21-10)     | 25                  | 43,604   | (3,659)        | 47,264           | 10,306   | 4,576          | 5,730    |
| Core net operating profit   | (25-6)        | 26                  | 46,221   | (1,610)        | 47,832           | 8,628    | 5,272          | 3,356    |
| Provision to general reserve for possible loan losses             |               | 27                  | -        | -              | -                | -        | -              | -        |
| Net operating profit  | (1+21+27)     | 28                  | 43,604   | (3,659)        | 47,264           | 10,306   | 4,576          | 5,730    |
| Other gains/(losses), net   |               | 29                  | 8,876    | 6,401          | 2,474            | 1,651    | 817            | 834      |
| Net gains/(losses) on stocks                                      |               | 30                  | 15,042   | 10,928         | 4,114            | 2,378    | 1,421          | 956      |
| Disposal of problem loans   |               | 31                  | (1,613)  | 621            | (2,235)          | (628)    | 757            | (1,386)  |
| Reversal of credit expenses                                       |               | 32                  | 3,767    | 635            | 3,131            | 2,198    | (1,803)        | 4,001    |
| Other   |               | 33                  | (8,319)  | (5,784)        | (2,535)          | (2,295)  | 441            | (2,737)  |
| Ordinary profit   | (28+29)       | 34                  | 52,481   | 2,742          | 49,738           | 11,958   | 5,394          | 6,564    |
| Extraordinary gains/(losses), net                                 |               | 35                  | (591)    | (394)          | (197)            | 678      | (2,470)        | 3,148    |
| Gains/(losses) on disposal of fixed assets                        |               | 36                  | (147)    | (39)           | (107)            | 841      | (2,432)        | 3,274    |
| Impairment losses on fixed assets                                 |               | 37                  | (444)    | (354)          | (89)             | (163)    | (37)           | (126)    |
| Net income before income taxes                                    | (34+35)       | 38                  | 51,889   | 2,348          | 49,541           | 12,636   | 2,923          | 9,713    |
| Income taxes-current  |               | 39                  | (10,749) | 1,726          | (12,476)         | (435)    | 184            | (619)    |
| Income taxes-deferred   |               | 40                  | (990)    | 1,360          | (2,350)          | (2,630)  | (1,038)        | (1,592)  |
| Net income  | (38+39+40)    | 41                  | 40,149   | 5,435          | 34,714           | 9,571    | 2,070          | 7,501    |
| Credit expense  | (10+27+31+32) | 42                  | 2,153    | 1,257          | 896              | 1,569    | (1,045)        | 2,615    |
| Disposal of problem loans in the trust account                    |               | 43                  | -        | -              | -                | -        | -              | -        |
| Provision to general reserve for possible loan losses             |               | 44                  | 1,957    | (1,280)        | 3,237            | 728      | (274)          | 1,002    |
| Write-off of loans  |               | 45                  | (1,786)  | 246            | (2,033)          | (385)    | 716            | (1,102)  |
| Provision to specific reserve for possible loan losses            |               | 46                  | 93       | 2,538          | (2,445)          | 257      | (903)          | 1,160    |
| Provision to special reserve for certain overseas loans           |               | 47                  | -        | -              | -                | -        | -              | -        |
| Other disposal of problem loans                                   |               | 48                  | 173      | 375            | (202)            | (243)    | 41             | (284)    |
| Gains on recoveries of written-off loans                          |               | 49                  | 1,716    | (623)          | 2,340            | 1,212    | (626)          | 1,839    |

## 2. Net operating profit per employee

<Total of three banks, Non-consolidated figures of each bank>

(Millions of yen)

|  | Total of three banks |         |                | Resona Bank    |         |                |
|--|----------------------|---------|----------------|----------------|---------|----------------|
|  | FY 2017<br>(A)       | (A)-(B) | FY 2016<br>(B) | FY 2017<br>(A) | (A)-(B) | FY 2016<br>(B) |
| Actual net operating profit                                    | 187,413              | (3,558) | 190,971        | 133,501        | (4,475) | 137,977        |
| Actual net operating profit per employee<br>(thousands of yen) | 12,372               | (112)   | 12,485         | 13,716         | (338)   | 14,054         |
| Net operating profit   | 187,413              | (3,580) | 190,994        | 133,501        | (4,497) | 137,999        |
| Net operating profit per employee<br>(thousands of yen)        | 12,372               | (114)   | 12,486         | 13,716         | (340)   | 14,057         |

|  | Saitama Resona Bank |         |                | Kinki Osaka Bank |         |                |
|--|---------------------|---------|----------------|------------------|---------|----------------|
|  | FY 2017<br>(A)      | (A)-(B) | FY 2016<br>(B) | FY 2017<br>(A)   | (A)-(B) | FY 2016<br>(B) |
| Actual net operating profit                                    | 43,604              | (3,659) | 47,264         | 10,306           | 4,576   | 5,730          |
| Actual net operating profit per employee<br>(thousands of yen) | 13,546              | (912)   | 14,458         | 4,689            | 2,097   | 2,591          |
| Net operating profit   | 43,604              | (3,659) | 47,264         | 10,306           | 4,576   | 5,730          |
| Net operating profit per employee<br>(thousands of yen)        | 13,546              | (912)   | 14,458         | 4,689            | 2,097   | 2,591          |

Note: Number of employees includes executive officers and employees seconded to other companies.

## 3. ROE

<Consolidated>

(%)

|                | FY 2017<br>(A) | (A)-(B) | FY 2016<br>(B) |
|----------------|----------------|---------|----------------|
| Net income ROE | 15.76          | 4.08    | 11.67          |

(Net income attributable to owners of the parent - Amount equivalent to dividends for preferred shares)

Note: ROE=

$$\frac{\text{(Net income attributable to owners of the parent - Amount equivalent to dividends for preferred shares)}}{\frac{\{(\text{Shareholders' equity at beginning of period} - \text{Aggregate amount paid in for preferred shares at beginning of period}) + (\text{total shareholders' equity at end of period} - \text{Aggregate amount paid in for preferred shares at end of period})\}}{2}}$$

#### 4. Interest rate spreads (domestic operations)

<Total of three banks, Non-consolidated figures of each bank>

(%)

|  | Total of three banks |         |                | Resona Bank    |         |                |
|--|----------------------|---------|----------------|----------------|---------|----------------|
|  | FY 2017<br>(A)       | (A)-(B) | FY 2016<br>(B) | FY 2017<br>(A) | (A)-(B) | FY 2016<br>(B) |
| Average interest rate on funds invested (a)              | 0.86                 | (0.02)  | 0.89           | 0.87           | (0.03)  | 0.90           |
| Average interest rate of loans and bills discounted (c)  | 1.05                 | (0.08)  | 1.14           | 1.01           | (0.08)  | 1.09           |
| Average interest rate on securities                      | 1.25                 | 0.30    | 0.94           | 1.30           | 0.15    | 1.15           |
| Average interest rate on procured funds (b)              | 0.74                 | (0.00)  | 0.75           | 0.80           | 0.01    | 0.78           |
| Average interest rate of deposits and negotiable CDs (d) | 0.01                 | (0.00)  | 0.01           | 0.01           | (0.00)  | 0.01           |
| Average interest rate on external debt                   | 0.06                 | (0.00)  | 0.07           | (0.02)         | (0.02)  | (0.00)         |
| Gross interest margin (a) - (b)                          | 0.11                 | (0.02)  | 0.13           | 0.07           | (0.05)  | 0.12           |
| Loan-to-deposit spread (c) - (d)                         | 1.04                 | (0.08)  | 1.13           | 1.00           | (0.08)  | 1.08           |

|  | Saitama Resona Bank |         |                | Kinki Osaka Bank |         |                |
|--|---------------------|---------|----------------|------------------|---------|----------------|
|  | FY 2017<br>(A)      | (A)-(B) | FY 2016<br>(B) | FY 2017<br>(A)   | (A)-(B) | FY 2016<br>(B) |
| Average interest rate on funds invested (a)              | 0.79                | (0.01)  | 0.81           | 1.06             | 0.04    | 1.02           |
| Average interest rate of loans and bills discounted (c)  | 1.12                | (0.09)  | 1.22           | 1.16             | (0.12)  | 1.28           |
| Average interest rate on securities                      | 1.18                | 0.45    | 0.73           | 1.17             | 0.60    | 0.57           |
| Average interest rate on procured funds (b)              | 0.55                | (0.03)  | 0.58           | 1.08             | (0.06)  | 1.14           |
| Average interest rate of deposits and negotiable CDs (d) | 0.00                | (0.00)  | 0.01           | 0.03             | (0.00)  | 0.03           |
| Average interest rate on external debt                   | 0.18                | (0.01)  | 0.19           | 0.05             | (0.08)  | 0.14           |
| Gross interest margin (a) - (b)                          | 0.24                | 0.01    | 0.23           | (0.01)           | 0.10    | (0.12)         |
| Loan-to-deposit spread (c) - (d)                         | 1.12                | (0.08)  | 1.20           | 1.13             | (0.11)  | 1.24           |

Note: "Average interest on procured funds" and "gross interest margin" of "Total of three banks" and "Resona Bank" reflect expenses related to the trust banking operation of Resona Bank.



## 5. Use and source of funds

<Total of three banks>

(Millions of yen, %)

| 1. Total operations                | FY 2017 (A)     |          |      | (A)-(B)         |          |        | FY 2016 (B)     |          |      |
|------------------------------------|-----------------|----------|------|-----------------|----------|--------|-----------------|----------|------|
|                                    | Average Balance | Interest | Rate | Average Balance | Interest | Rate   | Average Balance | Interest | Rate |
| Use of Funds                       | 42,702,137      | 395,363  | 0.92 | 211,871         | (3,064)  | (0.01) | 42,490,266      | 398,427  | 0.93 |
| Loans and bills discounted         | 28,128,601      | 301,580  | 1.07 | 494,600         | (16,367) | (0.07) | 27,634,000      | 317,948  | 1.15 |
| Securities                         | 4,760,792       | 63,655   | 1.33 | (231,614)       | 12,490   | 0.31   | 4,992,406       | 51,164   | 1.02 |
| Source of Funds                    | 45,607,767      | 29,189   | 0.06 | 1,628,205       | 3,682    | 0.00   | 43,979,562      | 25,506   | 0.05 |
| Deposits                           | 40,903,631      | 11,782   | 0.02 | 2,153,683       | 2,773    | 0.00   | 38,749,947      | 9,009    | 0.02 |
| Negotiable certificates of deposit | 1,540,955       | 113      | 0.00 | (44,081)        | (128)    | (0.00) | 1,585,037       | 241      | 0.01 |
| Call money                         | 505,319         | 3,041    | 0.60 | (229,468)       | 103      | 0.20   | 734,787         | 2,938    | 0.39 |
| Borrowed money                     | 715,993         | 2,598    | 0.36 | 33,978          | 553      | 0.06   | 682,014         | 2,044    | 0.29 |

## 2. Domestic operations

|                                    |            |         |        |           |          |        |            |         |        |
|------------------------------------|------------|---------|--------|-----------|----------|--------|------------|---------|--------|
| Use of Funds                       | 41,421,298 | 358,792 | 0.86   | 121,010   | (8,825)  | (0.02) | 41,300,287 | 367,617 | 0.89   |
| Loans and bills discounted         | 27,637,925 | 292,533 | 1.05   | 518,586   | (18,319) | (0.08) | 27,119,339 | 310,853 | 1.14   |
| Securities                         | 4,383,784  | 55,097  | 1.25   | (276,896) | 10,884   | 0.30   | 4,660,681  | 44,213  | 0.94   |
| Source of Funds                    | 44,319,914 | 11,797  | 0.02   | 1,524,731 | (2,082)  | (0.00) | 42,795,182 | 13,879  | 0.03   |
| Deposits                           | 40,179,733 | 4,807   | 0.01   | 2,096,394 | 16       | (0.00) | 38,083,338 | 4,790   | 0.01   |
| Negotiable certificates of deposit | 1,540,955  | 113     | 0.00   | (44,081)  | (128)    | (0.00) | 1,585,037  | 241     | 0.01   |
| Call money                         | 297,830    | (161)   | (0.05) | (155,615) | 67       | (0.00) | 453,445    | (229)   | (0.05) |
| Borrowed money                     | 595,008    | 705     | 0.11   | 3,207     | (260)    | (0.04) | 591,800    | 965     | 0.16   |

## 3. International operations

|                                    |           |        |      |          |       |      |           |        |      |
|------------------------------------|-----------|--------|------|----------|-------|------|-----------|--------|------|
| Use of Funds                       | 1,434,847 | 36,624 | 2.55 | 56,271   | 5,752 | 0.31 | 1,378,576 | 30,871 | 2.23 |
| Loans and bills discounted         | 490,675   | 9,046  | 1.84 | (23,985) | 1,951 | 0.46 | 514,661   | 7,094  | 1.37 |
| Securities                         | 377,007   | 8,557  | 2.26 | 45,282   | 1,606 | 0.17 | 331,725   | 6,950  | 2.09 |
| Source of Funds                    | 1,441,861 | 17,446 | 1.20 | 68,884   | 5,756 | 0.35 | 1,372,976 | 11,689 | 0.85 |
| Deposits                           | 723,898   | 6,974  | 0.96 | 57,289   | 2,756 | 0.33 | 666,608   | 4,218  | 0.63 |
| Negotiable certificates of deposit | -         | -      | -    | -        | -     | -    | -         | -      | -    |
| Call money                         | 207,489   | 3,202  | 1.54 | (73,852) | 35    | 0.41 | 281,342   | 3,167  | 1.12 |
| Borrowed money                     | 120,985   | 1,893  | 1.56 | 30,771   | 814   | 0.36 | 90,213    | 1,079  | 1.19 |

<Non-consolidated figures of each bank>

<Resona bank>

(Millions of yen, %)

|                                    | FY 2017 (A)     |          |      | (A)-(B)         |          |        | FY 2016 (B)     |          |      |
|------------------------------------|-----------------|----------|------|-----------------|----------|--------|-----------------|----------|------|
|                                    | Average Balance | Interest | Rate | Average Balance | Interest | Rate   | Average Balance | Interest | Rate |
| <b>1. Total operations</b>         |                 |          |      |                 |          |        |                 |          |      |
| Use of Funds                       | 27,062,786      | 260,057  | 0.96 | 312,011         | (2,327)  | (0.01) | 26,750,775      | 262,384  | 0.98 |
| Loans and bills discounted         | 18,684,087      | 194,014  | 1.03 | 387,858         | (8,429)  | (0.06) | 18,296,229      | 202,444  | 1.10 |
| Securities                         | 2,908,684       | 40,930   | 1.40 | 13,907          | 4,605    | 0.15   | 2,894,776       | 36,325   | 1.25 |
| Source of Funds                    | 28,740,023      | 25,096   | 0.08 | 1,075,119       | 3,813    | 0.01   | 27,664,903      | 21,283   | 0.07 |
| Deposits                           | 25,001,922      | 9,331    | 0.03 | 1,562,549       | 2,905    | 0.00   | 23,439,372      | 6,426    | 0.02 |
| Negotiable certificates of deposit | 1,117,706       | 97       | 0.00 | (55,226)        | (119)    | (0.00) | 1,172,932       | 217      | 0.01 |
| Call money                         | 405,747         | 2,655    | 0.65 | (223,449)       | (300)    | 0.18   | 629,196         | 2,955    | 0.46 |
| Borrowed money                     | 366,215         | 1,895    | 0.51 | (2,683)         | 671      | 0.18   | 368,899         | 1,224    | 0.33 |

## 2. Domestic operations

|                                    |            |         |        |           |          |        |            |         |        |
|------------------------------------|------------|---------|--------|-----------|----------|--------|------------|---------|--------|
| Use of Funds                       | 25,900,435 | 225,802 | 0.87   | 265,385   | (6,965)  | (0.03) | 25,635,050 | 232,767 | 0.90   |
| Loans and bills discounted         | 18,211,395 | 185,309 | 1.01   | 419,176   | (10,209) | (0.08) | 17,792,218 | 195,519 | 1.09   |
| Securities                         | 2,607,685  | 34,107  | 1.30   | (6,329)   | 3,842    | 0.15   | 2,614,015  | 30,265  | 1.15   |
| Source of Funds                    | 27,570,753 | 8,731   | 0.03   | 1,015,840 | (1,121)  | (0.00) | 26,554,912 | 9,853   | 0.03   |
| Deposits                           | 24,334,465 | 2,561   | 0.01   | 1,505,240 | 244      | 0.00   | 22,829,224 | 2,316   | 0.01   |
| Negotiable certificates of deposit | 1,117,706  | 97      | 0.00   | (55,226)  | (119)    | (0.00) | 1,172,932  | 217     | 0.01   |
| Call money                         | 223,857    | (128)   | (0.05) | (125,437) | 53       | (0.00) | 349,295    | (181)   | (0.05) |
| Borrowed money                     | 245,230    | 2       | 0.00   | (33,454)  | (142)    | (0.05) | 278,685    | 144     | 0.05   |

## 3. International operations

|                                    |           |        |      |          |       |      |           |        |      |
|------------------------------------|-----------|--------|------|----------|-------|------|-----------|--------|------|
| Use of Funds                       | 1,304,707 | 34,301 | 2.62 | 19,006   | 4,635 | 0.32 | 1,285,700 | 29,665 | 2.30 |
| Loans and bills discounted         | 472,691   | 8,704  | 1.84 | (31,318) | 1,779 | 0.46 | 504,010   | 6,925  | 1.37 |
| Securities                         | 300,998   | 6,823  | 2.26 | 20,237   | 763   | 0.10 | 280,761   | 6,059  | 2.15 |
| Source of Funds                    | 1,311,626 | 16,411 | 1.25 | 31,659   | 4,932 | 0.35 | 1,279,967 | 11,478 | 0.89 |
| Deposits                           | 667,456   | 6,770  | 1.01 | 57,308   | 2,660 | 0.34 | 610,148   | 4,110  | 0.67 |
| Negotiable certificates of deposit | -         | -      | -    | -        | -     | -    | -         | -      | -    |
| Call money                         | 181,890   | 2,783  | 1.53 | (98,011) | (353) | 0.40 | 279,901   | 3,137  | 1.12 |
| Borrowed money                     | 120,985   | 1,893  | 1.56 | 30,771   | 814   | 0.36 | 90,213    | 1,079  | 1.19 |

<Saitama Resona Bank>

(Millions of yen, %)

|                                    | FY 2017 (A)     |          |      | (A)-(B)         |          |        | FY 2016 (B)     |          |        |
|------------------------------------|-----------------|----------|------|-----------------|----------|--------|-----------------|----------|--------|
|                                    | Average Balance | Interest | Rate | Average Balance | Interest | Rate   | Average Balance | Interest | Rate   |
| <b>1. Total operations</b>         |                 |          |      |                 |          |        |                 |          |        |
| Use of Funds                       | 12,243,705      | 98,950   | 0.80 | (150,816)       | (2,649)  | (0.01) | 12,394,522      | 101,599  | 0.81   |
| Loans and bills discounted         | 7,088,908       | 80,197   | 1.13 | 98,460          | (5,125)  | (0.08) | 6,990,447       | 85,323   | 1.22   |
| Securities                         | 1,123,180       | 14,078   | 1.25 | (317,382)       | 3,148    | 0.49   | 1,440,563       | 10,929   | 0.75   |
| Source of Funds                    | 13,435,154      | 2,909    | 0.02 | 478,037         | 99       | (0.00) | 12,957,116      | 2,810    | 0.02   |
| Deposits                           | 12,658,981      | 1,357    | 0.01 | 539,053         | 20       | (0.00) | 12,119,928      | 1,337    | 0.01   |
| Negotiable certificates of deposit | 336,545         | 8        | 0.00 | (7,331)         | (5)      | (0.00) | 343,876         | 14       | 0.00   |
| Call money                         | 69,332          | 397      | 0.57 | (23,632)        | 411      | 0.58   | 92,964          | (13)     | (0.01) |
| Borrowed money                     | 286,120         | 635      | 0.22 | 48,193          | (55)     | (0.06) | 237,927         | 691      | 0.29   |

**2. Domestic operations**

|                                    |            |        |        |           |         |        |            |         |        |
|------------------------------------|------------|--------|--------|-----------|---------|--------|------------|---------|--------|
| Use of Funds                       | 12,139,351 | 96,964 | 0.79   | (194,969) | (3,789) | (0.01) | 12,334,320 | 100,753 | 0.81   |
| Loans and bills discounted         | 7,076,276  | 79,931 | 1.12   | 92,359    | (5,280) | (0.09) | 6,983,917  | 85,212  | 1.22   |
| Securities                         | 1,060,972  | 12,561 | 1.18   | (346,857) | 2,263   | 0.45   | 1,407,830  | 10,297  | 0.73   |
| Source of Funds                    | 13,330,724 | 1,947  | 0.01   | 433,924   | (696)   | (0.00) | 12,896,799 | 2,644   | 0.02   |
| Deposits                           | 12,616,608 | 1,219  | 0.00   | 539,146   | (42)    | (0.00) | 12,077,462 | 1,261   | 0.01   |
| Negotiable certificates of deposit | 336,545    | 8      | 0.00   | (7,331)   | (5)     | (0.00) | 343,876    | 14      | 0.00   |
| Call money                         | 43,733     | (20)   | (0.04) | (47,794)  | 22      | (0.00) | 91,527     | (43)    | (0.04) |
| Borrowed money                     | 286,120    | 635    | 0.22   | 48,193    | (55)    | (0.06) | 237,927    | 691     | 0.29   |

**3. International operations**

|                                    |         |       |      |        |       |        |        |     |      |
|------------------------------------|---------|-------|------|--------|-------|--------|--------|-----|------|
| Use of Funds                       | 106,178 | 1,987 | 1.87 | 40,424 | 1,139 | 0.58   | 65,753 | 847 | 1.28 |
| Loans and bills discounted         | 12,632  | 265   | 2.10 | 6,101  | 154   | 0.40   | 6,530  | 110 | 1.69 |
| Securities                         | 62,208  | 1,517 | 2.43 | 29,474 | 885   | 0.50   | 32,733 | 631 | 1.92 |
| Source of Funds                    | 106,254 | 961   | 0.90 | 40,385 | 794   | 0.65   | 65,868 | 166 | 0.25 |
| Deposits                           | 42,372  | 137   | 0.32 | (93)   | 62    | 0.14   | 42,465 | 75  | 0.17 |
| Negotiable certificates of deposit | -       | -     | -    | -      | -     | -      | -      | -   | -    |
| Call money                         | 25,598  | 418   | 1.63 | 24,161 | 389   | (0.41) | 1,437  | 29  | 2.05 |
| Borrowed money                     | -       | -     | -    | -      | -     | -      | -      | -   | -    |

<Kinki Osaka Bank>

(Millions of yen, %)

| 1. Total operations                | FY 2017 (A)     |          |        | (A)-(B)         |          |        | FY 2016 (B)     |          |        |
|------------------------------------|-----------------|----------|--------|-----------------|----------|--------|-----------------|----------|--------|
|                                    | Average Balance | Interest | Rate   | Average Balance | Interest | Rate   | Average Balance | Interest | Rate   |
| Use of Funds                       | 3,395,645       | 36,355   | 1.07   | 50,676          | 1,912    | 0.04   | 3,344,968       | 34,443   | 1.02   |
| Loans and bills discounted         | 2,355,605       | 27,368   | 1.16   | 8,281           | (2,812)  | (0.12) | 2,347,323       | 30,180   | 1.28   |
| Securities                         | 728,926         | 8,646    | 1.18   | 71,860          | 4,736    | 0.59   | 657,066         | 3,909    | 0.59   |
| Source of Funds                    | 3,432,589       | 1,183    | 0.03   | 75,047          | (229)    | (0.00) | 3,357,541       | 1,413    | 0.04   |
| Deposits                           | 3,242,727       | 1,093    | 0.03   | 52,081          | (151)    | (0.00) | 3,190,646       | 1,245    | 0.03   |
| Negotiable certificates of deposit | 86,704          | 7        | 0.00   | 18,475          | (2)      | (0.00) | 68,228          | 9        | 0.01   |
| Call money                         | 30,240          | (12)     | (0.04) | 17,614          | (7)      | (0.00) | 12,625          | (4)      | (0.03) |
| Borrowed money                     | 63,657          | 67       | 0.10   | (11,530)        | (62)     | (0.06) | 75,188          | 129      | 0.17   |

2. Domestic operations

|                                    |           |        |        |          |         |        |           |        |        |
|------------------------------------|-----------|--------|--------|----------|---------|--------|-----------|--------|--------|
| Use of Funds                       | 3,381,510 | 36,026 | 1.06   | 50,594   | 1,929   | 0.04   | 3,330,916 | 34,096 | 1.02   |
| Loans and bills discounted         | 2,350,253 | 27,292 | 1.16   | 7,050    | (2,829) | (0.12) | 2,343,203 | 30,121 | 1.28   |
| Securities                         | 715,126   | 8,428  | 1.17   | 76,290   | 4,778   | 0.60   | 638,835   | 3,650  | 0.57   |
| Source of Funds                    | 3,418,436 | 1,117  | 0.03   | 74,966   | (263)   | (0.00) | 3,343,470 | 1,381  | 0.04   |
| Deposits                           | 3,228,659 | 1,027  | 0.03   | 52,007   | (185)   | (0.00) | 3,176,651 | 1,213  | 0.03   |
| Negotiable certificates of deposit | 86,704    | 7      | 0.00   | 18,475   | (2)     | (0.00) | 68,228    | 9      | 0.01   |
| Call money                         | 30,239    | (12)   | (0.04) | 17,616   | (7)     | (0.00) | 12,622    | (4)    | (0.03) |
| Borrowed money                     | 63,657    | 67     | 0.10   | (11,530) | (62)    | (0.06) | 75,188    | 129    | 0.17   |

3. International operations

|                                    |        |     |      |         |      |        |        |     |      |
|------------------------------------|--------|-----|------|---------|------|--------|--------|-----|------|
| Use of Funds                       | 23,961 | 336 | 1.40 | (3,159) | (22) | 0.08   | 27,121 | 358 | 1.32 |
| Loans and bills discounted         | 5,351  | 76  | 1.42 | 1,231   | 17   | (0.00) | 4,120  | 59  | 1.43 |
| Securities                         | 13,800 | 217 | 1.57 | (4,430) | (41) | 0.15   | 18,230 | 259 | 1.42 |
| Source of Funds                    | 23,980 | 73  | 0.30 | (3,159) | 29   | 0.14   | 27,140 | 43  | 0.16 |
| Deposits                           | 14,068 | 66  | 0.47 | 74      | 34   | 0.24   | 13,994 | 32  | 0.23 |
| Negotiable certificates of deposit | -      | -   | -    | -       | -    | -      | -      | -   | -    |
| Call money                         | 0      | 0   | 1.05 | (2)     | (0)  | (0.51) | 3      | 0   | 1.56 |
| Borrowed money                     | -      | -   | -    | -       | -    | -      | -      | -   | -    |

## 6. Retirement benefit obligation and expenses

<Total of three banks, Non-consolidated figures of each bank>

### (1) Retirement benefit obligation

(Millions of yen)

|                                   | Total of three banks    |          |                         | Resona Bank             |          |                         |
|-----------------------------------|-------------------------|----------|-------------------------|-------------------------|----------|-------------------------|
|                                   | End of Mar.<br>2018 (A) | (A)-(B)  | End of Mar.<br>2017 (B) | End of Mar.<br>2018 (A) | (A)-(B)  | End of Mar.<br>2017 (B) |
| Retirement benefit obligation     | 413,065                 | (1,231)  | 414,297                 | 309,540                 | (2,854)  | 312,395                 |
| Discount rate (%)                 | 0.48                    | (0.07)   | 0.55                    | 0.48                    | (0.07)   | 0.55                    |
| Pension plan assets at fair value | 423,454                 | 3,063    | 420,391                 | 327,288                 | (1,609)  | 328,898                 |
| Prepaid pension cost              | 72,016                  | (9,657)  | 81,673                  | 53,518                  | (11,141) | 64,660                  |
| Amount to be amortized            | 61,627                  | (13,952) | 75,579                  | 35,770                  | (12,386) | 48,157                  |

|                                   | Saitama Resona Bank     |         |                         | Kinki Osaka Bank        |         |                         |
|-----------------------------------|-------------------------|---------|-------------------------|-------------------------|---------|-------------------------|
|                                   | End of Mar.<br>2018 (A) | (A)-(B) | End of Mar.<br>2017 (B) | End of Mar.<br>2018 (A) | (A)-(B) | End of Mar.<br>2017 (B) |
| Retirement benefit obligation     | 59,691                  | 1,147   | 58,543                  | 43,833                  | 475     | 43,358                  |
| Discount rate (%)                 | 0.48                    | (0.07)  | 0.55                    | 0.48                    | (0.07)  | 0.55                    |
| Pension plan assets at fair value | 56,086                  | 2,872   | 53,213                  | 40,079                  | 1,799   | 38,279                  |
| Prepaid pension cost              | 12,782                  | 1,071   | 11,710                  | 5,715                   | 412     | 5,303                   |
| Amount to be amortized            | 16,387                  | (653)   | 17,040                  | 9,469                   | (912)   | 10,381                  |

### (2) Retirement benefit expenses for defined benefit plan

(Millions of yen)

|  | Total of three banks |         |             | Resona Bank |         |             |
|--|----------------------|---------|-------------|-------------|---------|-------------|
|  | FY 2017 (A)          | (A)-(B) | FY 2016 (B) | FY 2017 (A) | (A)-(B) | FY 2016 (B) |
| Retirement benefit expenses            | (26,489)             | (1,670) | (24,818)    | (18,871)    | (2,031) | (16,840)    |
| Service cost                           | (11,425)             | 1,022   | (12,447)    | (7,766)     | 729     | (8,496)     |
| Interest cost                          | (2,278)              | (756)   | (1,522)     | (1,718)     | (564)   | (1,153)     |
| Expected return on pension plan assets | 5,875                | 13      | 5,861       | 4,483       | (13)    | 4,497       |
| Unrecognized actuarial loss            | (18,659)             | (1,949) | (16,710)    | (13,870)    | (2,182) | (11,687)    |

|  | Saitama Resona Bank |         |             | Kinki Osaka Bank |         |             |
|--|---------------------|---------|-------------|------------------|---------|-------------|
|  | FY 2017 (A)         | (A)-(B) | FY 2016 (B) | FY 2017 (A)      | (A)-(B) | FY 2016 (B) |
| Retirement benefit expenses            | (4,752)             | 144     | (4,896)     | (2,864)          | 217     | (3,082)     |
| Service cost                           | (2,362)             | 154     | (2,517)     | (1,296)          | 137     | (1,433)     |
| Interest cost                          | (321)               | (111)   | (210)       | (238)            | (79)    | (158)       |
| Expected return on pension plan assets | 732                 | 16      | 716         | 659              | 11      | 647         |
| Unrecognized actuarial loss            | (2,800)             | 84      | (2,884)     | (1,989)          | 148     | (2,138)     |

## 7. Gains /(losses) on bonds and stocks

<Total of three banks, Non-consolidated figures of each bank>

(Millions of yen)

|                              | Total of three banks |          |                | Resona Bank    |         |                |
|------------------------------|----------------------|----------|----------------|----------------|---------|----------------|
|                              | FY 2017<br>(A)       | (A)-(B)  | FY 2016<br>(B) | FY 2017<br>(A) | (A)-(B) | FY 2016<br>(B) |
| Net gains/(losses) on bonds  | (6,264)              | (3,379)  | (2,884)        | (5,324)        | (635)   | (4,689)        |
| Gains on sale                | 12,843               | (10,616) | 23,460         | 6,642          | (7,385) | 14,028         |
| Gains on redemption          | -                    | -        | -              | -              | -       | -              |
| Losses on sale               | (18,915)             | 7,366    | (26,282)       | (11,815)       | 6,863   | (18,678)       |
| Losses on redemption         | -                    | -        | -              | -              | -       | -              |
| Losses on devaluation        | (191)                | (129)    | (62)           | (152)          | (112)   | (39)           |
| Net gains/(losses) on stocks | 69,725               | 44,536   | 25,189         | 52,304         | 32,185  | 20,118         |
| Gains on sale                | 86,145               | 55,014   | 31,131         | 65,602         | 39,786  | 25,815         |
| Losses on sale               | (16,387)             | (10,458) | (5,928)        | (13,265)       | (7,571) | (5,693)        |
| Losses on devaluation        | (32)                 | (18)     | (13)           | (32)           | (28)    | (3)            |

|                              | Saitama Resona Bank |         |                | Kinki Osaka Bank |         |                |
|------------------------------|---------------------|---------|----------------|------------------|---------|----------------|
|                              | FY 2017<br>(A)      | (A)-(B) | FY 2016<br>(B) | FY 2017<br>(A)   | (A)-(B) | FY 2016<br>(B) |
| Net gains/(losses) on bonds  | (2,616)             | (2,048) | (568)          | 1,677            | (696)   | 2,374          |
| Gains on sale                | 4,422               | (2,489) | 6,911          | 1,777            | (742)   | 2,520          |
| Gains on redemption          | -                   | -       | -              | -                | -       | -              |
| Losses on sale               | (7,027)             | 430     | (7,458)        | (72)             | 73      | (145)          |
| Losses on redemption         | -                   | -       | -              | -                | -       | -              |
| Losses on devaluation        | (12)                | 10      | (22)           | (27)             | (27)    | -              |
| Net gains/(losses) on stocks | 15,042              | 10,928  | 4,114          | 2,378            | 1,421   | 956            |
| Gains on sale                | 18,153              | 13,794  | 4,359          | 2,389            | 1,433   | 956            |
| Losses on sale               | (3,111)             | (2,875) | (235)          | (11)             | (11)    | -              |
| Losses on devaluation        | (0)                 | 9       | (9)            | -                | -       | -              |

## 8. Unrealized gains/(losses) on marketable securities (Bonds held to maturity, stocks of subsidiaries and affiliates and available-for-sale securities)

(Millions of yen)

| <Consolidated>                | B/S Amount<br>(End of Mar.<br>2018) | Change from<br>End of<br>Mar. 2017 | Unrealized gains/(losses) |         |          | Change from<br>End of<br>Mar. 2017 |
|-------------------------------|-------------------------------------|------------------------------------|---------------------------|---------|----------|------------------------------------|
|                               |                                     |                                    | (End of Mar.<br>2018)     | Gain    | Loss     |                                    |
| Bonds held to maturity        | 2,046,787                           | (230,923)                          | 51,992                    | 52,452  | (459)    | (15,505)                           |
| Available-for-sale securities | 3,169,497                           | 205,696                            | 658,200                   | 683,630 | (25,430) | 102,301                            |
| Stocks                        | 1,117,952                           | 205,525                            | 669,476                   | 673,941 | (4,464)  | 105,730                            |
| Bonds                         | 1,215,461                           | (213,678)                          | 983                       | 3,923   | (2,939)  | 3,651                              |
| JGB                           | 213,108                             | (325,575)                          | (1,231)                   | 80      | (1,311)  | 4,258                              |
| Other                         | 836,082                             | 213,849                            | (12,260)                  | 5,765   | (18,026) | (7,081)                            |

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

A reconciliation of net unrealized gains on available-for-sale securities to the amount reported on the Resona Holdings' consolidated balance sheet as of March 31, 2018 is as follows:

|  | (Millions of yen) |
|--|-------------------|
| Net unrealized gains on available-for-sale securities  | 658,200           |
| Fair value hedge gains recorded as income  | (less) 7,662      |
| Deferred tax liabilities   | (less) 163,820    |
| Unrealized gains on available-for-sale securities (before adjustment)                            | 486,717           |
| Amounts attributable to non-controlling interests  | (less) 52         |
| Parent's portion of unrealized gains on available-for-sale securities of equity method investees | 0                 |
| Amount reported on the Consolidated Balance Sheet  | 486,665           |

(Millions of yen)

| <Total of three banks>               | B/S Amount<br>(End of Mar.<br>2018) | Change from<br>End of<br>Mar. 2017 | Unrealized gains/(losses) |         |          | Change from<br>End of<br>Mar. 2017 |
|--------------------------------------|-------------------------------------|------------------------------------|---------------------------|---------|----------|------------------------------------|
|                                      |                                     |                                    | (End of Mar.<br>2018)     | Gain    | Loss     |                                    |
| Bonds held to maturity               | 2,046,787                           | (230,923)                          | 51,992                    | 52,452  | (459)    | (15,505)                           |
| Stock of subsidiaries and affiliates | -                                   | -                                  | -                         | -       | -        | -                                  |
| Available-for-sale securities        | 3,050,710                           | 91,975                             | 649,489                   | 672,816 | (23,327) | 94,071                             |
| Stocks                               | 1,004,695                           | 93,009                             | 660,892                   | 663,273 | (2,381)  | 97,597                             |
| Bonds                                | 1,215,458                           | (213,678)                          | 983                       | 3,923   | (2,939)  | 3,651                              |
| Other                                | 830,556                             | 212,643                            | (12,386)                  | 5,619   | (18,005) | (7,177)                            |

### <Resona Bank>

|                                      |           |           |         |         |          |          |
|--------------------------------------|-----------|-----------|---------|---------|----------|----------|
| Bonds held to maturity               | 1,306,904 | (144,939) | 35,625  | 35,625  | -        | (11,851) |
| Stock of subsidiaries and affiliates | -         | -         | -       | -       | -        | -        |
| Available-for-sale securities        | 1,957,479 | 232,159   | 539,444 | 554,001 | (14,556) | 81,592   |
| Stocks                               | 822,593   | 76,378    | 544,243 | 546,303 | (2,060)  | 80,823   |
| Bonds                                | 572,825   | 15,886    | 2,019   | 3,437   | (1,417)  | 1,438    |
| Other                                | 562,060   | 139,894   | (6,817) | 4,260   | (11,078) | (670)    |

### <Saitama Resona Bank>

|                                      |         |           |         |         |         |         |
|--------------------------------------|---------|-----------|---------|---------|---------|---------|
| Bonds held to maturity               | 532,848 | (89,108)  | 13,077  | 13,077  | (0)     | (4,400) |
| Stock of subsidiaries and affiliates | -       | -         | -       | -       | -       | -       |
| Available-for-sale securities        | 554,049 | (212,513) | 99,955  | 107,290 | (7,334) | 12,961  |
| Stocks                               | 167,724 | 14,351    | 106,239 | 106,544 | (304)   | 14,494  |
| Bonds                                | 190,026 | (299,865) | (610)   | 446     | (1,056) | 2,253   |
| Other                                | 196,297 | 73,000    | (5,674) | 299     | (5,973) | (3,786) |

### <Kinki Osaka Bank>

|                                      |         |        |        |        |         |         |
|--------------------------------------|---------|--------|--------|--------|---------|---------|
| Bonds held to maturity               | 207,034 | 3,125  | 3,289  | 3,749  | (459)   | 746     |
| Stock of subsidiaries and affiliates | -       | -      | -      | -      | -       | -       |
| Available-for-sale securities        | 539,181 | 72,329 | 10,088 | 11,524 | (1,435) | (481)   |
| Stocks                               | 14,376  | 2,279  | 10,409 | 10,425 | (16)    | 2,279   |
| Bonds                                | 452,605 | 70,300 | (425)  | 40     | (465)   | (40)    |
| Other                                | 72,198  | (251)  | 105    | 1,058  | (953)   | (2,720) |

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

The presented figures only include marketable securities.

## 9. Breakdown of securities by remaining period to maturity (Bonds held to maturity and available-for-sale securities with maturities)

(Billions of yen)

|                                     | End of Mar. 2018 |                    |                     |                     |                    |                |                | End of Mar. 2017 |                    |                     |                     |                    |                |                |
|-------------------------------------|------------------|--------------------|---------------------|---------------------|--------------------|----------------|----------------|------------------|--------------------|---------------------|---------------------|--------------------|----------------|----------------|
|                                     | One year or less | One to three years | Three to five years | Five to seven years | Seven to ten years | Over ten years | Total          | One year or less | One to three years | Three to five years | Five to seven years | Seven to ten years | Over ten years | Total          |
| <b>&lt;Total of three banks&gt;</b> |                  |                    |                     |                     |                    |                |                |                  |                    |                     |                     |                    |                |                |
| Bonds held to maturity              | 132.7            | 1,051.4            | 242.1               | 501.6               | 51.2               | 68.5           | 2,047.7        | 255.8            | 578.8              | 773.1               | 151.3               | 449.5              | 69.5           | 2,278.3        |
| Japanese government bonds           | 79.0             | 945.2              | 130.0               | 400.0               | -                  | 12.1           | 1,566.3        | 205.3            | 486.3              | 667.9               | 50.0                | 350.0              | 12.1           | 1,771.6        |
| Floating-rate JGBs                  | 17.0             | 294.7              | -                   | -                   | -                  | -              | 311.7          | 118.3            | 166.3              | 145.4               | -                   | -                  | -              | 430.0          |
| Japanese local government bonds     | 44.2             | 88.7               | 100.0               | 100.0               | 49.6               | 4.8            | 387.4          | 43.9             | 82.9               | 100.0               | 100.0               | 98.0               | 4.9            | 429.8          |
| Japanese corporate bonds            | 9.4              | 17.5               | 12.1                | 1.6                 | 1.6                | 51.6           | 94.0           | 6.6              | 9.6                | 5.2                 | 1.3                 | 1.5                | 52.5           | 76.8           |
| Available-for-sale securities       | 190.8            | 312.2              | 487.2               | 189.8               | 518.4              | 200.1          | 1,898.8        | 376.2            | 313.4              | 224.2               | 129.7               | 718.4              | 146.3          | 1,908.5        |
| Bonds                               | 175.5            | 277.4              | 425.1               | 97.2                | 175.9              | 55.1           | 1,206.3        | 361.9            | 284.9              | 198.0               | 99.9                | 382.0              | 94.8           | 1,421.8        |
| Japanese government bonds           | -                | -                  | 60.0                | 40.0                | 75.0               | 35.0           | 210.0          | 172.0            | -                  | 60.0                | -                   | 243.0              | 63.0           | 538.0          |
| Floating-rate JGBs                  | -                | -                  | -                   | -                   | -                  | -              | -              | -                | -                  | -                   | -                   | -                  | -              | -              |
| Japanese local government bonds     | 3.9              | 2.5                | 66.6                | 8.0                 | 86.9               | -              | 168.0          | 12.8             | 4.6                | 13.4                | 4.2                 | 111.8              | -              | 147.1          |
| Japanese corporate bonds            | 171.5            | 274.8              | 298.5               | 49.2                | 14.0               | 20.1           | 828.3          | 177.0            | 280.2              | 124.6               | 95.6                | 27.2               | 31.8           | 736.7          |
| Other                               | 15.3             | 34.8               | 62.1                | 92.5                | 342.4              | 145.0          | 692.4          | 14.3             | 28.5               | 26.1                | 29.8                | 336.4              | 51.4           | 486.7          |
| <b>Total</b>                        | <b>323.5</b>     | <b>1,363.7</b>     | <b>729.4</b>        | <b>691.4</b>        | <b>569.6</b>       | <b>268.7</b>   | <b>3,946.6</b> | <b>632.1</b>     | <b>892.3</b>       | <b>997.3</b>        | <b>281.0</b>        | <b>1,168.0</b>     | <b>215.8</b>   | <b>4,186.8</b> |

### <Resona Bank>

|                                 |              |              |              |              |              |              |                |              |              |              |             |              |             |                |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|-------------|--------------|-------------|----------------|
| Bonds held to maturity          | 62.5         | 696.9        | 130.9        | 401.0        | 1.5          | 10.8         | 1,303.8        | 142.0        | 366.5        | 523.5        | 51.0        | 351.5        | 11.7        | 1,446.3        |
| Japanese government bonds       | 62.0         | 696.0        | 130.0        | 400.0        | -            | -            | 1,288.0        | 141.5        | 365.5        | 522.5        | 50.0        | 350.0        | -           | 1,429.5        |
| Floating-rate JGBs              | -            | 45.5         | -            | -            | -            | -            | 45.5           | 54.5         | 45.5         | -            | -           | -            | -           | 100.0          |
| Japanese local government bonds | -            | -            | -            | -            | -            | -            | -              | -            | -            | -            | -           | -            | -           | -              |
| Japanese corporate bonds        | 0.5          | 0.9          | 0.9          | 1.0          | 1.5          | 10.8         | 15.8           | 0.5          | 1.0          | 1.0          | 1.0         | 1.5          | 11.7        | 16.8           |
| Available-for-sale securities   | 94.3         | 169.4        | 196.7        | 104.2        | 343.1        | 121.2        | 1,029.1        | 95.8         | 156.1        | 159.5        | 48.1        | 390.0        | 49.2        | 898.9          |
| Bonds                           | 94.2         | 165.4        | 163.8        | 56.2         | 88.3         | -            | 568.1          | 94.3         | 149.1        | 140.9        | 26.0        | 124.9        | 17.0        | 552.3          |
| Japanese government bonds       | -            | -            | 60.0         | 40.0         | 40.0         | -            | 140.0          | -            | -            | 60.0         | -           | 80.0         | 17.0        | 157.0          |
| Floating-rate JGBs              | -            | -            | -            | -            | -            | -            | -              | -            | -            | -            | -           | -            | -           | -              |
| Japanese local government bonds | -            | -            | 16.8         | -            | 36.9         | -            | 53.8           | 0.9          | -            | 5.8          | -           | 31.3         | -           | 38.1           |
| Japanese corporate bonds        | 94.2         | 165.4        | 86.9         | 16.2         | 11.3         | -            | 374.2          | 93.3         | 149.1        | 75.0         | 26.0        | 13.5         | -           | 357.2          |
| Other                           | 0.1          | 3.9          | 32.9         | 47.9         | 254.8        | 121.2        | 461.0          | 1.5          | 6.9          | 18.6         | 22.1        | 265.0        | 32.2        | 346.6          |
| <b>Total</b>                    | <b>156.9</b> | <b>866.3</b> | <b>327.7</b> | <b>505.2</b> | <b>344.6</b> | <b>132.0</b> | <b>2,332.9</b> | <b>237.8</b> | <b>522.6</b> | <b>683.1</b> | <b>99.1</b> | <b>741.5</b> | <b>61.0</b> | <b>2,345.3</b> |

### <Saitama Resona Bank>

|                                 |             |              |              |              |              |             |              |              |              |              |              |              |             |                |
|---------------------------------|-------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|----------------|
| Bonds held to maturity          | 44.2        | 240.9        | 100.0        | 100.0        | 49.6         | -           | 534.8        | 91.7         | 168.2        | 166.9        | 100.0        | 98.0         | -           | 624.9          |
| Japanese government bonds       | -           | 152.2        | -            | -            | -            | -           | 152.2        | 47.8         | 85.3         | 66.9         | -            | -            | -           | 200.0          |
| Floating-rate JGBs              | -           | 152.2        | -            | -            | -            | -           | 152.2        | 47.8         | 85.3         | 66.9         | -            | -            | -           | 200.0          |
| Japanese local government bonds | 44.2        | 88.7         | 100.0        | 100.0        | 49.6         | -           | 382.6        | 43.9         | 82.9         | 100.0        | 100.0        | 98.0         | -           | 424.9          |
| Japanese corporate bonds        | -           | -            | -            | -            | -            | -           | -            | -            | -            | -            | -            | -            | -           | -              |
| Available-for-sale securities   | 30.1        | 49.5         | 31.9         | 45.0         | 167.0        | 48.4        | 372.1        | 225.7        | 53.3         | 7.8          | 7.1          | 247.3        | 41.4        | 582.9          |
| Bonds                           | 26.9        | 25.0         | 11.3         | 9.2          | 85.9         | 30.0        | 188.6        | 225.5        | 35.1         | 7.1          | 3.1          | 185.3        | 33.0        | 489.2          |
| Japanese government bonds       | -           | -            | -            | -            | 35.0         | 30.0        | 65.0         | 170.0        | -            | -            | -            | 110.0        | 33.0        | 313.0          |
| Floating-rate JGBs              | -           | -            | -            | -            | -            | -           | -            | -            | -            | -            | -            | -            | -           | -              |
| Japanese local government bonds | -           | -            | -            | 6.8          | 49.9         | -           | 56.7         | -            | -            | -            | -            | 75.3         | -           | 75.3           |
| Japanese corporate bonds        | 26.9        | 25.0         | 11.3         | 2.4          | 1.0          | -           | 66.8         | 55.5         | 35.1         | 7.1          | 3.1          | -            | -           | 100.9          |
| Other                           | 3.1         | 24.4         | 20.5         | 35.7         | 81.0         | 18.4        | 183.5        | 0.2          | 18.2         | 0.6          | 4.0          | 61.9         | 8.4         | 93.6           |
| <b>Total</b>                    | <b>74.3</b> | <b>290.4</b> | <b>131.9</b> | <b>145.0</b> | <b>216.6</b> | <b>48.4</b> | <b>906.9</b> | <b>317.4</b> | <b>221.6</b> | <b>174.7</b> | <b>107.2</b> | <b>345.3</b> | <b>41.4</b> | <b>1,207.8</b> |

### <Kinki Osaka Bank>

|                                 |             |              |              |             |            |             |              |             |              |              |             |             |              |              |
|---------------------------------|-------------|--------------|--------------|-------------|------------|-------------|--------------|-------------|--------------|--------------|-------------|-------------|--------------|--------------|
| Bonds held to maturity          | 25.9        | 113.5        | 11.1         | 0.6         | 0.1        | 57.7        | 209.1        | 22.0        | 44.1         | 82.7         | 0.2         | -           | 57.8         | 206.9        |
| Japanese government bonds       | 17.0        | 97.0         | -            | -           | -          | 12.1        | 126.1        | 16.0        | 35.5         | 78.5         | -           | -           | 12.1         | 142.1        |
| Floating-rate JGBs              | 17.0        | 97.0         | -            | -           | -          | -           | 114.0        | 16.0        | 35.5         | 78.5         | -           | -           | -            | 130.0        |
| Japanese local government bonds | -           | -            | -            | -           | -          | 4.8         | 4.8          | -           | -            | -            | -           | -           | 4.9          | 4.9          |
| Japanese corporate bonds        | 8.9         | 16.5         | 11.1         | 0.6         | 0.1        | 40.8        | 78.2         | 6.0         | 8.6          | 4.2          | 0.2         | -           | 40.8         | 59.9         |
| Available-for-sale securities   | 66.3        | 93.3         | 258.5        | 40.5        | 8.2        | 30.4        | 497.5        | 54.6        | 103.9        | 56.8         | 74.4        | 81.0        | 55.6         | 426.6        |
| Bonds                           | 54.3        | 86.8         | 249.9        | 31.6        | 1.7        | 25.1        | 449.6        | 42.1        | 100.6        | 50.0         | 70.8        | 71.7        | 44.8         | 380.1        |
| Japanese government bonds       | -           | -            | -            | -           | -          | 5.0         | 5.0          | 2.0         | -            | -            | -           | 53.0        | 13.0         | 68.0         |
| Floating-rate JGBs              | -           | -            | -            | -           | -          | -           | -            | -           | -            | -            | -           | -           | -            | -            |
| Japanese local government bonds | 3.9         | 2.5          | 49.7         | 1.2         | -          | -           | 57.4         | 11.9        | 4.6          | 7.6          | 4.2         | 5.0         | -            | 33.6         |
| Japanese corporate bonds        | 50.3        | 84.3         | 200.2        | 30.4        | 1.7        | 20.1        | 387.1        | 28.2        | 95.9         | 42.3         | 66.5        | 13.6        | 31.8         | 278.5        |
| Other                           | 12.0        | 6.4          | 8.6          | 8.9         | 6.5        | 5.3         | 47.8         | 12.5        | 3.3          | 6.8          | 3.6         | 9.3         | 10.8         | 46.4         |
| <b>Total</b>                    | <b>92.3</b> | <b>206.8</b> | <b>269.7</b> | <b>41.2</b> | <b>8.3</b> | <b>88.1</b> | <b>706.7</b> | <b>76.7</b> | <b>148.0</b> | <b>139.5</b> | <b>74.7</b> | <b>81.0</b> | <b>113.4</b> | <b>633.6</b> |



## 10. Capital adequacy ratio

### (1) Consolidated capital adequacy ratio (Japanese Domestic Standard)

(Billions of yen, %)

| <Consolidated>                             | End of Mar. |         | End of Mar. |
|--|-------------|---------|-------------|
|  | 2018 (A)    | (A)-(B) | 2017 (B)    |
| Capital adequacy ratio                     | 10.65       | (1.04)  | 11.69       |
| Total qualifying capital                   | 1,626.0     | (120.7) | 1,746.8     |
| Core Capital: instruments and reserves     | 1,689.9     | (85.9)  | 1,775.9     |
| Core Capital: regulatory adjustments       | 63.8        | 34.7    | 29.1        |
| Risk weighted assets                       | 15,262.1    | 331.3   | 14,930.8    |
| Credit risk weighted assets                | 13,792.5    | 449.7   | 13,342.7    |
| Amount equivalent to market risk / 8%      | 79.9        | (3.2)   | 83.1        |
| Amount equivalent to operational risk / 8% | 974.0       | (75.7)  | 1,049.7     |
| Credit risk weighted assets adjustments    | 415.6       | (39.4)  | 455.1       |
| Total required capital                     | 1,220.9     | 26.5    | 1,194.4     |

| (Reference) International Standard           |       |        |       |
|--|-------|--------|-------|
| Common Equity Tier 1 ratio                   | 12.58 | 1.84   | 10.74 |
| Excluding unrealized gain/loss on securities | 9.50  | 0.91   | 8.59  |
| Tier 1 ratio                                 | 12.60 | 1.20   | 11.40 |
| Total capital adequacy ratio                 | 13.56 | (0.25) | 13.81 |

### (2) Capital adequacy ratios of group companies (Japanese domestic standard)

(Billions of yen, %)

| <Resona Bank>                              | Consolidated |         |             | Non-consolidated |         |             |
|--|--------------|---------|-------------|------------------|---------|-------------|
|  | End of Mar.  |         | End of Mar. | End of Mar.      |         | End of Mar. |
|  | 2018 (A)     | (A)-(B) | 2017 (B)    | 2018 (A)         | (A)-(B) | 2017 (B)    |
| Capital adequacy ratio                     | 10.03        | (1.00)  | 11.03       | 10.00            | (0.58)  | 10.58       |
| Total qualifying capital                   | 1,093.3      | (108.0) | 1,201.3     | 1,080.6          | (44.6)  | 1,125.3     |
| Core Capital: instruments and reserves     | 1,122.8      | (102.6) | 1,225.5     | 1,125.5          | (39.2)  | 1,164.7     |
| Core Capital: regulatory adjustments       | 29.5         | 5.4     | 24.1        | 44.8             | 5.4     | 39.4        |
| Risk weighted assets                       | 10,899.3     | 8.5     | 10,890.7    | 10,805.7         | 171.1   | 10,634.5    |
| Credit risk weighted assets                | 9,488.7      | (110.2) | 9,599.0     | 9,456.9          | 81.6    | 9,375.3     |
| Amount equivalent to market risk / 8%      | 45.7         | (6.1)   | 51.9        | 43.9             | (6.6)   | 50.5        |
| Amount equivalent to operational risk / 8% | 657.4        | (49.3)  | 706.7       | 632.2            | (46.7)  | 678.9       |
| Credit risk weighted assets adjustments    | 707.4        | 174.3   | 533.0       | 672.6            | 142.9   | 529.7       |
| Total required capital                     | 871.9        | 0.6     | 871.2       | 864.4            | 13.6    | 850.7       |

(Billions of yen, %)

| <Saitama Resona Bank>                      | Non-consolidated |         |             |
|--|------------------|---------|-------------|
|  | End of Mar.      |         | End of Mar. |
|  | 2018 (A)         | (A)-(B) | 2017 (B)    |
| Capital adequacy ratio                     | 11.37            | (0.21)  | 11.58       |
| Total qualifying capital                   | 331.4            | (1.5)   | 333.0       |
| Core Capital: instruments and reserves     | 348.0            | (3.1)   | 351.2       |
| Core Capital: regulatory adjustments       | 16.6             | (1.5)   | 18.1        |
| Risk weighted assets                       | 2,912.8          | 37.1    | 2,875.7     |
| Credit risk weighted assets                | 2,534.0          | 52.9    | 2,481.0     |
| Amount equivalent to market risk / 8%      | 33.9             | 2.8     | 31.1        |
| Amount equivalent to operational risk / 8% | 208.7            | (18.7)  | 227.4       |
| Credit risk weighted assets adjustments    | 136.1            | 0.1     | 136.0       |
| Total required capital                     | 233.0            | 2.9     | 230.0       |

(Billions of yen, %)

| <Kansai Mirai Financial Group>             | Consolidated |
|--|--------------|
|  | End of Mar.  |
|  | 2018         |
| Capital adequacy ratio                     | 8.71         |
| Total qualifying capital                   | 118.9        |
| Core Capital: instruments and reserves     | 126.0        |
| Core Capital: regulatory adjustments       | 7.0          |
| Risk weighted assets                       | 1,365.1      |
| Credit risk weighted assets                | 1,289.6      |
| Amount equivalent to market risk / 8%      | 0.2          |
| Amount equivalent to operational risk / 8% | 75.2         |
| Credit risk weighted assets adjustments    | -            |
| Total required capital                     | 109.2        |

As of March 31, 2018, a subsidiary bank of Kansai Mirai Financial Group is Kinki Osaka Bank only.

## 11. Stock holdings

<Total of three banks>

(Billions of yen)

|                                    | End of Mar.<br>2018 | Change | End of Mar.<br>2017 |
|------------------------------------|---------------------|--------|---------------------|
| Acquisition cost                   | 343.8               | (4.5)  | 348.3               |
| Market value                       | 1,004.6             | 93.0   | 911.6               |
| Book value of stocks sold outright | 5.0                 | 1.6    | 3.3                 |

<Non-consolidated figures of each bank>

(Billions of yen)

|                                    | Resona Bank         | Saitama Resona Bank | Kinki Osaka Bank    |
|------------------------------------|---------------------|---------------------|---------------------|
|                                    | End of Mar.<br>2018 | End of Mar.<br>2018 | End of Mar.<br>2018 |
| Acquisition cost                   | 278.3               | 61.4                | 3.9                 |
| Market value                       | 822.5               | 167.7               | 14.3                |
| Book value of stocks sold outright | 4.8                 | 0.1                 | —                   |

Note: These figures exclude stocks which are not subject to capital regulation (those of subsidiaries, affiliated companies, and unlisted stocks)

## 12. Number of employees and offices

<Resona Holdings, Non-consolidated>

(People)

|                    | End of Mar.<br>2018 | Change | End of Mar.<br>2017 |
|--------------------|---------------------|--------|---------------------|
| Directors          | 23                  | (2)    | 25                  |
| Executive officers | 14                  | (1)    | 15                  |

Notes: 1. Above figures include 12 directors who concurrently serve as directors and executive officers for group banks.

2. The figure for executive officers excludes directors who serve as executive officers concurrently.

3. The above figures do not include these directors and executive officers who retired at the end of respective fiscal periods.

The above figures as of end of March include these directors and executive officers who are installed at 1st of April.

<Total of three banks>

(People/ branch offices)

|                              | End of Mar.<br>2018 | Change | End of Mar.<br>2017 |
|------------------------------|---------------------|--------|---------------------|
| Directors                    | 31                  | 1      | 30                  |
| Non-board executive officers | 52                  | 5      | 47                  |
| Employees                    | 15,096              | (153)  | 15,249              |
| Manned domestic offices      | 578                 | (1)    | 579                 |
| Non-manned domestic offices  | 897                 | 16     | 881                 |
| Total domestic offices       | 1,475               | 15     | 1,460               |

<Non-consolidated figures of each bank>

(People/ branch offices)

|                              | Resona Bank         | Saitama Resona Bank | Kinki Osaka Bank    |
|------------------------------|---------------------|---------------------|---------------------|
|                              | End of Mar.<br>2018 | End of Mar.<br>2018 | End of Mar.<br>2018 |
| Directors                    | 9                   | 12                  | 10                  |
| Non-board executive officers | 31                  | 10                  | 13                  |
| Employees                    | 9,702               | 3,209               | 2,185               |
| Manned domestic offices      | 328                 | 132                 | 118                 |
| Non-manned domestic offices  | 553                 | 311                 | 33                  |
| Total domestic offices       | 881                 | 443                 | 151                 |

Notes: 1. Directors who concurrently serve as directors for other group banks are counted multiple times. However, multiple entries are adjusted in totals.

2. Non-board executive officers of Resona Bank who concurrently serve as directors of other group banks are counted separately as "non-board executive officers" or as "directors" for their respective positions.

3. Non-board executive officers do not include those officers who concurrently serve as directors.

4. The above figures as of end of March include these directors and executive officers who are installed at 1st of April.

5. The number of employees is based on registered employees (including the seconded employees).

6. The number of employees do not include those who retired at the end of respective fiscal periods.

7. The number of manned domestic offices is the sum of domestic head/branch offices and representative offices.

The number of non-manned domestic offices does not include jointly operated representative offices.

8. The number of non-manned domestic offices for Resona Bank does not include 2,200 ATM locations of Bank Time.

## II. Loans and Bills Discounted and Other

### 1. Risk-managed loans

#### (1) Risk-managed loans

(Millions of yen)

| <Total of three banks>                 | End of Mar. |          |          | End of Sep. | End of Mar. |
|--|-------------|----------|----------|-------------|-------------|
|  | 2018 (A)    | (A)-(B)  | (A)-(C)  | 2017 (B)    | 2017 (C)    |
| Loans to borrowers in legal bankruptcy | 9,312       | (3,223)  | (10,553) | 12,536      | 19,865      |
| Past due loans                         | 248,800     | (17,712) | (27,089) | 266,513     | 275,890     |
| Loans past due 3 months or more        | 3,385       | 2,111    | 1,022    | 1,274       | 2,363       |
| Restructured loans                     | 88,001      | (2,209)  | (6,270)  | 90,211      | 94,272      |
| Risk-managed loans, total              | 349,500     | (21,034) | (42,891) | 370,535     | 392,392     |
| Partial direct write-offs              | 112,485     | (10,140) | (19,275) | 122,625     | 131,760     |
| Balance of loans (Term-end)            | 28,992,174  | 532,254  | 580,146  | 28,459,919  | 28,412,027  |

#### <Resona Bank>

|  |            |          |          |            |            |
|--|------------|----------|----------|------------|------------|
| Loans to borrowers in legal bankruptcy | 7,097      | (3,231)  | (10,678) | 10,329     | 17,776     |
| Past due loans                         | 119,750    | (12,960) | (14,535) | 132,711    | 134,285    |
| Loans past due 3 months or more        | 2,772      | 2,009    | 911      | 763        | 1,861      |
| Restructured loans                     | 66,458     | (1,965)  | (1,546)  | 68,424     | 68,004     |
| Risk-managed loans, total              | 196,079    | (16,149) | (25,848) | 212,228    | 221,928    |
| Partial direct write-offs              | 87,091     | (9,685)  | (16,460) | 96,776     | 103,551    |
| Balance of loans (Term-end)            | 19,366,713 | 461,853  | 490,877  | 18,904,860 | 18,875,836 |

#### <Saitama Resona Bank>

|  |           |         |         |           |           |
|--|-----------|---------|---------|-----------|-----------|
| Loans to borrowers in legal bankruptcy | 1,547     | 55      | 130     | 1,492     | 1,417     |
| Past due loans                         | 83,218    | (2,205) | (6,069) | 85,423    | 89,287    |
| Loans past due 3 months or more        | 564       | 412     | 449     | 151       | 115       |
| Restructured loans                     | 14,570    | (704)   | (4,407) | 15,274    | 18,978    |
| Risk-managed loans, total              | 99,900    | (2,441) | (9,897) | 102,342   | 109,798   |
| Partial direct write-offs              | 18,963    | 2,194   | 1,359   | 16,769    | 17,604    |
| Balance of loans (Term-end)            | 7,210,299 | 75,136  | 114,667 | 7,135,163 | 7,095,632 |

#### <Kinki Osaka Bank>

|  |           |         |          |           |           |
|--|-----------|---------|----------|-----------|-----------|
| Loans to borrowers in legal bankruptcy | 667       | (46)    | (4)      | 714       | 672       |
| Past due loans                         | 45,831    | (2,546) | (6,485)  | 48,377    | 52,316    |
| Loans past due 3 months or more        | 48        | (311)   | (337)    | 359       | 386       |
| Restructured loans                     | 6,973     | 460     | (316)    | 6,512     | 7,289     |
| Risk-managed loans, total              | 53,520    | (2,443) | (7,144)  | 55,964    | 60,665    |
| Partial direct write-offs              | 6,429     | (2,649) | (4,174)  | 9,079     | 10,604    |
| Balance of loans (Term-end)            | 2,415,160 | (4,735) | (25,398) | 2,419,895 | 2,440,559 |

(2) Ratio to total balance of loans

(%)

| <Total of three banks>                 | End of Mar. |         |         | End of Sep. | End of Mar. |
|--|-------------|---------|---------|-------------|-------------|
|  | 2018 (A)    | (A)-(B) | (A)-(C) | 2017 (B)    | 2017 (C)    |
| Loans to borrowers in legal bankruptcy | 0.03        | (0.01)  | (0.03)  | 0.04        | 0.06        |
| Past due loans                         | 0.85        | (0.07)  | (0.11)  | 0.93        | 0.97        |
| Loans past due 3 months or more        | 0.01        | 0.00    | 0.00    | 0.00        | 0.00        |
| Restructured loans                     | 0.30        | (0.01)  | (0.02)  | 0.31        | 0.33        |
| Risk-managed loans, total              | 1.20        | (0.09)  | (0.17)  | 1.30        | 1.38        |

<Resona Bank>

|  |      |        |        |      |      |
|--|------|--------|--------|------|------|
| Loans to borrowers in legal bankruptcy | 0.03 | (0.01) | (0.05) | 0.05 | 0.09 |
| Past due loans                         | 0.61 | (0.08) | (0.09) | 0.70 | 0.71 |
| Loans past due 3 months or more        | 0.01 | 0.01   | 0.00   | 0.00 | 0.00 |
| Restructured loans                     | 0.34 | (0.01) | (0.01) | 0.36 | 0.36 |
| Risk-managed loans, total              | 1.01 | (0.11) | (0.16) | 1.12 | 1.17 |

<Saitama Resona Bank>

|  |      |        |        |      |      |
|--|------|--------|--------|------|------|
| Loans to borrowers in legal bankruptcy | 0.02 | 0.00   | 0.00   | 0.02 | 0.01 |
| Past due loans                         | 1.15 | (0.04) | (0.10) | 1.19 | 1.25 |
| Loans past due 3 months or more        | 0.00 | 0.00   | 0.00   | 0.00 | 0.00 |
| Restructured loans                     | 0.20 | (0.01) | (0.06) | 0.21 | 0.26 |
| Risk-managed loans, total              | 1.38 | (0.04) | (0.16) | 1.43 | 1.54 |

<Kinki Osaka Bank>

|  |      |        |        |      |      |
|--|------|--------|--------|------|------|
| Loans to borrowers in legal bankruptcy | 0.02 | (0.00) | 0.00   | 0.02 | 0.02 |
| Past due loans                         | 1.89 | (0.10) | (0.24) | 1.99 | 2.14 |
| Loans past due 3 months or more        | 0.00 | (0.01) | (0.01) | 0.01 | 0.01 |
| Restructured loans                     | 0.28 | 0.01   | (0.00) | 0.26 | 0.29 |
| Risk-managed loans, total              | 2.21 | (0.09) | (0.26) | 2.31 | 2.48 |

2. Percentage of loan loss reserves to total risk-managed loans

(%)

| <Total of three banks>          | End of Mar. |         |         | End of Sep. | End of Mar. |
|---------------------------------|-------------|---------|---------|-------------|-------------|
|                                 | 2018 (A)    | (A)-(B) | (A)-(C) | 2017 (B)    | 2017 (C)    |
| Before partial direct write-off | 46.04       | (1.80)  | (2.48)  | 47.84       | 48.53       |
| After partial direct write-off  | 28.67       | (1.90)  | (2.57)  | 30.58       | 31.24       |

<Resona Bank>

|                                 |       |        |        |       |       |
|---------------------------------|-------|--------|--------|-------|-------|
| Before partial direct write-off | 54.80 | (1.44) | (2.22) | 56.25 | 57.03 |
| After partial direct write-off  | 34.73 | (1.57) | (2.25) | 36.30 | 36.98 |

<Saitama Resona Bank>

|                                 |       |        |        |       |       |
|---------------------------------|-------|--------|--------|-------|-------|
| Before partial direct write-off | 32.97 | (1.10) | (2.05) | 34.07 | 35.02 |
| After partial direct write-off  | 20.24 | (3.03) | (4.35) | 23.27 | 24.60 |

<Kinki Osaka Bank>

|                                 |       |        |        |       |       |
|---------------------------------|-------|--------|--------|-------|-------|
| Before partial direct write-off | 30.56 | (2.52) | (3.27) | 33.08 | 33.84 |
| After partial direct write-off  | 22.22 | (0.00) | (0.05) | 22.22 | 22.27 |

Note: Percentage of reserves = (Total reserve for possible loan losses + Reserve for write-off of loans in the trust account) / Total risk-managed loans

### 3. Reserve for possible loan losses

(Millions of yen)

| <Consolidated>                                      | End of Mar. |          |          | End of Sep. | End of Mar. |
|---|-------------|----------|----------|-------------|-------------|
|   | 2018 (A)    | (A)-(B)  | (A)-(C)  | 2017 (B)    | 2017 (C)    |
| General reserve for possible loan losses            | 97,708      | (9,608)  | (13,871) | 107,317     | 111,580     |
| Specific reserve for possible loan losses           | 41,959      | (8,702)  | (14,947) | 50,661      | 56,906      |
| Special reserve for certain overseas loans          | 0           | (0)      | (0)      | 0           | 0           |
| Total reserve for possible loan losses              | 139,668     | (18,311) | (28,819) | 157,979     | 168,487     |
| Reserve for write-off of loans in the trust account | 91          | 6        | (3)      | 85          | 94          |

#### <Total of three banks>

|   |         |          |          |         |         |
|---|---------|----------|----------|---------|---------|
| General reserve for possible loan losses            | 63,190  | (4,226)  | (6,683)  | 67,416  | 69,873  |
| Specific reserve for possible loan losses           | 36,938  | (8,872)  | (15,706) | 45,810  | 52,644  |
| Special reserve for certain overseas loans          | 0       | (0)      | (0)      | 0       | 0       |
| Total reserve for possible loan losses              | 100,128 | (13,098) | (22,389) | 113,226 | 122,517 |
| Reserve for write-off of loans in the trust account | 91      | 6        | (3)      | 85      | 94      |

#### <Resona Bank>

|   |        |         |          |        |        |
|---|--------|---------|----------|--------|--------|
| General reserve for possible loan losses            | 49,201 | (3,521) | (3,998)  | 52,722 | 53,199 |
| Specific reserve for possible loan losses           | 18,807 | (5,433) | (9,979)  | 24,241 | 28,786 |
| Special reserve for certain overseas loans          | 0      | (0)     | (0)      | 0      | 0      |
| Total reserve for possible loan losses              | 68,008 | (8,954) | (13,977) | 76,963 | 81,985 |
| Reserve for write-off of loans in the trust account | 91     | 6       | (3)      | 85     | 94     |

#### <Saitama Resona Bank>

|   |        |         |         |        |        |
|---|--------|---------|---------|--------|--------|
| General reserve for possible loan losses            | 10,047 | (526)   | (1,957) | 10,573 | 12,004 |
| Specific reserve for possible loan losses           | 10,180 | (3,070) | (4,832) | 13,250 | 15,013 |
| Special reserve for certain overseas loans          | -      | -       | -       | -      | -      |
| Total reserve for possible loan losses              | 20,227 | (3,596) | (6,789) | 23,823 | 27,017 |
| Reserve for write-off of loans in the trust account | -      | -       | -       | -      | -      |

#### <Kinki Osaka Bank>

|   |        |       |         |        |        |
|---|--------|-------|---------|--------|--------|
| General reserve for possible loan losses            | 3,942  | (179) | (728)   | 4,121  | 4,670  |
| Specific reserve for possible loan losses           | 7,950  | (367) | (894)   | 8,318  | 8,844  |
| Special reserve for certain overseas loans          | -      | -     | -       | -      | -      |
| Total reserve for possible loan losses              | 11,892 | (546) | (1,622) | 12,439 | 13,514 |
| Reserve for write-off of loans in the trust account | -      | -     | -       | -      | -      |

#### 4. Claims disclosure according to the Financial Reconstruction Act

(Millions of yen, %)

| <Total of three banks> |   | End of Mar. |          |          | End of Sep.<br>2017 (B) | End of Mar.<br>2017 (C) |
|------------------------|---|-------------|----------|----------|-------------------------|-------------------------|
|                        |   | 2018 (A)    | (A)-(B)  | (A)-(C)  |                         |                         |
|                        | Unrecoverable or valueless claims         | 48,270      | (5,534)  | (15,394) | 53,804                  | 63,664                  |
|                        | Risk claims                               | 212,623     | (15,934) | (22,527) | 228,558                 | 235,151                 |
|                        | Special attention loans                   | 91,387      | (98)     | (5,248)  | 91,486                  | 96,635                  |
|                        | Financial Reconstruction Act subtotal [A] | 352,281     | (21,567) | (43,170) | 373,848                 | 395,452                 |
|                        | Normal claims                             | 29,453,468  | 598,595  | 660,884  | 28,854,873              | 28,792,583              |
|                        | Financial Reconstruction Act total [B]    | 29,805,750  | 577,028  | 617,714  | 29,228,722              | 29,188,036              |
|                        | Partial direct write-offs                 | 113,972     | (10,851) | (20,850) | 124,823                 | 134,823                 |
|                        | NPL Ratio [A] / [B]                       | 1.18        | (0.09)   | (0.17)   | 1.27                    | 1.35                    |

##### <Resona Bank>

|  |   |            |          |          |            |            |
|--|---|------------|----------|----------|------------|------------|
|  | Unrecoverable or valueless claims         | 21,061     | (5,291)  | (14,935) | 26,352     | 35,996     |
|  | Risk claims                               | 107,390    | (11,543) | (10,750) | 118,934    | 118,141    |
|  | Special attention loans                   | 69,230     | 43       | (635)    | 69,187     | 69,866     |
|  | Financial Reconstruction Act subtotal [A] | 197,683    | (16,791) | (26,321) | 214,474    | 224,004    |
|  | Normal claims                             | 19,858,379 | 507,539  | 526,378  | 19,350,839 | 19,332,000 |
|  | Financial Reconstruction Act total [B]    | 20,056,062 | 490,748  | 500,057  | 19,565,313 | 19,556,004 |
|  | Partial direct write-offs                 | 88,491     | (10,267) | (17,578) | 98,759     | 106,070    |
|  | NPL Ratio [A] / [B]                       | 0.98       | (0.11)   | (0.15)   | 1.09       | 1.14       |

##### <Saitama Resona Bank>

|  |   |           |         |         |           |           |
|--|---|-----------|---------|---------|-----------|-----------|
|  | Unrecoverable or valueless claims         | 20,636    | 575     | 807     | 20,060    | 19,828    |
|  | Risk claims                               | 65,154    | (2,699) | (6,620) | 67,853    | 71,775    |
|  | Special attention loans                   | 15,134    | (291)   | (3,958) | 15,426    | 19,093    |
|  | Financial Reconstruction Act subtotal [A] | 100,925   | (2,415) | (9,771) | 103,341   | 110,697   |
|  | Normal claims                             | 7,184,569 | 82,410  | 135,369 | 7,102,159 | 7,049,200 |
|  | Financial Reconstruction Act total [B]    | 7,285,495 | 79,994  | 125,597 | 7,205,500 | 7,159,897 |
|  | Partial direct write-offs                 | 19,009    | 2,194   | 1,038   | 16,814    | 17,970    |
|  | NPL Ratio [A] / [B]                       | 1.38      | (0.04)  | (0.16)  | 1.43      | 1.54      |

##### <Kinki Osaka Bank>

|  |   |           |         |         |           |           |
|--|---|-----------|---------|---------|-----------|-----------|
|  | Unrecoverable or valueless claims         | 6,572     | (818)   | (1,266) | 7,390     | 7,838     |
|  | Risk claims                               | 40,078    | (1,691) | (5,156) | 41,770    | 45,235    |
|  | Special attention loans                   | 7,022     | 149     | (654)   | 6,872     | 7,676     |
|  | Financial Reconstruction Act subtotal [A] | 53,673    | (2,360) | (7,077) | 56,033    | 60,750    |
|  | Normal claims                             | 2,410,519 | 8,645   | (863)   | 2,401,873 | 2,411,383 |
|  | Financial Reconstruction Act total [B]    | 2,464,192 | 6,285   | (7,941) | 2,457,907 | 2,472,133 |
|  | Partial direct write-offs                 | 6,472     | (2,777) | (4,310) | 9,249     | 10,782    |
|  | NPL Ratio [A] / [B]                       | 2.17      | (0.10)  | (0.27)  | 2.27      | 2.45      |

## 5. Coverage ratios by type of borrower

<Total of three banks, Non-consolidated figures of each bank>

(%)

|  | Total of three banks    |           |                         | Resona Bank             |           |                         |
|--|-------------------------|-----------|-------------------------|-------------------------|-----------|-------------------------|
|  | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) |
| Unrecoverable or valueless claims  | 100.00                  | -         | 100.00                  | 100.00                  | -         | 100.00                  |
| Covered by collateral, guarantees, etc.  | 97.80                   | 3.54      | 94.25                   | 98.68                   | 6.82      | 91.86                   |
| Covered by reserves  | 2.19                    | (3.54)    | 5.74                    | 1.31                    | (6.82)    | 8.13                    |
| Reserve ratio against the portion<br>not covered by collateral, guarantees, etc. | 100.00                  | -         | 100.00                  | 100.00                  | -         | 100.00                  |
| Risk claims  | 86.50                   | (2.27)    | 88.78                   | 82.94                   | (3.70)    | 86.64                   |
| Covered by collateral, guarantees, etc.  | 70.27                   | 0.74      | 69.53                   | 66.94                   | 0.80      | 66.13                   |
| Covered by reserves  | 16.23                   | (3.01)    | 19.24                   | 16.00                   | (4.51)    | 20.51                   |
| Reserve ratio against the portion<br>not covered by collateral, guarantees, etc. | 54.61                   | (8.55)    | 63.16                   | 48.40                   | (12.16)   | 60.57                   |
| Special Attention Obligors   | 45.61                   | (5.49)    | 51.10                   | 41.39                   | (6.39)    | 47.78                   |
| Covered by collateral, guarantees, etc.  | 27.86                   | (4.03)    | 31.89                   | 24.39                   | (4.52)    | 28.91                   |
| Covered by reserves  | 17.74                   | (1.46)    | 19.21                   | 17.00                   | (1.87)    | 18.87                   |
| Reserve ratio against the portion<br>not covered by collateral, guarantees, etc. | 24.60                   | (3.60)    | 28.20                   | 22.48                   | (4.06)    | 26.54                   |
| Other Watch Obligors   | 68.14                   | (0.70)    | 68.84                   | 63.68                   | 0.34      | 63.33                   |
| Covered by collateral, guarantees, etc.  | 67.15                   | (0.52)    | 67.68                   | 62.78                   | 0.57      | 62.21                   |
| Covered by reserves  | 0.98                    | (0.17)    | 1.16                    | 0.89                    | (0.22)    | 1.12                    |
| Reserve ratio against the portion<br>not covered by collateral, guarantees, etc. | 3.00                    | (0.59)    | 3.59                    | 2.41                    | (0.57)    | 2.98                    |
| Normal Obligors  | 0.10                    | 0.00      | 0.10                    | 0.14                    | 0.00      | 0.13                    |

|  | Saitama Resona Bank     |           |                         | Kinki Osaka Bank        |           |                         |
|--|-------------------------|-----------|-------------------------|-------------------------|-----------|-------------------------|
|  | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) |
| Unrecoverable or valueless claims  | 100.00                  | -         | 100.00                  | 100.00                  | -         | 100.00                  |
| Covered by collateral, guarantees, etc.  | 97.22                   | (0.09)    | 97.31                   | 96.79                   | (0.70)    | 97.49                   |
| Covered by reserves  | 2.77                    | 0.09      | 2.68                    | 3.20                    | 0.70      | 2.50                    |
| Reserve ratio against the portion<br>not covered by collateral, guarantees, etc. | 100.00                  | -         | 100.00                  | 100.00                  | -         | 100.00                  |
| Risk claims  | 91.54                   | (0.43)    | 91.97                   | 87.88                   | (1.40)    | 89.28                   |
| Covered by collateral, guarantees, etc.  | 76.82                   | 2.08      | 74.74                   | 68.58                   | (1.59)    | 70.17                   |
| Covered by reserves  | 14.72                   | (2.51)    | 17.23                   | 19.29                   | 0.18      | 19.10                   |
| Reserve ratio against the portion<br>not covered by collateral, guarantees, etc. | 63.52                   | (4.71)    | 68.23                   | 61.41                   | (2.63)    | 64.05                   |
| Special Attention Obligors   | 56.70                   | (3.13)    | 59.84                   | 60.60                   | 1.22      | 59.37                   |
| Covered by collateral, guarantees, etc.  | 37.27                   | (2.71)    | 39.98                   | 39.39                   | 0.80      | 38.58                   |
| Covered by reserves  | 19.43                   | (0.42)    | 19.85                   | 21.20                   | 0.41      | 20.78                   |
| Reserve ratio against the portion<br>not covered by collateral, guarantees, etc. | 30.98                   | (2.10)    | 33.08                   | 34.98                   | 1.14      | 33.84                   |
| Other Watch Obligors   | 74.69                   | (3.10)    | 77.80                   | 78.74                   | (2.27)    | 81.02                   |
| Covered by collateral, guarantees, etc.  | 73.12                   | (3.06)    | 76.18                   | 78.12                   | (2.19)    | 80.32                   |
| Covered by reserves  | 1.57                    | (0.04)    | 1.62                    | 0.61                    | (0.08)    | 0.69                    |
| Reserve ratio against the portion<br>not covered by collateral, guarantees, etc. | 5.86                    | (0.94)    | 6.80                    | 2.82                    | (0.72)    | 3.55                    |
| Normal Obligors  | 0.02                    | (0.00)    | 0.02                    | 0.04                    | 0.00      | 0.05                    |

## 6. Results of self-assessment of asset quality

### (1) Total of three banks

| Exposure<br>Obligor<br>Classification                   |  | Disclosure<br>Categories<br>under FRA           | Self-Assessment of Asset Quality |                          |   |                              | Coverage  | Coverage Ratio<br>under FRA<br>Criteria            |
|---|--|---|----------------------------------|--------------------------|---|------------------------------|---|--|
|   |  |   | Normal<br>Exposures              | Category II<br>Exposures | Category III<br>Exposures                     | Category IV<br>Exposures     |   |  |
| Bankrupt and Effectively<br>Bankrupt Obligators<br>48.2 |  | Unrecoverable<br>or Valueless<br>Claims<br>48.2 | 28.4                             | 19.8                     | <b>Reserve Ratio</b><br><b>100.00%</b>        | <b>Direct<br/>Write-offs</b> | Reserves<br>1.0<br>Collateral<br>/Guarantee<br>47.2   | Unrecoverable<br>or Valueless<br>Claims<br>100.00% |
| Doubtful Obligators<br>212.6                            |  | Risk Claims<br>212.6                            | 102.4                            | 81.6                     | 28.5<br><b>Reserve Ratio</b><br><b>54.61%</b> |                              | Reserves<br>34.5<br>Collateral<br>/Guarantee<br>149.4 | Risk Claims<br>86.50%                              |
| Watch<br>Obligators                                     | Special Attention<br>Obligators<br>118.4 | Special<br>Attention Loans<br>91.3              | 11.8                             | 106.5                    |   |                              | Reserves<br>16.3<br>Collateral<br>/Guarantee<br>23.9  | Special<br>Attention Loans<br>44.04%               |
|   | Other Watch<br>Obligators<br>1,239.2     | Subtotal<br>352.2                               |                                  |                          |   |                              |   |  |
| Normal Obligators<br>28,187.1                           |  | Normal Claims<br>29,453.4                       | 297.3                            | 941.8                    |   |                              |   |  |
|   |  |   | 28,187.1                         |                          |   |                              |   | <b>Total Coverage<br/>Ratio<br/>77.34%</b>         |
| Total Exposures<br>29,805.7                             |  | Total<br>29,805.7                               | Normal<br>28,627.2               | Category II<br>1,149.9   | Category III<br>28.5                          | Category IV<br>-             |   |  |

Note: Amounts of claim and collateral/guarantee reported above include privately-placed bonds underwritten and guaranteed by the bank to which loan loss reserves are not provided.

### (2) Resona Bank (Non-consolidated)

| Exposure<br>Obligor<br>Classification                   |   | Disclosure<br>Categories<br>under FRA           | Self-Assessment of Asset Quality |                          |   |                              | Coverage   | Coverage Ratio<br>under FRA<br>Criteria            |
|---|---|---|----------------------------------|--------------------------|---|------------------------------|--|--|
|   |   |   | Normal<br>Exposures              | Category II<br>Exposures | Category III<br>Exposures                     | Category IV<br>Exposures     |  |  |
| Bankrupt and Effectively<br>Bankrupt Obligators<br>21.0 |   | Unrecoverable<br>or Valueless<br>Claims<br>21.0 | 13.3                             | 7.6                      | <b>Reserve Ratio</b><br><b>100.00%</b>        | <b>Direct<br/>Write-offs</b> | Reserves<br>0.2<br>Collateral<br>/Guarantee<br>20.7  | Unrecoverable<br>or Valueless<br>Claims<br>100.00% |
| Doubtful Obligators<br>107.3                            |   | Risk Claims<br>107.3                            | 50.3                             | 38.8                     | 18.1<br><b>Reserve Ratio</b><br><b>48.40%</b> |                              | Reserves<br>17.1<br>Collateral<br>/Guarantee<br>71.8 | Risk Claims<br>82.94%                              |
| Watch<br>Obligators                                     | Special Attention<br>Obligators<br>87.8 | Special<br>Attention Loans<br>69.2              | 6.8                              | 81.0                     |   |                              | Reserves<br>11.7<br>Collateral<br>/Guarantee<br>15.5 | Special<br>Attention Loans<br>39.52%               |
|   | Other Watch<br>Obligators<br>808.2      | Subtotal<br>197.6                               |                                  |                          |   |                              |  |  |
| Normal Obligators<br>19,031.4                           |   | Normal Claims<br>19,858.3                       | 181.2                            | 626.9                    |   |                              |  |  |
|   |   |   | 19,031.4                         |                          |   |                              |  | <b>Total Coverage<br/>Ratio<br/>69.55%</b>         |
| Total Exposures<br>20,056.0                             |   | Total<br>20,056.0                               | Normal<br>19,283.2               | Category II<br>754.6     | Category III<br>18.1                          | Category IV<br>-             |  |  |

Note: Amounts of claim and collateral/guarantee reported above include privately-placed bonds underwritten and guaranteed by the bank to which loan loss reserves are not provided.



(3) Saitama Resona Bank

| Exposure<br>Obligor<br>Classification                 |                                       | Disclosure<br>Categories<br>under FRA           | Self-Assessment of Asset Quality |                          |                                       |                              | Coverage  | Coverage Ratio<br>under FRA<br>Criteria            |
|---|---------------------------------------|---|----------------------------------|--------------------------|---------------------------------------|------------------------------|---|--|
|   |                                       |   | Normal<br>Exposures              | Category II<br>Exposures | Category III<br>Exposures             | Category IV<br>Exposures     |   |  |
| Bankrupt and Effectively<br>Bankrupt Obligors<br>20.6 |                                       | Unrecoverable<br>or Valueless<br>Claims<br>20.6 | 12.1                             | 8.4                      | <b>Reserve Ratio</b><br>100.00%       | <b>Direct<br/>Write-offs</b> | Reserves<br>0.5<br>Collateral<br>/Guarantee<br>20.0 | Unrecoverable<br>or Valueless<br>Claims<br>100.00% |
| Doubtful Obligors<br>65.1                             |                                       | Risk Claims<br>65.1                             | 27.7                             | 31.8                     | 5.5<br><b>Reserve Ratio</b><br>63.52% |                              | Reserves<br>9.5<br>Collateral<br>/Guarantee<br>50.0 | Risk Claims<br>91.54%                              |
| Watch<br>Obligors                                     | Special Attention<br>Obligors<br>22.4 | Special<br>Attention Loans<br>15.1              | 2.6                              | 19.7                     |                                       |                              | Reserves<br>2.9<br>Collateral<br>/Guarantee<br>5.6  | Special<br>Attention Loans<br>56.70%               |
|   | Subtotal<br>100.9                     |   |                                  |                          |                                       |                              |   |  |
|   | Other Watch<br>Obligors<br>238.1      | Normal Claims<br>7,184.5                        | 54.9                             | 183.1                    |                                       |                              |   |  |
| Normal Obligors<br>6,939.1                            |                                       |   | 6,939.1                          |                          |                                       |                              |   | <b>Total Coverage<br/>Ratio<br/>88.04%</b>         |
| Total Exposures<br>7,285.4                            |                                       | Total<br>7,285.4                                | Normal<br>7,036.6                | Category II<br>243.3     | Category III<br>5.5                   | Category IV<br>-             |   |  |

Note: Amounts of claim and collateral/guarantee reported above include privately-placed bonds underwritten and guaranteed by the bank to which loan loss reserves are not provided.

(4) Kinki Osaka Bank

| Exposure<br>Obligor<br>Classification                |                                      | Disclosure<br>Categories<br>under FRA          | Self-Assessment of Asset Quality |                          |                                       |                              | Coverage  | Coverage Ratio<br>under FRA<br>Criteria            |
|--|--------------------------------------|--|----------------------------------|--------------------------|---------------------------------------|------------------------------|---|--|
|  |                                      |  | Normal<br>Exposures              | Category II<br>Exposures | Category III<br>Exposures             | Category IV<br>Exposures     |   |  |
| Bankrupt and Effectively<br>Bankrupt Obligors<br>6.5 |                                      | Unrecoverable<br>or Valueless<br>Claims<br>6.5 | 2.9                              | 3.6                      | <b>Reserve Ratio</b><br>100.00%       | <b>Direct<br/>Write-offs</b> | Reserves<br>0.2<br>Collateral<br>/Guarantee<br>6.3  | Unrecoverable<br>or Valueless<br>Claims<br>100.00% |
| Doubtful Obligors<br>40.0                            |                                      | Risk Claims<br>40.0                            | 24.3                             | 10.9                     | 4.8<br><b>Reserve Ratio</b><br>61.41% |                              | Reserves<br>7.7<br>Collateral<br>/Guarantee<br>27.4 | Risk Claims<br>87.88%                              |
| Watch<br>Obligors                                    | Special Attention<br>Obligors<br>8.0 | Special<br>Attention Loans<br>7.0              | 2.3                              | 5.7                      |                                       |                              | Reserves<br>1.5<br>Collateral<br>/Guarantee<br>2.7  | Special<br>Attention Loans<br>61.34%               |
|  | Subtotal<br>53.6                     |  |                                  |                          |                                       |                              |   |  |
|  | Other Watch<br>Obligors<br>192.8     | Normal Claims<br>2,410.5                       | 61.1                             | 131.7                    |                                       |                              |   |  |
| Normal Obligors<br>2,216.5                           |                                      |  | 2,216.5                          |                          |                                       |                              |   | <b>Total Coverage<br/>Ratio<br/>85.89%</b>         |
| Total Exposures<br>2,464.1                           |                                      | Total<br>2,464.1                               | Normal<br>2,307.3                | Category II<br>152.0     | Category III<br>4.8                   | Category IV<br>-             |   |  |

Note: Amounts of claim and collateral/guarantee reported above include privately-placed bonds underwritten and guaranteed by the bank to which loan loss reserves are not provided.

## 7. Progress in off-balancing of claims (Banking and trust accounts)

<Total of three banks, Non-consolidated figures of each bank>

(1) Performance of FY2017

(Billions of yen)

| <Total of three banks>                        | End of Mar.<br>2018 (A) | (A) - (B) |                            |                            | End of Mar.<br>2017 (B) |
|---|-------------------------|-----------|----------------------------|----------------------------|-------------------------|
|   |                         |           | Claims newly<br>classified | Amount of<br>off-balancing |                         |
| Unrecoverable or valueless claims             | 48.2                    | (15.3)    | 18.6                       | (34.0)                     | 63.6                    |
| Risk claims                                   | 212.6                   | (22.5)    | 66.8                       | (89.4)                     | 235.1                   |
| Total   | 260.8                   | (37.9)    | 85.5                       | (123.5)                    | 298.8                   |
| Result of measures connected to off-balancing | 46.8                    |           |                            |                            | 64.2                    |

<Resona Bank>

|   |       |        |      |        |       |
|---|-------|--------|------|--------|-------|
| Unrecoverable or valueless claims             | 21.0  | (14.9) | 7.8  | (22.7) | 35.9  |
| Risk claims                                   | 107.3 | (10.7) | 44.2 | (55.0) | 118.1 |
| Total   | 128.4 | (25.6) | 52.0 | (77.7) | 154.1 |
| Result of measures connected to off-balancing | 15.2  |        |      |        | 29.9  |

<Saitama Resona Bank>

|   |      |       |      |        |      |
|---|------|-------|------|--------|------|
| Unrecoverable or valueless claims             | 20.6 | 0.8   | 7.6  | (6.8)  | 19.8 |
| Risk claims                                   | 65.1 | (6.6) | 14.5 | (21.1) | 71.7 |
| Total   | 85.7 | (5.8) | 22.1 | (27.9) | 91.6 |
| Result of measures connected to off-balancing | 18.6 |       |      |        | 17.9 |

<Kinki Osaka Bank>

|   |      |       |      |        |      |
|---|------|-------|------|--------|------|
| Unrecoverable or valueless claims             | 6.5  | (1.2) | 3.2  | (4.5)  | 7.8  |
| Risk claims                                   | 40.0 | (5.1) | 8.0  | (13.2) | 45.2 |
| Total   | 46.6 | (6.4) | 11.3 | (17.7) | 53.0 |
| Result of measures connected to off-balancing | 12.9 |       |      |        | 16.3 |

(2) Placement of loans off the balance sheets

(Billions of yen)

|  | Total of<br>three banks | Resona Bank | Saitama<br>Resona Bank | Kinki Osaka<br>Bank |
|--|-------------------------|-------------|------------------------|---------------------|
| Disposition by borrowers' liquidation                                    | (2.3)                   | (0.4)       | (0.0)                  | (1.8)               |
| Reconstructive disposition   | (2.3)                   | (1.3)       | -                      | (0.9)               |
| Improvement in debtors' performance<br>due to reconstructive disposition | (0.2)                   | -           | -                      | (0.2)               |
| Loan sales to market   | (4.7)                   | (0.4)       | (2.8)                  | (1.4)               |
| Direct write-offs  | 2.8                     | (0.4)       | (0.4)                  | 3.6                 |
| Others   | (116.5)                 | (75.0)      | (24.6)                 | (16.8)              |
| Collection/repayment, etc.   | (76.6)                  | (49.2)      | (16.9)                 | (10.4)              |
| Improvement in debtors' performance                                      | (39.9)                  | (25.7)      | (7.6)                  | (6.4)               |
| Total  | (123.5)                 | (77.7)      | (27.9)                 | (17.7)              |

Notes: 1. Placing loans off the balance sheet means 1) removing risk claims/unrecoverable or valueless claims from the balance sheet through sale, collection and debt forgiveness, or 2) upward migration of loan claims to "special attention" or upper categories.

2. The measures connected to off-balancing are legal reorganizations and other similar measures, corporate splits to good companies and bad companies, partial direct write-offs of retail exposure to individuals and small- and medium-sized enterprises, and trusts to RCC for the purpose of revitalization which is scheduled to be off-balanced before the maturity.

## 8. Loans and bills discounted by industry

<Total of three banks, Non-consolidated figures of each bank>

### (1) Industry breakdown of total loans and bills discounted

(Billions of yen)

|   | Total of three banks    |           |                         | Resona Bank             |           |                         |
|---|-------------------------|-----------|-------------------------|-------------------------|-----------|-------------------------|
|   | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) |
|   | Manufacturing           | 2,515.9   | (19.4)                  | 2,535.4                 | 1,876.2   | (15.0)                  |
| Agriculture, forestry                         | 15.3                    | 1.3       | 13.9                    | 8.2                     | 1.4       | 6.8                     |
| Fishery                                       | 1.9                     | 0.0       | 1.8                     | 1.3                     | 0.0       | 1.2                     |
| Mining, quarrying of stone, gravel extraction | 12.5                    | 2.1       | 10.4                    | 8.4                     | 1.1       | 7.3                     |
| Construction                                  | 637.6                   | 16.7      | 620.9                   | 373.1                   | 20.2      | 352.9                   |
| Electricity, gas, heating, water              | 242.1                   | 18.2      | 223.9                   | 219.7                   | 17.9      | 201.8                   |
| Information and communication                 | 291.4                   | 15.4      | 275.9                   | 262.5                   | 15.6      | 246.8                   |
| Transportation, postal service                | 573.4                   | 18.7      | 554.7                   | 406.3                   | 12.0      | 394.3                   |
| Wholesale and retail trade                    | 2,302.4                 | (13.9)    | 2,316.3                 | 1,714.9                 | (3.2)     | 1,718.2                 |
| Finance and insurance                         | 1,011.1                 | 22.3      | 988.7                   | 956.6                   | 23.5      | 933.1                   |
| Real estate                                   | 7,266.9                 | 312.4     | 6,954.5                 | 5,176.2                 | 249.0     | 4,927.2                 |
| Apartment loans                               | 3,064.0                 | (73.6)    | 3,137.6                 | 1,913.3                 | (79.5)    | 1,992.8                 |
| Real estate leasing                           | 3,381.2                 | 311.4     | 3,069.7                 | 2,691.3                 | 272.9     | 2,418.3                 |
| Goods rental and leasing                      | 325.1                   | (6.8)     | 331.9                   | 265.9                   | (1.4)     | 267.3                   |
| Services                                      | 1,735.4                 | 110.2     | 1,625.1                 | 1,210.3                 | 98.0      | 1,112.2                 |
| Government, local government                  | 1,003.3                 | 91.6      | 911.7                   | 303.0                   | 67.6      | 235.4                   |
| Others  | 11,057.0                | 10.7      | 11,046.2                | 6,583.3                 | 3.9       | 6,579.4                 |
| Residential housing loans                     | 10,267.5                | 48.8      | 10,218.6                | 6,050.2                 | 41.3      | 6,008.9                 |
| Domestic total                                | 28,992.1                | 580.1     | 28,412.0                | 19,366.7                | 490.8     | 18,875.8                |
| Japan offshore banking account                | -                       | -         | -                       | -                       | -         | -                       |
| Total   | 28,992.1                | 580.1     | 28,412.0                | 19,366.7                | 490.8     | 18,875.8                |

|   | Saitama Resona Bank     |           |                         | Kinki Osaka Bank        |           |                         |
|---|-------------------------|-----------|-------------------------|-------------------------|-----------|-------------------------|
|   | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) |
|   | Manufacturing           | 434.0     | 5.9                     | 428.1                   | 205.7     | (10.3)                  |
| Agriculture, forestry                         | 5.7                     | (0.0)     | 5.7                     | 1.3                     | 0.0       | 1.3                     |
| Fishery                                       | 0.0                     | (0.0)     | 0.0                     | 0.6                     | 0.0       | 0.6                     |
| Mining, quarrying of stone, gravel extraction | 3.8                     | 1.0       | 2.7                     | 0.3                     | (0.0)     | 0.3                     |
| Construction                                  | 165.5                   | (0.5)     | 166.1                   | 98.9                    | (2.9)     | 101.8                   |
| Electricity, gas, heating, water              | 19.0                    | 1.2       | 17.8                    | 3.3                     | (0.9)     | 4.2                     |
| Information and communication                 | 17.7                    | (0.2)     | 17.9                    | 11.1                    | 0.0       | 11.1                    |
| Transportation, postal service                | 126.6                   | 0.8       | 125.7                   | 40.5                    | 5.9       | 34.6                    |
| Wholesale and retail trade                    | 361.9                   | 2.1       | 359.8                   | 225.6                   | (12.7)    | 238.3                   |
| Finance and insurance                         | 37.6                    | (1.5)     | 39.1                    | 16.7                    | 0.4       | 16.3                    |
| Real estate                                   | 1,608.6                 | 35.9      | 1,572.6                 | 482.0                   | 27.4      | 454.6                   |
| Apartment loans                               | 973.8                   | 4.3       | 969.4                   | 176.8                   | 1.5       | 175.3                   |
| Real estate leasing                           | 442.6                   | 15.3      | 427.2                   | 247.2                   | 23.1      | 224.0                   |
| Goods rental and leasing                      | 40.2                    | (3.8)     | 44.1                    | 18.8                    | (1.5)     | 20.3                    |
| Services                                      | 380.7                   | 6.5       | 374.1                   | 144.3                   | 5.6       | 138.7                   |
| Government, local government                  | 566.9                   | 50.1      | 516.7                   | 133.3                   | (26.2)    | 159.5                   |
| Others  | 3,441.6                 | 17.0      | 3,424.5                 | 1,032.0                 | (10.1)    | 1,042.2                 |
| Residential housing loans                     | 3,223.9                 | 17.7      | 3,206.1                 | 993.3                   | (10.2)    | 1,003.5                 |
| Domestic total                                | 7,210.2                 | 114.6     | 7,095.6                 | 2,415.1                 | (25.3)    | 2,440.5                 |
| Japan offshore banking account                | -                       | -         | -                       | -                       | -         | -                       |
| Total   | 7,210.2                 | 114.6     | 7,095.6                 | 2,415.1                 | (25.3)    | 2,440.5                 |

Notes: Resona Bank's figures include trust account

**(2) Risk-managed loans by industry**

(Billions of yen)

|   | Total of three banks    |           |                         | Resona Bank             |           |                         |
|---|-------------------------|-----------|-------------------------|-------------------------|-----------|-------------------------|
|   | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) |
| Manufacturing                                 | 74.3                    | (14.2)    | 88.6                    | 45.0                    | (6.3)     | 51.4                    |
| Agriculture, forestry                         | 0.3                     | 0.0       | 0.2                     | 0.1                     | (0.0)     | 0.1                     |
| Fishery                                       | -                       | -         | -                       | -                       | -         | -                       |
| Mining, quarrying of stone, gravel extraction | 0.0                     | 0.0       | 0.0                     | 0.0                     | 0.0       | 0.0                     |
| Construction                                  | 14.5                    | (1.4)     | 15.9                    | 5.6                     | (0.2)     | 5.8                     |
| Electricity, gas, heating, water              | -                       | -         | -                       | -                       | -         | -                       |
| Information and communication                 | 9.0                     | 0.6       | 8.3                     | 6.9                     | 0.7       | 6.1                     |
| Transportation, postal service                | 9.0                     | (3.0)     | 12.0                    | 4.7                     | (0.8)     | 5.5                     |
| Wholesale and retail trade                    | 92.6                    | (1.8)     | 94.5                    | 61.5                    | (0.8)     | 62.4                    |
| Finance and insurance                         | 0.8                     | 0.0       | 0.8                     | 0.3                     | 0.0       | 0.2                     |
| Real estate                                   | 32.6                    | (5.0)     | 37.6                    | 15.2                    | (1.7)     | 17.0                    |
| Apartment loans                               | 16.5                    | (3.8)     | 20.3                    | 8.9                     | (1.9)     | 10.9                    |
| Real estate leasing                           | 12.8                    | (0.8)     | 13.6                    | 5.6                     | 0.4       | 5.1                     |
| Goods rental and leasing                      | 1.0                     | 0.1       | 0.9                     | 0.5                     | 0.0       | 0.4                     |
| Services                                      | 37.7                    | (2.2)     | 40.0                    | 17.2                    | (2.2)     | 19.5                    |
| Government, local government                  | -                       | -         | -                       | -                       | -         | -                       |
| Others  | 77.0                    | (15.8)    | 92.8                    | 38.5                    | (14.4)    | 53.0                    |
| Residential housing loans                     | 64.7                    | (4.4)     | 69.1                    | 29.5                    | (2.6)     | 32.1                    |
| Domestic total                                | 349.5                   | (42.8)    | 392.3                   | 196.0                   | (25.8)    | 221.9                   |
| Japan offshore banking account                | -                       | -         | -                       | -                       | -         | -                       |
| Total   | 349.5                   | (42.8)    | 392.3                   | 196.0                   | (25.8)    | 221.9                   |

|   | Saitama Resona Bank     |           |                         | Kinki Osaka Bank        |           |                         |
|---|-------------------------|-----------|-------------------------|-------------------------|-----------|-------------------------|
|   | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) |
| Manufacturing                                 | 21.9                    | (5.3)     | 27.3                    | 7.3                     | (2.6)     | 9.9                     |
| Agriculture, forestry                         | 0.1                     | 0.0       | 0.1                     | 0.0                     | (0.0)     | 0.0                     |
| Fishery                                       | -                       | -         | -                       | -                       | -         | -                       |
| Mining, quarrying of stone, gravel extraction | -                       | -         | -                       | -                       | -         | -                       |
| Construction                                  | 5.6                     | (0.5)     | 6.1                     | 3.2                     | (0.6)     | 3.9                     |
| Electricity, gas, heating, water              | -                       | -         | -                       | -                       | -         | -                       |
| Information and communication                 | 1.1                     | (0.0)     | 1.2                     | 0.9                     | (0.0)     | 0.9                     |
| Transportation, postal service                | 3.4                     | (1.8)     | 5.2                     | 0.8                     | (0.3)     | 1.2                     |
| Wholesale and retail trade                    | 18.7                    | (1.0)     | 19.7                    | 12.4                    | 0.1       | 12.3                    |
| Finance and insurance                         | 0.0                     | (0.0)     | 0.0                     | 0.4                     | (0.0)     | 0.5                     |
| Real estate                                   | 12.3                    | (0.2)     | 12.5                    | 5.0                     | (3.0)     | 8.0                     |
| Apartment loans                               | 6.0                     | (1.0)     | 7.1                     | 1.4                     | (0.7)     | 2.2                     |
| Real estate leasing                           | 5.3                     | 0.7       | 4.5                     | 1.8                     | (2.0)     | 3.9                     |
| Goods rental and leasing                      | 0.4                     | (0.0)     | 0.4                     | 0.1                     | 0.0       | 0.1                     |
| Services                                      | 10.0                    | 0.0       | 9.9                     | 10.4                    | (0.1)     | 10.5                    |
| Government, local government                  | -                       | -         | -                       | -                       | -         | -                       |
| Others  | 25.8                    | (0.9)     | 26.7                    | 12.6                    | (0.4)     | 13.0                    |
| Residential housing loans                     | 24.1                    | (0.4)     | 24.6                    | 10.9                    | (1.3)     | 12.3                    |
| Domestic total                                | 99.9                    | (9.8)     | 109.7                   | 53.5                    | (7.1)     | 60.6                    |
| Japan offshore banking account                | -                       | -         | -                       | -                       | -         | -                       |
| Total   | 99.9                    | (9.8)     | 109.7                   | 53.5                    | (7.1)     | 60.6                    |

Notes: Resona Bank's figures include trust account

**(3) Loans to consumers**

(Millions of yen)

| <Total of three banks>                 |  | End of Mar. |           |           | End of Sep. | End of Mar. |
|--|--|-------------|-----------|-----------|-------------|-------------|
|  |  | 2018 (A)    | (A) - (B) | (A) - (C) | 2017 (B)    | 2017 (C)    |
| Housing loans                          |  | 13,331,639  | 57,390    | (24,741)  | 13,274,249  | 13,356,381  |
| Before securitization                  |  | 13,419,544  | 28,714    | (38,563)  | 13,390,829  | 13,458,107  |
| Residential housing loans              |  | 10,267,572  | 79,919    | 48,877    | 10,187,652  | 10,218,694  |
| Before securitization                  |  | 10,333,663  | 52,162    | 13,339    | 10,281,500  | 10,320,324  |
| Other consumer loans                   |  | 302,966     | (5,785)   | (6,925)   | 308,752     | 309,892     |
| Total loans to consumers               |  | 13,634,606  | 51,604    | (31,667)  | 13,583,002  | 13,666,273  |
| Before securitization of housing loans |  | 13,722,511  | 22,928    | (45,488)  | 13,699,582  | 13,767,999  |

<Resona Bank>

|  |  |           |         |          |           |           |
|--|--|-----------|---------|----------|-----------|-----------|
| Housing loans                          |  | 7,963,642 | 41,403  | (38,172) | 7,922,239 | 8,001,815 |
| Before securitization                  |  | 8,021,542 | 17,012  | (44,572) | 8,004,530 | 8,066,114 |
| Residential housing loans              |  | 6,050,270 | 65,025  | 41,347   | 5,985,244 | 6,008,922 |
| Before securitization                  |  | 6,086,356 | 41,553  | 13,231   | 6,044,802 | 6,073,125 |
| Other consumer loans                   |  | 152,480   | (2,989) | (4,550)  | 155,469   | 157,030   |
| Total loans to consumers               |  | 8,116,122 | 38,413  | (42,722) | 8,077,709 | 8,158,845 |
| Before securitization of housing loans |  | 8,174,022 | 14,022  | (49,122) | 8,159,999 | 8,223,144 |

<Saitama Resona Bank>

|  |  |           |        |        |           |           |
|--|--|-----------|--------|--------|-----------|-----------|
| Housing loans                          |  | 4,197,787 | 12,874 | 22,153 | 4,184,913 | 4,175,634 |
| Before securitization                  |  | 4,227,792 | 8,589  | 14,731 | 4,219,203 | 4,213,061 |
| Residential housing loans              |  | 3,223,958 | 11,448 | 17,766 | 3,212,509 | 3,206,191 |
| Before securitization                  |  | 3,253,963 | 7,164  | 10,344 | 3,246,799 | 3,243,618 |
| Other consumer loans                   |  | 128,244   | (957)  | 463    | 129,202   | 127,781   |
| Total loans to consumers               |  | 4,326,032 | 11,916 | 22,617 | 4,314,116 | 4,303,415 |
| Before securitization of housing loans |  | 4,356,037 | 7,632  | 15,194 | 4,348,405 | 4,340,843 |

<Kinki Osaka Bank>

|  |  |           |         |          |           |           |
|--|--|-----------|---------|----------|-----------|-----------|
| Housing loans                          |  | 1,170,209 | 3,112   | (8,722)  | 1,167,096 | 1,178,932 |
| Before securitization                  |  | 1,170,209 | 3,112   | (8,722)  | 1,167,096 | 1,178,932 |
| Residential housing loans              |  | 993,343   | 3,444   | (10,236) | 989,898   | 1,003,580 |
| Before securitization                  |  | 993,343   | 3,444   | (10,236) | 989,898   | 1,003,580 |
| Other consumer loans                   |  | 22,241    | (1,838) | (2,838)  | 24,080    | 25,080    |
| Total loans to consumers               |  | 1,192,451 | 1,273   | (11,561) | 1,191,177 | 1,204,012 |
| Before securitization of housing loans |  | 1,192,451 | 1,273   | (11,561) | 1,191,177 | 1,204,012 |

**(4) Loans to small and medium-sized enterprises and consumers** (Millions of yen, %)

| <Total of three banks>               | End of Mar.<br>2018 (A) | (A) - (B) | (A) - (C) | End of Sep.<br>2017 (B) | End of Mar.<br>2017 (C) |
|--------------------------------------|-------------------------|-----------|-----------|-------------------------|-------------------------|
| Loans to SMEs and consumers          | 24,728,429              | 410,165   | 564,628   | 24,318,264              | 24,163,800              |
| Ratio of loans to SMEs and consumers | 85.29                   | (0.15)    | 0.24      | 85.44                   | 85.04                   |

<Resona Bank>

|                                      |            |         |         |            |            |
|--------------------------------------|------------|---------|---------|------------|------------|
| Loans to SMEs and consumers          | 16,259,969 | 346,007 | 508,403 | 15,913,961 | 15,751,565 |
| Ratio of loans to SMEs and consumers | 83.95      | (0.22)  | 0.51    | 84.17      | 83.44      |

<Saitama Resona Bank>

|                                      |           |        |        |           |           |
|--------------------------------------|-----------|--------|--------|-----------|-----------|
| Loans to SMEs and consumers          | 6,233,379 | 37,069 | 55,690 | 6,196,310 | 6,177,688 |
| Ratio of loans to SMEs and consumers | 86.45     | (0.39) | (0.61) | 86.84     | 87.06     |

<Kinki Osaka Bank>

|                                      |           |        |      |           |           |
|--------------------------------------|-----------|--------|------|-----------|-----------|
| Loans to SMEs and consumers          | 2,235,080 | 27,087 | 534  | 2,207,993 | 2,234,546 |
| Ratio of loans to SMEs and consumers | 92.54     | 1.30   | 0.98 | 91.24     | 91.55     |

Note: Figures are based on the reports submitted to Bank of Japan. (excluding overseas loans and loans in Japan offshore banking account)

## 9. Balance of deposits and loans

(Millions of yen)

| <Total of three banks>                       | End of Mar. |           |           | End of Sep. | End of Mar. |
|--|-------------|-----------|-----------|-------------|-------------|
|  | 2018 (A)    | (A) - (B) | (A) - (C) | 2017 (B)    | 2017 (C)    |
| Deposits (Term-end)                          | 42,846,594  | 1,530,179 | 2,120,366 | 41,316,414  | 40,726,227  |
| Deposits (Average balance)                   | 40,903,631  | 338,735   | 2,153,683 | 40,564,895  | 38,749,947  |
| Trust principal (Term-end)                   | 1,079,892   | 71,864    | 48,154    | 1,008,028   | 1,031,738   |
| Trust principal (Average balance)            | 923,781     | 42,350    | (77,919)  | 881,430     | 1,001,700   |
| Loans and bills discounted (Term-end)        | 28,992,174  | 532,254   | 580,146   | 28,459,919  | 28,412,027  |
| Banking account                              | 28,961,979  | 530,511   | 581,044   | 28,431,467  | 28,380,934  |
| Trust account                                | 30,195      | 1,743     | (897)     | 28,452      | 31,092      |
| Loans and bills discounted (Average balance) | 28,158,997  | 131,553   | 490,574   | 28,027,443  | 27,668,422  |
| Banking account                              | 28,128,601  | 131,008   | 494,600   | 27,997,592  | 27,634,000  |
| Trust account                                | 30,395      | 544       | (4,026)   | 29,850      | 34,422      |

### <Resona Bank>

|  |            |           |           |            |            |
|--|------------|-----------|-----------|------------|------------|
| Deposits (Term-end)                          | 26,473,290 | 1,073,731 | 1,508,041 | 25,399,559 | 24,965,248 |
| Deposits (Average balance)                   | 25,001,922 | 256,771   | 1,562,549 | 24,745,150 | 23,439,372 |
| Trust principal (Term-end)                   | 1,079,892  | 71,864    | 48,154    | 1,008,028  | 1,031,738  |
| Trust principal (Average balance)            | 923,781    | 42,350    | (77,919)  | 881,430    | 1,001,700  |
| Loans and bills discounted (Term-end)        | 19,366,713 | 461,853   | 490,877   | 18,904,860 | 18,875,836 |
| Banking account                              | 19,336,518 | 460,110   | 491,775   | 18,876,408 | 18,844,743 |
| Trust account                                | 30,195     | 1,743     | (897)     | 28,452     | 31,092     |
| Loans and bills discounted (Average balance) | 18,714,483 | 118,800   | 383,832   | 18,595,683 | 18,330,651 |
| Banking account                              | 18,684,087 | 118,255   | 387,858   | 18,565,832 | 18,296,229 |
| Trust account                                | 30,395     | 544       | (4,026)   | 29,850     | 34,422     |

### <Saitama Resona Bank>

|  |            |         |         |            |            |
|--|------------|---------|---------|------------|------------|
| Deposits (Term-end)                          | 13,123,301 | 482,803 | 598,065 | 12,640,498 | 12,525,235 |
| Deposits (Average balance)                   | 12,658,981 | 73,040  | 539,053 | 12,585,940 | 12,119,928 |
| Loans and bills discounted (Term-end)        | 7,210,299  | 75,136  | 114,667 | 7,135,163  | 7,095,632  |
| Loans and bills discounted (Average balance) | 7,088,908  | 9,653   | 98,460  | 7,079,255  | 6,990,447  |

### <Kinki Osaka Bank>

|  |           |          |          |           |           |
|--|-----------|----------|----------|-----------|-----------|
| Deposits (Term-end)                          | 3,250,002 | (26,354) | 14,258   | 3,276,357 | 3,235,743 |
| Deposits (Average balance)                   | 3,242,727 | 8,922    | 52,081   | 3,233,804 | 3,190,646 |
| Loans and bills discounted (Term-end)        | 2,415,160 | (4,735)  | (25,398) | 2,419,895 | 2,440,559 |
| Loans and bills discounted (Average balance) | 2,355,605 | 3,100    | 8,281    | 2,352,504 | 2,347,323 |

<Reference> Domestic breakdown of individual, corporate and other deposits (Millions of yen)

| <Total of three banks>                  | End of Mar. |           |           | End of Sep.<br>2017 (B) | End of Mar.<br>2017 (C) |
|---|-------------|-----------|-----------|-------------------------|-------------------------|
|   | 2018 (A)    | (A) - (B) | (A) - (C) |                         |                         |
| Domestic individual deposits (Term-end) | 26,226,296  | 398,592   | 800,289   | 25,827,704              | 25,426,006              |
| Liquid deposits                         | 18,350,428  | 483,665   | 963,580   | 17,866,763              | 17,386,848              |
| Time deposits                           | 7,635,615   | (108,901) | (160,740) | 7,744,517               | 7,796,355               |
| Domestic corporate deposits (Term-end)  | 13,442,135  | 392,845   | 830,824   | 13,049,289              | 12,611,310              |
| Liquid deposits                         | 10,381,276  | 294,480   | 925,508   | 10,086,796              | 9,455,767               |
| Time deposits                           | 2,668,930   | 105,345   | 44,652    | 2,563,585               | 2,624,278               |

<Resona Bank>

|   |            |          |          |            |            |
|---|------------|----------|----------|------------|------------|
| Domestic individual deposits (Term-end) | 13,829,253 | 223,235  | 389,512  | 13,606,017 | 13,439,741 |
| Liquid deposits                         | 9,845,563  | 258,860  | 490,813  | 9,586,703  | 9,354,750  |
| Time deposits                           | 3,784,396  | (56,190) | (95,152) | 3,840,587  | 3,879,548  |
| Domestic corporate deposits (Term-end)  | 10,314,911 | 301,071  | 689,465  | 10,013,840 | 9,625,445  |
| Liquid deposits                         | 8,187,451  | 304,864  | 821,584  | 7,882,586  | 7,365,866  |
| Time deposits                           | 1,771,169  | 2,069    | (9,671)  | 1,769,100  | 1,780,841  |

<Saitama Resona Bank>

|   |           |          |          |           |           |
|---|-----------|----------|----------|-----------|-----------|
| Domestic individual deposits (Term-end) | 9,879,761 | 174,623  | 397,483  | 9,705,137 | 9,482,277 |
| Liquid deposits                         | 7,009,832 | 196,509  | 411,099  | 6,813,322 | 6,598,732 |
| Time deposits                           | 2,837,208 | (24,407) | (16,665) | 2,861,615 | 2,853,874 |
| Domestic corporate deposits (Term-end)  | 2,402,670 | 86,417   | 132,465  | 2,316,253 | 2,270,205 |
| Liquid deposits                         | 1,675,384 | (20,685) | 83,163   | 1,696,070 | 1,592,220 |
| Time deposits                           | 703,662   | 105,844  | 54,784   | 597,817   | 648,878   |

<Kinki Osaka Bank>

|   |           |          |          |           |           |
|---|-----------|----------|----------|-----------|-----------|
| Domestic individual deposits (Term-end) | 2,517,281 | 732      | 13,293   | 2,516,549 | 2,503,988 |
| Liquid deposits                         | 1,495,032 | 28,295   | 61,666   | 1,466,736 | 1,433,365 |
| Time deposits                           | 1,014,010 | (28,303) | (48,922) | 1,042,314 | 1,062,932 |
| Domestic corporate deposits (Term-end)  | 724,553   | 5,357    | 8,893    | 719,195   | 715,659   |
| Liquid deposits                         | 518,440   | 10,301   | 20,760   | 508,138   | 497,680   |
| Time deposits                           | 194,098   | (2,568)  | (460)    | 196,667   | 194,558   |

Notes: 1. Figures are based on the reports submitted to Bank of Japan. (excluding overseas loans and loans in Japan offshore banking account)

2. Liquid deposits = current deposits + ordinary deposits + saving deposits + deposits at notice

<Reference> Investment trust and other investment products for individual customers (Millions of yen)

| <Total of three banks>                 | End of Mar. |           |           | End of Sep.<br>2017 (B) | End of Mar.<br>2017 (C) |
|--|-------------|-----------|-----------|-------------------------|-------------------------|
|  | 2018 (A)    | (A) - (B) | (A) - (C) |                         |                         |
| Investment trust (Including fund wrap) | 1,733,772   | (67,182)  | (25,581)  | 1,800,954               | 1,759,353               |
| Public bond                            | 374,796     | (29,376)  | (65,851)  | 404,173                 | 440,648                 |
| Insurance                              | 1,884,901   | (8,343)   | (1,476)   | 1,893,245               | 1,886,378               |

<Resona Bank>

|  |         |          |          |           |         |
|--|---------|----------|----------|-----------|---------|
| Investment trust (Including fund wrap) | 993,967 | (26,133) | 14,600   | 1,020,100 | 979,366 |
| Public bond                            | 134,770 | (10,967) | (24,003) | 145,738   | 158,774 |
| Insurance                              | 933,185 | 5,980    | 9,327    | 927,204   | 923,857 |

<Saitama Resona Bank>

|  |         |          |          |         |         |
|--|---------|----------|----------|---------|---------|
| Investment trust (Including fund wrap) | 517,392 | (27,042) | (25,709) | 544,435 | 543,102 |
| Public bond                            | 235,358 | (18,128) | (40,624) | 253,486 | 275,982 |
| Insurance                              | 713,175 | (6,624)  | (4,543)  | 719,800 | 717,719 |

<Kinki Osaka Bank>

|  |         |          |          |         |         |
|--|---------|----------|----------|---------|---------|
| Investment trust (Including fund wrap) | 222,412 | (14,006) | (14,472) | 236,418 | 236,884 |
| Public bond                            | 4,667   | (280)    | (1,223)  | 4,948   | 5,891   |
| Insurance                              | 238,540 | (7,699)  | (6,261)  | 246,239 | 244,801 |

Note: Investment trust: based on market prices at each period-end

Public bond: Government bonds, local government bonds, and government-guaranteed bonds in custody accounts (amounts in par value and on a delivery date basis)

Insurance: based on insurance premiums paid (yen equivalent)



### III. Computation of Deferred Tax Assets

#### 1. Computation of deferred tax assets and estimated period of future taxable income

|                     | Classification of<br>exemplification *1 | Estimated period of future<br>taxable income |
|---------------------|---|--|
| Resona Bank         | No. 2                                   | -  |
| Saitama Resona Bank | No. 2                                   | -  |
| Kinki Osaka Bank    | No. 3                                   | 5 years                                      |

Notes: \*1. The company's classification: Implementation Guidance on Recoverability of Defend Tax Assets (ASBJ Guidance No. 26, issued on March 28, 2016)

#### 2. The amounts of taxable income/non-consolidated taxable income allocated from consolidation (Before deduction of net operating losses carry forward / consolidated net operating losses) for the past five years

(Billions of yen)

|                     | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017<br>(approx.) |
|---------------------|---------|---------|---------|---------|----------------------|
| Resona Bank         | 25.7    | 68.9    | 49.3    | 98.5    | 67.2                 |
| Saitama Resona Bank | 42.4    | 39.2    | 53.7    | 39.4    | 33.3                 |
| Kinki Osaka Bank    | 2.7     | (0.9)   | 7.3     | 2.0     | 1.0                  |

#### 3. The estimated amounts of actual net operating profit, income before income taxes, taxable income before adjustments used for the estimation

(Billions of yen)

|                  | Estimated<br>period | Actual net<br>operating<br>profit | Income before<br>income taxes | Taxable<br>income before<br>adjustments |
|------------------|---------------------|-----------------------------------|-------------------------------|---|
| Kinki Osaka Bank | 5 years             | 41.1                              | 11.5                          | 31.5                                    |

#### 4. Description of the types of deferred tax assets and liabilities

(Billions of yen)

|  | Resona Bank             |           |                         | Saitama Resona Bank     |           |                         |
|--|-------------------------|-----------|-------------------------|-------------------------|-----------|-------------------------|
|  | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) |
| Reserve for loan losses                            | 29.4                    | (5.7)     | 35.1                    | 10.8                    | (1.6)     | 12.4                    |
| Write-down on securities                           | 37.9                    | (15.6)    | 53.5                    | 6.0                     | (0.0)     | 6.0                     |
| Unrealized losses on available-for-sale securities | -                       | -         | -                       | -                       | -         | -                       |
| Reserve for employees' retirement benefits         | 13.7                    | 0.0       | 13.7                    | 3.5                     | (0.4)     | 3.9                     |
| Net loss carry forward                             | -                       | -         | -                       | -                       | -         | -                       |
| Others   | 35.1                    | (14.3)    | 49.5                    | 10.9                    | 0.9       | 9.9                     |
| Subtotal of deferred tax assets                    | 116.2                   | (35.7)    | 151.9                   | 31.3                    | (1.1)     | 32.4                    |
| Valuation allowance                                | (56.1)                  | 29.7      | (85.8)                  | (9.1)                   | 0.0       | (9.1)                   |
| Deferred tax assets                                | 60.0                    | (6.0)     | 66.1                    | 22.1                    | (1.1)     | 23.2                    |
| Gains on placing trust for retirement benefits     | 2.8                     | (0.0)     | 2.8                     | -                       | -         | -                       |
| Unrealized gains on available-for-sale securities  | 135.7                   | 24.5      | 111.1                   | 22.6                    | 3.5       | 19.1                    |
| Deferred gains on hedges                           | 12.7                    | (2.6)     | 15.4                    | 1.9                     | (0.3)     | 2.3                     |
| Others   | 3.8                     | 0.1       | 3.6                     | 5.5                     | (0.1)     | 5.7                     |
| Deferred tax liabilities                           | 155.2                   | 22.0      | 133.1                   | 30.1                    | 3.0       | 27.1                    |
| Net deferred tax assets                            | (95.1)                  | (28.0)    | (67.0)                  | (7.9)                   | (4.1)     | (3.8)                   |

|  | Kinki Osaka Bank        |           |                         |
|--|-------------------------|-----------|-------------------------|
|  | End of Mar.<br>2018 (A) | (A) - (B) | End of Mar.<br>2017 (B) |
| Reserve for loan losses                            | 4.6                     | (1.6)     | 6.2                     |
| Write-down on securities                           | 3.6                     | 0.0       | 3.6                     |
| Unrealized losses on available-for-sale securities | -                       | -         | -                       |
| Reserve for employees' retirement benefits         | 1.6                     | 0.0       | 1.5                     |
| Net loss carry forward                             | 2.3                     | (0.0)     | 2.4                     |
| Others   | 6.4                     | (0.2)     | 6.7                     |
| Subtotal of deferred tax assets                    | 18.7                    | (1.9)     | 20.7                    |
| Valuation allowance                                | (10.2)                  | (0.6)     | (9.6)                   |
| Deferred tax assets                                | 8.4                     | (2.5)     | 11.0                    |
| Gains on placing trust for retirement benefits     | -                       | -         | -                       |
| Unrealized gains on available-for-sale securities  | 2.8                     | (0.1)     | 2.9                     |
| Deferred gains on hedges                           | -                       | -         | -                       |
| Others   | 1.5                     | 0.0       | 1.4                     |
| Deferred tax liabilities                           | 4.3                     | (0.0)     | 4.4                     |
| Net deferred tax assets                            | 4.1                     | (2.4)     | 6.6                     |

#### IV. Reference Materials (Group Banks' Financial Statements)

##### <Non-Consolidated Balance Sheet>

Resona Bank, Ltd.

(Millions of yen)

|   | March 31, 2017      | March 31, 2018      |
|---|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |
| Cash and due from banks   | ¥ 7,013,625         | ¥ 7,721,699         |
| Cash  | 366,817             | 357,226             |
| Due from banks  | 6,646,807           | 7,364,473           |
| Call loans  | 139,459             | 130,222             |
| Monetary claims bought  | 106,257             | 94,708              |
| Trading assets  | 336,975             | 263,468             |
| Trading securities  | 2,336               | 2,694               |
| Trading-related financial derivatives   | 193,707             | 134,037             |
| Other trading assets  | 140,931             | 126,735             |
| Securities  | 3,250,116           | 3,341,479           |
| Japanese government bonds   | 1,592,894           | 1,433,223           |
| Local government bonds  | 37,812              | 53,626              |
| Corporate bonds   | 378,076             | 392,880             |
| Stocks  | 794,458             | 863,929             |
| Other securities  | 446,873             | 597,818             |
| Loans and bills discounted  | 18,844,743          | 19,336,518          |
| Bills discounted  | 61,062              | 64,825              |
| Loans on notes  | 279,836             | 245,866             |
| Loans on deeds  | 16,259,968          | 16,827,825          |
| Overdrafts  | 2,243,876           | 2,198,001           |
| Foreign exchange assets   | 79,999              | 142,986             |
| Due from foreign banks  | 42,374              | 108,676             |
| Foreign bills of exchange bought  | 7,216               | 5,279               |
| Foreign bills of exchange receivable  | 30,408              | 29,030              |
| Other assets  | 708,213             | 890,108             |
| Unsettled exchange receivable   | 27                  | 3                   |
| Prepaid expenses  | 12,250              | 11,742              |
| Accrued income  | 35,949              | 38,682              |
| Initial margins for future transactions   | 13,439              | 20,310              |
| Variation margins for future transactions   | —                   | 27                  |
| Financial derivatives, principally including option premiums and contracts under hedge accounting | 258,599             | 186,236             |
| Cash collateral paid for financial instruments  | 83,288              | 51,819              |
| Other receivable on sales of securities   | 119,849             | 134,132             |
| Other   | 184,808             | 447,153             |
| Tangible fixed assets   | 215,704             | 214,663             |
| Buildings   | 67,861              | 67,423              |
| Land  | 128,822             | 127,704             |
| Leased assets   | 10,900              | 11,076              |
| Construction in progress  | 1,684               | 2,410               |
| Other tangible fixed assets   | 6,435               | 6,048               |
| Intangible fixed assets   | 27,449              | 25,260              |
| Software  | 6,871               | 7,864               |
| Leased assets   | 18,467              | 15,286              |
| Other intangible fixed assets   | 2,110               | 2,109               |
| Prepaid pension cost  | 64,660              | 53,518              |
| Customers' liabilities for acceptances and guarantees   | 278,942             | 270,878             |
| Reserve for possible loan losses  | (81,985)            | (68,008)            |
| <b>Total Assets</b>   | <b>¥ 30,984,161</b> | <b>¥ 32,417,503</b> |

## &lt;Non-Consolidated Balance Sheet - Continued&gt;

(Millions of yen)

|   | March 31, 2017      | March 31, 2018      |
|---|---------------------|---------------------|
| <b>Liabilities and Net Assets</b>   |                     |                     |
| <b>Liabilities</b>  |                     |                     |
| Deposits  | ¥ 24,965,248        | ¥ 26,473,290        |
| Current deposits  | 2,730,025           | 3,110,123           |
| Ordinary deposits   | 15,016,495          | 16,229,373          |
| Savings deposits  | 145,383             | 141,994             |
| Notice deposits   | 83,632              | 70,089              |
| Time deposits   | 5,862,151           | 5,825,469           |
| Other deposits  | 1,127,559           | 1,096,239           |
| Negotiable certificates of deposit  | 1,102,770           | 1,049,720           |
| Call money  | 418,958             | 162,147             |
| Payables under repurchase agreements  | 5,000               | 5,000               |
| Payables under securities lending transactions  | 429,272             | 588,472             |
| Trading liabilities   | 186,859             | 103,311             |
| Derivatives of trading securities   | 3                   | 14                  |
| Derivatives of securities related to trading transactions   | 11                  | 26                  |
| Trading-related financial derivatives   | 186,844             | 103,269             |
| Borrowed money  | 322,239             | 399,412             |
| Borrowed money  | 322,239             | 399,412             |
| Foreign exchange liabilities  | 8,784               | 10,275              |
| Due to foreign banks  | 7,917               | 8,538               |
| Foreign bills of exchange sold  | 177                 | 348                 |
| Foreign bills of exchange payables  | 689                 | 1,387               |
| Bonds   | 322,000             | 236,000             |
| Due to trust account  | 1,015,305           | 1,056,058           |
| Other liabilities   | 475,980             | 424,505             |
| Unsettled exchange payables   | 103                 | 60                  |
| Accrued income taxes  | 8,800               | 3,600               |
| Accrued expenses  | 13,132              | 13,668              |
| Unearned income   | 5,075               | 4,808               |
| Variation margins for future transactions   | 411                 | 0                   |
| Financial derivatives, principally including option premiums and contracts under hedge accounting | 197,585             | 138,526             |
| Cash collateral received for financial instruments  | 118,554             | 80,276              |
| Lease obligation  | 34,254              | 31,525              |
| Asset retirement obligations  | 855                 | 903                 |
| Other payable on purchases of securities  | 20,824              | 88,202              |
| Other   | 76,382              | 62,932              |
| Reserve for employees' bonuses  | 9,395               | 9,280               |
| Other reserves  | 23,411              | 24,171              |
| Deferred tax liabilities  | 67,084              | 95,107              |
| Deferred tax liabilities for land revaluation   | 20,114              | 19,976              |
| Acceptances and guarantees  | 278,942             | 270,878             |
| <b>Total Liabilities</b>  | <b>29,651,365</b>   | <b>30,927,606</b>   |
| <b>Net Assets</b>   |                     |                     |
| Capital stock   | 279,928             | 279,928             |
| Capital surplus   | 377,178             | 377,178             |
| Capital reserve   | 279,928             | 279,928             |
| Other capital surplus   | 97,250              | 97,250              |
| Retained earnings   | 249,909             | 356,413             |
| Other retained earnings   | 249,909             | 356,413             |
| Retained earnings carried forward   | 249,909             | 356,413             |
| Total stockholders' equity  | 907,016             | 1,013,520           |
| Net unrealized gains on available-for-sale securities   | 346,659             | 403,694             |
| Net deferred gains on hedges  | 35,128              | 29,023              |
| Revaluation reserve for land  | 43,991              | 43,658              |
| Total valuation and translation differences   | 425,779             | 476,376             |
| <b>Total Net Assets</b>   | <b>1,332,796</b>    | <b>1,489,896</b>    |
| <b>Total Liabilities and Net Assets</b>   | <b>¥ 30,984,161</b> | <b>¥ 32,417,503</b> |

## &lt;Non-Consolidated Statement of Income&gt;

(Millions of yen)

|   | For the fiscal<br>year ended<br>March 31, 2017 | For the fiscal<br>year ended<br>March 31, 2018 |
|---|--|--|
| <b>Ordinary income</b>  | ¥ 503,109                                      | ¥ 533,986                                      |
| Interest income   | 262,384  | 260,057  |
| Interest on loans and bills discounted                          | 202,444  | 194,014  |
| Interest and dividends on securities                            | 36,325   | 40,930   |
| Interest on call loans  | 652  | 1,642  |
| Interest on receivables under securities borrowing transactions | 0  | —  |
| Interest on due from banks                                      | 6,108  | 6,921  |
| Interest on interest rate-swaps                                 | 11,827   | 11,461   |
| Other interest income   | 5,025  | 5,086  |
| Trust fees  | 17,932   | 18,660   |
| Fees and commissions  | 126,753  | 130,591  |
| Exchange fees received  | 25,054   | 25,389   |
| Other fees and commissions                                      | 101,699  | 105,201  |
| Trading income  | 8,753  | 7,102  |
| Income from trading securities                                  | 228  | 288  |
| Gains on securities related to trading transactions             | —  | 10   |
| Income from trading-related financial derivatives               | 8,482  | 6,737  |
| Other trading income  | 42   | 65   |
| Other operating income  | 29,007   | 18,791   |
| Gains on foreign exchange transactions                          | 7,331  | 9,193  |
| Gains on sale of Japanese government bonds and other            | 14,028   | 6,642  |
| Income from derivatives other than for trading or hedging       | 7,648  | 2,196  |
| Other   | 0  | 758  |
| Other ordinary income   | 58,278   | 98,784   |
| Reversal of reserve for possible loan losses                    | 11,565   | 11,363   |
| Recoveries of written-off loans                                 | 9,531  | 10,328   |
| Gains on sales of stocks and other securities                   | 25,815   | 65,602   |
| Other   | 11,366   | 11,489   |

## &lt;Non-Consolidated Statement of Income - Continued&gt;

(Millions of yen)

|  | For the fiscal<br>year ended<br>March 31, 2017 | For the fiscal<br>year ended<br>March 31, 2018 |
|--|--|--|
| <b>Ordinary expenses</b>                                   | ¥ 359,471                                      | ¥ 345,837                                      |
| Interest expenses  | 21,283   | 25,096   |
| Interest on deposits                                       | 6,426  | 9,331  |
| Interest on negotiable certificates of deposit             | 217  | 97   |
| Interest on call money                                     | 2,955  | 2,655  |
| Interest on payables under repurchase agreement            | 0  | 0  |
| Interest on payables under securities lending transactions | 896  | 3,084  |
| Interest on borrowed money                                 | 1,224  | 1,895  |
| Interest on bonds  | 6,488  | 5,159  |
| Other interest expenses                                    | 3,074  | 2,872  |
| Fees and commissions                                       | 52,437   | 52,672   |
| Commissions paid on exchange transactions                  | 6,382  | 6,487  |
| Other  | 46,055   | 46,185   |
| Trading expenses   | 164  | —  |
| Losses on securities related to trading transactions       | 164  | —  |
| Other operating expenses                                   | 18,718   | 11,967   |
| Losses on sale of Japanese government bonds and other      | 18,678   | 11,815   |
| Impairment losses on Japanese government bonds and other   | 39   | 152  |
| General and administrative expenses                        | 226,486  | 226,389  |
| Other ordinary expenses                                    | 40,382   | 29,710   |
| Write-off of loans   | 6,757  | 7,985  |
| Losses on sales of stocks and other securities             | 5,693  | 13,265   |
| Losses on devaluation of stocks and other securities       | 3  | 32   |
| Other  | 27,928   | 8,427  |
| <b>Ordinary profits</b>                                    | <u>143,637</u>                                 | <u>188,149</u>                                 |
| <b>Extraordinary gains</b>                                 | 402  | 334  |
| Gains on disposal of fixed assets                          | 402  | 334  |
| <b>Extraordinary losses</b>                                | 1,509  | 2,019  |
| Losses on disposal of fixed assets                         | 864  | 636  |
| Impairment losses on fixed assets                          | 644  | 1,383  |
| <b>Income before income taxes</b>                          | <u>142,531</u>                                 | <u>186,464</u>                                 |
| Income taxes – current                                     | 29,770   | 23,611   |
| Income taxes – deferred                                    | 11,415   | 6,004  |
| Total income taxes   | <u>41,186</u>                                  | <u>29,615</u>                                  |
| <b>Net income</b>  | <u>¥ 101,345</u>                               | <u>¥ 156,848</u>                               |

**<Non-Consolidated Statement of Changes in Net Assets>**

For the fiscal year ended March 31, 2017

(Millions of yen)

|  | Stockholders' equity |                 |                       |                       |                                   |                            |
|--|----------------------|-----------------|-----------------------|-----------------------|-----------------------------------|----------------------------|
|  | Capital stock        | Capital surplus |                       |                       | Retained earnings                 | Total stockholders' equity |
|  |                      | Capital reserve | Other capital surplus | Total capital surplus | Other retained earnings           |                            |
|  |                      |                 |                       |                       | Retained earnings carried forward |                            |
| Balance at the beginning of the fiscal year                        | ¥ 279,928            | ¥ 279,928       | ¥ 97,250              | ¥ 377,178             | ¥ 249,393                         | ¥ 906,501                  |
| Changes during the fiscal year                                     |                      |                 |                       |                       |                                   |                            |
| Dividends paid   |                      |                 |                       |                       | (100,829)                         | (100,829)                  |
| Net income   |                      |                 |                       |                       | 101,345                           | 101,345                    |
| Net changes except for stockholders' equity during the fiscal year |                      |                 |                       |                       |                                   |                            |
| Total changes during the fiscal year                               | —                    | —               | —                     | —                     | 515                               | 515                        |
| Balance at the end of the fiscal year                              | ¥ 279,928            | ¥ 279,928       | ¥ 97,250              | ¥ 377,178             | ¥ 249,909                         | ¥ 907,016                  |

|  | Valuation and translation differences                 |                              |                              |   | Total net assets |
|--|---|------------------------------|------------------------------|---|------------------|
|  | Net unrealized gains on available-for-sale securities | Net deferred gains on hedges | Revaluation reserve for land | Total valuation and translation differences |                  |
| Balance at the beginning of the fiscal year                        | ¥ 272,782   | ¥ 47,079                     | ¥ 43,984                     | ¥ 363,847                                   | ¥ 1,270,348      |
| Changes during the fiscal year                                     |   |                              |                              |   |                  |
| Dividends paid   |   |                              |                              |   | (100,829)        |
| Net income   |   |                              |                              |   | 101,345          |
| Net changes except for stockholders' equity during the fiscal year | 73,876  | (11,951)                     | 6                            | 61,932                                      | 61,932           |
| Total changes during the fiscal year                               | 73,876  | (11,951)                     | 6                            | 61,932                                      | 62,447           |
| Balance at the end of the fiscal year                              | ¥ 346,659   | ¥ 35,128                     | ¥ 43,991                     | ¥ 425,779                                   | ¥ 1,332,796      |

## &lt;Non-Consolidated Statement of Changes in Net Assets - Continued&gt;

For the fiscal year ended March 31, 2018

(Millions of yen)

|  | Stockholders' equity |                 |                       |                       |                                   |                            |
|--|----------------------|-----------------|-----------------------|-----------------------|-----------------------------------|----------------------------|
|  | Capital stock        | Capital surplus |                       |                       | Retained earnings                 | Total stockholders' equity |
|  |                      | Capital reserve | Other capital surplus | Total capital surplus | Other retained earnings           |                            |
|  |                      |                 |                       |                       | Retained earnings carried forward |                            |
| Balance at the beginning of the fiscal year                        | ¥ 279,928            | ¥ 279,928       | ¥ 97,250              | ¥ 377,178             | ¥ 249,909                         | ¥ 907,016                  |
| Changes during the fiscal year                                     |                      |                 |                       |                       |                                   |                            |
| Dividends paid   |                      |                 |                       |                       | (50,671)                          | (50,671)                   |
| Net income   |                      |                 |                       |                       | 156,848                           | 156,848                    |
| Reversal of revaluation reserve for land                           |                      |                 |                       |                       | 326                               | 326                        |
| Net changes except for stockholders' equity during the fiscal year |                      |                 |                       |                       |                                   |                            |
| Total changes during the fiscal year                               | —                    | —               | —                     | —                     | 106,503                           | 106,503                    |
| Balance at the end of the fiscal year                              | ¥ 279,928            | ¥ 279,928       | ¥ 97,250              | ¥ 377,178             | ¥ 356,413                         | ¥ 1,013,520                |

|  | Valuation and translation differences                 |                              |                              |   | Total net assets |
|--|---|------------------------------|------------------------------|---|------------------|
|  | Net unrealized gains on available-for-sale securities | Net deferred gains on hedges | Revaluation reserve for land | Total valuation and translation differences |                  |
| Balance at the beginning of the fiscal year                        | ¥ 346,659   | ¥ 35,128                     | ¥ 43,991                     | ¥ 425,779                                   | ¥ 1,332,796      |
| Changes during the fiscal year                                     |   |                              |                              |   |                  |
| Dividends paid   |   |                              |                              |   | (50,671)         |
| Net income   |   |                              |                              |   | 156,848          |
| Reversal of revaluation reserve for land                           |   |                              |                              |   | 326              |
| Net changes except for stockholders' equity during the fiscal year | 57,035  | (6,105)                      | (333)                        | 50,596                                      | 50,596           |
| Total changes during the fiscal year                               | 57,035  | (6,105)                      | (333)                        | 50,596                                      | 157,100          |
| Balance at the end of the fiscal year                              | ¥ 403,694   | ¥ 29,023                     | ¥ 43,658                     | ¥ 476,376                                   | ¥ 1,489,896      |

## &lt;Non-Consolidated Balance Sheet&gt;

(Millions of yen)

|   | March 31, 2017      | March 31, 2018      |
|---|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |
| Cash and due from banks   | ¥ 5,229,570         | ¥ 5,368,099         |
| Cash  | 86,544              | 91,636              |
| Due from banks  | 5,143,026           | 5,276,462           |
| Call loans  | 9,575               | 179,893             |
| Monetary claims bought  | 1,995               | 2,319               |
| Trading securities  | 13,475              | 8,575               |
| Trading Japanese government bonds   | 1,421               | 1,517               |
| Trading local government bonds  | 6,053               | 7,058               |
| Other trading securities  | 6,000               | —                   |
| Securities  | 1,392,194           | 1,089,873           |
| Japanese government bonds   | 510,250             | 216,281             |
| Local government bonds  | 500,422             | 439,430             |
| Corporate bonds   | 101,177             | 67,163              |
| Stocks  | 155,942             | 169,565             |
| Other securities  | 124,402             | 197,432             |
| Loans and bills discounted  | 7,095,632           | 7,210,299           |
| Bills discounted  | 19,661              | 23,532              |
| Loans on notes  | 124,491             | 113,407             |
| Loans on deeds  | 6,551,687           | 6,661,037           |
| Overdrafts  | 399,790             | 412,322             |
| Foreign exchange assets   | 12,099              | 9,902               |
| Due from foreign banks  | 11,804              | 9,677               |
| Foreign bills of exchange bought  | 211                 | 144                 |
| Foreign bills of exchange receivable  | 83                  | 80                  |
| Other assets  | 100,611             | 212,623             |
| Unsettled exchange receivable   | 0                   | 5                   |
| Prepaid expenses  | 2,487               | 2,355               |
| Accrued income  | 8,863               | 9,787               |
| Initial margins for future transactions   | 12,202              | 30,264              |
| Variation margins for future transactions   | 3                   | 2                   |
| Financial derivatives, principally including option premiums and contracts under hedge accounting | 14,005              | 14,159              |
| Cash collateral paid for financial instruments  | 8,693               | 8,898               |
| Other   | 54,354              | 147,149             |
| Tangible fixed assets   | 55,898              | 56,413              |
| Buildings   | 21,179              | 20,991              |
| Land  | 31,583              | 31,790              |
| Leased assets   | 8                   | 3                   |
| Construction in progress  | 516                 | 908                 |
| Other tangible fixed assets   | 2,610               | 2,718               |
| Intangible fixed assets   | 2,732               | 2,747               |
| Software  | 47                  | 63                  |
| Other intangible fixed assets   | 2,684               | 2,684               |
| Prepaid pension cost  | 11,710              | 12,782              |
| Customers' liabilities for acceptances and guarantees   | 15,358              | 17,180              |
| Reserve for possible loan losses  | (27,017)            | (20,227)            |
| <b>Total Assets</b>   | <b>¥ 13,913,836</b> | <b>¥ 14,150,485</b> |



## &lt;Non-Consolidated Balance Sheet - Continued&gt;

(Millions of yen)

|   | March 31, 2017      | March 31, 2018      |
|---|---------------------|---------------------|
| <b>Liabilities and Net Assets</b>   |                     |                     |
| <b>Liabilities</b>  |                     |                     |
| Deposits  | ¥ 12,525,235        | ¥ 13,123,301        |
| Current deposits  | 290,235             | 314,651             |
| Ordinary deposits   | 8,312,298           | 8,876,919           |
| Savings deposits  | 179,010             | 179,580             |
| Notice deposits   | 27,245              | 28,068              |
| Time deposits   | 3,571,662           | 3,612,877           |
| Other deposits  | 144,783             | 111,203             |
| Negotiable certificates of deposit  | 277,620             | 208,830             |
| Call money  | 300,000             | 3,720               |
| Payables under securities lending transactions  | —                   | 36,231              |
| Borrowed money  | 313,000             | 231,500             |
| Borrowed money  | 313,000             | 231,500             |
| Foreign exchange liabilities  | 107                 | 507                 |
| Foreign bills of exchange sold  | 67                  | 390                 |
| Foreign bills of exchange payables  | 39                  | 116                 |
| Bonds   | 25,000              | —                   |
| Other liabilities   | 62,258              | 97,746              |
| Unsettled exchange payables   | 7                   | 5                   |
| Accrued income taxes  | 1,760               | 1,970               |
| Accrued expenses  | 4,064               | 3,792               |
| Unearned income   | 1,161               | 653                 |
| Financial derivatives, principally including option premiums and contracts under hedge accounting | 4,359               | 4,515               |
| Cash collateral received for financial instruments  | 7,364               | 6,015               |
| Lease obligation  | 8                   | 4                   |
| Asset retirement obligations  | 218                 | 65                  |
| Other   | 43,313              | 80,723              |
| Reserve for employees' bonuses  | 3,015               | 2,920               |
| Other reserves  | 12,886              | 13,075              |
| Deferred tax liabilities  | 3,843               | 7,964               |
| Acceptances and guarantees  | 15,358              | 17,180              |
| <b>Total Liabilities</b>  | <b>13,538,325</b>   | <b>13,742,977</b>   |
| <b>Net Assets</b>   |                     |                     |
| Capital stock   | 70,000              | 70,000              |
| Capital surplus   | 100,000             | 100,000             |
| Capital reserve   | 100,000             | 100,000             |
| Retained earnings   | 139,971             | 163,401             |
| Legal reserve   | 20,012              | 20,012              |
| Other retained earnings   | 119,958             | 143,388             |
| Retained earnings carried forward   | 119,958             | 143,388             |
| Total stockholders' equity  | <u>309,971</u>      | <u>333,401</u>      |
| Net unrealized gains on available-for-sale securities   | 60,219              | 69,666              |
| Net deferred losses on hedges   | 5,319               | 4,439               |
| Total valuation and translation differences   | <u>65,539</u>       | <u>74,106</u>       |
| <b>Total Net Assets</b>   | <b>375,510</b>      | <b>407,507</b>      |
| <b>Total Liabilities and Net Assets</b>   | <b>¥ 13,913,836</b> | <b>¥ 14,150,485</b> |

## &lt;Non-Consolidated Statement of Income&gt;

(Millions of yen)

|  | For the fiscal<br>year ended<br>March 31, 2017 | For the fiscal<br>year ended<br>March 31, 2018 |
|--|--|--|
| <b>Ordinary income</b>                                     | ¥ 164,173                                      | ¥ 171,786                                      |
| Interest income  | 101,599  | 98,950   |
| Interest on loans and bills discounted                     | 85,323   | 80,197   |
| Interest and dividends on securities                       | 10,990   | 14,132   |
| Interest on call loans                                     | 82   | 133  |
| Interest on due from banks                                 | 3,898  | 3,891  |
| Interest on interest rate-swaps                            | 666  | 293  |
| Other interest income                                      | 638  | 301  |
| Fees and commissions                                       | 40,513   | 40,678   |
| Exchange fees received                                     | 8,839  | 8,834  |
| Other fees and commissions                                 | 31,674   | 31,843   |
| Other operating income                                     | 9,652  | 6,442  |
| Gains on foreign exchange transactions                     | 743  | 944  |
| Gains on sale of Japanese government bonds and other       | 6,911  | 4,422  |
| Income from derivatives other than for trading or hedging  | 1,997  | 1,075  |
| Other  | 0  | 0  |
| Other ordinary income                                      | 12,407   | 25,715   |
| Reversal of reserve for possible loan losses               | 791  | 2,050  |
| Recoveries of written-off loans                            | 2,340  | 1,716  |
| Gains on sales of stocks and other securities              | 4,359  | 18,153   |
| Other  | 4,916  | 3,794  |
| <b>Ordinary expenses</b>                                   | 114,435  | 119,305  |
| Interest expenses  | 2,810  | 2,909  |
| Interest on deposits                                       | 1,337  | 1,357  |
| Interest on negotiable certificates of deposit             | 14   | 8  |
| Interest on call money                                     | (13)   | 397  |
| Interest on payables under securities lending transactions | 73   | 410  |
| Interest on borrowed money                                 | 691  | 635  |
| Interest on bonds  | 708  | 101  |
| Other  | (0)  | (2)  |
| Fees and commissions                                       | 19,258   | 18,867   |
| Commissions paid on exchange transactions                  | 1,760  | 1,758  |
| Other  | 17,498   | 17,109   |
| Other operating expenses                                   | 7,556  | 7,110  |
| Losses on trading securities transactions                  | 75   | 71   |
| Losses on sale of Japanese government bonds and other      | 7,458  | 7,027  |
| Impairment losses on Japanese government bonds and other   | 22   | 12   |
| General and administrative expenses                        | 77,913   | 76,523   |
| Other ordinary expenses                                    | 6,896  | 13,893   |
| Write-off of loans   | 2,033  | 1,786  |
| Losses on sales of stocks and other securities             | 235  | 3,111  |
| Losses on devaluation of stocks and other securities       | 9  | 0  |
| Other  | 4,618  | 8,995  |
| <b>Ordinary profits</b>                                    | 49,738   | 52,481   |
| <b>Extraordinary gains</b>                                 | 12   | —  |
| Gains on disposal of fixed assets                          | 12   | —  |
| <b>Extraordinary losses</b>                                | 209  | 591  |
| Losses on disposal of fixed assets                         | 120  | 147  |
| Impairment losses on fixed assets                          | 89   | 444  |
| <b>Income before income taxes</b>                          | 49,541   | 51,889   |
| Income taxes – current                                     | 12,476   | 10,749   |
| Income taxes – deferred                                    | 2,350  | 990  |
| Total income taxes   | 14,826   | 11,739   |
| <b>Net income</b>  | ¥ 34,714                                       | ¥ 40,149                                       |

**<Non-Consolidated Statement of Changes in Net Assets>**

For the fiscal year ended March 31, 2017

(Millions of yen)

|  | Stockholders' equity |                 |                       |               |                         |                         |                            |
|--|----------------------|-----------------|-----------------------|---------------|-------------------------|-------------------------|----------------------------|
|  | Capital stock        | Capital surplus |                       | Legal reserve | Retained earnings       |                         | Total stockholders' equity |
|  |                      | Capital reserve | Total capital surplus |               | Other retained earnings | Total retained earnings |                            |
| Balance at the beginning of the fiscal year                        | ¥ 70,000             | ¥ 100,000       | ¥ 100,000             | ¥ 20,012      | ¥ 124,764               | ¥ 144,777               | ¥ 314,777                  |
| Changes during the fiscal year                                     |                      |                 |                       |               |                         |                         |                            |
| Dividends paid   |                      |                 |                       |               | (39,520)                | (39,520)                | (39,520)                   |
| Net income   |                      |                 |                       |               | 34,714                  | 34,714                  | 34,714                     |
| Net changes except for stockholders' equity during the fiscal year |                      |                 |                       |               |                         |                         |                            |
| Total changes during the fiscal year                               | —                    | —               | —                     | —             | (4,805)                 | (4,805)                 | (4,805)                    |
| Balance at the end of the fiscal year                              | ¥ 70,000             | ¥ 100,000       | ¥ 100,000             | ¥ 20,012      | ¥ 119,958               | ¥ 139,971               | ¥ 309,971                  |

|  | Valuation and translation differences                 |                              |   | Total net assets |
|--|---|------------------------------|---|------------------|
|  | Net unrealized gains on available-for-sale securities | Net deferred gains on hedges | Total valuation and translation differences |                  |
| Balance at the beginning of the fiscal year                        | ¥ 65,009  | ¥ 2,460                      | ¥ 67,470                                    | ¥ 382,247        |
| Changes during the fiscal year                                     |   |                              |   |                  |
| Dividends paid   |   |                              |   | (39,520)         |
| Net income   |   |                              |   | 34,714           |
| Net changes except for stockholders' equity during the fiscal year | (4,789)   | 2,858                        | (1,930)                                     | (1,930)          |
| Total changes during the fiscal year                               | (4,789)   | 2,858                        | (1,930)                                     | (6,736)          |
| Balance at the end of the fiscal year                              | ¥ 60,219  | ¥ 5,319                      | ¥ 65,539                                    | ¥ 375,510        |

## &lt;Non-Consolidated Statement of Changes in Net Assets - Continued&gt;

For the fiscal year ended March 31, 2018

(Millions of yen)

|  | Stockholders' equity |                 |                       |               |                         |                         |                            |
|--|----------------------|-----------------|-----------------------|---------------|-------------------------|-------------------------|----------------------------|
|  | Capital stock        | Capital surplus |                       | Legal reserve | Retained earnings       |                         | Total stockholders' equity |
|  |                      | Capital reserve | Total capital surplus |               | Other retained earnings | Total retained earnings |                            |
| Balance at the beginning of the fiscal year                        | ¥ 70,000             | ¥ 100,000       | ¥ 100,000             | ¥ 20,012      | ¥ 119,958               | ¥ 139,971               | ¥ 309,971                  |
| Changes during the fiscal year                                     |                      |                 |                       |               |                         |                         |                            |
| Dividends paid   |                      |                 |                       |               | (16,720)                | (16,720)                | (16,720)                   |
| Net income   |                      |                 |                       |               | 40,149                  | 40,149                  | 40,149                     |
| Net changes except for stockholders' equity during the fiscal year |                      |                 |                       |               |                         |                         |                            |
| Total changes during the fiscal year                               | —                    | —               | —                     | —             | 23,429                  | 23,429                  | 23,429                     |
| Balance at the end of the fiscal year                              | ¥ 70,000             | ¥ 100,000       | ¥ 100,000             | ¥ 20,012      | ¥ 143,388               | ¥ 163,401               | ¥ 333,401                  |

|  | Valuation and translation differences                 |                              |   | Total net assets |
|--|---|------------------------------|---|------------------|
|  | Net unrealized gains on available-for-sale securities | Net deferred gains on hedges | Total valuation and translation differences |                  |
| Balance at the beginning of the fiscal year                        | ¥ 60,219  | ¥ 5,319                      | ¥ 65,539                                    | ¥ 375,510        |
| Changes during the fiscal year                                     |   |                              |   |                  |
| Dividends paid   |   |                              |   | (16,720)         |
| Net income   |   |                              |   | 40,149           |
| Net changes except for stockholders' equity during the fiscal year | 9,446   | (880)                        | 8,566                                       | 8,566            |
| Total changes during the fiscal year                               | 9,446   | (880)                        | 8,566                                       | 31,996           |
| Balance at the end of the fiscal year                              | ¥ 69,666  | ¥ 4,439                      | ¥ 74,106                                    | ¥ 407,507        |

## &lt;Non-Consolidated Balance Sheet&gt;

(Millions of yen)

|   | March 31, 2017     | March 31, 2018     |
|---|--------------------|--------------------|
| <b>Assets</b>   |                    |                    |
| Cash and due from banks   | ¥ 386,126          | ¥ 317,514          |
| Cash  | 34,415             | 33,083             |
| Due from banks  | 351,710            | 284,431            |
| Monetary claims bought  | 10,388             | 5,022              |
| Trading securities  | 1                  | —                  |
| Trading Japanese government bonds   | 1                  | —                  |
| Securities  | 655,256            | 735,772            |
| Japanese government bonds   | 206,713            | 129,130            |
| Local government bonds  | 38,702             | 62,506             |
| Corporate bonds   | 340,798            | 468,002            |
| Stocks  | 16,406             | 18,334             |
| Other securities  | 52,636             | 57,798             |
| Loans and bills discounted  | 2,440,559          | 2,415,160          |
| Bills discounted  | 17,967             | 20,025             |
| Loans on notes  | 43,906             | 41,673             |
| Loans on deeds  | 2,182,596          | 2,189,868          |
| Overdrafts  | 196,088            | 163,592            |
| Foreign exchange assets   | 4,077              | 5,826              |
| Due from foreign banks  | 2,994              | 4,770              |
| Foreign bills of exchange bought  | 149                | 190                |
| Foreign bills of exchange receivable  | 933                | 864                |
| Other assets  | 11,499             | 28,062             |
| Unsettled exchange receivable   | 0                  | —                  |
| Prepaid expenses  | 329                | 312                |
| Accrued income  | 2,214              | 2,537              |
| Financial derivatives, principally including option premiums and contracts under hedge accounting | 206                | 335                |
| Other   | 8,748              | 24,876             |
| Tangible fixed assets   | 29,905             | 29,090             |
| Buildings   | 9,736              | 9,180              |
| Land  | 18,213             | 17,784             |
| Leased assets   | 706                | 642                |
| Construction in progress  | —                  | 218                |
| Other tangible fixed assets   | 1,249              | 1,265              |
| Intangible fixed assets   | 305                | 314                |
| Software  | 31                 | 42                 |
| Other intangible fixed assets   | 274                | 271                |
| Prepaid pension cost  | 5,303              | 5,715              |
| Deferred tax assets   | 6,612              | 4,149              |
| Customers' liabilities for acceptances and guarantees   | 9,250              | 8,888              |
| Reserve for possible loan losses  | (13,514)           | (11,892)           |
| <b>Total Assets</b>   | <b>¥ 3,545,771</b> | <b>¥ 3,543,625</b> |

## &lt;Non-Consolidated Balance Sheet - Continued&gt;

(Millions of yen)

|   | March 31, 2017     | March 31, 2018     |
|---|--------------------|--------------------|
| <b>Liabilities and Net Assets</b>   |                    |                    |
| <b>Liabilities</b>  |                    |                    |
| Deposits  | ¥ 3,235,743        | ¥ 3,250,002        |
| Current deposits  | 187,102            | 188,404            |
| Ordinary deposits   | 1,722,182          | 1,802,520          |
| Savings deposits  | 20,545             | 20,103             |
| Notice deposits   | 5,506              | 3,912              |
| Time deposits   | 1,264,059          | 1,211,273          |
| Other deposits  | 36,346             | 23,788             |
| Negotiable certificates of deposit  | 58,800             | 54,700             |
| Borrowed money  | 71,600             | 51,500             |
| Borrowed money  | 71,600             | 51,500             |
| Foreign exchange liabilities  | 40                 | 140                |
| Due from foreign banks (their accounts)   | —                  | 72                 |
| Foreign bills of exchange sold  | 9                  | 4                  |
| Foreign bills of exchange payables  | 31                 | 63                 |
| Other liabilities   | 15,416             | 16,112             |
| Unsettled exchange payables   | 19                 | 1                  |
| Accrued income taxes  | 569                | 429                |
| Accrued expenses  | 1,870              | 1,839              |
| Unearned income   | 1,026              | 935                |
| Financial derivatives, principally including option premiums and contracts under hedge accounting | 243                | 138                |
| Lease obligation  | 754                | 668                |
| Asset retirement obligations  | 263                | 279                |
| Other   | 10,669             | 11,820             |
| Reserve for employees' bonuses  | 2,062              | 1,767              |
| Other reserves  | 5,830              | 5,518              |
| Acceptances and guarantees  | 9,250              | 8,888              |
| <b>Total Liabilities</b>  | <b>3,398,743</b>   | <b>3,388,628</b>   |
| <b>Net Assets</b>   |                    |                    |
| Capital stock   | 38,971             | 38,971             |
| Capital surplus   | 55,439             | 55,439             |
| Capital reserve   | 38,971             | 38,971             |
| Other capital surplus   | 16,467             | 16,467             |
| Retained earnings   | 45,024             | 53,308             |
| Other retained earnings   | 45,024             | 53,308             |
| Retained earnings carried forward   | 45,024             | 53,308             |
| Total stockholders' equity  | 139,435            | 147,718            |
| Net unrealized gains on available-for-sale securities   | 7,592              | 7,277              |
| Total valuation and translation differences   | 7,592              | 7,277              |
| <b>Total Net Assets</b>   | <b>147,027</b>     | <b>154,996</b>     |
| <b>Total Liabilities and Net Assets</b>   | <b>¥ 3,545,771</b> | <b>¥ 3,543,625</b> |

## &lt;Non-Consolidated Statement of Income&gt;

(Millions of yen)

|  | For the fiscal<br>year ended<br>March 31, 2017 | For the fiscal<br>year ended<br>March 31, 2018 |
|--|--|--|
| <b>Ordinary income</b>                                     | ¥ 58,515                                       | ¥ 60,727                                       |
| Interest income  | 34,443   | 36,355   |
| Interest on loans and bills discounted                     | 30,180   | 27,368   |
| Interest and dividends on securities                       | 3,909  | 8,646  |
| Interest on call loans                                     | (12)   | (8)  |
| Interest on due from banks                                 | 275  | 273  |
| Other interest income                                      | 90   | 75   |
| Fees and commissions                                       | 14,557   | 16,290   |
| Exchange fees received                                     | 2,941  | 2,918  |
| Other fees and commissions                                 | 11,616   | 13,372   |
| Other operating income                                     | 2,773  | 2,141  |
| Gains on foreign exchange transactions                     | 253  | 363  |
| Gains on sale of Japanese government bonds and other       | 2,520  | 1,777  |
| Other ordinary income                                      | 6,741  | 5,940  |
| Reversal of reserve for possible loan losses               | 2,162  | 985  |
| Recoveries of written-off loans                            | 1,839  | 1,212  |
| Gains on sales of stocks and other securities              | 956  | 2,389  |
| Other  | 1,782  | 1,352  |
| <b>Ordinary expenses</b>                                   | 51,950   | 48,769   |
| Interest expenses  | 1,413  | 1,183  |
| Interest on deposits                                       | 1,245  | 1,093  |
| Interest on negotiable certificates of deposit             | 9  | 7  |
| Interest on call money                                     | (4)  | (12)   |
| Interest on payables under securities lending transactions | 4  | 4  |
| Interest on borrowed money                                 | 129  | 67   |
| Other interest expenses                                    | 27   | 23   |
| Fees and commissions                                       | 6,842  | 6,547  |
| Commissions paid on exchange transactions                  | 611  | 613  |
| Other  | 6,231  | 5,934  |
| Other operating expenses                                   | 145  | 100  |
| Losses on sale of Japanese government bonds and other      | 145  | 72   |
| Impairment losses on Japanese government bonds and other   | —  | 27   |
| General and administrative expenses                        | 39,889   | 38,721   |
| Other ordinary expenses                                    | 3,659  | 2,216  |
| Write-off of loans   | 1,102  | 385  |
| Losses on sales of stocks and other securities             | —  | 11   |
| Other  | 2,557  | 1,819  |
| <b>Ordinary profits</b>                                    | <u>6,564</u>                                   | <u>11,958</u>                                  |
| <b>Extraordinary gains</b>                                 | 3,399  | 907  |
| Gains on disposal of fixed assets                          | 3,399  | 907  |
| <b>Extraordinary losses</b>                                | 250  | 229  |
| Losses on disposal of fixed assets                         | 124  | 65   |
| Impairment losses on fixed assets                          | 126  | 163  |
| <b>Income before income taxes</b>                          | <u>9,713</u>                                   | <u>12,636</u>                                  |
| Income taxes – current                                     | 619  | 435  |
| Income taxes – deferred                                    | 1,592  | 2,630  |
| Total income taxes   | <u>2,211</u>                                   | <u>3,065</u>                                   |
| <b>Net income</b>  | <u>¥ 7,501</u>                                 | <u>¥ 9,571</u>                                 |

**<Non-Consolidated Statement of Changes in Net Assets>**

For the fiscal year ended March 31, 2017

(Millions of yen)

|  | Stockholders' equity |                 |                       |                       |                                   |                            |
|--|----------------------|-----------------|-----------------------|-----------------------|-----------------------------------|----------------------------|
|  | Capital stock        | Capital surplus |                       |                       | Retained earnings                 | Total stockholders' equity |
|  |                      | Capital reserve | Other capital surplus | Total capital surplus | Other retained earnings           |                            |
|  |                      |                 |                       |                       | Retained earnings carried forward |                            |
| Balance at the beginning of the fiscal year                        | ¥ 38,971             | ¥ 38,971        | ¥ 16,467              | ¥ 55,439              | ¥ 37,560                          | ¥ 131,970                  |
| Changes during the fiscal year                                     |                      |                 |                       |                       |                                   |                            |
| Dividends paid   |                      |                 |                       |                       | (36)                              | (36)                       |
| Net income   |                      |                 |                       |                       | 7,501                             | 7,501                      |
| Net changes except for stockholders' equity during the fiscal year |                      |                 |                       |                       |                                   |                            |
| Total changes during the fiscal year                               | —                    | —               | —                     | —                     | 7,464                             | 7,464                      |
| Balance at the end of the fiscal year                              | ¥ 38,971             | ¥ 38,971        | ¥ 16,467              | ¥ 55,439              | ¥ 45,024                          | ¥ 139,435                  |

|  | Valuation and translation differences                 | Total net assets |
|--|---|------------------|
|  | Net unrealized gains on available-for-sale securities |                  |
| Balance at the beginning of the fiscal year                        | ¥ 9,415   | ¥ 141,386        |
| Changes during the fiscal year                                     |   |                  |
| Dividends paid   |   | (36)             |
| Net income   |   | 7,501            |
| Net changes except for stockholders' equity during the fiscal year | (1,823)   | (1,823)          |
| Total changes during the fiscal year                               | (1,823)   | 5,641            |
| Balance at the end of the fiscal year                              | ¥ 7,592   | ¥ 147,027        |



## &lt;Non-Consolidated Statement of Changes in Net Assets - Continued&gt;

For the fiscal year ended March 31, 2018

(Millions of yen)

|  | Stockholders' equity |                 |                       |                       |                                   |                            |
|--|----------------------|-----------------|-----------------------|-----------------------|-----------------------------------|----------------------------|
|  | Capital stock        | Capital surplus |                       |                       | Retained earnings                 | Total stockholders' equity |
|  |                      | Capital reserve | Other capital surplus | Total capital surplus | Other retained earnings           |                            |
|  |                      |                 |                       |                       | Retained earnings carried forward |                            |
| Balance at the beginning of the fiscal year                        | ¥ 38,971             | ¥ 38,971        | ¥ 16,467              | ¥ 55,439              | ¥ 45,024                          | ¥ 139,435                  |
| Changes during the fiscal year                                     |                      |                 |                       |                       |                                   |                            |
| Dividends paid   |                      |                 |                       |                       | (1,288)                           | (1,288)                    |
| Net income   |                      |                 |                       |                       | 9,571                             | 9,571                      |
| Net changes except for stockholders' equity during the fiscal year |                      |                 |                       |                       |                                   |                            |
| Total changes during the fiscal year                               | —                    | —               | —                     | —                     | 8,283                             | 8,283                      |
| Balance at the end of the fiscal year                              | ¥ 38,971             | ¥ 38,971        | ¥ 16,467              | ¥ 55,439              | ¥ 53,308                          | ¥ 147,718                  |

|  | Valuation and translation differences                 | Total net assets |
|--|---|------------------|
|  | Net unrealized gains on available-for-sale securities |                  |
| Balance at the beginning of the fiscal year                        | ¥ 7,592   | ¥ 147,027        |
| Changes during the fiscal year                                     |   |                  |
| Dividends paid   |   | (1,288)          |
| Net income   |   | 9,571            |
| Net changes except for stockholders' equity during the fiscal year | (315)   | (315)            |
| Total changes during the fiscal year                               | (315)   | 7,968            |
| Balance at the end of the fiscal year                              | ¥ 7,277   | ¥ 154,996        |