

Financial Highlights for the Third Quarter of Fiscal Year 2022



Resona Holdings

January 31, 2023

Outline of Financial Results for the 1-3Q of FY2022

■ Net income attributable to owners of parent : JPY123.7 bn

- Down JPY2.8 bn, or 2.2%, YoY
Progress rate against the full year target*1 : 1-3Q 82.4%

■ Actual net operating profit : JPY130.1 bn,

Down JPY36.9 bn, or 22.1%, YoY

Core income [Net interest income from domestic loans and deposits + Fee income + Operating expenses] : Up JPY4.5 bn, YoY

● Gross operating profit : JPY432.7 bn,

Down JPY43.4 bn, or 9.1%, YoY

- Net interest income from domestic loans and deposits :
Down JPY3.7 bn, YoY
Average loan balance : +2.73%, YoY, Loans rate : down by 3bps, YoY
[Excluding loans to the Japanese government and others]
Average loan balance : +1.81%, YoY, Loans rate : down by 3bps, YoY
- Fee income : Up JPY1.6 bn, YoY, Fee income ratio : 35.0%
Increased driven by growth in insurance, succession-related and settlement related.
- Net gains on bonds (including futures) : Down JPY40.9 bn, YoY
Implemented to restore soundness of securities portfolio centered on foreign bonds.

● Operating expenses : JPY302.8 bn, improved by JPY6.5 bn, YoY

Both personnel and non-personnel expenses decreased.

■ Credit related expenses : JPY0.7 bn (cost),

decreased by JPY19.7 bn, YoY

Credit costs have posted 2.0% against the full year plan [JPY38.0 bn]

■ Acquisition and cancellation of treasury shares

- Completion of share buyback of 23.3 million shares (equivalent to 0.97% of the issued common shares before the cancellation) for JPY15.0 bn (Dec. 23, '22)
⇒ Cancellation of the treasury shares was implemented on Jan. 20, '23.

HD consolidated (JPY bn)	FY2022 1-3Q (a)	YoY change		Progress rate vs. Target*1 (d)
		(b)	% (c)	
Net income attributable to owners of parent (1)	123.7	(2.8)	(2.2)%	82.4%
EPS (yen) (2)	51.95	(0.08)	(0.1)%	
BPS (yen) (3)	1,021.75	(28.03)	(2.6)%	
Gross operating profit (4)	432.7	(43.4)	(9.1)%	
Net interest income (5)	311.6	(6.0)		
Nil from loans and deposits*2 (6)	251.1	(3.7)		
Fee income (7)	151.5	+1.6		
Fee income ratio (8)	35.0%	+3.5%		
Trust fees (9)	16.1	+0.7		
Fees and commission income (10)	135.3	+0.8		
Other operating income (11)	(30.4)	(39.0)		
Net gains on bonds (including futures) (12)	(44.1)	(40.9)		
Operating expenses (excluding group banks' non-recurring items) (13)	(302.8)	+6.5	+2.1%	
Cost income ratio (OHR) (14)	69.9%	+5.0%		
Actual net operating profit (15)	130.1	(36.9)	(22.1)%	
Net gains on stocks (including equity derivatives) (16)	48.3	+4.1		
Credit related expenses, net (17)	(0.7)	+19.7		
Other gains, net (18)	(4.1)	+7.3		
Net income before income taxes and non-controlling interests (19)	173.5	(5.7)	(3.1)%	
Income taxes and other (20)	(48.7)	+3.6		
Net income attributable to non-controlling interests (21)	(1.0)	(0.7)		

*1. Full year target of FY2022: JPY150.0 bn *2. Total of non-consolidated domestic banking accounts of group banks, deposits include NCDs

Review of the 1-3Q of FY2022

Accelerate initiatives for sustainable growth in the final year of the MMP

■ Steady progress in income and cost structure reforms

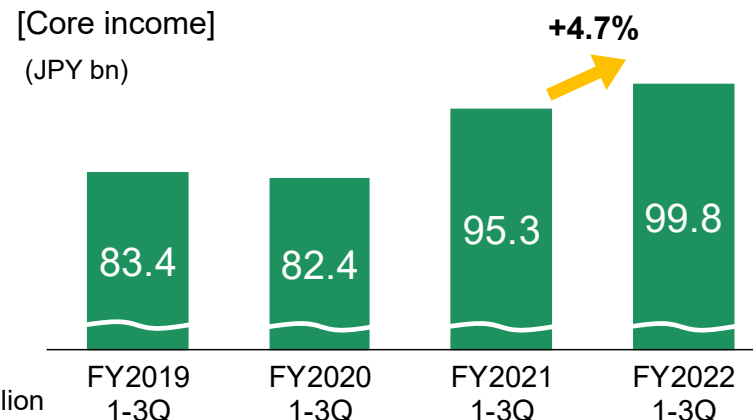
- Core income maintained an upward trend :
Up JPY4.5 bn, or 4.7%, YoY

■ Expansion consulting business based on F2F

- Term-end loan balance : JPY41.1 tn (+4.5%, YoY)
- Succession-related income : JPY15.7 bn (+12.6%, YoY)

■ Growth of “new earnings pilla”

- # of App DL : 6.16 million (+32.6%, YoY), and external group 1.00 million
 - Following The Joyo Bank and The Ashikaga Bank (Mar. '21 -), Hyakujushi Bank (in FY'22) and Keiyo Bank (in FY'23) plan to provide services
- Fund wrap income : JPY6.8 bn (+13.2%, YoY) Balance of fund wrap*1 : JPY735.3 bn. Of which, external group JPY51.6 bn
 - Following Bank of Yokohama (Apr. '21 -) and Keiyo Bank (Jun. '22 -), The 77 Bank also made available (Jan. '23 -)
- Debit card income : JPY3.6 bn (+16.3%, YoY) # of debit card issued: 3.15 million (+12.3%, YoY)



Appropriate and timely response to environmental changes

■ Responses based on developments in domestic and overseas monetary policy

- Formulation and execution of action plans that matches the new environment
 - Enter restructuring phase to ensure stable interest income of foreign bonds
 - Continue to hold JGBs for a medium-to long-term while strengthening a structure to respond to rising yields
 - Aim to increase earnings by optimizing basic ALM structure of overall JPY balance sheet

■ Reduction of policy-oriented stocks

- Balance of listed stocks disposed in 1-3Q of FY'22*2 : JPY16.2 bn
Net gain on sale in 1-3Q of FY'22: JPY43.4 bn

■ Response to credit risk

- Strengthen credit monitoring in surging prices and prolonged supply shortages
- COVID-19 related preemptive provisioning :
As of Dec. '22 JPY2.9 bn

■ Anticipate customer needs related to SX/DX and provide timely solutions

Plan to reduce JPY80.0 bn level in 4 years
→ Progress rate compared to expected pace [JPY20.0 bn per year]: 81.1%

*1. Including corporation and external group *2. Total of group banks, acquisition cost basis

Breakdown of Financial Results for the 1-3Q of FY2022

(JPY bn)	Resona Holdings (Consolidated)		Total of group banks		Resona Bank		Saitama Resona Bank		Total of group banks under KMFG		Difference (a)-(c)
	(a)	YoY (b)	(c)	YoY (d)	(e)	YoY (f)	(g)	YoY (h)	(i)	YoY (j)	
Gross operating profit (1)	432.7	(43.4)	390.4	(42.9)	213.0	(29.7)	79.0	(7.0)	98.2	(6.2)	42.3
Net interest income (2)	311.6	(6.0)	306.4	(5.8)	165.7	(2.1)	60.9	(3.7)	79.7	+0.0	5.2
NII from domestic loans and deposits (3)			251.1	(3.7)	130.3	(1.3)	50.2	(1.3)	70.4	(1.0)	
Net gains on cancellation of investment trusts *1 (4)	0.1	(0.9)	0.2	(0.7)	—	—	—	(0.6)	0.2	(0.1)	(0.1)
Fee income (5)	151.5	+1.6	115.3	+1.8	74.9	+2.7	22.2	+2.3	18.1	(3.1)	36.1
Fee income ratio (6)	35.0%	+3.5%	29.5%	+3.3%	35.1%	+5.4%	28.1%	+5.0%	18.4%	(1.9)%	
Trust fees (7)	16.1	+0.7	16.2	+0.7	16.1	+0.7	0.0	+0.0	0.0	(0.0)	(0.0)
Fees and commission income (8)	135.3	+0.8	99.1	+1.1	58.7	+1.9	22.2	+2.3	18.1	(3.1)	36.2
Other operating income (9)	(30.4)	(39.0)	(31.4)	(38.9)	(27.5)	(30.2)	(4.1)	(5.6)	0.3	(3.1)	0.9
Net gains on bonds (including futures) *1 (10)	(44.1)	(40.9)	(44.0)	(40.8)	(36.3)	(30.9)	(5.9)	(6.3)	(1.7)	(3.5)	(0.0)
Operating expenses (excluding group banks' non-recurring items) (11)	(302.8)	+6.5	(282.1)	+7.7	(153.6)	+4.2	(55.2)	+1.2	*2 (73.2)	+2.2	(20.7)
Cost income ratio (OHR) (12)	69.9%	+5.0%	72.2%	+5.3%	72.1%	+7.0%	69.7%	+4.1%	74.5%	+2.2%	
Actual net operating profit (13)	130.1	(36.9)	108.2	(35.2)	59.3	(25.5)	23.8	(5.7)	25.0	(3.9)	21.9
Core net operating profit *3 (excluding gains on cancellation of investment trusts) (14)			153.4	+8.4	97.3	+6.9	29.4	+1.4	26.7	+0.0	
Net gains on stocks (including equity derivatives) (15)	48.3	+4.1	48.7	+4.7	41.3	+1.7	5.2	+1.8	2.1	+1.1	(0.4)
Credit related expenses, net (16)	(0.7)	+19.7	(0.7)	+19.4	(0.2)	+15.4	1.2	+1.6	(1.7)	+2.3	(0.0)
Other gains, net (17)	(4.1)	+7.3	(3.7)	+6.7	(2.1)	+3.2	(1.3)	+0.6	(0.2)	+2.8	(0.4)
Net income before income taxes (18)	173.5	(5.7)	152.5	(4.2)	98.2	(5.0)	29.0	(1.5)	25.1	+2.3	20.9
Income taxes and other (19)	(48.7)	+3.6	(42.9)	+2.5	(26.9)	+2.5	(8.7)	+0.2	(7.2)	(0.2)	
Net income attributable to non-controlling interests (20)	(1.0)	(0.7)									
Net income (attributable to owners of parent) (21)	123.7	(2.8)	109.6	(1.7)	71.2	(2.4)	20.3	(1.2)	17.9	+2.0	

*1. Losses on cancellation of investment trusts are posted in the net gains on bonds since net of the losses and dividends from investment trusts become negative

1-3Q of FY'21(RB): Losses on cancellation of investment trusts: JPY(4.8) bn, dividends from investment trusts: + JPY2.9 bn → net amount: JPY(1.9) bn

1-3Q of FY'22(RB/SR): Losses on cancellation of investment trusts: JPY(3.9) bn, dividends from investment trusts: + JPY1.2 bn → net amount: JPY(2.6) bn

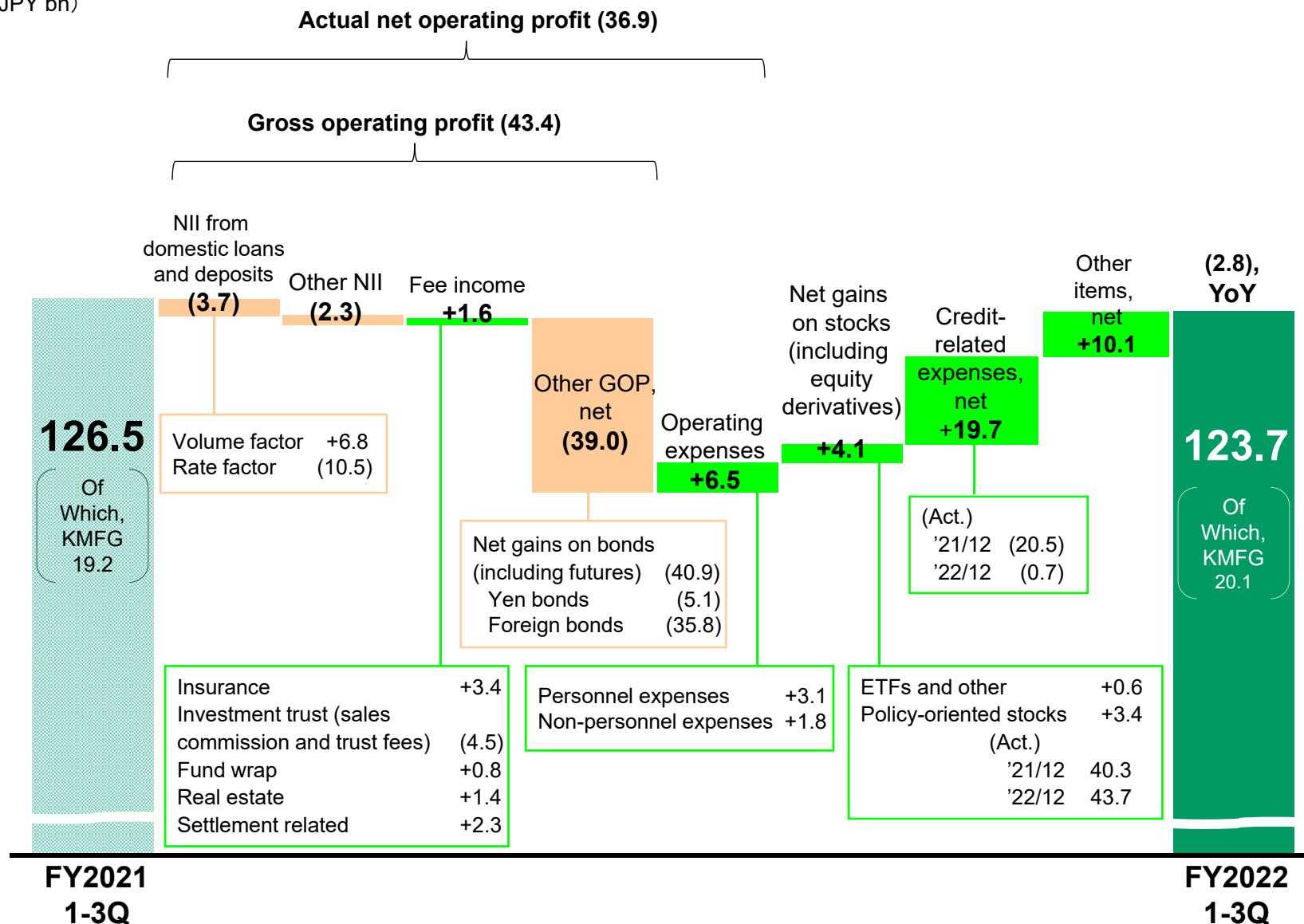
*2. Exclude goodwill amortization by KMB, JPY(0.5) bn, related to acquisition of former Biwako Bank

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

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

**HD
Consolidated**

(JPY bn)



**FY2021
1-3Q**

**FY2022
1-3Q**

Trend of Loans and Deposits (Domestic Account)

Total of Group Banks

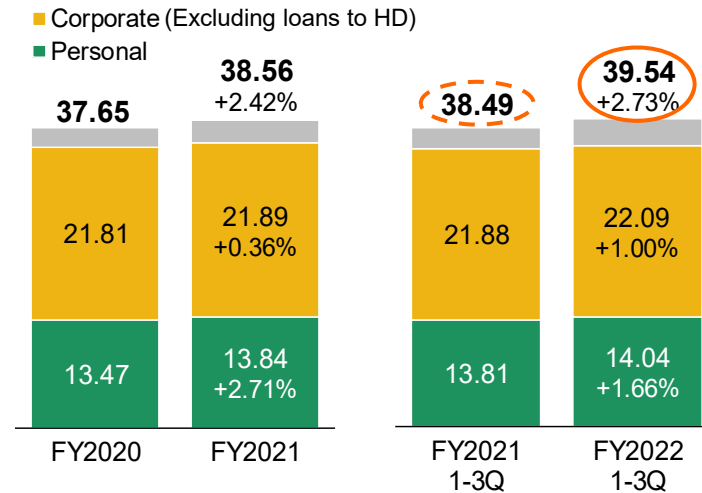
Average loan/deposit balance, rates and spread

- 1-3Q of FY'22 (YoY)
 - Average loan balance : **+2.73%**, Loan rate : **(3) bps**
[Excluding loans to the Japanese government and others]
 - Average loan balance : +1.81%, Loan rate : (3) bps
 - => Full year (plan*1) +1.79% (2) bps

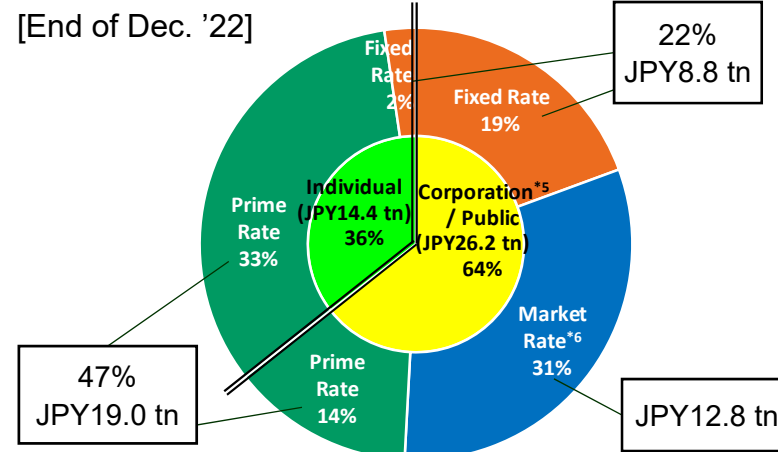
Avg. bal : Trillion Yen Income/Cost : Billion Yen		1-3Q		FY2022	
		Act. (a)	YoY*4 (b)	Plan*1 (c)	YoY*4 (d)
Loans	Avg. Bal. (1)	39.54	+2.73%	39.65	+2.81%
	Rate (2)	0.85%	(0.03)%	0.85%	(0.03)%
	Income (3)	253.7	(4.6)	338.5	(4.0)
Corporate banking business unit ²	Avg. Bal. (4)	22.09	+1.00%	22.16	+1.24%
	Rate (5)	0.81%	(0.01)%	0.81%	(0.01)%
Corporate Loan	Avg. Bal. (6)	18.82	+1.90%	18.88	+2.12%
	Rate (7)	0.77%	(0.01)%	0.77%	(0.01)%
Personal banking business unit ³	Avg. Bal. (8)	14.04	+1.66%	14.09	+1.80%
	Rate (9)	1.07%	(0.04)%	1.07%	(0.04)%
Deposits (Including NCDs)	Avg. Bal. (10)	61.01	+3.31%	61.12	+3.17%
	Rate (11)	0.00%	(0.00)%	0.00%	(0.00)%
	Cost (12)	(2.6)	+0.9	(3.9)	+0.6
Loan-to-deposit	Spread (13)	0.84%	(0.03)%	0.84%	(0.03)%
	Net interest income (14)	251.1	(3.7)	334.6	(3.3)

Trend of average loan balance

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



Composition of loan portfolio



*1. Revised plan (announced in Nov. '22) *2. Corporate loans (excluding loans to HD) + apartment loans, Figures are internal administration purpose

*3. Residential housing loans + other consumer loans, Figures are internal administration purpose *4. Average balance : rate of change

*5. Including apartment loans *6. Market rate-linked loans include the fixed-rate (spread) loans maturing in less than one year

Term-end Balance of Loans and Deposits

Total of Group Banks

Term-end loan balance

Term-end deposit balance

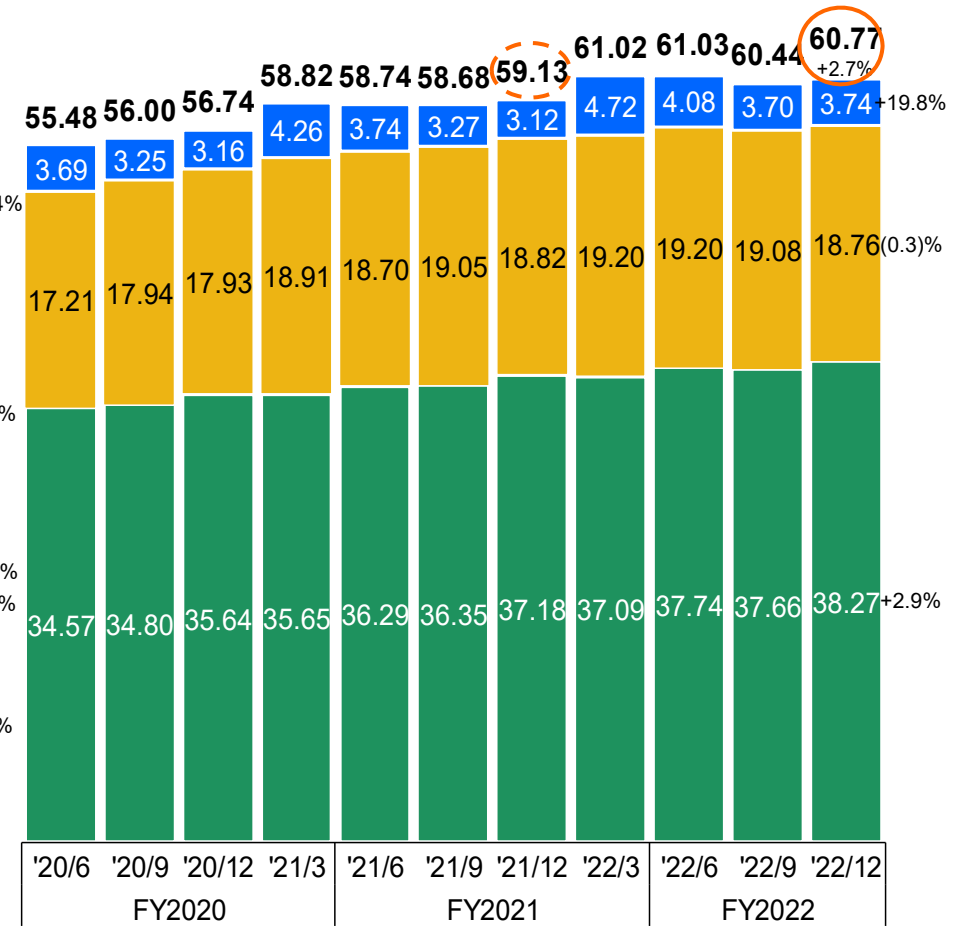
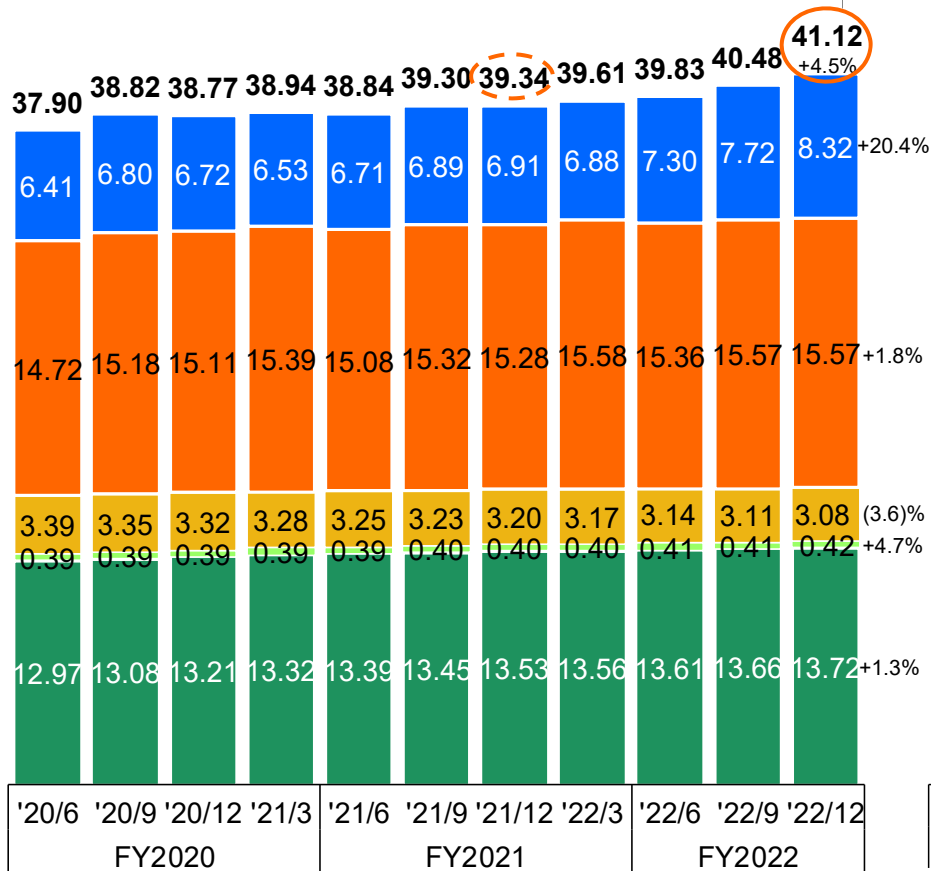
[JPY tn, % represents YoY change]

[JPY tn, % represents YoY change]

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

Of which, excluding loans to the Japanese gov. and others [2.27 tn] +2.3%

- Other
- Corporate
- Personal



Housing Loan Business

Total of Group Banks

New housing loan origination

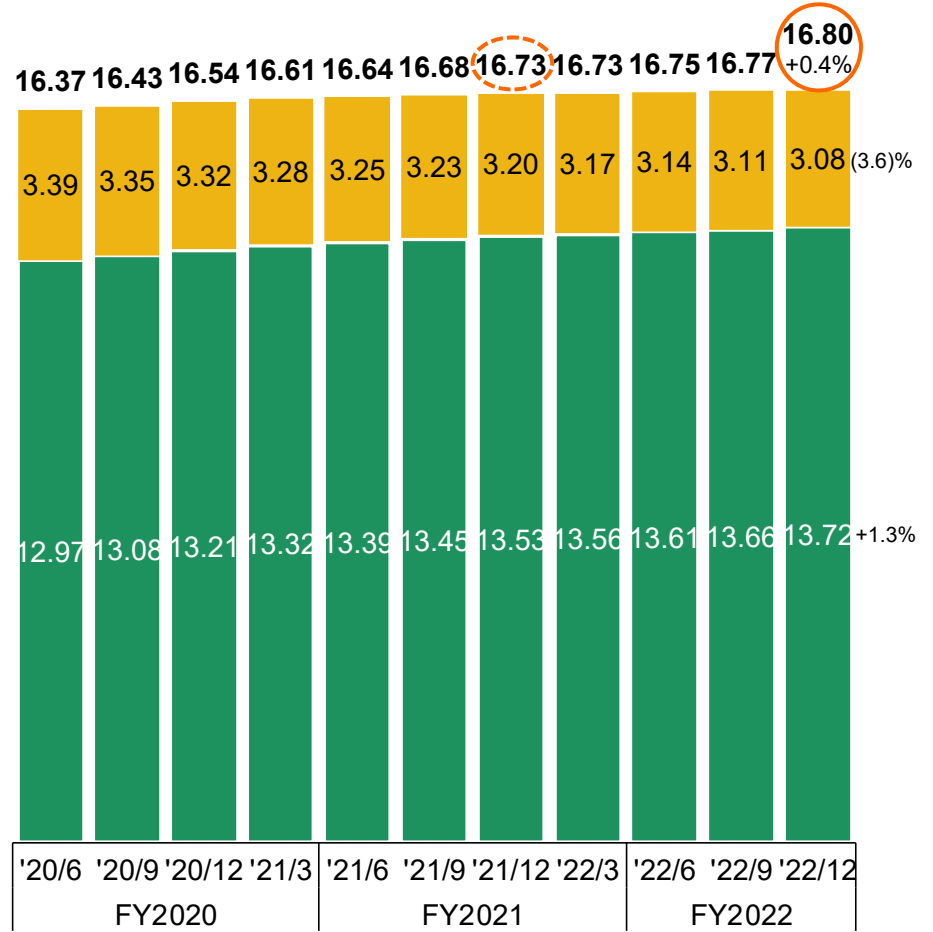
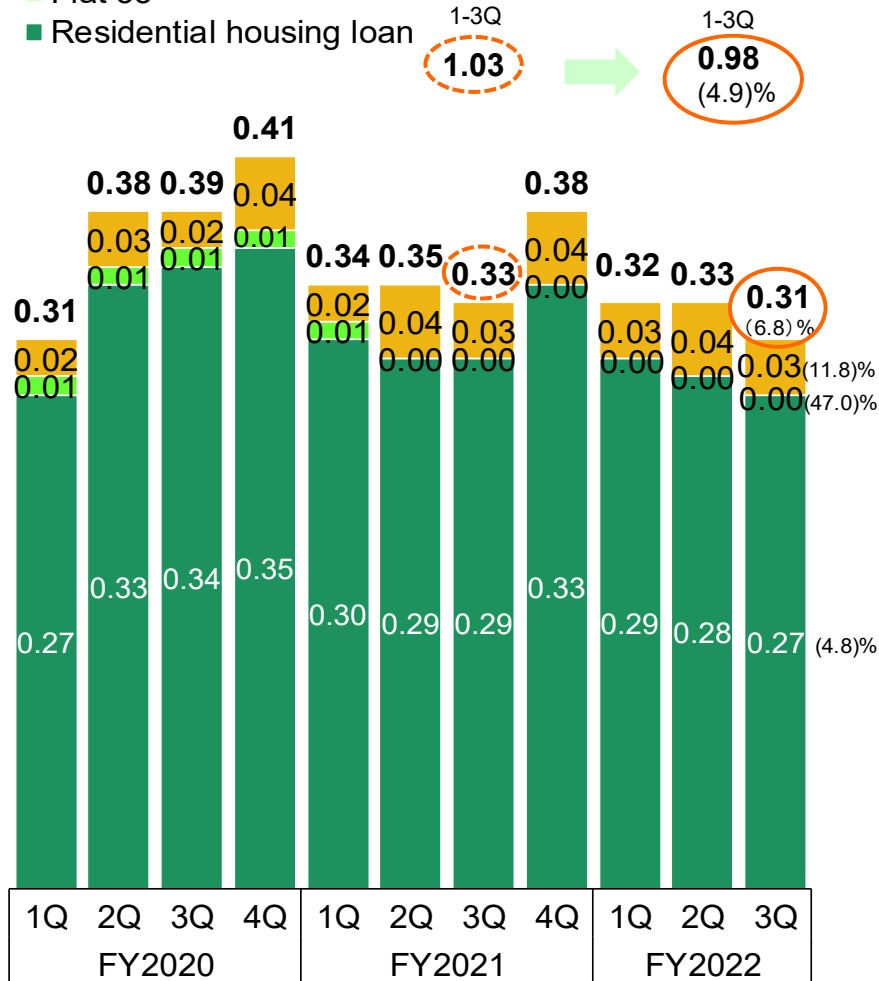
Term-end housing loan balance

[JPY tn, % represents YoY change]

[JPY tn, % represents YoY change]

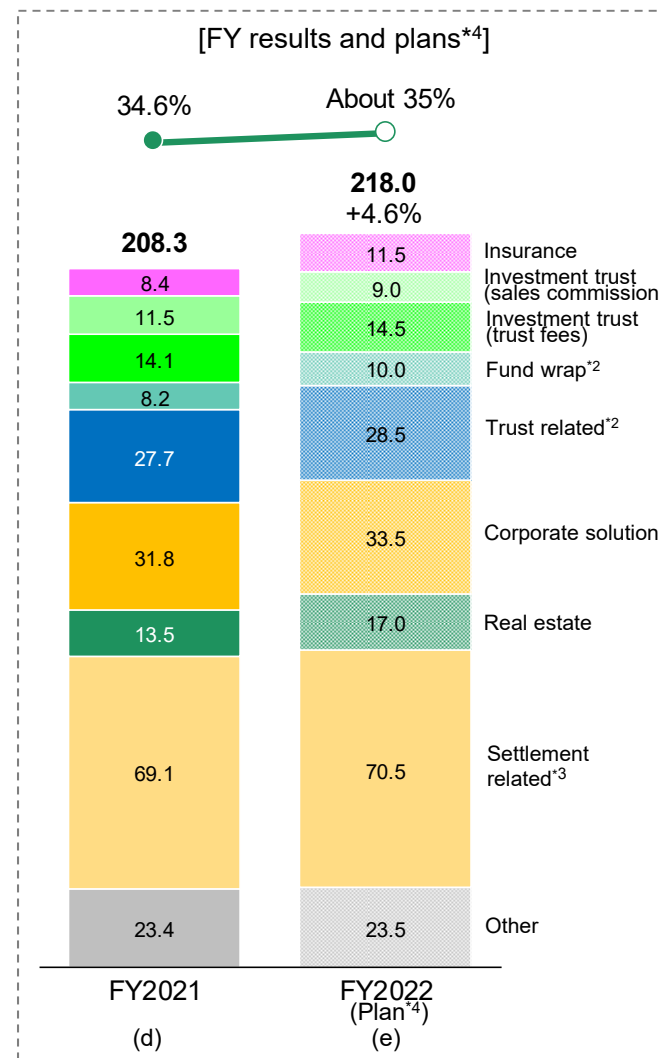
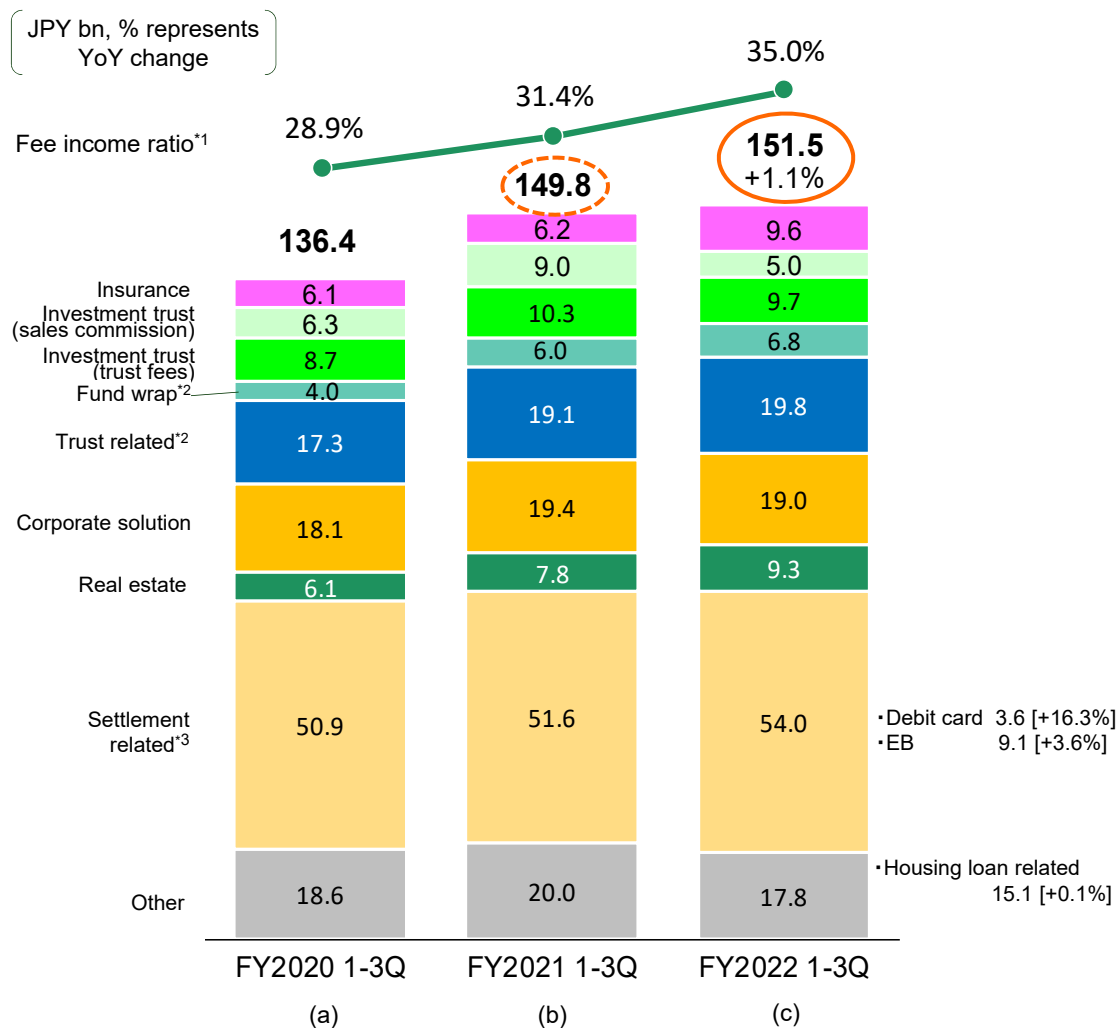
- Apartment loan
- Flat 35
- Residential housing loan

- Apartment loan
- Residential housing loan



Fee Income

- Consolidated fee income ratio*1 : 35.0%
- Increased driven by growth in insurance (+3.4 bn, +55.9%, YoY) and succession-related (asset and business succession related trust / real estate / M&A) (+1.7 bn, +12.6%, YoY), etc.



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

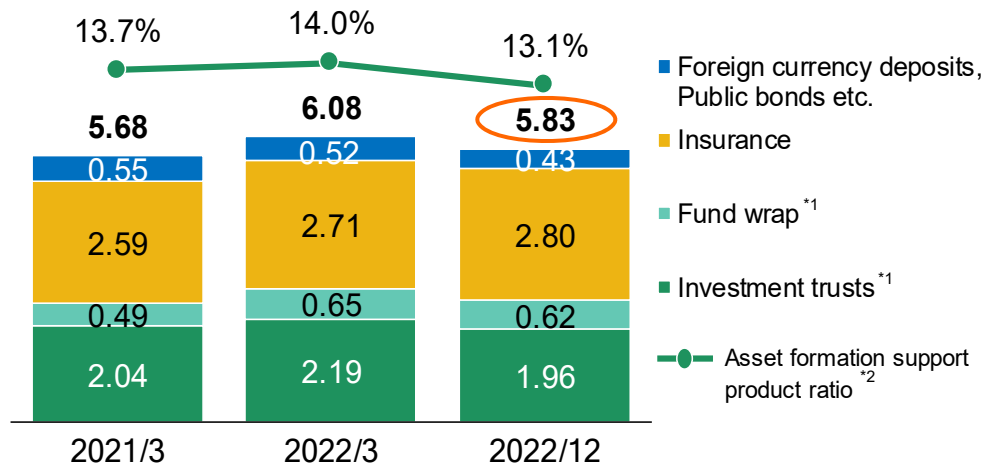
*2. Including fee income earned by Resona Asset Management *3. Fees and commission from domestic exchange, account transfer, EB, debit card and fee income earned by Resona Kessai Service and Resona Card *4. Revised plan (announced in Nov. '22)

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

HD
Consolidated

Balance of asset formation support products sold to individuals

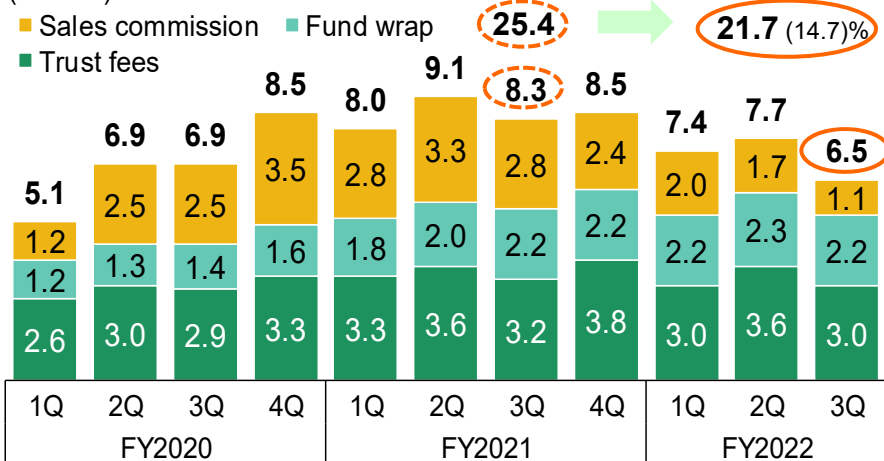
(JPY tn)



- Balance of fund wrap*1 : '22/12 JPY735.3 bn (including corporation*3)
- Change in balance of investment trust and fund wrap: 1-3Q of FY'22 Approx. JPY(250.0) bn
 - Net inflow (new purchase – withdrawal and redemption): Approx. +JPY39.0 bn
- Number of individual customers having investment trust, fund wrap and insurance products : '22/12 970 thousand (+9 thousand, YoY)
- iDeCo participants*4 : '22/12 167 thousand , +11.6%, YoY

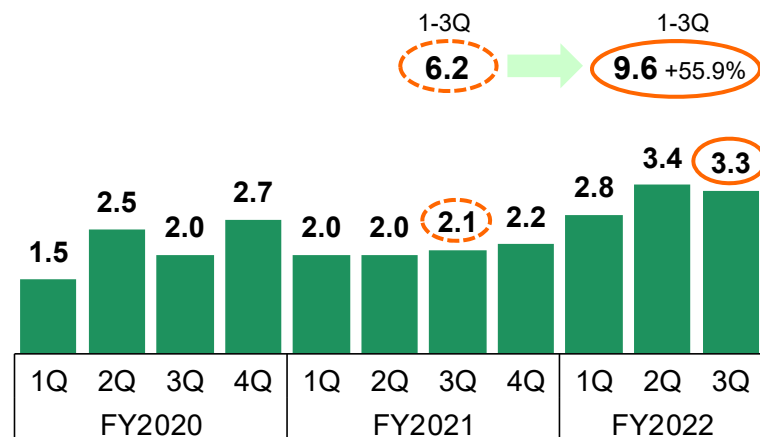
Investment trust and fund wrap income

(JPY bn)



Insurance income

(JPY bn)



*1. Based on market value

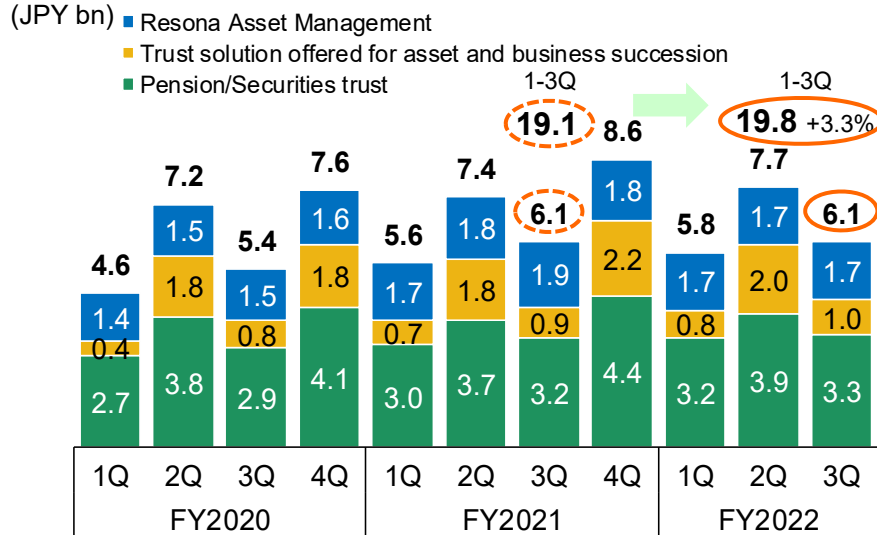
*2. Balance of asset formation support products sold to individuals / (balance of asset formation support products sold to individuals and yen deposits held by individuals)

*3. Including balance of fund wrap in banks other than group banks *4. iDeCo participants + members giving investment instructions

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

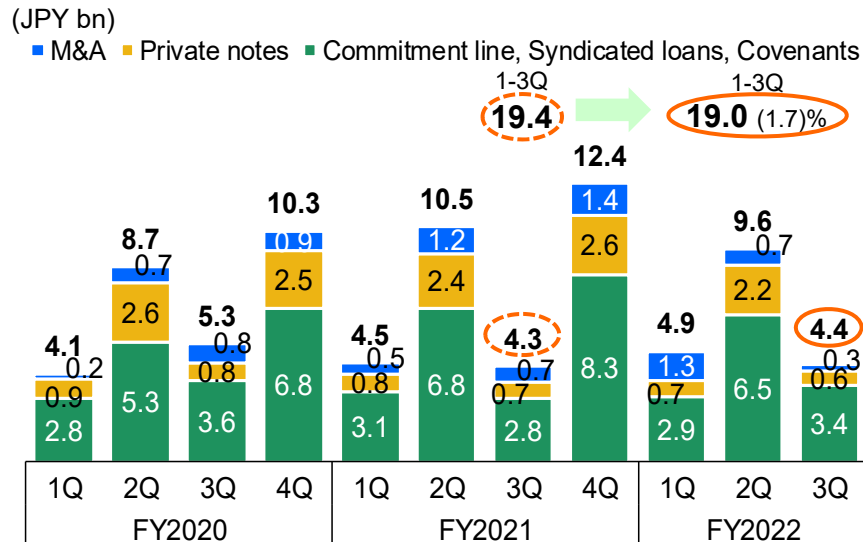
HD Consolidated

Trust-related business income

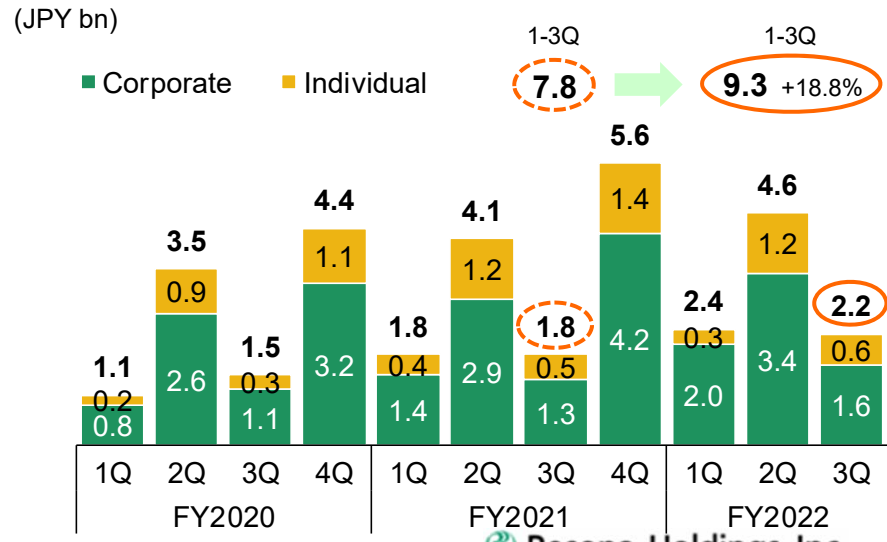


	'21/3	'22/3	'22/12
Asset and business succession			
# of succession trusts (stock)	34.3 thousand	39.3 thousand	42.1 thousand
Securities trust			
Total assets in custody	JPY39.11 tn	JPY40.91 tn	JPY41.50 tn
Pension trust			
Total assets entrusted	JPY5.59 tn	JPY5.43 tn	JPY5.49 tn

Corporate solutions business income



Real estate business income*1



*1. Excluding gains from investments in real estate funds

Credit Costs and NPL

HD Consolidated
Total of Group Banks

Credit costs

(JPY bn)	FY2020 (a)	FY2021		FY2022	
		1-3Q (b)	(c)	1-3Q (d)	Plan (e)
Net credit cost (HD consolidated) (1)	(57.4)	(20.5)	(58.7)	(0.7)	(38.0)
Net credit cost (Total of group banks) (2)	(52.3)	(20.2)	(61.2)	(0.7)	(31.0)
General reserve (3)	(15.9)	(8.8)	(7.2)	(4.0)	
Specific reserve and other items (4)	(36.3)	(11.4)	(53.9)	3.3	
New bankruptcy, downward migration (5)	(45.0)	(17.6)	(66.0)	(19.7)	
Collection/ upward migration (6)	8.7	6.2	12.0	23.1	
Difference (1) - (2) (7)	(5.1)	(0.2)	2.4	(0.0)	(7.0)
HL guarantee subsidiaries (8)	(0.5)	1.7	6.5	1.6	
Resona Card (9)	(1.5)	(1.0)	(1.4)	(1.1)	
<Credit cost ratio> (bps)					
HD consolidated* ¹ (10)	(15.0)	(6.8)	(14.8)	(0.2)	(9.4)
Total of group banks* ² (11)	(13.4)	(6.6)	(15.1)	(0.2)	(7.5)

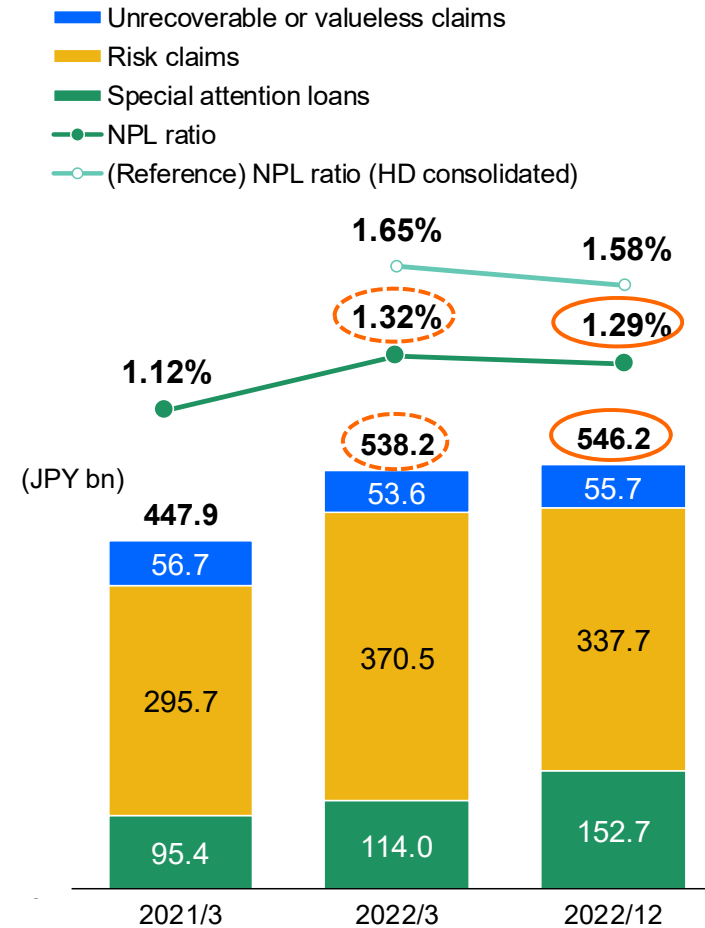
*(Note) Positive figures represent reversal gains

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

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

NPL balance and ratio (Total of Group Banks)

(Financial Reconstruction Act criteria)



Securities portfolio*1

(JPY bn)		2021/3	2022/3	2022/12	Unrealized gains/(losses) (d)
		(a)	(b)	(c)	
Available-for-sale securities	(1)	4,480.7	4,159.5	3,989.5	383.1
Stocks	(2)	325.2	305.9	289.6	536.9
Bonds	(3)	2,586.4	2,940.1	2,639.9	(92.9)
JGBs	(4)	925.7	1,137.3	872.8	(61.8)
Average duration (years)	(5)	13.1	9.3	11.2	-
Basis point value (BPV)	(6)	(1.21)	(1.15)	(0.93)	-
Local government and corporate bonds	(7)	1,660.6	1,802.8	1,767.0	(31.0)
Other	(8)	1,569.0	913.3	1,059.9	(60.7)
Foreign bonds	(9)	904.8	562.5	529.8	(42.9)
Average duration (years)	(10)	6.3	6.2	5.7	-
Basis point value (BPV)	(11)	(0.51)	(0.26)	(0.23)	-
Investment trusts (Domestic)	(12)	658.4	346.8	524.1	(20.5)
Net unrealized gain	(13)	615.3	521.2	383.1	
Bonds held to maturity	(14)	1,942.2	2,934.7	3,782.5	(170.7)
JGBs	(15)	1,035.6	1,856.1	2,276.4	(134.9)
Net unrealized gain	(16)	11.5	(30.3)	(170.7)	

■ CLO: Zero

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

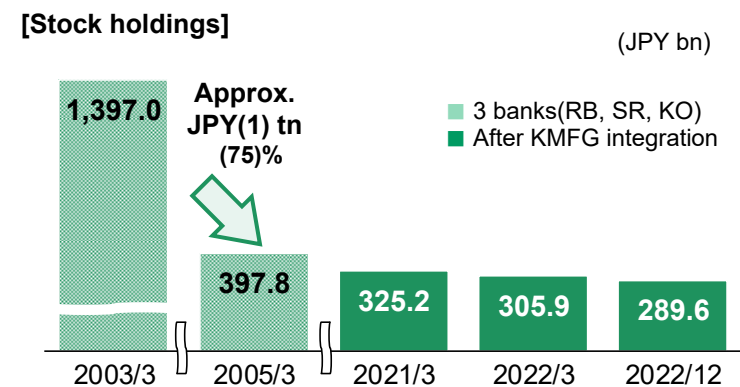
*2. Policy-oriented stocks are classified into (i) policy investment stocks and (ii) strategic investment stocks, according to the purpose of holding.

Of these, (i) policy investment stocks are targeted for reduction of the balance.

All listed shares held by group banks are (i) policy investment stocks

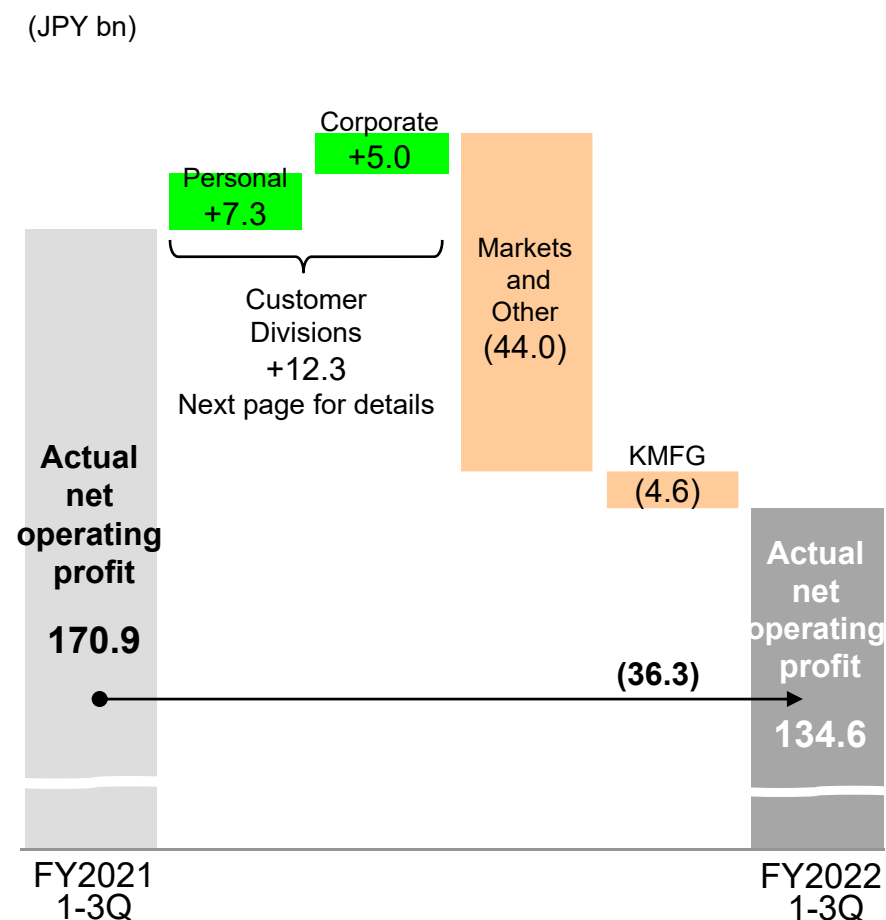
Status of policy-oriented stocks held*2

- **Balance of listed stocks disposed in 1-3Q of FY2022**
(acquisition cost basis): JPY16.2 bn,
Net gain on sale: JPY43.4 bn (HD consolidated: JPY42.9 bn)
Breakeven Nikkei average: Approx. 7,500 yen
- **Policy for holding policy-oriented stocks**
 - Since the capital enhancement with public funds, Resona Group has reduced the balance of the policy-oriented stocks to lessen the risk of price volatility. Our basic policy is to continue to reduce the balance of policy-oriented stocks.
 - The Group determines whether to hold policy-oriented stocks by evaluating the risks and returns, including feasibility of the development of a trading relationship in a medium- to long-term. The Group may also sell stocks in consideration of the market situations, management and financial strategies, even though the Group considers appropriate for holding from the risk-return perspective.
- **Plan to reduce JPY80.0 bn level in 4 years from Apr. '22**



(Reference) Outline of Financial Results of Each Segment

(JPY bn)		FY2022 1-3Q	YoY Change
Customer Divisions	Gross operating profit (1)	348.6	+12.3
	Operating expense (2)	(225.9)	+0.1
	Actual net operating profit (3)	122.7	+12.3
Personal Banking	Gross operating profit (4)	140.5	+5.4
	Operating expense (5)	(115.1)	+1.8
	Actual net operating profit (6)	25.4	+7.3
Corporate Banking	Gross operating profit (7)	208.1	+6.8
	Operating expense (8)	(110.8)	(1.6)
	Actual net operating profit (9)	97.3	+5.0
Markets and Other	Gross operating profit (10)	(17.4)	(48.8)
	Operating expense (11)	(0.1)	+4.8
	Actual net operating profit (12)	(17.3)	(44.0)
KMFG	Gross operating profit (13)	105.9	(6.2)
	Operating expense (14)	(76.7)	+1.5
	Actual net operating profit (15)	29.2	(4.6)
Total	Gross operating profit (16)	437.1	(42.8)
	Operating expense (17)	(302.8)	+6.5
	Actual net operating profit (18)	134.6	(36.3)



Definition of management accounting

1. "Customer Divisions" and "Markets and Other" segments refer to the HD consolidated subsidiaries, except KMFG consolidated subsidiaries.
2. Gross operating profit of "Markets" segment includes a part of net gains/losses on stocks. "Other" segment refers to the divisions in charge of management and business administration.

(Reference) Outline of Financial Results of Customer Divisions

HD Consolidated
(exclude KMFG)

Personal banking segment

Corporate banking segment

■ Actual net operating profit : Up JPY7.3 bn, YoY

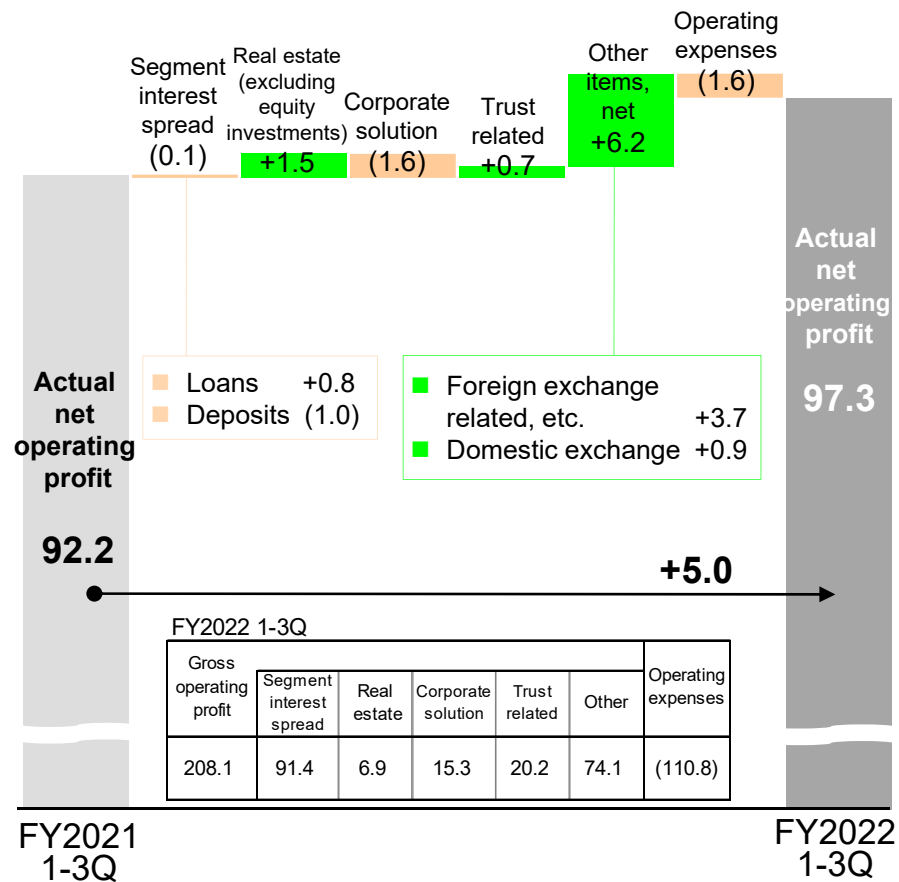
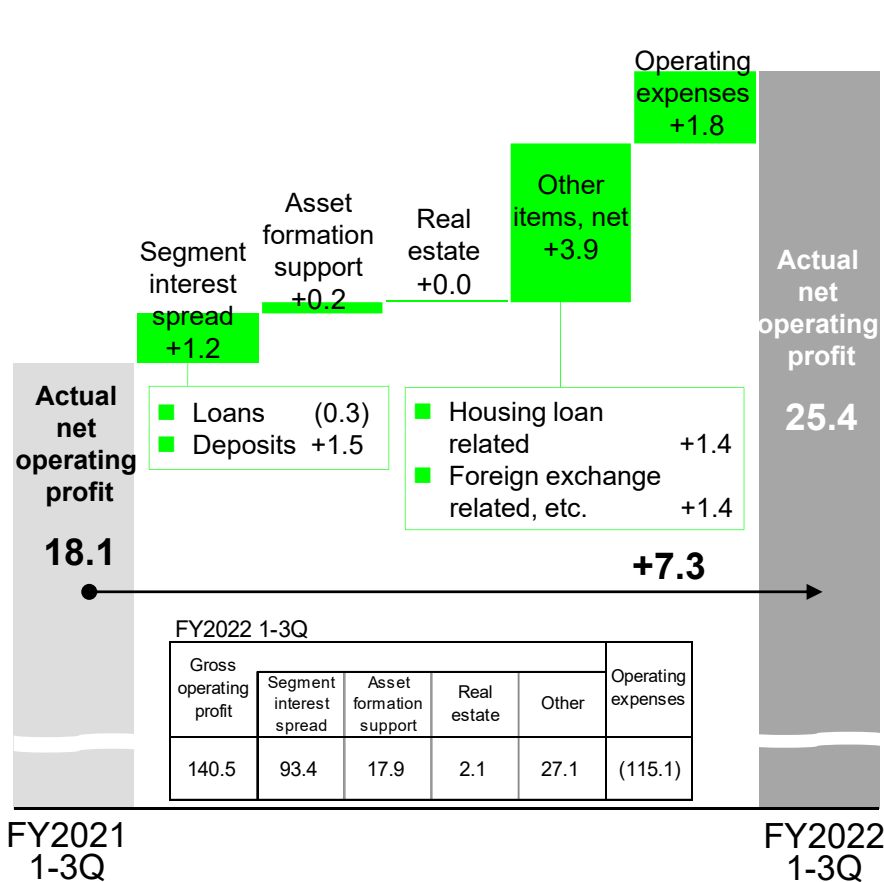
■ Actual net operating profit : Up JPY5.0 bn, YoY

(JPY bn)

Gross operating profit +5.4

(JPY bn)

Gross operating profit +6.8



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

[HD] Resona Holdings, [RB] Resona Bank, [SR] Saitama Resona Bank,
[KMFG] Kansai Mirai Financial Group, [KMB] Kansai Mirai Bank*, [MB] Minato Bank
* [KU] Kansai Urban Banking Corporation and [KO] Kinki Osaka Bank merged on April 1, 2019

Negative figures represent items that would reduce net income.

Figures include data for internal administration purpose.

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

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

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