
**Financial Results for FY 2006
Reference Materials for Press Conference**



RESONA

May 18, 2007



Resona Holdings, Inc.

I. Financial Highlights for Fiscal Year 2006

Net income

Posted consolidated net income of Y664.8 bn.

Net income increased by Y281.6 bn. compared with the previous year.
 >>Deferred tax assets: Taxable income estimation period was changed.

Combined retained earnings as of the end of March 2007 were Y904.4 bn.

Secured funds available for repayments equivalent to 62% of the remaining public fund preferred stocks. Please refer to the released materials

Top line

Core strength areas continued to perform well

Consolidated gross operating profit was up Y36.5 bn.; consolidated operating expenses held steady at a previous-year level

* See Page 4 for further details

- Housing Loan balance exceeded Y11 tn.
- Sales of investments products exceeded Y3.5 tn.
- Real estate income set a new record (Resona Bank: Y19.9 bn.)
- Entrusted corporate pension funds under management remained over Y6 tn. (Resona Trust).

Bottom line

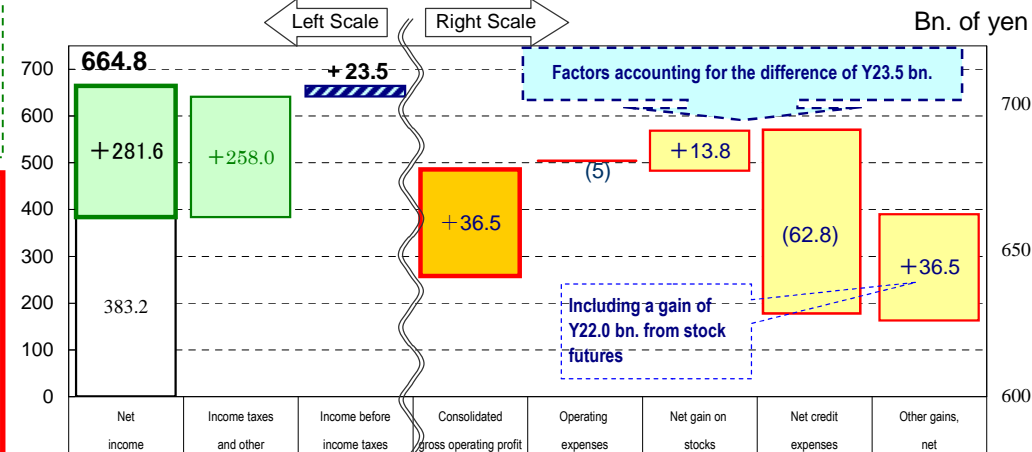
Stock related gains turn higher

Net gains on stocks were up by Y35.8 bn. year on year.

Net credit expenses are gradually approaching cruising speed.

One-time factor such as reversal gains declining.

Factors accounting for the year-on-year change in consolidated net income



Resona Holdings (Consolidated)	FY2006	
	Bn. of yen	Change
Gross operating profit	805.2	+36.5
Income before income taxes	426.0	+23.5
Net income	664.8	+281.6

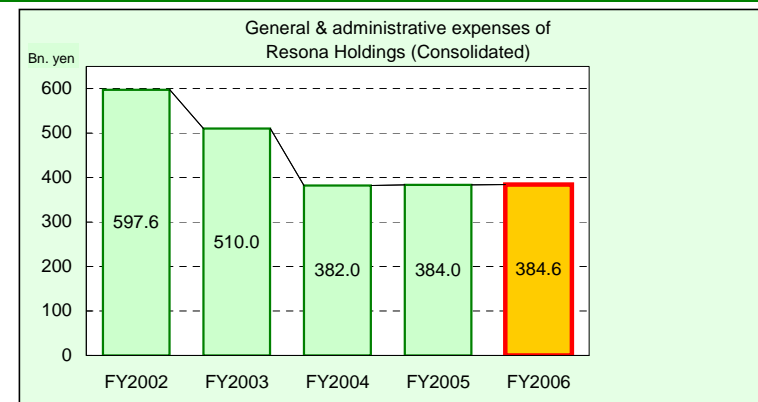
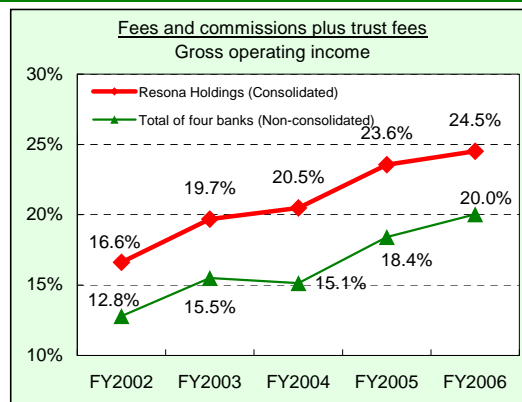
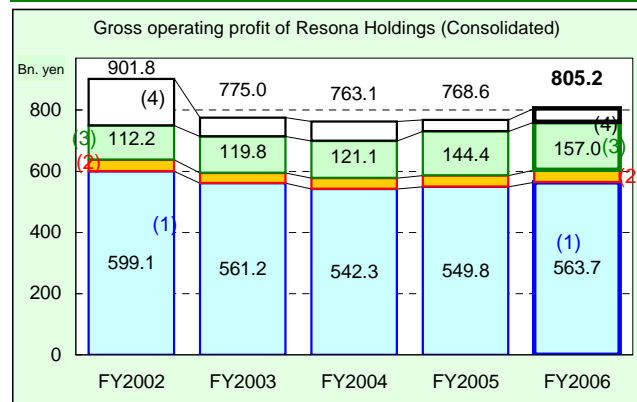
Resona Holdings (Non-Consolidated)	FY2006	
	Bn. of yen	Change
Operating income	395.8	+78.2
Income before income taxes	384.4	+97.4
Net income	419.1	+120.0

[Assets]	Loans	Loans outstanding (Group consolidated) Y26.25 tn. Increase of Y150.4 bn. from Mar. '06	Housing loans (Group banks total) Y11.41 tn. Effective increase of Y555.4 bn. from Mar. '06
	Net unrealized gains on other securities (Group consolidated)	Bonds: (Y38.5) bn. Stocks: +Y448.9 bn.	
	Deferred tax assets (Group consolidated)	Net DTA: Y309.2 bn. Ratio to Tier I: 19.93% Increase of Y305.7 bn. and 19.69% from Mar. '06	
[Liabilities and Net Assets]	Investment products for individuals	Outstanding and ratio of investments products sold: Y3.66 tn. 15.6% Increase of 1.0 tn. or 3.4% from Mar. '06	
	Repayments of public funds	Subordinated loans Nov.2006 Y20.0 bn.	Preferred stocks Jan. 2007 Y532.7 bn.
		Common stock Mar. 2007 Y293.7 bn. (Requested sales in the market)	Preferred stock June 2007 Y350.0 bn. (Scheduled to be issued)
	Capital adequacy ratio (Group consolidated) 10.56%(Preliminary); +0.59% from Mar. '06		

	Total of group banks (Non-consolidated)		Resona (Non-consolidated)	Saitama Resona	Kinki Osaka (Non-consolidated)	Resona Trust
	FY2006	YoY change				
Actual net operating profit	382.0	36.8	263.1	76.3	24.5	17.9
Cost-to-income ratio (after disposal of NPLs in the trust account)	48.1%	(2.1%)	46.6%	48.1%	63.2%	38.6%

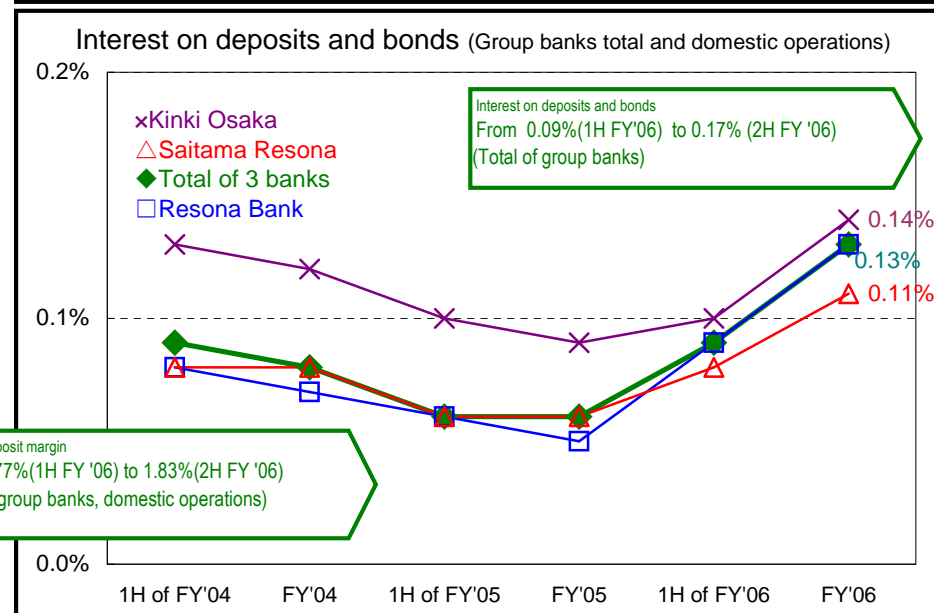
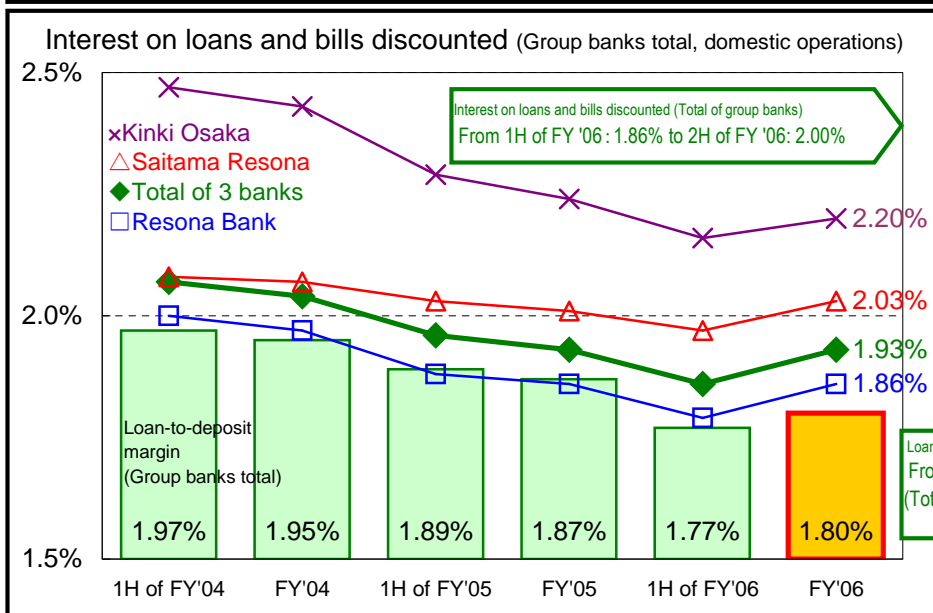
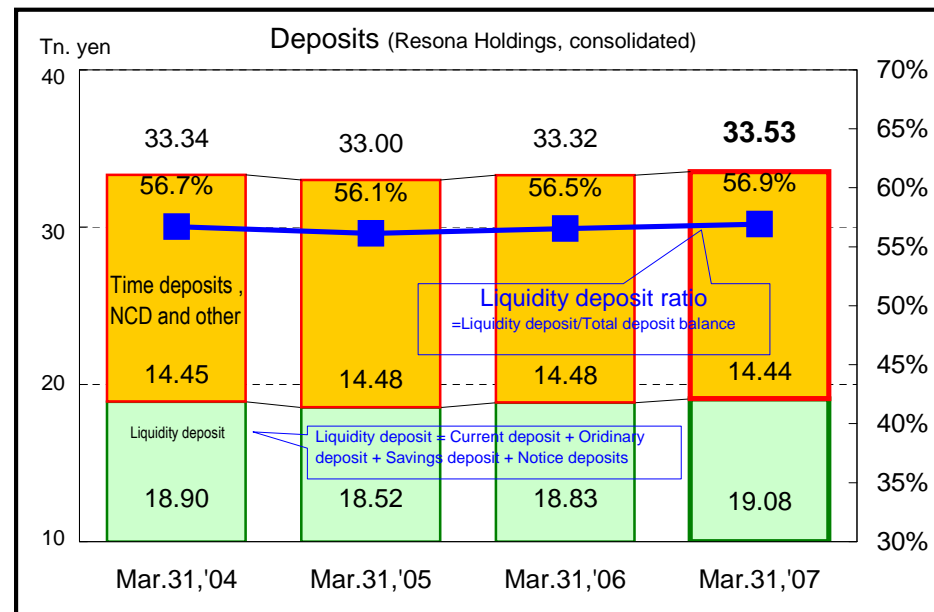
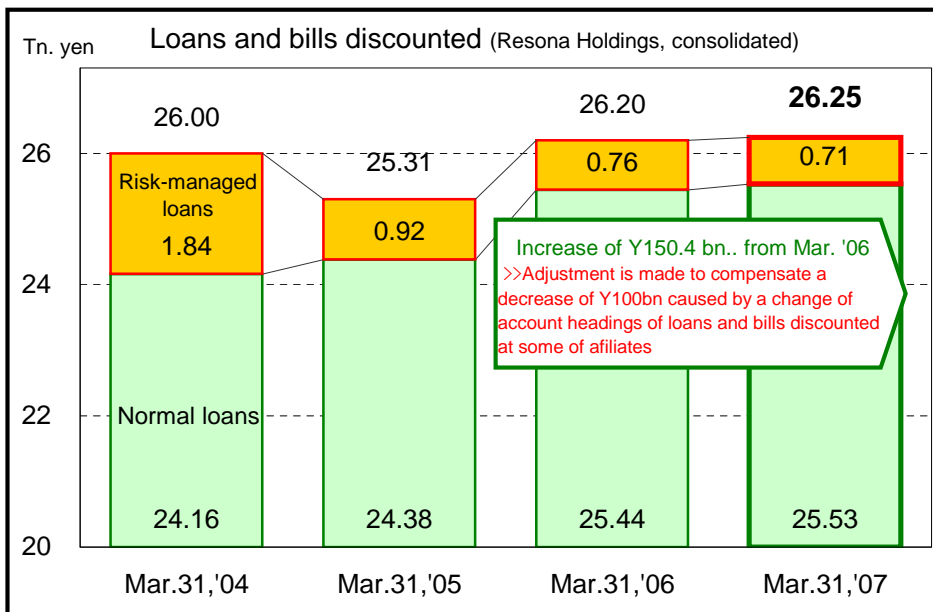
II.. Outline of Financial Results for Fiscal Year 2006

(Bn. of yen)	Resona Holdings (Consolidated)		Difference (a) - (b)	Total four banks (Non-consolidated)		Resona Bank (Non-consolidated)	Saitama Resona Bank	Kinki Osaka Bank (Non-consolidated)	Resona Trust & Banking	Factors accounting for difference (a) - (b) (Approx. figures) RC: Resona Card, RG: Resona Guarantee, RKS: Resona Kessai Service, RCP: Resona Capital
	(A)	YoY change		(B)	YoY change					
Gross operating profit	805.2	36.5	69.2	735.9	42.3	492.6	147.2	66.8	29.2	
Excluding gain/loss on bonds	797.7	16.8	69.2	728.5	22.5	484.2	148.1	66.8	29.2	
(1) Net interest income	563.7	13.8	19.0	544.6	16.8	362.1	124.3	58.1	0.0	RC 10.0bn., cancellation of interest payments for capital securities 9.5 bn. and other
(2) Trust fees	40.4	3.7	—	40.4	3.7	8.2	—	—	32.2	
(3) Fee and commission income	157.0	12.6	50.0	107.0	15.9	76.6	25.2	8.0	(3.0)	RG 30.0 bn., RC 13.5 bil., RKS 2.0 bn. and other
(4) Other operating profit	44.0	6.3	0.1	43.8	5.7	45.6	(2.4)	0.6	—	
Actual net operating profit				382.0	36.8	263.1	76.3	24.5	17.9	(Net operating profit before transfer to general reserve for possible loan losses and expenses related to problem loan disposal in the trust account.)
Core net operating profit				374.5	17.0	254.7	77.2	24.5	17.9	(Actual net operating profit less bond-related income)
General & administrative expenses	384.6	0.5	30.8	353.7	(5.9)	227.3	72.0	43.0	11.3	RC 16.0 bn., RG 3.5 bn., and other
Gain on stocks	72.4	13.8	3.3	69.1	15.1	65.7	1.2	2.1	—	RCP 3.0 bn. and other
Credit related expenses	69.7	62.8	22.8	46.8	61.3	42.2	8.3	(3.7)	—	RG 15.0 bn., RC 5.5 bn., and other
Other gain/(loss), net	2.7	36.5	(0.6)	3.4	4.3	12.1	(3.4)	(5.2)	(0.0)	
Income before income taxes	426.0	23.5	18.1	407.9	6.5	300.9	64.6	24.4	17.9	
Income taxes, current and deferred	(238.8)	(258.0)	(32.1)	(206.6)	(217.3)	(245.8)	28.9	2.9	7.3	Minority interests in net income 12.3 bn., income taxes received by Resona HD (34.6) bn., and other
Net income	664.8	281.6	50.2	614.6	223.8	546.8	35.6	21.4	10.6	



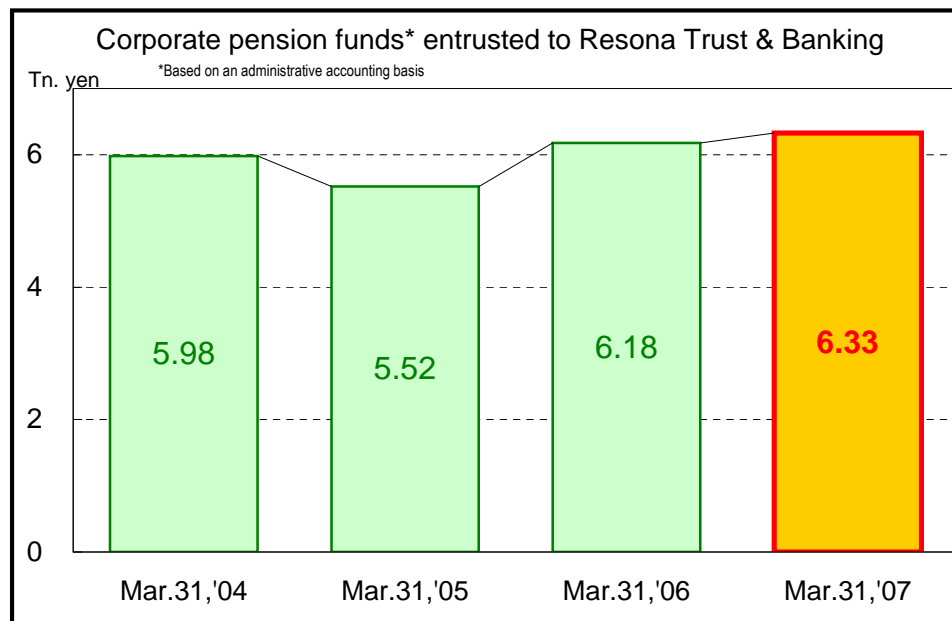
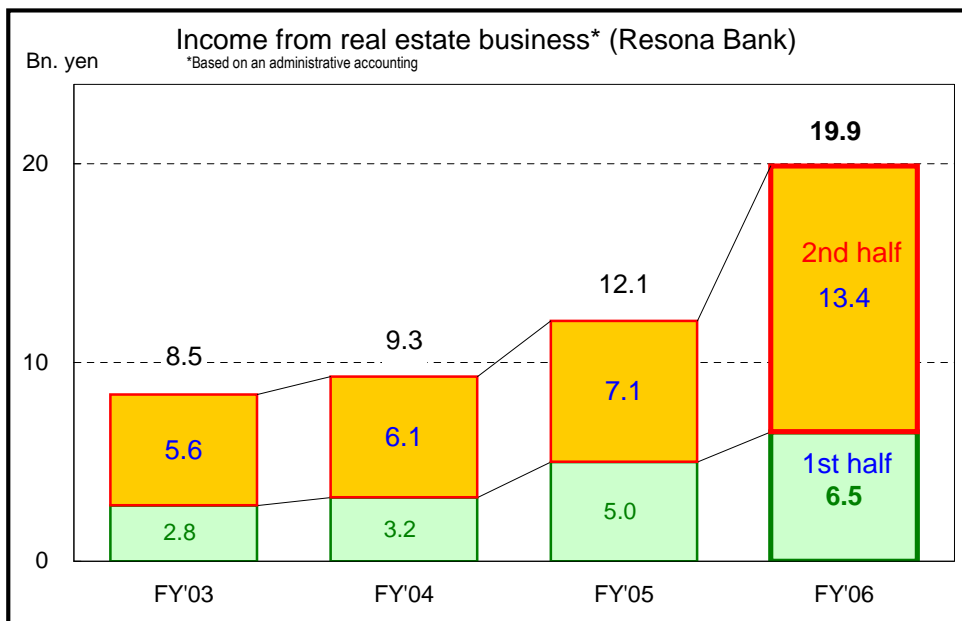
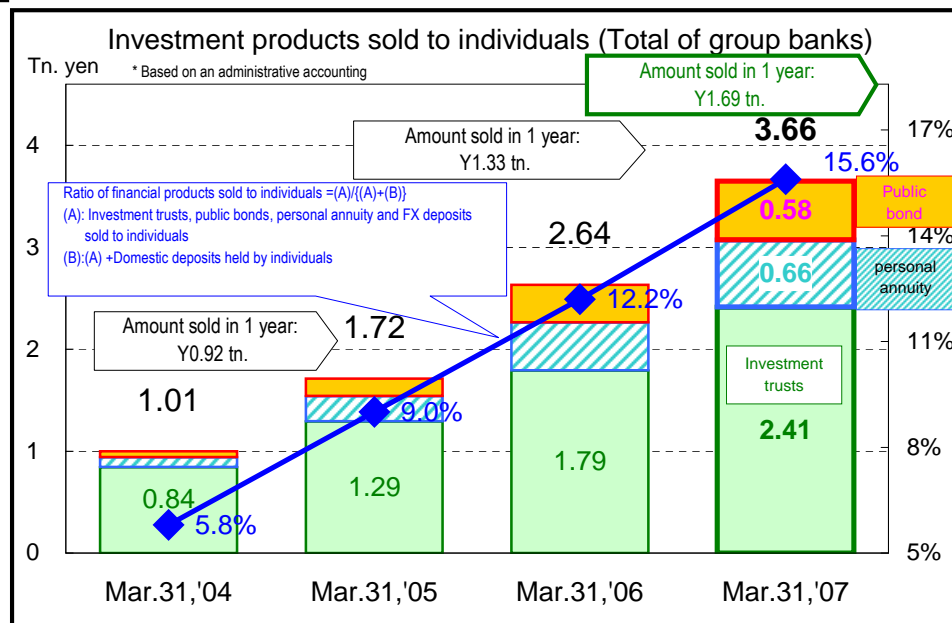
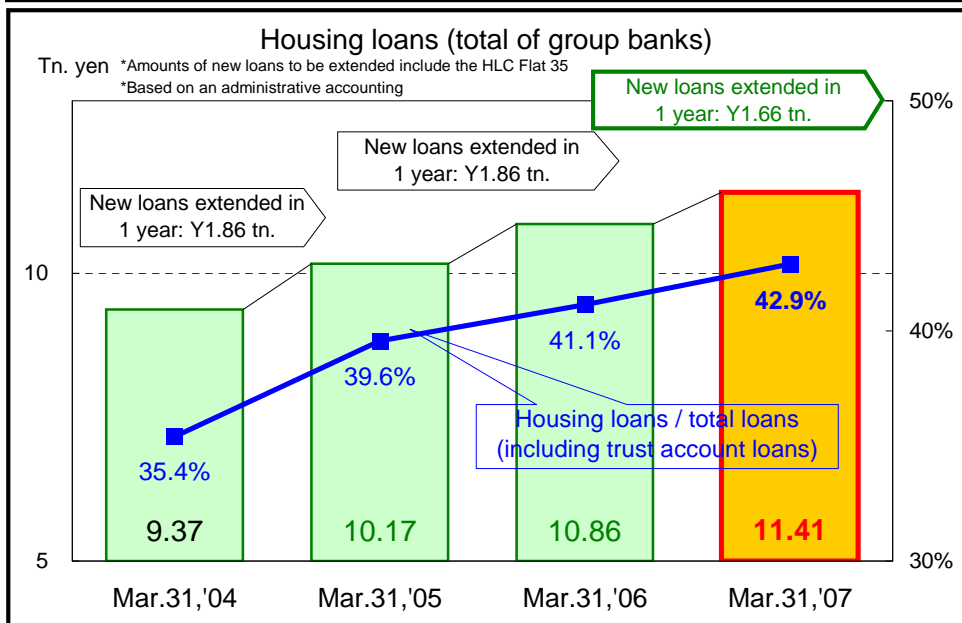
III. (1) Top-line Businesses: Loans and Bills Discounted and Deposits

Bn. of yen



Note: Amount less than 0.1 billion yen are rounded down.

III. (2) Top-line (Resona's core areas of strength)



Note: Amount less than 0.1 billion yen are rounded down.

Bn. of yen

IV. Bottom Line: Classified Claims (NPL) and Credit Related Expenses

Bn. of yen	Total of 3 banks	Resona	Saitama Resona	Kinki Osaka
Unrecoverable or valueless claims	63.4	37.0	12.6	13.7
Risk claims	356.4	256.0	48.2	52.1
Special attention loans	266.9	211.8	26.4	28.6
Total classified claims (NPL)	686.8	505.0	87.2	94.5
Change from Mar. 31, '06	(23.9)	(14.4)	0.5	(10.0)
NPL ratio *	2.47%	2.65%	1.45%	3.44%
Change from Mar. 31, '06	(0.09%)	(0.03%)	(0.05%)	(0.54%)

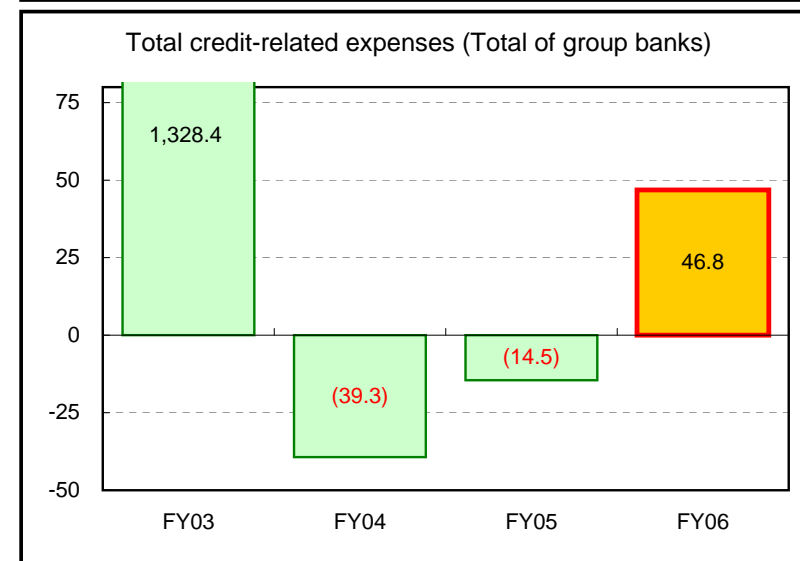
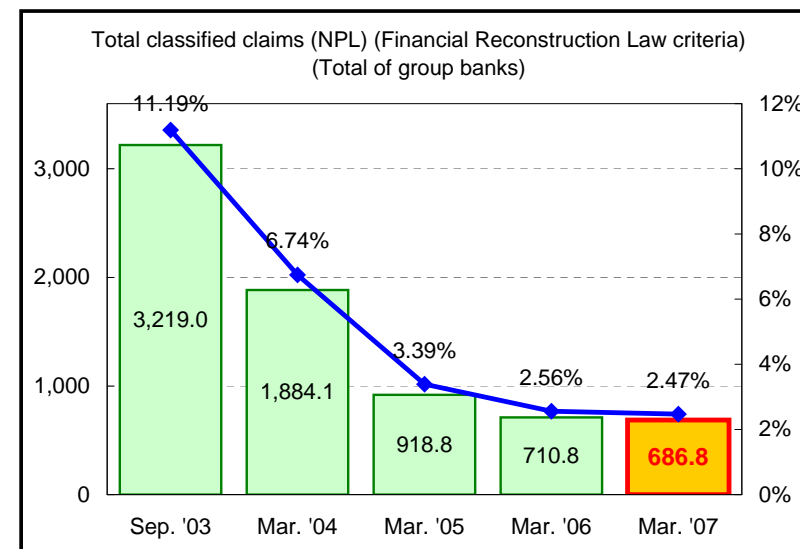
*Total classified claims/Financial Reconstruction Law total (banking and trust accounts)

Bn. of yen	Total of 3 banks	Resona	Saitama Resona	Kinki Osaka
Disposal in the trust account	0.3	0.3	—	—
Net addition to general reserve	(2.0)	3.3	1.0	(6.4)
Net addition to specific reserve	44.2	36.9	6.0	1.1
Write-off of loans and others	29.0	21.3	2.2	5.4
Gain from recoveries of written-off claims	(24.7)	(19.9)	(0.9)	(3.8)
Total credit-related expenses	46.8	42.2	8.3	(3.7)
(a) Migrations of borrowers (upward/downward)	116.6	93.1	10.6	12.8
(b) Off-balancing and other	(66.0)	(53.5)	(3.2)	(9.1)
(c) Provision of general reserve, etc.	(3.7)	2.6	1.0	(7.4)

(a) Total of loss from new bankruptcies and downward migration and gains from reversals of loan loss reserves resulting from upward migration, etc.

(b) Gains from collection of claims to "doubtful" and lower category borrowers and gains from reversals of loan loss reserves or recoveries of written-off claims to such borrowers

(c) Net gains/(losses) from addition to or reversal of general reserve and other factors.



V. Capital Adequacy Ratio (BIS II Standards)

(Bn. of yen)	Mar. 31 '05	Mar. 31 '06	Mar. 31 '07	(Provisional)
	(1)	(2)	(3)	(3) - (2)
Resona HD's consolidated capital adequacy ratio	9.74%	9.97%	10.56%	+0.59%
Tier I ratio	5.27%	5.95%	6.51%	+0.56%
Ratio of DTA to Tier I (b)/(a) *1	3.81%	0.24%	19.93%	+19.69%
Resona HD's consolidated Tier I (a)	1,192.8	1,425.7	1,551.7	125.9
Capital stock and capital surplus	590.6	590.7	551.0	(39.6)
Preferred stock	2,537.8	2,531.8	2,061.9	(469.8)
Retained earnings	364.8	717.7	917.2	199.5
Planned distribution of profits	-	-	37.5	37.5
Other qualifying Tier I capital	237.3	117.3	121.0	3.7
Preferred securities	264.2	135.0	135.8	0.7
[Reference] Deferred tax assets (b) *1	45.5	3.5	309.2	305.7
Resona HD's consolidated Tier II	1,021.4	971.1	1,001.7	30.5
45% of unrealized gains on available-for-sale securities	This item not applicable to domestic standard banks			
45% of the land revaluation gains *2	49.0	48.2	46.8	(1.4)
General reserve for possible loan losses *3	141.3	149.5	148.7	(0.8)
Subordinated debts	831.0	773.3	806.1	32.7
Public funds	300.0	100.0	80.0	(20.0)
Amount to be deducted	(10.8)	(10.9)	(37.5)	(26.6)
Resona HD's consolidated total qualifying capital	2,203.4	2,386.0	2,515.8	129.8
Resona HD's consolidated risk-adjusted assets	22,614.0	23,930.7	23,803.3	(127.3)

*1 Gross deferred tax assets booked in balance sheets' asset account / Tier I

*2 45% of the difference between land after revaluation and the book value immediately before revaluation

*3 Since the Japanese domestic capital adequacy standard is applicable to Resona Group, maximum rate is 0.625% of the risk-adjusted assets.

Sep. 30 '06 (Provisional)	Resona	Saitama Resona	Kinki Osaka	Resona Trust
(Bn. of yen)	(Consolidated)	(Non-consolidated)	(Consolidated)	(Non-consolidated)
Capital adequacy ratio	9.65%	9.01%	9.40%	41.53%
Change from Mar. 31 '06	0.57%	0.81%	1.23%	-83.28%
Tier I ratio	5.72%	5.07%	5.45%	41.53%
Ratio of DTA to Tier I capital*	27.54%	—	3.81%	2.18%
Total qualifying capital	1,688.5	388.5	183.8	29.9
Change from Mar. 31 '06	108.7	19.7	12.5	1.1
Qualifying Tier I capital	1,001.5	218.7	106.6	29.9
Risk assets	17,497.2	4,309.1	1,954.8	72.2
Change from Mar. 31 '06	103.6	(187.7)	(140.8)	49.1

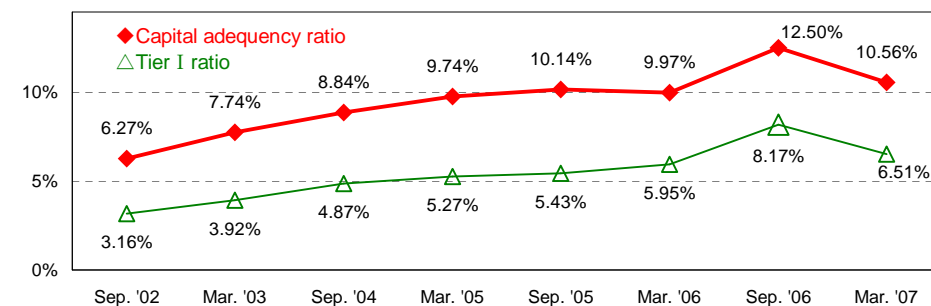
1. Figures as of the end of March 2005 and 2006 are based on the Basel I standard.

2. Figures as of the end of March 2007 (preliminary ratio) are based on the Basel II standard.

3. With respect to calculation of risk weighted assets, credit risk asset is based on the Standardized Approach (SA) while operational risk is measured using the gross profit distribution method. Market risk assets are not included in the figured reported.

4. If calculated based on the Basel I standard, Resona HD's consolidated capital adequacy ratio as of the end of March 2007 would be 10.31%. (Total qualifying capital on a consolidated basis: 2,561.8bn, Total risk weighted assets on a consolidated basis:24,831.2bn.)

[Reference] Capital adequacy ratio of Resona Holdings



VI. Earnings Forecasts for Fiscal Year Ending March 2008

(Bn. of yen)	Resona Holdings (Consolidated)		
	1st half forecast	Full year forecast	Change from FY 2006
Ordinary income	510.0	1030.0	(123.3)
Ordinary profit	140.0	280.0	(129.8)
Net (interim) income	100.0	210.0	(454.8)

consolidated capital adequacy ratio of Resona HD at the end of fiscal 2007	Lower 12%
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(Bn. of yen)	Resona Holdings (Non-consolidated)		
	1st half forecast	Full year forecast	Change from FY 2006
Operating income	261.5	600.0	204.2
Ordinary profit	256.0	590.0	205.6
Net (interim) income	287.5	590.0	170.9

Forecast for term-end per share dividend on common stock	1,000yen
Forecast for term-end per share dividend on preferred stock	As pre-determined

	Total of five banks (approx. figure)				Resona Full year estimate	Business Revitalization Plan	Saitama Resona Full year estimate	Kinki Osaka Full year estimate	Resona Trust & Banking Full-year estimate
	1st half estimate	Full year estimate	Change from FY 2006	Business Revitalization Plan					
Gross operating profit	360.0	736.0	0.1	727.0	485.0	483.4	153.0	68.0	30.5
General & administrative expenses	190.0	376.0	21.7	380.0	242.0	246.3	76.0	45.0	12.0
Actual net operating profit	170.0	360.0	(22.0)	347.0	243.0	237.7	77.0	23.0	18.5
Non-recurring and extraordinary profit/(loss)	(30.0)	(75.0)	(100.9)	(67.0)	(49.0)	(44.1)	(13.5)	(11.5)	—
Gain/(loss) from stocks	2.0	5.0	(64.1)	8.0	5.0	8.2	—	—	—
Credit related expenses	28.0	60.0	13.2	61.0	45.0	44.4	80.0	7.3	—
Income before income taxes	140.0	285.0	(122.9)	280.0	194.0	193.6	63.5	11.5	18.5
Net (interim) income	105.0	220.0	(394.6)	205.0	Resona Group started applying consolidated tax return system from fiscal year 2005				

Estimate for capital adequacy ratios at the end of fiscal 2007

Consolidated
Upper 8%

Non-consolidated Consolidated Non-consolidated
Lower 9% Middle 8% Approx. 40%

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

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

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