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**Financial Results for FY 2007  
Reference Materials for Press Conference**

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**RESONA**

**May 16, 2008**



**Resona Holdings, Inc.**

**I. Financial Highlights for Fiscal Year 2007**

**Posted consolidated net income of Y302.8 bn. (Pages 1-2)**

- > Net income increased by Y72.8 bn. (31.6%) over forecast, but decreased by Y362.0 bn. (-54.4%) yoy.
  - => Increase in DTAs in association with sale of head office building: Y53.2 bn.
- > Secured combined retained earnings of Y1,165.9 bn.
  - => Reached approx. 80%\* of the remaining public fund preferred shares on an infusion amount basis

\* Other capital surplus of Y449.9bn held by Resona Holdings is included in the calculation.

**Income before income taxes decreased Y103.3 bn. (-24.2%) yoy. (pages 1, 2)**

- > Primary factors were decreases in consolidated gross operating profit due to the posting of a loss (Y41.8 bn.) on net investments in Japanese equity investment trust funds.

**Expanded earnings base in business fields in which we are strong (Pages 3-4)**

- > Income from loans and deposits (total of group banks) increased Y14.8 bn. (3.2%) yoy
  - => Despite a sluggish loan balance, loan-to-deposit spread rose up 11.5bps yoy.
- > Despite lower income due to a slowdown in investment product sales to individuals, the outstanding balance is still on an upward trend.
- > Real estate business generated commission income on par with previous fiscal year, New entrustments of corporate pension funds tripled from the previous year.

**Net credit cost and NPL ratio improved y/y (Page 6)**

- > Thanks to an all-out emphasis on quality of loan assets, NPL ratio (total of group banks) moved down to 2.1% level
- > Net credit cost declined 11.2bn yoy due to gains from recovery of written-off claims

**Continuing efforts toward repayment of public funds (Page 5)**

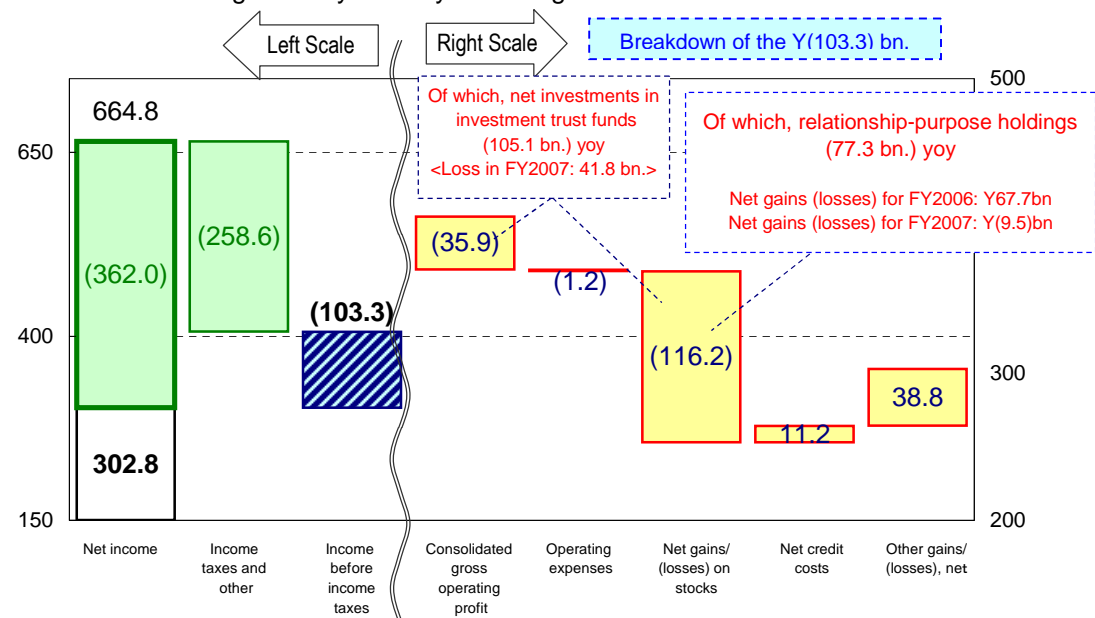
- > New preferred shares issued: Y450.0 bn; subordinated loan repaid: Y35.0 bn.
- > Partial revision of Business Revitalization Plan to enable common share buybacks.

*The capital adequacy ratio (actual at the end of March 2008, forecast at the end of FY2008) will be announced at a later date upon completion of computation.*

[Reference]

*RHD's non-consolidated CAR as of the end of Dec. 2007: 13.66%; Tier 1 ratio: 9.42%*

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



	Resona Holdings (Consolidated) (Announced in Nov. 2007)			Resona Holdings (Non-consolidated) (Announced in Nov. 2007)		
	FY '07	Change from FY '06	Change from the initial forecast	FY '07	Change from FY '06	Change from the initial forecast
Ordinary income	1,114.4	(38.8)	24.4	600.4	204.6	0.4
Ordinary profit	233.7	(176.1)	(36.3)	590.2	205.8	0.2
Net income	302.8	(362.0)	72.8	624.6	205.5	34.6

	Total of group banks (Non-consolidated) (Nov. 2007)			Resona Bank (Non-consolidated)		Saitama Resona Bank		Kinki Osaka Bank (Non-consolidated)		Resona Trust & Banking	
	FY '07	YoY Change	Change from forecast	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change		
Actual net operating profit*1	337.8	(44.1)	(9.2)	210.8	(52.2)	85.2	8.9	22.5	(2.0)	19.1	1.1
Gross operating profit	700.0	(35.9)	(14.0)	444.3	(48.2)	158.0	10.8	66.6	(0.2)	31.0	1.7
Deposits/loans income*2	474.0	14.8		308.7	7.4	113.2	6.7	52.0	0.6	(0.0)	(0.0)
Operating expenses	362.1	7.7	(4.9)	233.3	3.5	72.7	1.9	44.1	1.8	11.8	0.5
Cost-to-income ratio (after disposal of NPL in the trust account)	51.7%	+3.6%		52.5%	+5.9%	46.0%	(2.0)%	66.1%	+2.9%	38.2%	(0.4)%

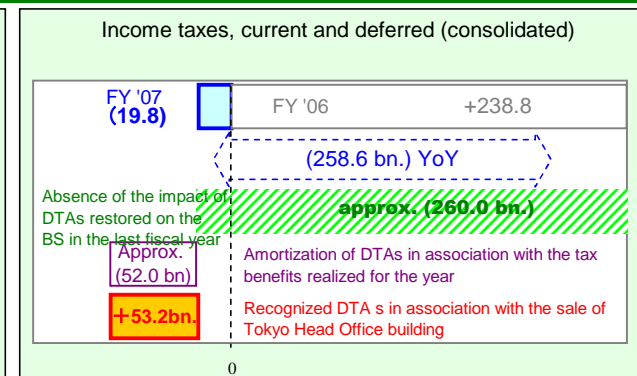
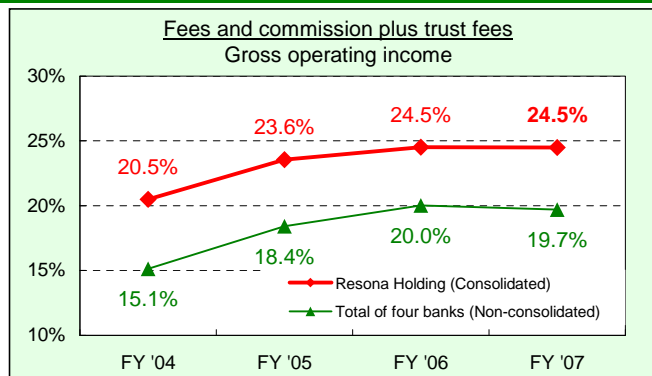
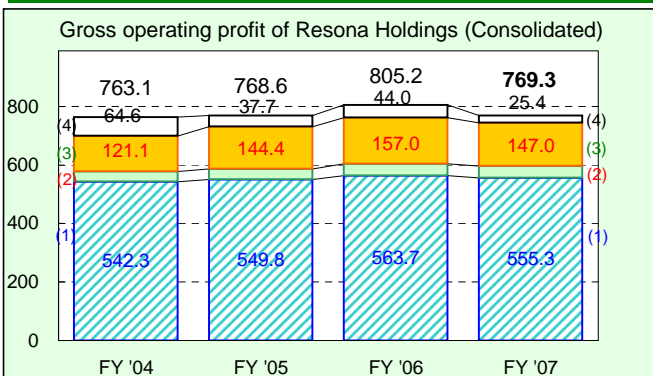
\*1 Actual net operating profit: net operating profit before disposal of NPL in the trust account and provision to general reserve for possible loan losses

\*2 Deposits/loans income: Domestic operations, banking account; including negotiable certificates of deposit

II. Outline of Financial Results for Fiscal Year 2007

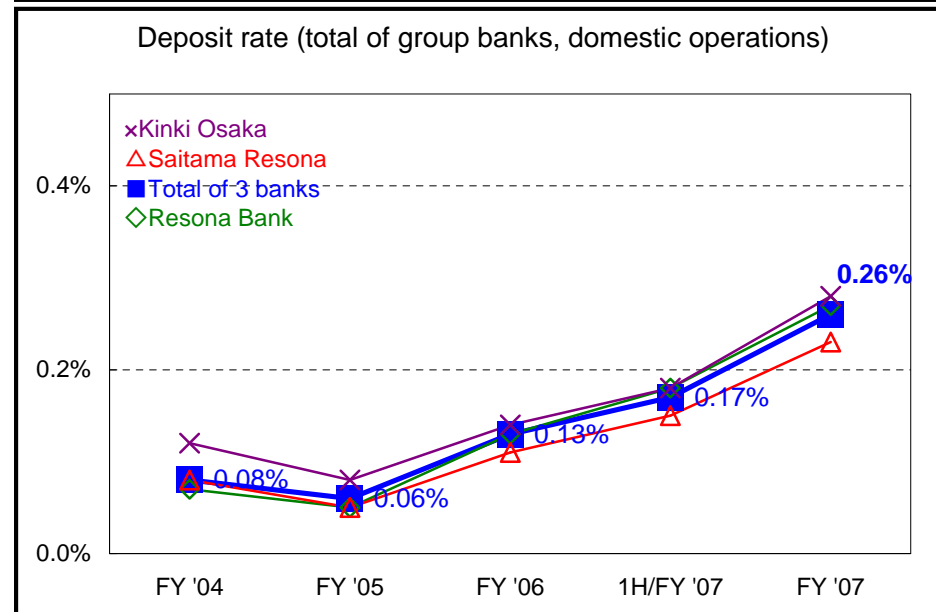
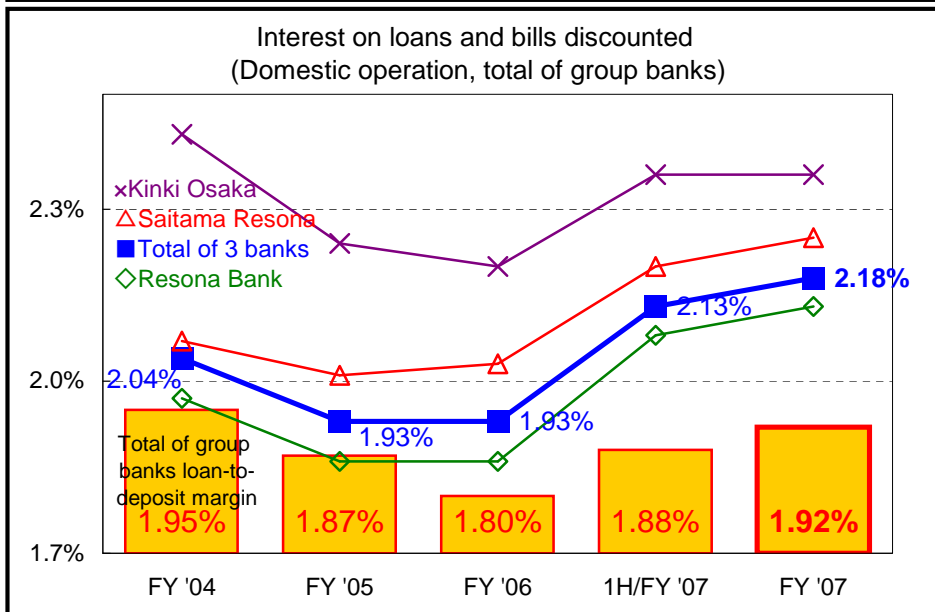
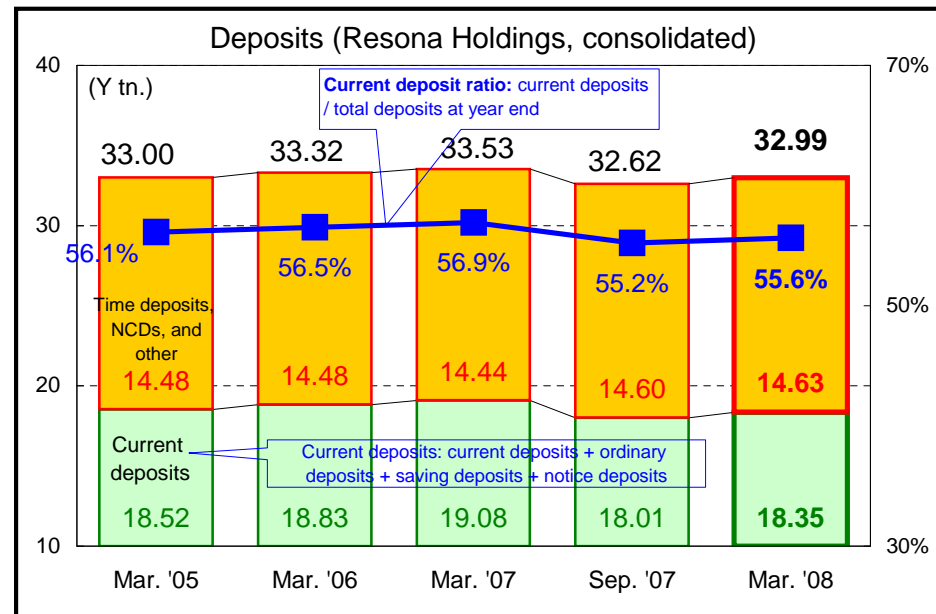
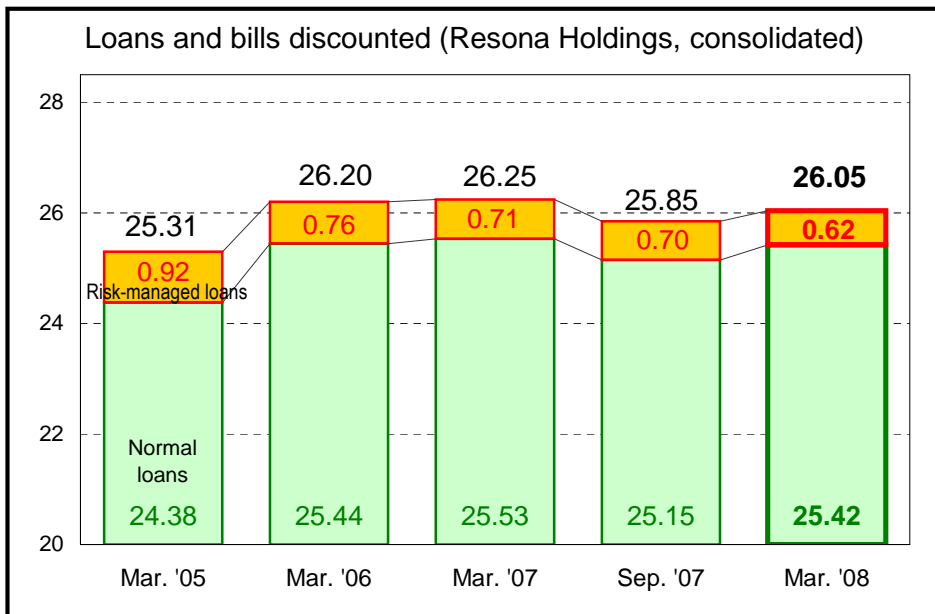
(Billions of yen)

	Resona Holdings (Consolidated)		Difference (A)-(B)	Total of four banks (Non-consolidated)		Resona Bank Nonconsolidated	Saitama Resona Bank	Kinki Osaka Bank Nonconsolidated	Resona Trust & Banking	Factors accounting for the difference (A) - (B) (Approx. figures)  RC: Resona Card, RG: Resona Guarantee, RCP: Resona Capital
	(A)	YoY Change		(B)	YoY Change					
Gross operating profit	769.3	(35.9)	69.2	700.0	(35.9)	444.3	158.0	66.6	31.0	
Excluding gain/(loss) on bonds	762.0	(35.7)	69.2	692.7	(35.7)	440.6	154.2	66.9	31.0	
(1) Net interest income	555.3	(8.3)	18.1	537.2	(7.4)	342.8	135.8	58.4	0.1	RC 8.3 bn.
(2) Trust fees	41.3	0.9	-	41.3	0.9	8.6	-	-	32.7	
(3) Fees and commission income	147.0	(9.9)	50.0	97.0	(9.9)	69.4	21.5	7.8	(1.8)	RG 28.0 bn., RC 15.4 bn.
(4) Other operating income	25.4	(18.5)	1.0	24.3	(19.4)	23.3	0.6	0.3	-	
Actual net operating profit				337.8	(44.1)	210.8	85.2	22.5	19.1	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				330.5	(44.0)	207.1	81.4	22.7	19.1	Actual net operating profit excluding gain/(loss) on bonds
Expenses (including non-recurring items)	385.9	1.2	30.5	355.3	1.5	224.3	74.1	44.9	11.8	RC 16.2 bn., RG 3.2 bn., goodwill 7.2 bn. and other
Gain/(loss) on stocks	(43.8)	(116.2)	2.0	(45.8)	(115.0)	(44.6)	(0.3)	(0.8)	-	RCP 0.9 bn. and other
Credit related expenses, net	58.4	(11.2)	19.7	38.7	(8.1)	21.2	11.9	5.5	-	RG 15.4 bn., RC 6.6 bn. and other
Other gain/(loss), net	41.6	38.8	(0.4)	42.0	38.5	50.6	(2.5)	(5.8)	(0.2)	
Income before income taxes	322.6	(103.3)	20.5	302.1	(105.8)	204.6	69.0	9.4	18.9	
Income taxes and other	19.8	258.6	(22.1)	42.0	248.6	5.9	28.5	(0.1)	7.6	Minority interests in net income 9.1 bn, RHD tax (34.3 bn)
Net income	302.8	(362.0)	42.7	260.1	(354.4)	198.7	40.5	9.6	11.2	



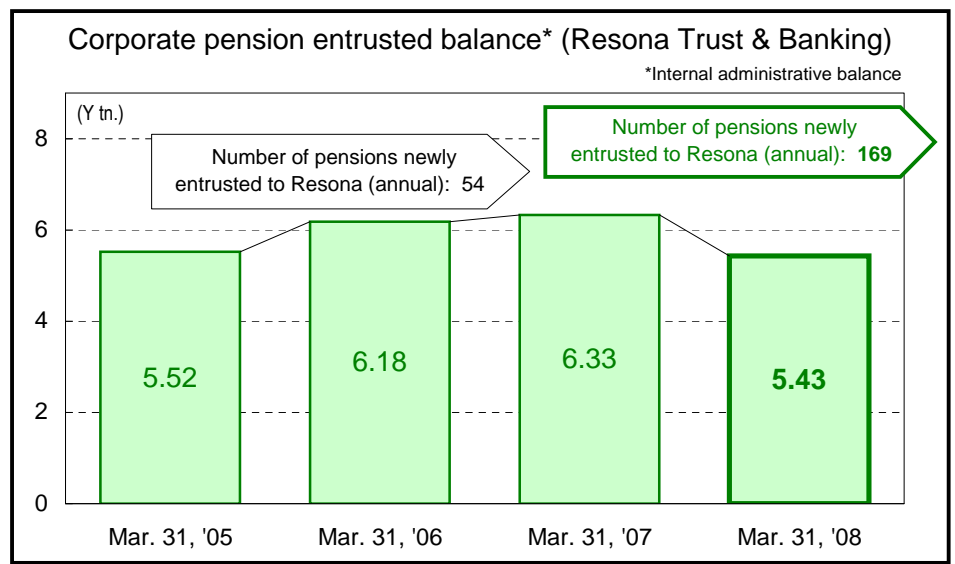
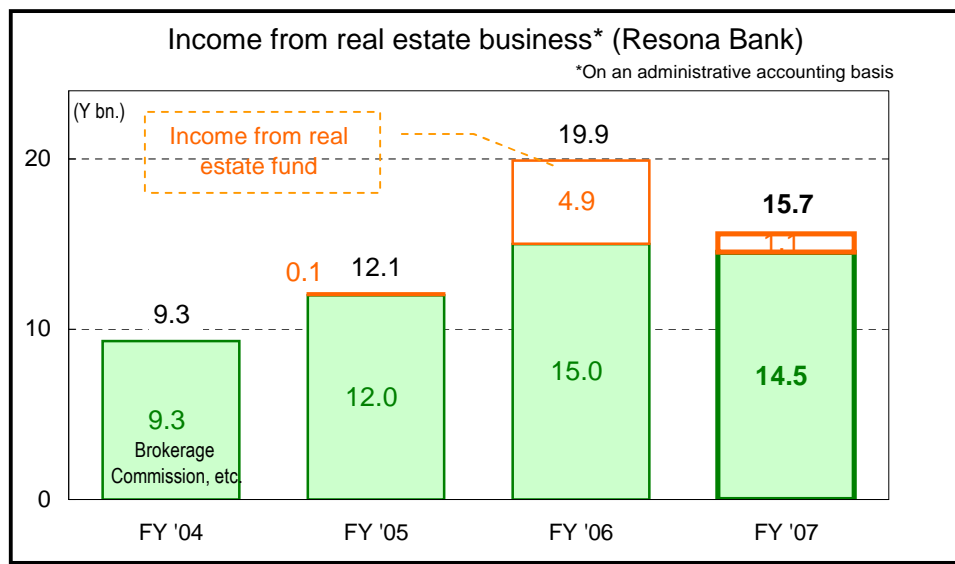
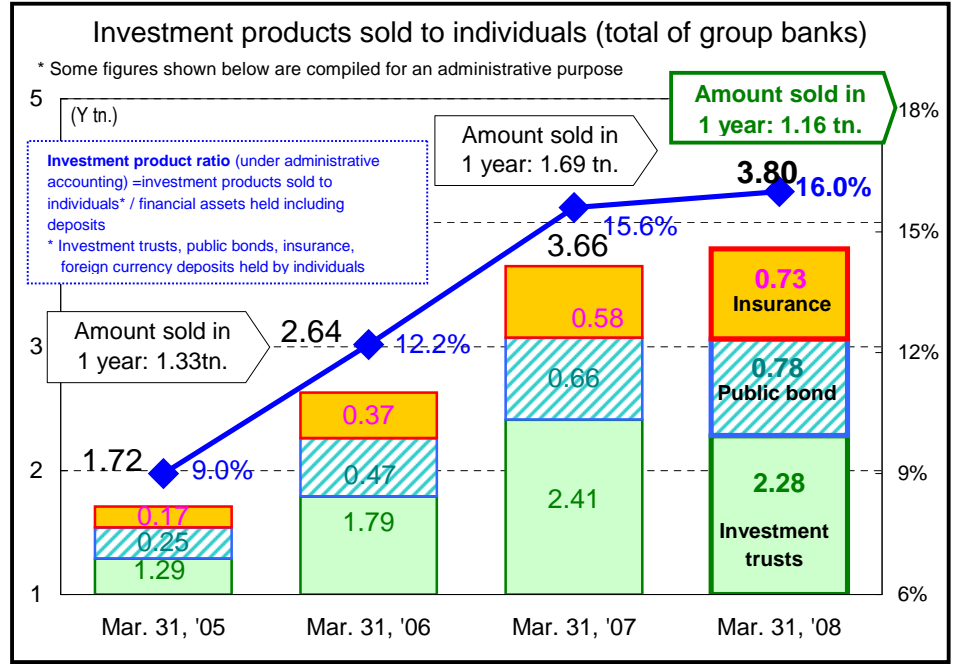
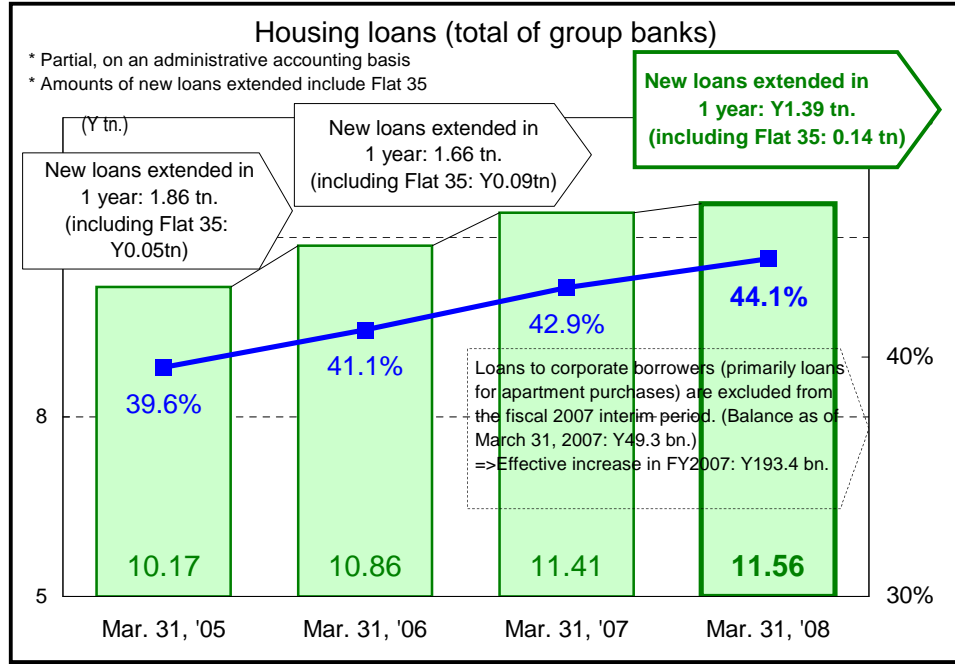
Amounts less than 0.1 billion yen are rounded down.  
In principle, figures are based on non-consolidated figures of group banks.

III. Deposits, Loans and Bills Discounted



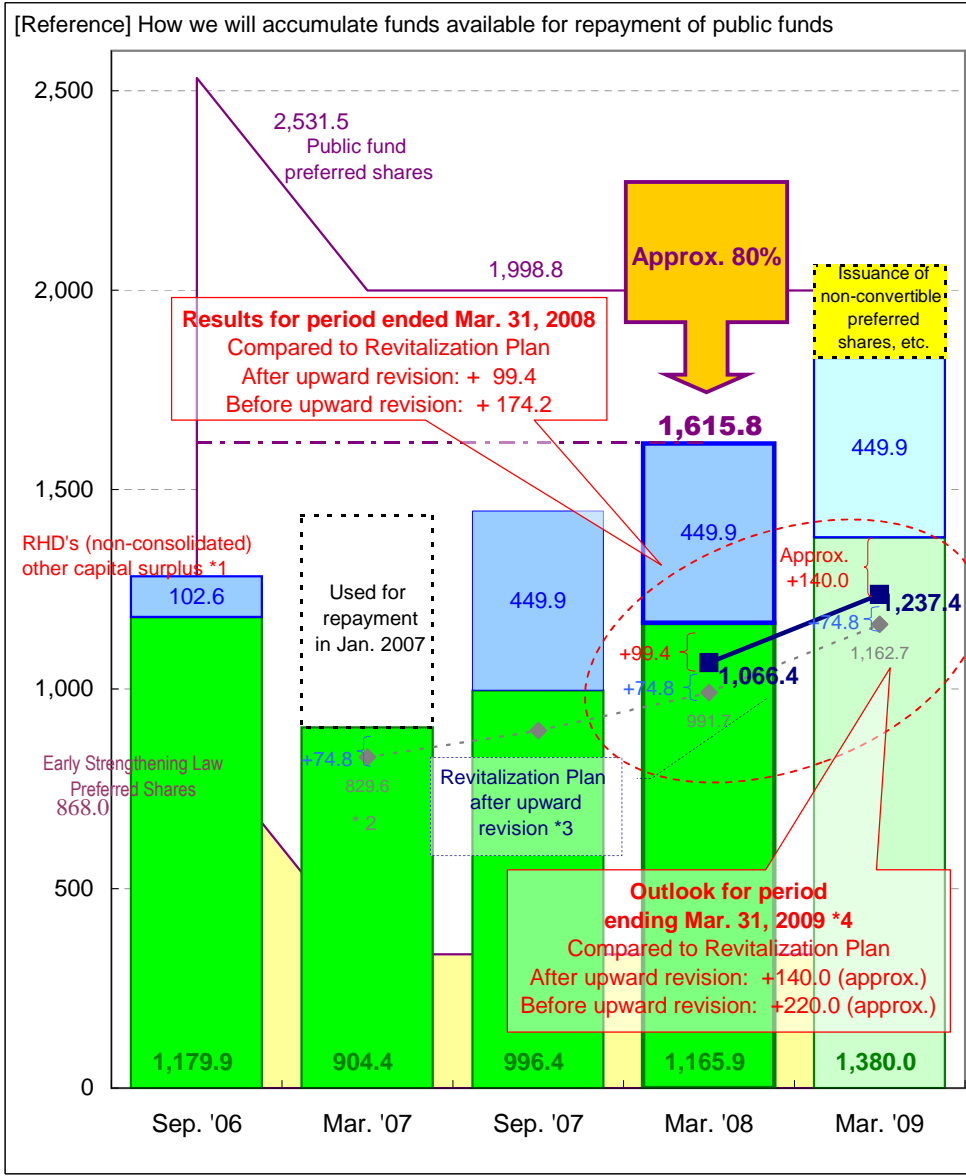
Amounts less than 0.1 billion yen are rounded down.  
In principle, figures are based on non-consolidated figures of group banks.

**IV. Resona's Core Strength Areas**



Amounts less than 0.1 billion yen are rounded down.  
In principle, figures are based on non-consolidated figures of group banks.

V. Total retained earnings (Total of Resona HD and its subsidiary banks)



	Mandatory Conversion (First Call)	Amount Sep. 30, 2003 (1)	Amount Mar. 31, 2008 (2)	(2) - (1)
<b>Total public funds received</b>		3,128.0	<b>2,337.5</b>	(790.4)
Preferred stock		2,531.5	1,998.8	(532.7)
Early Strengthening Law		868.0	335.2	(532.7)
Class B	Apr. 2009	408.0	163.3	(244.6)
Class C	Apr. 2015	60.0	60.0	-
Class E	Dec. 2009	300.0	11.9	(288.0)
Class F	Dec. 2014	100.0	100.0	-
Deposit Insurance Law		1,663.5	1,663.5	-
Class 1	N/A	550.0	550.0	-
Class 2	N/A	563.5	563.5	-
Class 3	N/A	550.0	550.0	-
Subordinated loans		300.0	45.0	(255.0)
Financial Function Stabilization Law		200.0	-	(200.0)
Early Strengthening Law	Mar. 2009	100.0	45.0	(55.0)
Common Stock	N/A	296.4	293.7	(2.7)

Partial Review of Revitalization Plan

<p>Maintain appropriate capital ratio</p> <p>(RHD consolidated basis)                  Capital adequacy ratio: 9% or higher                  Tier 1 ratio: 5% or higher</p>	<p>Response to possibility of dilution</p> <p>(Risk of dilution at time of conversion)                  Consider acquiring RHD common shares from the market</p>
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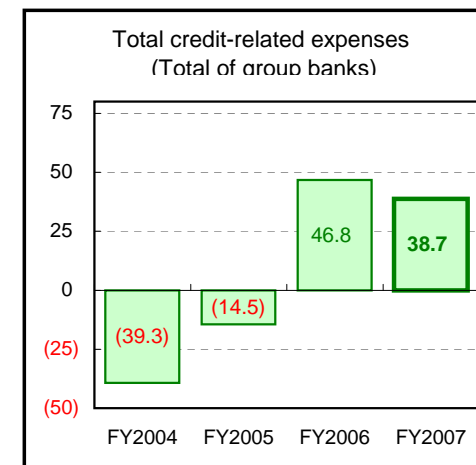
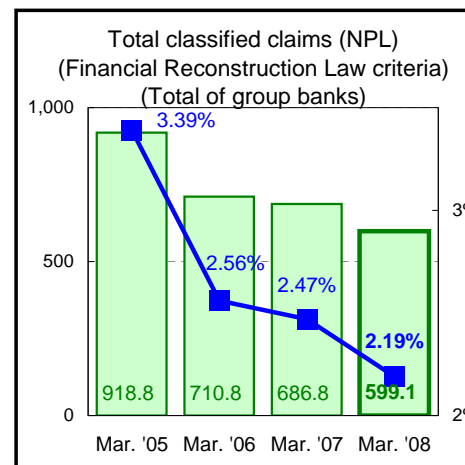
\*1. Excluding earned surplus and capital surplus reserve  
 \*2. Plan figure after an adjustment to reflect the repayment in January 2007.  
 \*3. Plan figure after upward revision in April 2008  
 \*4. Outlook for March 31, 2009 reflect the earnings forecast for the FY 2008, excess profits registered by Group banks in the past fiscal years in comparison with the targets in the Business Revitalization Plan, and a reversal of land revaluation reserve in association with the sale of Tokyo Head Office building (+15.8 bn.).  
 \*5. The actual amount of repayment may differ from the remaining balance of public fund preferred shares on an infusion amount basis.

## VI. Classified Claims (NPL) and Credit Related Expenses

(Billions of yen)

	Total of 3 banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Unrecoverable or valueless claims	74.1	45.2	13.5	15.3
Risk claims	342.8	241.3	57.2	44.1
Special attention loans	182.2	146.0	18.0	18.1
<b>Total classified claims (NPL)</b>	<b>599.1</b>	<b>432.6</b>	<b>88.8</b>	<b>77.6</b>
Change from Mar. 31, '07	(87.6)	(72.3)	1.5	(16.8)
<b>NPL ratio *1</b>	<b>2.19%</b>	<b>2.36%</b>	<b>1.41%</b>	<b>2.83%</b>
Change from Mar. 31, '07	-0.27%	-0.27%	-0.03%	-0.61%

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



	Total of 3 banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Disposal in the trust account	(0.1)	(0.1)	-	-
Net addition to general reserve	(13.8)	(10.4)	(0.0)	(3.3)
Net addition to specific reserve	14.1	6.2	5.5	2.4
Write-off of loans and others	74.9	56.5	9.0	9.3
Gain from recoveries of written-off claims	(36.3)	(30.9)	(2.5)	(2.8)
<b>Total credit-related expenses</b>	<b>38.7</b>	<b>21.2</b>	<b>11.9</b>	<b>5.5</b>
(a) New bankruptcy, downward migration	<b>166.7</b>	128.1	20.7	17.8
(b) Upward migration	<b>(30.8)</b>	(28.1)	(0.4)	(2.3)
(c) Off-balancing and other	<b>(83.2)</b>	(68.2)	(8.3)	(6.5)
(d) Provision of general reserve, etc.	<b>(13.8)</b>	(10.4)	(0.0)	(3.3)

(a) Loss from new bankruptcy or deterioration in borrower category, etc.

(b) Gain from reversal of loan loss reserve due to improvements in borrower category, etc.

(c) Collection of claims from "doubtful" or lower category borrowers, gain from reversal of loan loss reserve due to off-balancing, and gain from recoveries of written-off claims

## VII. Unrealized gain/(loss) on securities

No outstanding investment and loan balance related to the U.S. subprime housing loans \*3

	Total of 4 banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	Resona Trust & Banking
Held to maturity	5.8	-	5.8	-	-
Available for sale	172.2	136.7	33.7	1.7	0.0
<b>Unrealized gain/(loss) *2</b>	<b>178.1</b>	<b>136.7</b>	<b>39.6</b>	<b>1.7</b>	<b>0.0</b>
YoY Change	(252.1)	(168.3)	(76.5)	(7.2)	0.0
Bonds	(24.1)	(24.2)	(0.6)	0.7	0.0
Stocks	204.9	157.6	42.7	4.6	-
Other	(2.7)	3.3	(2.5)	(3.5)	-

\*2. In addition to "securities," the reported figures include negotiable certificates of deposit from "Cash and due from banks" and commercial paper and trust beneficiary rights from "Monetary claims bought"

\*3. Indirect investments in related assets through overseas Fund of Funds: Approx. ¥30 million.

Amounts less than 0.1 billion yen are rounded down.

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

(Billions of yen)

## VIII. Earnings Forecasts for Fiscal Year Ending March 31, 2009

	Resona Holdings (Consolidated)		
	1H FY 2008 forecasts	Full year forecasts	Change from the previous year
Consolidated ordinary income	520.0	<b>1,050.0</b>	(64.4)
Consolidated ordinary profit	120.0	<b>270.0</b>	36.3
<b>Net (interim) income</b>	150.0	<b>250.0</b>	(52.8)

Forecast of capital adequacy ratios will be announced on a later date upon completion of the computation.

\*1. For details of the status of dividend distribution, please refer to the *Tanshin* report.

	Resona Holdings (Non-consolidated)		
	1H FY 2008 forecasts	Full year forecasts	Change from the previous year
Operating income	50.0	<b>180.0</b>	(420.4)
Operating profit	40.0	<b>170.0</b>	(419.9)
Ordinary profit	40.0	<b>170.0</b>	(420.2)
<b>Net (interim) income</b>	50.0	<b>190.0</b>	(434.6)

Forecast for term-end per share dividend on common stock	1000 yen
Forecast for term-end per share dividend on preferred stock *1	As pre-determined

	Total of four banks (approx. figure)				Resona Bank		Saitama Resona Bank		Kinki Osaka Bank		Resona Trust & Banking	
	1H FY 2008 forecasts	Full year forecasts	Change from the previous year	Revitalization Plan	1H FY 2008 forecasts	Full year forecasts	1H FY 2008 forecasts	Full year forecasts	1H FY 2008 forecasts	Full year forecasts	1H FY 2008 forecasts	Full year forecasts
Gross operating profit	354.5	<b>721.0</b>	21.0	754.0	224.5	458.0	80.5	161.5	34.5	70.0	15.0	31.5
Operating expenses	189.5	<b>383.0</b>	20.9	388.0	121.5	245.0	38.5	77.0	23.5	48.5	6.0	12.5
Actual net operating profit	165.0	<b>338.0</b>	0.2	366.0	103.0	213.0	42.0	84.5	11.0	21.5	9.0	19.0
Ordinary profit	122.5	<b>262.0</b>	49.5	308.0	74.0	162.0	36.0	71.5	3.5	10.0	9.0	19.0
<b>(Interim) Income before income taxes</b>	237.5	<b>384.0</b>	81.9	300.0	189.5	285.0	35.5	70.5	3.5	10.0	9.0	19.0
Net (interim) income	141.5	<b>233.0</b>	(27.1)	226.0								

Resona Group started applying a consolidated taxation system from FY2005.

Gain/(loss) on stocks	-	-	45.8	8.0	-	-	-	-	-	-	-	-
Credit related expenses	22.0	<b>60.0</b>	21.3	60.0	14.0	43.0	4.5	8.5	3.5	7.5	-	-

Forecast of capital adequacy ratios will be announced on a later date upon completion of the computation.



***The forward-looking statements contained in this document 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.***