
Financial Results for First Half of FY 2010
Reference Materials for Press Conference



RESONA

November 12, 2010



Resona Holdings, Inc.

(Billions of Yen)

I. Financial Highlights for 1st Half of FY2010

Posted consolidated net interim income of Y81.7 bn (Pages 1-2)

=> Net interim income decreased Y3.8 bn (-4.4%) YoY, topping the forecast by Y21.7 bn (+36.2%)

- * Y40.8 bn (+45.8%) YoY increase in income before income taxes and minority interests
 - The increase is mostly due to a decline in net credit cost by Y36.5 bn YoY (-53.0%)
- * Y44.6 bn YoY increase in income tax charges
 - Absence of DTA adjustment in relation to dutiable provisioning of general reserve for possible loan losses registered in 1H FY2009

Steady and stronger-than-forecast top-line income (Pages 3-4)

- * Y8.0 bn (+5.2%) increase YoY in "consolidated gross operating profit" + "consolidated operating expense"
- * Actual net operating profit surpassed the forecast by Y16.3 bn (+13.0%)
 - Increase in gains on bonds made up for the decrease in income from loans and deposits
 - Investment trust sale increased by 80% YoY, contributing to an increase in fees and commission income
- * Continued efforts for lowering operation costs brought down cost-to-income ratio to 54% level

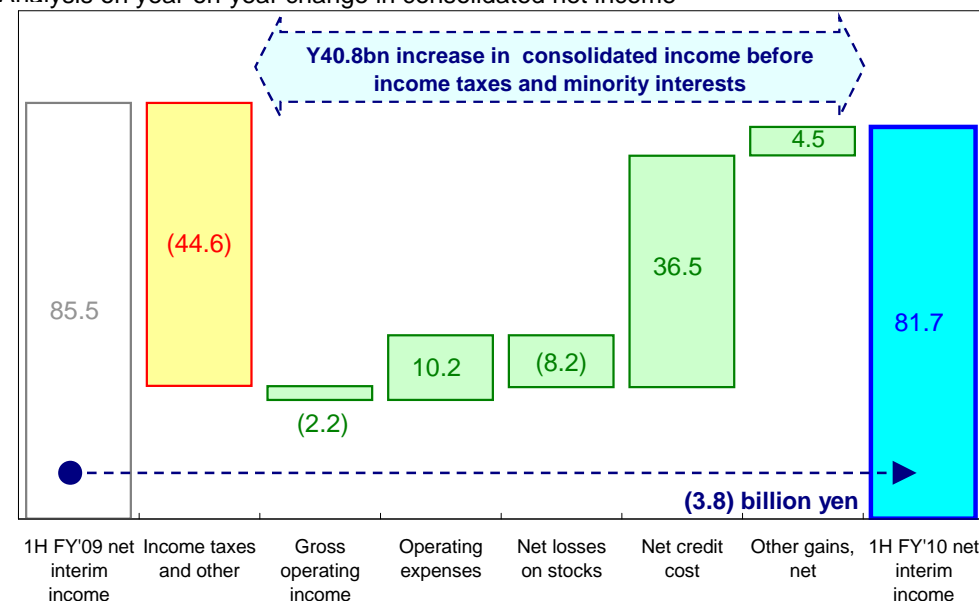
Maintained soundness in asset quality

- * NPL Ratio as of Sep. 30, 2010 : 2.60% (total of 3 banks)
- * Unrealized gain on available-for-sale securities as of Sep.30, 2010 : Y94.8 bn (total of 3 banks)
- * Consolidated CAR as of Sep.30, 2010 : 12.8%, Tier1 ratio: 9.06% (preliminary ratios)

Shifting the emphasis of capital policy from the "repayment of public funds" to the "improvement of common stock shareholder value"

- * Repaid a part of the DIL preferred shares (Y400bn on an infusion amount basis) in August 2010
- * Formulated "Resona Capital Restructuring Plan" (announced on Nov. 5, 2010)
 - Plan to repay up to Y900bn of the DIL preferred shares
 - 1. Effectively an exchange between the DIL preferred shares and common stock (issued through a public offering): maximum Y600 bn
 - 2. Additional repayment utilizing retained earnings : maximum Y300 bn

Analysis on year-on-year change in consolidated net income



Resona Holdings (Consolidated)	1H of FY2010	
	YoY change	
Consolidated gross operating profit	344.7	(2.2)
Income before income taxes and minority interests	129.9	40.8
Net interim income	81.7	(3.8)

Resona Holdings (Non-consolidated)	1H of FY2010	
	YoY change	
Operating income	16.7	(5.2)
Income before income taxes	14.2	(3.8)
Net interim income	15.4	(10.4)

	Total of Group banks (non-consolidated) (Announced in May 2010)			Resona (May 2010)			Saiama Resona (May 2010)			Kinki Osaka (May 2010)		
	1H of FY2010	YoY change	Change from original forecast	(Non-consolidated)	YoY change	Change from original forecast	(Non-consolidated)	YoY change	Change from original forecast	(Non-consolidated)	YoY change	Change from original forecast
Gross operating profit	313.5	(1.5)	15.5	208.3	0.0	14.3	74.6	(0.9)	0.6	30.5	(0.6)	0.5
Operating expenses	(172.2)	3.5	0.8	(113.6)	2.1	0.4	(37.7)	0.2	0.8	(20.7)	1.0	0.3
Actual net operating profit *1	141.3	1.9	16.3	94.6	2.2	14.6	36.8	(0.7)	1.3	9.8	0.4	0.8
Cost income ratio (after NPL disposal in the trust account)	54.9%	(0.8%)	/	54.5%	(1.0%)	/	50.6%	0.2%	/	67.8%	(2.0%)	/

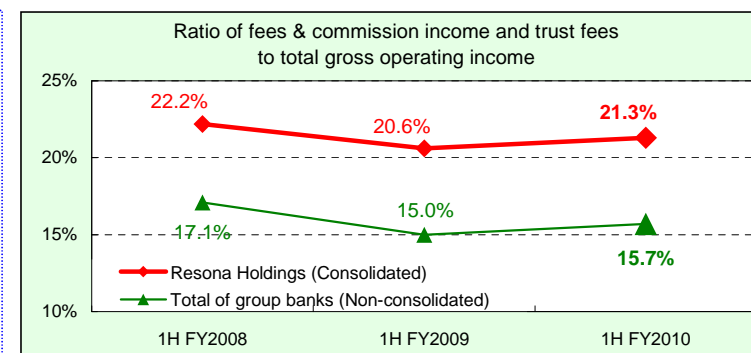
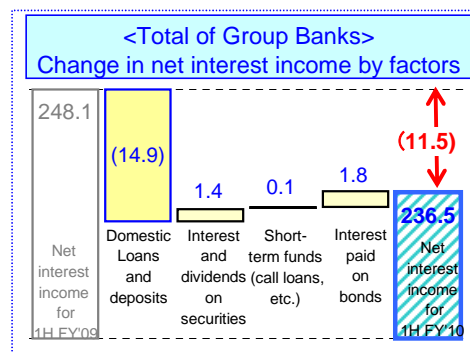
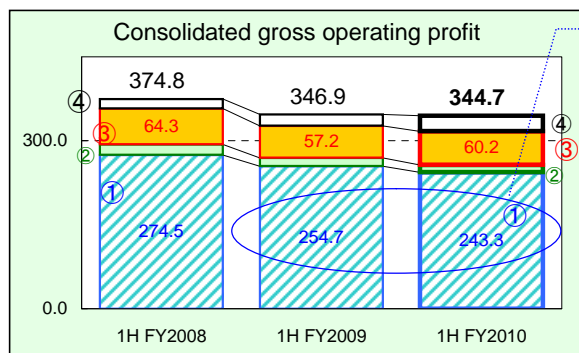
*1. Actual net operating profit: net operating profit before NPL disposal in the trust account and before transfer to general reserve for possible loan losses

*1 Amounts less than 0.1 billion yen are rounded down.

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

II. Outline of Financial Results for 1H of FY2010

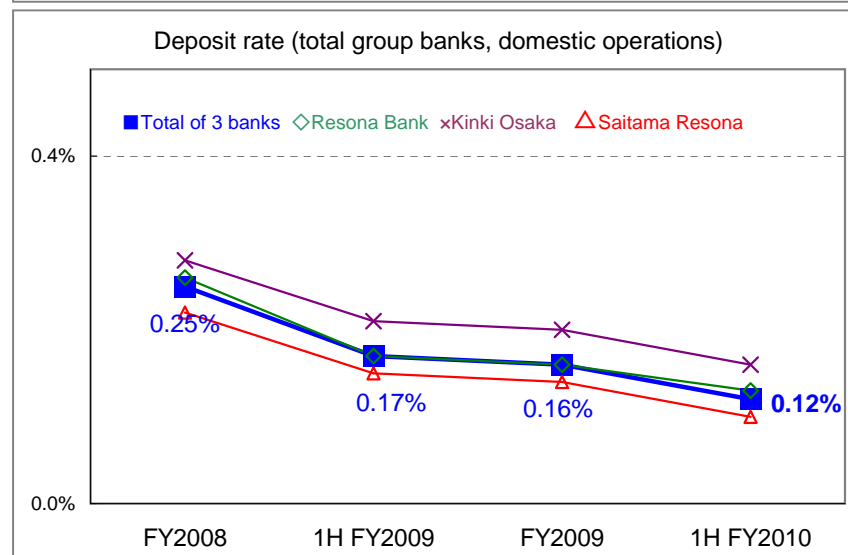
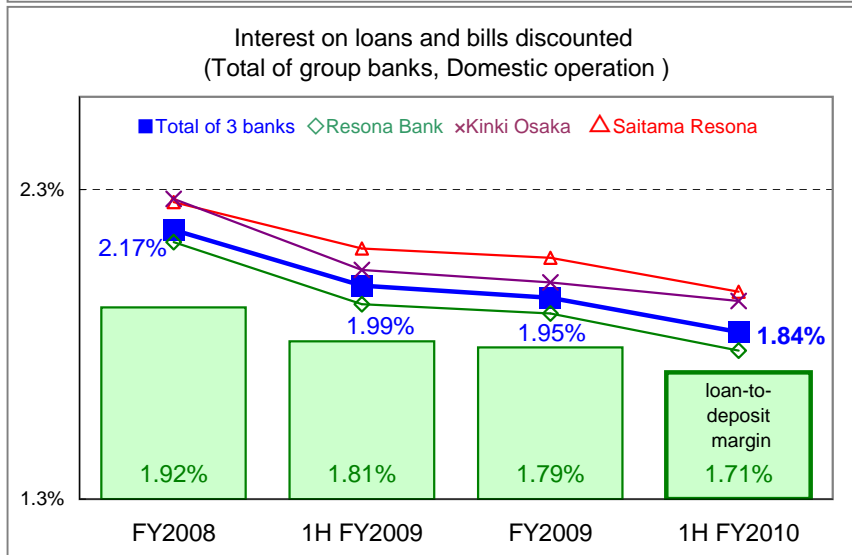
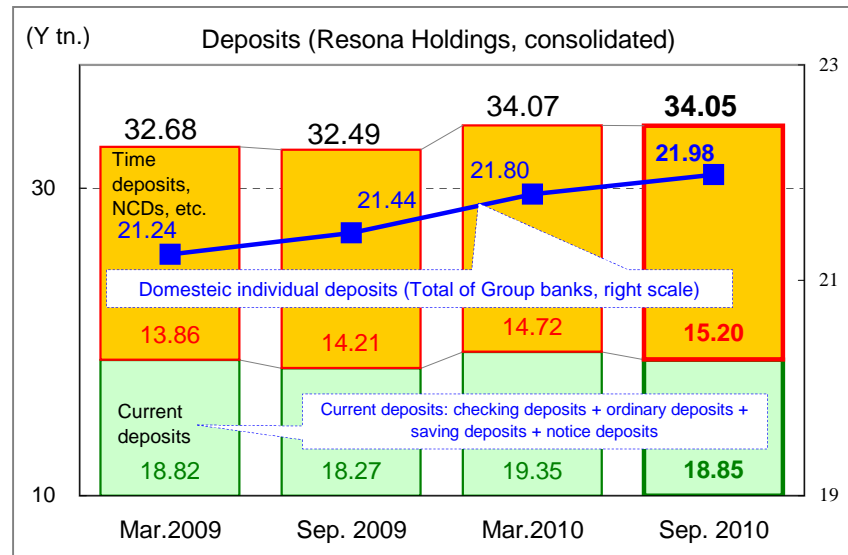
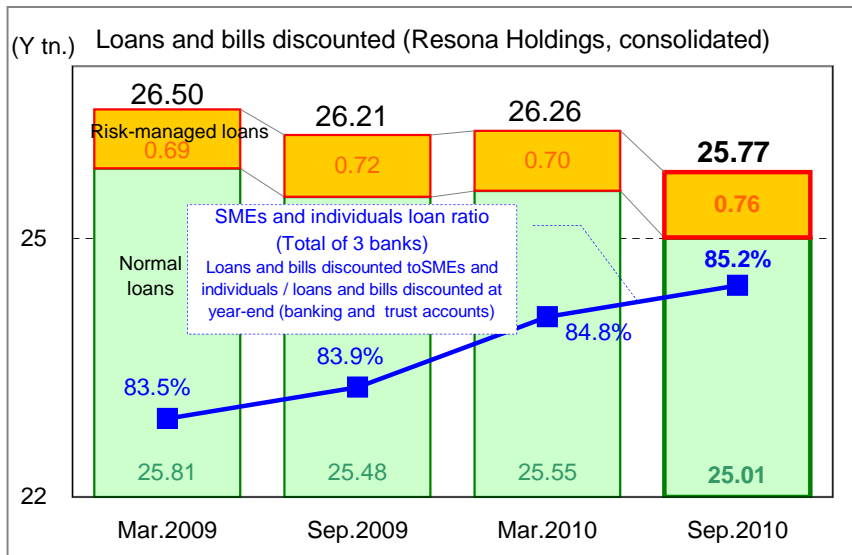
	Resona Holdings (Consolidated)		Difference (A)-(B)	Total of group banks (Non-consolidated)		Resona Non-consolidated	Saitama Resona	Kinki Osaka Non-consolidated	Factors accounting for the difference (A) - (B) (Approx. figures) RC: Resona Card, RG: Resona Guarantee
	(A)	YoY change		(B)	YoY change				
Gross operating profit	344.7	(2.2)	31.1	313.5	(1.5)	208.3	74.6	30.5	
(1) Net interest income	243.3	(11.4)	6.7	236.5	(11.5)	146.4	66.4	23.6	RC3.0bn and other
Income from loans and deposits				212.2	(14.9)	133.6	57.3	21.2	Domestic operations; banking account; Deposits include NCDs
(2) Trust fees	13.2	(1.2)	-	13.2	(1.2)	13.2	-	-	
(3) Fees and commission income	60.2	3.0	24.0	36.2	3.3	25.6	6.6	3.9	RG 15.2bn, RC 7.9bn and other
(4) Other operating income	27.8	7.3	0.3	27.5	7.8	23.0	1.5	2.9	
Net gain/(loss) on bonds	29.1	14.6	-	29.1	14.6	23.3	3.0	2.7	
Actual net operating profit				141.3	1.9	94.6	36.8	9.8	Net operating profit before transfer to general reserve for possible loan losses and expenses related to problem loan disposal in the trust account.
Expenses (including non-recurring items)	(184.0)	10.2	(9.7)	(174.3)	5.6	(114.0)	(38.7)	(21.5)	RC-6.3bn, RG-1.8bn and other
Net gain/(loss) on stocks	(6.6)	(8.2)	0.0	(6.7)	(8.9)	(6.6)	(0.1)	0.0	
Credit related expenses, net	(32.2)	36.5	(14.1)	(18.1)	33.2	(8.1)	(3.9)	(6.0)	RG-11.8bn, RC-3.2bn and other
Other gain/(loss), net	8.2	4.5	1.3	6.8	2.6	6.1	1.2	(0.5)	
Income before income taxes	129.9	40.8	8.6	121.2	31.1	85.6	33.0	2.5	
Income taxes and other	(48.1)	(44.6)	(3.5)	(44.5)	(35.8)	(31.6)	(13.5)	0.6	Minority interests in net income -2.4bn, Income tax of RHD and other -1.1bn
Net interim income	81.7	(3.8)	5.0	76.6	(4.6)	53.9	19.5	3.1	



*1 Amounts less than 0.1 billion yen are rounded down.

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

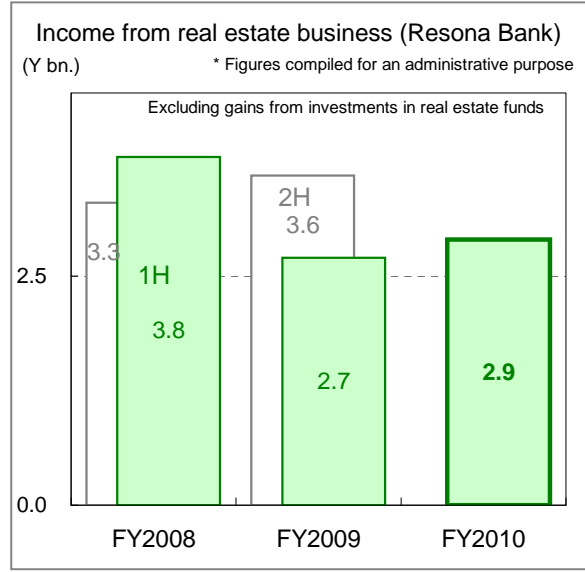
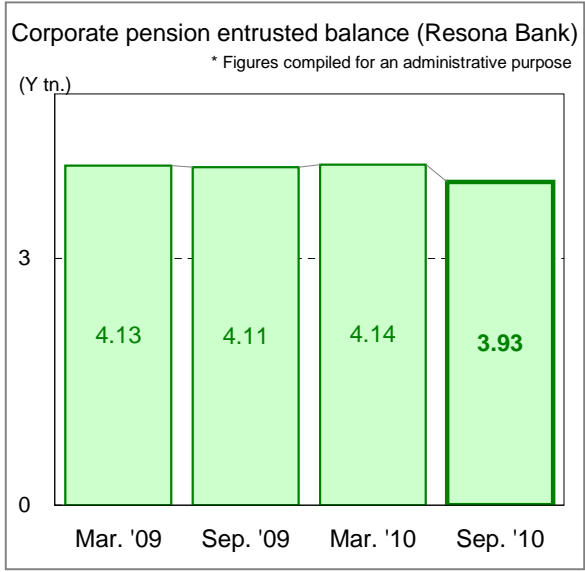
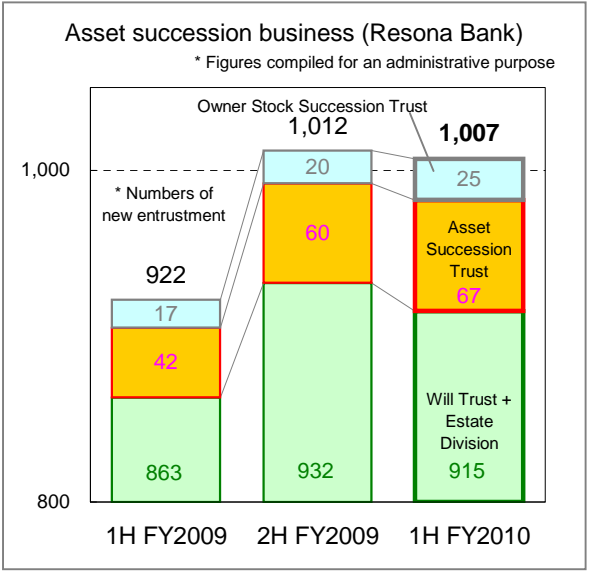
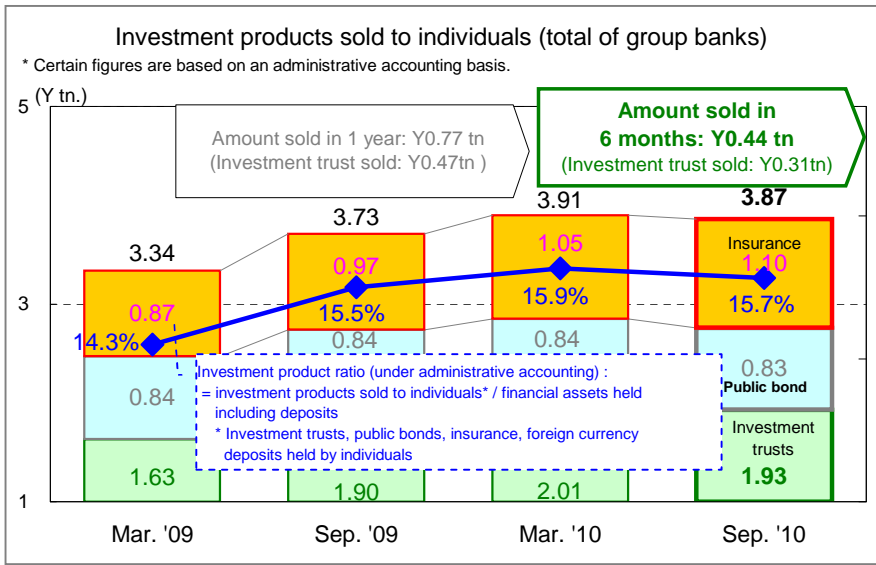
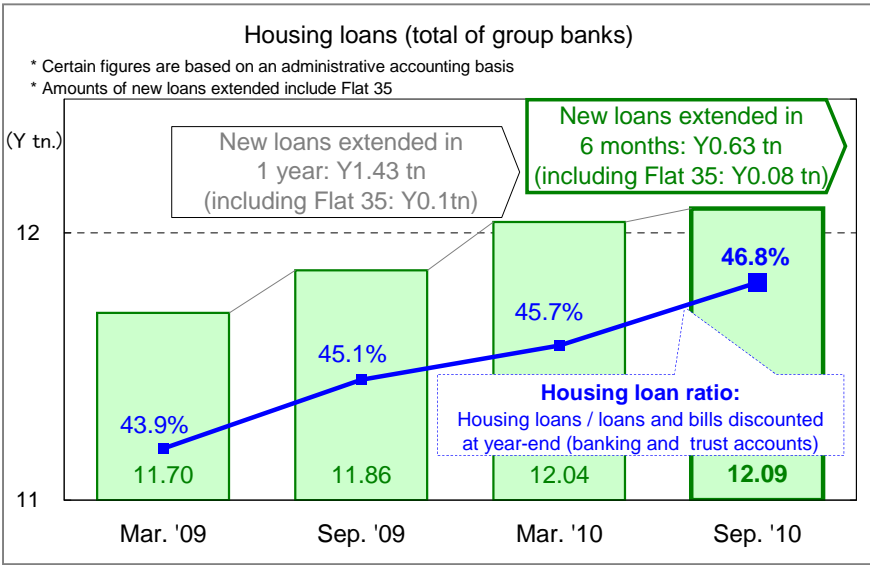
III. Deposits, Loans and Bills Discounted



*1 Amounts less than 0.1 billion yen are rounded down.

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

IV. Resona's Core Businesses



*1 Amounts less than 0.1 billion yen are rounded down.

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

(Billions of Yen)

V. Classified Claims (NPL) and Credit Related Expenses

	Total of 3 banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Disposal in the trust account	0.0	0.0	-	-
Net addition to general reserve	11.2	11.0	1.2	(1.0)
Net addition to specific reserve	(20.3)	(14.3)	(3.3)	(2.6)
Write-off of loans and others	(25.0)	(18.2)	(3.0)	(3.7)
Gain from recoveries of written-off claims	15.9	13.3	1.1	1.4
Total credit-related expenses	(18.1)	(8.1)	(3.9)	(6.0)
(a) New bankruptcy, downward migration	(39.1)	(29.4)	(5.6)	(4.0)
(b) Upward migration	3.9	1.8	1.9	0.1
(c) Off-balancing and other	5.5	8.1	(1.4)	(1.1)
(d) Provision of general reserve	11.5	11.3	1.2	(1.0)

(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.

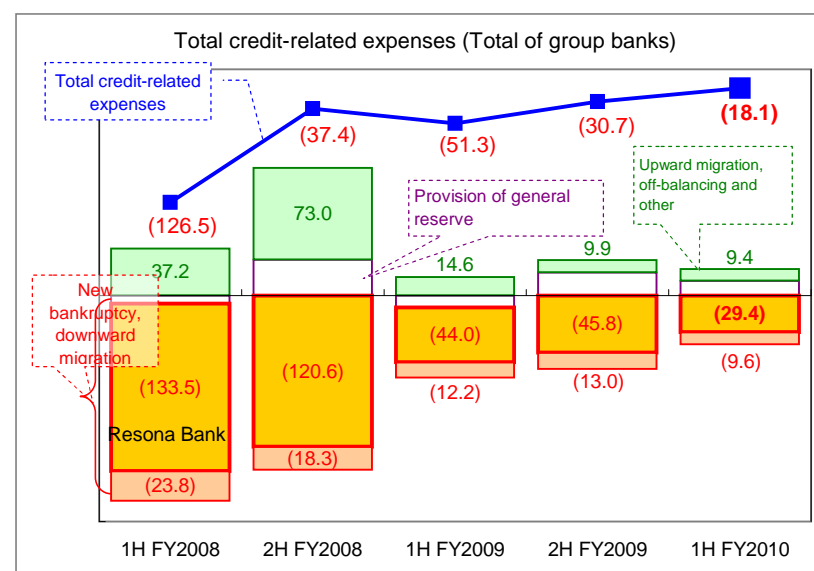
(c) Collection of claims from "doubtful" or lower category borrowers, gain from reversal of loan loss reserve due to off-balancing, and gain from recoveries of written-off claims

(d) Net impact of actual transfer to and reversal from general reserve for possible loan losses

	Total of 3 banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Unrecoverable or valueless claims	83.5	51.8	14.0	17.5
Risk claims	422.4	301.1	78.1	43.1
Special attention loans	187.0	118.9	34.9	33.0
Total classified claims (NPL)	693.0	471.9	127.2	93.8
Change from Mar. 31, '10	34.0	13.4	12.8	7.7
NPL ratio *1	2.60%	2.67%	1.98%	3.65%
Change from Mar. 31, '10	0.17%	0.13%	0.21%	0.39%

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

*2. In addition to "securities," the reported figures include negotiable certificates of deposit from "Cash and due from banks" and a portion of "Monetary claims bought." Only available-for-sale securities with market prices are reported. Fair values of available-for-sale securities are based on prevailing market prices, etc. Resona Group did not adopt a new method for measuring the fair values of securities in accordance with the ASBJ Practical Issue Task Force No. 25. Resona Group did not change the holding purposes applicable to its bond holdings in accordance with the ASBJ Practical Task Force No. 26.



VI. Unrealized gain/(loss) on securities

	Total of 3 banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Held to maturity	36.0	10.0	20.1	5.8
Available for sale	94.8	49.2	45.2	0.3
Change from Mar. 31, 2010	(24.9)	(27.4)	(0.4)	2.9
Bonds	14.4	(4.2)	15.8	2.8
Variable rate JGBs	(9.1)	(7.3)	(1.6)	(0.1)
Stocks	82.0	51.2	29.7	1.0
Other	(1.5)	2.3	(0.3)	(3.5)

*1 Amounts less than 0.1 billion yen are rounded down.

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

(Billions of Yen)

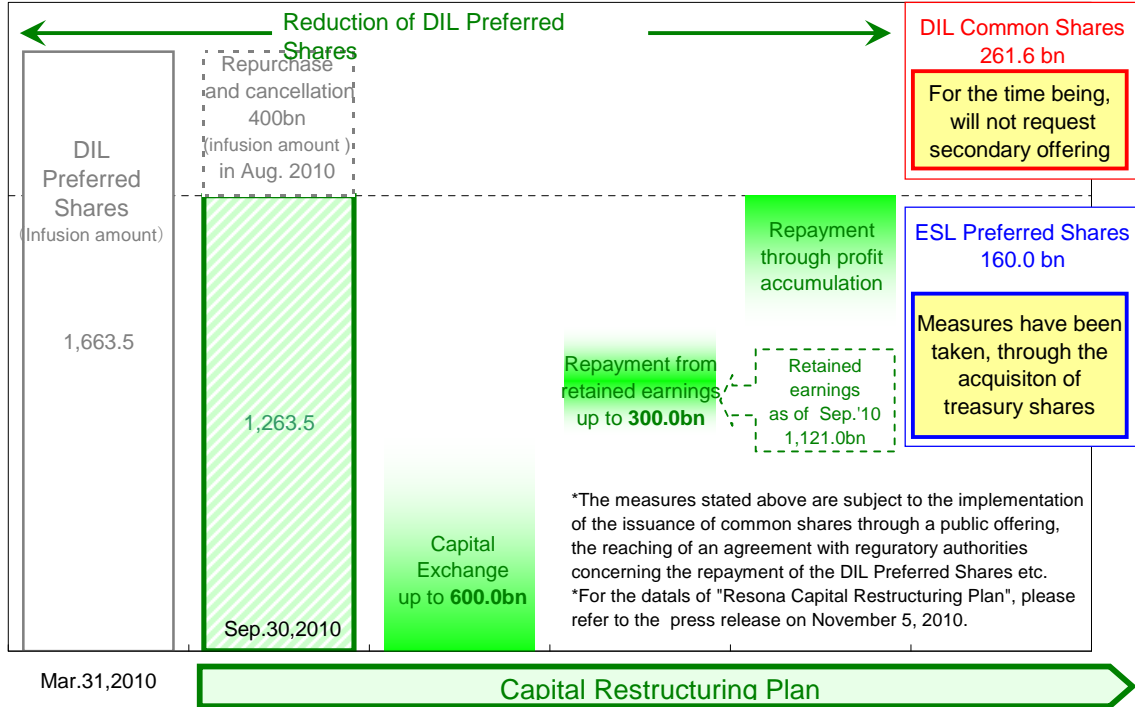
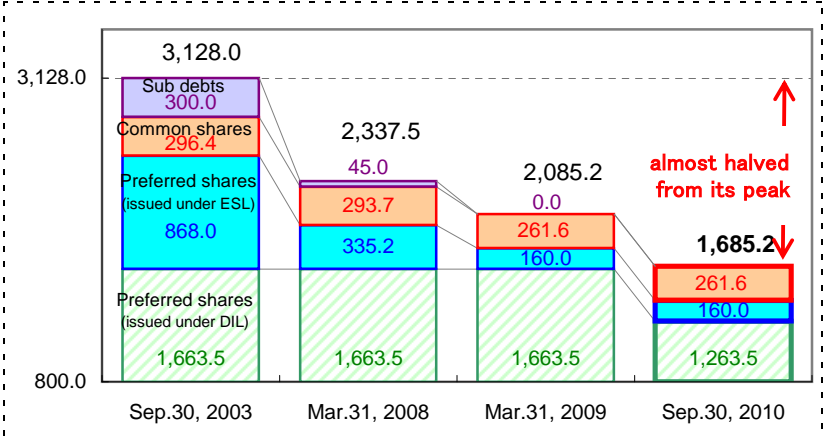
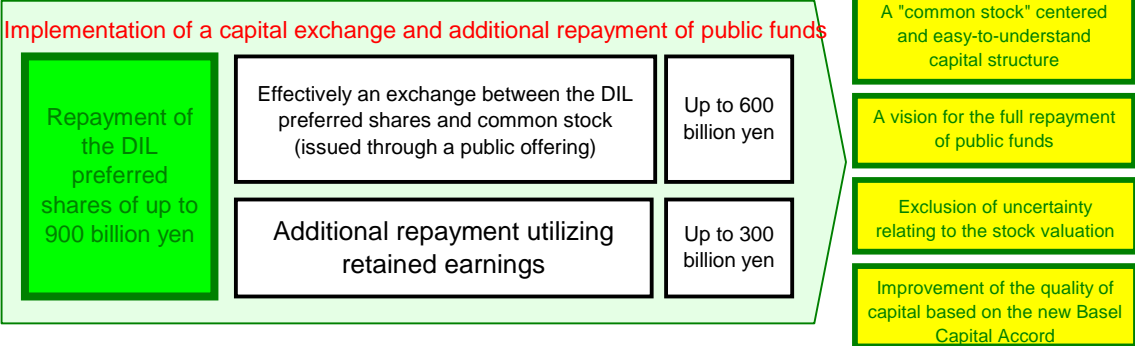
VII. Repayment of Public Funds / Combined retained

	Mandatory Conversion (First Call)	Amount Sep. 30, 2003 (1)	Amount Sep. 30, 2010 (2)	(2) - (1)
Total public funds received		3,128.0	1,685.2	(1,442.7)
Preferred shares		2,531.5	1,423.5	(1,108.0)
Early Strengthening Law		868.0	160.0	(708.0)
Class B	Apr. 2009	408.0	-	(408.0)
Class C	Apr. 2015	60.0	60.0	-
Class E	Dec. 2009	300.0	-	(300.0)
Class F	Dec. 2014	100.0	100.0	-
Deposit Insurance Law		1,663.5	1,263.5	(400.0)
Class 1	N/A	550.0	150.0	(400.0)
Class 2	N/A	563.5	563.5	-
Class 3	N/A	550.0	550.0	-
Subordinated debts		300.0	-	(300.0)
Financial Function Stabilization Law		200.0	-	(200.0)
Early Strengthening Law	Mar. 2009	100.0	-	(100.0)
Common Shares	N/A	296.4	261.6	(34.7)

“Resona Capital Restructuring Plan” (Announced on Nov.5, 2010)
 - Capital Restructuring aiming at the growth over the next 10 years -

*Shifting the emphasis of capital policy from the “repayment of public funds” to the **“improvement of common stock shareholder value”**

Linking the future business results directly to the improvement of common stock shareholder value
 => Improvement of the long-term total return to be earned by the common stock shareholders



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

VIII. Capital Adequacy Ratio

	Sep. '09	Mar. '10 (A)	Sep. '10 (B)	(preliminary) (B)-(A)
RHD consolidated capital adequacy ratio (Japanese Domestic Standard)	13.09%	13.81%	12.80%	(1.01%)
Tier I ratio	9.73%	10.20%	9.06%	(1.14%)
Deferred tax asset ratio *1	14.19%	11.90%	11.54%	(0.36%)
Total qualifying capital (RHD consolidated)	2,676.4	2,814.0	2,432.7	(381.2)
Tier I	1,988.6	2,078.6	1,722.3	(356.3)
Tier II	714.8	752.1	726.2	(25.9)
Deduction	27.0	16.7	15.7	(0.9)
Risk-weighted assets (RHD consolidated)	20,437.2	20,371.4	18,998.8	(1,372.5)
Total required capital (RHD consolidated)*2	1,634.9	1,629.7	1,519.9	(109.8)

<Reference>

RHD consolidated capital adequacy ratio (BIS International Standard) *3	13.50%	14.19%	12.98%	(1.21%)
Tier I ratio	9.62%	10.08%	8.87%	(1.21%)

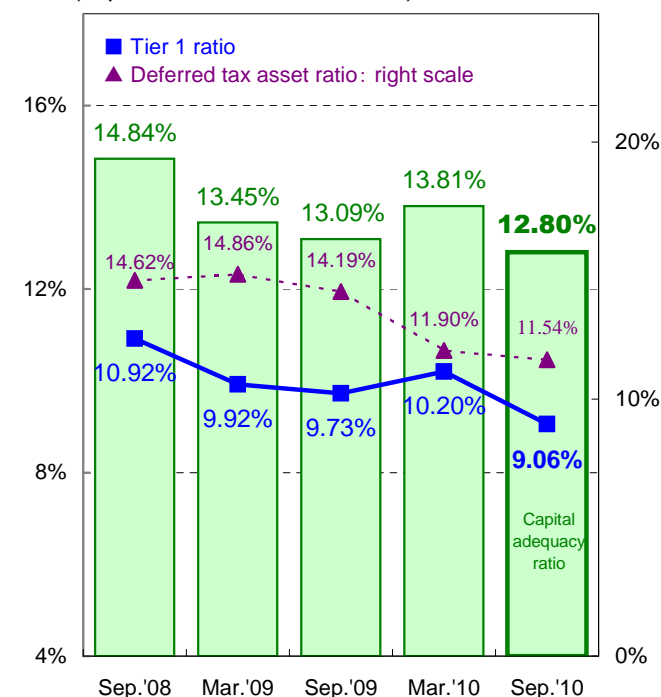
	Resona Consolidated	Saitama Resona Non-consolidated	Kinki Osaka Consolidated
Capital adequacy ratio (Japanese Domestic Standard)	12.11%	12.03%	11.30%
Change from Mar. 31, 2010	1.08%	0.94%	0.59%
Tier I ratio	8.37%	7.54%	6.76%
Total qualifying capital	1,613.9	440.9	184.7
Change from Mar. 31, 2010	19.1	15.8	2.4
Tier I	1,115.6	276.2	110.7
Tier II	538.8	177.2	75.2
Deduction	40.5	12.5	1.1
Risk-weighted assets	13,318.2	3,663.5	1,635.2
Change from Mar. 31, 2010	(1,135.9)	(168.2)	(66.7)
Total required capital *2	1,065.4	293.0	65.4
Change from Mar. 31, 2010	(90.8)	(13.4)	(2.6)

*1 Amounts less than 0.1 billion yen are rounded down.

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

(Billions of Yen)

[Reference]

Trends in RHD consolidated capital adequacy ratio
(Japanese domestic standard)

(Note 1):

Deferred tax assets, net of deferred tax liabilities / Tier I capital

(Note 2):

The Japanese Domestic Standard is applicable to Resona Holdings and its subsidiary banks for calculations of capital adequacy ratios. However, total required capital of Resona Holdings, Resona Bank and Saitama Resona Bank is calculated as "risk-weighted assets x 8%" since they adopted the F-IRB approach for capital adequacy ratio calculations. Total required capital of Kinki Osaka Bank which adopted the Standardized Approach is calculated as "risk-weighted assets x 4%."

(Note 3):

The reported figures are calculated based on "partial relaxation of capital adequacy requirement for banks, etc." under Article 2, Paragraph 2 of the FSA Notification No. 79 of 2008, which allows financial institutions not to reflect valuation loss on national government bonds and similar securities in their Tier I capital as well as the calculation of Tier II capital without reflecting valuation gain on such securities. As of September 30, 2010, the consolidated capital adequacy ratio and Tier I ratio calculated based on the former criteria without applying this special treatment would be 13.01% and 8.87%, respectively.

(Billions of yen)

IX. Earnings Forecasts for Fiscal Year Ending March 31, 2011

	Resona Holdings (Consolidated)			
	1H FY'10 (Actual)	Full year forecast	Change from original forecast	Change from previous year
Consolidated ordinary income	460.4	875.0	45.0	(0.1)
Consolidated ordinary profit	114.7	175.0	5.0	22.7
Net (interim) income	81.7	135.0	—	2.8

Forecast of capital adequacy ratios

Lower 12%
range*1

*1. The forecast of capital adequacy ratio as of Mar. 31, 2011 would be "in the upper 10% range" if a capital raising of 600 billion yen through a public offering of common stock shares and repurchase and cancellation of DIL preferred shares of 900 billion yen are successfully implemented by the end of this current fiscal year.

	Resona Holdings (Non-consolidated)			
	1H FY'10 (Actual)	Full year forecast	Change from original forecast	Change from previous year
Operating income	16.7	31.0	—	(8.0)
Operating profit	14.0	25.5	0.5	(7.1)
Ordinary profit	14.3	25.0	1.0	(7.6)
Net (interim) income	15.4	26.0	1.0	(8.9)

Forecast for term-end per share dividend
on common stock *2

10 yen

Forecast for term-end per share dividend
on preferred stock *2

As pre-determined

*2 For details of the status of dividend distribution, please refer to the Tanshin report. In addition, Resona Group has announced to increase dividend on common stock per share by 20 percent and make an effort to distribute stable dividends thereafter, subject to implementation of a capital exchange and additional repayment of public funds described in "Resona Capital Restructuring Plan" press-released on November 5, 2010.

	Total of three banks (approx. figure)				Resona Bank			Saitama Resona Bank			Kinki Osaka Bank		
	1H FY'10 (Actual)	Full year forecast	Change from original forecast	Change from previous year	Full year forecast	Change from original forecast	Change from previous year	Full year forecast	Change from original forecast	Change from previous year	Full year forecast	Change from original forecast	Change from previous year
Gross operating profit	313.5	607.0	3.0	(8.2)	399.0	4.0	(7.6)	149.0	0.5	1.2	59.0	(1.5)	(1.7)
Operating expenses	(172.2)	(347.0)	(3.0)	3.5	(227.0)	(2.0)	3.8	(77.5)	(0.5)	(1.1)	(41.5)	-	1.7
Actual net operating profit	141.3	260.0	-	(4.6)	172.0	2.0	(3.7)	71.5	-	0.1	17.5	(1.5)	0.1
Ordinary profit	106.4	170.0	-	17.4	111.0	1.0	9.6	58.5	1.5	9.6	1.0	(3.0)	(1.2)
Income before income taxes	121.2	187.0	-	10.5	126.0	1.0	6.5	57.5	1.5	5.7	3.0	(3.0)	(2.1)
Net (interim) income	76.6	130.0	-	6.9									

Resona Group started applying a consolidated taxation system.

Gain/(loss) on stocks	(6.7)	-	(4.0)	(4.3)	-	(4.0)	(2.1)	-	-	(0.7)	-	-	(1.3)
Credit related expenses	(18.1)	(66.0)	4.0	16.1	(43.0)	4.0	11.1	(11.0)	1.5	5.7	(11.0)	(0.5)	0.2

Forecast of capital adequacy ratios

<Consolidated>
Lower 11% range<Non-consolidated>
Lower 11% range<Consolidated>
Approx. 11%

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

*1 Amounts less than 0.1 billion yen are rounded down.

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