
Financial Results for FY 2010
Reference Materials for Press Conference



RESONA

May 13, 2011



Resona Holdings, Inc.

I. Financial Highlights for FY2010

Consolidated net income increased YoY, topping the forecast (Pages 1-2)

- => Consolidated net income of Y160.0 bn, an increase of Y27.8 bn (+21.0%) YoY, topping the forecast by Y25.0 bn (+18.5%)
- * Y61.0 bn (+34.6%) YoY increase in income before income taxes and minority interests
 - The increase is mostly due to a decline in net credit cost by Y53.0 bn YoY (-46.3%)
- * Y33.2 bn YoY increase in income tax charges
 - Absence of DTA adjustment in relation to dutiable provisioning of loan loss reserves registered in the previous fiscal year

Top-line income reached the forecast level (Pages 3-4)

- * Actual net operating profit of Y260.0 bn, in line with the forecast (total of 3 group banks)
 - Despite a slight shortfall, net interest income almost in line with the forecast with a loan to deposit margin kept at 1.71% for the year as forecasted
 - Investment trust sale continued to recover, contributing to top-line income
- * Due to continued efforts to reduce costs, operating expenses decreased YoY and were less than the forecast level.

Maintained soundness in asset quality (Page 5 and Page 7)

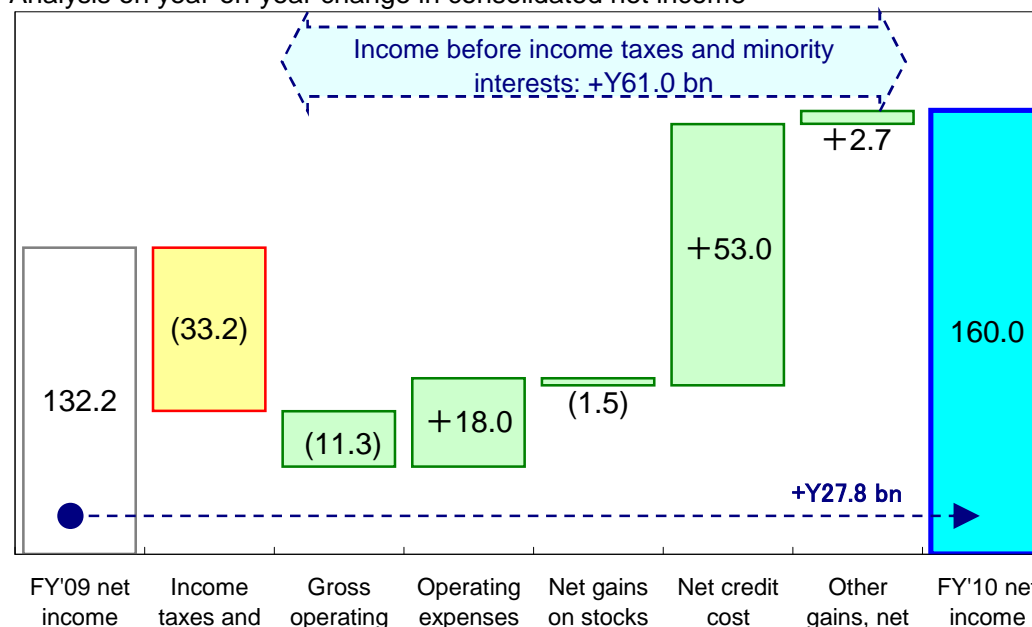
- * NPL Ratio as of Mar. 31, 2011 : 2.43% (total of 3 group banks)
- * Unrealized gain on available-for-sale securities as of Mar.31, 2011 : Y92.6 bn (total of 3 group banks)
- * Consolidated CAR as of Mar.31, 2011 : 11.21%, Tier1 ratio: 7.51% (preliminary ratios)

Steady progress in "Resona Capital Restructuring Plan" (Page 6)

- * Net proceeds from the issuance of new common shares : Y547.7 bn *1
 - * Repurchased and cancelled Y1,213.5 bn in total of the DIC Preferred Shares on an infusion amount basis *2
 - * Dividend on common shares increased by 2 yen per share
- *1 Issuance of new shares through public offering : Y521.1 bn
 Issuance of new shares through third-party allotment : Y26.5 bn
- *2 Aug. 2010 : Y400.0 bn (total amount spent on repurchase: Y425.7 bn)
 Mar. 2011 : Y813.5 bn (total amount spent on repurchase: Y881.9 bn)

(Billions of Yen)

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



Resona Holdings (Consolidated)	FY2010	
		YoY change
Consolidated gross operating profit	667.0	(11.3)
Income before income taxes and minority interests	237.1	61.0
Net income	160.0	27.8

Resona Holdings (Non-consolidated)	FY2010	
		YoY change
Operating income	31.3	(7.6)
Income before income taxes	24.2	(4.0)
Net income	26.2	(8.7)

	Total of 3 group banks (non-consolidated)			Resona Bank			Saitama Resona Bank			Kinki Osaka Bank		
	FY2010	YoY change	(announced in Nov. 2010) Change from forecast	Non-consolidated	YoY change	(announced in Nov. 2010) Change from forecast	Non-consolidated	YoY change	(announced in Nov. 2010) Change from forecast	Non-consolidated	YoY change	(announced in Nov. 2010) Change from forecast
Gross operating profit	605.7	(9.4)	(1.3)	400.8	(5.8)	1.8	148.3	0.4	(0.7)	56.6	(4.0)	(2.4)
Operating expenses	(345.6)	4.8	1.4	(227.5)	3.3	(0.5)	(76.2)	0.2	1.3	(41.8)	1.3	(0.3)
Actual net operating profit *1	260.0	(4.5)	0.0	173.2	(2.4)	1.2	72.0	0.6	0.5	14.7	(2.7)	(2.8)
Cost income ratio (after NPL disposal in the trust account)	57.0%	0.0%		56.7%	(0.0%)		51.3%	(0.3%)		73.9%	2.7%	

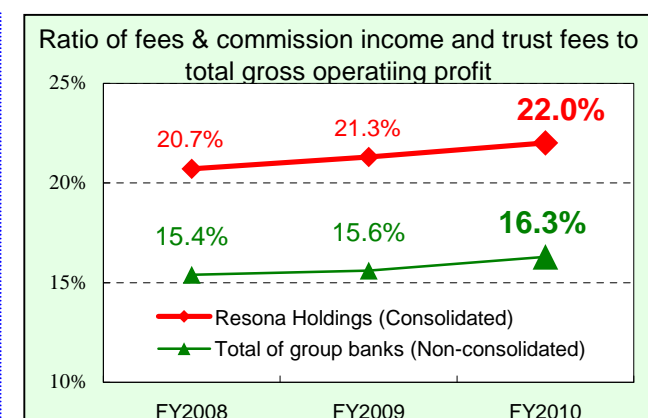
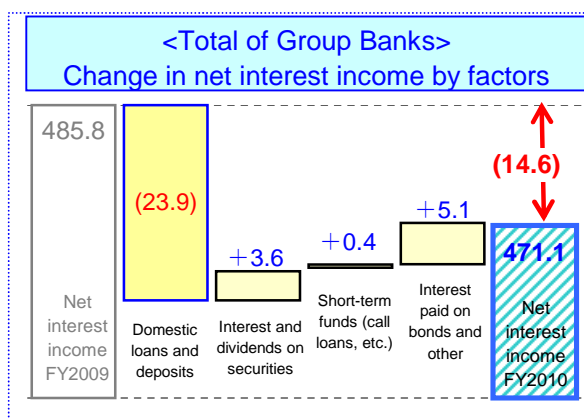
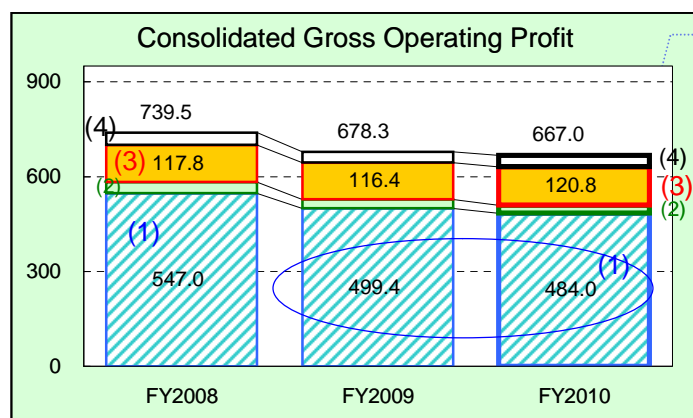
*1 Actual net operating profit: net operating profit before NPL disposal in the trust account and before transfer to general reserve for possible loan losses

*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 FY2010

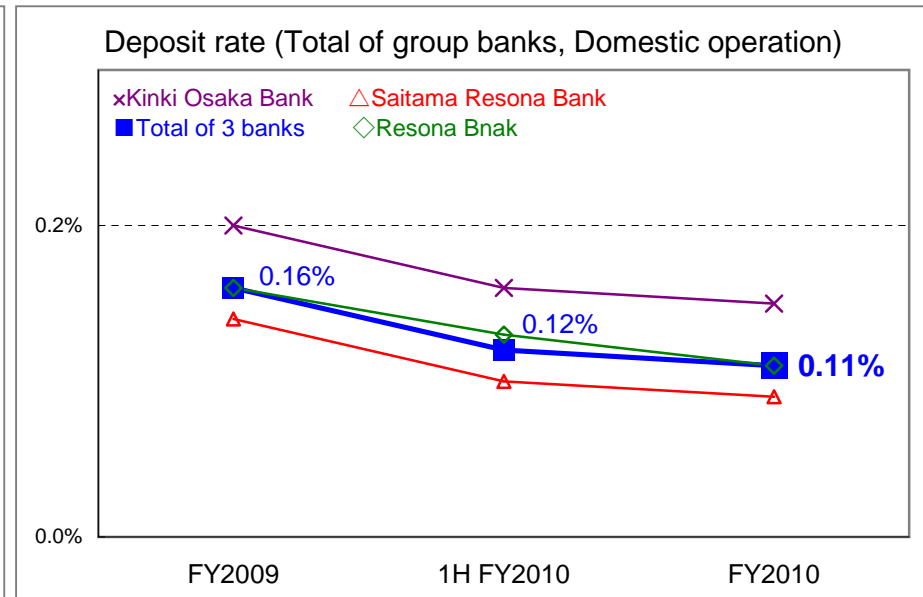
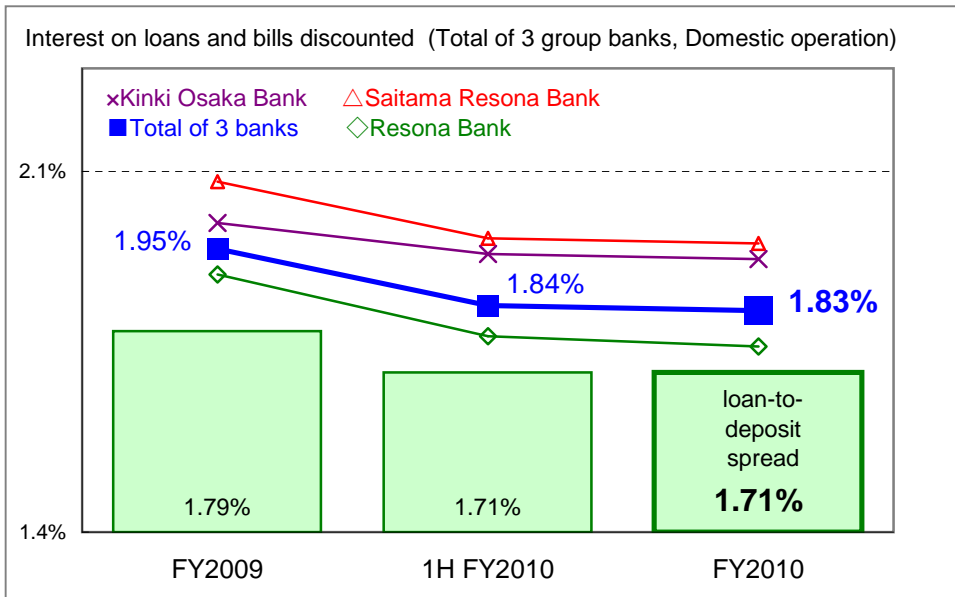
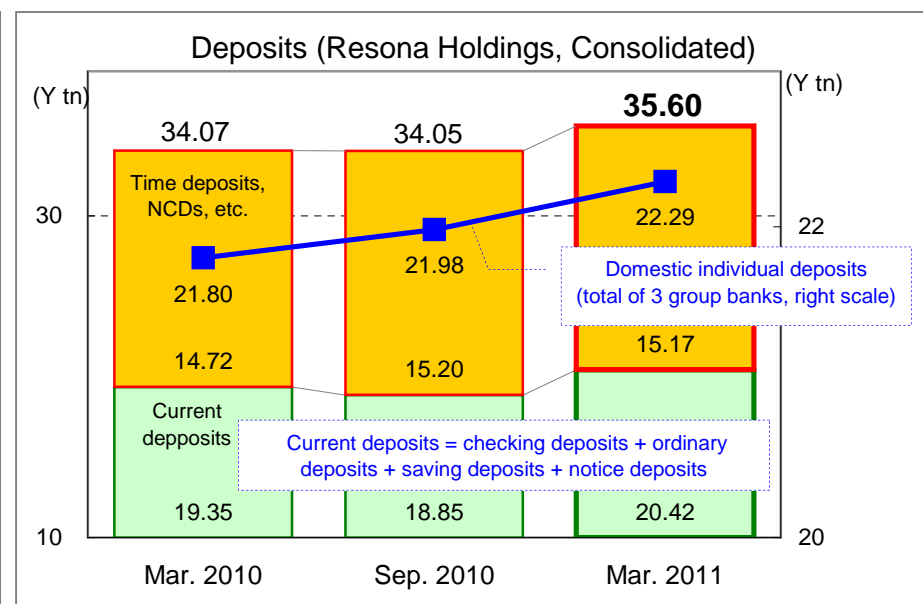
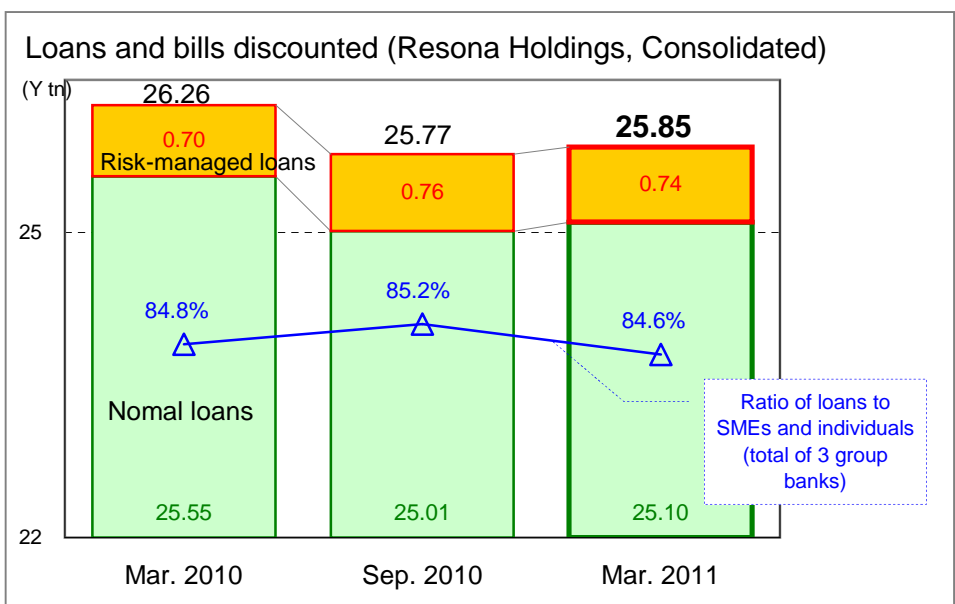
(Billions of Yen)

	Resona Holdings (Consolidated)		Difference (A) – (B)	Total of group banks (Non-consolidated)			Factors accounting for the difference(A)-(B) (Approx. figures) RC: Resona Card, RG: Resona Guarantee, RCP: Resona Capital		
	(A)	YoY change		(B)	YoY change	Resona Non-consolidated	Saitama Resona	Kinki Osaka Non-consolidated	
Gross operating profit	667.0	(11.3)	61.3	605.7	(9.4)	400.8	148.3	56.6	
(1) Net interest income	484.0	(15.4)	12.9	471.1	(14.6)	291.5	132.8	46.7	RC 5.5 bn and other
Income from loans and deposits (domestic operation)				421.7	(23.9)	265.1	114.5	42.0	Domestic operations; banking account; Deposits include NCDs
(2) Trust fees	25.9	(2.7)	-	25.9	(2.7)	25.9	-	-	
(3) Fees and commission income	120.8	4.4	47.9	72.9	5.2	53.2	12.5	7.1	RG 30.3 bn, RC 16.1 bn and other
(4) Other operating income	36.1	2.3	0.4	35.6	2.7	30.0	2.9	2.7	
Actual net operating profit				260.0	(4.5)	173.2	72.0	14.7	Net operating profit before transfer to general reserve for possible loan losses and expenses related to problem loan disposal in the trust account.
Operating expenses (including non-recurring items)	(369.4)	18.0	(19.3)	(350.0)	9.2	(228.2)	(78.1)	(43.5)	RC (12.7) bn, RG (3.7) bn and other
Net gain on stocks	(0.8)	(1.5)	0.8	(1.7)	(6.0)	(1.9)	(0.1)	0.4	
Credit related expenses, net	(61.5)	53.0	(24.7)	(36.8)	45.2	(17.5)	(10.7)	(8.4)	RG (20.1) bn, RC(5.7) bn and other
Other gain/(loss), net	1.8	2.7	1.2	0.6	2.1	2.3	(0.6)	(1.1)	
Income before income taxes	237.1	61.0	19.3	217.7	41.1	155.3	58.6	3.8	
Income taxes and other	(77.0)	(33.2)	(9.8)	(67.2)	(13.7)	(50.1)	(23.7)	6.6	Minority interests in net income (4.3) bn, Income tax of RHD and other (5.4) bn
Net income	160.0	27.8	9.5	150.5	27.3	105.1	34.8	10.4	



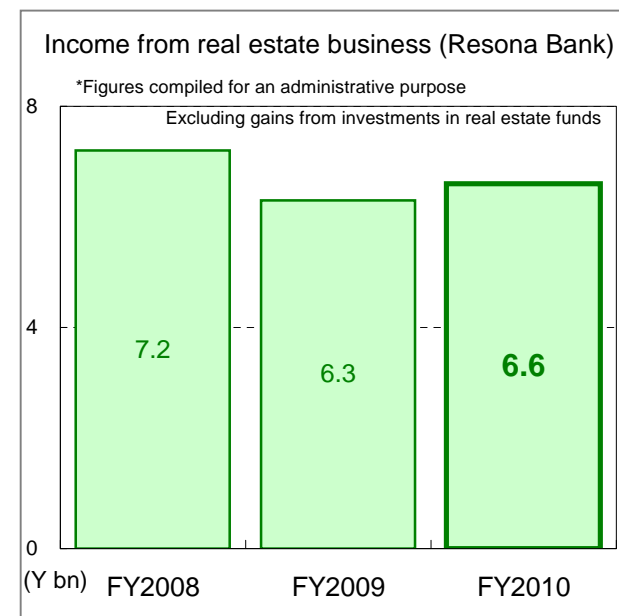
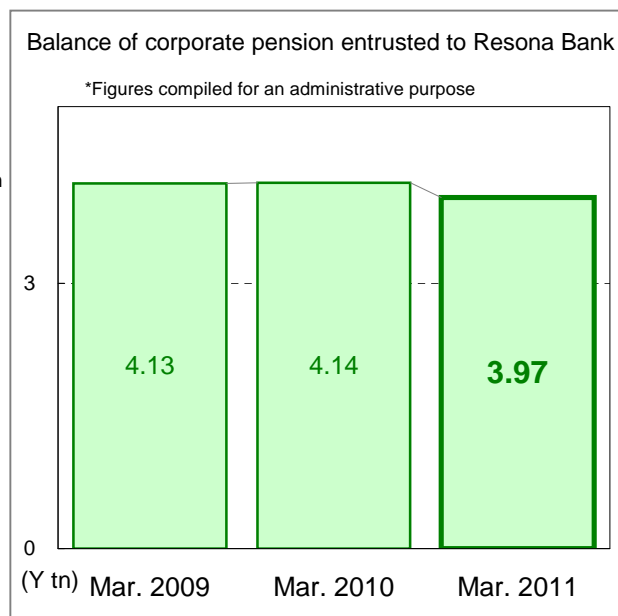
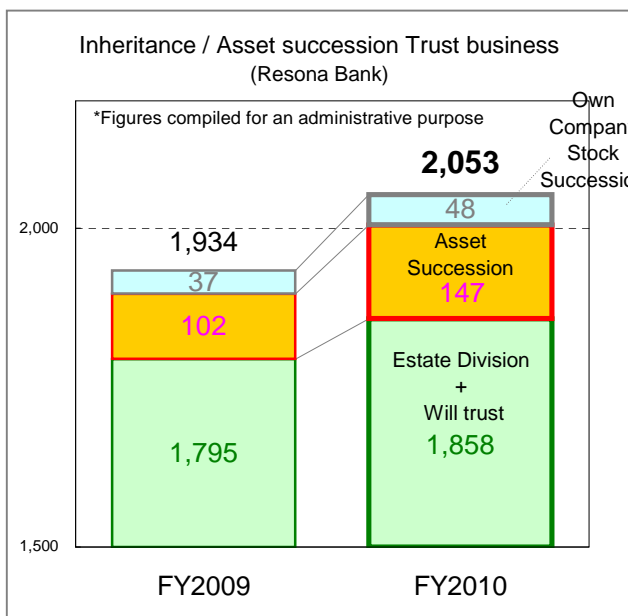
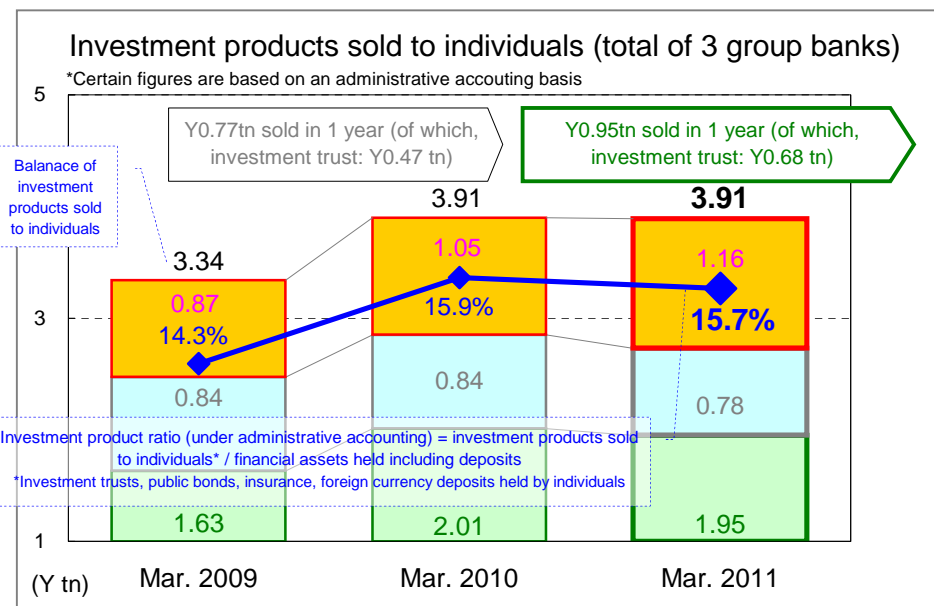
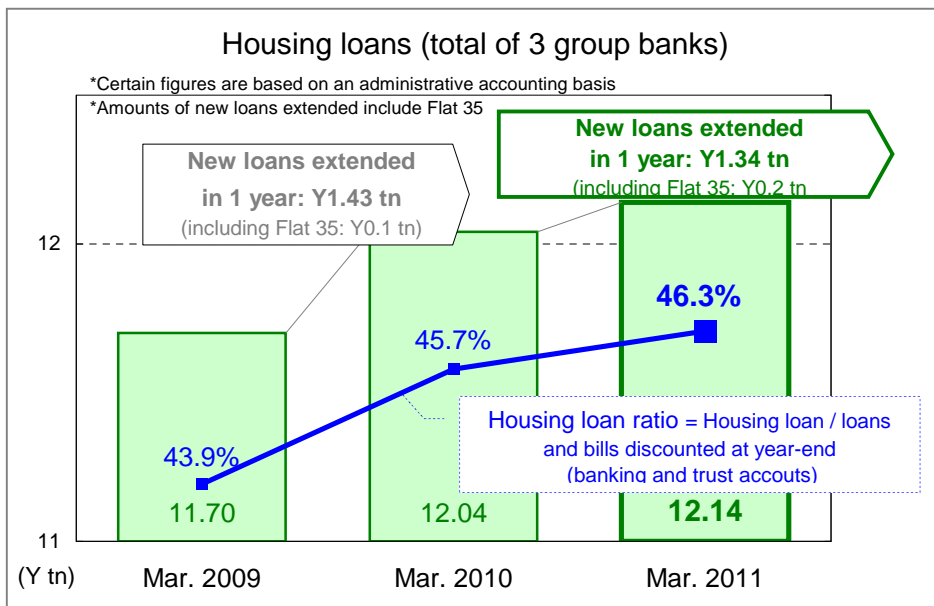
*1. Amounts less than 0.1 billion yen are rounded down.
*2. In principle, figures are based on non-consolidated figures of group banks.

III. Deposits, Loans and Bills Discounted



*1. Amounts less than 0.01 trillion yen are rounded down.
 *2. In principle, figures are based on non-consolidated figures of group banks.

IV. Resona's Core Business



*1. Amounts less than 0.1 bn yen and 0.01 tn yen are rounded down.
*2. In principle, figures are based on non-consolidated figures of group banks.

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	4.7	3.6	1.1	0.0
Net addition to specific reserve	(21.4)	(10.3)	(6.5)	(4.4)
Write-off of loans and others	(48.9)	(35.1)	(6.8)	(6.9)
Gain from recoveries of written-off claims	28.8	24.3	1.5	2.9
Total credit-related expenses	(36.8)	(17.5)	(10.7)	(8.4)
(a) New bankruptcy, downward migration	(67.0)	(47.1)	(11.6)	(8.2)
(b) Upward migration	12.5	9.9	2.2	0.2
(c) Off-balancing and other	12.0	15.0	(2.5)	(0.5)
(d) Provision of general reserve	5.7	4.5	1.1	0.0

- (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

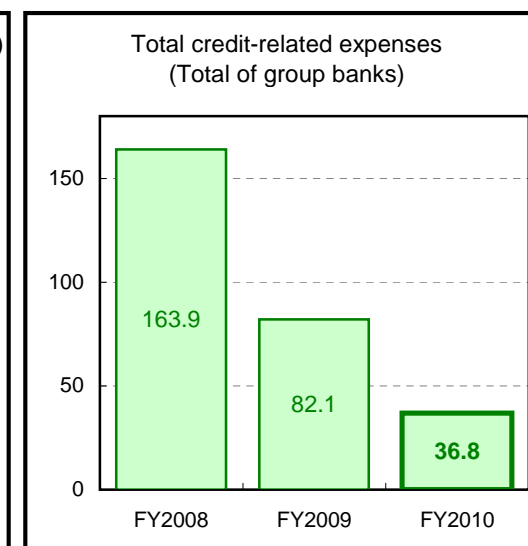
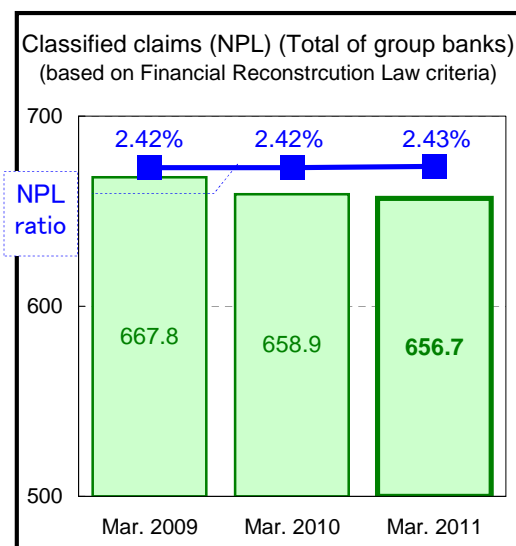
	Total of 3 banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Unrecoverable or valueless claims	79.0	48.1	16.0	14.8
Risk claims	409.4	282.7	79.2	47.5
Special attention loans	168.2	107.9	26.4	33.8
Total classified claims (NPL)	656.7	438.7	121.6	96.2
Change from Mar. 31, '10	(2.2)	(19.7)	7.2	10.2
NPL ratio *1	2.43%	2.44%	1.88%	3.78%
Change from Mar. 31, '10	0.00%	(0.09%)	0.11%	0.53%

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

*2. The figures presented in the table 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. Fair values of floating-rate Japanese government bonds, which are included in "bonds" in "available-for-sale securities", are based on the reference transaction price statistics prepared by the Japan Securities Dealers Association. These floating-rate JGBs would have ¥10.7 bn of unrealized gain based on the fair values computed with a valuation model utilized for an internal administration purpose.

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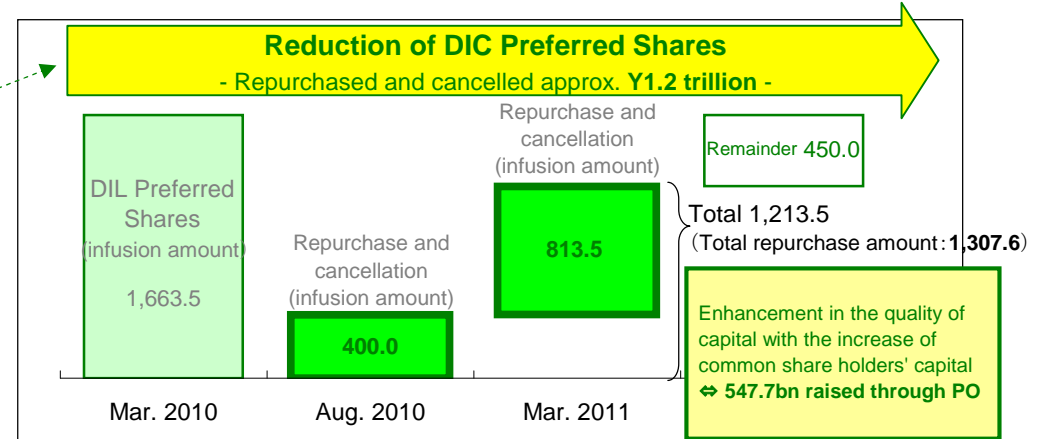
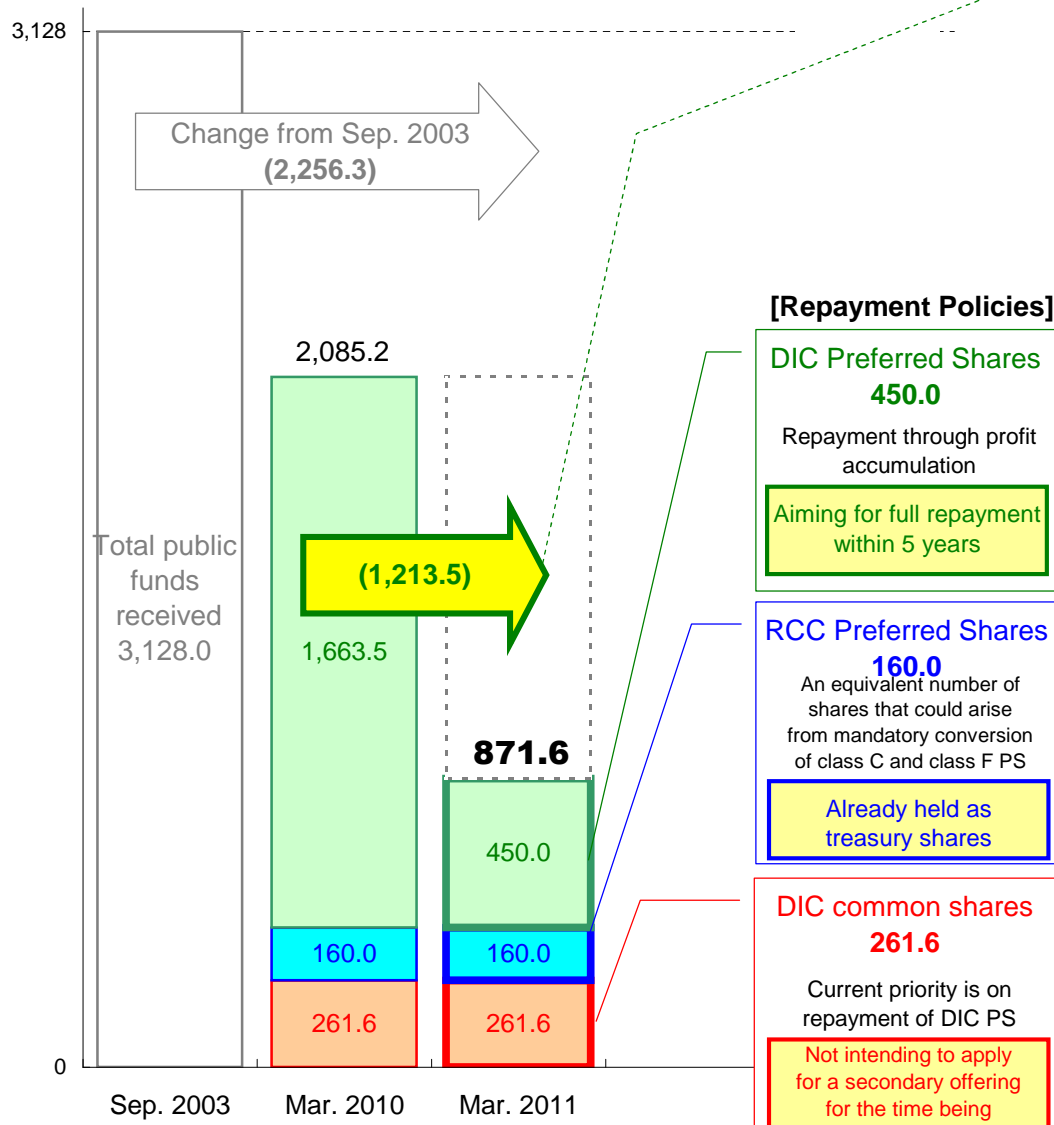


VI. Unrealized gain/(loss) on securities

	Total of 3 banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Held to maturity	24.5	3.1	15.2	6.1
Available for sale *2	92.6	60.4	36.2	(4.0)
Change from Mar. 31, 2010	(27.1)	(16.2)	(9.4)	(1.4)
Bonds	(14.3)	(17.2)	5.8	(3.0)
Variable rate JGBs	(6.5)	(5.5)	(1.1)	0.1
Stocks	111.9	79.8	30.6	1.4
Other	(4.9)	(2.1)	(0.3)	(2.4)

VII. Status of Public Funds

Change in amount of public funds (infusion amount basis) and policies towards repayment of public funds



	Amount Sep. 30, 2003 (1)	Amount Mar. 31, 2011 (2)	(2) - (1)	Time of Repayment
Total public funds received	3,128.0	871.6	(2,256.3)	
Preferred shares	2,531.5	610.0	(1,921.5)	
Early Strengthening Law	868.0	160.0	(708.0)	
Class B	408.0	-	(408.0)	Fully repaid in Mar. '09
Class C	60.0	60.0	-	
Class E	300.0	-	(300.0)	Fully repaid in Mar. '09
Class F	100.0	100.0	-	
Deposit Insurance Law	1,663.5	450.0	(1,213.5)	Repaid in FY2010
Class 1	550.0	-	(550.0)	
Class 2	563.5	-	(563.5)	
Class 3	550.0	450.0	(100.0)	
Subordinated debts	300.0	-	(300.0)	
Financial Function Stabilization Law	200.0	-	(200.0)	Fully repaid in Oct. '05
Early Strengthening Law	100.0	-	(100.0)	Fully repaid in Mar. '09
Common Shares	296.4	261.6	(34.7)	Repaid in Feb. '05 and 2 other times

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VIII. Capital Adequacy Ratio

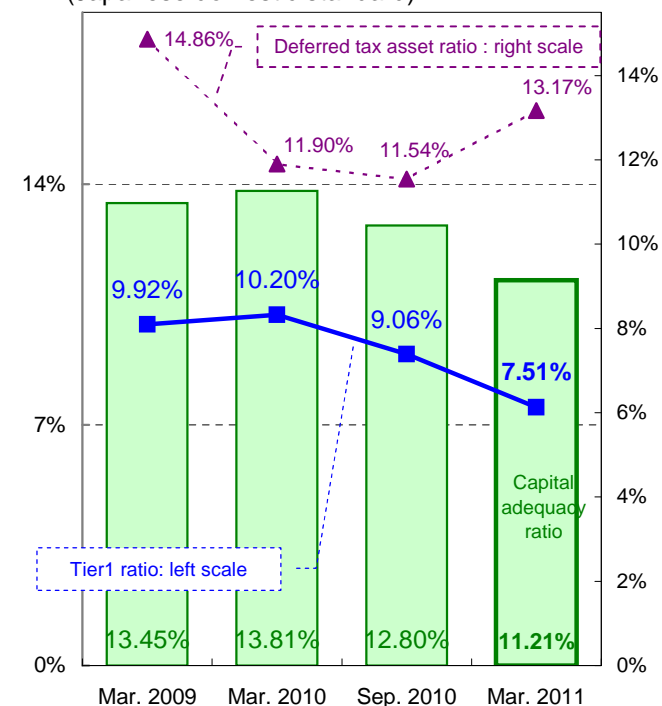
	Mar. '10 (A)	Sep. '10	Mar. '11 (B)	(B)-(A) (preliminary)
RHD consolidated capital adequacy ratio (Japanese Domestic Standard)	13.81%	12.80%	11.21%	(2.60%)
Tier 1 ratio	10.20%	9.06%	7.51%	(2.69%)
Deferred tax asset ratio ^{Note 1}	11.90%	11.54%	13.17%	1.27%
Total qualifying capital (RHD consolidated)	2,814.0	2,432.7	2,119.0	(695.0)
Tier 1	2,078.6	1,722.3	1,418.9	(659.7)
Tier 2	752.1	726.2	715.1	(36.9)
Deduction	16.7	15.7	15.0	(1.7)
Risk-weighted assets (RHD consolidated)	20,371.4	18,998.8	18,893.8	(1,477.5)
Total required capital (RHD consolidated) ^{Note 2}	1,629.7	1,519.9	1,511.5	(118.2)

<Reference>

RHD consolidated capital adequacy ratio (BIS International Standard) ^{Note 3}	14.19%	12.98%	11.43%	(2.76%)
Tier 1 ratio	10.08%	8.87%	7.32%	(2.76%)

	Resona Consolidated	Saitama Resona Non-consolidated	Kinki Osaka Consolidated
Capital adequacy ratio (Japanese Domestic Standard)	11.76%	12.10%	12.85%
Change from Mar. 31, 2010	0.73%	1.01%	2.14%
Tier 1 ratio	8.10%	7.55%	8.00%
Total qualifying capital	1,607.2	443.9	181.4
Change from Mar. 31, 2010	12.4	18.8	(0.9)
Tier 1	1,106.5	277.0	113.0
Tier 2	540.9	177.2	69.2
Deduction	40.2	10.2	0.8
Risk-weighted assets	13,660.5	3,668.1	1,411.5
Change from Mar. 31, 2010	(793.6)	(163.6)	(290.3)
Total required capital *2	1,092.8	293.4	112.9
Change from Mar. 31, 2010	(63.4)	(13.0)	44.8

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



(Note 1):
Deferred tax assets, net of deferred tax liabilities / Tier 1 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 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 as of March 31, 2010 was 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 1 capital as well as the calculation of Tier 2 capital without reflecting valuation gain on such securities. As of March 31, 2011, the consolidated capital adequacy ratio and Tier 1 ratio calculated based on the former criteria without applying this special treatment would be 11.39% and 7.32%, respectively.

*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)

IX. Earnings Forecasts for Fiscal Year Ending March 31, 2012

	Resona Holdings (Consolidated)		
	Interim forecasts	Full year forecasts	Change from previous year
Consolidated ordinary income	420.0	830.0	(29.8)
Consolidated ordinary profit	97.0	190.0	(20.2)
Net (interim) income	75.0	150.0	(10.0)

Forecast of capital adequacy ratio	Middle of 11%
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	Resona Holdings (Non-consolidated)		
	Interim forecasts	Full year forecasts	Change from previous year
Operating income	75.0	150.0	118.7
Operating profit	70.0	140.0	114.0
Ordinary profit	70.0	140.0	116.7
Net (interim) income	70.0	140.0	113.8

Forecast for term-end per share dividend on common stock*1	12 yen
Forecast for term-end per share dividend on preferred stock *1	As pre-determined

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

	Total of 3 group banks (approx. figure)				Resona Bank			Saitama Resona Bank			Kinki Osaka Bank		
	Interim forecasts	Full year forecasts	Change from previous year	Change from BRP	Interim forecasts	Full year forecasts	Change from previous year*2	Interim forecasts	Full year forecasts	Change from previous year	Interim forecasts	Full year forecasts	Change from previous year
Gross operating profit	298.0	602.0	(3.7)	(1.0)	196.5	397.0	(3.8)	74.0	149.0	0.7	28.0	56.0	(0.6)
Operating expenses	(173.0)	(344.0)	1.6	2.0	(113.5)	(226.0)	1.5	(38.5)	(77.0)	(0.8)	(20.5)	(41.0)	0.8
Actual net operating profit	125.0	258.0	(2.0)	1.0	83.0	171.0	(2.2)	35.5	72.0	-	7.5	15.0	0.3
Ordinary profit	93.0	182.0	(11.0)	(13.0)	61.5	119.0	(14.8)	31.0	60.0	2.1	1.0	2.5	1.3
Income before income taxes	100.0	200.0	(17.7)	8.0	68.5	136.0	(19.3)	30.5	59.5	0.9	2.0	4.5	0.7
Net (interim) income	72.5	145.0	(5.5)	14.0	Resona Group adopts a consolidated taxation system.								

Net gain on stocks	-	-	1.7	(4.0)	-	-	1.9	-	-	0.1	-	-	(0.4)
Credit related expenses	(27.0)	(59.0)	(22.2)	5.0	(17.5)	(40.0)	(22.5)	(4.5)	(10.0)	0.7	(4.5)	(8.5)	(0.1)

Forecast of capital adequacy ratios

<Consolidated>

Middle of 11%

<Non-consolidated>

Lower half of 11%

<Consolidated>

Lower half of 12%

The forward-looking statements contained in this presentation 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.

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