
Financial Results for First Half of FY 2012
Financial Highlights



RESONA

November 9, 2012



Resona Holdings, Inc.

I. Financial Highlights for First Half of Fiscal Year 2012

Posted Y175.6 bn of consolidated net interim income (Page 1-2)

- ⇒ Increase of Y47.4 YoY (+37.0%), surpassing the forecast by Y105.6bn (+150.8%)
- Income taxes: decrease of Y67.8bn YoY
- ⇒ Effect of the change in applicable clause relating to recoverability of DTA*1 : +Y90.1bn
- Income before income taxes and minority interests: decrease of Y20.3bn YoY (-13.1%)
- ⇒ Primarily due to an absence of special dividend on trust beneficiary right (one-off item in 1H FY2011): (Y13.4bn) YoY, and a decrease in net gains on stocks: (Y17.9bn) YoY
- ⇒ Contrary, net credit-related expenses decreased by Y12.1bn YoY
- *1. Defined in the "Audit Guideline for Considering Recoverability of Deferred Tax Assets (JICPA Audit Committee Report No. 66)

Actual net operating profit (total of 3 group banks): almost flat YoY excluding a one-off item, outperforming the forecast (Page 1-4)

- ⇒ Decrease of Y15.6bn YoY(-11.2%), but surpassing the forecast by Y7.7bn (+6.6%)
- ⇒ Decrease of Y2.1bn (-1.5%) YoY, excluding a one-off item
- Consolidated loan balance has hit the bottom and started increasing (+Y370bn YoY)
- Robust growth in sale of insurance products (around 50% increase YoY)
- Entire top-line income was assisted by steadily augmented net gains on bonds (increase of Y4.4bn YoY).
- Efforts to reduce non-personnel expenses => Operating expenses down Y3.6bn YoY and Y3.7bn from the forecast

Maintained financial soundness (Total of group banks as of Sep. 30, 2012) (Page 5)

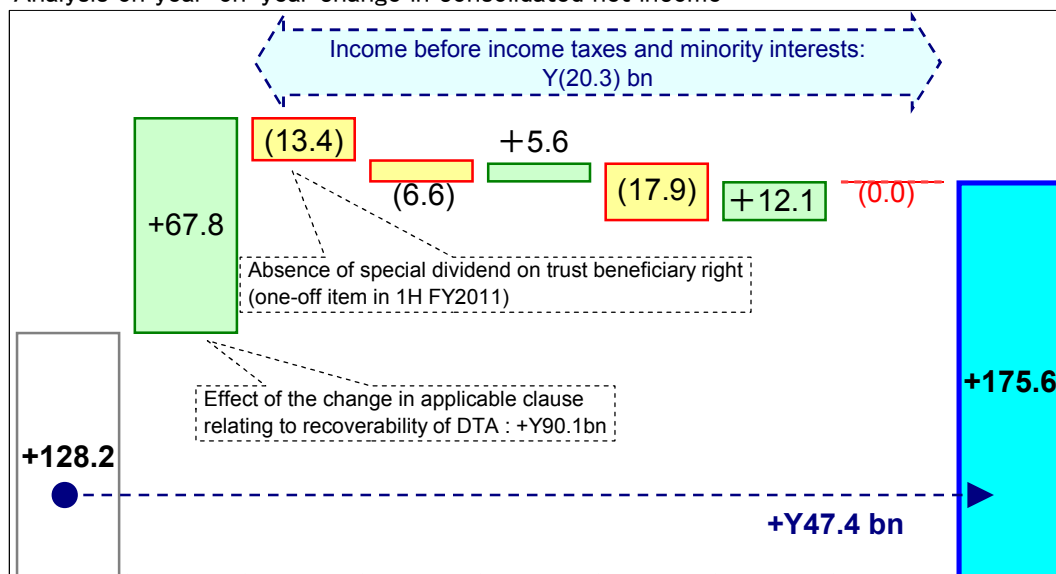
- NPL ratio at 2.30%, kept at a low level
- Maintained Y111.9bn of net unrealized gain on available-for-sale securities
- Balance of stockholdings*: Y319.7bn with a ratio to consolidated Tier1 standing at 17.8%
- *At cost, excluding stocks of subsidiaries and affiliated companies and unlisted stocks

Maintained capital adequacy ratio at an appropriate level

(Consolidated basis as of Sep. 30, 2012) (Page 7)

- Capital adequacy ratio (provisional): 14.15%, Tier 1 ratio (provisional): 10.33%

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



	1H FY11 net interim income	Income taxes and other	One-time gain in FY11	Other gross operating profit	Operating expenses	Net losses on stocks	Net credit cost	Other gains/losses, net	1H FY12 net interim income
Resona Holdings (Consolidated)									
				(Announced in May 2012)					
			YoY change	Change from forecast					
Ordinary profit	135.0	(21.6)	+25.0						
Net interim income	175.6	+47.4	+105.6						

	1H FY2012	YoY change	Change from forecast
Resona Holdings (Non-consolidated)			
Operating income	118.4	+42.2	+1.4
Ordinary profit	118.7	+42.5	+1.7
Net interim income	118.7	+42.5	+1.7

	Total of 3 group banks (Non-consolidated) (announced in May 2012)			Resona Bnak (announced in May 2012)		Saitama Resona Bank (announced in May 2012)		Kinki Osaka Bank (announced in May 2012)				
	1H FY2012	YoY change	Change from forecast	YoY change	Change from forecast	YoY change	Change from forecast	YoY change	Change from forecast			
Gross operating profit	290.1	(19.3)	+4.1	193.0	(16.7)	+5.0	70.9	(2.0)	(1.6)	26.1	(0.5)	+0.6
Operating expenses	(166.3)	+3.6	+3.7	(108.8)	+3.0	+2.2	(37.8)	(0.0)	+0.7	(19.7)	+0.5	+0.8
Actual net operating profit*	123.7	(15.6)	+7.7	84.2	(13.6)	+7.2	33.1	(2.0)	(0.9)	6.3	+0.0	+1.3
Cost income ratio (after NPL disposal in the trust account)	57.3%	+2.3%		56.3%	+3.0%		53.2%	+1.4%		75.6%	(0.5)%	

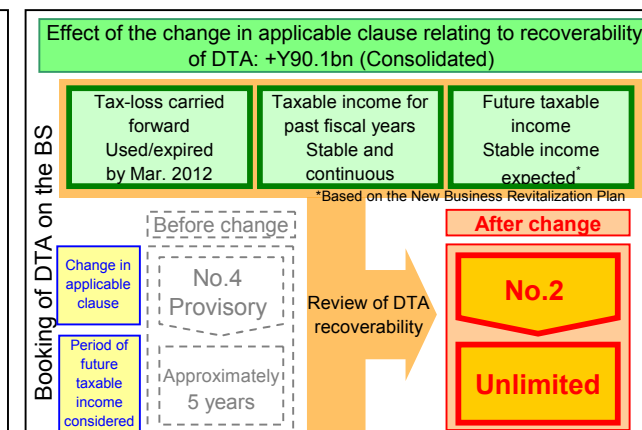
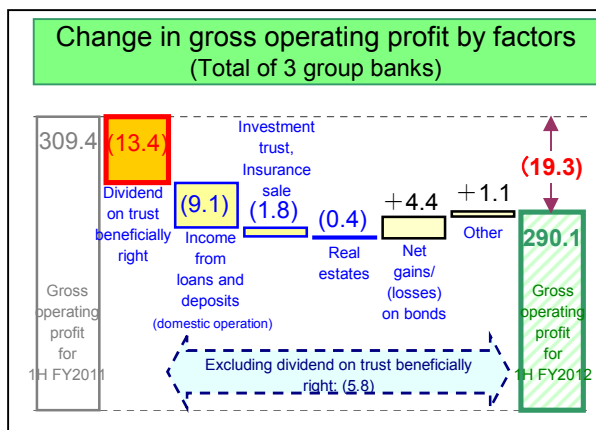
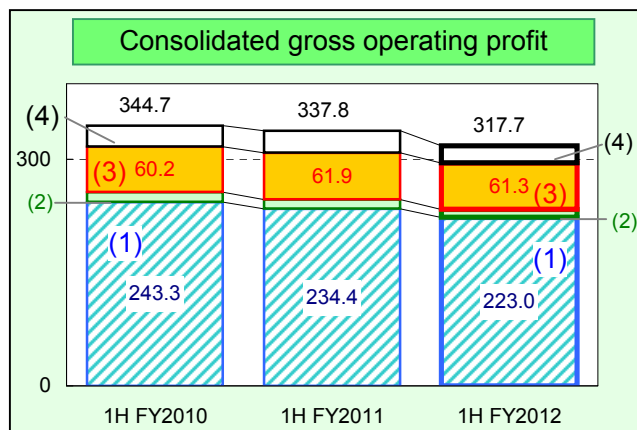
* Actual net operating profit: Net operating profit before NPL disposal in the trust account and before transfer to general reserve for possible loan losses

*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 FY2012

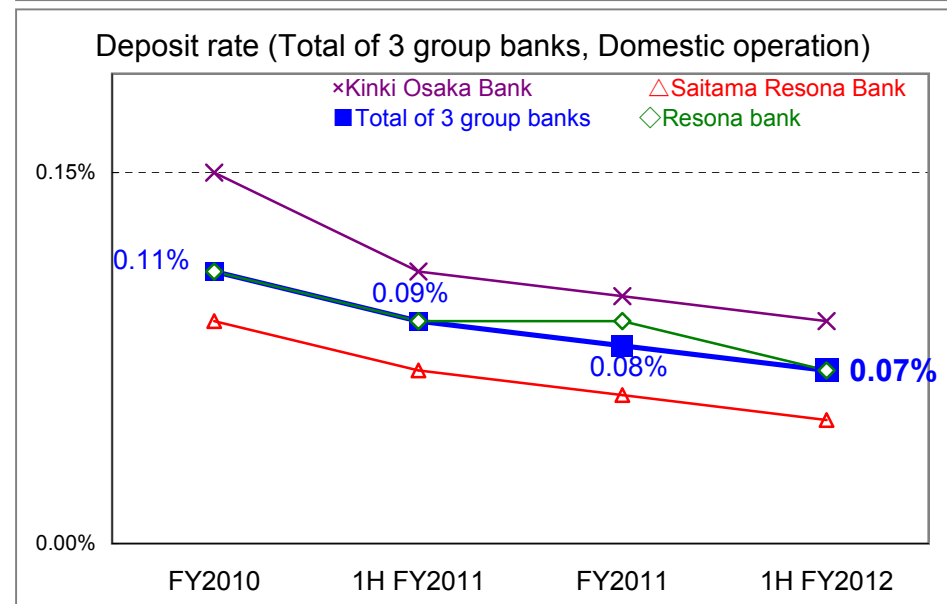
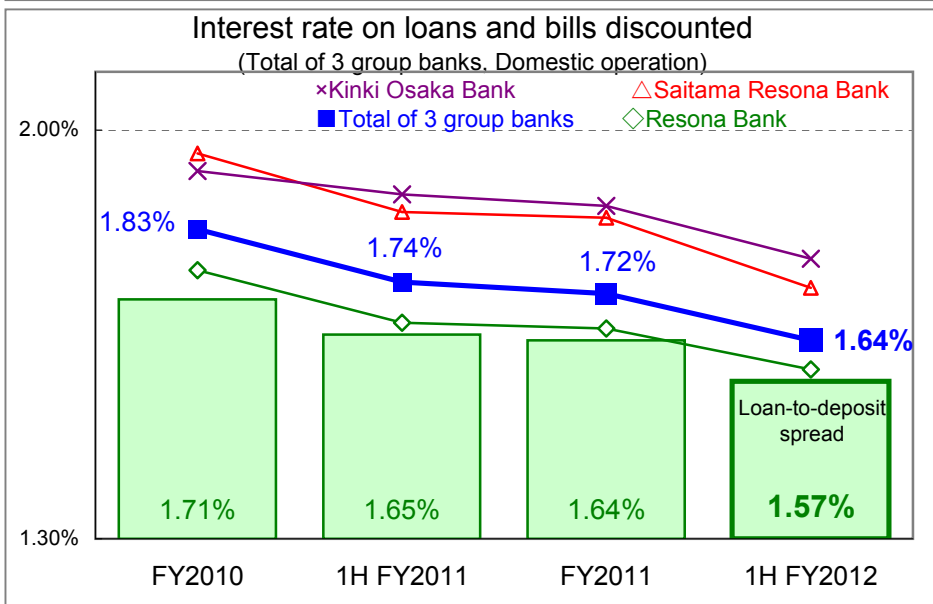
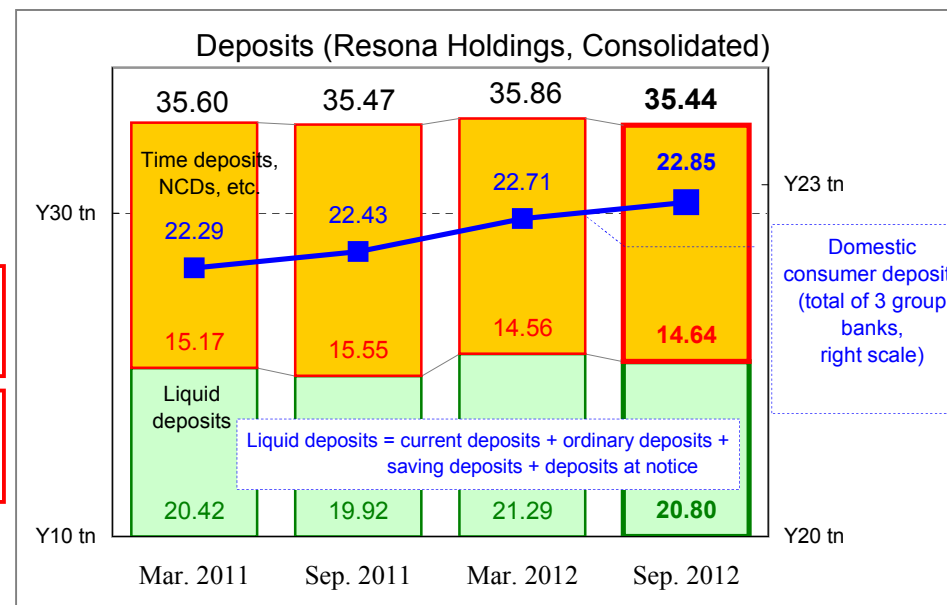
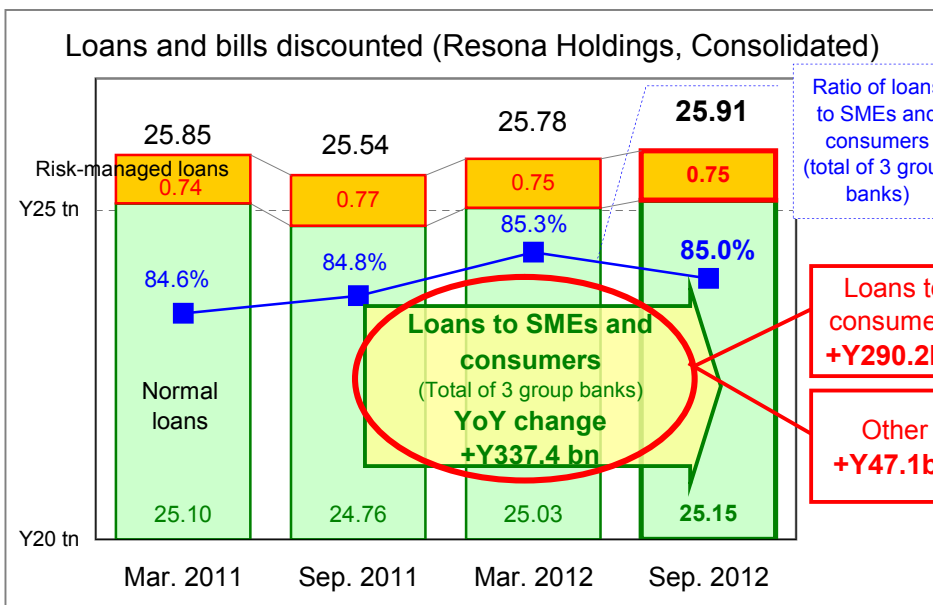
	Resona Holdings (Consolidated)		Difference (A) - (B)	Total of 3 group banks (Non-consolidated)			Factors accounting for the difference (A)-(B) (Approx. figures) RC: Resona Card, RG: Resona Guarantee		
	(A)	YoY change		(B)	YoY change	Resona	Saitama Resona	Kinki Osaka	
Gross operating profit	317.7	(20.1)	+27.6	290.1	(19.3)	193.0	70.9	26.1	
(1) Net interest income	223.0	(11.3)	+4.6	218.4	(11.0)	135.2	61.8	21.2	RC 1.8 bn and other
Income from loans and deposits				194.8	(9.1)	122.0	53.4	19.4	Domestic operations, Banking account and Deposits include NCDs
(2) Trust fees	10.6	(1.6)	(0.0)	10.6	(1.6)	10.6	-	-	
(3) Fees and commission income	61.3	(0.5)	+22.4	38.9	+0.1	27.8	7.7	3.3	RG 14.5 bn, RC 7.2 bn and other
(4) Other operating income	22.6	(6.6)	+0.5	22.1	(6.8)	19.2	1.3	1.4	
Actual net operating profit				123.7	(15.6)	84.2	33.1	6.3	Net operating profit before NPL disposal in the trust account and before provision to general reserve for possible loan losses
Operating expenses (including non-recurring items)	(175.8)	+5.6	(8.8)	(166.9)	+4.8	(108.0)	(38.5)	(20.3)	RC (5.8) bn, RG (1.6) bn and other
Net gains/(losses) on stocks	(17.6)	(17.9)	+0.2	(17.8)	(18.2)	(17.0)	0.0	(0.8)	
Credit related expenses, net	5.3	+12.1	(5.9)	11.2	+10.8	13.0	1.0	(2.8)	RG (2.6) bn, RC (1.7) bn and other
Other gain/(loss), net	5.1	(0.0)	+0.5	4.5	+0.2	4.5	0.3	(0.3)	
Income before income taxes	134.7	(20.3)	+13.6	121.1	(21.5)	85.4	33.9	1.7	
Income taxes and other	40.9	+67.8	+1.3	39.5	+59.9	49.4	(9.0)	(0.9)	Minority interests in net income (1.2) bn, Income tax of RHD and other 2.6 bn
Net interim income	175.6	+47.4	+14.9	160.6	+38.4	134.9	24.9	0.8	



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

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

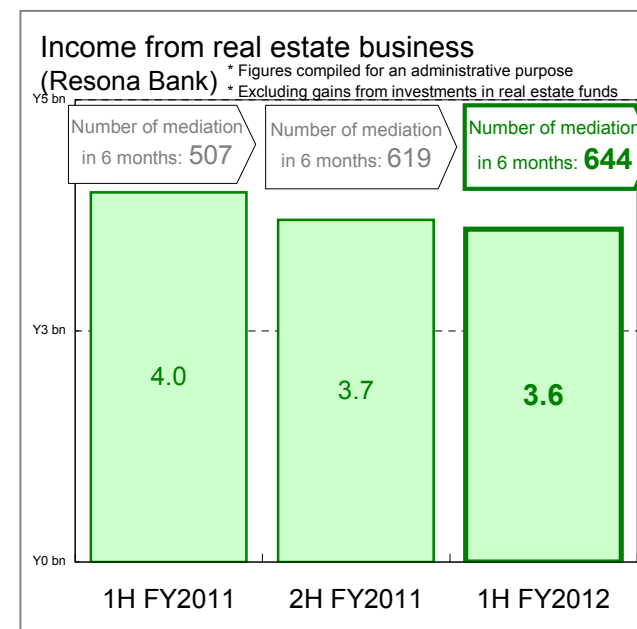
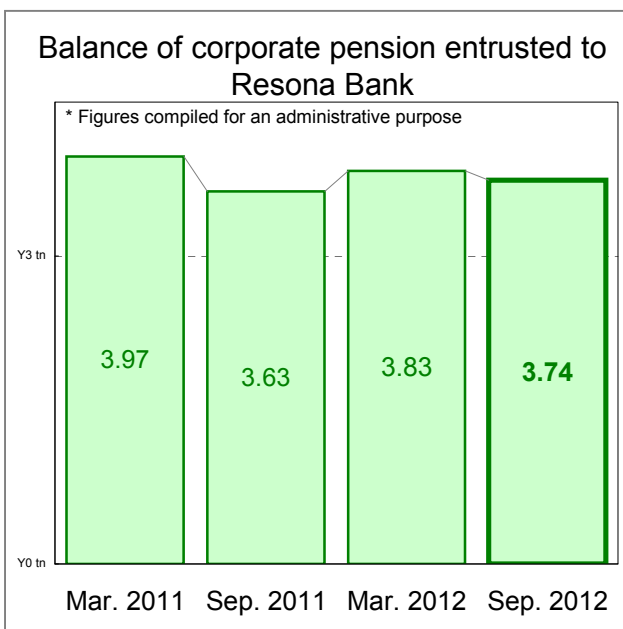
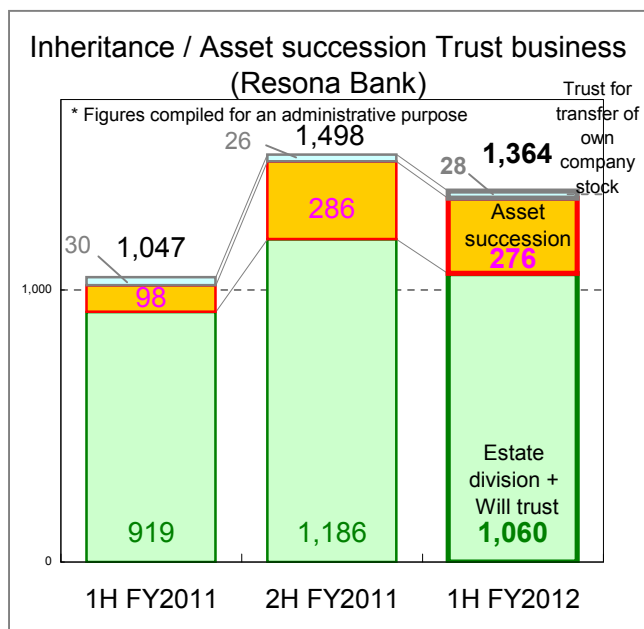
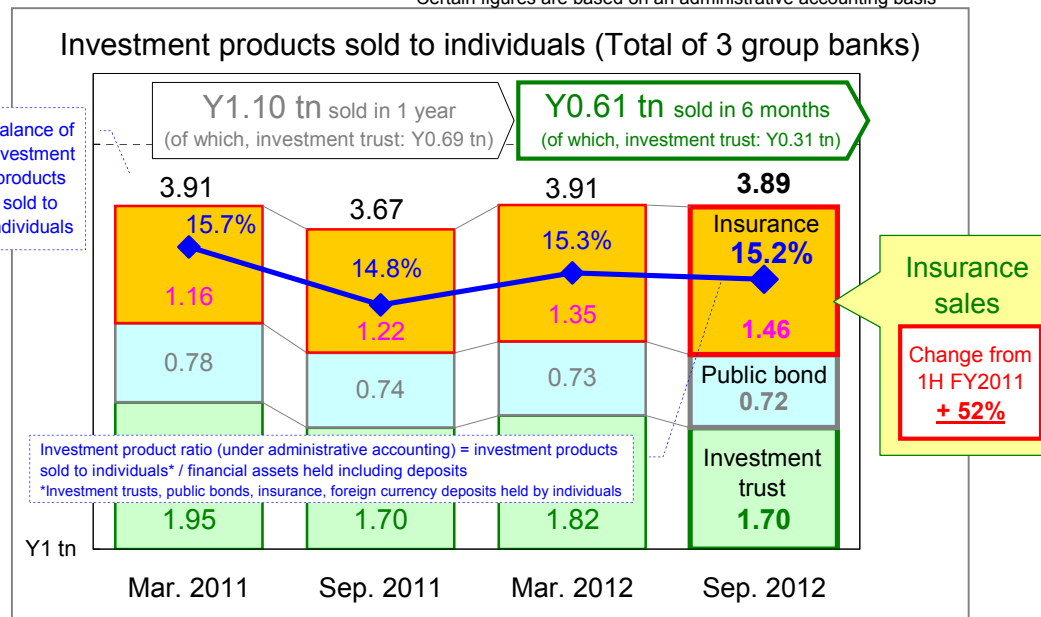
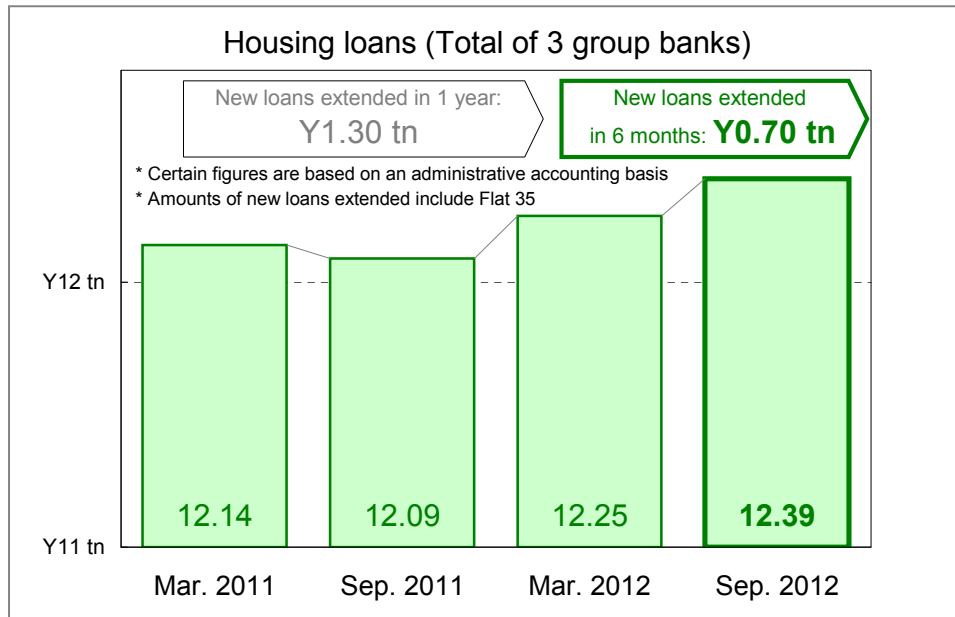
III. Deposits, Loans and Bills discounted



*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 Business ~Leading Field~

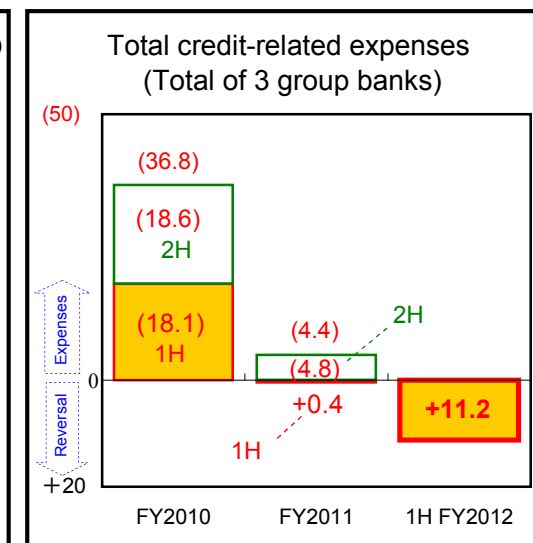
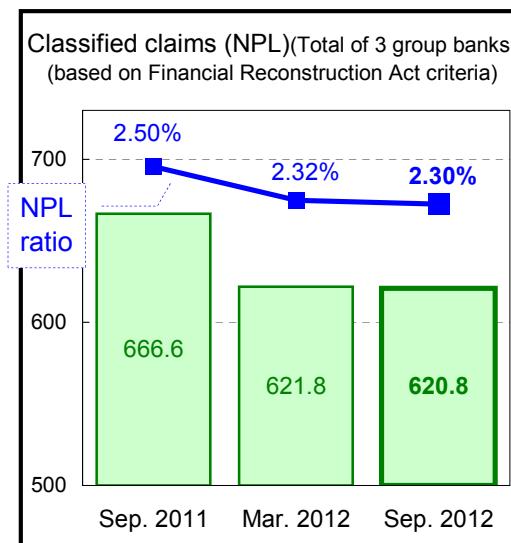
* Certain figures are based on an administrative accounting basis



*1. Amounts less than 0.1 billion 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 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Disposal in the trust account	0.0	0.0	-	-
Net addition to general reserve	20.4	14.4	4.7	1.2
Net addition to specific reserve	(1.4)	3.4	(2.6)	(2.2)
Write-off of loans and others	(14.4)	(10.5)	(1.3)	(2.5)
Gain from recoveries of write-off claims	6.7	5.6	0.3	0.7
Total credit-related expenses	11.2	13.0	1.0	(2.8)
(1) New bankruptcy, downward migration	(28.2)	(19.6)	(4.9)	(3.6)
(2) Upward migration	17.9	16.6	1.0	0.1
(3) Off-balancing and other	1.2	1.6	0.2	(0.6)
(4) Provision of general reserve	20.4	14.4	4.7	1.2



- (1) Loss from new bankruptcy or deterioration in borrower category, etc.
- (2) Reversal of loan loss reserve due to improvements in borrower category, etc.
- (3) 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 write-off claims
- (4) Net impact of actual transfer to and reversal from general reserve for possible loan losses

VI. Unrealized gains/(losses) on securities

	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Unrecoverable or valueless claims	68.6	45.2	13.2	10.1
Risk claims	402.0	261.0	82.4	58.4
Special attention loans	150.1	98.0	23.7	28.3
Total classified claims (NPL)	620.8	404.4	119.4	96.9
Change from Mar. 31, '12	(1.0)	(4.8)	+4.2	(0.4)
NPL ratio *1	2.30%	2.26%	1.80%	3.90%
Change from Mar. 31, '12	(0.01)%	(0.03)%	+0.04%	(0.01)%

	Total of 3 group banks	Resona Bank	Saitama Resona Bank	Kinki Osaka Bank
Held to maturity	66.0	35.4	23.4	7.1
Available for sale*3	111.9	62.4	46.4	3.0
Change from Mar. 31, '12	(19.6)	(18.0)	(2.4)	+0.8
Bonds*4	22.7	6.7	13.5	2.4
Floating rate JGBs	(0.5)	(0.6)	0.1	0.0
Stocks	92.1	57.0	33.1	2.0
Other	(3.0)	(1.3)	(0.1)	(1.4)
Balance of stock held (acquisition cost)*2	319.7	252.0	63.1	4.5

*1. NPL ratio = Total classified claims / Total claims defined under the Financial Reconstruction Act.

(Banking and trust accounts) (Total of 3 group banks)

*2. Reported figures do not include stocks issued by subsidiaries and affiliated companies and unlisted stocks.

*3. The presented figures only include marketable securities. 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."

*4. 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.

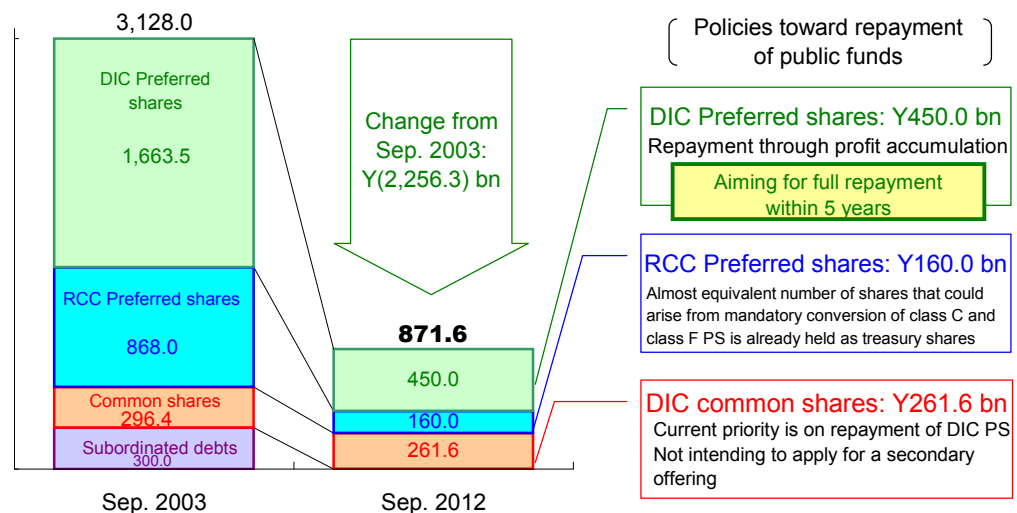
These floating-rate JGBs would have ¥3.7 bn of unrealized gain based on the fair values computed with a valuation model utilized for an internal administration purpose.

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

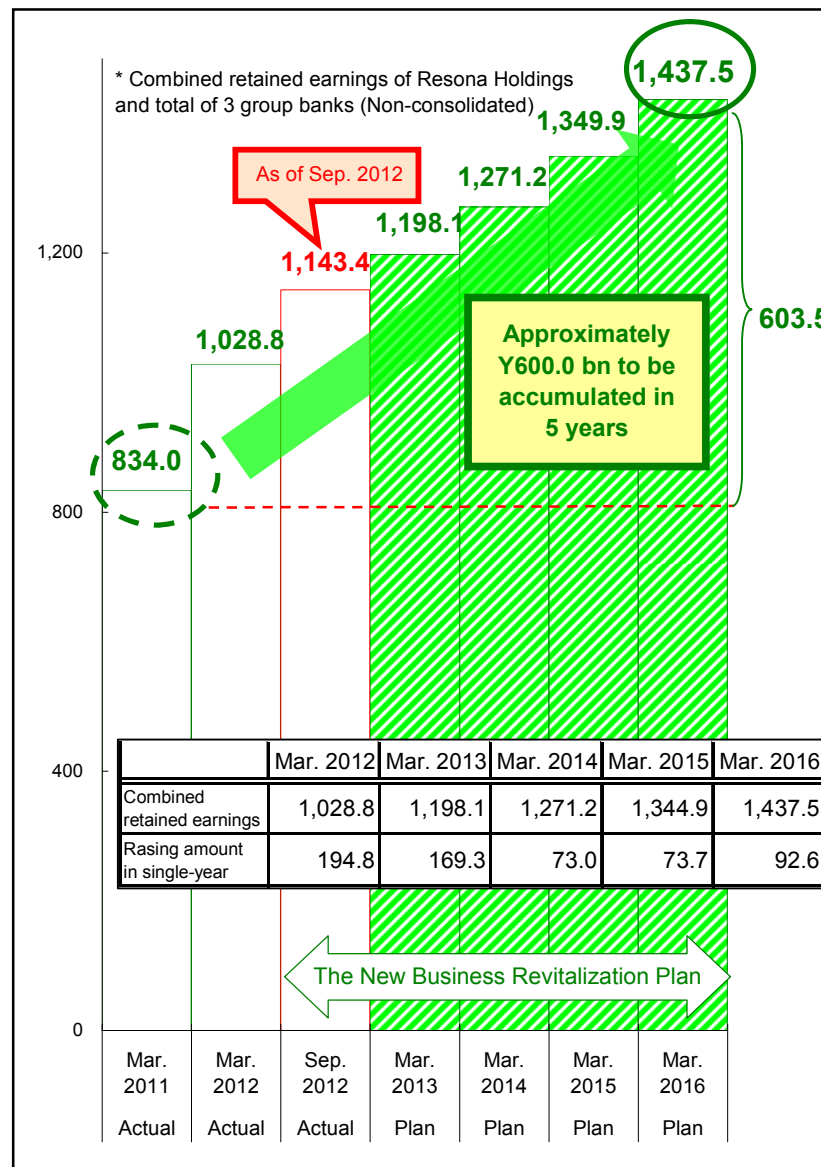
*2. In principle, figures are based on non-consolidated figures of group banks.

VII. Status of Public Funds

	Amount Sep. 30, 2003 (1)	Amount Sep. 30, 2012 (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)	
Class 1	550.0	—	(550.0)	Fully repaid in Mar. '11
Class 2	563.5	—	(563.5)	Fully repaid in Mar. '11
Class 3	550.0	450.0	(100.0)	Repaid in Mar. '11
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. '08 and 2 other times



[Reference] Accumulation of combined retained earnings



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

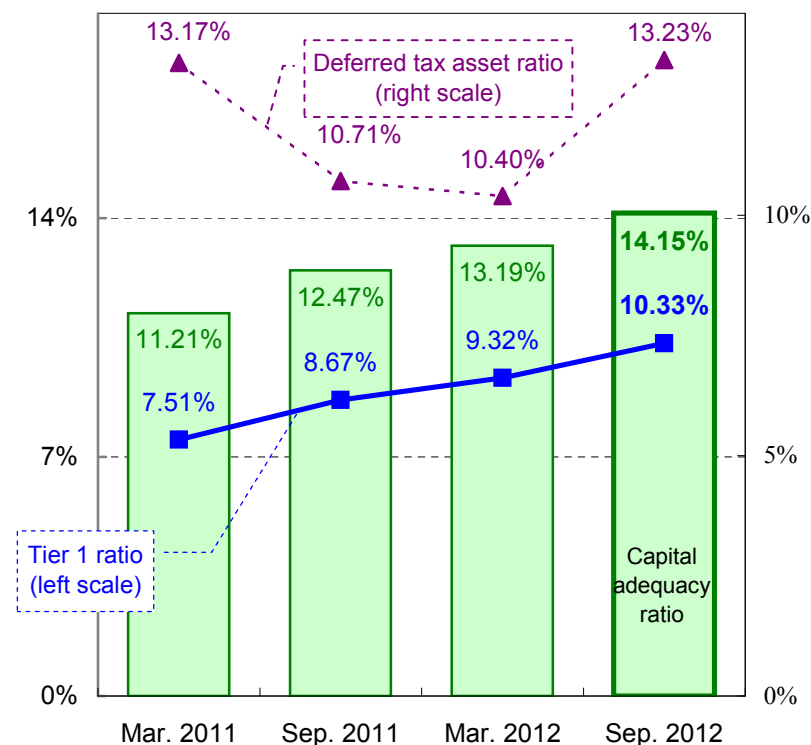
VIII. Capital Adequacy Ratio

	Sep. 2011	Mar. 2012 (1)	Sep. 2012 (2)	(Preliminary) (2) - (1)
RHD consolidated capital adequacy ratio (Japanese Domestic Standard)	12.47%	13.19%	14.15%	+0.96%
Tier 1 ratio	8.67%	9.32%	10.33%	+1.01%
Deferred tax asset ratio*1	10.71%	10.40%	13.23%	+2.83%
Total qualifying capital (RHD consolidated)	2,208.8	2,301.4	2,453.2	+151.8
Tier 1	1,536.6	1,627.0	1,790.5	+163.4
Risk-weighted assets (RHD consolidated)	17,706.4	17,442.1	17,326.7	(115.3)
Total required capital (RHD consolidated)*2	1,416.5	1,395.3	1,386.1	(9.2)

[Reference]

RHD consolidated capital adequacy ratio (BIS International Standard)	12.61%	13.50%	14.27%	+0.77%
Tier 1 ratio	8.50%	9.15%	10.03%	+0.88%

	Resona (Consolidated)	Saitama Resona (Non-consolidated)	Kinki Osaka (Consolidated)
Capital adequacy ratio (Japanese Domestic Standard)	14.16%	13.01%	14.04%
Change from Mar. 31, '12	+0.91%	+0.54%	+0.61%
Tier 1 ratio	10.33%	8.78%	9.41%
Total qualifying capital	1,759.7	448.2	177.2
Change from Mar. 31, '12	+115.0	+8.6	+1.3
Tier 1	1,283.3	302.4	118.8
Risk-weighted assets	12,420.5	3,444.2	1,262.4
Change from Mar. 31, '12	+13.0	(79.8)	(47.0)
Total required assets*2	993.6	275.5	100.9
Change from Mar. 31, '12	+1.0	(6.3)	(3.7)

[Reference] Trend of RHD consolidated capital adequacy ratio
(Japanese Domestic Standard)

*1 Deferred tax assets, net of deferred tax liabilities / Tier 1 capital

*2 Total required capital is calculated as "risk-weighted assets X 8%"

IX. Earnings Forecasts for Fiscal Year Ending March 31, 2013

	Resona Holdings (Consolidated)			
	1H FY'12 (Actual)	Full year forecast	Change from original forecast	Change from previous year
Consolidated ordinary profit	135.0	220.0	-	(54.8)
Net (interim) income	175.6	230.0	+90.0	(23.6)

	Resona Holdings (Non-consolidated)			
	1H FY'12 (Actual)	Full year forecast	Change from original forecast	Change from previous year
Operating income	121.9	243.0	-	+84.7
Operating profit	118.4	235.0	-	+84.2
Ordinary profit	118.7	235.0	-	+83.9
Net (interim) income	118.7	235.0	-	+83.9

Forecast of capital adequacy ratio

Upper half
of 13%

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

* For details of the status of dividend distribution, please refer to the "Consolidated Financial Results for the First Half of Fiscal Year 2012".

	Total of 3 group banks (approx. figures)				Resona Bank			Saitama Resona Bank			Kinki Osaka Bank		
	1H FY'12 (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	290.1	572.0	(5.0)	(26.6)	381.0	-	(22.1)	142.0	(4.0)	(1.5)	50.0	(0.5)	(1.9)
Operating expenses	(166.3)	(338.0)	+1.0	+0.8	(222.0)	-	+0.6	(76.5)	+0.5	(0.9)	(40.0)	+0.5	+0.5
Actual net operating profit	123.7	234.0	(4.0)	(25.7)	159.0	-	(21.5)	65.5	(3.5)	(2.3)	10.0	-	(1.4)
Ordinary profit	121.4	198.0	-	(46.1)	136.0	-	(43.2)	60.5	-	(1.1)	1.5	-	(1.6)
Income before income taxes	121.1	197.0	-	(45.6)	135.0	-	(43.4)	60.0	-	(1.3)	1.5	-	(1.4)
Net (interim) income	160.6	215.0	+85.0	(24.4)	(Resona Group adopts a consolidated taxation system.)								

Net gains/(losses) on stocks	(17.8)	(18.0)	(18.0)	(20.2)	(17.0)	(17.0)	(18.1)	-	-	(0.9)	(1.0)	(1.0)	(1.1)
Credit related expenses	11.2	(20.0)	+22.0	(15.6)	(10.0)	+17.0	(16.0)	(3.0)	+4.0	+1.3	(7.0)	+1.0	(0.8)

[Consolidated]

Middle
of 12%

[Non-consolidated]

Upper half
of 11%

[Consolidated]

Upper half
of 12%

Forecast of capital adequacy ratio

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.