
**Financial Results for the 1st Half of FY 2006
Reference Materials for Press Conference**



RESONA

November 22, 2006



Resona Holdings, Inc.

I. Financial Highlights for the 1st Half of Fiscal Year 2006

Registered a consolidated net interim income of Y460.9bn

- > Net interim income increased Y286.6bn from the same period previous year
- >> Brought some of the DTA back to the balance sheet by extending the taxable income estimation period to approximately 5 years.
- >Net income excluding the gains relating to the revision of DTA increased Y17.6bn from the same period previous year
- >Consolidated gross operating profit excluding a net gain (loss) on bonds increased Y18.3 bn from the same period previous year. (Please also refer to Page-2).

Combined retained earnings as of the end of September 2006 amounted to Y1.18 tn.

- > Resona Holdings implemented a provisional settlement of account and fixed the amount of funds available for distribution.
- >> Other capital surplus + retained earnings - treasury stock = Y681.7 bn

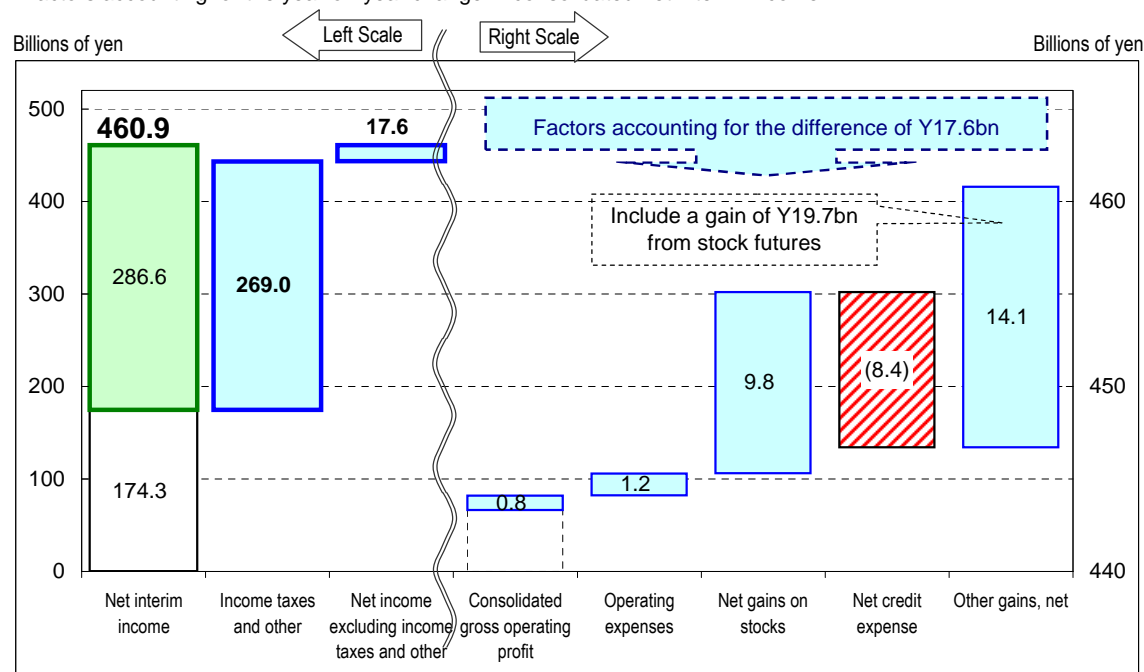
Repaid public funds

- >Repaid Y20.0bn of subordinated loans on November 2, 2006.

Core strength areas continue to be in good shape

- >Housing loans: Housing loan balance as of the end the interim period exceeded Y11tn. (Total of group banks)
- >Sale of financial product: Outstanding balance as of the end of the interim period exceeded Y3tn. (Total of group banks)
- >Real estate: Achieved the highest income of Y6.5bn for a first half period. (RB)
- >Corporate pension: Maintained over Y6 tn of entrusted assets. (RTB)

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



(Billions of yen)	Resona Holdings (Consolidated)			
	FY '05	1H FY '05	1H FY '06	Change from 1H FY '05
Consolidated gross operating profit	768.6	378.3	379.2	0.8
Interim income before income taxes	402.5	203.6	221.2	17.6
Net interim income	383.2	174.3	460.9	286.6

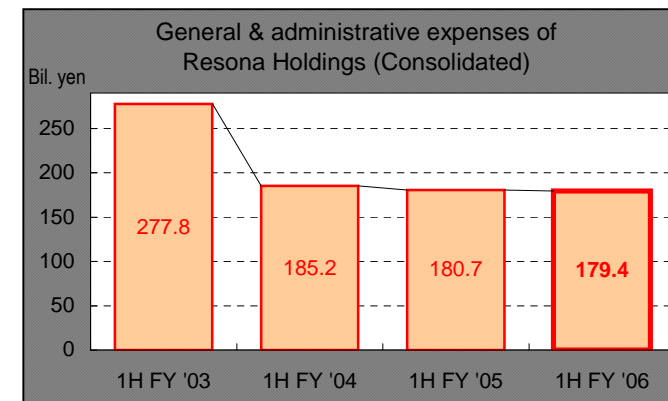
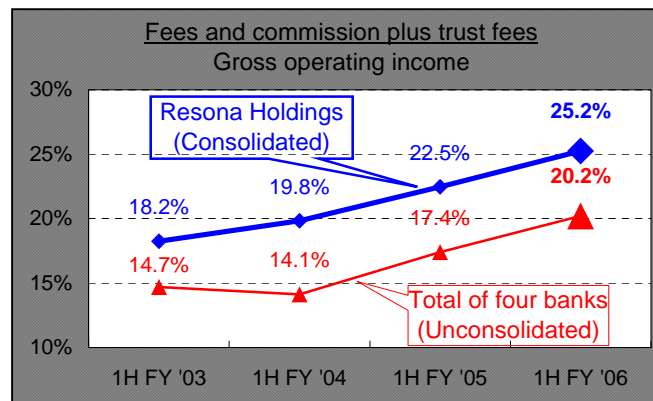
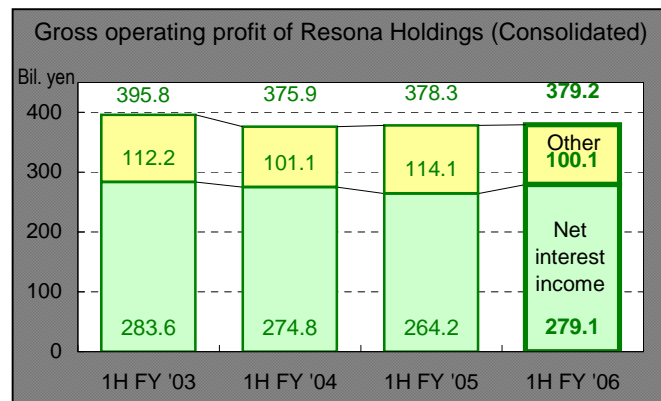
(Billions of yen)	Resona Holdings (Unconsolidated)		
	1H FY '05	1H FY '06	Change from 1H FY '05
Ordinary income	222.8	261.5	38.6
Net interim income before income taxes	210.2	256.0	45.8
Net interim income	213.4	287.5	74.1

(Billions of yen)	Total of group banks (Unconsolidated)		Resona Bank (Unconsolidated)		Saitama Resona Bank		Kinki Osaka Bank (Unconsolidated)		Resona Trust & Banking*	
	1H FY '06	Change from 1H FY '05	1H FY '06	Change from 1H FY '05	1H FY '06	Change from 1H FY '05	1H FY '06	Change from 1H FY '05	1H FY '06	Change from 1H FY '05
Actual net operating profit	179.5	0.5	117.8	(3.8)	38.9	4.0	13.9	(2.4)	8.8	3.2
Cost-to-income ratio (OHR) (after disposal of NPLs in the trust account)	47.7%	-0.1%	47.5%	1.0%	45.8%	-2.6%	57.8%	4.3%	36.6%	-10.0%
Interim income before income taxes	213.5	17.8	154.6	14.1	34.8	4.6	15.2	(4.3)	8.8	3.1

*From this fiscal year, income from certain trust assets is recognized on an accrual basis for the sake of more appropriate accounting of periodic profit and loss.

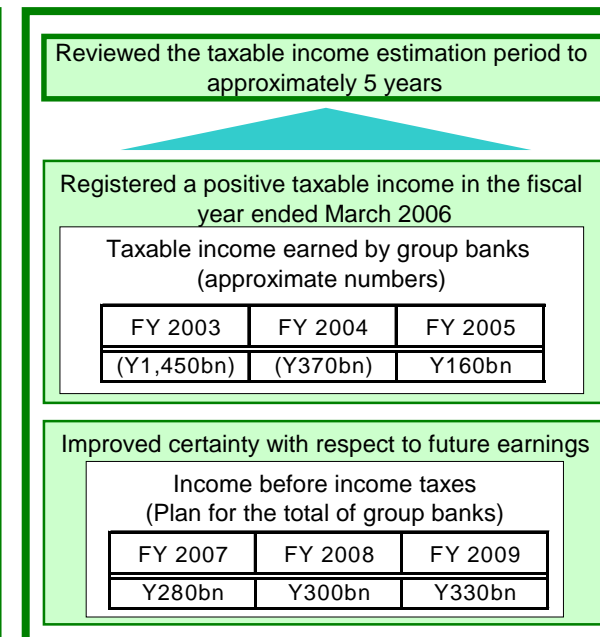
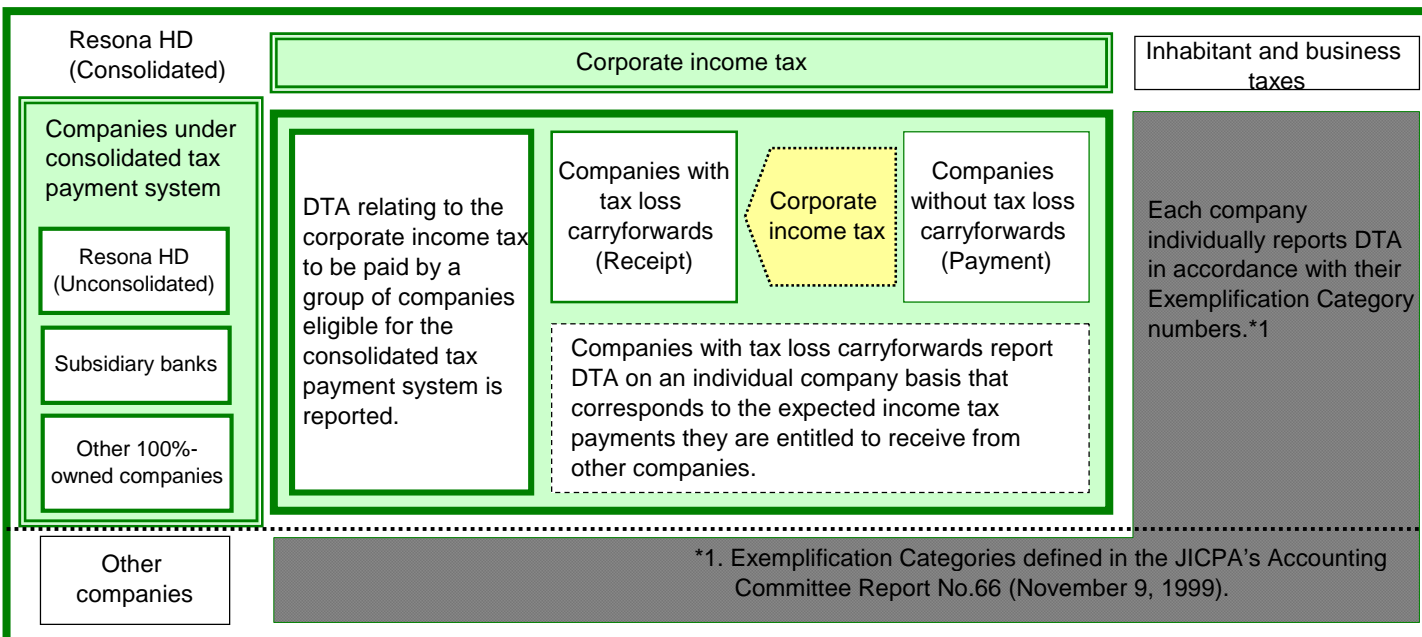
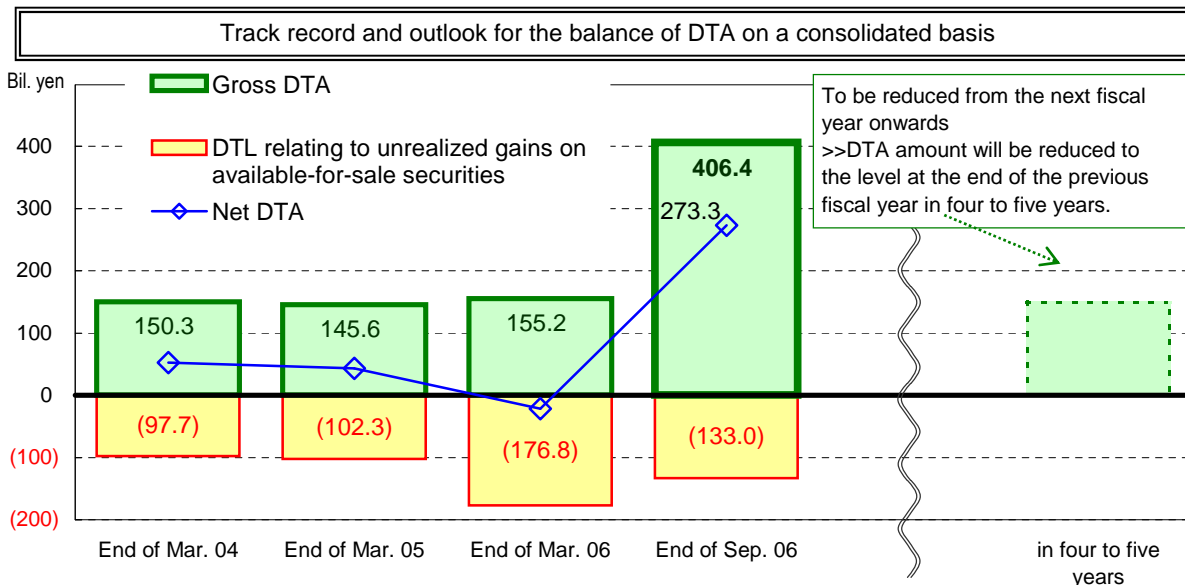
II. Outline of Financial Results for the 1st Half of Fiscal Year 2006

(Billions of yen)	Resona Holdings (consolidated)		Difference (a) - (b)	Total of four banks (unconsolidated basis)		Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	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)	change from 1H FY '05		(b)	change from 1H FY '05					
Gross operating profit	379.2	0.8	35.7	343.4	0.1	224.5	71.7	33.1	13.9	
Excluding gain/loss on bonds	386.0	18.3	35.7	350.3	17.5	231.2	71.7	33.3	13.9	
(1) Net interest income	279.1	14.9	9.2	269.8	15.3	179.9	60.7	29.1	0.0	RC 5.0 bn, cancellation of interest payments for capital securities 4.0 bn and other
(2) Trust fees	19.6	4.2	-	19.6	4.2	3.7	-	-	15.8	
(3) Fees and commissions income	76.0	6.4	26.3	49.7	5.3	35.3	12.4	3.9	(1.8)	RG 15.0 bn, RC 7.0 bn, RKS 1.0 bn and other
(4) Other operating profit	4.3	(24.7)	0.1	4.1	(24.7)	5.4	(1.4)	0.1	-	
Actual net operating profit				179.5	0.5	117.8	38.9	13.9	8.8	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				186.4	17.9	124.5	38.8	14.2	8.8	Actual net operating profit less bond-related income
General & administrative expenses	179.4	(1.2)	15.6	163.8	(5.8)	105.7	33.4	19.5	5.1	RC 8.0 bn, RG 1.5 bn, goodwill depreciation 3.5 bn and other
Gain/(loss) on stocks	35.7	9.8	1.3	34.3	5.3	33.0	(0.4)	1.8	-	RCP 1.0 bn and other
Credit related expenses	30.4	8.4	12.3	18.1	6.2	15.7	3.6	(1.3)	-	RG 8.0 bn, RC 3.0 bn and other
Other gain/(loss), net	16.2	14.1	(1.4)	17.7	12.5	18.6	0.7	(1.6)	(0.0)	
Interim income before income taxes	221.2	17.6	7.6	213.5	17.8	154.6	34.8	15.2	8.8	
Income taxes, current and deferred	(239.7)	(269.0)	(27.9)	(211.8)	(233.4)	(232.1)	15.8	0.8	3.6	DTA recognized by Resona HD on an unconsolidated basis (21.8 bn), minority interests in net income (6.2 bn), and other
Net interim income	460.9	286.6	35.6	425.3	251.2	386.7	18.9	14.4	5.2	

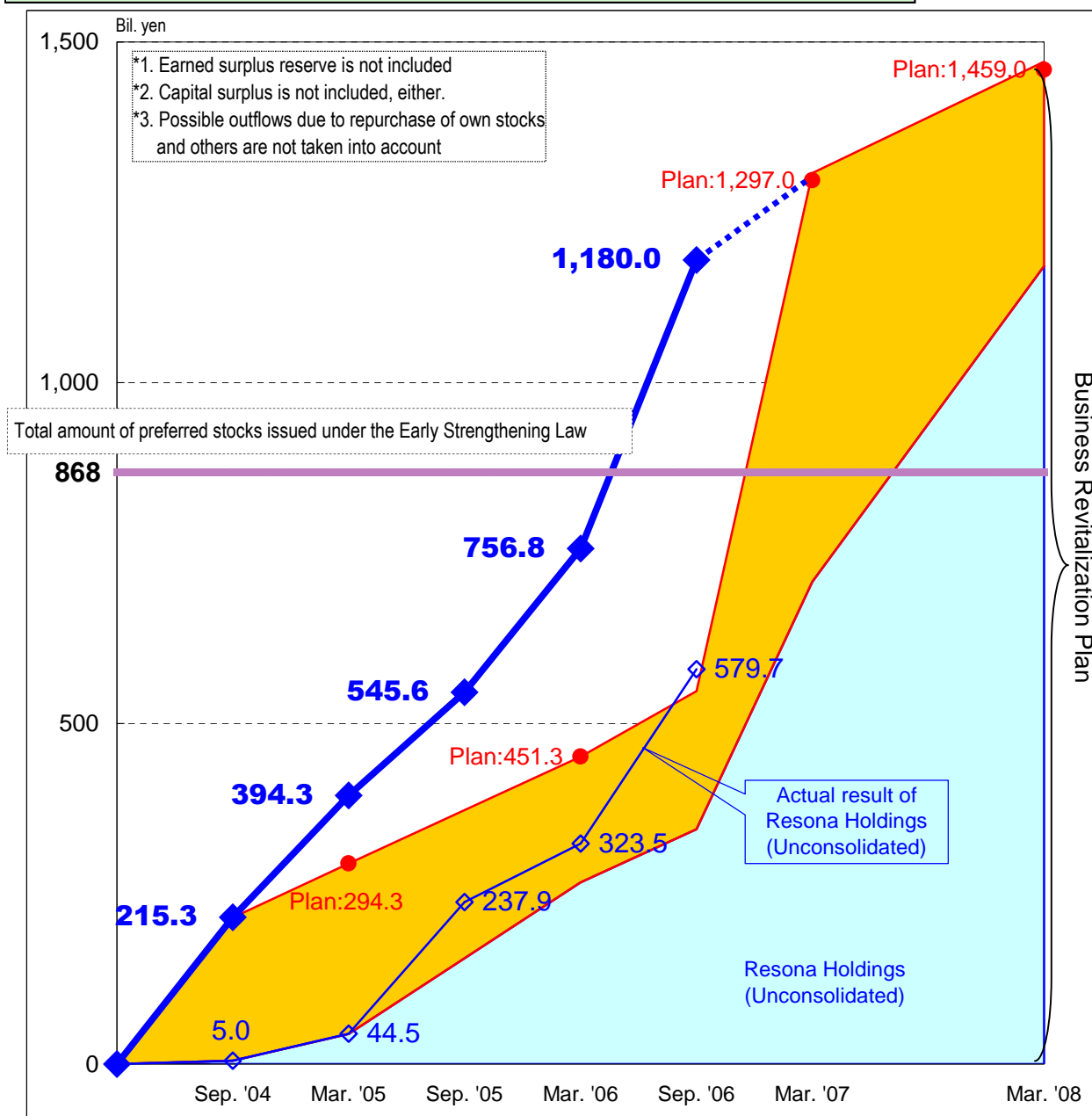


III. Deferred Tax Assets under the Consolidated Tax Payment System

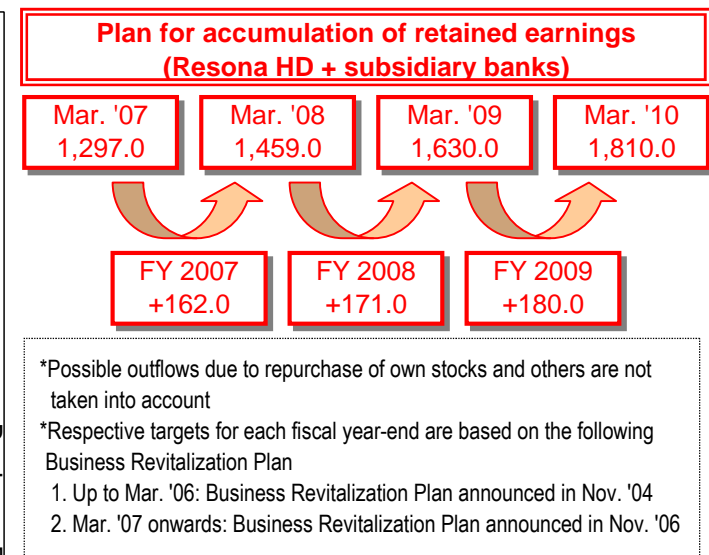
(Billions of yen)	Net DTA	DTL relating to unrealized gains on available-for-sale securities	Gross DTA
Resona HD (Consolidated)	273.3	(133.0)	406.4
Change from Mar. 31, '06	294.9	43.7	251.1
Resona HD (Unconsolidated)	30.1	-	30.1
Change from Mar. 31, '06	21.8	-	21.8
Resona (Unconsolidated)	247.6	(96.3)	343.9
Change from Mar. 31, '06	272.3	41.3	231.0
Saitama Resona	(13.9)	(32.6)	18.7
Kinki Osaka (Unconsolidated)	4.9	(2.0)	6.9
Resona Trust	0.3	(0.0)	0.3



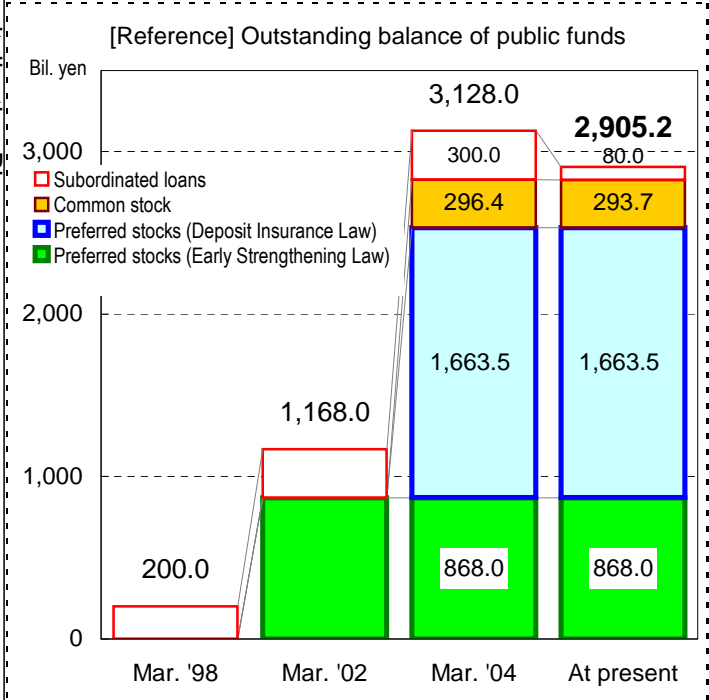
IV. Total retained earnings (Total of Resona HD and its subsidiary banks)



Amount less than 0.1 billion yen are rounded down



*Possible outflows due to repurchase of own stocks and others are not taken into account
 *Respective targets for each fiscal year-end are based on the following Business Revitalization Plan
 1. Up to Mar. '06: Business Revitalization Plan announced in Nov. '04
 2. Mar. '07 onwards: Business Revitalization Plan announced in Nov. '06



V. Capital Adequacy Ratio

(Billions of yen)	Mar. 31 '05	Mar. 31 '06	Sep. 30 '06 (Provisional)	
	(1)	(2)	(3)	(3) - (2)
Resona HD's consolidated capital adequacy ratio	9.74%	9.97%	12.50%	+2.53%
Tier I ratio	5.27%	5.95%	8.17%	+2.22%
Ratio of DTA to qualifying Tier I (b)/(a)*	3.81%	0.24%	14.02%	+13.78%
Resona HD's consolidated Tier I (a)	1,192.8	1,425.7	1,954.5	528.8
Capital stock and capital surplus	590.6	590.7	653.7	63.0
Preferred stock	2,537.8	2,531.8	2,594.8	63.0
Retained earnings	364.8	717.7	1,177.1	459.3
Other qualifying Tier I capital	237.3	117.3	123.7	6.4
Preferred securities	264.2	135.0	135.5	0.5
[Reference] Deferred tax assets (b)	45.5	3.5	274.1	270.6
Resona HD's consolidated Tier II	1,021.4	971.1	1,048.1	76.9
45% of unrealized gains on other securities	This item not applicable to domestic standard banks			
45% of the land revaluation gains *1	49.0	48.2	48.2	(0.0)
General reserve for possible loan losses *2	141.3	149.5	149.5	(0.0)
Subordinated debts	831.0	773.3	850.3	77.0
Public funds [Remaining amount at present Y80.0bn]	300.0	100.0	100.0	-
Amount to be deducted	(10.8)	(10.9)	(10.9)	(0.0)
Resona HD's consolidated total qualifying capital	2,203.4	2,386.0	2,991.8	605.7
Resona HD's consolidated risk-adjusted assets	22,614.0	23,930.7	23,921.1	(9.6)

*1 45% of the difference between land after revaluation and the book value immediately before revaluation

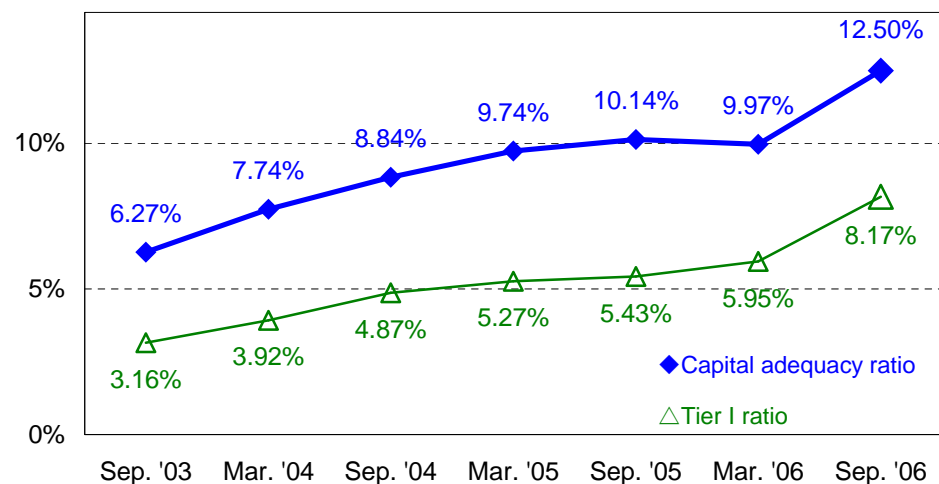
*2 Since the Japanese domestic capital adequacy standard is applicable to Resona group, maximum rate is 0.625% of the risk-adjusted assets.

Amount less than 0.1 billion yen are rounded down

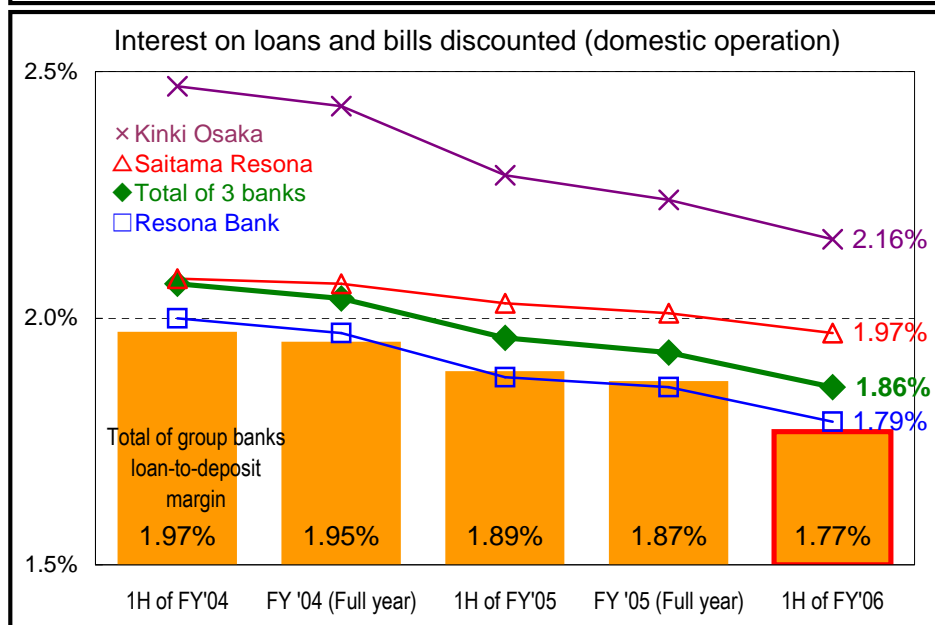
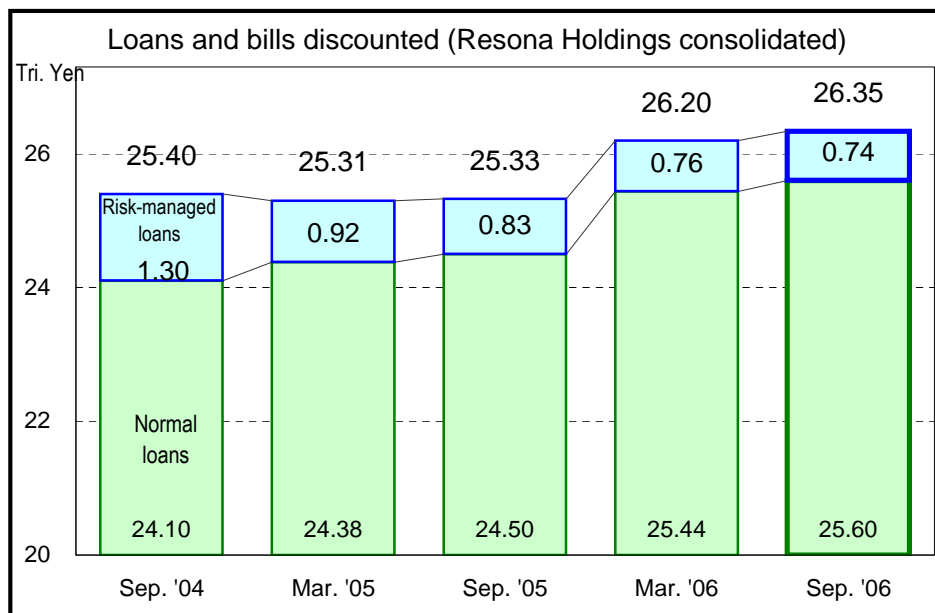
Resona HD's consolidated capital adequacy ratio	Resona	Saitama Resona	Kinki Osaka	Resona Trust
(Billions of yen)	(Consolidated)	(Unconsolidated)	(Consolidated)	(Unconsolidated)
Capital adequacy ratio	11.20%	8.58%	8.56%	156.68%
Change from Mar. 31 '06	+2.12%	+0.38%	+0.39%	+31.87%
Tier I ratio	6.99%	4.66%	5.34%	156.68%
Ratio of DTA to Tier I capital*	20.64%	-	4.36%	1.03%
Total qualifying capital	1,923.3	390.2	181.6	31.5
Change from Mar. 31 '06	343.5	21.4	10.3	2.7
Qualifying Tier I capital	1,200.9	212.3	113.4	31.5
Risk Assets	17,169.0	4,548.1	2,120.2	20.1
Change from Mar. 31 '06	(224.5)	51.2	24.5	(2.9)

*Gross DTA stated on the asset side of the balance sheet / Qualifying Tier1 capital

[Reference] Capital adequacy ratio of Resona Holdings (Consolidated)



VI. Loans and Bills Discounted



Amount less than 0.1 billion yen are rounded down

VII. Classified Claims (NPL) and Credit Related Expenses

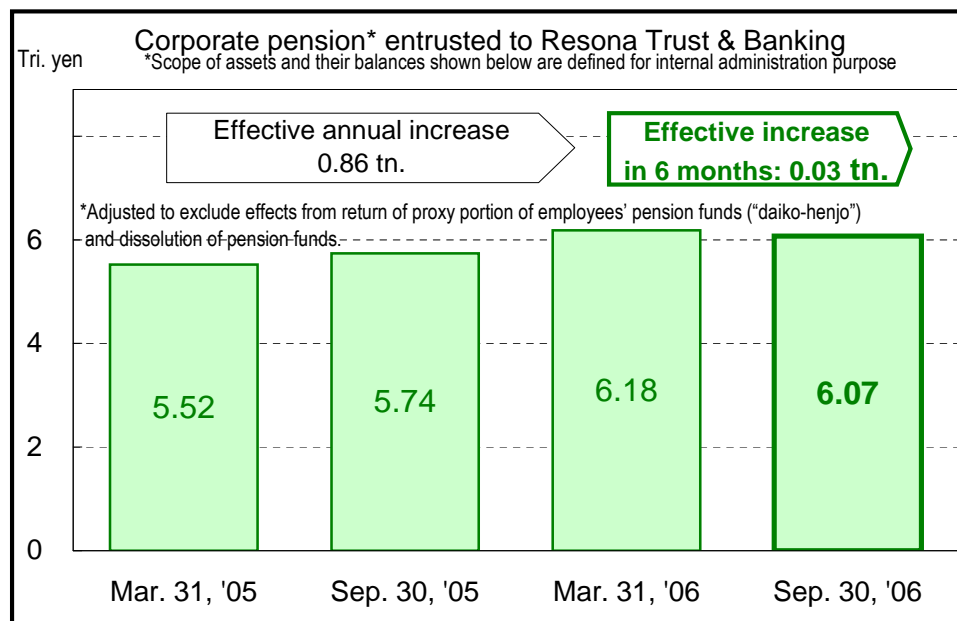
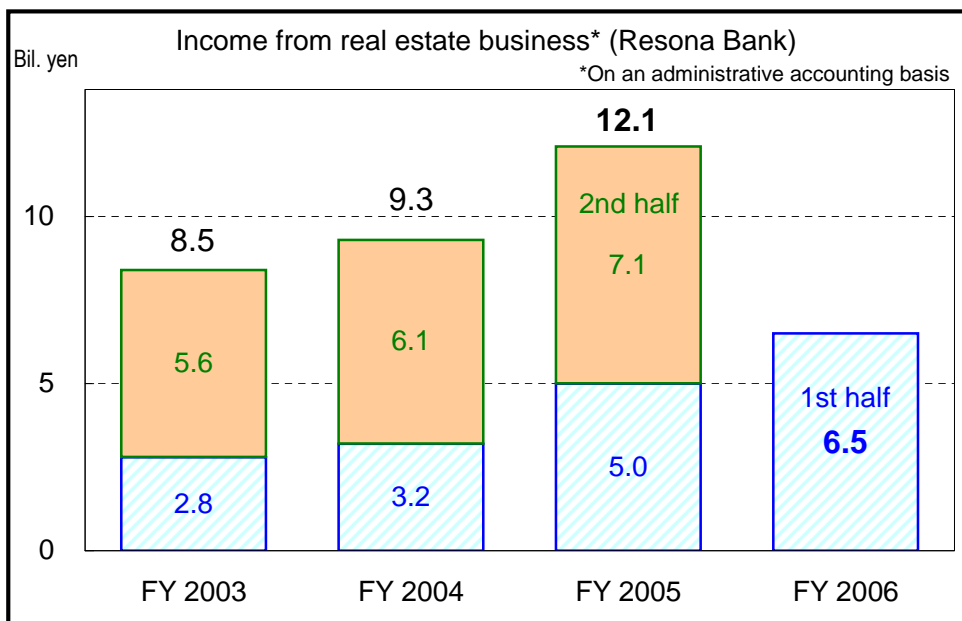
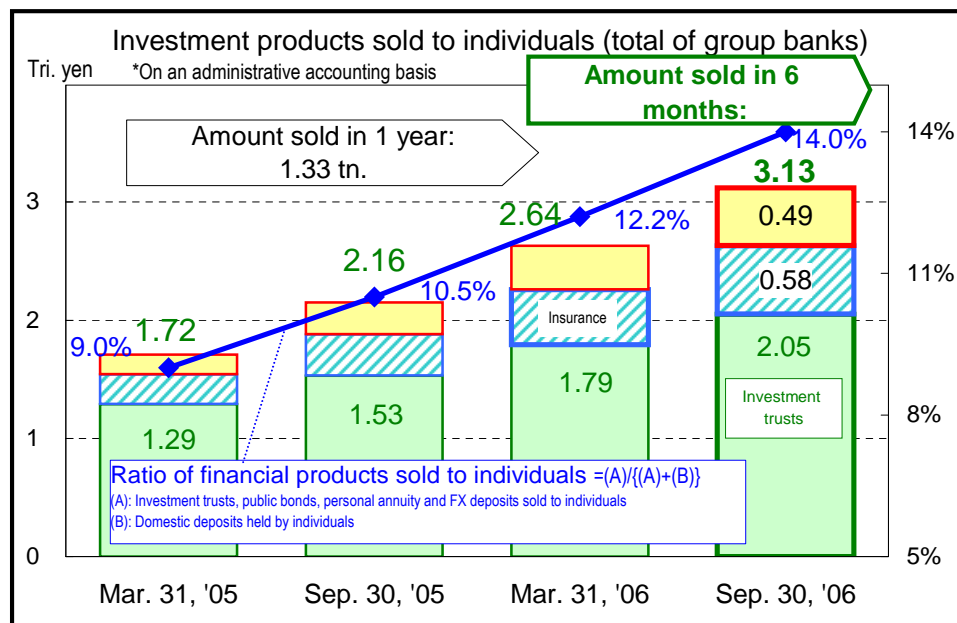
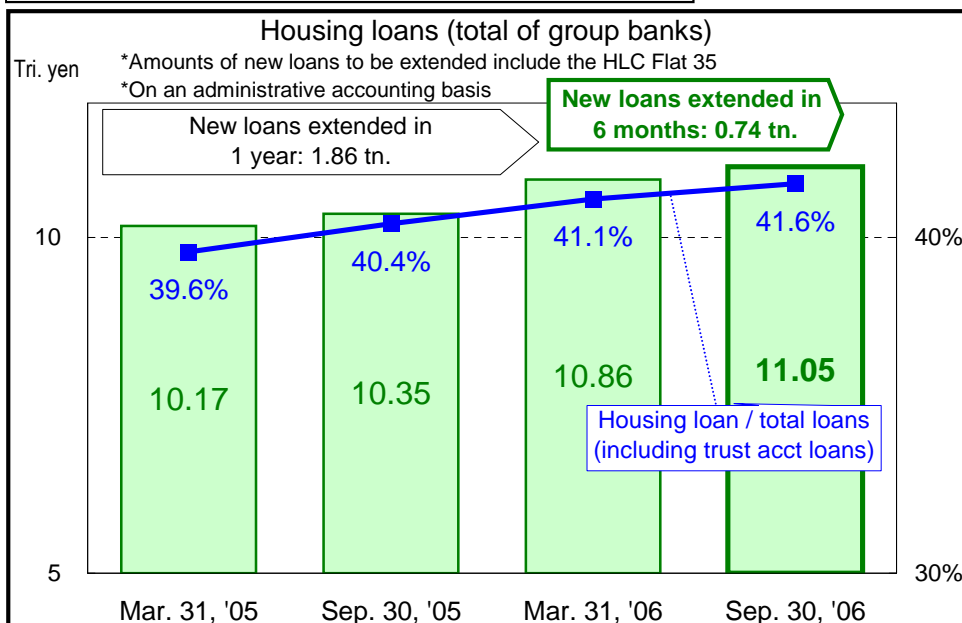
Billions of yen	Total of 3 banks	Resona	Saitama Resona	Kinki Osaka
Unrecoverable or valueless claims	52.6	31.1	9.5	11.9
Risk claims	342.5	240.2	44.6	57.6
Special attention loans	309.2	234.4	41.7	33.1
Total classified claims (NPL)	704.4	505.9	95.8	102.6
change from Mar. 31, '06	(6.4)	(13.6)	9.1	(1.8)
NPL ratio *	2.52%	2.62%	1.62%	3.82%
change from Mar. 31, '06	-0.03%	-0.06%	0.12%	-0.16%

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

Billions of yen	Total of 3 banks	Resona	Saitama Resona	Kinki Osaka
Disposal in the trust account	0.1	0.1	-	-
Net addition to general reserve	(0.8)	0.4	3.1	(4.5)
Net addition to specific reserve	22.8	19.7	(0.0)	3.1
Write-off of loans and others	12.0	6.7	3.4	1.8
Gain from recoveries of written-off claims	(16.0)	(11.3)	(2.8)	(1.8)
Total credit-related expenses	18.1	15.7	3.6	(1.3)
(a) Deterioration in borrower categories (downward migration)	48.8	39.4	1.3	8.0
(b) Off-balancing and other	(29.8)	(24.1)	(0.8)	(4.8)
(c) Provision of general reserve, etc.	(0.9)	0.4	3.1	(4.5)

- (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.

VIII. Resona's core areas of strength



IX. Earnings Forecasts for Fiscal Year Ending March 2007

(Billions of yen)	Resona Holdings (Consolidated)		
	1H FY 2006	Full year forecast	Change from FY 2005
Ordinary income	574.7	1,050.0	3.0
Ordinary profit	207.2	350.0	(18.3)
Net (interim) income	460.9	560.0	176.8

(Billions of yen)	Resona Holdings (Unconsolidated)		
	1H FY 2006	Full year forecast	Change from FY 2005
Operating income	261.5	390.0	72.5
Ordinary profit	256.0	380.0	77.9
Net (interim) income	287.5	410.0	111.0

Forecast for consolidated capital adequacy ratio of Resona HD at the end of fiscal 2006

Middle 11%

In accordance with the current regulation

Forecast for term-end per share dividend on common stock

¥1,000

Forecast for term-end per share dividend on preferred stock

As pre-determined

(Billions of yen)	Total of four banks (approx. figure)		Resona		Saitama Resona		Kinki Osaka		Resona Trust	
	Full year forecast	Change from FY 2005	Full year forecast	Change from FY 2005	Full year forecast	Change from FY 2005	Full year forecast	Change from FY 2005	Full year forecast	Change from FY 2005
Gross operating profit	700.0	6.4	465.0	0.3	144.0	8.2	64.5	0.0	28.5	2.8
General & administrative expenses	365.0	16.5	240.0	14.7	72.0	2.8	42.0	1.2	11.5	0.8
Actual net operating profit	335.0	(10.2)	225.0	(14.4)	72.0	5.4	22.5	(1.1)	17.0	2.1
Non-recurring and extraordinary profit/(loss)	15.0	(41.2)	25.0	(35.7)	(11.0)	(2.2)	(0.5)	(5.5)	0.0	0.0
Gain/(loss) from stocks	40.0	(13.9)	37.0	(16.2)	0.0	(0.6)	2.0	2.0	-	-
Credit related expenses	40.0	54.5	30.0	46.0	8.0	1.0	(2.0)	4.2	-	-
Income before income taxes	350.0	(51.4)	250.0	(50.2)	61.0	3.3	22.0	(6.7)	17.0	2.0
Net (interim) income	545.0	154.3	Resona Group started applying consolidated tax return system from fiscal year 2005							

Forecast for capital adequacy ratios at the end of fiscal 2006

Consolidated

Lower 9%

Unconsolidated

Lower 8%

Consolidated

Middle 8%

Unconsolidated

Approx. 120%

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