

Business Results of FY2007 and Future Management Direction
– Maximizing Corporate Value through Sustained Growth –



RESONA

May 28, 2008



Resona Holdings, Inc.

CONTENTS

Note: In some pages of this material, names of Resona Group companies are shown in the following abbreviated form: RHD: Resona Holdings, RB: Resona Bank, SR: Saitama Resona Bank, KO: Kinki Osaka Bank, and RT: Resona Trust & Banking

Outline of Business Results for FY2007

**Updates on Major Businesses:
Results of FY2007 and Outlook for FY2008**

Efforts to Build Solid Foundation for Sustainable Growth

Pathway to Early Repayment of Public Funds

<Reference Material>

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Efforts to Build Solid Foundation for Sustainable Growth

Pathway to Early Repayment of Public Funds

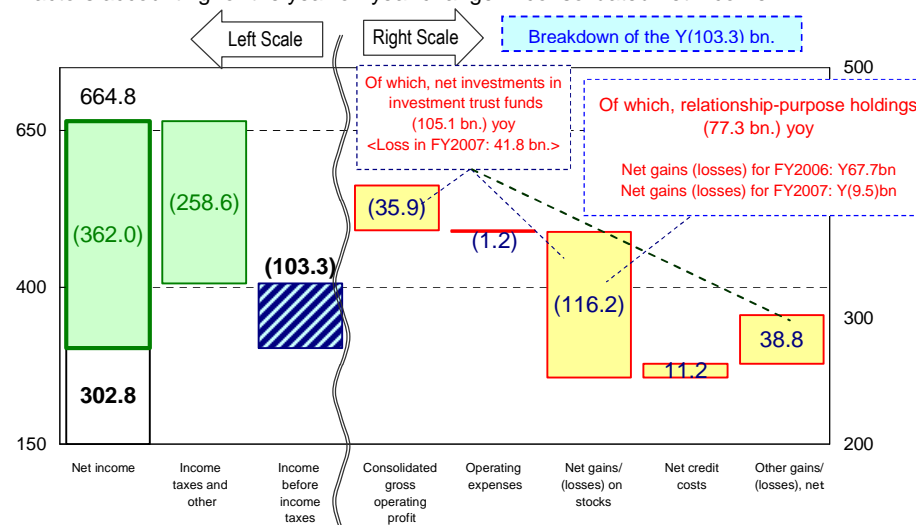
<Reference Material>

Financial Highlights for FY2007

(Billions of Yen)

- Posted consolidated net income of Y302.8 bn.
 - Net income increased by Y72.8 bn. (31.6%) over forecast, but decreased by Y362.0 bn. (-54.4%) yoy.
 - Increase in DTAs relating to 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 RHD included in calculation.
- Income before income taxes decreased Y103.3 bn. (-24.2%) yoy.
 - 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
 - Income from loans and deposits (total of group banks) increased Y14.8 bn. (3.2%) yoy
 - Despite sluggish loan balance, loan-to-deposit spread rose up 11.5bps
 - Despite slowdown in investment product sales to individuals, the outstanding balance is still on an upward trend.
 - Real estate business generated 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 yoy
 - Thanks to an all-out emphasis on quality of loan, NPL ratio (total of group banks) moved down to 2.1% level
 - Credit cost declined 11.2bn due to gains from recovery of written-off claims
- Continued efforts toward repayment of public funds
 - New preferred shares issued: Y450.0 bn; subordinated loan repaid: Y35.0 bn.
 - Partial revision of Business Revitalization Plan to enable common share buybacks.

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	Operating income	600.4	204.6	0.4
Ordinary profit	233.7	(176.1)	(36.3)	Ordinary profit	590.2	205.8	0.2
Net income	302.8	(362.0)	72.8	Net income	624.6	205.5	34.6

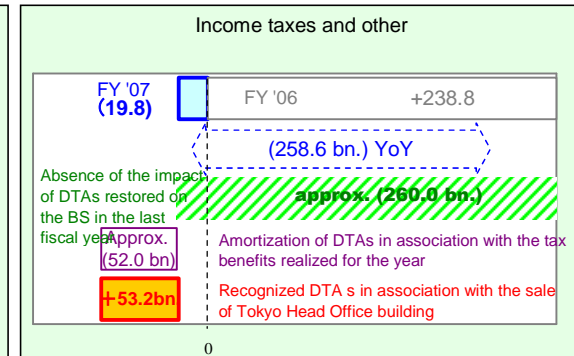
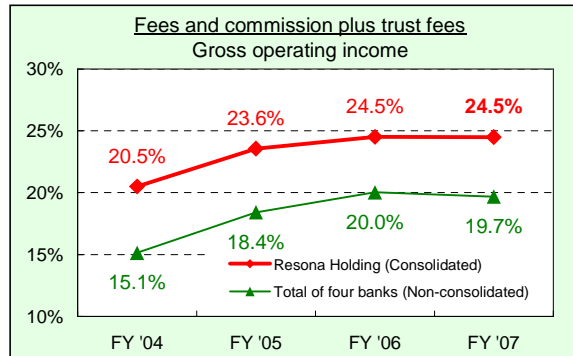
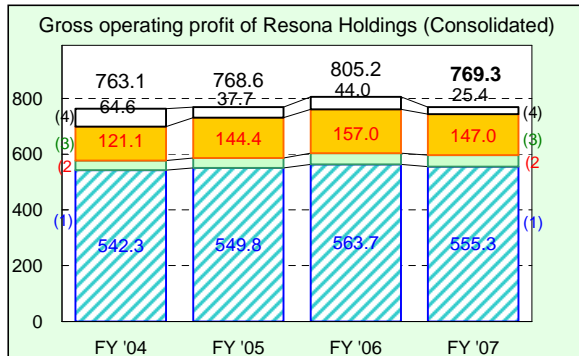
	Total of group banks (Non-consolidated) (Nov. 2007)			Resona Bank (Non-consolidated)		Saitama Resona Bank		Kinki Osaka Bank (Non-consolidated)		Resona Trust & Banking	
	FY '07	YoY Change	Change from forecast	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change		
Actual net operating profit*1	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

Outline of P&L for FY2007

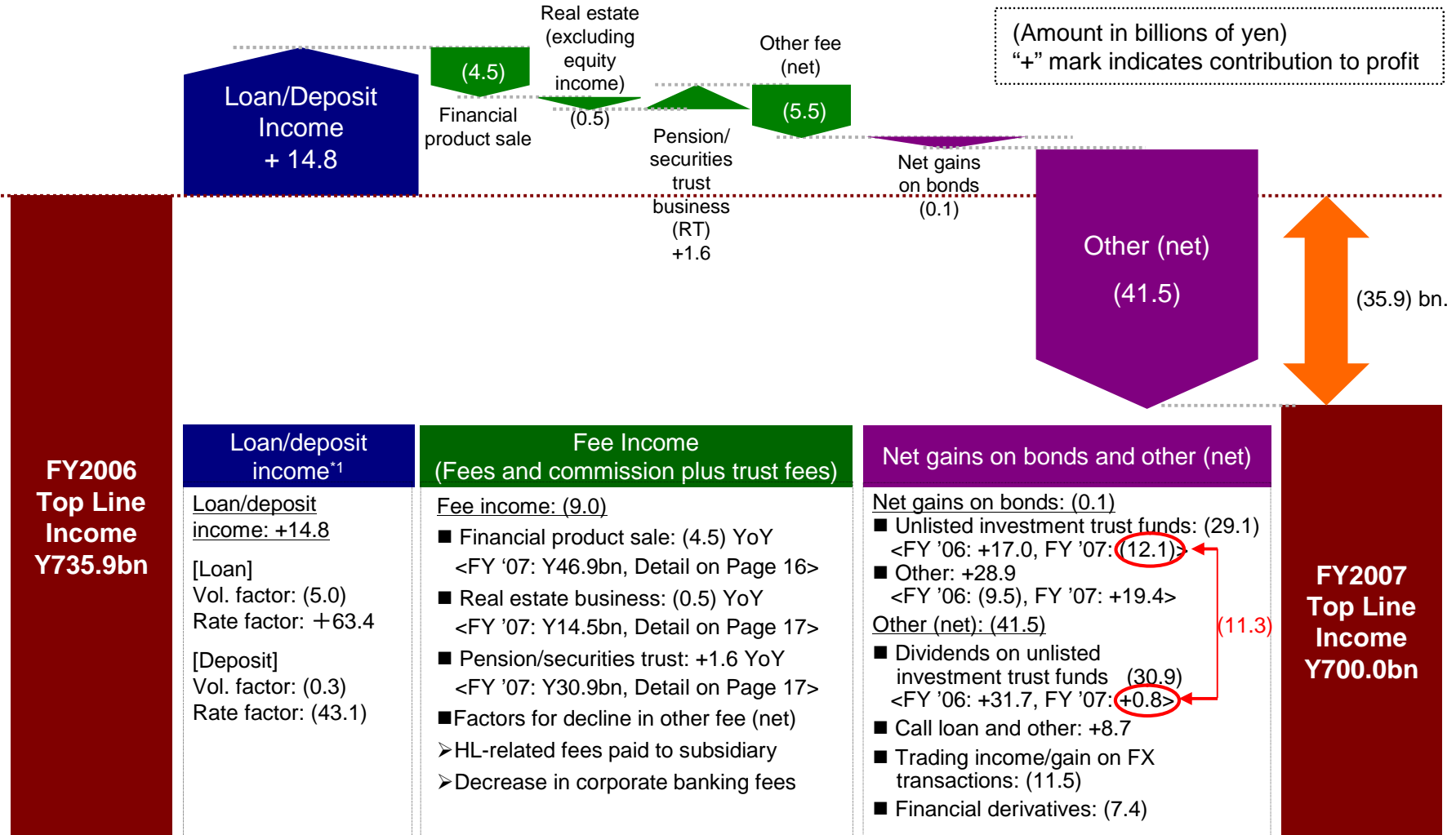
(Billions of yen)	Resona Holdings (Consolidated)		Difference (A)-(B)	Total of four banks (Non-consolidated)		Resona Bank	Saitama Resona Bank	Kinki Osaka Bank	Resona Trust & Banking	Factors accounting for the difference (A) - (B) (Approx. figures) RC: Resona Card, RG: Resona Guarantee, RCP: Resona Capital
	(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	



Analysis on YoY Change in Top Line Income (Total of Group banks)

Top line income declined Y35.9bn primarily due to loss on sale of unlisted investment trust funds

- Income from loans and deposits increased Y14.8bn YoY driven by spread improvements
- Loss on sale of unlisted investment trust funds, slowdown in fee income and derivatives account for the decline

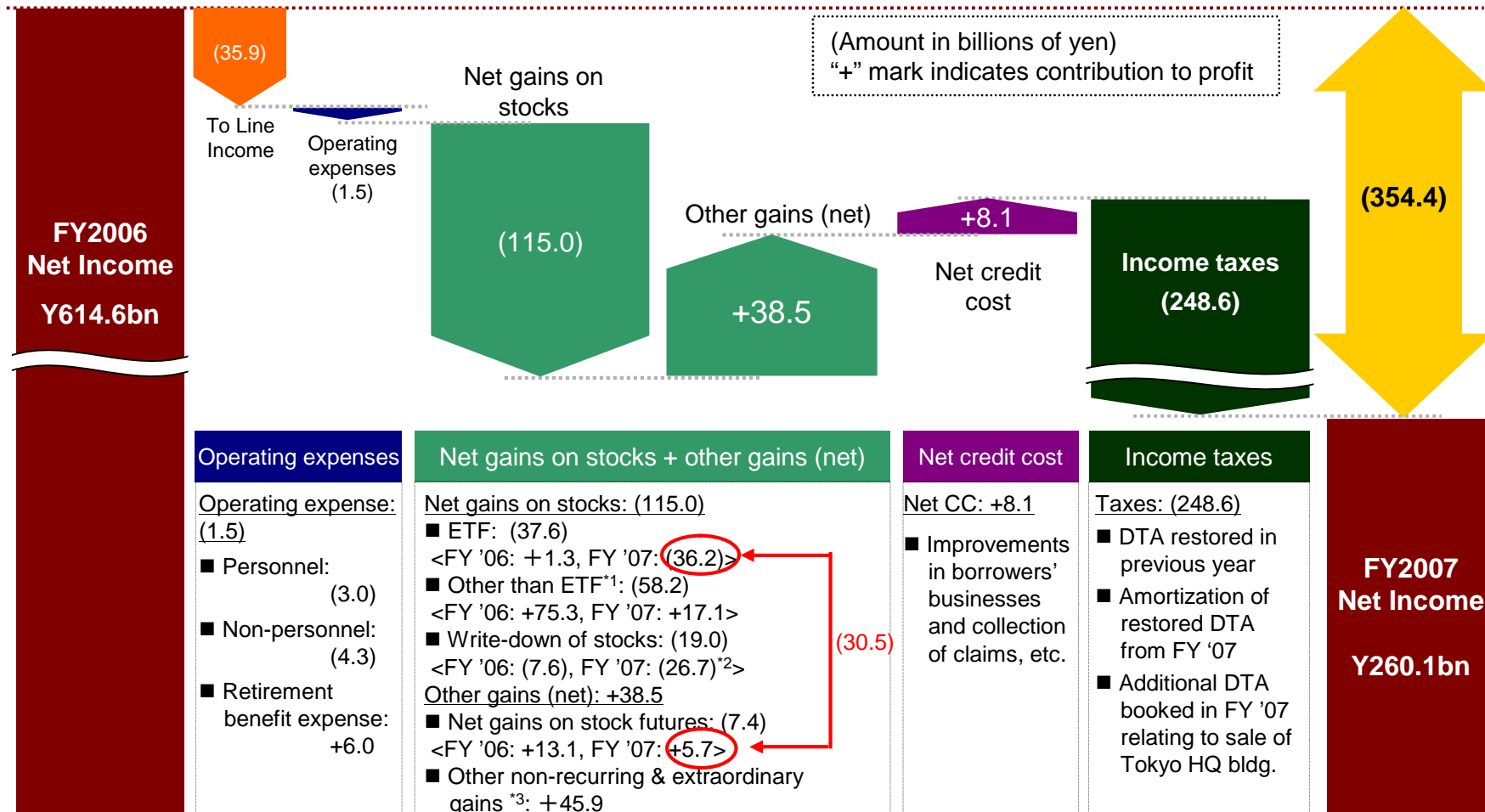


*1. Domestic operations (deposits include NCDs)

Analysis on YoY Change in Net Income (Total of Group Banks)

Net income declined by Y354.4bn YoY mainly due to losses on stocks and increase in income taxes

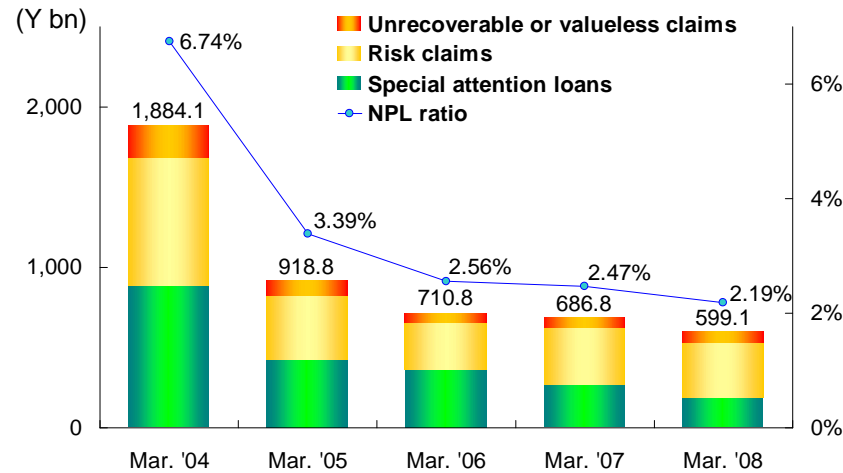
- Operating expenses increased YoY, but were lower than the forecast
- Net credit expenses decreased by Y8.1bn YoY, and Y11.2bn lower than the forecast



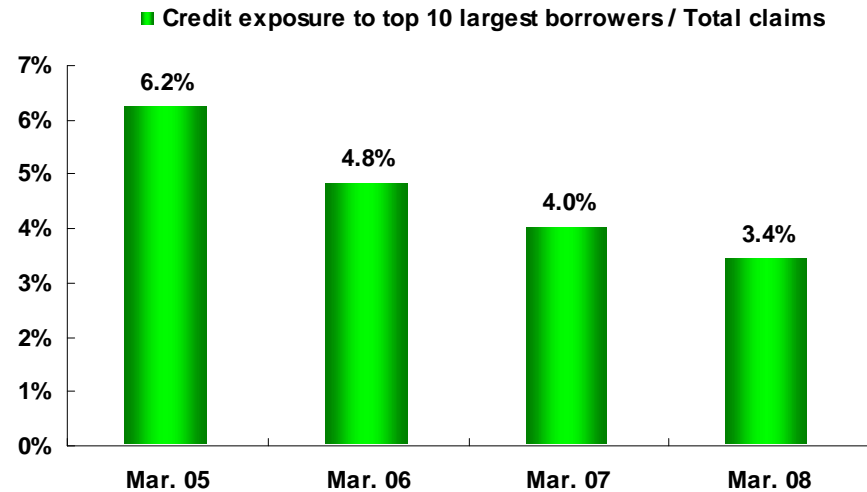
*1. Decrease in gain on sale of preferred stocks acquired through debt-for-equity swap, etc.
 *2. Loss on write-downs of listed stocks in FY '07 was approx. Y5.0bn. (Remaining loss is for unlisted stock.)
 *3. Include gains from reversal of reserve for possible losses on investments, gains on sale of already written-off loan claims, etc.

Measures to Enhance Financial Soundness: Loan Asset

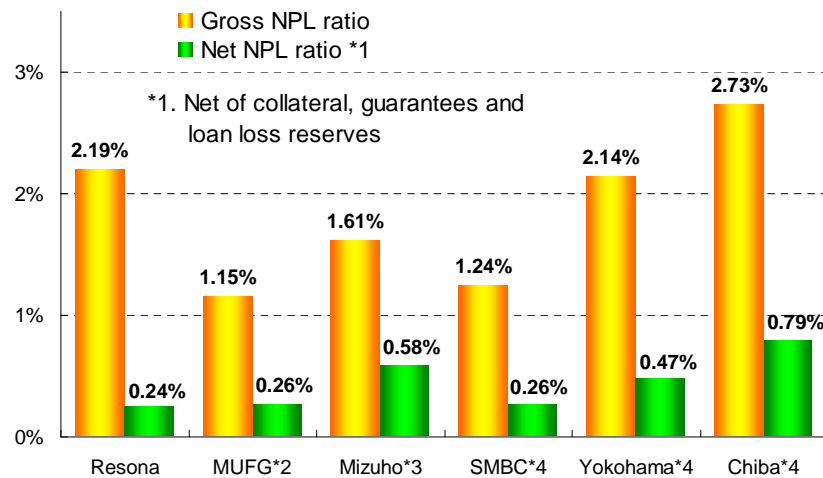
NPL balance and NPL ratio (Total of Group Banks)



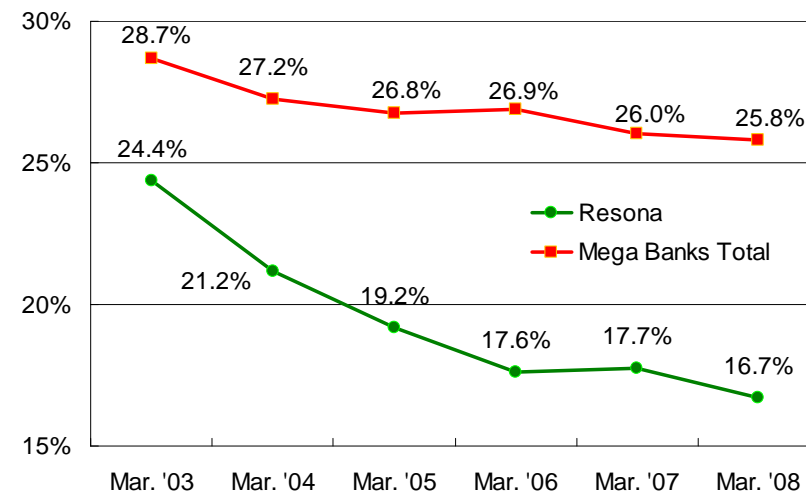
Top 10 Borrowers Concentration (RB)



Comparative advantage in net NPL ratio (Total of Group Banks)



Trend of loan exposure to the 3 sectors*5



*2. 2 group banks including trust account loans

*3. 3 group banks including trust account loans *4. Non-consolidated basis

*5. Ratio of loans to construction, finance and insurance, and real estate sectors to the total lending in the domestic account.

Measures to Enhance Financial Soundness: Securities Portfolio

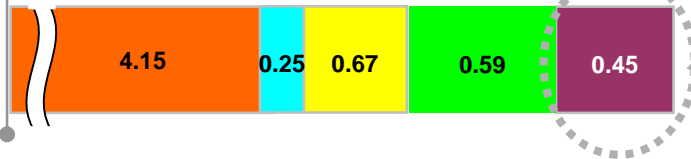
Maintained soundness of securities portfolio

[Non-trading marketable securities available for sale]

[End of March 2007] Total Y6.8 tn



[End of March 2008] Total Y6.1 tn



[Net investment portfolio]

■ Bonds: unrealized loss: Y29.9bn

- Duration 1.7 years, BPV Y0.9bn
- JGB investments to earn stable interest income in the medium term
- Conservative management in light of interest rate normalization

■ Other: unrealized loss: Y2.7bn

- Diversification of investments with non-interest assets
- Unwinding of net investment position in response to deteriorating performance and poor visibility of markets (Net loss on sale for FY2007: Y41.8bn)

[Relationship-purpose portfolio]

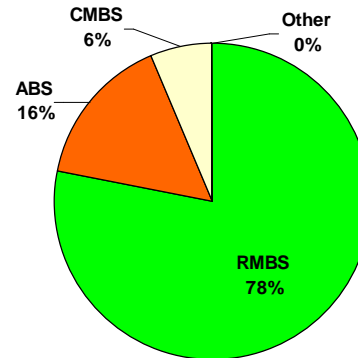
■ Stock: unrealized gain: +Y204.3bn

- Portfolio with minimized downside risks
- Loss on write-down of listed stocks for FY2007: Y5.0bn

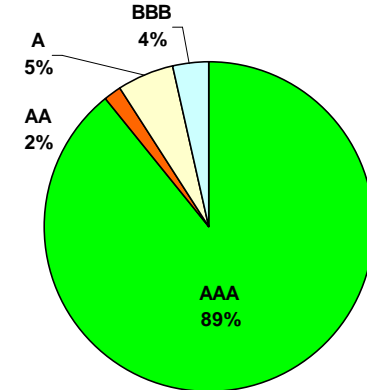
Securitized products (Balance of direct investments: Y323.9bn)

■ Underlying assets for all products held are Japanese assets

[Composition by Types]



[Composition by Ratings]



Type	Underlying Assets
RMBS	Housing and apartment loans originated in Japan
ABS	Lease and credit card claims in Japan
CMBS	Commercial real estate in Japan

* Securitized products without ratings are not included in the above composition. Most of the products without ratings are trust beneficiary certificates backed by housing loan claims originated by third parties

Investment and loan exposure linked to U.S. sub-prime housing loans

- Direct investments in assets linked to the U.S. sub-prime housing loans **Zero**
- Indirect investments via foreign FoFs in assets linked to the U.S. sub-prime mortgage loans **Y30 million**

Capital Adequacy Ratio (RHD Consolidated Basis)

■ RHD's consolidated CAR [Mar. 31, 2007] **10.56% (Basel II SA)** ⇒ [Mar. 31, 2008] **14.28% (Basel II F-IRB)**

YoY Change based on SA			
	(Ybn, %)		
	Mar. 31,2007 (SA)	Mar. 31,2008 (SA)	YoY change
Capital adequacy ratio	10.56	13.83	3.27
Tier I ratio	6.51	9.75	3.24
Total qualifying capital	2,515.8	3,196.5	680.6
Tier I capital	1,551.7	2,253.3	701.5
Tier II capital	1,001.7	967.6	(34.1)
Deduction	(37.5)	(24.3)	13.1
Risk-weighted assets	23,803.3	23,106.6	(696.6)
Credit risk	22,389.3	21,698.6	(690.7)
Operational risk	1,414.0	1,408.0	(5.9)

(Primary factors for the difference)

[Qualifying capital]

- **Tier I** **Retained earnings** **+701.5bn**
 - ⇒ Class 9 Preferred Share 350.0bn
 - ⇒ Class 5 Preferred Share 100.0bn
 - ⇒ Consolidated net income 302.8bn
- **Tier II**
 - Partial repayment of subordinated loan (35.0)bn
- **Deduction**
 - Securitization exposure to be deducted +4.5bn
 - Unwinding of double gearing +8.7bn

[Risk-weighted assets (RWA)]

- **Change in RWA (696.6)bn**
 - (1) Sale of investment trust funds, etc. (610.0)bn
 - (2) Decrease of loans and bills discounted (80.0)bn

Change due to shift from SA to F-IRB (Mar. 31, 2008)			
	(Ybn, %)		
	Mar. 31,2008 (SA)	Mar. 31, 2008 (F-IRB)	YoY change
Capital adequacy ratio	13.83	14.28	0.45
Tier I ratio	9.75	10.33	0.58
Total qualifying capital	3,196.5	3,115.8	(80.6)
Tier I capital	2,253.3	2,253.3	-
Tier II capital	967.6	910.4	(57.1)
Deduction	(24.3)	(47.8)	(23.4)
Risk-weighted assets	23,106.6	21,809.3	(1,297.3)
Credit risk	21,698.6	20,401.2	(1,297.3)
Operational risk	1,408.0	1,408.0	-

(Primary factors for the difference)

[Qualifying capital]

- **Tier I** Remain unaffected
- **Tier II**
 - Decrease in inclusion of general reserve as qualifying Tier II capital (57.1)bn
- **Deduction**
 - Difference in criteria between SA and F-IRB as to deductions relating to securitization exposure (23.0)bn

[Risk-weighted assets (RWA)]

- **Change in RWA (1,297.3)bn**
 - (1) Corporate and housing loans (2,290.0)bn
 - (2) Stocks, investment trusts, etc. +1,040.0bn

Earnings Forecasts for Fiscal Year 2008

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

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

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

(Billions of Yen)	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	721.0	21.0	754.0	224.5	458.0	80.5	161.5	34.5	70.0	15.0	31.5
Operating expenses	189.5	383.0	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	338.0	0.2	366.0	103.0	213.0	42.0	84.5	11.0	21.5	9.0	19.0
Ordinary profit	122.5	262.0	49.5	308.0	74.0	162.0	36.0	71.5	3.5	10.0	9.0	19.0
(Interim) Income before income taxes	237.5	384.0	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	233.0	(27.1)	226.0								

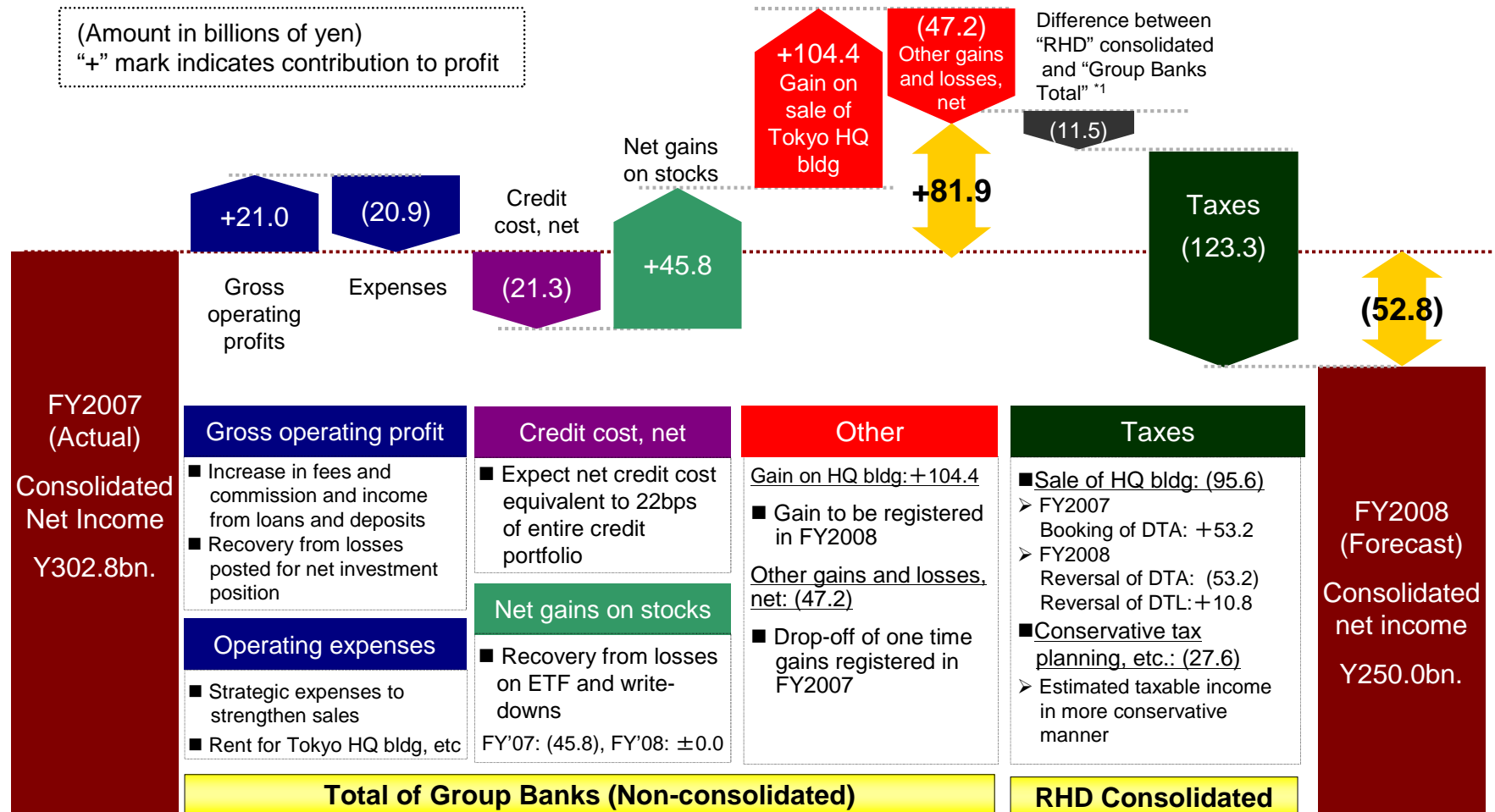
Resona Group started applying a consolidated taxation system from FY2005.

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

Analysis on Consolidated Net Income Forecast for FY2008

Consolidated net income forecast for FY2008 : Y250.0 bn.

- Recovering from the loss registered in the previous fiscal year relating to the net investment position
- Estimated future taxable income in more conservative manner, taking into consideration lower visibility of business environment down the road



*1. Decrease in difference explained by decrease in profits at subsidiaries other than operating banks.

Outline of Business Results for FY2007

**Updates on Major Businesses:
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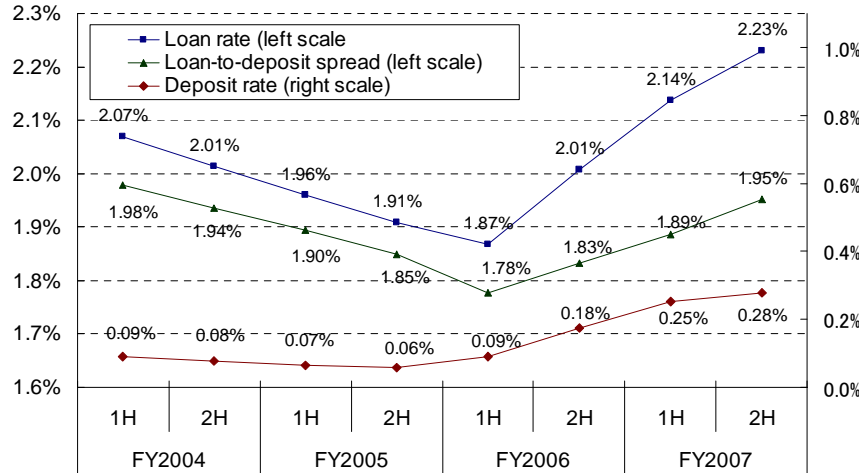
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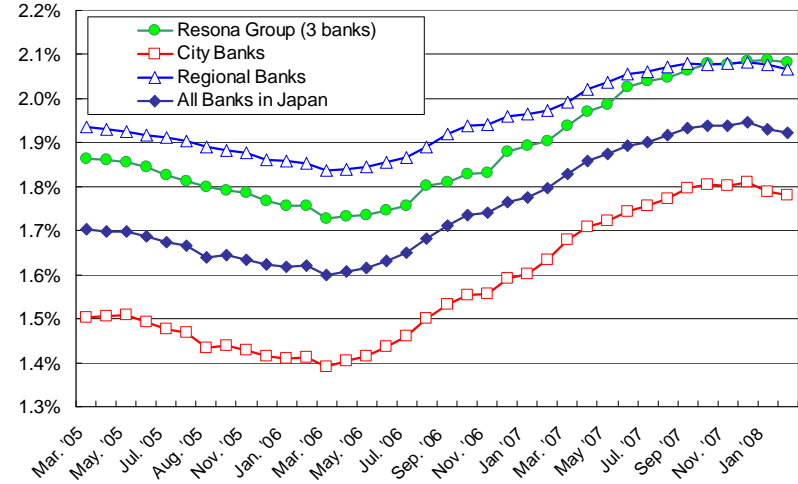
Trend of Loan Business (Total of Group Banks)

Trend of loan and deposit rates and spread



(Domestic banking account)

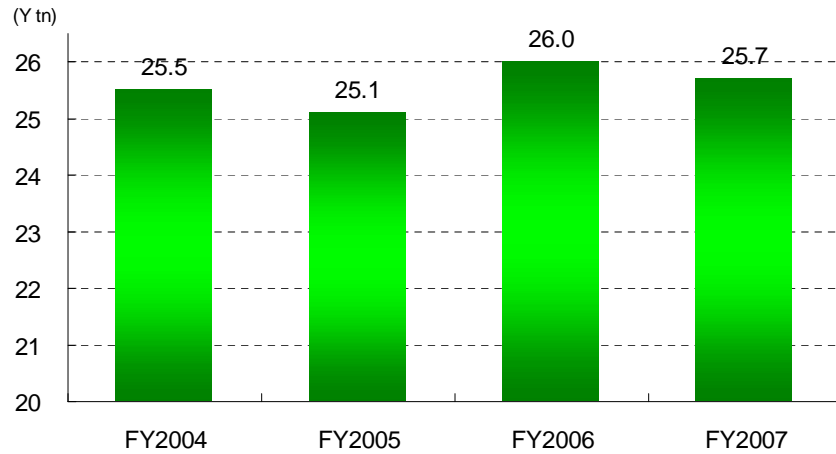
Loan rate caught up with regional banks average



Data source: BOJ Statistics

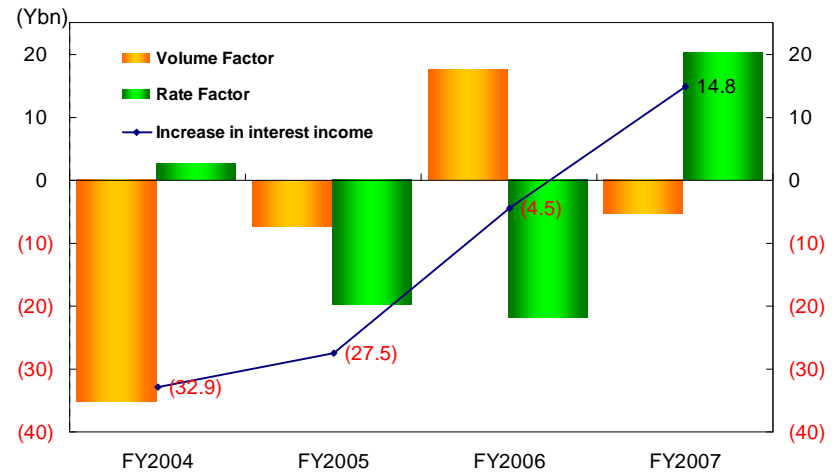
Resona Group: Shown in weighted average of the rates of RB, SR and KO reported to BOJ

Trend of average loan balance



(Domestic banking account)

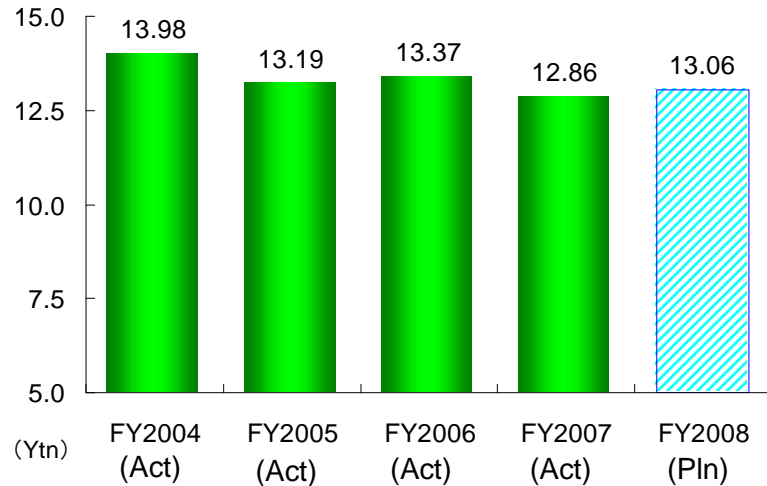
Trend of net income on loans and deposits (YoY change)



(Domestic banking account)

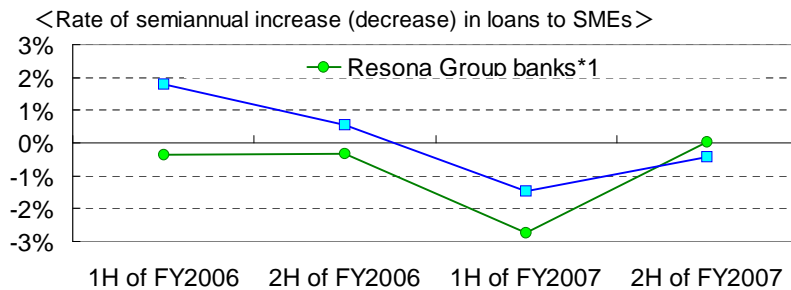
Loan Plan for FY2008 (1): Loans to Corporations

Average balance of loans to corporations (Group banks total)



* Loans in the domestic banking account, management accounting basis

Prioritized loan quality rather than volume given worsening market environment



*1. Loans to SMEs and individuals minus loans to consumers

*2. Bank of Japan statistics

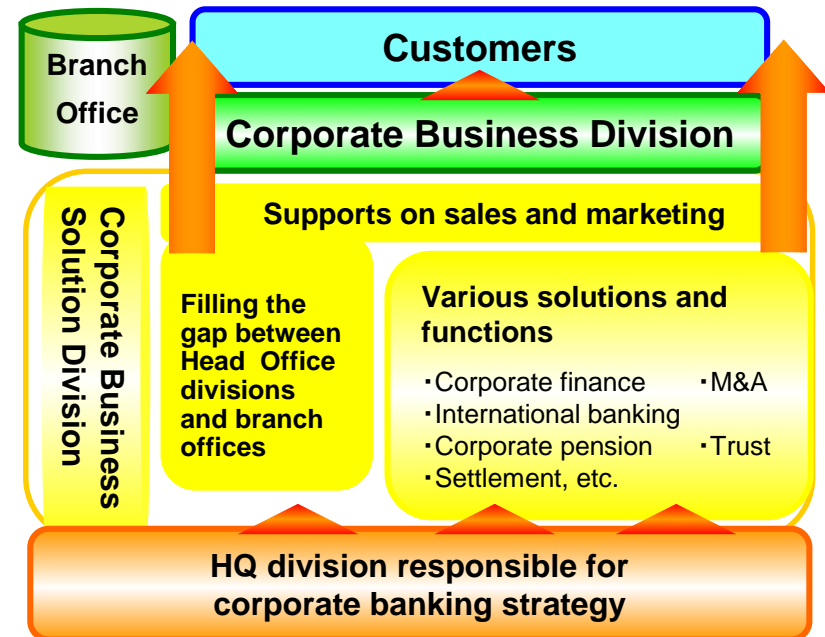
Measures to increase high-quality loan assets

Cross-selling empowered by solution offering capabilities

- Pursuing group synergies (Also see page 21)
- Expanding the alliance with Credit Agricole Corporate and investment banking products and services

Initiatives to strengthen sales and marketing

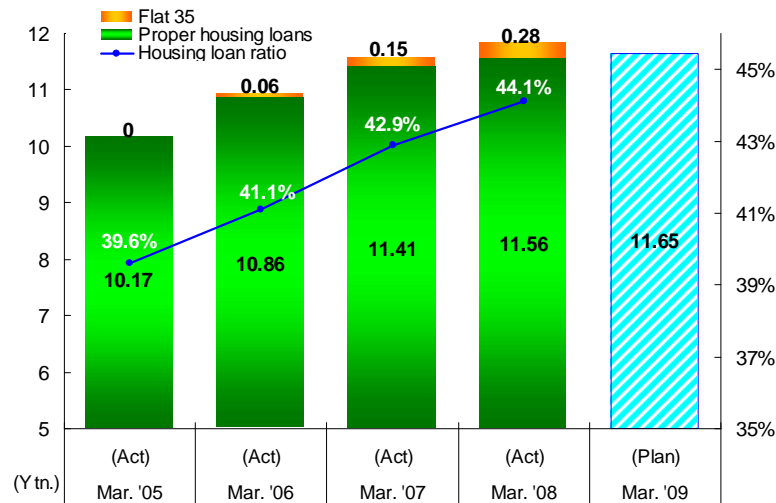
- Realignment of Area Management System (Page 19)
- New Branch Office Management Structure (Page 20)
- Corporate Business Solution Division (RB)



Loan Plan for FY2008 (2): Loans to Individuals

Housing Loan

- Balance at the end of March 2008: Y11.5 tn.
(Housing loan ratio: 44.1%)



Plan number is based on administrative accounting (excluding Flat 35)

Favorable market environment in the medium term

- Expect moderate slowdown in new loan origination due to possible impacts from revision of the construction code

FY2007 (Actual): Y1.39 tn. → FY2008 (Plan): Y1.29 tn.

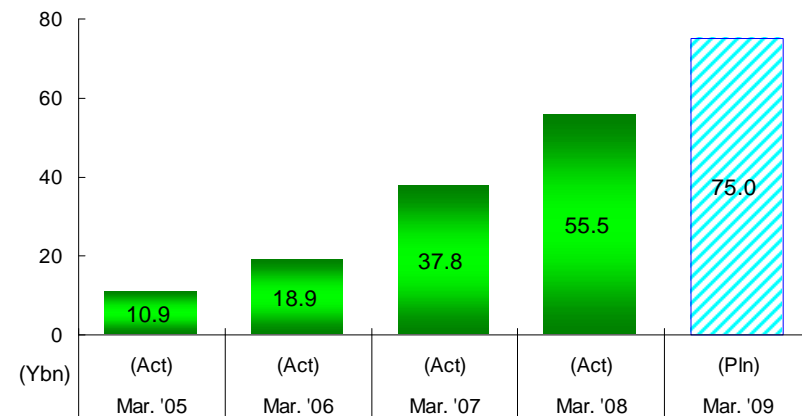
Resona's strength in housing loans

- Infrastructure supporting over 1 trillion yen per year new loan origination
 - ⇒ Product development capability, cost competitiveness
- Extended Y145.8bn of Flat 35 during FY2007 (+Y50.4bn YoY)
 - ⇒ #1 among all banks in Japan
- Well-established connection with developers and dealers
 - ⇒ Approx. 90% of new applications are from this source

Other Consumer Loans (Strategic Products)

- Strategic loan products* are on a steady rise

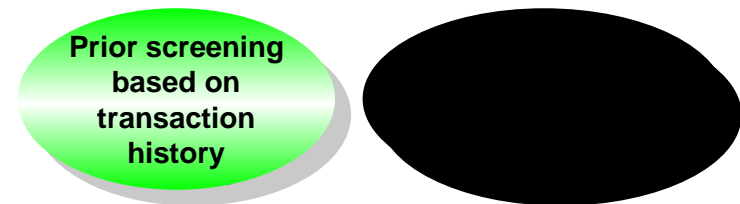
- Total balance increased Y17.6bn YoY



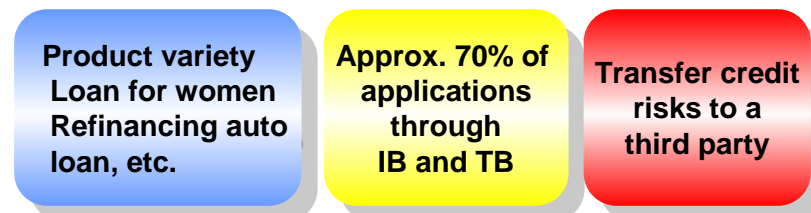
* ATM card loan, tie-up products, and screening model products

Strategic products with high profitability and convenience

- ATM card loan (interest rate 18%)



- Jibun Keikaku ("My Plan," one of tie-up products) (interest rate 6.9 to 14.5%)

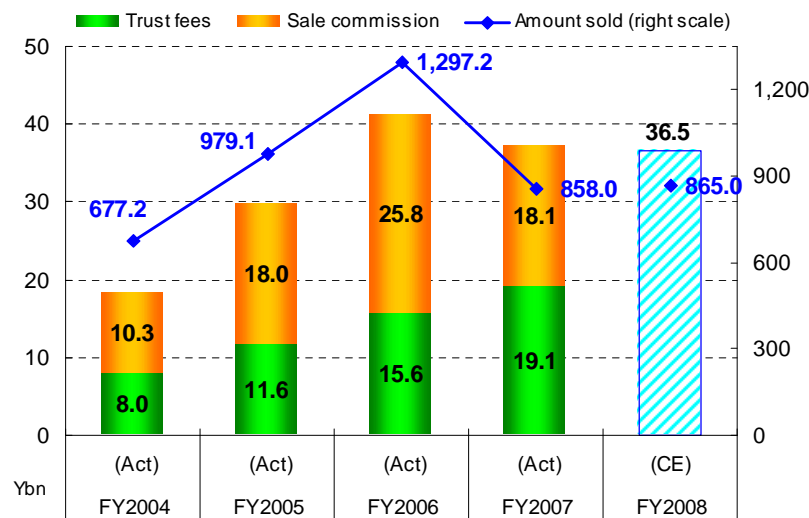


Sale of Financial Products

Investment Trusts

Income for FY2007 : Y37.2bn (-Y4.0bn YoY)

➤ Amount sold: Y858.0bn, Term-end Bal.: Y2,396.9bn



Decent sale result amid turmoil in the market

➤ Annual sale amount comparable to mega banks

Stable income flow as a stock business

➤ Trust fee income increased Y3.5bn (+22%) YoY

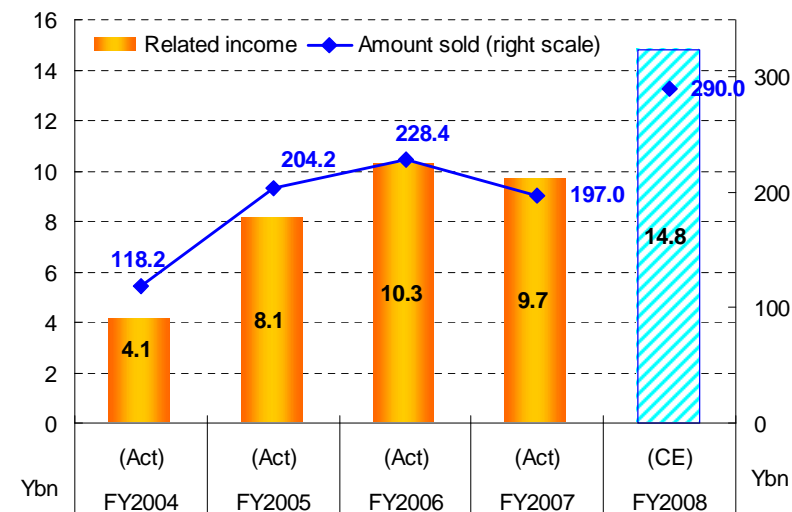
Full-fledged inflow of money from first baby boomers

➤ Individual deposits increased Y519.2bn (+2.5%) YoY

Personal annuity

Income for FY2007: Y9.7bn (- Y0.6bn YoY)

➤ Amount sold: Y197.0bn



Grown to be a second pillar after investment trusts

➤ Wider variety of products procured through alliances with Daiichi Life and Credit Agricole

Strengthen sales and marketing by increasing personnel

➤ Mar. 2008: 250 → Mar. 2009: 500

Response to lifting of the remaining ban on bank's sale

➤ Started handling cancer and medical care insurance

Compliance and post-purchase care

Business infrastructure developments

➤ Branch layout suited for consulting-based sales activities

➤ CRM system → Adherence to "principle of suitability"

Introduction of low-risk and simplified products

Know-how of specialized staff

Held 47 post-purchase seminars a year

(13,000 customers participated.)

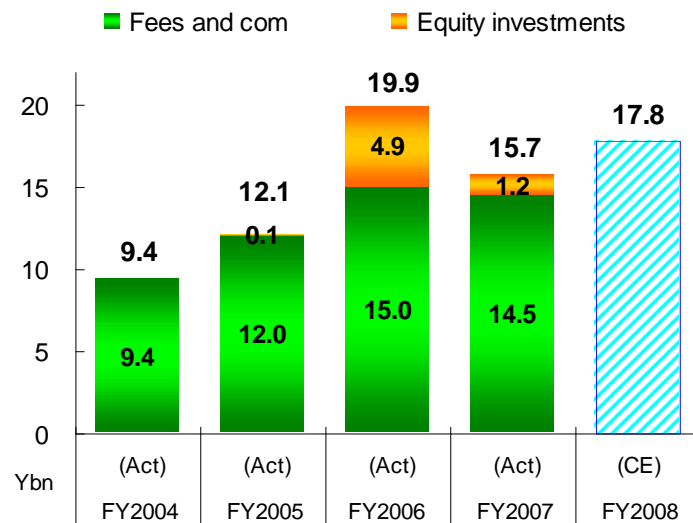
Real Estate, Pension and Securities Trust Businesses

Real estate business (RB)

- **Income for FY2007: Y15.7bn (-Y4.2bn YoY)**
 - Commission income: Y14.5bn (- Y0.5bn YoY)
 - Income from equity investments: Y1.2 bn (-Y3.7bn YoY)
- **Greater contribution by licensed branches in the Tokyo metropolitan area**

[Mar '03] East Japan 38 branches, West Japan 66 branches
 [Present] East Japan 61 branches, West Japan 43 branches

- FY2007 income: East Japan Y10.7bn, West Japan Y5.0 bn

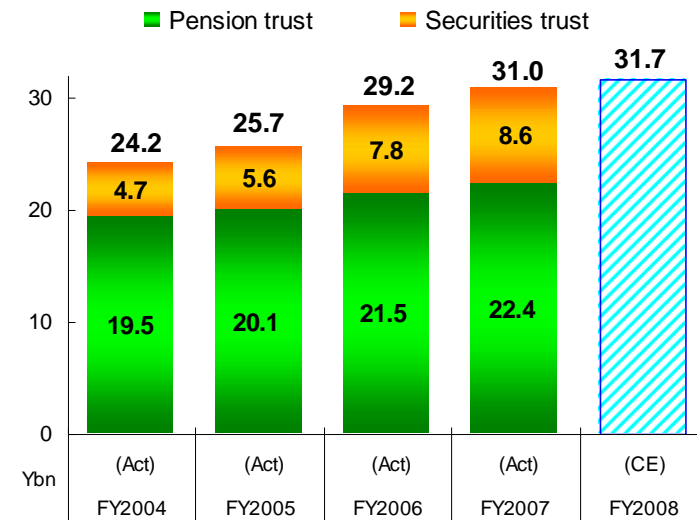


- **Business structure that makes the best use of branch network and customer base**

- Brokerage transactions initiated by actual demands from customers
- Approx. 1,200 brokerage transactions are carried out a year (Typical transaction amount is around Y500 million)

Pension and securities trust business (RT)

- **Gross operating profits for FY2007: Y31.0bn**
 - Pension trust business: Y22.4bn (+Y0.9bn YoY)
 - Securities trust business: Y8.6bn (+Y0.8bn YoY)
- **Number of pension trusts newly entrusted in FY2007 : 169 (+115 YoY)**



- **Providing SMEs with needed supports for a shift from tax-qualified pension plan to a new scheme**
- **High quality fund management products**
 - Entrusted from 2 large European pension funds with investment management in Japanese equity
 - Entrusted from a large European financial institution with investment advisory services in J-REIT

Outline of Business Results for FY2007

Updates on Major Businesses:
Results of FY2007 and Outlook for FY2008

Efforts to Build Solid Foundation for Sustainable Growth

Pathway to Early Repayment of Public Funds

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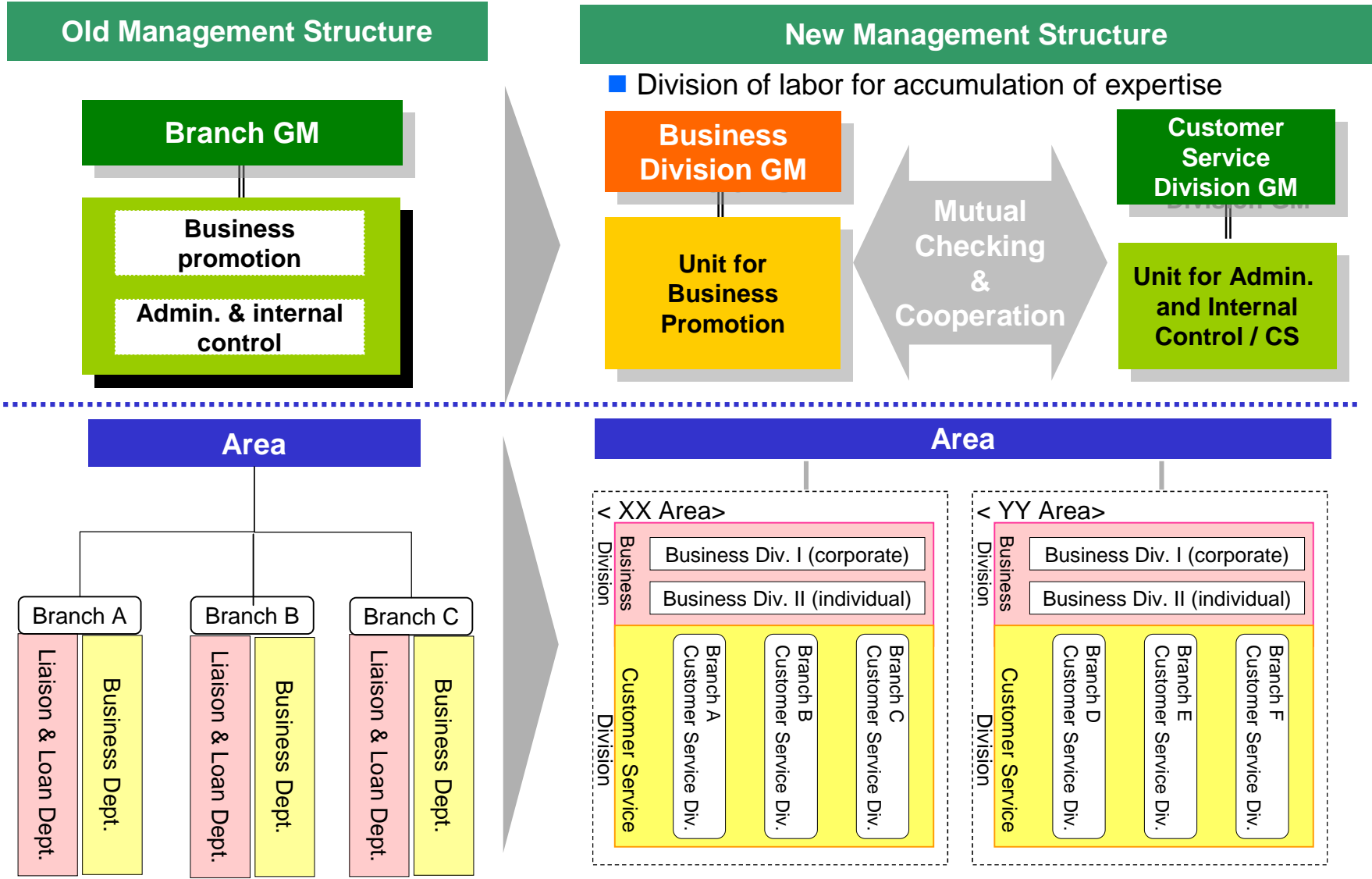
Realignment of Area Management (Resona Bank): 7 Areas and 3 RUs

	[Before]	[After]	Branch Offices	Loan (¥ tn)	Deposit (¥tn)	Top-line Income (¥ bn)	Objectives of the Alignment
Tokyo/ Chiba	Tokyo Central	Capital Central	15	3.39	4.02	83.4	[Capital Central] > Branches mostly transacting with large corporates are gathered to form "Capital Central Area" with a view toward higher efficiency [Tokyo Metropolitan Area] > Tokyo and Chiba Prefectures where market is large and competition is fierce are realigned into "Metropolitan Area" which focuses on SMEs and individuals > 3 blocs are created based on market characteristics → "Yamanote" "West" and "East"
	Tokyo West		70	3.57	3.92	91.2	
	Capital East						
	Tama	25	1.05	1.44	26.1		
Kanagawa	Kanagawa		35	1.78	1.44	37.3	
Osaka	Osaka North	Osaka	96	5.07	6.80	136.9	[Osaka] > A single area in Osaka Pref. > Strengthen presence as a local bank in Osaka > 4 blocs based on market characteristics → Osaka City: North / South → Osaka Suburb: North / South
	Osaka South						
Hyogo	Hyogo		19	0.62	0.78	15.4	
Nara	Nara		19	0.35	0.50	9.2	
Aichi	Tokai (RU)	Nagoya (RU)	5	0.45	0.44	10.1	[Regional Unit] > 2 branches in Mie Pref. are detached from the former Tokai RU to form Nagoya RU
Kyoto/ Shiga	Kyoto/Shiga (RU)		6	0.32	0.46	8.1	
Kyushu	Kyushu (RU)		4	0.23	0.19	5.7	

*Loan and deposit amounts are average balance in March 2008. Top-line income is for FY2007.
(All data presented are compiled for an administration purpose.)

Introduction of New Branch Office Management Structure

Redefined roles for “business promotion” and “administration & internal control” divisions

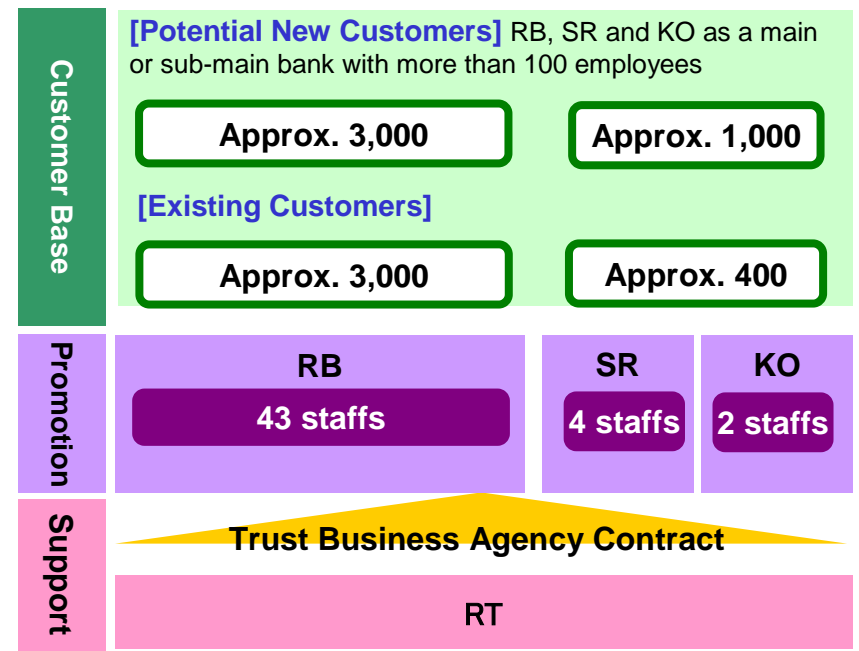


Pursuit of Group Synergies

Realizing group synergies making the most use of the trust functions

Corporate Pension Business

- Huge unexplored market (4,000 target companies)
 - # of new entrustments: FY2006: 54 → FY2007: 169
 - Campaign to capture 1,000 new client accounts
- Strengthened sales promotion
 - # of staffs specializing in promoting corporate pension business: 49 staffs for Group banks
 - Qualified DC Planner: 807 (+416 during FY2007)



Real Estate Business

- Increase in division staffs: +18 during FY2007

		Mar. '07	Mar. '08
Real Estate Business Division	Resona Bank Personnel	206	224
	Staffs supporting group banks	11	17

- Registered real estate transaction manager: 3,620 (+139 during FY2007)
- Mind-set to offer real estate solutions
 - Buy & sell information gathered in FY2007: 591 (+403 from the previous year)
 - Created “Group Collaboration Points” in the performance appraisal system

Inheritance Business

- Advent of the full-fledged aging society
- Resona’s strengths --- Trust function & client base
 - Concurrently providing trust banking services along with commercial banking services (RB)
 - Well-established customer base and network as a commercial bank
 - Line-up of products and solutions (cross-selling)
- Affinity with the banking business
 - Acceptance of testamentary trusts as an opportunity to initiate numerous transactions

Consumer Banking Business to Become Genuine Retail Bank

Approach to mass retail customers

- Distribution network satisfying both “low-cost” and “high touch”
- “Lifestyle supporting business” constructed upon state-of-the-art CRM system and marketing expertise
- “Institute for Financial Marketing” established as an independent division within RHD
 - Common platform for the entire group
 - Develop marketing methods and risk measurement and management techniques to enhance competitiveness in the medium to long term

Took root as Resona’s success model

Operation Reform	<ul style="list-style-type: none"> ■ Redefined branch office as a place for sales activities ■ Strengthened sales force by shifting people from back to front offices
Infrastructure Supporting Sales	<ul style="list-style-type: none"> ■ CRM system for individual customers ■ Grasp of life events and marketing activities based on the principle of suitability
Alliances	<ul style="list-style-type: none"> ■ Farewell to do-everything-by-myself approach ■ Procure best products and services based on customer needs ■ Negotiation power as one of the most successful distributor of financial products

Approach to private banking customers

- Begin to actively promote PB business after introduction of new branch management system
- Potential market ··· **Vast unexplored market**
 - Financial assets held by individuals to increase Y50tn driven by inflow of retirement pay between 2007 and 2009

3.67 million households*1 possess Y50M or above net financial assets

RB’s PB customers: **25 thousands**

- Over Y100M in total of loans and deposits
- Over 50M financial assets held by RB
- Wills entrusted to RB (Over Y200M)

[Measures to Strengthen PB business]

- Allocation of management resources
 - Clarify the divisions which promote PB
 - Personal banking GMs in branch offices and FPs in the PB solution office to become Resona’s private bankers
 - Current sales force: 200+
 - To be increased to 270 in three years
- Product lineup
 - Introduce products that can satisfy sophisticated needs
 - Open architecture alliance
- Human resource development
 - Define required capabilities and prepare HR development plan

*1. Survey conducted by Nomura Research Institute, Ltd. (2005)

Brand Restoration: Efforts to Improve Customer Services

Primary Measures

Zero Waiting Time Campaign

Extended Business Hours

Reforms based on VOC
(Voice of Customer)

Activities to Raise
Customer Satisfaction

No Seal Impression
and Passbook

No ATM Transaction Fee

Rankings in Nikkei Financial Institutions Survey

[Nikkei Shimbun (Dec 12, 2007), Nikkei Kinyu Shimbun (Dec. 13, 2007)]

■ Improvements in rankings in the Nikkei Survey (Dec. 2007)

➤ [Overall Ranking]

FY2005 #25 ⇒ FY2006 #16 ⇒ **FY2007 #8**

➤ [Rankings by Regions]

Kinki Region: FY2006 #7 ⇒ **FY2007 #3**

Tokyo Metropolitan Area: FY2006 #23 ⇒ **FY2007 #12**

Example of Service Innovation in Tokyo Midtown Branch

■ Created cozy atmosphere that makes customers feel like visiting the place again

- Issue biometrics IC cash card instantaneously
- No need to fill application form and seal impression
- Fully automated biometrics rental safe
- “Travelex” store that can handle world currency exchange



Fully automated biometrics rental safe



Concierge desk



Consulting lounge

Operational Reform: Achievements and Outlook for the Future

Resona's Operational Reform

Back to the basic of services industry
 Redefined branch as a place for sales

Next-general Branch Office

Concept

"3 NOs" & "3 LESSes"

[3 NOs] "No Waiting Time"
 "No Transaction Slips"
 "No Seal Impression"

[3 LESSes] "Paperless"
 "Cashless"
 "Backless"



Next-generation branch office

Three Pillars of Operational Reform

Business Process Reengineering

- Business Process Reengineering
 - Quick Navi (New Teller Terminals)
 - Collaborations between tellers and customers
 - New storefront system (Coordination DB)
 - Simplified clerical work flow, error reductions
 - Business Support Office (newly built middle office)
 - Concentration of back-office work

Clerical Work Reform

- "Mieruka" (Implementation of visual control)
 - Distribution of personnel based on work volume
 - Grasp a level of goal achievement and use such information for an administrative purpose
 - Gather and utilize voices (ideas) from branches

Branch Layout Reform

- General Reception Counter, Consulting Booth, Q-Navi
 - Installation of modules to improve service quality
 - Separating clerical work from consulting, understanding customer needs properly, bright and relaxing atmosphere, etc.

Achievements & Outlook

Next-generation Branch Office

- Renewed 200 offices (Mar. 2008)
 All branch offices to adopt the new layout
- Make a shift to paperless clerical work flow utilizing imaging technique and coordination data base.

Clerical Work Volume and Personnel

- Clerical work at next-generation branch office: - 35%
- Clerical work staffs declined from 5,500 to 4,200
- Shifted approx. 500 staffs to sales division (Mar. 2008)

Ranked #1 as a bank that offers the fastest teller services while reducing branch staffs

* Nikkei Inc. (2007) #4 Financial Institutions Ranking

Other Initiatives

Relocation of Tokyo Head Office

- [Assignment and Relocation of Tokyo Head Office]**
- Sold Tokyo Head Office at a price of ¥162.6bn
 - Plan to relocate Tokyo Head Office to the Fukagawa area in Spring to Summer of 2010
 - New HO: 1-chome, Kiba, Koto-ku, Tokyo Fukagawa Gatharia W2 Bldg.
 - Tokyo Head Office Removal Project Office
 - Lease back the current head office bldg. until completing the relocation

New Corporate Culture

- HO location suitable for a retail bank
- Strengthen ties with local customers and create new corporate culture

Head Office Reform

- Renovate office infrastructure
- Enhance productivity and creativity

Financial Base

	FY2007	FY2008	Cumulative Impact
Gain on sale of the Tokyo Head Office	—	+104.4	+104.4
Income tax-deferred (In relation to the sale)	+53.2	△53.2	—
Income tax-deferred (deferred tax liabilities on land revaluation)	—	+10.8	+10.8
Net income	+53.2	+62.0	+115.2
Reversal of revaluation reserve for land	—	+15.8	+15.8
Retained earnings	+53.2	+77.8	+131.0

Renovation of Kinki Osaka Bank's System

- [Outline of Systems Renovation at Kinki Osaka Bank]**
- Schedule: July 2008
 - Products and services
 - Unified with Resona's in principle
 - Systems
 - [Critical System] Unified with Resona's
 - [Sub-system] Unified with Resona's in principle
 - Business processes
 - Basic processes unified with Resona's
 - Back office centers integrated with Resona's

Customer convenience

- Products and services upgraded to Resona's
 - FX deposits, multi-payment, TIMO..
 - Products & services advantageous to rival regional banks

Efficiency

- Infrastructure shared by group banks
- Acquire know-how in operational reforms from preceding examples
- Better administration of systems through unification
- Greater efficiency through sharing of administrative costs

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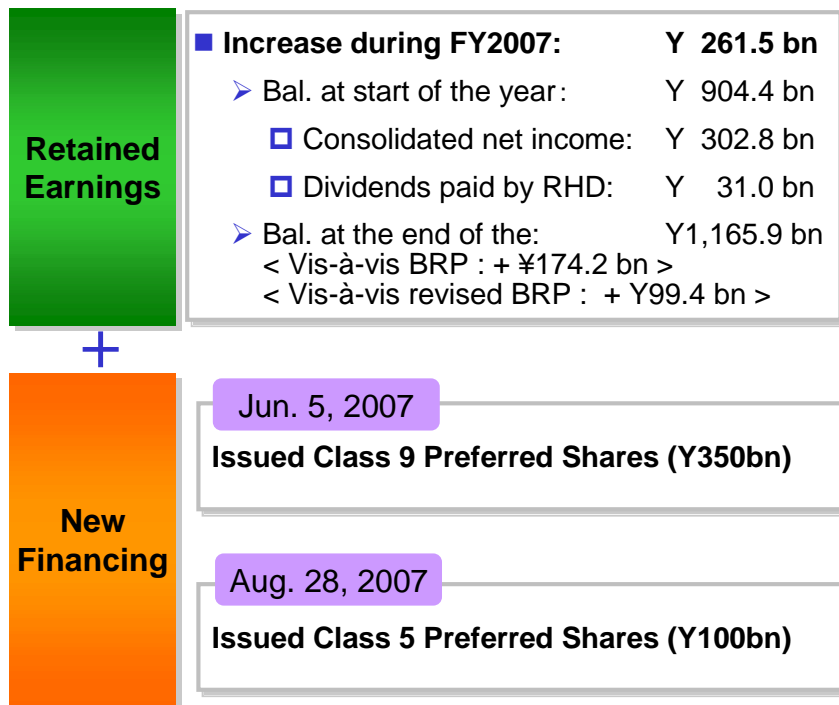
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Capital Policy Directed toward Early Repayment of Public Funds

Progress in FY2007

[Accumulation of Funds for Repayments]

- Funds available for repayments*1 increased Y711.5 bn during FY2007



[Public Funds Repaid in FY2007]

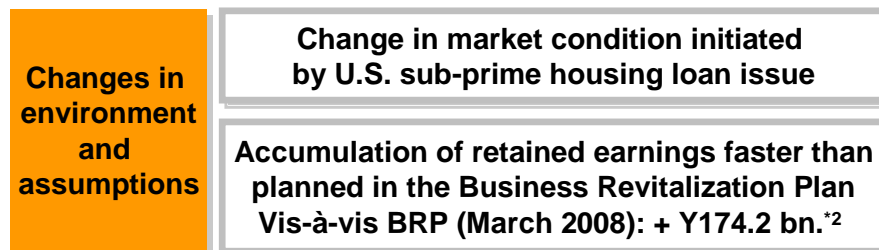
- Public funds repaid in FY2007: Y35.0bn
 - Aug. 28, 2007
Partial repayment of subordinated loan: Y35.0bn

Basic Policy toward Repayment of Public Funds (Announced in May 2006)

- (1) Secure a source of funds for repayment as soon as possible
- (2) Maintain an appropriate capital adequacy ratio, and
- (3) Avoid dilution of common shares as much as possible

Response to Possible Dilution (Preferred Shares issued under the Early Strengthening Law)

[Partial Amendment to the Business Revitalization Plan]



- Early Strengthening Law Preferred Shares to be repurchased prior to their mandatory conversion dates (Basic approach remains the same)
- At the same time, as a counter measure for the possibility of dilution from conversion of the Early Strengthening Law Preferred Shares, RHD will give considerations to a repurchase of its common shares from the market prior to their mandatory exchange dates.
- Even when it tries to repurchase its common shares, RHD intends to maintain its consolidated CAR above 9% and T1 ratio above 5%, respectively.

*1. Retained earnings and other capital surplus maintained by Resona Holdings and subsidiary banks

*2. Actual balance of retained earnings compared with the target in the BRP after an adjustment to reflect the repayment in January 2007.

List of Public Funds Still Outstanding and Approaches for Repayments

List of remaining public funds and approaches for repayments

(Billions of Yen)	Time of Issue	Mandatory Conversion (First Call)	Amount	Amount	Amount repaid (2) - (1)
			Sep. 30, '03 (1)	Mar. 31, '08 (2)	
Total public funds received			3,128.0	2,337.5	(790.4)
Preferred Shares			2,531.5	1,998.8	(532.7)
Early Strengthening Law			868.0	335.2	(532.7)
	Class B No.1	Mar. 1999 / Apr. 2009	408.0	163.3	(244.6)
	Class C No.1	Apr. 2001 / Apr. 2015	60.0	60.0	---
	Class E No.1	Mar. 1999 / Dec. 2009	300.0	11.9	(288.0)
	Class F No.1	Mar. 1999 / Dec. 2014	100.0	100.0	---
Deposit Insurance Law			1,663.5	1,663.5	---
	Class One No.1	Jul. 2003 / N.A.	550.0	550.0	---
	Class Two No.1	Jul. 2003 / N.A.	563.5	563.5	---
	Class Three No.1	Jul. 2003 / N.A.	550.0	550.0	---
Subordinated Loans			300.0	45.0	(255.0)
	Financial Function Early Stabilization Law	Mar. 1998 / Fully repaid	200.0	---	(200.0)
	Early Strengthening Law	Mar. 1999 / Mar. 2009	100.0	45.0	(55.0)
Common Shares			296.4	293.7	(2.7)

Subordinated Loans

Entire amount to be repaid by the end of March 2009 (the call date)

Common Shares

Plan to discuss further details including methods and timing with the relevant authorities as soon as circumstances permit

Preferred Shares

- Repurchase and cancellation utilizing retained earnings and proceeds from issuances of new preferred shares
 - Consideration given to repurchase of common shares as a way to curtail the impact of possible dilution from the Early Strengthening Law Preferred Shares
- As of the end of March 2008, secured the funds for repayments covering approximately 80% of the remaining public fund preferred shares on an infusion amount basis
- Further accumulation of retained earnings and new issue of non-convertible preferred shares will fill the shortage

Public fund preferred shares Remaining amount: ¥1,998.8bn (infusion amount basis)

Other capital surplus (New PS) (¥350bn)	Retained earnings (End of March 2008) (¥1,165.9 bn)
--	--

Profit & issuance of non-convertible PS

Total available funds for repayments ¥1,615.8 bn (Approx. 80% of above)

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Management Accounting by Business Lines

Management Accounting by Group Business Lines (Provisional Calculation for FY2007)

- “RAROC” and “RVA”^{*1} as management indicators to measure profitability to allocated capital

(Y bn., %)

	Net Operating Profit after a Deduction of Credit Cost *2				Internal Capital	Management Indices		
	Gross Operating Profit	Operating Expenses	Credit Cost			OHR	RAROC	RVA
Commercial Banking Unit	685.8	344.0	56.7	285.0	1,694.4	50.2%	16.8%	177.1
Corporate Banking	331.6	150.0	32.8	148.8	1,087.7	45.2%	13.7%	79.5
Real Estate Business	15.7	4.8	---	10.9	14.2	30.8%	76.4%	10.0
Personal Banking	354.2	194.0	24.0	136.2	606.7	54.8%	22.4%	97.5
Housing Loan Business *3	159.9	41.9	23.6	94.4	523.2	26.2%	18.0%	61.0
Treasury	(8.1)	11.1	0.2	(19.4)	321.2	0.0%	-6.0%	(39.9)
Pension & Securities Trusts	31.0	11.7	0.0	19.2	30.0	37.8%	64.0%	17.2
Total of Group Banks Simple sum of figures compiled on a management accounting basis*4	702.4	365.8	54.1	282.4	2,197.6	52.1%	12.9%	145.3

*1. RVA: Resona Value Added (Net profit after a deduction of cost on allocated internal capital.)

*2. Gross operating profit - operating expenses - credit cost

*3. Gains and losses belonging to loan guarantee subsidiaries are included.

*4. Total of four banks on a non-consolidated basis plus gains and losses of guarantee subsidiaries for housing loans.

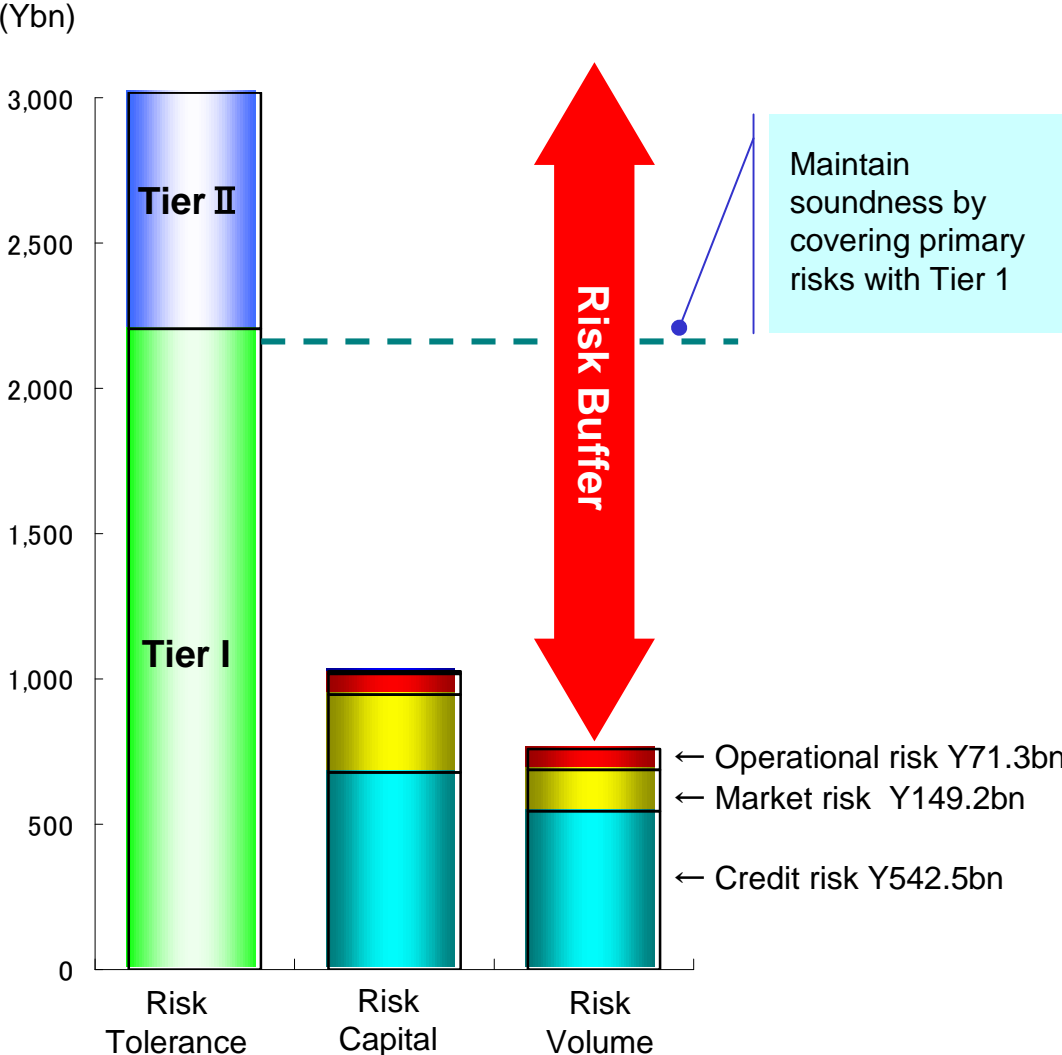
Capital Adequacy Ratio (RHD and Subsidiary Banks)

Mar. 31, 2008 [Preliminary] Japanese domestic standard (Billions of Yen)	RHD (Consolidated)				RB (Consolidated)			
	Mar. 31, 2007		Mar. 31, 2008		Mar. 31, 2007		Mar. 31, 2008	
	SA Act	SA Act	SA YoY	F-IRB Act	SA Act	SA Act	SA YoY	F-IRB Act
	Capital adequacy ratio	10.56%	13.83%	3.27%	14.28%	9.65%	9.89%	0.24%
Tier I ratio	6.51%	9.75%	3.24%	10.33%	5.72%	5.62%	-0.10%	5.86%
Tier I capital	1,551.7	2,253.3	701.5	2,253.3	1,001.5	927.5	(73.9)	927.5
Tier II capital	1,001.7	967.6	(34.1)	910.4	782.0	739.8	(42.1)	686.2
Deductions	37.5	24.3	(13.1)	47.8	95.0	37.7	(57.3)	61.7
Total BIS qualifying capital	2,515.8	3,196.5	680.6	3,115.8	1,688.5	1,629.6	(58.8)	1,552.0
Risk weighted assets	23,803.3	23,106.6	(696.6)	21,809.3	17,497.2	16,476.6	(1,020.5)	15,814.2

Mar. 31, 2008 [Preliminary] Japanese domestic standard (Billions of Yen)	SR (Non-consolidated)				KO (Consolidated)				RT (Non-consolidated)			
	Mar. 31, 2007		Mar. 31, 2008		Mar. 31, 2007		Mar. 31, 2008		Mar. 31, 2007		Mar. 31, 2008	
	SA Act	SA Act	SA YoY	F-IRB Act	SA Act	SA Act	SA YoY	F-IRB Act	SA Act	SA Act	SA YoY	F-IRB Act
	Capital adequacy ratio	9.01%	9.75%	0.74%	10.10%	9.40%	9.46%	0.06%	10.10%	41.53%	41.78%	0.25%
Tier I ratio	5.07%	5.29%	0.22%	5.76%	5.45%	5.48%	0.03%	5.76%	41.53%	41.78%	0.25%	41.53%
Tier I capital	218.7	227.5	8.7	219.5	106.6	106.5	(0.0)	219.5	29.9	32.1	2.2	29.9
Tier II capital	175.7	195.7	19.9	177.1	77.2	77.1	(0.0)	177.1	—	—	—	—
Deductions	6.0	4.3	(1.6)	11.8	—	—	—	11.8	—	—	—	—
Total BIS qualifying capital	388.5	418.9	30.4	384.8	183.8	183.6	(0.1)	384.8	29.9	32.1	2.2	29.9
Risk weighted assets	4,309.1	4,296.4	(12.7)	3,807.1	1,954.8	1,940.7	(14.0)	3,807.1	72.2	77.0	4.8	72.2

Risk Volume Relative to Capital (End of March 2008)

- Primary risks such as credit, market and operational risks are controlled within Tier 1 limit
- Risk buffers comprising of excess Tier 1 and Tier 2 are provided against the risk volume assumed under a stress scenario or the risks difficult to measure.



[Integrated risk management]
 Utilized as a tool for the management to evaluate the level of capital adequacy

Assumptions for measuring the VaR

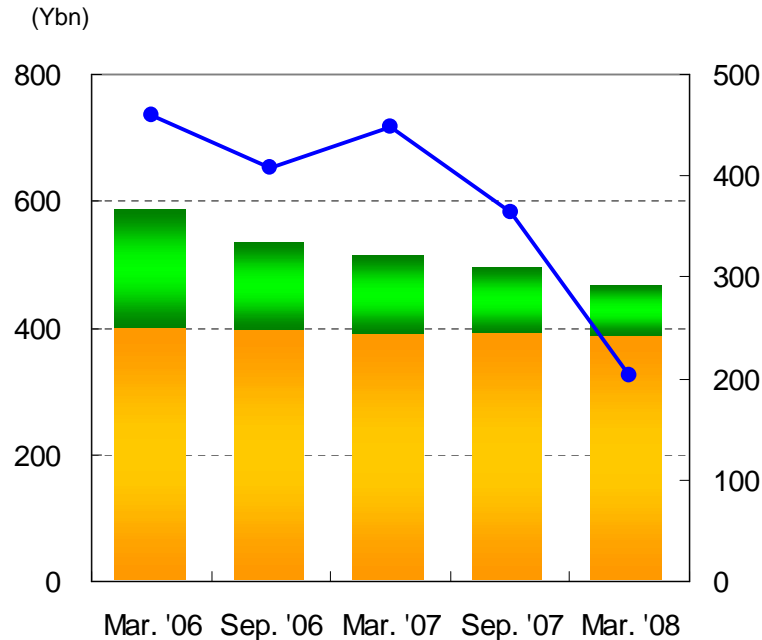
- Confidence Interval: 99%
 * “99.9%” confidence level is used as a supplementary assumption for a stress test.
- Holding period
 Credit risk: 1 year
 Market risk: 1 to 6 months depending on the nature of assets
 Operational risk: 1 year

Note: Tier 1 and Tier 2 amounts are after certain adjustments.

Securities Portfolio

- Net unrealized gains on available-for-sale securities (RHD consolidated basis) as of the end of March 2008 amounted to Y171.6bn.

Stock Portfolio (Available-for-sale securities, RHD Consolidated)



- Book value of stocks sold outright
FY2007 (Act): Y6.4bn (total of group banks)

Bond Portfolio

[Balance of Securities Held (Non-consolidated Basis)] (Ybn)

	Within 1 year	1 to 5 year	5 to 10 year	Over 10 years	No designated term	Total
Japanese government bonds	2,739.5	320.3	518.3	573.4	-	4,151.6
Japanese local gov. bonds	52.8	135.0	254.3	-	-	442.2
Japanese corporate bonds	482.3	618.7	37.8	24.8	-	1,163.9
Stocks	-	-	-	-	680.6	680.6
Other	9.1	41.5	61.7	29.2	125.7	267.5
Foreign securities	2.1	12.6	29.5	29.2	81.1	154.7
<Foreign bonds>	1.0	12.6	29.5	29.2	-	72.4
<Foreign stocks>	-	-	-	-	9.0	9.0
Other	7.0	28.9	32.1	-	44.6	112.7
Total	3,283.9	1,115.6	872.3	627.6	806.4	6,706.0

[Net unrealized gains/(losses) on bonds(RHD Consolidated Basis)] (Ybn)

	Sep. '05	Mar. '06	Sep. '06	Mar. '07	Sep. '07	Mar. '08
Japanese Bonds	(17.7)	(64.0)	(32.9)	(32.9)	(31.4)	(32.7)
Other*	44.2	47.0	(14.4)	16.5	11.0	5.8
Total	26.5	(17.0)	(47.3)	(16.4)	(20.4)	(26.9)

*"Other" includes local government bonds, corporate bonds, stocks and foreign bonds, etc.

10-year JGB yield	1.475%	1.765%	1.665%	1.650%	1.675%	1.275%
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[JGB duration (Banking Account)] (Years)

	Sep. '05	Mar. '06	Sep. '06	Mar. '07	Sep. '07	Mar. '08
Resona Group	2.3	2.4	2.1	1.9	1.7	1.7
Resona Bank	2.3	2.3	2.0	1.8	1.6	1.6

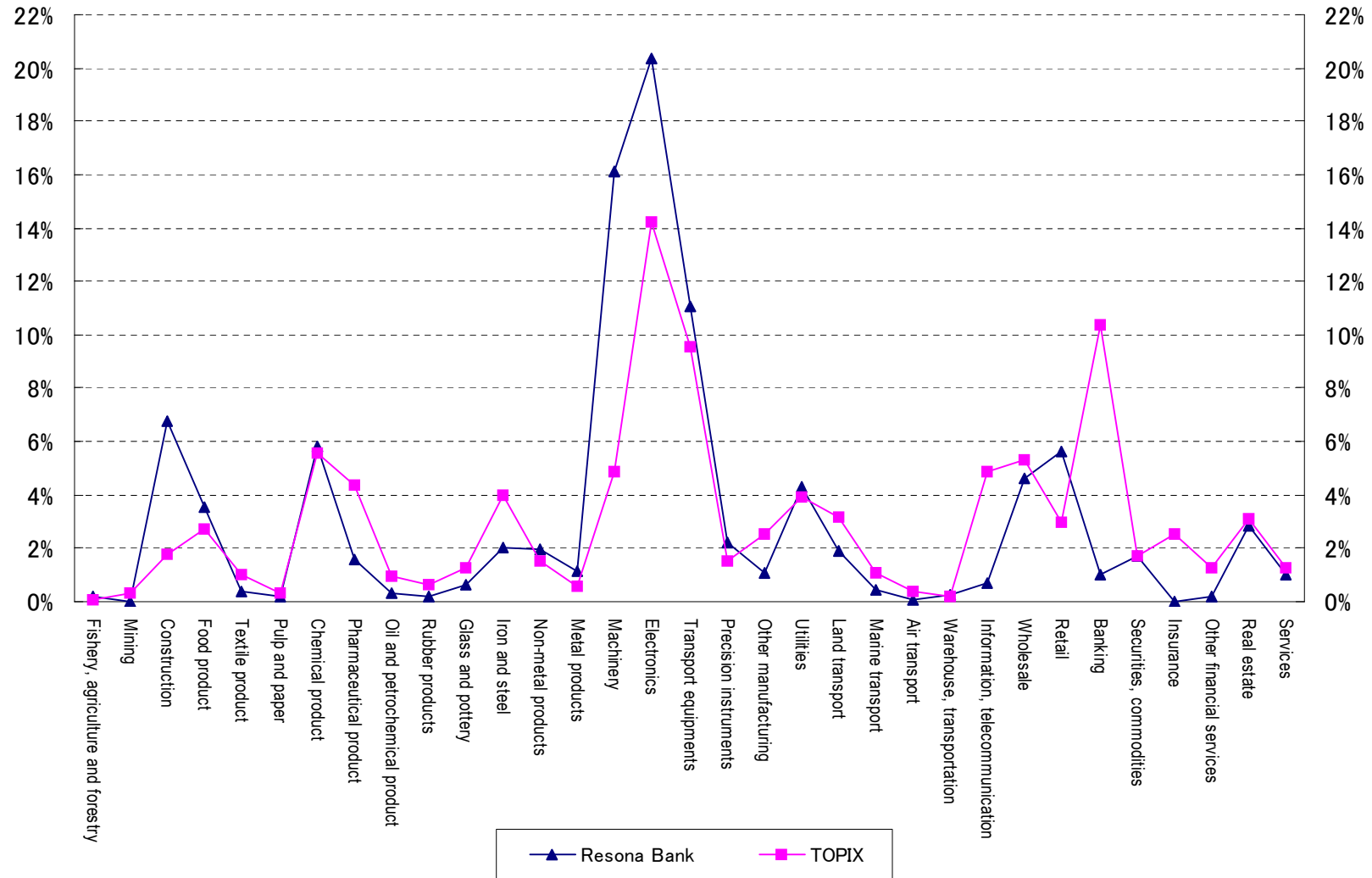
[Basis Point Value (BVP, Domestic Bonds)] (Ybn)

	Sep. '05	Mar. '06	Sep. '06	Mar. '07	Sep. '07	Mar. '08
Resona Group	(1.38)	(1.30)	(0.99)	(0.99)	(0.95)	(0.90)
Resona Bank	(0.89)	(0.77)	(0.61)	(0.59)	(0.54)	(0.48)

[Break-even Nikkei Average Points] (Yen)

	Sep. '05	Mar. '06	Sep. '06	Mar. '07	Sep. '07	Mar. '08
Resona Group	6,300	6,000	6,600	7,000	7,000	7,500

Shareholdings by Industry (End of March 2008, Resona Bank)



Maturity Ladder of Deposit and Loans (Resona Bank, Domestic Operations)

Loans and Bills Discounted

[End of March 2007]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	4.5%	4.5%	10.1%	6.5%	25.6%
Prime rate-based	39.3%	0.8%	0.0%	0.0%	40.1%
Market rate-based	26.7%	2.2%	2.9%	2.5%	34.3%
Total	70.5%	7.5%	13.0%	9.0%	100.0%

Loans maturing within 1 year **78.0%**

[End of March 2008]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	4.1%	4.0%	7.2%	8.0%	23.3%
Prime rate-based	41.2%	0.8%	0.0%	0.0%	42.0%
Market rate-based	26.3%	2.1%	3.3%	2.9%	34.7%
Total	71.6%	6.9%	10.6%	10.9%	100.0%

Loans maturing within 1 year **78.5%**

[Change in FY2007]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	-0.4%	-0.5%	-2.9%	1.5%	-2.3%
Prime rate-based	1.9%	-0.1%	0.0%	0.0%	1.9%
Market rate-based	-0.4%	-0.1%	0.5%	0.4%	0.4%
Total	1.2%	-0.7%	-2.4%	1.9%	0.0%

Loans maturing within 1 year **0.5%**

Deposits

[End of March 2007]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	45.9%	2.4%	8.1%	7.8%	64.1%
Time deposits	16.9%	8.4%	7.7%	2.8%	35.9%
Total	62.8%	10.8%	15.8%	10.6%	100.0%

[End of March 2008]

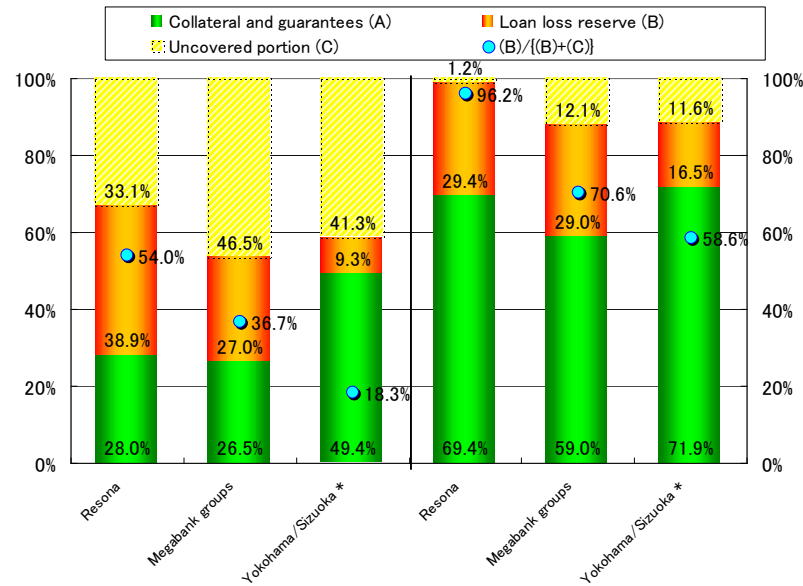
	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	43.8%	2.1%	8.2%	7.9%	61.9%
Time deposits	19.3%	9.7%	6.1%	2.9%	38.1%
Total	63.1%	11.8%	14.3%	10.8%	100.0%

[Change in FY2007]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	-2.1%	-0.3%	0.1%	0.1%	-2.2%
Time deposits	2.4%	1.3%	-1.6%	0.1%	2.2%
Total	0.3%	1.0%	-1.5%	0.2%	0.0%

Policy on Provision of Loan Loss Reserves and Trend of Credit Costs

High reserve ratio against uncovered NPLs



Special attention borrowers

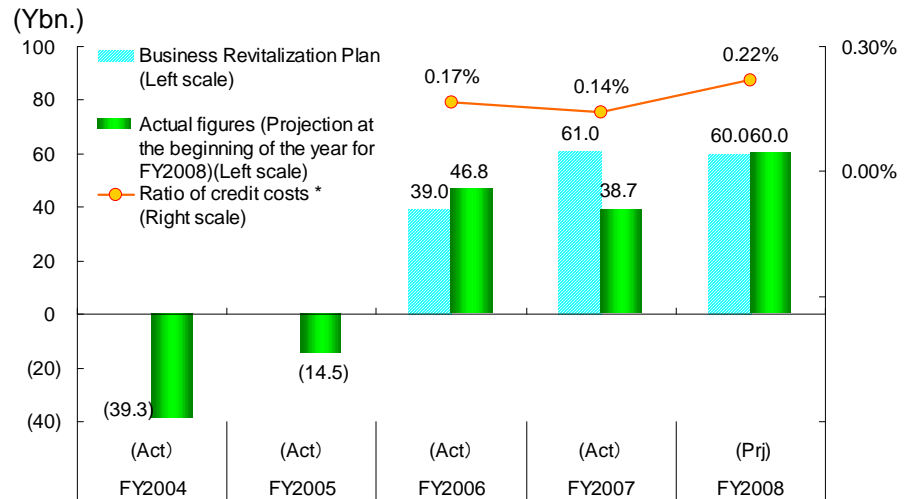
Doubtful and lower category borrowers

* Total of Bank of Yokohama and Sizuoka Bank

Criteria for applying the DCF method in providing general reserve

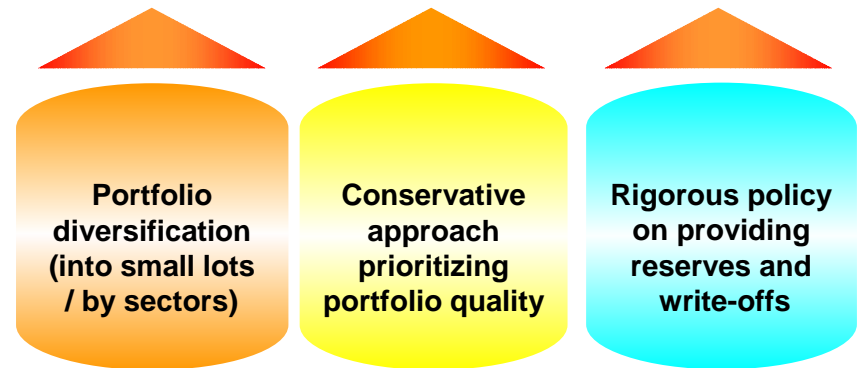
	Resona Criteria	FSA Financial Inspection Manual
Special attention borrowers	Borrowers with 1.0bn and higher loan obligations	Borrowers with 10.0bn and higher loan obligations (desirable)
Other watch borrowers	Borrowers with 10.0bn and higher loan obligations	-

Trend of credit costs (Total of group banks)



* Credit costs, net / Total credit exposures defined under the Financial Reconstruction Law

Expect net credit cost equivalent to 22bps of entire credit portfolio



Swap Positions by Remaining Periods (Resona Bank)

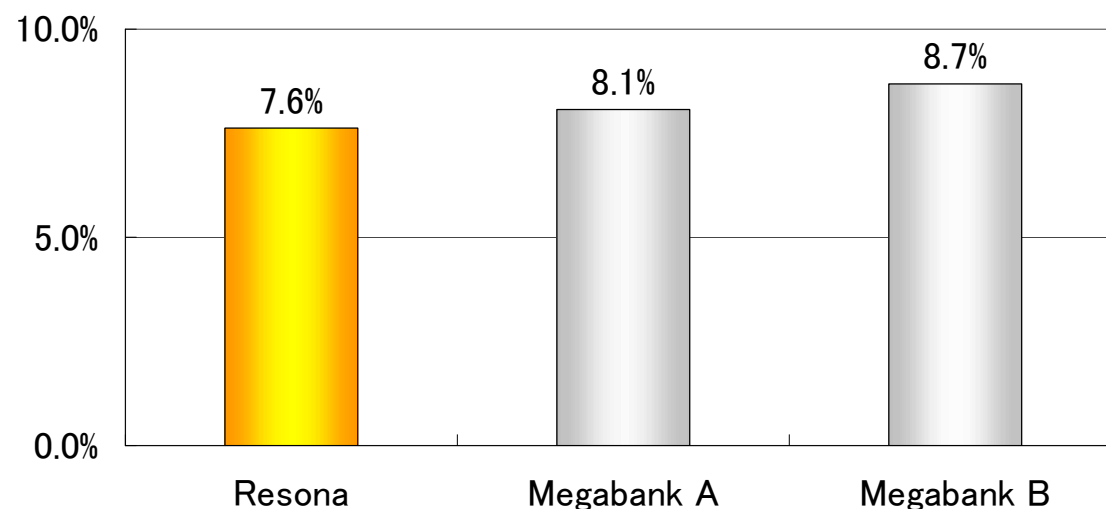
■ Notional amounts of interest rate swaps by remaining period *

(Billions of Yen)

	End of March 2008				End of March 2007			
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/Pay floating rate	372.0	714.0	1,257.2	2,343.2	467.0	995.0	819.2	2,281.2
Receive floating rate/Pay fixed rate	75.0	160.0	100.0	335.0	210.0	235.0	100.0	545.0
Net position to pay fixed rate	297.0	554.0	1,157.2	2,008.2	257.0	760.0	719.2	1,736.2

■ Ratio of net position (notional amount) to receive fixed rate to total assets *

<End of March 2008>



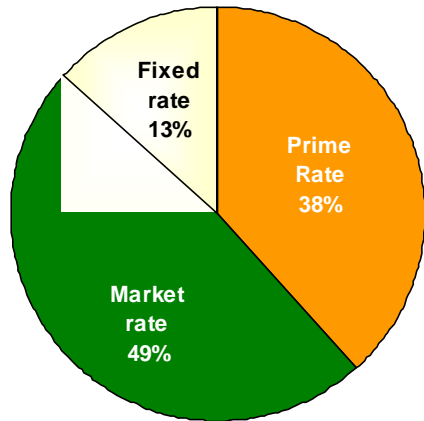
* Notional amount of interest rate swaps to which deferred hedge accounting is applicable.

Composition of Loan Portfolio by Corporate/Individual Customers (Resona Bank)

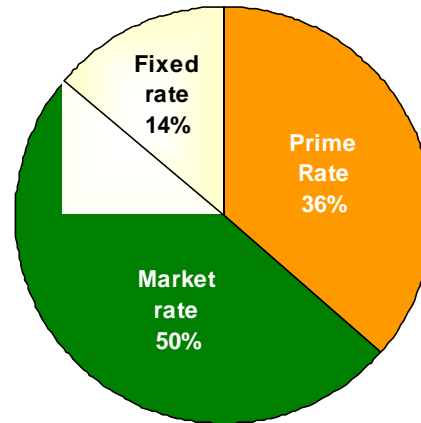
Loans to corporations

*Market rate-linked loans (corporate) include the fixed-rate (spread) loans maturing in less than one year.

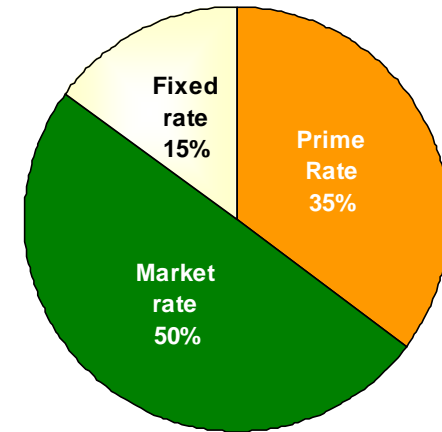
[End March 2007]



[End September 2007]

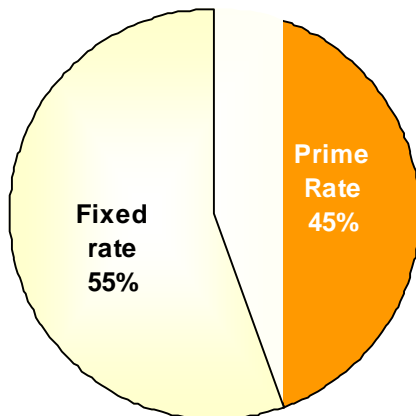


[End March 2008]

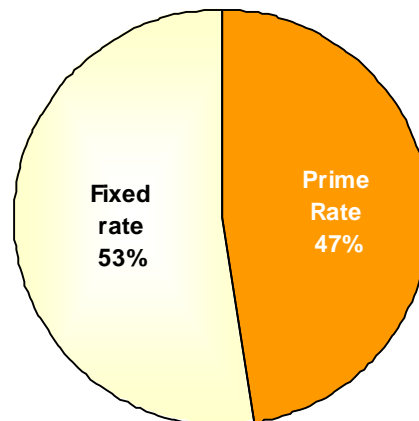


Loans to individuals

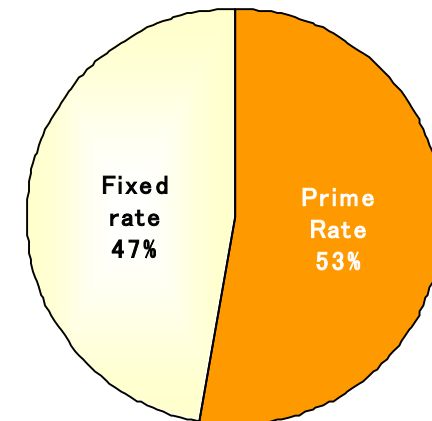
[End March 2007]



[End September 2007]



[End March 2008]

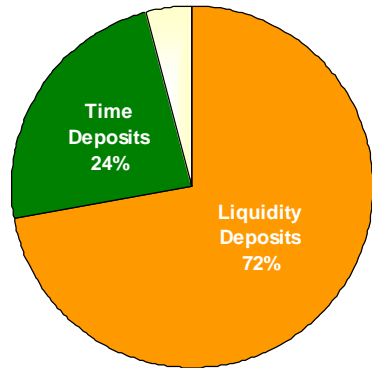


* Portfolio composition is computed based on the numbers compiled for administration purposes.

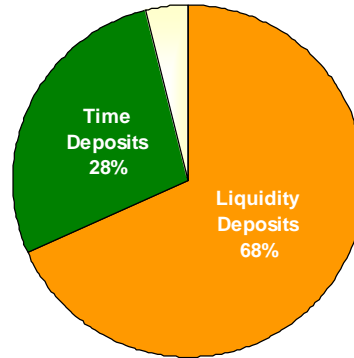
Composition of Deposits by Corporate/Individual Customers (Resona Bank)

Corporate Deposits

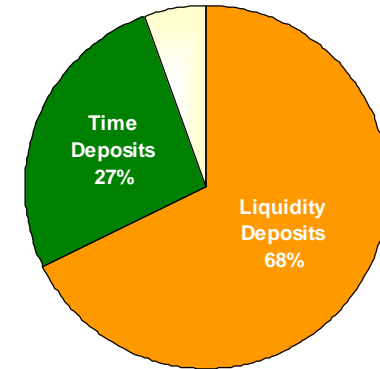
[End March 2007]



[End September 2007]

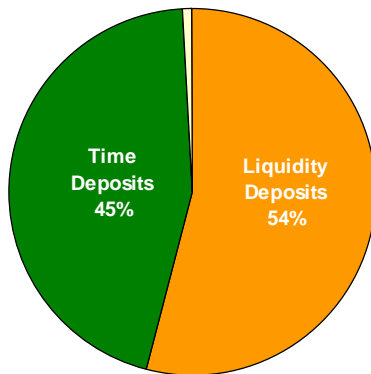


[End March 2008]

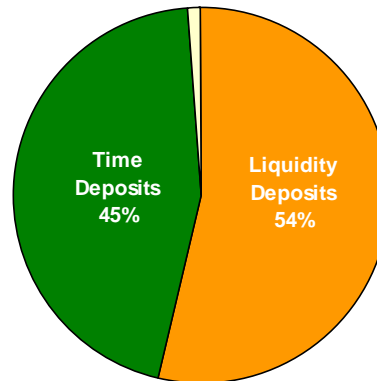


Individual Deposits

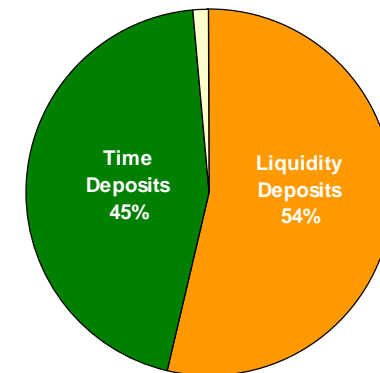
[End March 2007]



[End September 2007]



[End March 2008]



Migrations of Borrowers (Resona Bank, 1H of FY2007)

Exposure amount basis (Migration during the 1H of FY2007)

		End of September 2007									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Quasi-Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2007	Normal	95.3%	3.7%	0.5%	0.2%	0.0%	0.1%	0.2%	0.2%	0.0%	-	4.6%
	Other Watch	9.3%	79.1%	1.4%	4.0%	0.2%	0.8%	5.1%	5.1%	0.0%	9.3%	6.5%
	Special Attention	23.5%	9.6%	50.6%	10.9%	0.6%	0.3%	4.5%	4.5%	0.0%	33.1%	11.8%
	Doubtful	1.7%	4.4%	1.1%	73.6%	7.8%	2.3%	9.0%	6.1%	3.0%	7.2%	10.2%
	Quasi-Bankrupt	0.2%	0.3%	0.0%	1.3%	79.9%	3.1%	15.1%	10.1%	5.0%	1.9%	3.1%
	Bankrupt	0.0%	0.0%	0.0%	0.7%	0.0%	89.5%	9.7%	8.4%	1.3%	0.7%	-

1. Above table shows how a borrower belonging to either of the borrower categories shown as of the end of March 2007 moved to a new category in the first half of FY2007.
2. Percentage points are calculated based on exposure amounts as of the end of March 2007. (New loans extended, loans collected or written-off during the period are not taken into account.)
3. "Other" for end of September 2007 indicates those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

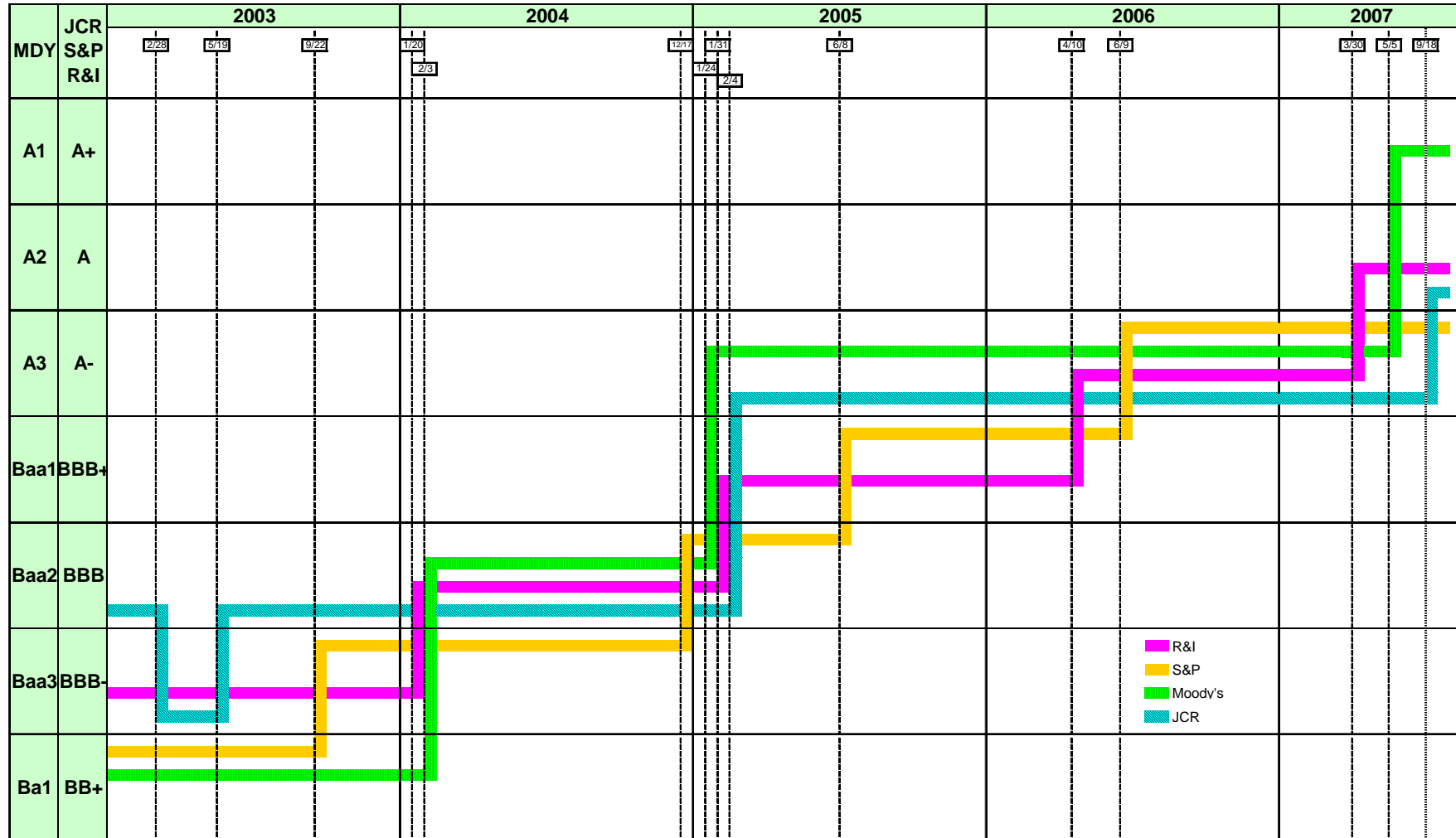
Migrations of Borrowers (Resona Bank, 2H of FY2007)

Exposure amount basis (Migration during the 2H of FY2007)

		End of March 2008									Upward Migration	Downward Migration	
		Normal	Other Watch	Special Attention	Doubtful	Quasi-Bankrupt	Bankrupt	Other	Collection, Repayments				Assignments, Sale
End of September 2007	Normal	97.6%	1.8%	0.2%	0.2%	0.0%	0.1%	0.2%	0.2%	0.0%	-	2.3%	
	Other Watch	5.1%	85.5%	1.8%	2.8%	0.5%	0.4%	3.9%	3.9%	0.0%	5.1%	5.5%	
	Special Attention	3.5%	9.9%	76.3%	4.7%	1.7%	0.8%	3.2%	3.2%	0.1%	13.4%	7.1%	
	Doubtful	1.9%	9.9%	1.8%	53.8%	18.7%	2.7%	11.2%	8.3%	2.9%	13.6%	21.4%	
	Quasi-Bankrupt	0.6%	0.9%	0.1%	1.0%	79.0%	7.8%	10.6%	3.9%	6.7%	2.5%	7.8%	
	Bankrupt	0.0%	0.0%	0.0%	1.0%	0.1%	92.1%	6.8%	0.9%	5.9%	1.1%	-	

1. Above table shows how a borrower belonging to either of the borrower categories shown as of the end of September 2007 moved to a new category in the second half of FY2007.
2. Percentage points are calculated based on exposure amounts as of the end of September 2007. (New loans extended, loans collected or written-off during the period are not taken into account.)
3. "Other" for end of March 2008 indicates those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

Trend of Long-term Senior Debt Rating of Resona Bank



List of RHD's Preferred Shares (1)

[As of April 30, 2008]

		Class B Preferred Shares	Class C Preferred Shares	Class E Preferred Shares	Class F Preferred Shares
Distinction between public and private funds		Public Fund	Public Fund	Public Fund	Public Fund
Original issuer and name of securities		Daiwa Bank Class B Series 1	Kinki Osaka Bank Series 1	Asahi Bank Series 1 Class 2	Asahi Bank Series 2 Class 2
Original issue date		3/31/1999	4/26/2001	3/31/1999	3/31/1999
Current number of shares		272,202 shares	120,000 shares	9,576 shares	80,000 shares
Issue price per share		JPY 600,000	JPY 500,000	JPY 1,250,000	JPY 1,250,000
Total issue amount remaining at present		JPY 163.3 Billion	JPY 60.0 Billion	JPY 12.0 Billion	JPY 100.0 Billion
Original total issue amount		JPY 408.0 Billion	JPY 60.0 Billion	JPY 300.0 Billion	JPY 100.0 Billion
Shareholder		RCC	RCC	RCC	RCC
Preferred dividend	Dividend per share	JPY 6,360	JPY 6,800	JPY 14,380	JPY 18,500
	Total amount of dividend	JPY 1,731 Million	JPY 816 Million	JPY 138 Million	JPY 1,480 Million
	Yield	1.06%	1.36%	1.1504%	1.48%
Acquisition right	Acquisition period	6/30/1999 3/31/2009	1/1/2002 3/31/2015	7/1/2002 11/30/2009	7/1/2003 11/30/2014
	Current exchange price	(JPY 294,985)	JPY 199,200	JPY 359,700	JPY 359,700
	Current exchange rate	2.034	(2.510)	(3.475)	(3.475)
Reset of exchange rate	Date of reset	6/30	1/1	7/1	7/1
	Direction of reset	Upward/Downward	Upward/Downward	Upward/Downward	Upward/Downward
	Cap exchange rate	3.429	(2.999)	(3.475)	(3.475)
	Floor exchange rate	---	---	---	---
	Cap exchange price	---	---	---	---
	Floor exchange price	(JPY 174,978)	JPY 166,700	JPY 359,700	JPY 359,700
	Start of market price calculation	45 trading days before	45 trading days before	45 trading days before	45 trading days before
	Calculation period	30 trading days	30 trading days	30 trading days	30 trading days
Acquisition clause	Date of mandatory exchange	4/1/2009	4/1/2015	12/1/2009	12/1/2014
	Mandatory exchange rate	JPY 600,000/Market Price ^{1.02}	JPY 500,000/Market Price	JPY 1,250,000/Market Price	JPY 1,250,000/Market Price
	Start of market price calculation	45 trading days before	45 trading days before	45 trading days before	45 trading days before
	Calculation period	30 trading days	30 trading days	30 trading days	30 trading days
	Floor exchange price	JPY 100,000	JPY 166,700	JPY 359,800	JPY 359,800

List of RHD's Preferred Shares (2)

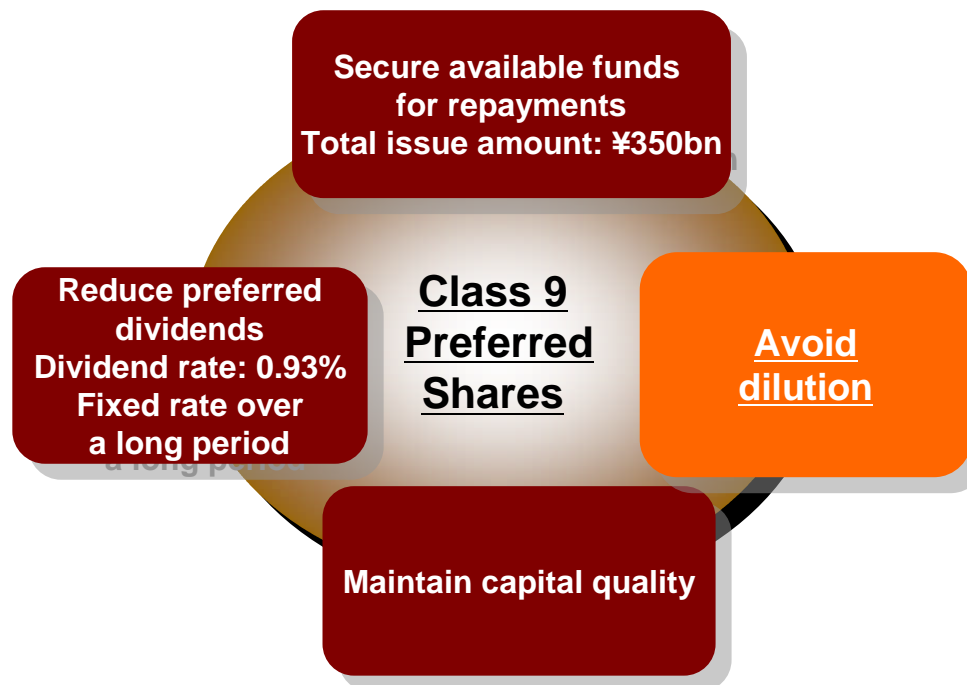
[As of April 30, 2008]

	Class 1 Preferred Shares	Class 2 Preferred Shares	Class 3 Preferred Shares	Class 4 Preferred Shares	Class 5 Preferred Shares	Class 9 Preferred Shares	
Distinction between public and private fund	Public Fund	Public Fund	Public Fund	Private Fund	Private Fund	Private Fund	
Original issuer and name of securities	Resona Bank Class 1 Series 1	Resona Bank Class 2 Series 1	Resona Bank Class 3 Series 1	Resona Holdings Class 4	Resona Holdings Class 5	Resona Holdings Class 9	
Original issue date	7/1/2003	7/1/2003	7/1/2003	8/31/2006	8/28/2007	6/5/2007	
Current number of shares	2,750,000 shares	2,817,808 shares	2,750,000 shares	25,200 shares	40,000 shares	100,000 shares	
Issue price per share	JPY 200,000	JPY 200,000	JPY 200,000	JPY 2,500,000	JPY 2,500,000	JPY 3,500,000	
Total issue amount remaining at present	JPY 550.0 Billion	JPY 563.6 Billion	JPY 550.0 Billion	JPY 63.0 Billion	JPY 100.0 Billion	JPY 350.0 Billion	
Original total issue amount	JPY 550.0 Billion	JPY 563.6 Billion	JPY 550.0 Billion	JPY 63.0 Billion	JPY 100.0 Billion	JPY 350.0 Billion	
Shareholder	DIC	DIC	DIC	Shinkin Trust Bank	Dai-ichi Life	Merill Lynch Japan Finance	
Preferred dividend	Dividend per share (Jun '09)	JPY 3,190	JPY 3,190	JPY 3,190	JPY 99,250	JPY 91,875	JPY 32,550
	Total amount of dividend (Jun '09)	JPY 8,773 Million	JPY 8,989 Million	JPY 8,773 Million	JPY 2,501 Million	JPY 3,675 Million	JPY 3,255 Million
	Yield	Libor (1y) + 50bp 1.595%	Libor (1y) + 50bp 1.595%	Libor (1y) + 50bp 1.595%	3.97%	3.675%	0.93%
Acquisition right	Acquisition period	7/1/2006	7/1/2008	7/1/2010	---	---	6/5/2008 (Certain limitations applicable)
	Current exchange price	JPY 299,700	---	---	---	---	JPY 332,465
	Current exchange rate	(0.667)	(---)	(---)	(---)	(---)	(10.527)
Reset of exchange rate	Date of reset	8/1	11/1	5/1	---	---	6/5 4 times only (2012 - 2015)
	Direction of reset	Upward/Downward	Upward/Downward	Upward/Downward	---	---	Downward only
	Cap exchange rate	(7.143)	(10.000)	(11.765)	---	---	(40.355)
	Floor exchange rate	---	---	---	---	---	---
	Cap exchange price	---	---	---	---	---	---
	Floor exchange price	JPY 28,000	JPY 20,000	JPY 17,000	---	---	JPY 86,730
	Start of market price calculation	45 trading days before	45 trading days before	45 trading days before	---	---	45 trading days
	Calculation period	30 trading days	30 trading days	30 trading days	---	---	30 trading days (VWAP)
Acquisition clause	Date of mandatory exchange	Mandatory exchange not applicable	Mandatory exchange not applicable	Mandatory exchange not applicable	Mandatory exchange not applicable	Mandatory exchange not applicable	Mandatory exchange not applicable
	Mandatory exchange rate	---	---	---	Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date	Acquisition clause exercisable under certain conditions at the issuer's option after seven years after issue date	Acquisition clause exercisable under certain conditions at the issuer's option after five years after issue date
	Start of market price calculation	---	---	---	---	---	---
	Calculation period	---	---	---	---	---	---
	Floor exchange price	---	---	---	---	---	---

Class 9 Preferred Shares: Structure that Embodies “Basic Policies toward Repayments”

Designed in such a way to ensure high capital eligibility and to avoid dilution

- All shares will be allotted and subscribed by Merrill Lynch Japan Finance
- The only convertible preferred share that the Aol allows



- Proceeds will be utilized to repurchase the existing public fund convertible preferred shares (leading to a decline in the number of potential shares)

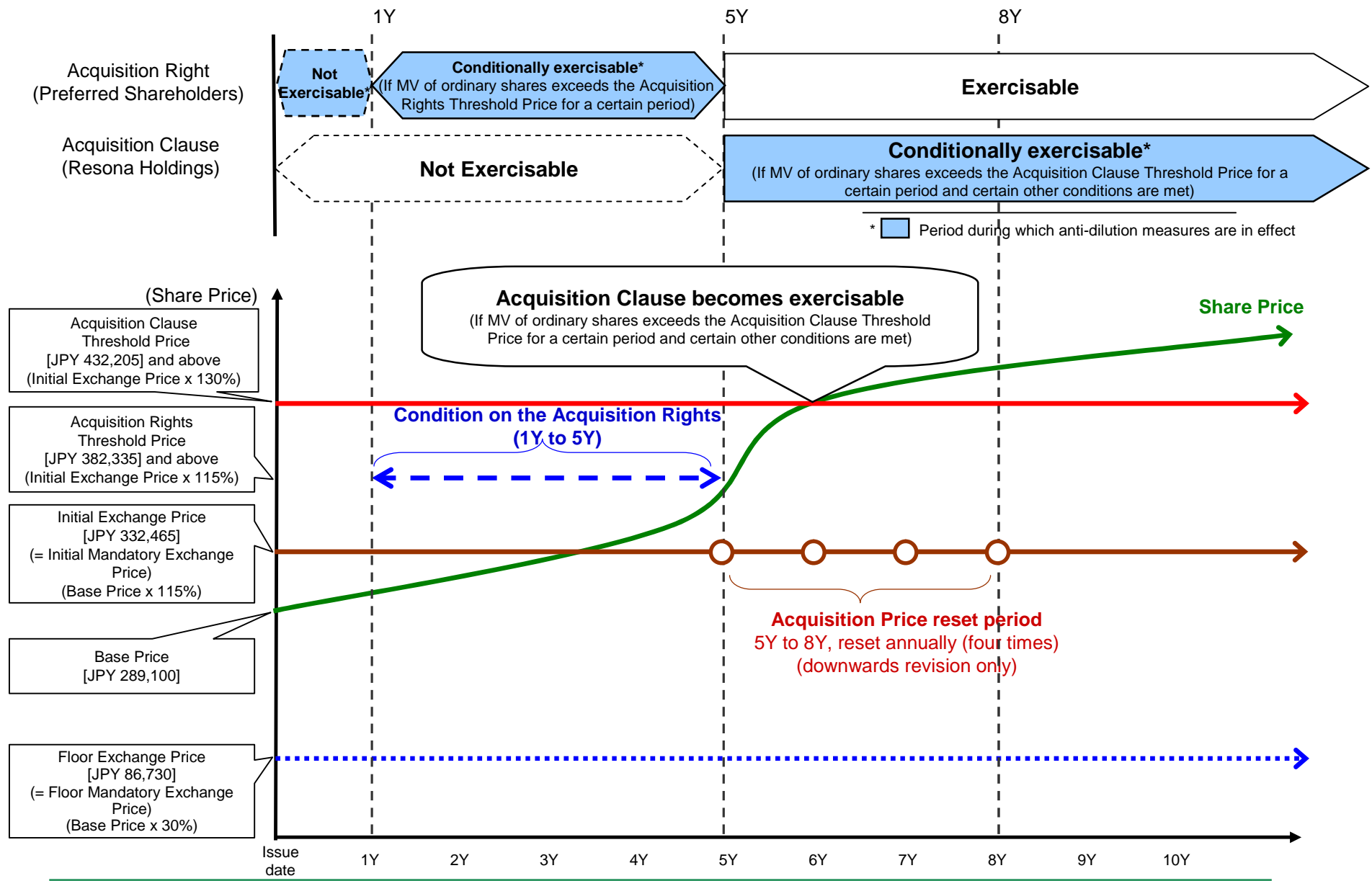
Limitation on exercise of Acquisition Rights

- Acquisition Rights are not exercisable for one year from the issue date
- Initial Exchange Price is set at an amount equal to the sum of the Base Price plus the Initial Exchange Premium of 15% (Same exchange price applicable for 5 years)
- For five years from the issue date, Acquisition Rights become exercisable only when ordinary share price exceeds 115% of the Initial Exchange Price
- Reset of Exchange Price (downward only) will be made only four times, after 5, 6, 7 and 8 years after the issue date.

Inclusion of the Acquisition Clause

- Acquisition Clause enables the issuer to limit excessive dilution when ordinary share price appreciates.
- If, after five years after the issuer date, the following conditions are met, the issuer may acquire the Preferred Shares in exchange for payment of cash (equal to subscription price) and delivery of ordinary shares (equal to the in-the-money value).
 - Ordinary share price exceeds Acquisition Clause Threshold Price for a certain period, and
 - Resona Holdings can maintain an adequate CAR after acquisition under the Acquisition Clause
- Simultaneous mandatory conversion is not applicable

Class 9 Preferred Shares: “Acquisition Right” and “Acquisition Clause”



Class 9 Preferred Shares: Comparison with Public Fund Preferred Stocks

	Financial Function Early Strengthening Law	Deposit Insurance Law	Class 9 Preferred Shares
Preferred Dividend Rate	Fixed rate (1.06% to 1.48%)	1y¥Libor +50bps	Fixed rate (0.93%)
Initial Exchange Premium	N.A.	N.A.	15%
Start of the Period for Exercise of Acquisition Rights	Already arrived	Jul. 2006 to Jul. 2010	After one year after the issue date
Reset of Exchange Price and Direction	Once every year, upward/downward	Once every year, upward/downward	Four times after 5, 6, 7 and 8 years after the issue date Downward only
Floor Exchange Price	¥166,700 to ¥359,700	¥17,000 to ¥28,000	¥86,730 (Base Price x 30%)
Limitation on Exercise of Acquisition Rights	N.A.	N.A.	Exercisable when ordinary share price exceeds 115% of the Initial Exchange Price
Period for Exercise of Acquisition Clause	N.A.	N.A.	Exercisable when ordinary share price exceeds 130% of the Initial Exchange Price after five years after the issue date
Simultaneous Mandatory Conversion	Applicable (Apr. 2009 to Dec. 2014)	N.A.	N.A.
Voting Rights	N.A. (Restored when dividends skipped)	Granted	N.A. (Not restored even when dividends skipped)

Business Revitalization Plan: Earnings Plan

(Total of Four Banks)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	(Actual)	(Actual)	(Actual)	(Plan)	(Plan)
Gross operating profit	693.6	735.9	700.0	754.0	780.0
Trust fees	36.6	40.4	41.3	33.0	34.0
Jointly Operated Designated Money Trust	6.2	6.7	6.9	2.0	1.0
NPL disposal in trust account	0.0	0.3	(0.1)	0.0	0.0
Interest income	604.4	660.2	701.3	777.0	852.0
Interest expense	76.6	115.5	164.1	208.0	267.0
Net fees & commissions	91.0	107.0	97.0	103.0	110.0
Net trading income	3.0	20.5	69.7	22.0	23.0
Other operating income	35.0	23.2	(45.3)	27.0	28.0
Gains/(losses) on bonds	(12.2)	7.4	7.2	1.0	1.0
Adjusted net operating profit (Note.1)	345.2	382.0	337.8	366.0	392.0
Net operating profit	348.7	377.2	337.9	366.0	392.0
Provision to general reserve	(3.6)	4.4	(0.0)	0.0	0.0
Expenses	348.5	354.3	362.1	388.0	388.0
Personnel expense	117.2	120.7	123.8	130.0	132.0
Non-personnel expenses	210.2	212.7	217.1	237.0	235.0
Disposal of NPL	57.6	72.1	80.3	60.0	56.0
Net gain/(loss) on stocks	53.9	69.1	(45.8)	8.0	8.0
Loss on devaluation	1.5	7.6	26.7	0.0	0.0
Ordinary profit/(loss)	336.6	386.5	212.5	308.0	338.0
Extraordinary gains	69.2	34.3	94.6	0.0	0.0
Extraordinary losses	4.5	12.9	5.0	8.0	8.0
Income taxes - current	9.5	18.3	9.6	11.0	65.0
Income taxes - deferred	1.1	(225.0)	32.3	63.0	33.0
Net income/(loss)	390.7	614.6	260.1	226.0	232.0

*1. Net operating profit before NPL disposal in trust account and provision to general reserve

*2. Assets and liabilities are stated in average balance. Net assets are reported in term-end balance.

*3. Earned surplus excluding earned surplus reserve

*4. Management indicators other than OHR are based on the total figures of three subsidiary banks excluding Resona Trust & Banking.

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	(Actual)	(Actual)	(Actual)	(Plan)	(Plan)
Total assets (Note.2)	41,653.9	40,649.4	40,476.0	39,870.0	40,620.0
Loans and bills discounted	25,247.2	26,019.4	25,787.7	27,480.0	28,030.0
Securities	7,598.5	7,341.8	6,846.0	6,550.0	6,950.0
Trading assets	828.4	407.8	494.4	670.0	670.0
DTA (term-end bal.)	4.4	280.1	286.3	112.2	74.9
Total liabilities (Note.2)	40,657.9	39,394.5	39,135.7	38,640.0	39,370.0
Deposits and NCDs	33,153.4	33,118.3	33,302.6	33,300.0	33,790.0
Trading liabilities	15.0	40.7	68.8	---	---
DTL (term-end bal.)	32.0	18.2	---	21.8	17.9
DTL for land revaluation (term-end bal.)	46.2	44.2	43.1	44.3	44.3
Net assets (Note.2)	1,692.0	1,947.6	1,471.5	1,481.2	1,487.2
Capital stock	398.8	398.8	398.8	403.8	403.8
Capital reserve	433.8	433.8	433.8	438.8	438.8
Other capital surplus	88.7	88.7	88.7	88.7	88.7
Earned surplus reserve	20.0	20.0	20.0	20.0	20.0
Retained earnings (Note.3)	433.3	660.4	328.2	271.7	277.7
Land revaluation excess	63.3	61.4	59.8	61.5	61.5
Net unrealized gains/(losses) on other securities	253.8	300.0	123.4	196.4	196.4

(Management Indicators) (Note.4)

Yield on interest earning assets (A)	1.66	1.78	1.91	2.15	2.30
Interest earned on loans and bills discounted	1.93	1.94	2.18	2.30	2.47
Interest on securities	1.05	1.28	0.89	1.67	1.74
Total cost of funding (B)	1.07	1.23	1.39	1.59	1.71
Interest paid on deposits and NCDs (D)	0.08	0.17	0.30	0.43	0.56
Overall interest spread (A) - (B)	0.58	0.55	0.52	0.56	0.59
Cost-to-income ratio (OHR)	50.24	48.12	51.73	51.45	49.74

The forward-looking statements contained in this presentation 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.