

Business Results for 1H of FY2011 and Future Management Direction
- Aiming at Establishing a True Retail Bank Group -



RESONA

November 22, 2011



Resona Holdings, Inc.

CONTENTS

Outline of Business Results for 1H of FY2011

Updates on Major Businesses

Efforts to Build Solid Foundation for Sustainable Growth

Direction of Future Capital Policies

<Reference Material>

1. In some pages of this material, names of Resona Group companies are shown in the following abbreviated forms:
RHD: Resona Holdings, RB: Resona Bank, SR: Saitama Resona Bank, KO: Kinki Osaka Bank,
Total of Group Banks: Sum of non-consolidated figures for the three banks
2. Negative figures represent items that would reduce net income

Outline of Business Results for 1H of FY2011

Updates on Major Businesses

Efforts to Build Solid Foundation for Sustainable Growth

Direction of Future Capital Policies

<Reference Material>

Financial Highlights for 1H of FY2011

Posted Y128.2bn as consolidated net interim income

- An increase of Y46.4 bn (+56.8%) YoY, topping the forecast by Y53.2 bn (+70.9%)
- Income before income taxes and minority interests rose by Y25.2 bn (+19.3%) YoY
 - Mostly attributable to a decline in net credit cost: Declined by Y25.5 bn (79.0%) YoY, or Y27.4 bn from the forecast (total of group banks)

Top-line income slightly decreased YoY, but surpassed the forecast

- Special dividend on trust beneficiary right and increase in fees from primary businesses made up for the decline in income from loans and deposits and other items.
 - Gross operating profit (total of group banks) surpassed the forecast by Y11.4 bn (+3.8%)
 - Actual net operating profit (total of group banks) surpassed the forecast by Y14.3 bn (+11.4%)
 - Special dividend on trust beneficiary right relating to a sale of underlying assets: Y13.4 bn posted by RB
 - Net gains on bonds amounted to Y15.4 bn (total of group banks)
 - Increase in fees and commission income driven by steady investment trust sale and real estate brokerage businesses
 - Cost income ratio stays in the lower half of 50% range due to sustained efforts for low-cost operation

Asset portfolio resilient with limited downside risk

- NPL ratio at 2.50% (total of 3 banks), kept at a sound level
- Classified claims (NPL): Y666.6 bn (total of group banks), the same level as of Mar. 2011
- Stockholdings: Y349.1 bn (total of group banks)*¹, 22.7% to the group's consolidated Tier 1 capital
- Unrealized gain on available-for-sale securities: Y63.8bn (total of group banks)

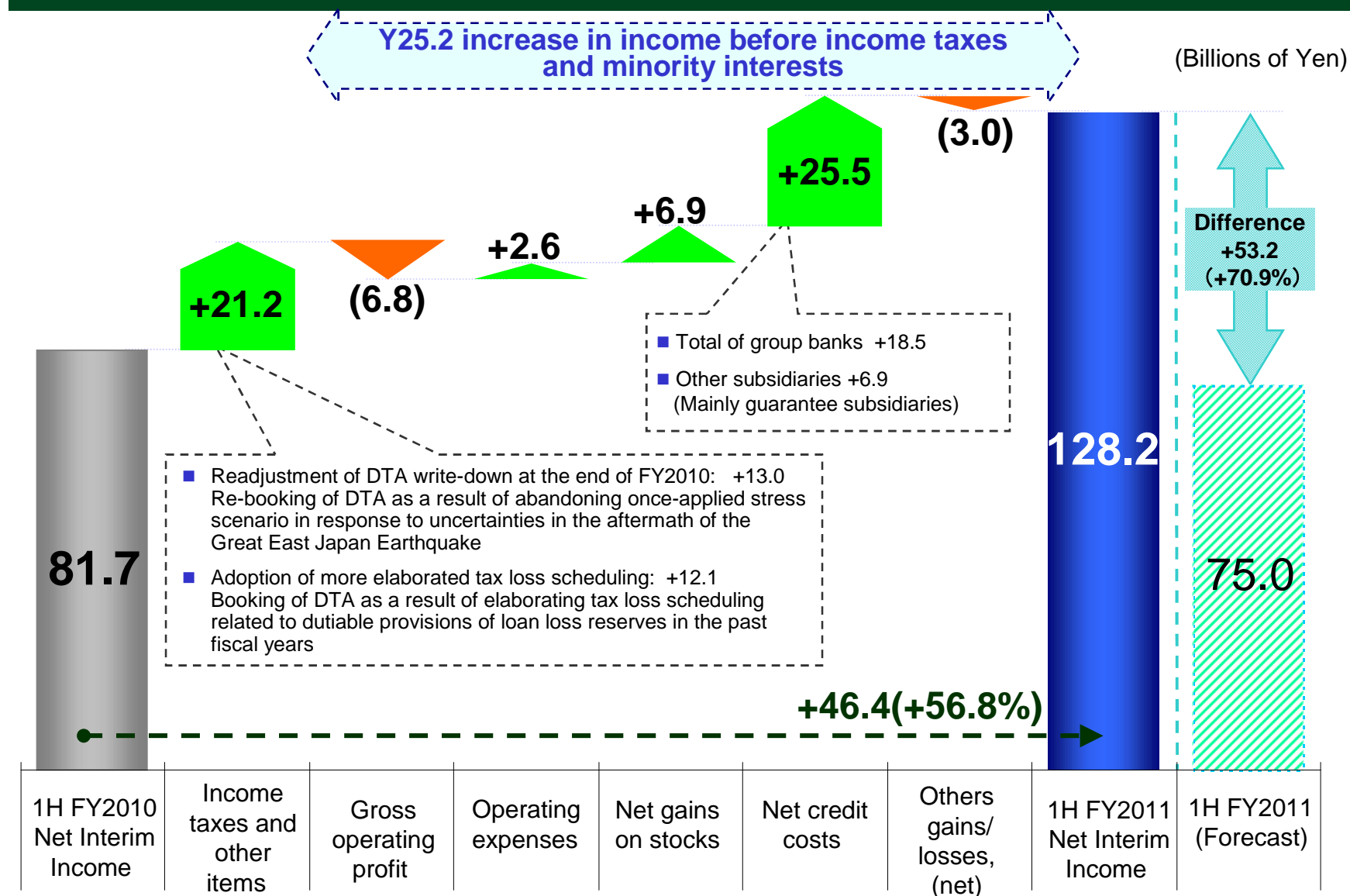
Capital adequacy ratio at an appropriate and sound level

- Consolidated CAR: 12.47%, Tier 1 ratio: 8.67% (preliminary ratios)

*1. At cost, excluding stocks of subsidiaries and affiliated companies and unlisted stocks

Factors Accounting for the Change in Consolidated Net Interim Income

Y46.4 bn increase in consolidated net interim income compared with the same period last year



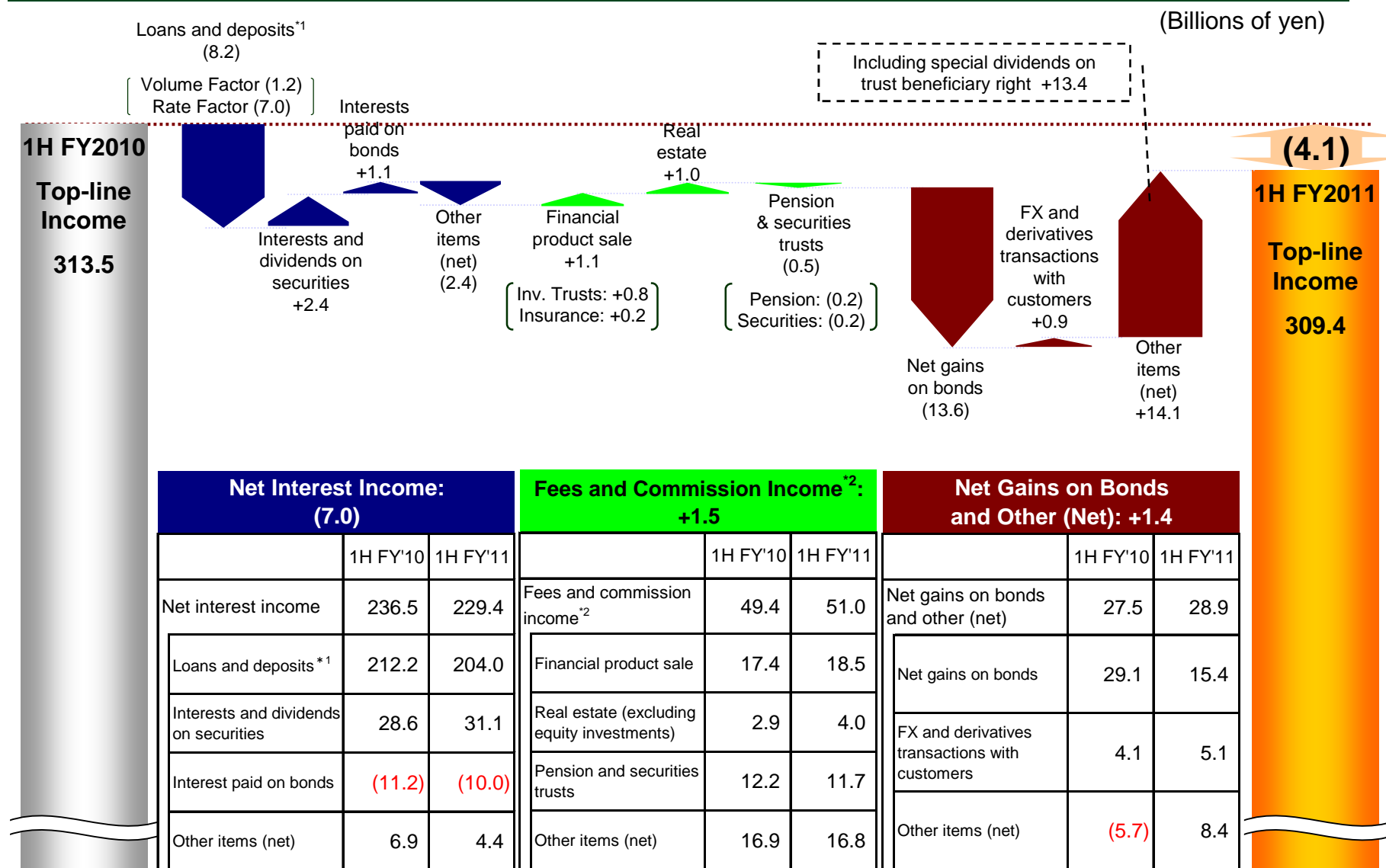
Outline of Financial Results for 1H of FY2011

(Billions of Yen)

	Resona Holdings (Consolidated)		Difference (A)-(B)	Total of group banks (Non-consolidated)			Factors accounting for the difference(A)-(B) (Approx. figures) RC: Resona Card, RG: Resona Guarantee		
	(A)	YoY change		(B)	YoY change	Resona (Non-consolidated)	Saitama Resona	Kinki Osaka (Non-consolidated)	
Gross operating profit	337.8	(6.8)	28.4	309.4	(4.1)	209.7	72.9	26.6	
(1) Net interest income	234.4	(8.9)	4.9	229.4	(7.1)	142.3	64.4	22.7	RC 2.3 bn and other
Income from loans and deposits (domestic operation)				204.0	(8.2)	127.9	55.4	20.5	Domestic operations; Banking account; Deposits include NCDs
(2) Trust fees	12.2	(0.9)	-	12.2	(0.9)	12.2	-	-	
(3) Fees and commission income	61.9	1.6	23.1	38.7	2.5	28.2	7.1	3.3	RG 14.6 bn, RC 7.7 bn and other
(4) Other operating income	29.2	1.3	0.3	28.9	1.4	26.9	1.3	0.5	
Actual net operating profit				139.3	(1.9)	97.8	35.1	6.3	Net operating profit before transfer to general reserve for possible loan losses and expenses related to problem loan disposal in the trust account
Operating expenses (including non-recurring items)	(181.4)	2.6	(9.6)	(171.8)	2.4	(112.1)	(38.6)	(21.0)	RC (6.2) bn, RG (1.8) bn and other
Net gain on stocks	0.2	6.9	(0.0)	0.3	7.0	0.5	(0.1)	(0.0)	
Credit related expenses, net	(6.7)	25.5	(7.1)	0.4	18.5	4.3	(1.6)	(2.2)	RG (5.0) bn, RC (2.2) bn and other
Other gain/(loss), net	5.2	(3.0)	0.9	4.3	(2.5)	3.8	0.5	(0.1)	
Income before income taxes	155.1	25.2	12.4	142.6	21.4	106.3	33.1	3.1	
Income taxes and other	(26.9)	21.2	(6.4)	(20.4)	24.1	(12.2)	(13.2)	5.0	Minority interests in net income (2.0) bn, Income tax of RHD and other (4.4) bn
Net interim income	128.2	46.4	6.0	122.2	45.5	94.1	19.8	8.2	RG 4.5 bn, RC 0.9 bn

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

Gross operating profits declined by Y4.1 bn YoY due to a decline in net gains on bonds and other factors



*1. Domestic operations (Deposits include NCDs) *2. Fees and commission income plus trust fees

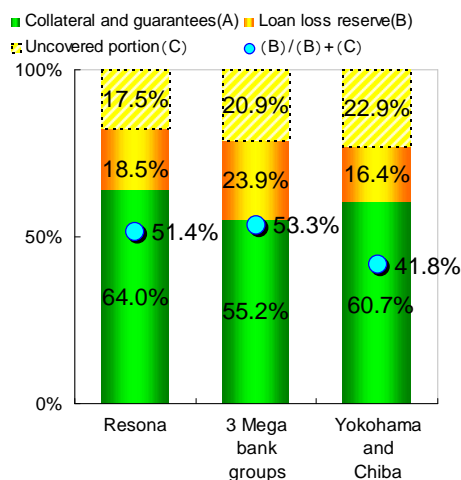
Credit Costs and NPL

Trend of credit costs

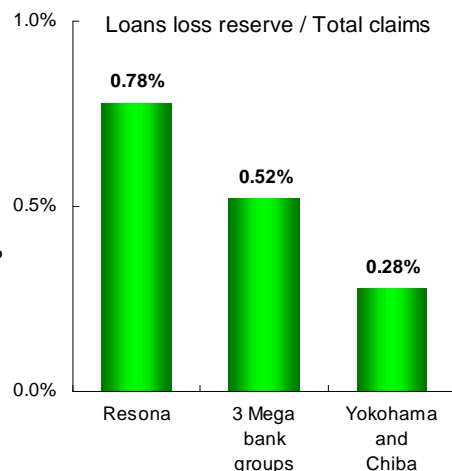
(Y bn)							
	FY2008		FY2009		FY2010		FY2011
	1H	2H	1H	2H	1H	2H	1H
Total of group banks (A)							
General reserve	(6.4)	28.5	(9.5)	18.8	11.5	(5.8)	22.0
Specific reserve and other items	(120.1)	(66.0)	(41.7)	(49.5)	(29.6)	(12.8)	(21.5)
New bankruptcy, downward migration	(157.3)	(139.0)	(56.3)	(59.2)	(39.1)	(27.9)	(27.4)
Reversal and other gains	37.2	72.9	14.6	9.7	9.4	15.0	5.8
Net credit costs	(126.5)	(37.4)	(51.3)	(30.7)	(18.1)	(18.6)	0.4
Difference (B) - (A)	(6.8)	(10.5)	(17.4)	(15.1)	(14.1)	(10.6)	(7.1)
RHD consolidated (B)							
Net credit costs	(133.4)	(48.0)	(68.7)	(45.8)	(32.2)	(29.2)	(6.7)

Comparison: NPL coverage and ratio of loan loss reserve against normal claims

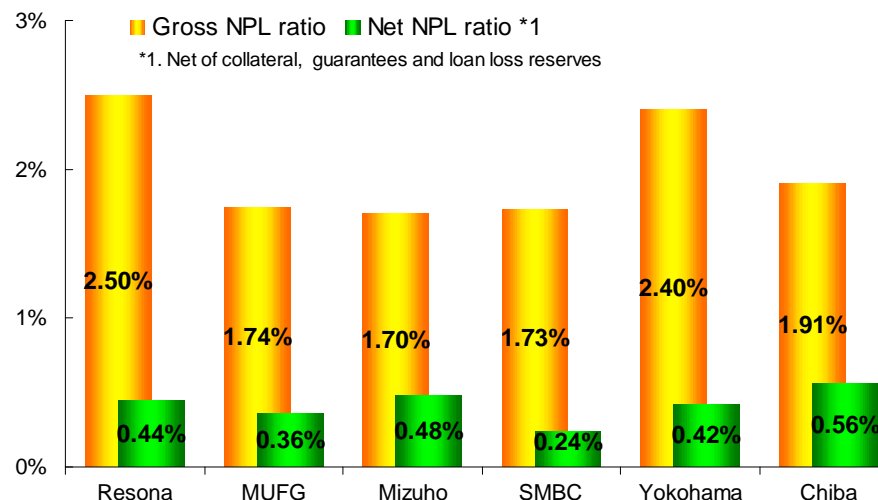
Protection against Disclosed NPL



Ratio of Loan Loss Reserve to Normal Claims



Comparison: Gross and net NPL ratio



Responses to obligors requiring assistance for business turnaround

- Responses to obligors who already formulated or are preparing a "feasible" and "drastic" turnaround plan
 - Specialized division examines and approves such a plan
 - Monitor progress of the plan every three months and determine an obligor category
- Loan loss reserves against obligors preparing such a plan
 - Use the same coverage ratio as applied to "special attention" obligors

	Obligor classification	Criteria for providing loan loss reserves	Coverage ratio
Obligor who are preparing a turnaround plan	Other watch	Special attention	Approx. 60%
Obligor who already formulated a turnaround plan		Other watch	Approx 50%

(Coverage ratio against all "special attention" obligors: 60.59%)

Securities Portfolio (1) (RHD Consolidated)

Securities portfolio with reduced downside risks

■ Trend of Securities Portfolio

	Mar.'03	Mar.'07	Mar.'10	Mar.'11	Sep.'11
Available-for-sale securities ^{*1}	6,005.1	6,396.5	7,733.7	8,153.4	9,094.3
Stocks (1)	1,319.0	390.4	344.5	351.8	349.5
Bonds	4,433.0	4,951.7	7,055.1	7,530.0	8,365.7
JGBs	3,811.0	3,927.6	5,755.7	6,337.8	7,278.4
Average duration (years)		1.2	2.1	2.1	2.1
Local government bonds	159.8	311.5	146.2	150.4	153.0
Corporate bonds	462.2	712.5	1,153.1	1,041.7	934.3
Other	253.0	(2) 1,054.4	334.0	271.5	379.0
Foreign securities	112.6	244.0	135.6	98.6	146.7
Unrealized gains/(losses)	(25.8)	432.9	120.6	92.8	64.0
Bonds held to maturity ^{*2}	2.5	(3) 148.4	1,087.2	1,667.9	1,863.9
Unrealized gains/(losses)	0.0	(0.3)	24.8	24.5	46.4

*1. Acquisition cost basis

*2. Balance sheet amount basis

【Factors for change】

(1) Significant reduction during the Intensive Revitalization Period

(2) Unwound net investment position in response to poor market visibility

(3) Increased bonds held to maturity to secure stable income

Relationship-purpose equity holdings

■ Stocks

- Impairment loss on stocks held for 1H FY2011: Y1.7 bn
- Reduced relationship-purpose stock holdings by approx. Y1 tn on an acquisition cost basis from the level in March 2003
- Continue efforts to reduce the balance further

Net investment portfolio

■ JGB

- Average duration : 2.1 years*, BPV: Y1.52 bn*
* JGBs held as "available-for-sale securities" (Total of group banks)
- Balance of floating-rate JGBs: Y402.4 bn

■ Other (Total of group banks)

- Foreign securities include Y91.4 bn of U.S. treasuries
 - No direct investments in bonds issued by entities in GIIPS countries
- Indirect exposure is also minimal (Approx. Y0.3 bn)
- All securitized products held were organized in Japan and 96% of them are backed by housing loans originated in Japan

[Securitized products by underlying assets]
(Ybn)

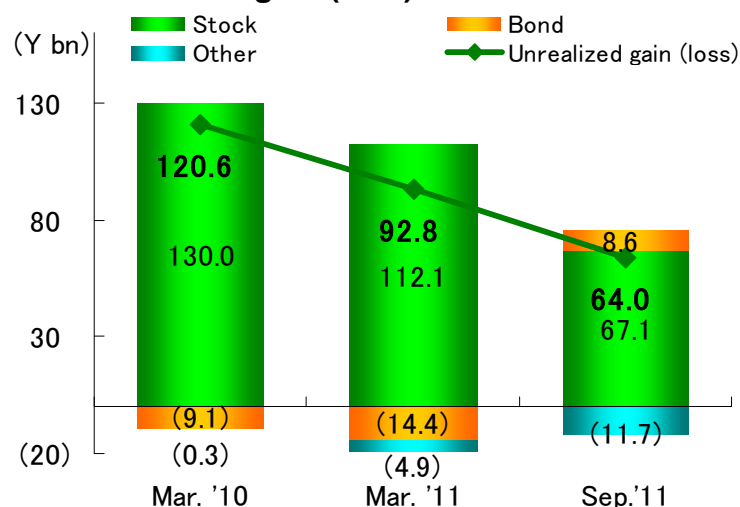
Securitized Products	173.2
RMBS	166.0
CMBS	5.3
Other	1.9

Securities Portfolio (2) (RHD Consolidated)

Net unrealized gain (loss) on marketable securities available for sale

- Net unrealized gain as of Sep. 30, 2011: Y64.0 bn
- Floating-rate JGB consistently marked to market prices
 - Net unrealized loss on floating-rate JGB : Y2.6 bn
 - [Reference]
Net unrealized gain based on theoretical prices computed for an administrative purpose: Y6.8 bn

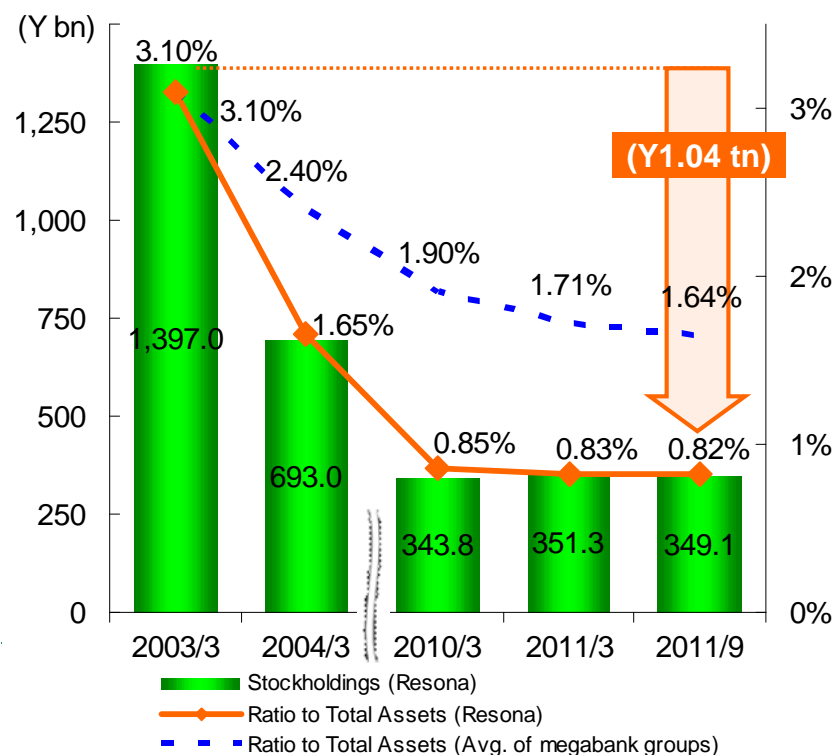
■ Net unrealized gain (loss)



Nikkei Average	10,671	9,852	8,695
1 month average	yen	yen	yen
10 year JGB rate at year-end	1.390%	1.250%	1.025%

Ratio of stockholdings to total assets

- Break-even Nikkei Average : Approx. 7,100 yen
- β vis-à-vis Nikkei Average : Approx. 0.8
- Stockholdings (acquisition cost) to total assets: 0.82%
- Historical Stockholdings to total assets



Capital Adequacy Ratio (RHD Consolidated)

■ RHD's consolidated CAR [Mar. 31, 2011] **11.21%** ⇒ [Sep. 30, 2011] **12.47% (+1.26%)**

Capital adequacy ratio				Factors for the change in 1H FY2011	
Change in Capital Adequacy Ratio (Basel II, F-IRB basis)				[Total qualifying capital] +89.8 bn (+0.50%)	
(Billions of Yen, %)				■ Tier 1 (+0.66%)	
	Mar. 31, 2011	Sep. 30, 2011	Change	☞ Retained earnings +127.3 bn (+0.71%)	
Capital adequacy ratio	11.21	12.47	1.26	☞ Minority interests in consolidated subsidiaries -10.3 bn (-0.06%)	
Tier 1 ratio	7.51	8.67	1.16	> FX adjustment for T1 hybrid -7.4 bn (-0.05%)	
Total qualifying capital	2,119.0	2,208.8	89.8	■ Tier 2 (-0.18%)	
Tier 1	1,418.9	1,536.6	117.7	> FX adjustment for T2 hybrid -27.9 bn (-0.16%)	
Capital stock, capital surplus and retained earnings	1,410.0	1,537.4	127.3	■ Deduction (+0.03%)	
Capital stock	340.4	340.4	0.0	> Deduction for securitization exp. -3.9 bn (+0.03%)	
Capital surplus	237.0	237.0	0.0	[RWA] -1,187.4 bn (+0.78%)	
Retained earnings	832.4	959.8	127.3	■ Risk-weighted assets	
Minority interests in consolidated subsidiaries	110.2	99.9	(10.3)	> Credit risk assets -1,159.2 bn (+0.76%)	
Tier 2	715.1	683.2	(31.8)	Improvements in ratings for corporate obligors, refinements in LGD estimation for housing loan book, etc.	
45% of unrealized gains on other securities	This item is not applicable to banks with only domestic operations			[Reference] Estimates under the Outlier Framework	
Excess of eligible reserves relative to EL and general reserve	63.6	59.4	(4.2)	■ RB: 3.9%, SR: 3.1%, KO: 4.1%	
Subordinated debts	621.4	593.5	(27.9)	➢ Holding period: 1 year, observation period: 5 years, confidence interval: 99%	
Deductions	15.0	11.0	(4.0)	➢ 3 banks adopted an internal model to measure core liquidity deposits	
Risk-weighted assets	18,893.8	17,706.4	(1,187.4)		
Credit risk assets	17,724.7	16,565.4	(1,159.2)		
Operational risk assets	1,169.1	1,140.9	(28.2)		

* Disclosure of capital adequacy ratio as of Sep. 31, 2011 is on a preliminary basis.

Earnings Forecasts for FY2011 (Released on November 11, 2011)

(Billions of yen)

	Resona Holdings (Consolidated)			
	1H FY'11 (Actual)	Full Year Forecast	Change from original forecast	Change from previous year
Consolidated ordinary income	453.2	880.0	50.0	20.2
Consolidated ordinary profit	156.6	235.0	45.0	24.8
Net (interim) income	128.2	170.0	20.0	10.0

Forecast of capital adequacy ratio

Upper
half of 11%

	Resona Holdings (Non-consolidated)			
	1H FY'11 (Actual)	Full Year Forecast	Change from original forecast	Change from previous year
Operating income	80.0	158.0	8.0	126.7
Operating profit	76.1	150.0	10.0	124.0
Ordinary profit	76.2	150.0	10.0	126.7
Net (interim) income	76.2	150.0	10.0	123.8

Forecast for term-end per share dividend on common stock *1

12 yen

Forecast for term-end per share dividend on preferred stock *1

As pre-determined

	Total of 3 group banks (approx. figure)				Resona Bank			Saitama Resona Bank			Kinki Osaka Bank		
	1H FY'11 (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	309.4	610.0	8.0	4.3	408.0	11.0	7.2	148.0	(1.0)	(0.3)	54.0	(2.0)	(2.6)
Operating expenses	(170.0)	(342.0)	2.0	3.6	(225.0)	1.0	2.5	(76.5)	0.5	(0.3)	(41.0)	-	0.8
Actual net operating profit	139.3	268.0	10.0	8.0	183.0	12.0	9.8	71.5	(0.5)	(0.5)	13.0	(2.0)	(1.7)
Ordinary Profit	144.2	217.0	35.0	24.0	150.0	31.0	16.2	62.0	2.0	4.1	4.5	2.0	3.3
Income before income taxes	142.6	212.0	12.0	(5.7)	146.0	10.0	(9.3)	61.0	1.5	2.4	4.5	-	0.7
Net (interim) income	122.2	162.0	17.0	11.5									

Resona Group adopts a consolidated taxation system.

Net gain on stocks	0.3	-	-	1.7	-	-	1.9	-	-	0.1	-	-	(0.4)
Credit related expenses	0.4	(52.0)	7.0	(15.2)	(37.0)	3.0	(19.5)	(7.5)	2.5	3.2	(7.0)	1.5	1.4

< Consolidated >

< Non-consolidated >

< Consolidated >

Forecast of capital adequacy ratio

Upper
half of 11%

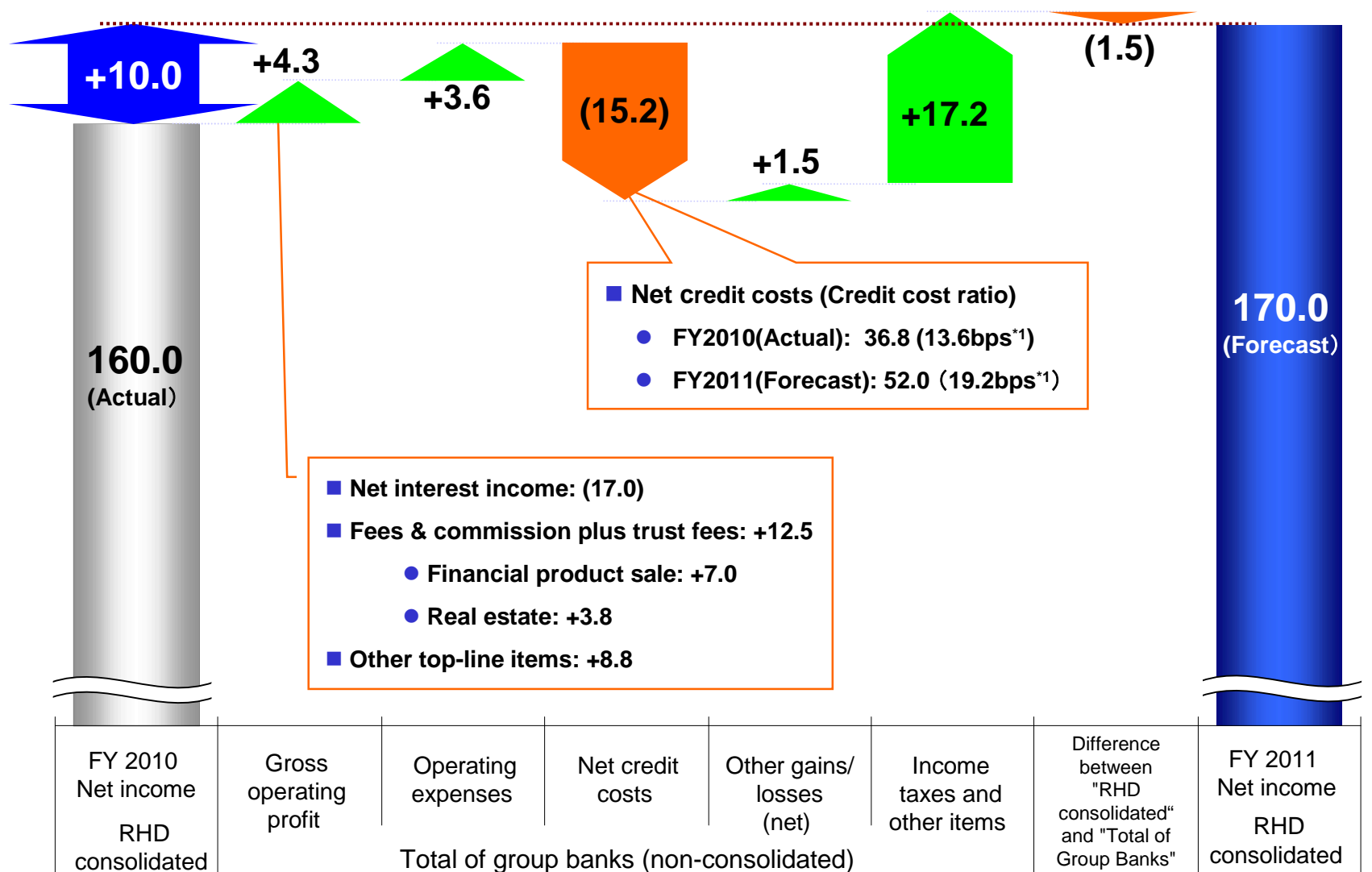
Upper
half of 11%

Upper
half of 12%

Gap Analysis: FY2010 (Act) vs. FY2011 (Forecast)

Forecasting a consolidated net income of Y170.0 bn (+Y10.0 bn increase YoY) for FY2011

(Billions of yen)



*1. Net credit costs / Total credits defined under the Financial Reconstruction Law (Simple average of the balances at the beginning and end of the year (The same denominator is used for FY2010 and FY2011))

Outline of Business Results for 1H of FY2011

Updates on Major Businesses

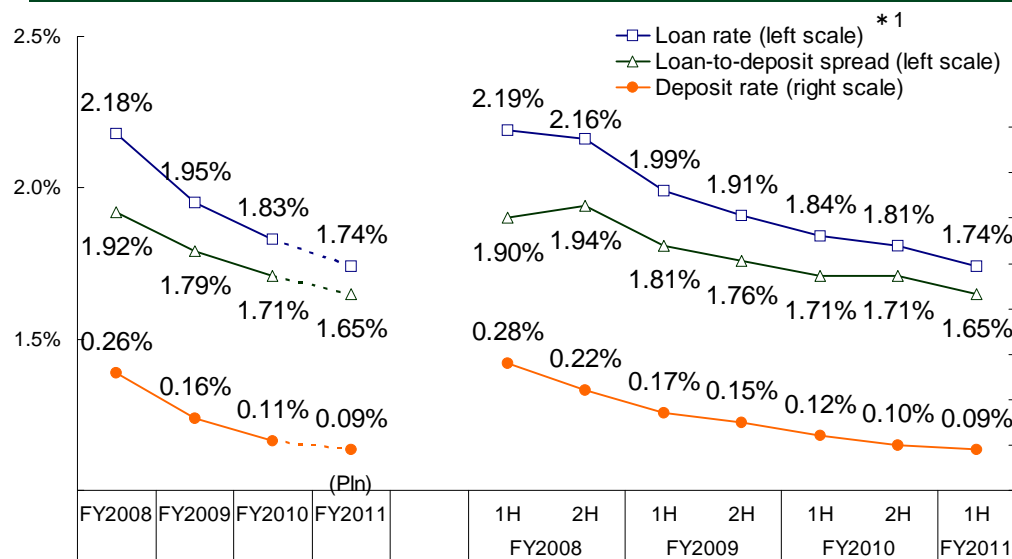
Efforts to Build Solid Foundation for Sustainable Growth

Direction of Future Capital Policies

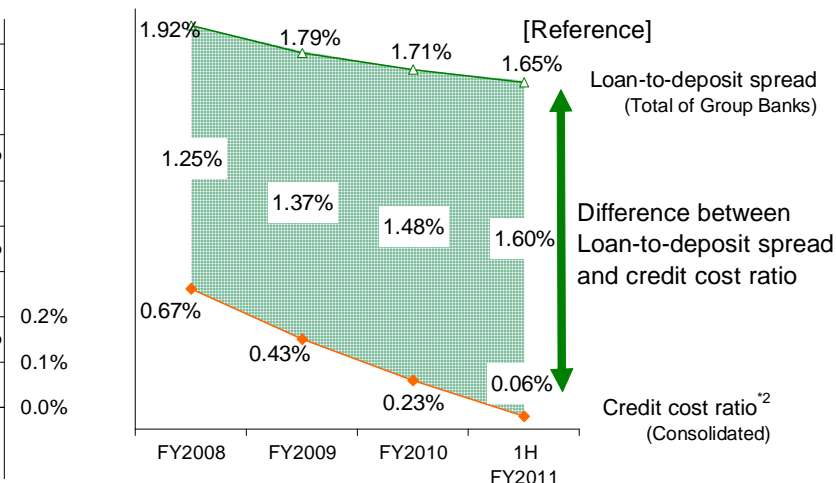
<Reference Material>

Trend of Loan and Deposit (Total of Group Banks)

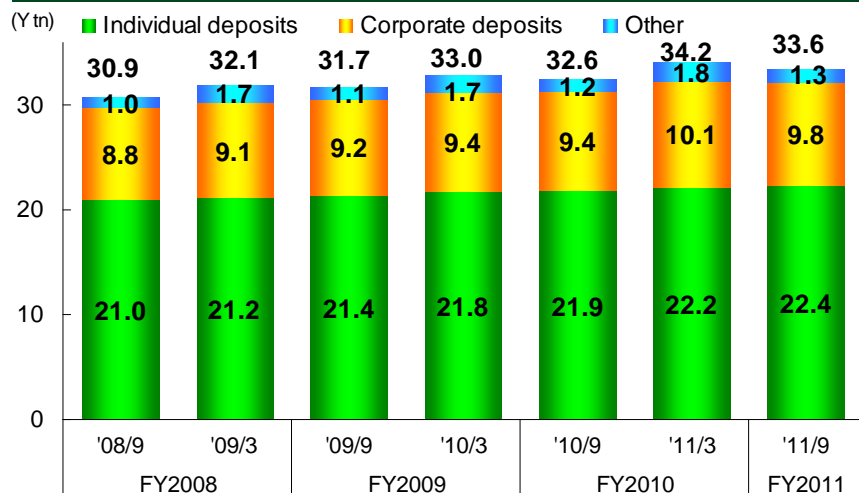
Trend of loan and deposit rates and spread



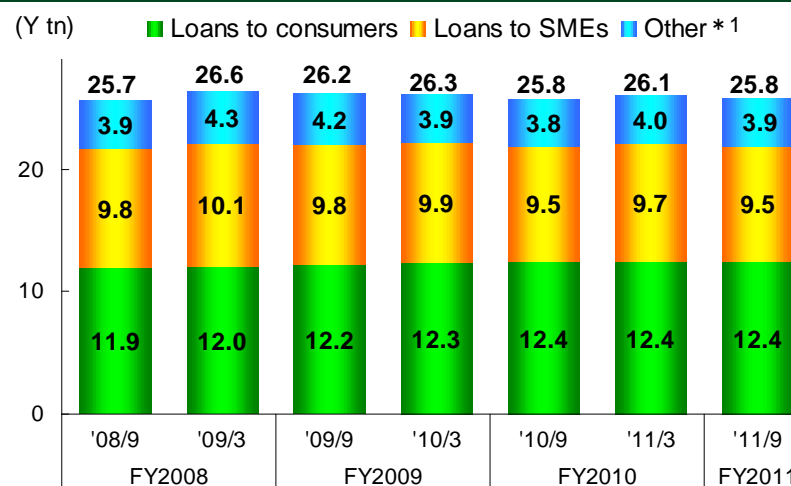
LD spread after credit cost kept at an appropriate level



Trend of term-end deposit balance



Trend of term-end loan balance

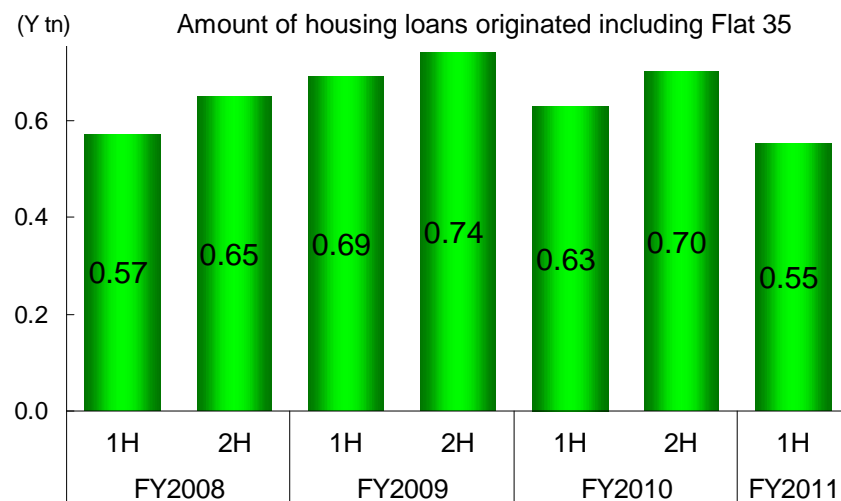


*1. Loans after 2H FY2010 include the loan extended to Resona Holdings (Y0.27 tn)

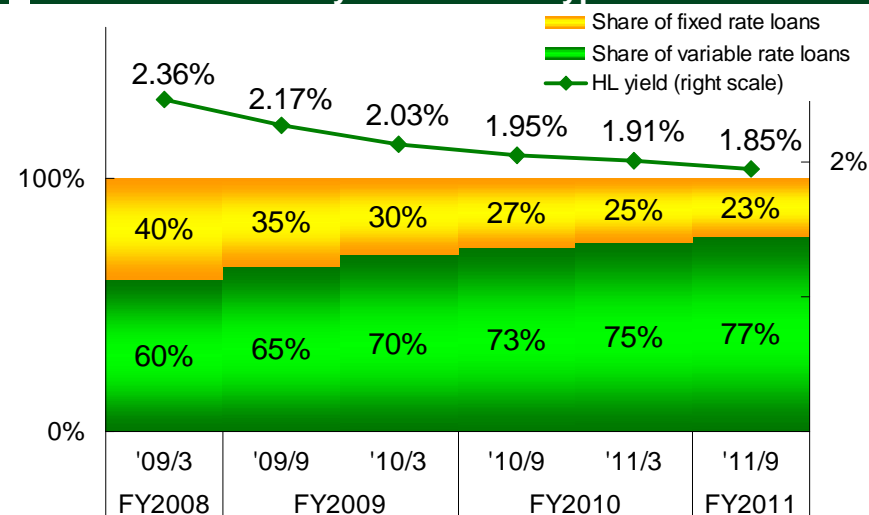
*2. Credit cost / (Loans and bills discounted + acceptances and guarantees)

Trend of Housing Loans (Total of Group Banks)

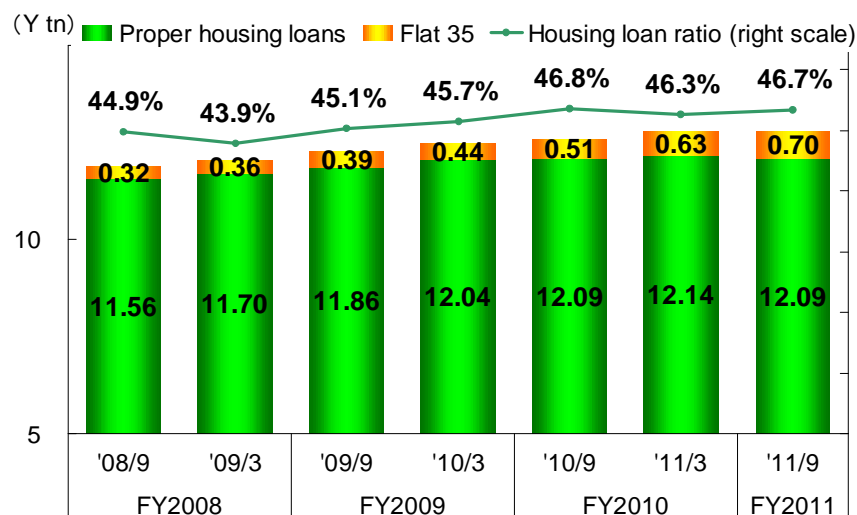
Trend of housing loan origination



Trend of HL yield and composition by interest rate type



Term-end balance of housing loans



Indices to measure soundness

Maintained soundness by adopting stringent screening criteria

Debt to income ratio (DTI)*1

FY2006
Approx.
29%

1H FY2011
Approx.
26%

*1. Principal repayment and interests in a year / Pre-tax annual income (%) (RB + SR)

Subrogation payment ratio*2

In the range of 0.4%

Net loss ratio*3

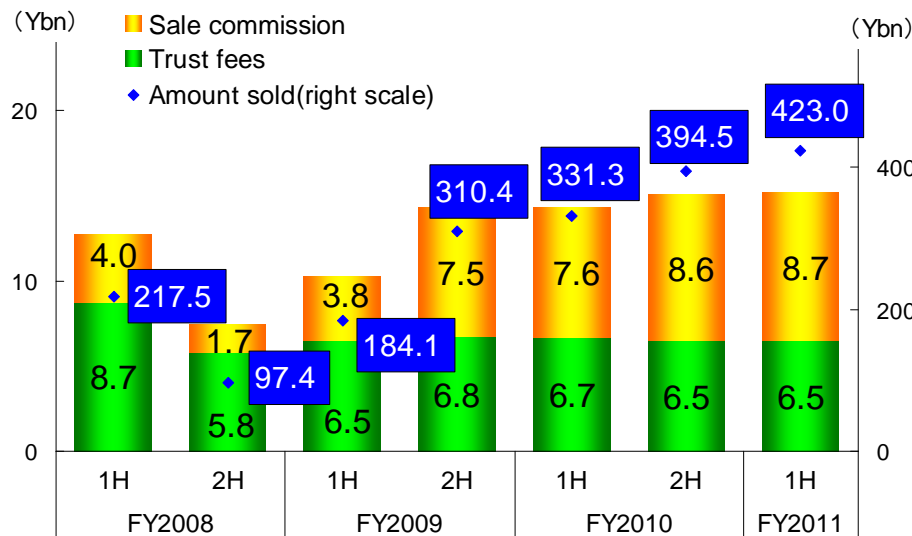
Kept at a low level
of 0.15 to 0.2%

*2. Rate of subrogation repayment by loan guarantee subsidiaries

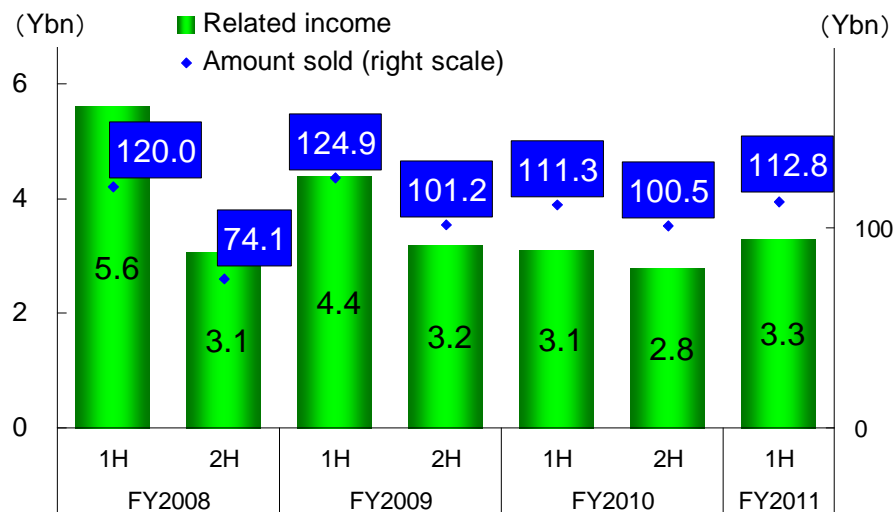
*3. Subrogation ratio x (1 - collection rate after subrogation)

Trend of Major Fee Businesses

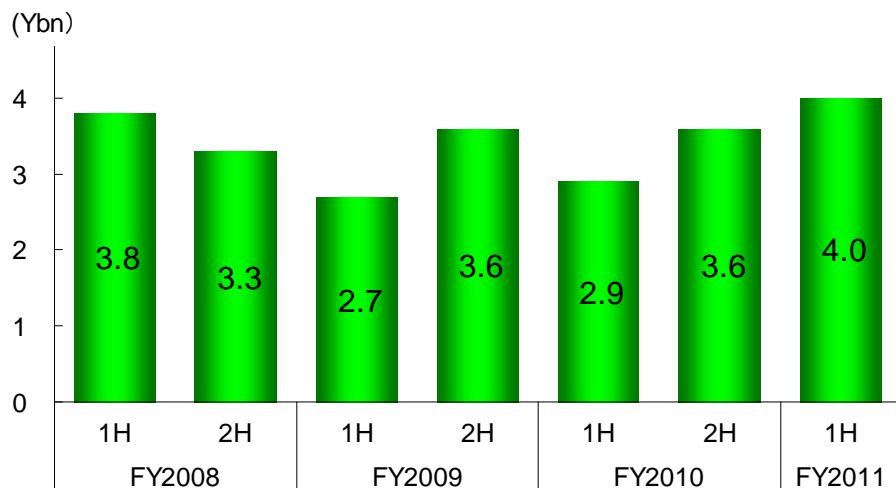
Investment Trusts (Total of Group Banks)



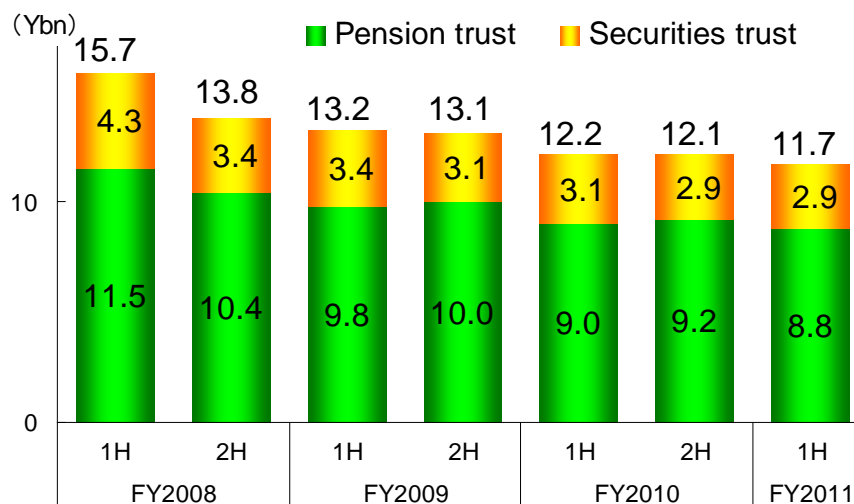
Personal Annuity (Total of Group Banks)



Real Estate Business* (RB)



Pension and Securities Trust Business (RB)



* Excluding gains from investments in real estate fund

Outline of Business Results for 1H of FY2011

Updates on Major Businesses

Efforts to Build Solid Foundation for Sustainable Growth

Direction of Future Capital Policies

<Reference Material>

Management Strategies / Capital Policies and ROE Target

Management Strategies		Capital Policies	
#1	Metro Area-based Super Regional Bank	#1	Preventing Dilution
<ul style="list-style-type: none"> Dual focuses ⇒ “retail” and “2 metro areas” Commercial bank with a trust capability Strong relationship with individual and SME clients 		<ul style="list-style-type: none"> Intend to repurchase DIC preferred stock with retained earnings ⇒ Conversion into common shares is not an option 	
#2	Efforts to Strengthen Cross-selling	#2	Return to Common Shareholders
<ul style="list-style-type: none"> Cross-selling on top of the established customer base and variety of functions Diversification and sustainable growth of earnings 		<ul style="list-style-type: none"> Maintain 12 yen per common share annual dividends Repurchase of DIC PS with retained earnings ⇒ Reduced potential shares would mean an indirect return to common shareholders 	
#3	Efficient Cost Structure	#3	Capital Adequacy Ratio Management
<ul style="list-style-type: none"> Consolidated group management Overcome high cost structure inherent in retail banking business 		<ul style="list-style-type: none"> Maintain adequate CAR as a domestic bank Take into account the International standard as a benchmark 	
Level of Targeted Sustainable ROE		Achieve a 10% return on CET1 on a sustainable basis	
		<ul style="list-style-type: none"> Build earnings and capital structures that could yield a 10% return on Common Equity Tier 1 Capital on a sustainable basis 	

Metro-based Super Regional Bank

Financial group that can benefit the most from the prevailing tidal change in the market

<Significant tidal changes in the market>

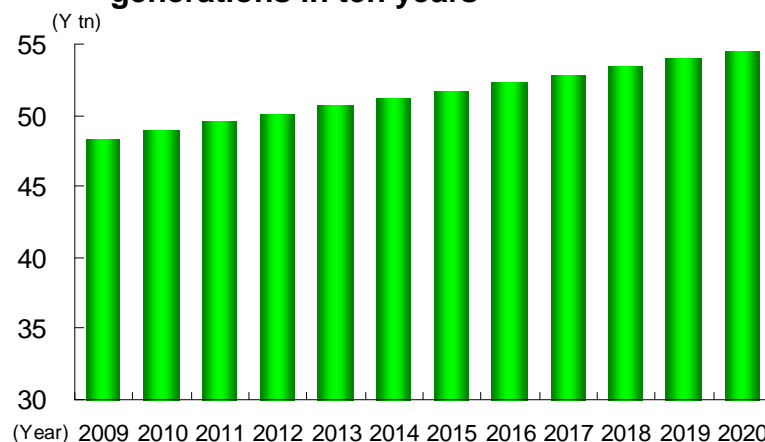
Increasing financial needs from household sector and rising expectation for one-stop service at bank counters

Large-scale cross-generation asset transfer taking place for the first time after the war

Further concentration of assets and population in metropolitan areas

■ Estimated size of inheritance market*1

- Over Y500 trillion will be handed over to next generations in ten years



*1. Total estimated assets to be inherited (Source: Nomura Institute of Capital Markets Research)

Dual strategic focuses

Focus on retail banking business

Concentrated management resources in retail banking business

Focus on two metropolitan areas

Solid franchise in Tokyo and Kansai metropolitan areas

Commercial bank with trust banking capabilities

Full-line trust functions

- Inheritance / business succession
- Real estate brokerage
- Will trusts

Customer base as a commercial bank

- 13 million active individual customers
- 597 manned offices

Relationship banking

- Community-based operation and friendliness

Efforts to Strengthen Cross-selling: Marketing Innovation

Approach to penetrate into personal banking market

Marketing Innovation

*Segment clarification *Competitive products and services *Strengthened contacts with customers

“Vertical cross-selling” strategy

Face to face cross-selling

Consulting-based problem-solving sales approach

“Horizontal cross-selling” strategy

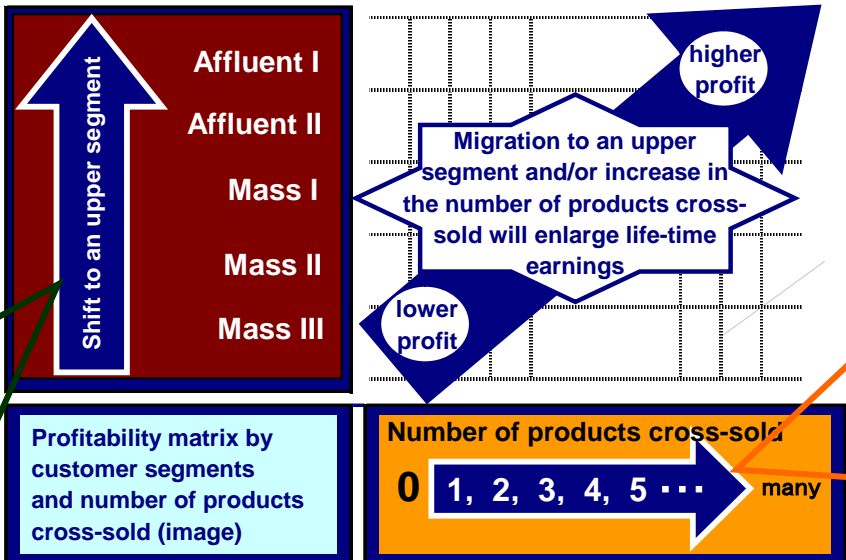
Non face-to-face cross-selling

Promotion of cross-selling via direct channels

<Vertical cross-selling> Increase loans and deposits significantly

- Approx. 40 thousands customers are now under “affluent” customer segment. Each customer brings in Y0.85 mil profits per year
- Depth of “potentially affluent clients”

⇒ Over 800 thousands target clients existing in the group’s 13 million individual customers



<Horizontal cross-selling> Become a main bank

- Upgrade of Resona Direct (Internet banking)
- Telephone marketing (Shimane customer center)
- Promotion of “mass-retail” products such as life and medical care insurance, small-sum investment trusts, etc.
- TV commercial

Efforts to Strengthen Cross-selling: “Vertical Cross-selling”

Consulting-based sales approach towards over 800 thousands
“potentially affluent” customers having high profit potential

Key factors to establish competitive advantage

Redefine target segments

- More detailed segmentation based on local characteristics
- Targeting potentially affluent customers out of the existing retail customer base

Competitive products and services that can satisfy true customer needs

- Make the best use of trust functions in the aged society
 - Solutions for succession of business and assets
- Provide retail customers with cutting-edge AM know how acquired in the corporate pension business
- Loan products for property owners

Strengthen contact with customers

- Input of additional sales force enabled by operational reform
- Strengthen efforts for HR development
- Penetration of sales-oriented culture

Level to be aimed at (in 4 years)

- ◆ Strengthened contacts with customers
⇒ +200 sales representatives
- ◆ Customer base structure
⇒ +20,000 “affluent” segment customers
- ◆ Earnings structure
⇒ Increase income by Y15 bn to Y20 bn

Target customers

- SME owners
- Property
- Cash rich people, etc.

Efforts to Strengthen Cross-selling: Cross-selling Leveraging Trust Capabilities

Group-wide Campaign to Strengthen Cross-selling Leveraging Trust Capabilities

Goals

- Incentivise promotion of trust products
- Learn know-how to propose trust solutions

Outline (RB)

- Assign promotion points (1 to 10P each) to 24 trust products and solutions
- Each business division is requested to acquire at least 6 points in FY2011
- 1 additional point is given per one more different item handled

Achievements in 1H FY2011 at Resona Bank

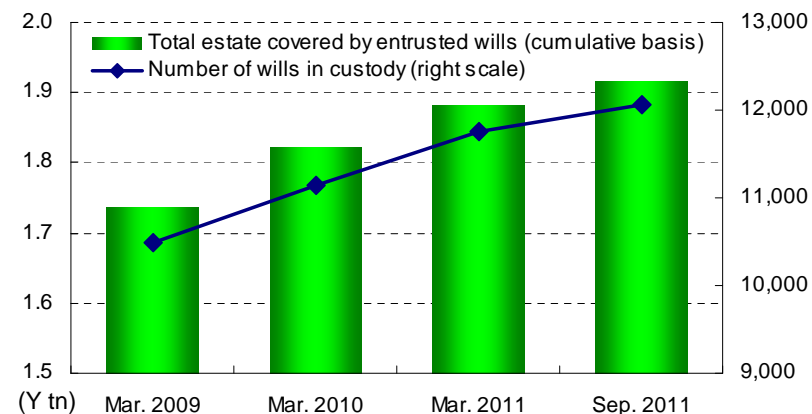
- Business divisions participated in the campaign handled 2,024 trust products and solutions
- 78% of the business divisions earned more than what they should in a full-year (=6 points)

Trust products and solutions covered

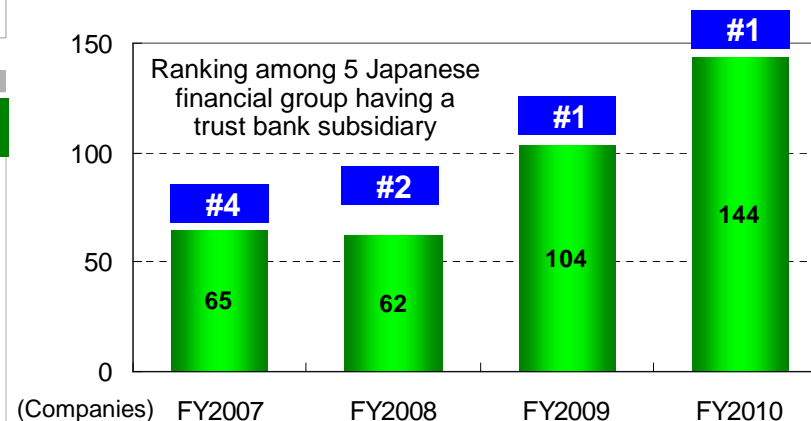
- | | |
|--|---------------------------|
| ■ Will trust | ■ Corporate pension (DC) |
| ■ Estate division | ■ Corporate pension (DB) |
| ■ Trust for transfer of own company stocks | ■ "Power of Trust" |
| ■ Trust for asset transfer | ■ Real estate brokerage |
| ■ Condo repair reserve trust | ■ ESOP and 14 other items |

Examples of Achievements in Trust Cross-selling

- **"Power of Trust"** (Money trust with performance-based return)
 - Cumulative amount sold (#1 to #3 funds)
¥10.4 bn sold to 1,219 investors
 - Expanded customers purchasing investment products
- **Will trust** *1



- **Number of companies adopting DC pension scheme** *1,2



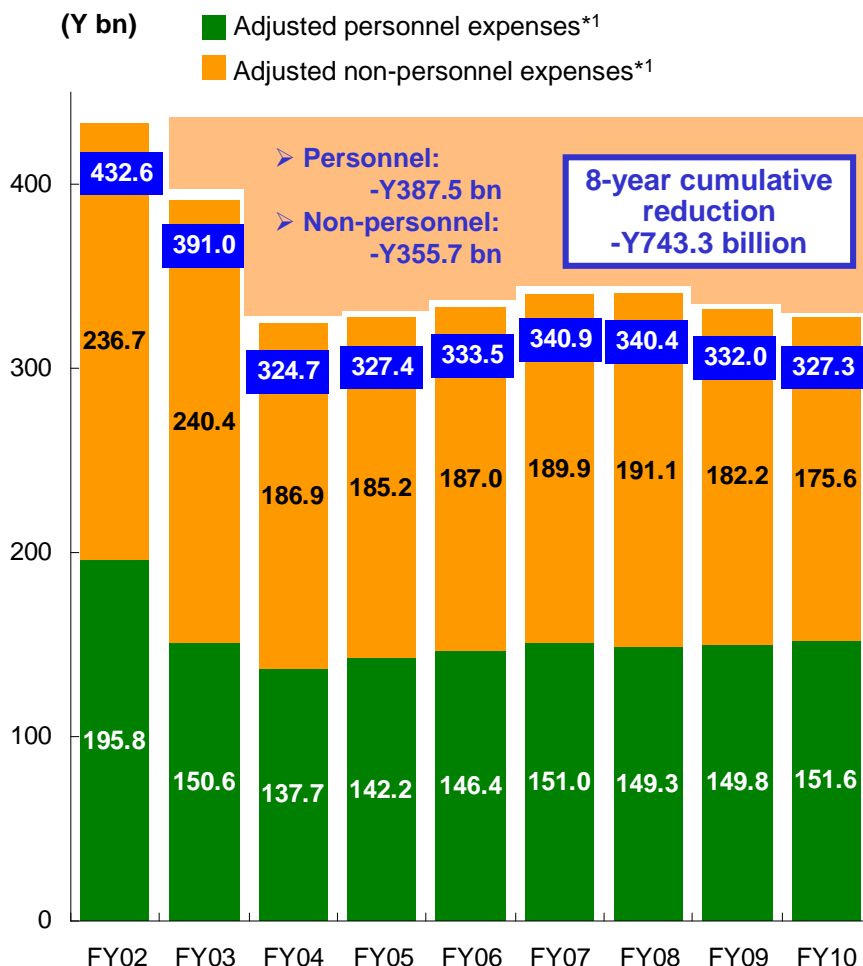
*1. Figures are compiled for an administrative purpose

*2. Compiled by Resona Holdings based on the data extracted from various issues of "Newsletter on Pensions & Investment"

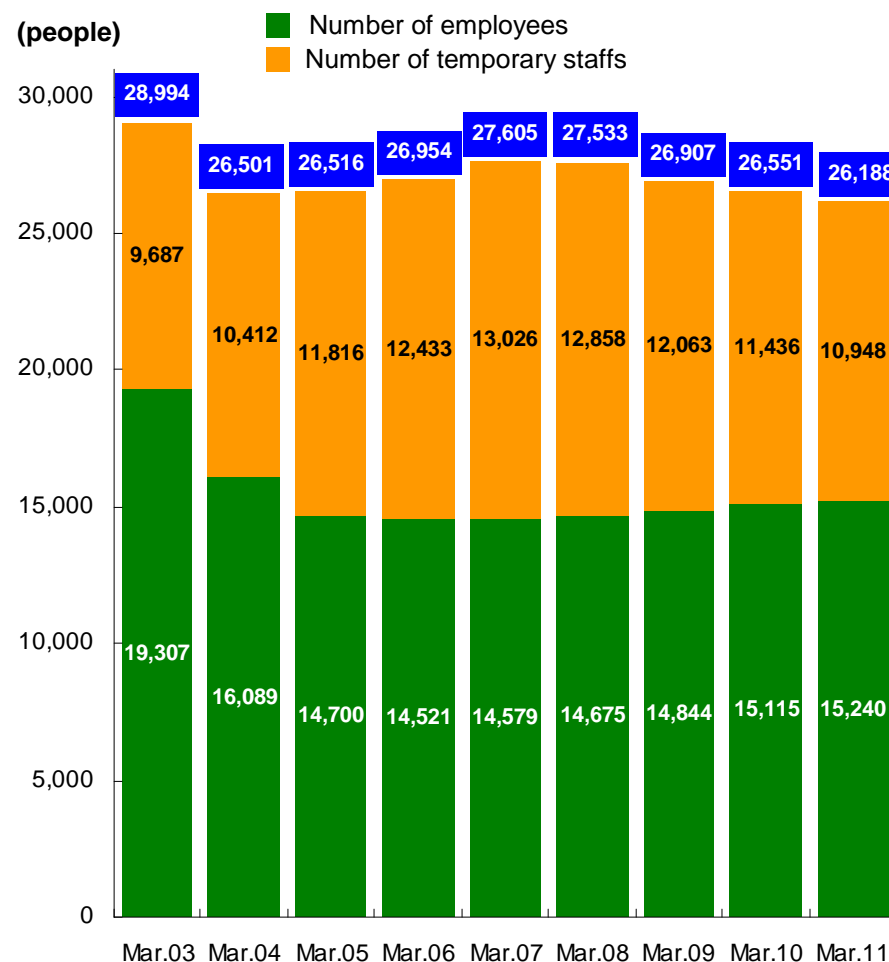
Efficient Cost Structure: Trend of Personnel and Non-Personnel Expense (Total of Group Banks)

- Reduced Y743.3 bn on a cumulative basis for the past 8 years through reduction of systems expense and rationalization measures such as elimination and consolidation of overlapping branches, etc.
- Strictly controlled personnel expenses including the cost associated with hiring temporary staffs

Personnel and Non-Personnel Expense



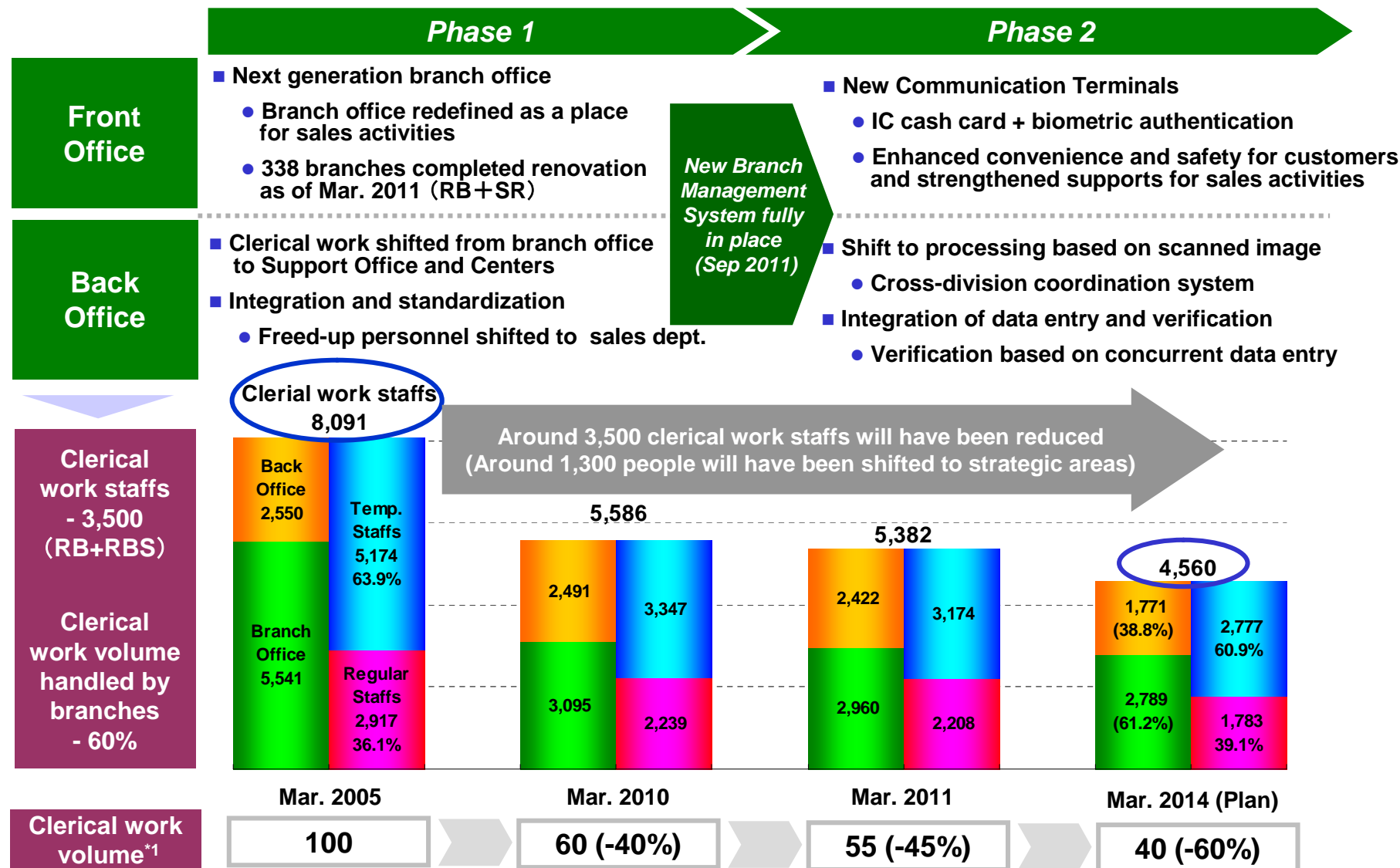
Number and Composition of Employees



*1 Adjusted personnel expenses: Personnel expenses including the cost associated with hiring temporary staffs and other related costs
Adjusted non-personnel expenses : Non-personnel expenses – Cost associated with hiring temporary staffs and other related costs

Efficient Cost Structure: Operational Reform in Deposit and Domestic Exchange Business (RB)

Operational reforms are close to perfection with the new branch management system in place



*1. Clerical work volume handled in branch office (Mar. 2005 = 100)

Efficient Cost Structure: Branch Office Reform and Next-generation Branch Management System

Former branch office layout and transaction style



Passbook, seal and slip “troublesome” “worrisome”



Next-generation Branch Office



New Communication Terminal



Enhanced “safety” and “convenience” realized through IC cash card and biometric authentication



<Financial Benefits to be Realized>

Investment	Y16.7bn
Estimated cost reduction	Apx. Y2.6bn/Year

Efficient Cost Structure: Housing Loan Back Office Processing Reform

Formulated the following basic concept to embark on a new reform initiative

Slogan

Halve clerical work, double processing speed
-- Loan Plaza (LP) redefined as a place for sales activities --

Challenges

- Establish firm advantage in clerical work cost
- Establish more reliable processing capabilities
- Cross-selling capabilities

Goals (From 2H FY2011 to FY2014)

- Next-generation Loan Plaza (LP)
 - All existing LPs upgraded to Next-generation LP
 - Introduce Next-generation Housing Loan Processing System to all LPs and HL Centers
- Reduce housing loan clerical work volume by 50% (Mar. 2014 vs Mar. 2011)

[New processing method] Next-generation LPs and HL Centers

Application screening

Reception

Data entry

- Scan all application documents
- Data entry based on scanned images)

Each application data piled up as database

Contract/Execution

Contract

Execution

- Explain contract details using a new communication terminal (on PC screen)

Credit administration

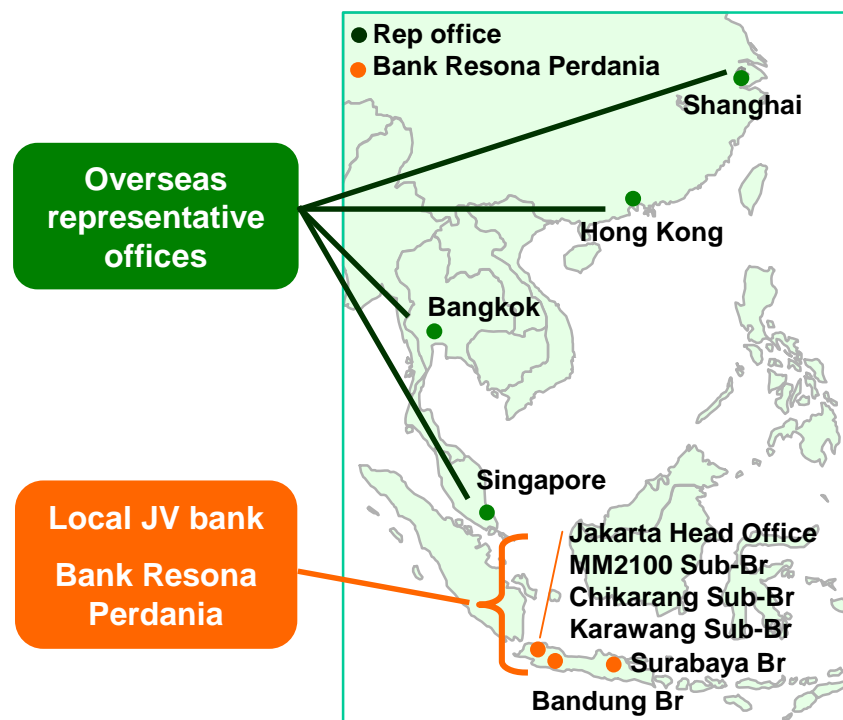
- Further integration of clerical work
- Information indispensable for credit administration is available from the database

<DB> Enhanced data sharing / retrievability and paperless operation

Supports Extended to SMEs to Do Business in Asia

Resona's Footholds in Asia

- JV bank with over 50 years of local experience
 - P.T. Bank Resona Perdania (Indonesia)
 - Business tie-up with Shizuoka Bank (June 2011)
- Overseas representative offices (RB) ... 4 rep offices



- New regional coverage to offer local information
 - Vietnam (RB: Mar. 2011)
⇒ Dispatched personnel to Ho Chi Minh Branch of an alliance partner bank
 - India (RB: New Delhi, KO: Chennai, Oct. 2011)
⇒ Dispatched personnel to JETRO's local offices

Local Services Offered through Alliances

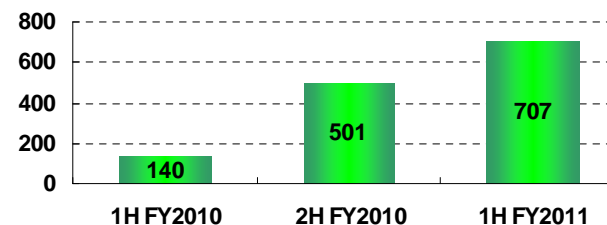
- Large number of branches and local expertise
- Ability to provide local service without being regulated as a foreign bank

Major Alliance Partners in Asia

China	Bank of East Asia, Bank of China, China Construction Bank, Industrial and Commercial Bank of China, Bank of Communications
Hong Kong	Bank of East Asia
South Korea	Korea Exchange Bank
Taiwan	Mega International Commercial Bank
Singapore	Bank of East Asia
Malaysia	Public Bank
Thailand, Vietnam	Bangkok Bank
India	State Bank of India

Recent Initiatives to Strengthen Supports

- Asia Business Promotion Center (Oct. 2010)
 - Number of consultations handled by ABPC



- Special Fund to Assist SMEs to Do Business in Asia (Oct. 2010)
 - Y15.1bn extended to 67 clients from Jan to Sep 2011
- Assistance to clients suffering from flood damage in Thailand
 - Created a Y20bn special fund to assist reconstruction efforts (Oct. 2010)

Outline of Business Results for 1H of FY2011

Updates on Major Businesses

Efforts to Build Solid Foundation for Sustainable Growth

Direction of Future Capital Policies

<Reference Material>

Change in Composition of Resona HD's Total Equity (From Mar. 31, 2010 to Sep. 30, 2011)

Improved the quality of capital significantly by implementing Resona Capital Restructuring Plan



*1. Equity attributable to common stock at year-end / Number of common shares excluding treasury shares at year-end

Approaches for Repaying the Remaining Public Funds

- The balance of injected public funds was reduced to almost one fourth of the peak amount in September 2003
- Intend to repay the remaining public funds as early as possible via the following approaches

Details of Public Funds ^{*1}				
(JPY bn)	Amount 2003/9 (A)	Amount 2011/3 (B)	Amount Repaid (B) - (A)	Policy and approaches for future repayment
Class C	60.0	60.0	-	<ul style="list-style-type: none"> ■ The increase in outstanding common shares upon mandatory conversion is expected to be minimal, since almost equivalent shares that could arise from mandatory conversion of Class C and F preferred stocks have already been repurchased from the market and are being held as treasury shares
Class F	100.0	100.0	-	
RCC Subtotal	868.0	160.0	(708.0)	
Class 1	550.0	-	(550.0)	<ul style="list-style-type: none"> ■ Intend to repay the remaining balance through further accumulation of profits (retained earnings) ■ Aiming for full repayment within 5 years given current profit trends ■ However, the timing of future repayments will take into account capital adequacy regulations, etc. and will be executed in an appropriate and flexible manner ■ Combined retained earnings as of Sep 30, 2011: Y910.1 bn
Class 2	563.5	-	(563.5)	
Class 3	550.0	450.0	(100.0)	
DIC Subtotal	1,663.5	450.0	(1,213.5)	
Total Preferred	2,531.5	610.0	(1,921.5)	
Common Stock	296.4	261.6	(34.7)	<ul style="list-style-type: none"> ■ Current priority is on repayment of DIC preferred stock ■ No current plans to apply for a secondary offering of DIC-held common stock
Total Public Funds Remaining	3,128.0	871.6	(2,256.3)	

^{*1} Figures reflect initial invested amounts

Direction of Resona's Future Capital Policies

Capital Adequacy Ratio Management

- Remain subject to the Japanese domestic standard
 - However, in order to secure reliable capital strength, the Group operates its business with a high capital adequacy ratio, taking reference to the International Standard

- Intend to keep the following ratios while repayment
[Based on BIII] [Trial Calculation as of Sep 30, 2011]

T1	Around 7%	8.5%*¹
CET1	Around 5.5%	6.7%*¹

*. Preferred stocks subscribed with public funds are included in CET1 and T1. Deduction items are not considered since a phase-in rule applies. Unrealized gains on available-for-sale securities are not taken into account.

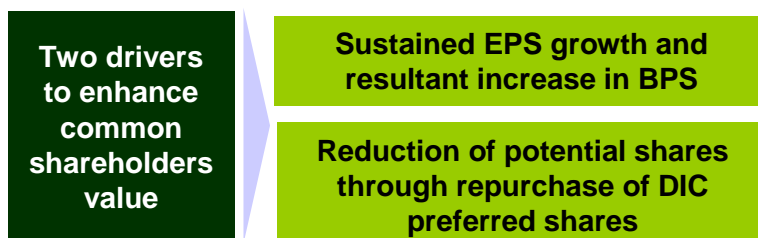
Dividend Policy

- Maintain 12 yen per share common dividends for the time being
- Plan to clarify dividend policy, including a target level for the dividend payout ratio, after completing the repayment of the DIC preferred shares

	FY2011
Planned total dividends	46.4bn
Preferred dividend	16.9bn
Common dividend (Dividend per share)	29.4bn (@12.00 yen)

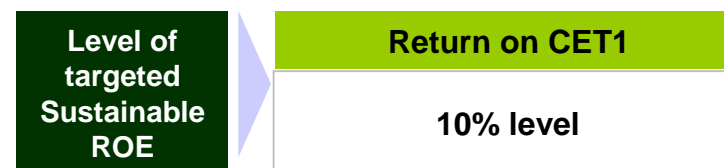
Prevention of Dilution

- Intend to repurchase and cancel the remaining DIC preferred stock with retained earnings. (Conversion into common shares is not an option.)



ROE Target

- Intend to build earnings and capital structures that could yield a 10% return on CET1 on a sustainable basis



Outline of Business Results for 1H of FY2011

Updates on Major Businesses

Efforts to Build Solid Foundation for Sustainable Growth

Direction of Future Capital Policies

<Reference Material>

Status of Consolidated Subsidiaries and Affiliated Companies

Consolidated subsidiaries (domestic, excluding subsidiary banks)

Name	Line of business	Capital contribution ratio	Net Income		(Billions of Yen) (Ref) FY2010
			1H FY2011	YoY change	Net Income
Resona Guarantee Co., Ltd.	Credit guarantee (Mainly mortgage loan)	Resona Group 100%	3.7	2.6	1.2
Daiwa Guarantee Co., Ltd.	Credit guarantee (Mainly mortgage loan)	Resona Group 100%	0.4	0.4	0.2
Kinki Osaka Shinyo Hoshu Co., Ltd.	Credit guarantee (Mainly mortgage loan)	Resona Group 100%	0.4	0.5	0.4
Resona Card Co., Ltd.	Credit card Credit guarantee	Resona Holdings 77.6% Credit Saison 22.4%	0.9	0.2	2.5
Resona Kessai Service Co., Ltd.	Factoring	Resona Holdings 100%	0.3	0.0	0.6
Resona Research Institute Co., Ltd.	Business consulting service	Resona Holdings 100%	0.0	(0.0)	0.0
Resona Capital Co., Ltd.	Venture capital	Resona Holdings 100%	(0.0)	0.0	0.5
Resona Business Service Co., Ltd.	Back office work	Resona Holdings 100%	0.0	(0.0)	0.0
Resona Servicer Co., Ltd.	Servicer	Resona Holdings 100%	0.0	(0.0)	0.0
Total			5.9	3.8	5.9

Major consolidated subsidiaries (overseas)

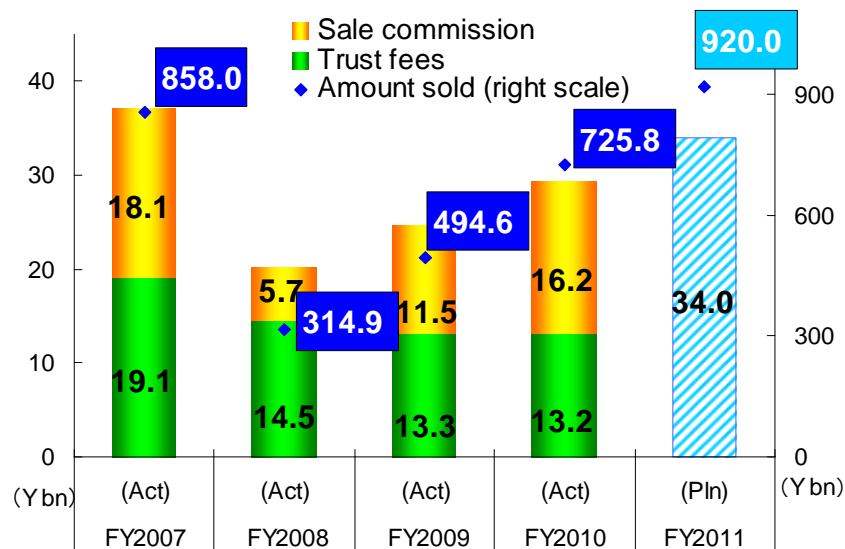
Name	Line of business	Capital contribution ratio	Net income		(Ref) FY2010
			1H FY2011	YoY change	Net Income
P.T. Bank Resona Perdania	Banking business (Indonesia)	Resona Group 43.4% (Effective control approach)	1.0	(0.0)	1.9
P.T. Resona Indonesia Finance	Leasing business (Indonesia)	Resona Group 100%	0.0	(0.0)	0.1
Total			1.1	(0.0)	2.0

Affiliated company accounted for by the equity method

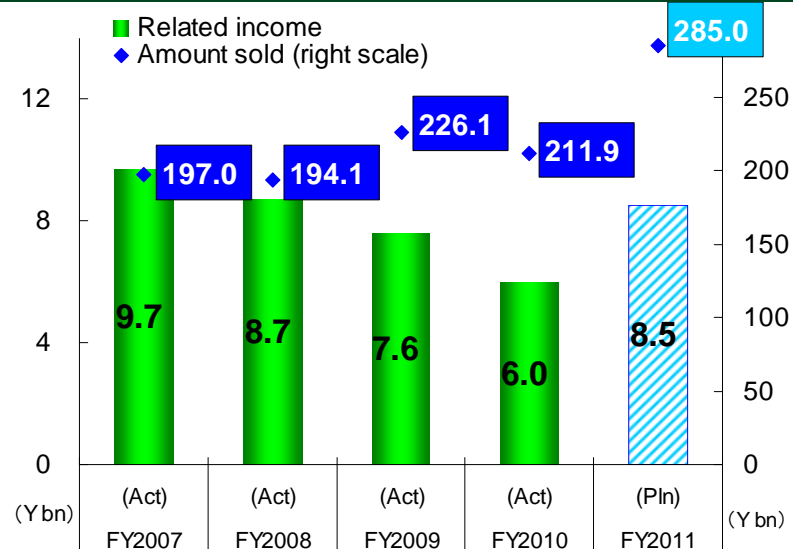
Name	Line of business	Capital contribution ratio	Net Profit		(Ref) FY2010
			1H FY2011	YoY change	Net income
Japan Trustee Services Bank, Ltd.	Banking and Trust	Resona Group 33.3% Sumitomo Trust 33.3% Sumitomo Mitsui Trust HD 33.3%	0.3	(0.2)	1.1

Trend of Major Fee Businesses

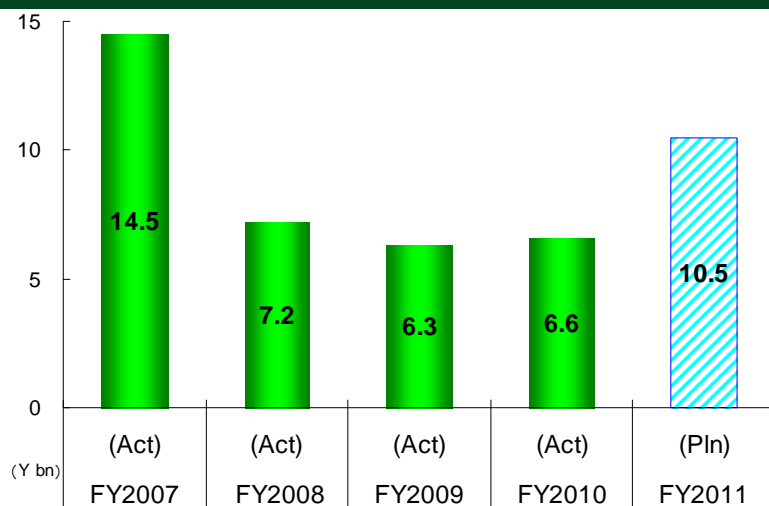
Investment Trusts (Total of Group Banks)



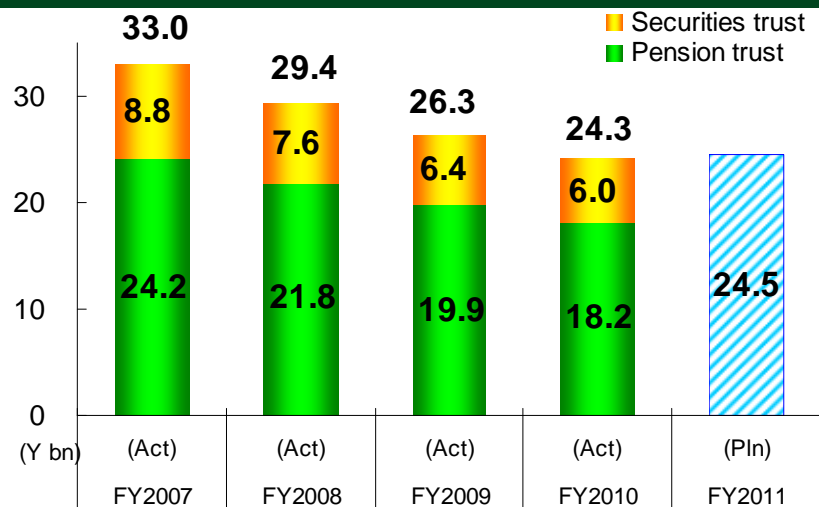
Personal Annuity (Total of Group Banks)



Real Estate Business* (RB)



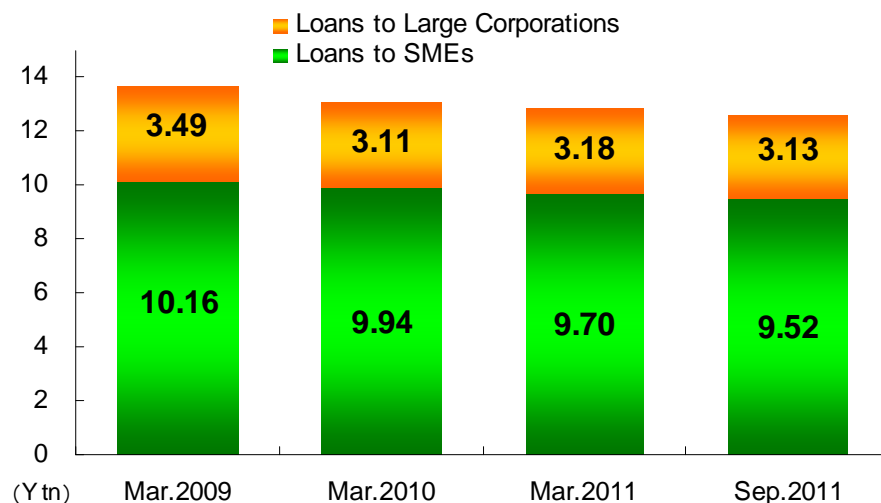
Pension and Securities Trust Business (RB)



* Excluding gains from investments in real estate fund

Trend of Corporate Banking Business (Total of Group Banks)

Loans extended to corporate borrowers

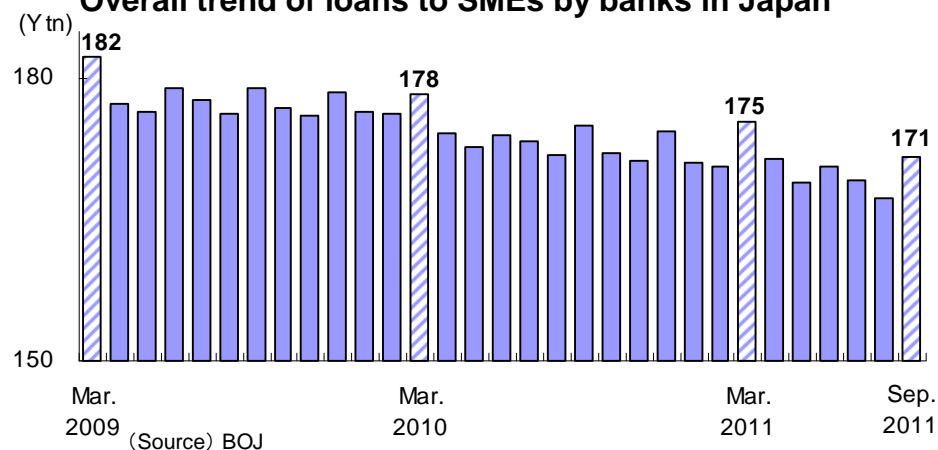


*1. Loans to SMEs = Loans to SMEs and Individuals – loans to individuals

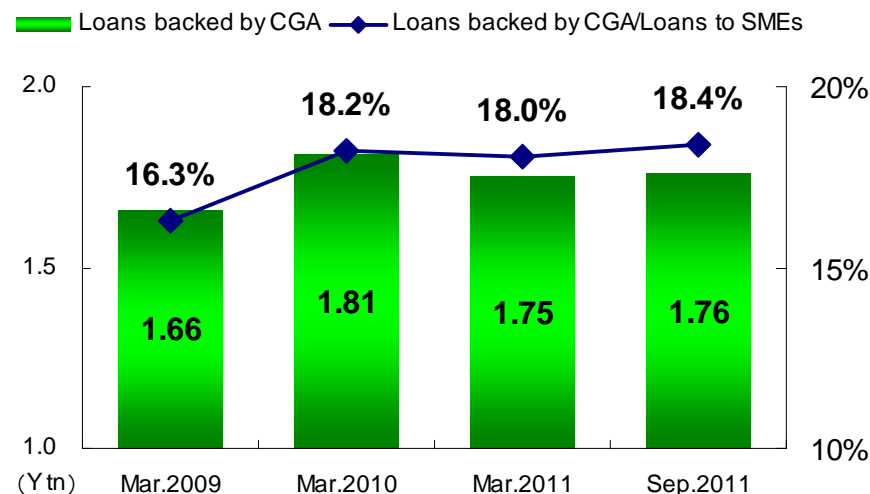
*2. Loans to large corporations = Total loans – loans to SMEs and individuals – loans to central and local governments

(Reference)

Overall trend of loans to SMEs by banks in Japan

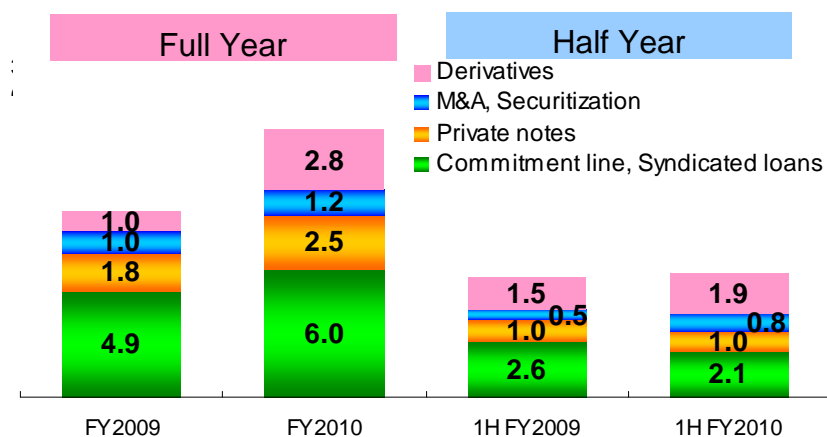


Balance of loans backed by CGA^{*1}



Trend of solution fees (RB)

(Y bn)



Management Accounting by Business Lines (1H FY2011)

Management accounting by group business lines

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

(Billions of Yen, %)

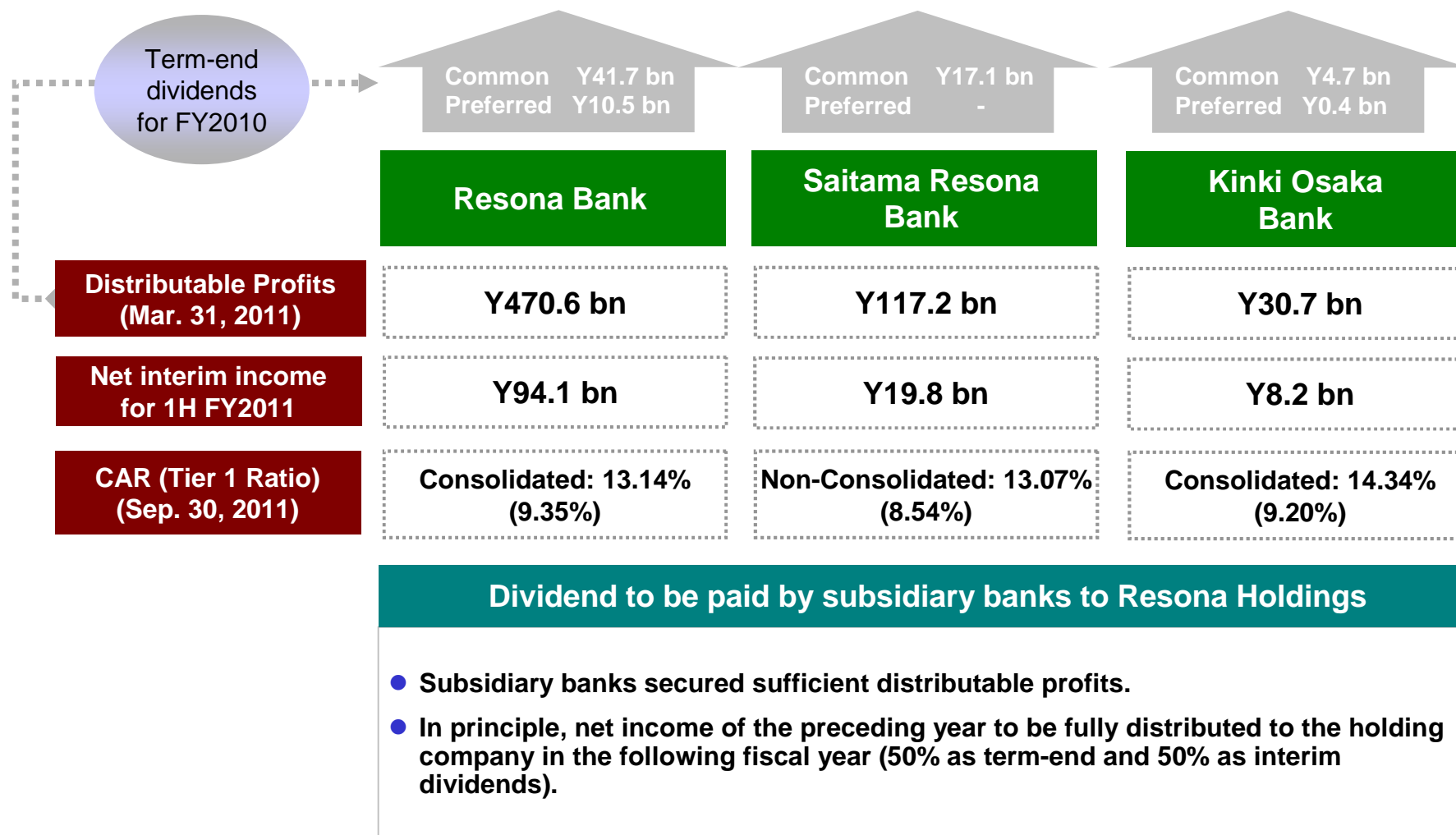
Resona Group Business Segments		Profitability				Soundness	Net operating profit after a deduction of credit cost									
		Net profit after a deduction of cost on capital		Risk-adjusted return on capital	Cost to income ratio	Internal CAR	Actual net operating profit								Credit cost	
							RVA ^{*1} (Actual)	YoY Change	RAROC (Actual)	OHR	YoY Change	YoY Change	Gross operating profit	YoY Change		
	Non-treasury	64.4	33.4	12.5%	58.8%	11.2%	112.3	24.2	117.2	(1.4)	284.5	(3.6)	(167.3)	2.2	(4.9)	25.6
	Personal Banking	36.4	10.8	16.0%	60.9%	12.3%	54.7	8.4	60.0	(1.0)	153.5	(5.0)	(93.5)	4.0	(5.3)	9.4
	Corporate Banking	23.1	23.0	9.5%	56.0%	10.6%	52.6	16.1	52.1	(0.0)	118.5	1.9	(66.4)	(1.9)	0.4	16.2
	Trust	4.9	(0.3)	202.9%	59.5%	10.6%	5.0	(0.4)	5.0	(0.4)	12.5	(0.5)	(7.4)	0.2	0.0	0.0
	Treasury	25.5	(7.5)	50.8%	13.7%	13.5%	28.6	(8.3)	28.6	(8.3)	33.1	(8.2)	(4.5)	(0.1)	0.0	0.0
	Total ^{*2}	86.6	30.4	12.9%	52.9%	13.5%	148.1	26.0	153.0	0.4	324.8	(1.7)	(171.8)	2.2	(4.9)	25.6

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

*2 Total of 3 banks on a non-consolidated basis plus profit and loss of loan guarantee subsidiaries

Distributable Profits and Dividend Policy

Resona Holdings (Distributable Profits as of Sep. 30, 2011: Y267.5 bn)

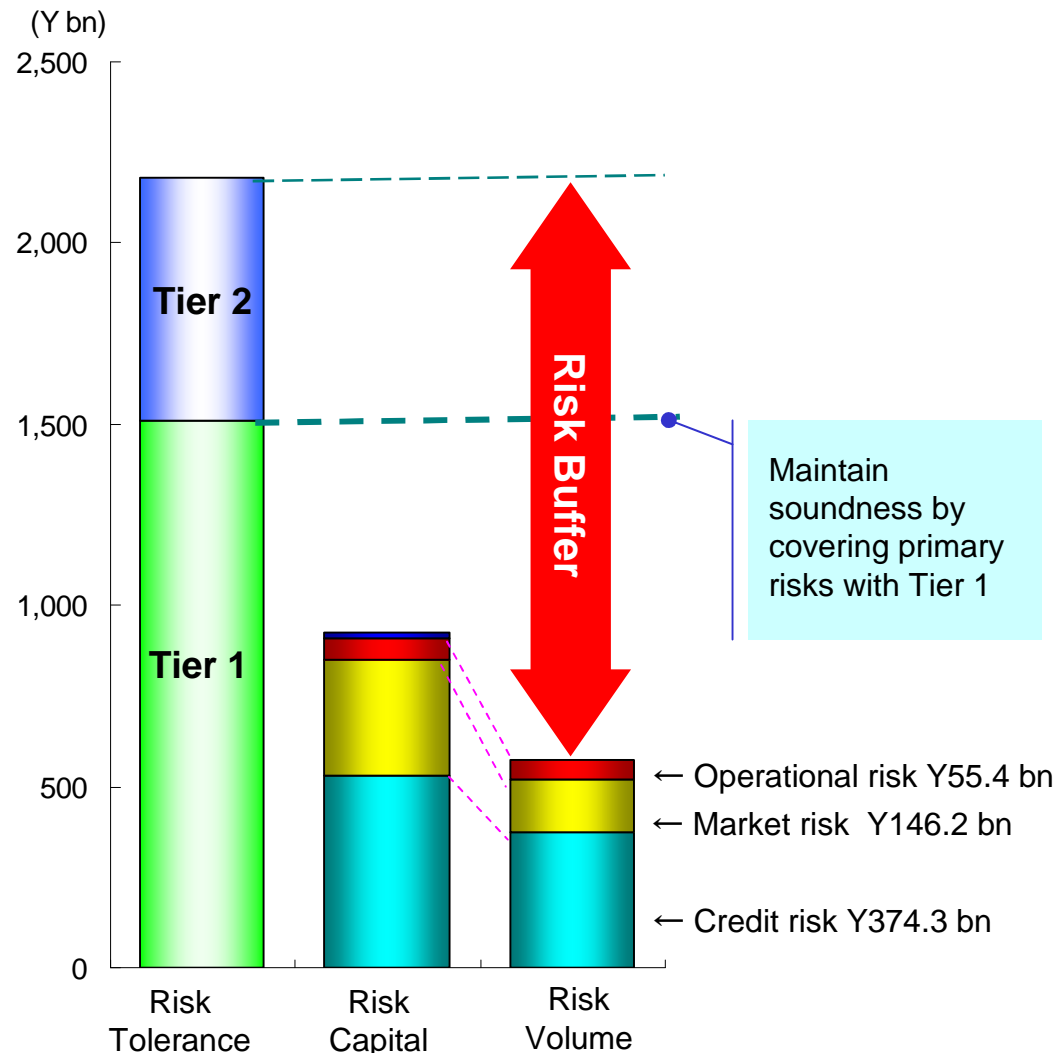


Capital Adequacy Ratio (Subsidiary Banks)

Japanese domestic standard (Billions of Yen)	RB (Consolidated) [F-IRB]			SR (Non-consolidated) [F-IRB]			KO (Consolidated) [F-IRB]		
	Mar.31, 2011	Sep.30, 2011	Change	Mar.31, 2011	Sep.30, 2011	Change	Mar.31, 2011	Sep.30, 2011	Change
Capital adequacy ratio	11.76%	13.14%	+1.38%	12.10%	13.07%	+0.97%	12.85%	14.34%	+1.49%
Tier 1 ratio	8.10%	9.35%	+1.25%	7.55%	8.54%	+0.99%	8.00%	9.20%	+1.20%
Total qualifying capital	1,607.2	1,674.4	67.2	443.9	455.4	11.4	181.4	189.7	8.2
Tier 1 capital	1,106.5	1,192.0	85.4	277.0	297.8	20.7	113.0	121.6	8.6
Tier 2 capital	540.9	520.1	(20.7)	177.2	167.1	(10.0)	69.2	68.9	(0.3)
Deductions	40.2	37.6	(2.5)	10.2	9.5	(0.6)	0.8	0.8	0.0
Risk weighted assets	13,660.5	12,735.7	(924.7)	3,668.1	3,483.7	(184.4)	1,411.5	1,322.3	(89.1)
Credit risk assets	12,905.3	11,998.4	(906.9)	3,403.0	3,224.2	(178.8)	1,306.6	1,220.5	(86.0)
Operational risk assets	755.1	737.3	(17.7)	265.1	259.5	(5.5)	104.9	101.8	(3.0)

Risk Volume Relative to Capital (End of September 2011)

- 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.



Assess “level of capital adequacy” based on the capital adequacy ratio management and comprehensive risk management

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: 10 days to 6 months depending on the nature of assets
 Operational risk: 1 year

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

Sophistication in ALM Interest Rate Risk Management: Introduction of Internal Model to Measure Core Liquidity Deposits

Reassess the value of liquidity deposits

Internal model to measure core liquidity deposits



Grasp more properly how much liquidity deposits can be regarded as low-cost and stable funding over the long term

Combined Balance Sheet (RB + SR + KO)

Loans and bills discounted Y25.7 tn (61%)	Liquidity deposits Y19.2 tn (45%) Core liquidity deposits (X%)
Securities Y11.0 tn (22%)	Time and other deposits Y12.4 tn (29%)
Cash Y2.7 tn (6%)	Other Y9.2 tn (22%)
Other Y3.0 tn (7%)	Net assets Y1.5 tn (4%)

Combined total assets: Y42.5 tn

More sophisticated
ALM interest rate risk management

Methods to measure core liquidity deposits

Before implementation of internal model < Standardized method > (FSA's bank supervision guideline)

- Introduced the idea of core liquidity deposits in FY2007
- Balance: the smallest of the following
 1. Lowest balance for the past 5 years
 2. Current balance less maximum annual outflow observed in the past 5 years
 3. Current balance x 50%
- Maturity allocated evenly over 5 years (2.5 years on average)

Internal model

- RB and SR adopted in Apr.2010, KO in Oct.2010
- Rationally modeled depositors' behaviors to grasp how much can be regarded as core liquidity deposits
- Maturity allocated evenly over 10 years (5 years on average)
- Longer maturity applicable to core liquidity deposits (from 2.5 years to 5.0 years on average) enables the banks to take longer-term interest rate risk

Securities Portfolio (Total of Group Banks)

Maturity ladder for securities held (securities with contractual maturities, nominal amount basis)

(Y bn)

	End of Sep. 2011						End of Mar. 2011					
	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years	One year or less	One to three years	Three to five years	Five to seven years	Seven to ten years	Over ten years
Bonds held to maturity	49.7	320.2	214.7	350.3	930.1	3.0	45.2	220.1	254.1	327.3	824.7	3.0
JGBs	30.0	260.0	127.0	285.8	817.2	3.0	30.0	165.0	177.0	266.3	714.7	3.0
Floating-rate JGBs	-	-	47.0	197.8	305.2	-	-	-	2.0	236.3	311.7	-
Japanese local government bonds	16.9	56.9	86.1	64.5	112.9	-	12.0	51.0	75.2	60.9	110.0	-
Japanese corporate bonds	2.8	3.2	1.6	-	-	-	3.2	4.1	1.9	0	-	-
Available-for-sale securities	2,952.4	1,854.3	3,027.2	325.3	358.7	134.4	2,728.8	1,464.7	2,537.5	390.1	478.3	152.0
Bonds	2,902.2	1,792.5	2,950.5	319.8	356.9	20.5	2,713.6	1,403.9	2,506.0	381.4	476.1	22.3
JGBs	2,716.6	1,411.3	2,636.3	225.8	269.4	-	2,528.7	1,083.7	2,064.1	254.6	384.0	-
Floating-rate JGBs	-	-	11.1	225.8	161.4	-	-	-	2.9	219.1	184.0	-
Japanese local government bonds	0.2	17.5	30.8	19.8	84.6	-	0.3	5.7	41.8	16.7	85.8	-
Japanese corporate bonds	185.4	363.6	283.3	74.2	2.9	20.5	184.5	314.5	400.0	110.1	6.3	22.3
Other	50.2	61.7	76.6	5.5	1.8	113.8	15.2	60.8	31.5	8.7	2.1	129.7

Unrealized gains/(losses)

(Y bn)

	B/S Amount (Sep. '11)	Change from Mar. '11	Unrealized gains/(losses) (Sep. '11)	Change from Mar. '11
Bonds held to maturity	1,863.9	196.0	46.4	21.8
Stocks of subsidiaries and affiliates	9,156.3	913.0	63.8	(28.8)
Stocks	416.0	(47.2)	66.9	(44.9)
Bonds	8,374.3	858.7	8.6	23.0
Other	365.8	101.4	(11.7)	(6.8)

Note: The figures reported above include securities, negotiable certificates of deposit (NCDs) included in "cash and due from banks" and a portion of "monetary claims

The presented figures only include marketable securities.

Trend of market and other indicators

[Duration and Basis Point Value of JGBs (Available-for-sale securities)]

	2009/3	2009/9	2010/3	2010/9	2011/3	2011/9
Duration (year)	1.7	2.2	2.1	2.0	2.1	2.1
BPV (Ybn)	0.90	1.20	1.19	1.21	1.35	1.52
10-year JGB yield	1.350%	1.290%	1.390%	0.930%	1.250%	1.025%

[Break-even Nikkei Average Points]

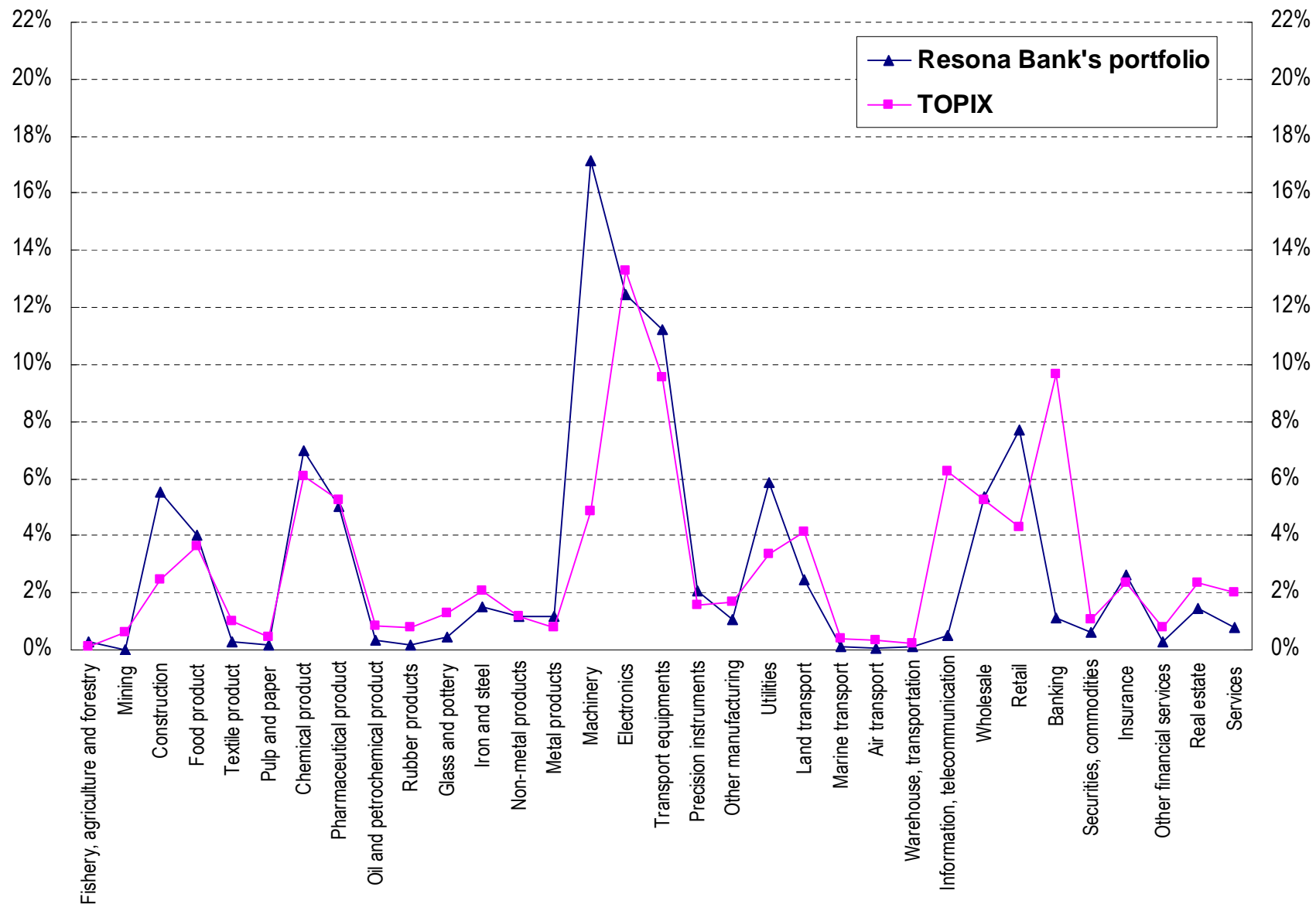
	2009/3	2009/9	2010/3	2010/9	2011/3	2011/9
Nikkei Average Points (Yen)	7,000	7,000	7,300	7,600	7,200	7,100
BV of stock sold outright (Ybn)	7.6	2.6	11.1	0.3	9.6	0.4

[Net gains/(losses) on bonds and stocks]

(Y bn)

	FY2008	1H FY2009	FY2009	1H FY2010	FY2010	1H FY2011
Net gains/(losses) on bonds	10.2	14.4	19.7	29.1	30.5	15.4
Net gains/(losses) on stocks	(37.6)	2.1	4.3	(6.7)	(1.7)	0.3

Stocks Held by Industry (RB, As of Sep. 30, 2011)



Maturity Ladder of Deposit and Loans (RB, Domestic Operations)

Loans and bills discounted

[End of March 2011]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	1.5%	1.4%	4.0%	6.8%	13.7%
Prime rate-based	50.6%	0.4%	0.0%	0.0%	51.0%
Market rate-based	25.8%	3.7%	3.4%	2.4%	35.3%
Total	77.9%	5.5%	7.4%	9.2%	100.0%

Loans maturing within 1 year **83.4%**

[End of September 2011]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	1.4%	1.2%	3.9%	6.2%	12.7%
Prime rate-based	51.7%	0.1%	0.0%	0.0%	51.7%
Market rate-based	27.8%	1.8%	3.4%	2.5%	35.5%
Total	80.9%	3.1%	7.3%	8.7%	100.0%

Loans maturing within 1 year **84.0%**

[Change in 1H of FY2011]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	-0.1%	-0.1%	-0.2%	-0.6%	-0.9%
Prime rate-based	1.1%	-0.3%	0.0%	0.0%	0.7%
Market rate-based	2.0%	-1.9%	0.0%	0.1%	0.2%
Total	3.0%	-2.4%	-0.1%	-0.5%	0.0%

Loans maturing within 1 year **0.6%**

Deposits

[End of March 2011]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	45.6%	0.9%	3.8%	13.0%	63.3%
Time deposits	18.7%	10.3%	6.5%	1.2%	36.7%
Total	64.3%	11.3%	10.2%	14.2%	100.0%

[End of September 2011]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	43.6%	1.0%	3.9%	13.5%	61.9%
Time deposits	19.3%	10.9%	6.7%	1.2%	38.1%
Total	62.9%	11.8%	10.6%	14.7%	100.0%

[Change in 1H of FY2011]

	Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	-2.0%	0.0%	0.1%	0.4%	-1.4%
Time deposits	0.6%	0.5%	0.2%	0.0%	1.4%
Total	-1.4%	0.6%	0.4%	0.5%	0.0%

*1. Based on figures compiled for internal administrative purposes

Swap Positions by Remaining Periods (RB)

- Notional amounts of interest rate swaps by remaining period
(to which a deferred hedge accounting is applied)

(Billions of Yen)

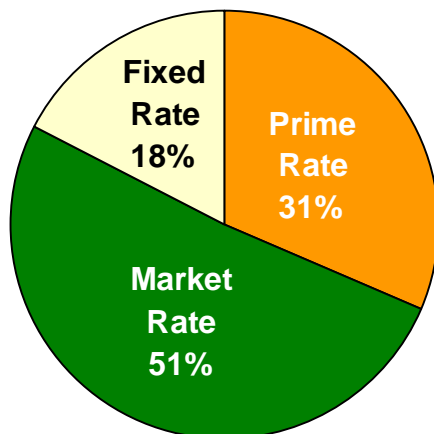
	End of September 2011				End of March 2011			
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/ Pay floating rate	191.0	449.7	940.0	1,580.7	160.0	478.3	950.0	1,588.3
Receive floating rate/ Pay fixed rate	155.0	231.9	515.0	901.9	205.0	160.0	585.0	950.0
Net position to receive fixed rate	36.0	217.7	425.0	678.7	(45.0)	318.3	365.0	638.3

Composition of Loan Portfolio by Base Rates (RB)

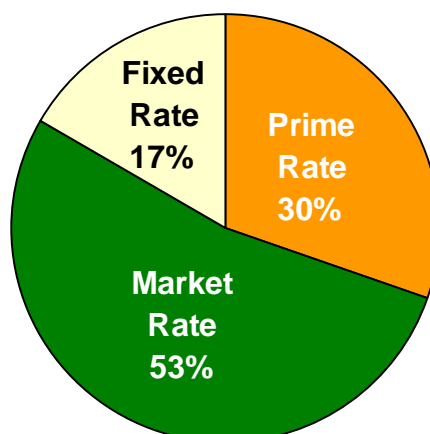
Loans to corporations

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

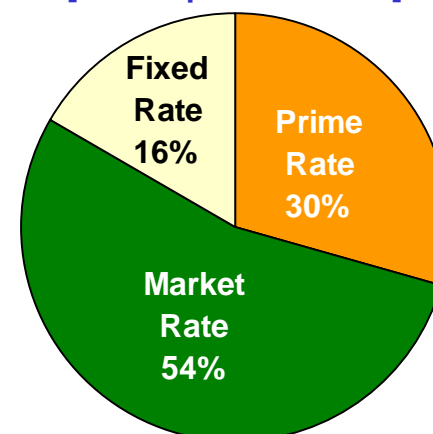
[End September 2010]



[End March 2011]

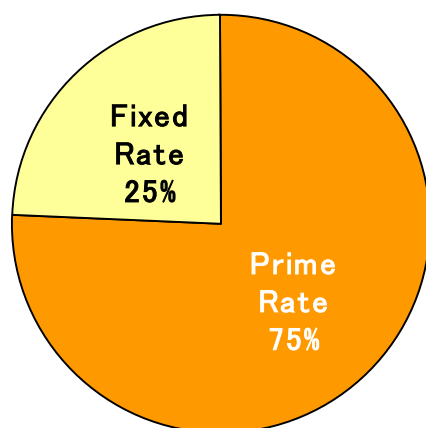


[End September 2011]

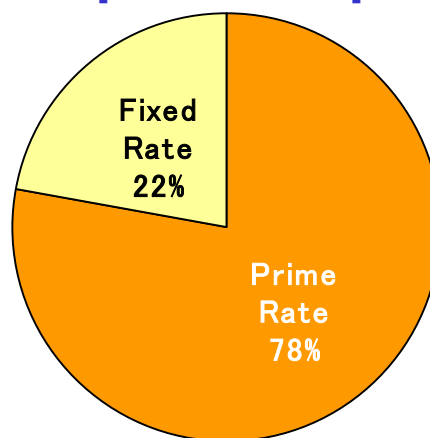


Loans to individuals

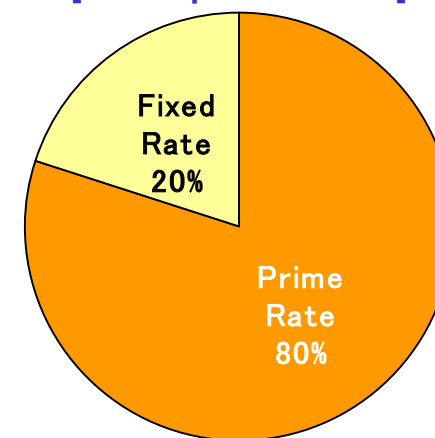
[End September 2010]



[End March 2011]



[End September 2011]

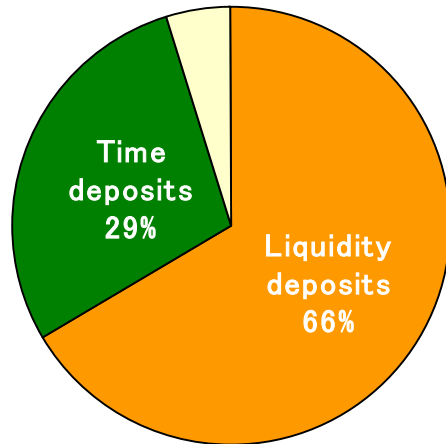


* Portfolio composition is based on figures compiled for internal administrative purposes.

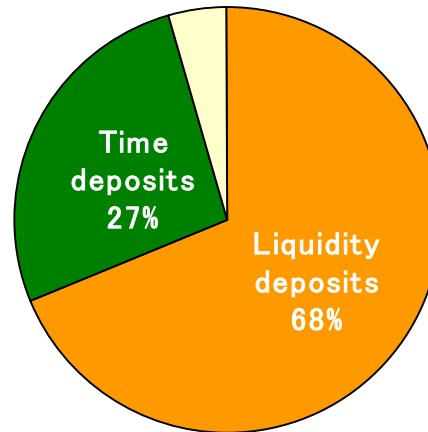
Composition of Deposits by Types (RB)

Corporate Deposits

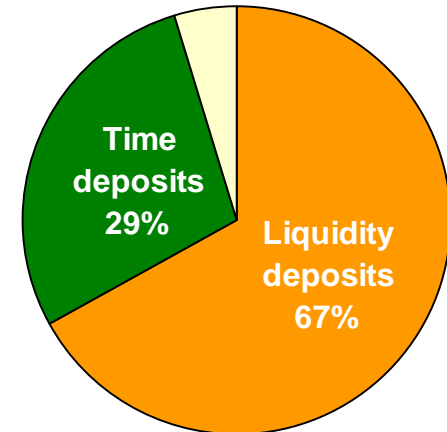
[End September 2010]



[End March 2011]

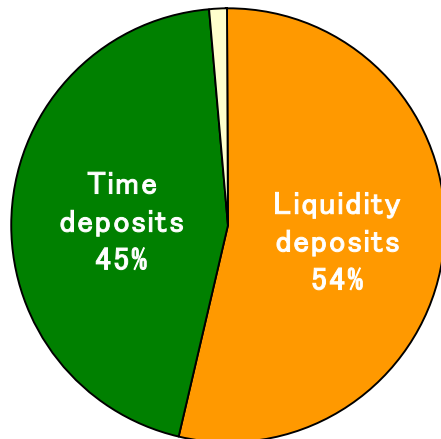


[End September 2011]

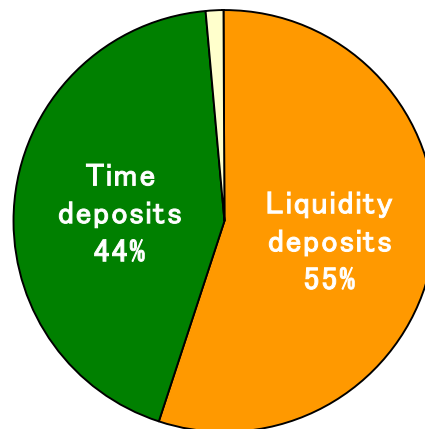


Individual Deposits

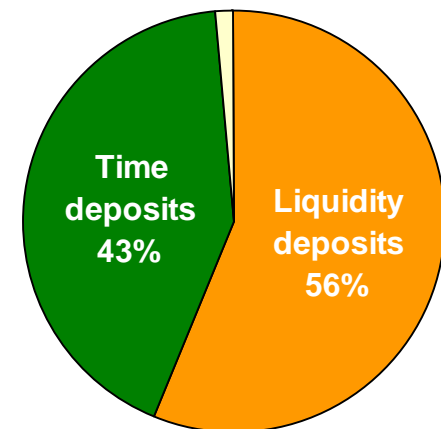
[End September 2010]



[End March 2011]



[End September 2011]



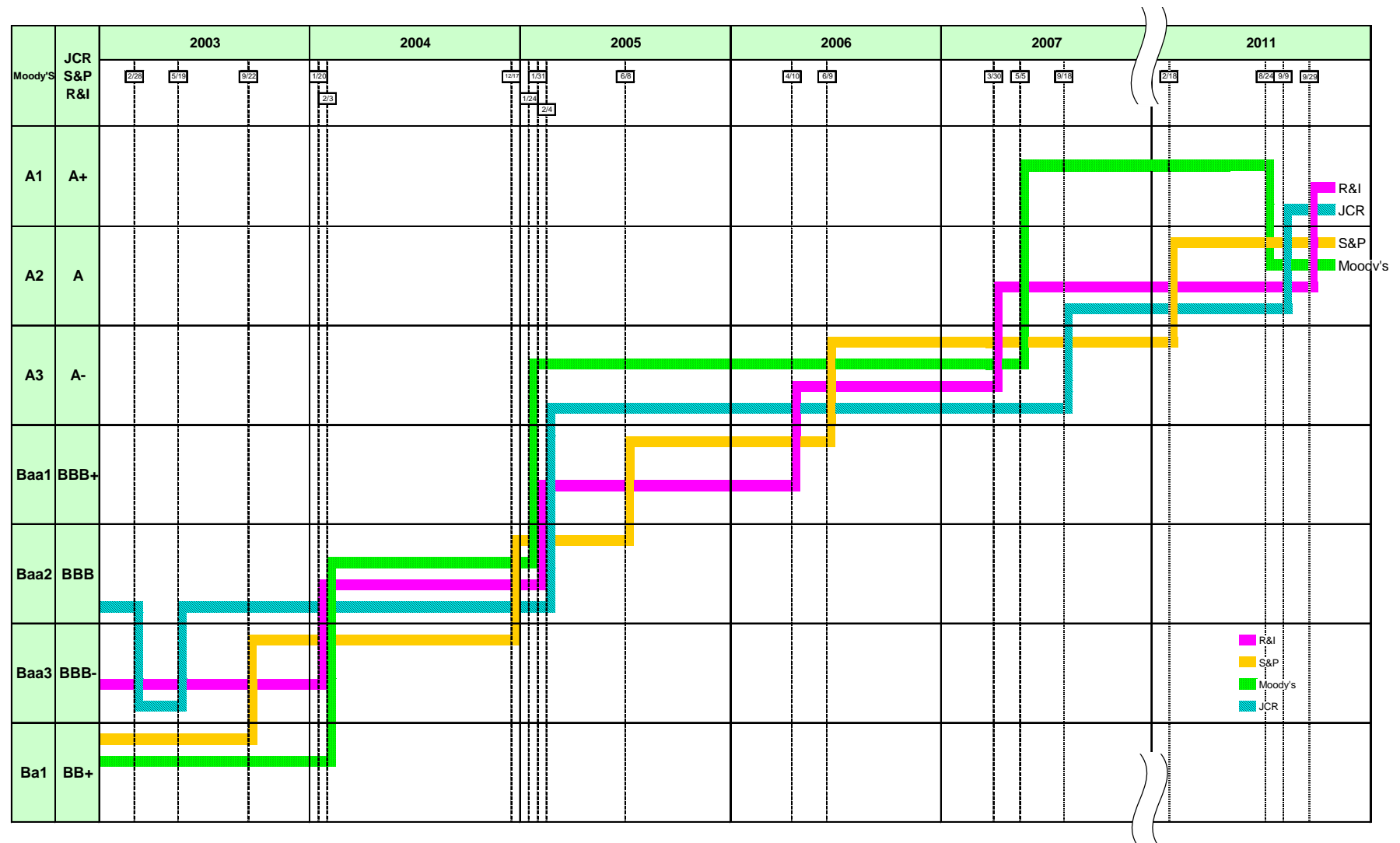
Migrations of Borrowers (RB, 1H FY2011)

Exposure amount basis (Migration during 1H FY2011)

		End of September 2011									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Quasi-Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2011	Normal	98.3%	1.2%	0.1%	0.1%	0.0%	0.0%	0.3%	0.3%	0.0%	-	1.4%
	Other Watch	10.3%	82.9%	0.9%	1.9%	0.2%	0.2%	3.6%	3.6%	0.0%	10.3%	3.2%
	Special Attention	2.6%	7.3%	73.1%	11.2%	1.1%	0.0%	4.6%	4.6%	0.0%	9.9%	12.4%
	Doubtful	1.0%	3.7%	2.6%	81.6%	7.5%	0.6%	3.2%	3.2%	0.0%	7.2%	8.0%
	Quasi-Bankrupt	0.0%	0.2%	0.0%	0.3%	90.7%	3.8%	4.9%	3.4%	1.5%	0.5%	3.8%
	Bankrupt	0.0%	0.1%	0.0%	1.4%	0.0%	89.7%	8.8%	0.9%	7.9%	1.5%	-

1. Above tabel shows how a borrower belonging to a particular borrower category as of the end of March 2011 migrated to a new category as of the end of September 2011.
2. Percentage points are calculated based on exposure amounts as of the end of March 2011. (New loans extended, loans partially collected or written-off during the period are not taken into account.)
3. "Other" as of the end of September 2011 refers to 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 Preferred Shares Issued by RHD

[As of Sep. 30, 2011]

Public Fund

Private Fund

	Class C Preferred Shares	Class F Preferred Shares	Class 3 Preferred Shares
Distinction between public and private funds	Public Fund	Public Fund	Public Fund
Original issuer and name of securities	Kinki Osaka Bank Series 1	Asahi Bank Series 2 Class 2	Resona Bank Class 3 Series 1
Original issue date	4/26/2001	3/31/1999	7/1/2003
Current number of shares	12,000,000 shares	8,000,000 shares	225,000,000 shares
Issue price per share	JPY 5,000	JPY 12,500	JPY 2,000
Total issue amount remaining at present	JPY 60.0 Billion	JPY 100.0 Billion	JPY 450.0 Billion
Original total issue amount	JPY 60.0 Billion	JPY 100.0 Billion	JPY 550.0 Billion
Shareholder	RCC	RCC	DIC
Preferred dividend	Dividend per share (Jun. 2012)	JPY 68.00	JPY 21.38
	Total amount of dividend (Jun. 2012)	JPY 816 Million	JPY 4,810 Million
	Yield	1.36%	Libor (1y) + 50bp 1.069%
Acquisition right	Acquisition period	1/1/2002 3/31/2015	7/1/2003 11/30/2014
	Current exchange price	JPY 1,501	JPY 3,240
	Current exchange rate	(3.331)	(3.858)
Reset of exchange rate	Date of reset	1/1	7/1
	Direction of reset	Upward/Downward	Upward/Downward
	Cap exchange rate	(3.331)	(3.858)
	Floor exchange rate	---	---
	Cap exchange price	---	---
	Floor exchange price	JPY 1,501	JPY 3,240
	Start of market price calculation	45 trading days before	45 trading days before
	Calculation period	30 trading days	30 trading days
Acquisition clause	Date of mandatory exchange	4/1/2015	12/1/2014
	Mandatory exchange rate	JPY 5,000 / Market Price	JPY 12,500 / Market Price
	Start of market price calculation	45 trading days before	45 trading days before
	Calculation period	30 trading days	30 trading days
	Floor exchange price	JPY 1,667	JPY 3,598

Class 4 Preferred Shares	Class 5 Preferred Shares	Class 6 Preferred Shares
Private Fund	Private Fund	Private Fund
Resona Holdings Class 4	Resona Holdings Class 5	Resona Holdings Class 6
8/31/2006	8/28/2007	12/8/2009
2,520,000 shares	4,000,000 shares	3,000,000 shares
JPY 25,000	JPY 25,000	JPY 25,000
JPY 63.0 Billion	JPY 100.0 Billion	JPY 75.0 Billion
JPY 63.0 Billion	JPY 100.0 Billion	JPY 75.0 Billion
Shinkin Trust Bank	Dai-ichi Life	Nippon Life Meiji Yasuda Life Daido Life
JPY 992.50	JPY 918.75	JPY 1,237.50
JPY 2,501 Million	JPY 3,675 Million	JPY 3,712 Million
3.97%	3.675%	4.950%
---	---	---
---	---	---
(---	(---	(---
---	---	---
---	---	---
---	---	---
---	---	---
---	---	---
---	---	---
---	---	---
Mandatory exchange not applicable	Mandatory exchange not applicable	Mandatory exchange not applicable
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 seven years after issue date
---	---	---
---	---	---
---	---	---
---	---	---

Business Revitalization Plan: Earnings Plan

(Total of Group Banks)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
(Billions of Yen)	(Actual)	(Actual)	(Plan)	(Plan)	(Plan)
Gross operating profit	615.2	605.7	603.0	606.0	623.0
Trust fees	28.7	25.9	25.1	26.1	28.7
Jointly Operated Designated Money Trust	4.4	0.0	3.3	3.5	4.0
NPL disposal in the trust account	(0.0)	0.0	-	-	-
Interest income	578.4	541.3	539.0	555.0	604.0
Interest expense	92.5	70.1	73.0	86.0	123.0
Net fees & commissions	67.6	72.9	80.0	81.0	83.0
Net trading income	27.4	30.1	7.2	7.9	8.7
Other operating income	5.4	5.5	24.7	22.0	21.6
Gains/(losses) on bonds	19.7	31.5	2.0	(2.7)	0.9
Net operating profit (Before provision to general reserve and NPL disposal in the trust account)	264.6	260.0	257.0	261.0	280.0
Net operating profit	273.3	264.8	257.0	261.0	280.0
Provision to general reserve	(8.6)	(4.7)	-	-	-
Expenses	350.5	345.6	346.0	345.0	343.0
Personnel expense	126.0	130.1	127.5	127.5	129.0
Non-personnel expenses	206.0	197.1	199.5	198.5	195.0
Disposal of NPL	114.6	70.4	64.0	64.0	61.0
Net gain/(loss) on stocks	4.3	(1.7)	4.0	7.0	8.0
Loss on devaluation	3.1	3.3	1.5	1.5	1.5
Ordinary profit*3	152.6	193.0	195.0	204.0	229.0
Extraordinary gains	28.9	30.4	1.0	-	-
Extraordinary losses	4.9	5.7	4.0	4.0	4.0
Income taxes - current	48.7	5.5	6.0	69.0	88.0
Income taxes - deferred	4.6	61.7	55.0	10.0	-
Net income/(loss)	123.1	150.5	131.0	121.0	137.0
Credit related expenses	82.1	36.8	64.0	64.0	61.0

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

*2. Earned surplus excluding earned surplus reserve

*3. Ordinary profit includes gains from recoveries of written-off claims etc. in extraordinary gains.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
(Billions of Yen)	(Actual)	(Actual)	(Plan)	(Plan)	(Plan)
Total assets *1	39,336.8	39,733.0	40,480.0	41,050.0	41,510.0
Loans and bills discounted	25,668.3	25,262.9	25,620.0	26,000.0	26,390.0
Securities	8,837.4	9,530.3	9,970.0	10,060.0	10,040.0
Trading assets	467.6	422.3	500.0	500.0	500.0
DTA (term-end bal.)	219.0	158.6	107.1	98.1	97.4
Total liabilities*1	38,104.7	38,394.4	38,960.0	39,540.0	40,000.0
Deposits and NCDs	33,192.0	34,013.3	33,550.0	34,000.0	34,430.0
Trading liabilities	5.1	11.8	50.0	50.0	50.0
DTL (term-end bal.)	-	-	-	-	-
DTL for land revaluation (term-end bal.)	29.8	28.2	25.9	25.3	24.5
Net assets*1	1,459.9	1,567.3	1,563.1	1,556.2	1,572.9
Capital stock	388.8	388.8	388.8	388.8	388.8
Capital reserve	418.8	418.8	418.8	418.8	418.8
Other capital surplus	113.7	113.7	113.7	113.7	113.7
Earned surplus reserve	20.0	20.0	20.0	20.0	20.0
Retained earnings *2	381.1	508.9	493.2	484.1	501.3
Land revaluation excess	40.4	38.4	34.7	33.8	32.6
Net unrealized gains/(losses) on other securities	82.8	61.6	80.3	83.4	84.1

(Management Indicators)

Yield on interest earning assets (A)	1.61	1.49	1.47	1.49	1.60
Interest earned on loans and bills discounted	1.95	1.85	1.78	1.80	1.93
Interest on securities	0.61	0.61	0.62	0.63	0.68
Total cost of funding (B)	1.21	1.13	1.12	1.14	1.22
Interest paid on deposits and NCDs (D)	0.16	0.11	0.10	0.12	0.21
Overall interest spread (A) - (B)	0.39	0.36	0.34	0.35	0.38
Cost-to-income ratio (OHR)	56.98	57.06	57.37	56.93	55.05

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.