STATUS OF CAPITAL ADEQUACY/ BASEL DATA SECTION

CONTENTS

SCOPE OF CONSOLIDATION

■ Differences and reasons for such differences between those companies belonging to the Corporate Group (hereinafter, the Holding Company Group) that calculate their capital adequacy ratio according to Article 15 of Notification 20, 2006, issued by the Financial Services Agency (hereinafter, Notification on Consolidated Capital Adequacy), which is based on the method stipulated in "Standards for Bank Holding Companies to Examine the Adequacy of its Capital Based on Assets, Etc. held by it and its Subsidiaries" pursuant to Article 52-25 of the Banking Act and those companies included within the scope of consolidation (hereinafter, Scope of Consolidation) based on Article 5 of the Regulations for Preparation of Consolidated Financial Statements.

Asahi Servicos e Representacoes Ltda. is not included in the scope of consolidation under the provisions of Article 5-2 of the Regulations for Preparation of Consolidated Financial Statements, but, based on Article 15 of the Notification on Consolidated Capital Adequacy, this company is included in the Holding Company Group for calculation of the consolidated capital adequacy ratio.

■ Number, names, and principal business activities of the major consolidated subsidiaries in the Holding Company Group

Number of consolidated subsidiaries: 31
Names and principal business activities of consolidated subsidiaries: As shown below

Company Name	Principal Business Activities
Resona Bank, Ltd.	Banking and trust banking business
Saitama Resona Bank, Ltd.	Banking business
Kansai Urban Banking Corporation (Note 1)	Banking business
The Kinki Osaka Bank, Ltd. (Note 1)	Banking business
The Minato Bank, Ltd.	Banking business
Kansai Mirai Financial Group, Inc.	Supervision of subsidiaries' operations and other ancillary businesses
Resona Guarantee Co., Ltd.	Credit guarantee
Kinki Osaka Shinyo Hosho Co., Ltd. (Note 2)	Credit guarantee
Resona Kessai Service Co., Ltd.	Collection of bills and receivables, and factoring
Resona Card Co., Ltd.	Credit card administration and credit guarantee
Resona Capital Co., Ltd.	Private equity business
Resona Asset Management Co., Ltd.	Investment management business
Resona Research Institute Co., Ltd.	Business consulting services
Resona Business Service Co., Ltd.	Business Process Outsourcing Services and Placement Services
P.T. Bank Resona Perdania	Banking business
P.T. Resona Indonesia Finance	Finance leasing
Resona Merchant Bank Asia, Ltd.	Financing business and consulting services
14 other companies	

Notes: 1. On April 1, 2019, Kansai Urban Banking Corporation and The Kinki Osaka Bank, Ltd. effected an absorption-type merger under which The Kinki Osaka Bank, Ltd. was the surviving company and Kansai Urban Banking Corporation was the dissolving company. The name of the merged company was changed to Kansai Mirai Bank, Ltd. on the same day.
2. On April 1, 2019, the name of Kinki Osaka Shinyo Hosho Co., Ltd. was changed to Kansai Mirai Guarantee Co., Ltd.

■ Names, total assets, and net assets as shown on the balance sheets, and principal business activities of affiliated companies engaging in financial businesses as specified in Article 21 of the Notification on Consolidated Capital Adequacy

None

■ Names, total assets, and net assets as shown on the balance sheets and principal business activities of companies that belong to the Holding Company Group but are not included within the Scope of Consolidation for accounting purposes and companies that do not belong to the Holding Company Group but are included within the Scope of Consolidation for accounting purposes.

Companies that belong to the Holding Company Group but are not included within the Scope of Consolidation for accounting purposes

(Billions of yen)

Company Name	Total Assets	Net Assets	Principal Business Activities
Asahi Servicos e Representacoes Ltda.	0.0	0.0	Research, provision of information

Companies that do not belong to the Holding Company Group but are included within the Scope of Consolidation for accounting purposes

None

■ Restrictions on transfer of funds or capital within the Holding Company Group

None

■ Names of other financial institutions, etc. (other financial institutions as specified in Article 18, Paragraph 6, Item 1 of the Notification on Consolidated Capital Adequacy), that are included among bank subsidiaries, etc., with capital below the amount stipulated in capital adequacy regulations, and the total amounts by which the capital of these financial institutions are below the stipulated amount

None

CAPITAL

Structure of Capital and Capital Adequacy

The capital structure of Resona Holdings is as shown below. Please note that the capital ratio is calculated based on the “Notification on Consolidated Capital Adequacy,” and is computed on a consolidated basis. The amounts of credit risk weighted assets are calculated by the Advanced Internal Ratings-Based (hereinafter, A-IRB) approach. In addition, the amount equivalent to operational risk is calculated by The Standardized Approach, and the amount equivalent to market risk by the Standardized approach.

■ Consolidated Capital Adequacy Ratio (Japanese Domestic Standard)

(Millions of yen, %)

Items		**As of March 31, 2019**	Amounts excluded under transitional arrangements	As of March 31, 2018	Amounts excluded under transitional arrangements
Core Capital: instruments and reserves					
Directly issued qualifying common stock or preferred stock mandatorily convertible into common stock capital plus related capital surplus and retained earnings		**1,636,775**	/	1,544,068	/
of which: capital and capital surplus		**50,472**	/	50,472	/
of which: retained earnings		**1,614,908**	/	1,522,078	/
of which: treasury stock (–)		**4,213**	/	5,250	/
of which: earnings to be distributed (–)		**24,392**	/	23,231	/
of which: other than the above		**—**	/	—	/
Accumulated other comprehensive income included in Core Capital		**(43,428)**	/	(37,371)	/
of which: foreign currency translation adjustments		**(4,823)**	/	(3,021)	/
of which: remeasurements of defined benefit plans		**(38,605)**	/	(34,350)	/
Subscription rights to acquire common stock or preferred stock mandatorily convertible into common stock		**—**	/	—	/
Adjusted non-controlling interests (amount allowed to be included in Core Capital)		**120,154**	/	1,890	/
Reserves included in Core Capital: instruments and reserves		**37,568**	/	20,471	/
of which: general reserve for possible loan losses		**30,472**	/	3,708	/
of which: eligible provisions		**7,095**	/	16,763	/
Eligible Non-cumulative perpetual preferred stock subject to transitional arrangement included in Core Capital: instruments and reserves		**—**	/	—	/
Eligible capital instrument subject to transitional arrangement included in Core Capital: instruments and reserves		**97,065**	/	130,997	/
Capital instrument issued through the measures for strengthening capital by public institutions included in Core Capital: instruments and reserves		**—**	/	—	/
45% of revaluation reserve for land included in Core Capital: instruments and reserves		**13,842**	/	17,192	/
Non-controlling interests included in Core Capital subject to transitional arrangements		**116,136**	/	12,727	/
Core Capital: instruments and reserves	(A)	**1,978,114**	/	1,689,976	/
Core Capital: regulatory adjustments					
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)		**28,178**	/	20,987	5,246
of which: goodwill (including those equivalent)		**—**	/	—	—
of which: other intangible fixed assets other than goodwill and mortgage servicing rights		**28,178**	/	20,987	5,246
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		**9,169**	/	10,261	2,565
Shortfall of eligible provisions to expected losses		**—**	/	—	—
Gain on sale related to securitization transactions		**670**	/	1,130	—
Gains and losses due to changes in own credit risk on fair valued liabilities		**—**	/	—	—
Net defined benefit asset		**13,439**	/	10,320	2,580
Investments in own shares (excluding those reported in the Net Assets)		**706**	/	595	148
Reciprocal cross-holdings in relevant capital instruments issued by Other Financial Institutions		**—**	/	—	—
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (‘Other Financial Institutions’), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)		**—**	/	—	—
Amount exceeding the 10% threshold on specified items		**—**	/	—	—
of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions		**—**	/	—	—
of which: mortgage servicing rights		**—**	/	—	—
of which: deferred tax assets arising from temporary differences (net of related tax liability)		**—**	/	—	—
Amount exceeding the 15% threshold on specified items		**—**	/	20,581	5,145
of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions		**—**	/	8,747	2,186
of which: mortgage servicing rights		**—**	/	—	—
of which: deferred tax assets arising from temporary differences (net of related tax liability)		**—**	/	11,833	2,958
Core Capital: regulatory adjustments	(B)	**52,164**	/	63,877	/
Total capital					
Total capital	((A)-(B)) (C)	**1,925,949**	/	1,626,098	/
Risk weighted assets					
Credit risk weighted assets		**17,881,439**	/	13,792,525	/
Total of items included in risk weighted assets subject to transitional arrangements		**61,522**	/	64,643	/
of which: intangible fixed assets other than goodwill and mortgage servicing rights (net of related tax liability)		**/**	/	5,246	/
of which: deferred tax assets (net of related tax liability)		**/**	/	5,523	/
of which: net defined benefit asset		**/**	/	2,580	/
of which: Other Financial Institutions Exposures		**—**	/	(18,571)	/
of which: other than the above		**61,522**	/	69,863	/
Amount equivalent to market risk x 12.5		**62,872**	/	79,971	/
Amount equivalent to operational risk x 12.5		**1,117,768**	/	974,023	/
Credit risk weighted assets adjustments		**—**	/	415,655	/
Amount equivalent to operational risk adjustments		**—**	/	—	/
Total amount of risk weighted assets	(D)	**19,062,080**	/	15,262,176	/
Capital adequacy ratio (consolidated)					
Capital adequacy ratio (consolidated)	((C)/(D))	**10.10**	/	10.65	/

Note: The Company receives agreed procedure services from Ernst & Young ShinNihon LLC as an external audit on calculating the consolidated capital adequacy ratio, in accordance with the Japanese Institute of Certified Public Accountants Practical Guidelines on Professional Services No. 4465 “Practical Guidelines on Agreed Procedure Services for Calculation of Capital Adequacy Ratio.” This service is not part of the audit on consolidated and non-consolidated financial statements or audit on internal control over financial reporting. This service is not to express an opinion or conclusion about the capital adequacy ratio itself or internal control system related to calculating the capital adequacy ratio. It involves Ernst & Young ShinNihon LLC conducting procedures within the scope agreed with the Company and reporting the results to the Company.

■ Capital Requirements for Credit Risk

(Millions of yen)

As of March 31	**2019**	2018
Capital requirements for credit risk	**1,215,959**	874,545
Standardized Approach	**423,083**	39,929
IRB Approach	**789,123**	831,469
Corporate exposures (excluding specialized lending)	**545,168**	540,486
Specialized lending	**20,479**	19,772
Sovereign exposures	**5,962**	6,602
Bank exposures	**11,244**	16,643
Residential mortgage exposures	**120,895**	154,107
Qualifying revolving retail exposures	**6,110**	6,445
Other retail exposures	**47,991**	50,518
Purchased receivables exposures	**12,494**	17,961
Other IRB exposures	**18,776**	18,931
Securitization exposures	**3,752**	3,147
Capital requirements for credit risk of equity exposures in the IRB Approach	**74,315**	63,337
Market-Based Approach (Simple Risk Weight Method)	**22,367**	5,656
PD/LGD Approach	**43,235**	45,670
Exposure related to the fund-raising methods of other financial institutions other than equity exposure	**8,712**	12,010
Other	**0**	0
Capital requirements for exposures relating to equity investments in funds	**90,329**	108,445
Look-through approach	**89,703**	/
Mandate-based approach	**—**	/
Simple approach 250%	**303**	/
Simple approach 400%	**—**	/
Fall-back approach 1,250%	**322**	/
Capital requirements for CVA risk	**6,611**	4,647
Capital requirements for exposure to the Central Counterparty	**528**	614
Exposure related to portions of specified items that cannot be included in regulatory adjustment	**37,849**	46,638
Amount of items included in risk weighted assets subject to transitional arrangements	**4,921**	5,171
Floor adjustment	**—**	33,252
Total	**1,430,515**	1,136,654

Note: Capital requirements are calculated by multiplying credit risk-weighted assets by 8%.

■ Capital Requirements for Market Risk

(Millions of yen)

As of March 31	**2019**	2018
Standardized approach	**5,029**	6,397
Interest rate risk	**3,572**	2,217
Equity risk	**—**	—
Foreign exchange risk	**186**	189
Commodity risk	**—**	—
Option transactions	**1,270**	3,990

Note: Capital requirement for market risk is calculated in accordance with the following formula; Amount equivalent to market risk x 12.5 x 8%

■ Capital Requirements for Operational Risk

(Millions of yen)

As of March 31	**2019**	2018
The Standardized Approach	**89,421**	77,921

Note: Capital requirement for operational risk is calculated in accordance with the following formula; Amount equivalent to operational risk x 12.5 x 8%

■ Total Consolidated Capital Requirement

(Millions of yen)

As of March 31	**2019**	2018
Total consolidated capital requirement	**1,524,966**	1,220,974

Notes: 1. Total consolidated capital requirement is calculated by multiplying the Total amount of risk weighted assets by 8%.
2. Although Resona Holdings is subject to the domestic criteria in calculating its capital adequacy ratio, since it adopts the Internal Ratings-Based Approach, it multiplies by 8%.

Main Features of Regulatory Capital Instruments (Japanese Domestic Standard)

The financial instruments for raising capital are as listed below:

■ Common Stock

Issuer	Instrument type	Amount recognized in core capital (Millions of yen)	Dividends/ coupons (only officially announced items)	Outline of provisions for conversion to another type of instrument for raising capital or for repayment when certain conditions are met
Resona Holdings, Inc.	Common Stock	1,636,775	—	—
Kansai Mirai Financial Group, Inc., P.T. Bank Resona Perdania, others	Non-controlling Interests	236,291	—	—

■ Subordinated Debt

Issuer	Instrument type	Amount recognized in core capital (Note 1) (Millions of yen)	Dividends/coupons (only officially announced items)	Date of repayment	Outline of any special provision(s) making redemption possible for certain specified reasons	Outline of any special provision(s) for step-up interest rates or any other provision that would increase the likelihood of redemption.
Resona Bank, Ltd.	No. 4 Unsecured Subordinated Bonds	2,218	Fixed 2.766%	June 20, 2019	—	—
Resona Bank, Ltd.	No. 6 Unsecured Subordinated Bonds	9,277	Fixed 2.084%	March 4, 2020	—	—
Resona Bank, Ltd.	No. 7 Unsecured Subordinated Bonds	11,975	Fixed 1.606%	September 28, 2020	—	—
Resona Bank, Ltd.	No. 8 Unsecured Subordinated Bonds	10,857	Fixed 1.878%	June 1, 2021	—	—
Resona Bank, Ltd.	No. 9 Unsecured Subordinated Bonds	20,000	Fixed 2.442%	December 22, 2026	—	—
Resona Bank, Ltd.	No. 11 Unsecured Subordinated Bonds	20,701	Fixed 1.780%	March 15, 2022	—	—
Resona Bank, Ltd.	No. 12 Unsecured Subordinated Bonds	16,000	Fixed 2.464%	March 15, 2027	—	—
Kansai Urban Banking Corporation	Subordinated Loan	1,000	—	March 31, 2025	Callable date: March 20, 2020 Redemption amount: Full	Step-up interest rates
Kansai Urban Banking Corporation	Subordinated Loan	1,000	—	March 31, 2025	Callable date: March 20, 2020 Redemption amount: Full	Step-up interest rates
Kansai Urban Banking Corporation	Subordinated Loan	2,000	—	March 31, 2025	Callable date: March 20, 2020 Redemption amount: Full	Step-up interest rates
The Minato Bank, Ltd.	Subordinated Loan	2,000	—	March 15, 2021	Callable date: Each interest payment date after March 15, 2016 Redemption amount: Full	—

Note: The amounts shown are before considering deduction or caps under Transitional Rules subject to Article 3 of the Supplementary Provisions to the Notification on Consolidated Capital Adequacy (2013 Notification No. 6 issued by the Financial Services Agency).

For further details please access Resona Holdings website: **https://www.resona-gr.co.jp/holdings/english/investors/financial/basel3/**

Credit Risk

■ Ratings Applied to Portfolio Subject to Standardized Approach

1. Qualified Rating Agencies Used in Making Judgments on Risk Weights

In determining the risk weights for portfolios to which the Standardized Approach is applied, the Resona Group makes use of ratings issued by the following five qualified rating agencies (Eligible External Credit Assessment Institutions (ECAI)): Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P), and Fitch Ratings Limited (Fitch). These rating agencies are those designated by the Financial Services Agency, as of March 31, 2019, and are "qualified rating agencies" for the purposes of Basel 3.

2. Types of Exposure and Qualified Rating Agencies Used

The Resona Group has specified the use of the following rating agencies for certain obligors and types of exposure as shown below. In all cases, when there are two or more ratings available from qualified rating agencies and these ratings differ, the second smallest risk weight counting from the smallest risk weight is adopted. (When one smallest risk weight is corresponding to two or more ratings, the smallest risk weight is adopted.)

Types of Obligor and Exposure	Rating Agency Used
Central governments and central banks Local governments in Japan Foreign non-central government public-sector entities Multilateral Development Banks Japan Finance Organization for Municipalities Government-affiliated organizations in Japan Local public corporations Banks Securities companies	Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P), Fitch Ratings Limited (Fitch)
Investment funds (assets backed up with underlying investments in multiple assets)	Same as the above
Securitized products Structured finance	Same as the above
Other than the above	Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P)

■ Credit Risk Exposure at Fiscal Year-End: By Region, By Industry, Including Claims Past Due Three Months or More, or Default: By Residual Contractual Maturity

(Millions of yen)

	As of March 31, 2019					
	Total					
		Loans and bills discounted, foreign exchange, etc.	Securities	Off-balance sheet transactions	Derivatives transactions	Past due three months or more, or default
By Region						
Japan	60,430,679	51,295,145	4,261,295	3,479,998	271,836	390,301
Overseas	150,176	132,359	5,386	6,035	258	3,207
Total	60,580,856	51,427,504	4,266,682	3,486,034	272,095	393,509
By Industry						
Manufacturing	3,739,937	2,918,496	376,539	424,012	20,268	63,612
Agriculture and forestry	38,192	35,223	1,258	1,605	105	307
Fishery	2,602	2,598	—	0	3	4
Mining, quarrying of stone, gravel extraction	15,166	13,217	1,440	378	130	2
Construction	938,312	778,414	63,496	93,422	2,919	10,577
Electricity, gas, heating, water	385,457	329,248	24,979	27,762	3,466	507
Information and communication	385,736	317,553	34,576	31,765	1,840	8,799
Transportation, postal services	954,902	823,167	78,642	48,729	3,977	35,321
Wholesale and retail trade	3,059,403	2,700,442	198,236	143,833	16,315	94,872
Finance and insurance	2,277,694	924,045	154,780	660,110	170,923	2,827
Real estate	8,490,238	8,308,693	56,760	90,836	30,996	34,522
Goods rental and leasing	458,605	432,010	12,317	13,226	1,050	1,125
Services	2,669,420	2,406,637	92,076	151,865	18,457	41,682
Individuals	13,779,202	13,696,686	—	82,016	—	77,924
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	21,259,213	16,841,370	2,740,917	1,664,346	1,327	370
Foreign central governments and central banks, etc.	422,233	1,943	420,278	—	—	5
Others	1,704,536	897,756	10,379	52,122	314	21,045
Total	60,580,856	51,427,504	4,266,682	3,486,034	272,095	393,509
By Residual Contractual Maturity						
One year or less	4,625,270	2,716,106	566,390	1,285,150	35,038	/
One year to less than three years	4,396,017	2,685,298	1,227,527	296,621	122,257	/
Three years to less than five years	4,011,551	3,213,227	612,973	78,453	25,831	/
Five years to less than seven years	2,796,921	2,077,851	532,969	44,509	24,547	/
Over seven years	24,019,555	22,879,254	853,955	145,353	64,106	/
Exposures with no maturity dates	20,731,539	17,855,766	472,865	1,635,945	314	/
Total	60,580,856	51,427,504	4,266,682	3,486,034	272,095	/

Notes: 1. For exposures to which the A-IRB approach is applied, the balance is presented before the subtraction of reserves, etc., and partial direct write-offs. For exposures to which the F-IRB approach is applied, the balance is presented before the subtraction of reserves, etc., before partial direct write-offs, and after taking into account the effect of credit risk mitigation techniques. In addition, for exposures to which the Standardized Approach is applied, the balance is presented after the subtraction of reserves, etc., after partial direct write-offs, and after taking into account the effect of credit risk mitigation techniques.

2. "Loans and bills discounted, foreign exchange, etc." includes transactions such as cash and due from banks, call loans, monetary claims bought, trading assets, loans and bills discounted, and foreign exchange assets.

3. "Off-balance sheet transactions" includes customers' liabilities for acceptances and guarantees, commitments, and amounts equivalent to credit risk exposure in relation to loans in the trust account (after taking into account of the Credit Conversion Factor (CCF)).

4. "Total" of types of exposures includes other assets, premises and equipment, intangible fixed assets, deferred tax assets, and exposure related to the central counterparty. Also, since the figures presented are after the set-off of internal transactions, the total may not coincide with a sum of the above shown items.

5. Credit risk exposures by region are categorized based on the locations of the holding companies, banks, and consolidated subsidiaries.

	As of March 31, 2018					
	Total					
		Loans and bills discounted, foreign exchange, etc.	Securities	Off-balance sheet transactions	Derivatives transactions	Past due three months or more, or default
By Region						
Japan	51,237,796	42,633,179	4,062,311	3,477,107	273,170	403,337
Overseas	459	—	459	—	—	—
Exposure to which the Standardized Approach is applied	5,165,740	4,932,163	5,438	44,490	188	20,929
Total	56,403,996	47,565,342	4,068,210	3,521,598	273,358	424,267
By Industry						
Manufacturing	3,204,859	2,497,825	301,635	387,579	17,271	86,996
Agriculture and forestry	31,566	29,733	639	1,157	34	567
Fishery	2,271	2,267	—	0	4	6
Mining, quarrying of stone, gravel extraction	14,746	12,443	1,756	411	133	2
Construction	695,093	548,059	45,746	99,215	2,060	11,953
Electricity, gas, heating, water	288,307	242,094	20,519	23,937	1,754	—
Information and communication	313,939	260,030	30,992	20,731	2,184	7,722
Transportation, postal services	667,941	568,000	56,071	40,575	3,102	35,372
Wholesale and retail trade	2,512,573	2,200,329	164,537	132,775	14,517	102,101
Finance and insurance	2,614,428	1,105,452	214,250	757,175	200,593	805
Real estate	6,424,688	6,269,187	45,667	90,291	18,820	32,194
Goods rental and leasing	352,917	324,338	4,958	22,636	983	948
Services	1,959,057	1,750,173	63,497	133,475	11,584	46,616
Individuals	11,040,603	10,950,860	—	89,532	—	77,645
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	19,937,788	15,388,235	2,858,439	1,677,612	124	392
Foreign central governments and central banks, etc.	238,262	2,199	236,063	—	—	8
Others	939,210	481,946	17,996	—	—	1
Exposure to which the Standardized Approach is applied	5,165,740	4,932,163	5,438	44,490	188	20,929
Total	56,403,996	47,565,342	4,068,210	3,521,598	273,358	424,267
By Residual Contractual Maturity						
One year or less	4,050,186	2,366,257	226,511	1,389,529	34,437	/
One year to less than three years	3,774,288	2,121,638	1,281,212	184,772	137,833	/
Three years to less than five years	3,522,595	2,567,001	796,987	45,730	42,444	/
Five years to less than seven years	2,449,971	1,661,189	636,557	23,522	10,993	/
Over seven years	19,033,799	18,111,695	637,747	158,528	47,461	/
Exposures with no maturity dates	18,407,414	15,805,396	483,756	1,675,024	—	/
Exposure to which the Standardized Approach is applied	5,165,740	4,932,163	5,438	44,490	188	/
Total	56,403,996	47,565,342	4,068,210	3,521,598	273,358	/

Notes: 1. Figures presented refer to the credit risk exposure calculated by applying the Internal Ratings-Based (IRB) approach. However, assets of companies exempt from IRB calculations and other assets which are minimal are treated as Exempt Assets, and the Standardized Approach is applied in calculating the risk weighted assets (For stocks held by the subsidiaries, the IRB approach is applied and such stocks are not included among the Exempt Assets.).
2. Exposures to which the A-IRB approach is applied, the balance is presented before the subtraction of reserves, etc., and partial direct write-offs. Exposures to which the F-IRB approach is applied, the balance is presented before the subtraction of reserves, etc., before partial direct write-offs, and after taking into account the effect of credit risk mitigation techniques. In addition, exposures to which the Standardized Approach is applied the balance is presented after the subtraction of reserves, etc., after partial direct write-offs, and after taking into account the effect of credit risk mitigation techniques.
3. "Loans and bills discounted, foreign exchange, etc." includes transactions such as cash and due from banks, call loans, monetary claims bought, trading assets, loans and bills discounted, and foreign exchange assets.
4. "Off-balance sheet transactions" includes customers' liabilities for acceptances and guarantees, commitments, and amounts equivalent to credit risk exposure in relation to loans in the trust account (after taking into account of the Credit Conversion Factor (CCF)).
5. "Total" of types of exposures includes other assets, premises and equipment, intangible fixed assets, deferred tax assets, and exposure related to the central counterparty. Also, since the figures presented are after the set-off of internal transactions, the total may not coincide with a sum of the above shown items.

■ General Reserve for Possible Loan Losses and Special Reserve for Certain Overseas Loans

(Millions of yen)

Years ended March 31,	2019			2018		
	Balance at beginning of fiscal year	Increase/ (decrease) during the fiscal year	Balance at end of fiscal year	Balance at beginning of fiscal year	Increase/ (decrease) during the fiscal year	Balance at end of fiscal year
General reserve for possible loan losses	**97,708**	**(2,645)**	**95,063**	111,580	(13,871)	97,708
Special reserve for certain overseas loans	**0**	**0**	**0**	0	(0)	0

Note: Resona Holdings does not prepare the breakdown of general reserve for possible loan losses by region and industry.

■ Specific Reserve for Possible Loan Losses: By Region and Industry

(Millions of yen)

Year ended March 31,	2019		
	Balance at beginning of fiscal year	Increase/(decrease) during the fiscal year	Balance at end of fiscal year
By Region			
Japan	**40,916**	**22,077**	**62,994**
Overseas	**1,042**	**(1,042)**	**—**
Total	**41,959**	**21,035**	**62,994**
By Industry			
Manufacturing	**8,933**	**5,740**	**14,674**
Agriculture and forestry	**66**	**(32)**	**34**
Fishery	**—**	**—**	**—**
Mining, quarrying of stone, gravel extraction	**—**	**679**	**679**
Construction	**1,519**	**1,191**	**2,710**
Electricity, gas, heating, water	**—**	**107**	**107**
Information and communication	**1,885**	**369**	**2,255**
Transportation, postal services	**1,781**	**1,060**	**2,842**
Wholesale and retail trade	**11,346**	**1,001**	**12,347**
Finance and insurance	**80**	**41**	**122**
Real estate	**2,483**	**2,256**	**4,740**
Goods rental and leasing	**49**	**33**	**82**
Services	**5,920**	**7,762**	**13,682**
Individuals	**1,542**	**357**	**1,900**
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**—**	**—**	**—**
Foreign central governments and central banks, etc.	**—**	**—**	**—**
Others	**6,349**	**465**	**6,814**
Total	**41,959**	**21,035**	**62,994**

Year ended March 31,	2018		
	Balance at beginning of fiscal year	Increase/(decrease) during the fiscal year	Balance at end of fiscal year
By Region			
Japan	54,808	(13,891)	40,916
Overseas	—	1,042	1,042
Total	54,808	(12,848)	41,959
By Industry			
Manufacturing	12,502	(3,569)	8,933
Agriculture and forestry	68	(2)	66
Fishery	—	—	—
Mining, quarrying of stone, gravel extraction	2	(2)	—
Construction	1,952	(433)	1,519
Electricity, gas, heating, water	—	—	—
Information and communication	2,413	(528)	1,885
Transportation, postal services	5,003	(3,221)	1,781
Wholesale and retail trade	12,100	(754)	11,346
Finance and insurance	540	(460)	80
Real estate	3,060	(576)	2,483
Goods rental and leasing	78	(29)	49
Services	9,298	(3,378)	5,920
Individuals	2,021	(478)	1,542
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	—	—	—
Foreign central governments and central banks, etc.	—	—	—
Others	5,763	585	6,349
Total	54,808	(12,848)	41,959

Note: Specific reserve for possible loan losses by region are categorized based on the locations of the holding companies, banks, and consolidated subsidiaries.

■ Write-Offs of Claims: By Industry

(Millions of yen)

Year ended March 31,	2019	2018
Manufacturing	**3,250**	1,345
Agriculture and forestry	**36**	1
Fishery	**—**	—
Mining, quarrying of stone, gravel extraction	**—**	—
Construction	**1,063**	241
Electricity, gas, heating, water	**—**	—
Information and communication	**293**	117
Transportation, postal services	**185**	371
Wholesale and retail trade	**4,587**	6,181
Finance and insurance	**1,609**	0
Real estate	**749**	137
Goods rental and leasing	**100**	0
Services	**1,760**	1,332
Individuals	**357**	427
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**—**	—
Foreign central governments and central banks, etc.	**—**	—
Others	**4,689**	6,577
Total	**18,683**	16,735

[Exposure Subject to the Standardized Approach]

■ Exposure by Risk Weight Category

(Millions of yen)

As of March 31,	2019		2018	
	With external rating	**Without external rating**	With external rating	Without external rating
0%	**25,751**	**1,320,389**	1,166	4,497,140
10%	**—**	**266,400**	—	30,453
20%	**181,630**	**16,846**	152,828	—
35%	**—**	**1,768,875**	—	—
50%	**278,017**	**1,266**	57,269	72
75%	**—**	**1,059,165**	—	—
100%	**95,209**	**3,522,488**	3,519	403,209
150%	**483**	**25,193**	—	20,071
250%	**—**	**11**	—	10
350%	**—**	**—**	—	—
1,250%	**—**	**—**	—	—
Others	**—**	**—**	—	—
Total	**581,093**	**7,980,636**	214,783	4,950,956

Notes: 1. "With external rating" indicates risk weights determined based on credit ratings provided by qualified rating agencies or country risk scores assigned by the OECD for exposures as of March 31, 2018 and credit ratings provided by qualified rating agencies for those as of March 31, 2019.
2. Exposures by risk weight categories are reported as the balance after taking into account the effect of credit risk mitigation techniques.

[Exposure Subject to the IRB Approach]

■ Specialized Lending Exposure subject to Slotting Criteria by Risk Weight Category

(1) Specialized Lending Exposure Excluding High Volatility Commercial Real Estate Lending (Millions of yen)

Slotting criteria	Residual contractual maturity	Risk weight	**As of March 31, 2019**	As of March 31, 2018
Strong	Under 2 and half years	50%	**16,467**	10,098
	Over 2 and half years	70%	**30,094**	23,800
Good	Under 2 and half years	70%	**28,231**	19,298
	Over 2 and half years	90%	**161,830**	119,636
Satisfactory	No term	115%	**23,355**	52,560
Weak	No term	250%	**4,771**	7,282
Default	No term	0%	**—**	—
Total			**264,750**	232,678

(2) High Volatility Commercial Real Estate Lending (Millions of yen)

Slotting criteria	Residual contractual maturity	Risk weight	**As of March 31, 2019**	As of March 31, 2018
Strong	Under 2 and half years	70%	**—**	—
	Over 2 and half years	95%	**—**	—
Good	Under 2 and half years	95%	**450**	6,929
	Over 2 and half years	120%	**9,400**	7,641
Satisfactory	No term	140%	**—**	—
Weak	No term	250%	**—**	—
Default	No term	0%	**—**	—
Total			**9,850**	14,570

■ Equity Exposure under Simple Risk Weight Method by Risk Weight Category

(Millions of yen)

As of March 31,	**2019**	2018
Risk weight		
300%	**71,030**	5,220
400%	**12,668**	12,760
Total	**83,699**	17,981

■ Corporate Exposures

(Millions of yen)

	As of March 31, 2019							
Credit rating	PD (Estimated) (Note 1)	LGD (Estimated) (Note 1)	EL default (Estimated) (Note 1)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
SA, A	**0.13%**	**29.43%**	**/**	**23.23%**	**4,509,712**	**606,864**	**512,419**	**75.00%**
B–E	**1.01%**	**25.31%**	**/**	**46.49%**	**9,098,900**	**572,419**	**466,456**	**75.00%**
F, G	**9.10%**	**23.70%**	**/**	**88.77%**	**729,833**	**35,479**	**20,420**	**75.00%**
Default	**100.00%**	**30.16%**	**38.49%**	**25.67%**	**248,160**	**5,493**	**3,417**	**75.00%**
Total	**/**	**/**	**/**	**/**	**14,586,608**	**1,220,257**	**1,002,714**	**75.00%**

	As of March 31, 2018							
Credit rating	PD (Estimated) (Note 1)	LGD (Estimated) (Note 1)	EL default (Estimated) (Note 1)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
SA, A	0.14%	29.93%	/	24.68%	3,960,292	591,126	479,310	75.00%
B–E	1.06%	25.35%	/	47.34%	8,924,668	557,198	445,091	75.00%
F, G	9.15%	24.55%	/	91.23%	702,520	45,894	33,343	75.00%
Default	100.00%	30.09%	37.66%	27.55%	283,079	4,402	31	75.00%
Total	/	/	/	/	13,870,561	1,198,621	957,776	75.00%

Notes: 1. Weighted average figures based on EAD
2. Specialized lending exposure subject to supervisory slotting criteria is not included.

■ Sovereign Exposures

(Millions of yen)

Credit rating	As of March 31, 2019							
	PD (Estimated) (Note)	LGD (Estimated) (Note)	EL default (Estimated) (Note)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
SA, A	**0.00%**	**34.10%**	**/**	**0.34%**	**18,848,980**	**1,513,246**	**—**	**—**
B–E	**1.10%**	**33.38%**	**/**	**72.37%**	**171**	**423**	**—**	**—**
F, G	**—**	**—**	**/**	**—**	**—**	**—**	**—**	**—**
Default	**100.00%**	**17.27%**	**16.78%**	**6.09%**	**372**	**—**	**—**	**—**
Total	**/**	**/**	**/**	**/**	**18,849,523**	**1,513,669**	**—**	**—**

Credit rating	As of March 31, 2018							
	PD (Estimated) (Note)	LGD (Estimated) (Note)	EL default (Estimated) (Note)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
SA, A	0.00%	34.64%	/	0.35%	18,453,755	1,677,408	3,000	75.00%
B–E	0.52%	34.11%	/	44.91%	15,014	329	—	—
F, G	—	—	/	—	—	—	—	—
Default	100.00%	17.70%	17.10%	7.52%	401	—	—	—
Total	/	/	/	/	18,469,170	1,677,737	3,000	75.00%

Note: Weighted average figures based on EAD

■ Bank Exposures

(Millions of yen)

Credit rating	As of March 31, 2019							
	PD (Estimated) (Note)	LGD (Estimated) (Note)	EL default (Estimated) (Note)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
SA, A	**0.12%**	**19.87%**	**/**	**12.99%**	**436,582**	**410,737**	**—**	**—**
B–E	**0.55%**	**14.60%**	**/**	**19.39%**	**25,412**	**90,723**	**24,300**	**75.00%**
F, G	**—**	**—**	**/**	**—**	**—**	**—**	**—**	**—**
Default	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**/**	**/**	**/**	**/**	**461,994**	**501,460**	**24,300**	**75.00%**

Credit rating	As of March 31, 2018							
	PD (Estimated) (Note)	LGD (Estimated) (Note)	EL default (Estimated) (Note)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
SA, A	0.13%	20.98%	/	12.99%	719,567	588,583	—	—
B–E	0.65%	32.70%	/	43.17%	41,776	19,241	24,000	75.00%
F, G	8.48%	3.51%	/	12.79%	11	—	—	—
Default	—	—	—	—	—	—	—	—
Total	/	/	/	/	761,356	607,824	24,000	75.00%

Note: Weighted average figures based on EAD

■ Equity Exposures subject to PD/LGD Approach

(Millions of yen)

Credit rating	As of March 31, 2019			As of March 31, 2018		
	PD (Estimated) (Note)	Weighted average RW	Balance	PD (Estimated) (Note)	Weighted average RW	Balance
SA, A	**0.10%**	**113.63%**	**290,593**	0.11%	114.75%	295,000
B–E	**0.66%**	**216.00%**	**72,704**	0.67%	218.39%	75,167
F, G	**8.31%**	**515.93%**	**3,649**	8.48%	520.13%	4,550
Default	**100.00%**	**1125.00%**	**337**	100.00%	1125.00%	1,087
Total	**/**	**/**	**367,285**	/	/	375,805

Note: Weighted average figures based on Balance

■ Purchased receivables (Corporate)

(Millions of yen)

Credit rating	PD (Estimated) (Note)	LGD (Estimated) (Note)	EL default (Estimated) (Note)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
	As of March 31, 2019							
SA, A	**0.06%**	**35.26%**	**/**	**11.19%**	**181,120**	**—**	**—**	**—**
B–E	**1.83%**	**34.09%**	**/**	**81.53%**	**123,273**	**8,740**	**11,654**	**75.00%**
F, G	**8.20%**	**33.38%**	**/**	**135.26%**	**3,890**	**—**	**—**	**—**
Default	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total	**/**	**/**	**/**	**/**	**308,284**	**8,740**	**11,654**	**75.00%**

Note: Weighted average figures based on EAD

(Millions of yen)

Credit rating	PD (Estimated) (Note)	LGD (Estimated) (Note)	EL default (Estimated) (Note)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
	As of March 31, 2018							
SA, A	0.07%	35.31%	/	13.81%	185,420	166	222	75.00%
B–E	2.29%	34.43%	/	89.02%	127,700	5,905	7,206	75.00%
F, G	8.48%	33.94%	/	123.62%	6,050	—	—	—
Default	100.00%	33.94%	26.45%	93.53%	2,567	—	—	—
Total	/	/	/	/	321,738	6,072	7,429	75.00%

Note: Weighted average figures based on EAD

■ Purchased receivables (Retail)

(Millions of yen)

Credit rating	PD (Estimated) (Note)	LGD (Estimated) (Note)	EL default (Estimated) (Note)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
	As of March 31, 2019							
Non-default	**0.78%**	**19.91%**	**/**	**16.56%**	**62,543**	**—**	**—**	**—**
Default	**100.00%**	**32.88%**	**31.12%**	**22.02%**	**578**	**—**	**—**	**—**
Total	**/**	**/**	**/**	**/**	**63,122**	**—**	**—**	**—**

Note: Weighted average figures based on EAD

(Millions of yen)

Credit rating	PD (Estimated) (Note)	LGD (Estimated) (Note)	EL default (Estimated) (Note)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
	As of March 31, 2018							
Non-default	0.94%	95.81%	/	76.43%	69,639	—	—	—
Default	100.00%	81.38%	81.38%	0.00%	611	—	—	—
Total	/	/	/	/	70,250	—	—	—

Note: Weighted average figures based on EAD

■ Retail Exposures

(Millions of yen)

	As of March 31, 2019							
	PD (Estimated) (Note)	LGD (Estimated) (Note)	EL default (Estimated) (Note)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
Residential mortgage exposures	**/**	**/**	**/**	**/**	**10,006,815**	**17,625**	**—**	**—**
Non-default	**0.62%**	**23.45%**	**/**	**14.17%**	**9,951,763**	**17,314**	**—**	**—**
Default	**100.00%**	**23.55%**	**21.65%**	**23.72%**	**55,052**	**311**	**—**	**—**
Qualifying revolving retail exposures	**/**	**/**	**/**	**/**	**104,645**	**45,516**	**476,106**	**9.56%**
Non-default	**2.94%**	**65.02%**	**/**	**48.07%**	**104,329**	**45,486**	**475,913**	**9.56%**
Default	**100.00%**	**66.78%**	**65.91%**	**10.83%**	**315**	**29**	**193**	**15.31%**
Other retail exposures	**/**	**/**	**/**	**/**	**2,160,949**	**28,424**	**53,867**	**37.46%**
Non-default	**1.25%**	**30.65%**	**/**	**25.64%**	**2,112,064**	**28,249**	**53,731**	**37.45%**
Default	**100.00%**	**39.05%**	**36.25%**	**34.88%**	**48,884**	**175**	**135**	**41.89%**

	As of March 31, 2018							
	PD (Estimated) (Note)	LGD (Estimated) (Note)	EL default (Estimated) (Note)	Weighted average RW	On balance sheet EAD	Off balance sheet EAD	Amounts of undrawn commitments	Weighted average CCF on undrawn commitments
Residential mortgage exposures	/	/	/	/	9,710,187	20,928	—	—
Non-default	0.71%	27.33%	/	18.79%	9,650,932	20,560	—	—
Default	100.00%	28.25%	28.25%	0.00%	59,255	367	—	—
Qualifying revolving retail exposures	/	/	/	/	111,567	47,345	478,769	9.89%
Non-default	2.97%	63.80%	/	47.97%	111,136	47,310	478,550	9.89%
Default	100.00%	66.76%	66.76%	0.00%	431	35	219	16.03%
Other retail exposures	/	/	/	/	2,136,049	30,842	57,013	37.48%
Non-default	1.32%	32.68%	/	28.16%	2,085,065	30,527	56,829	37.46%
Default	100.00%	40.86%	40.86%	0.00%	50,983	315	183	42.68%

Note: Weighted average figures based on EAD

■ Actual Losses by Types of Exposures and Comparison to the Result of the Year Before (Notes 1 and 2)

(Millions of yen)

Years ended March 31,	**2019**	2018
Resona Holdings, Inc. (Consolidated) (Note 4)	**1,301**	(14,752)
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 4)	**(5,295)**	(17,500)
Corporate exposures	**(1,361)**	(17,087)
Sovereign exposures	**0**	(0)
Bank exposures	**—**	—
Residential mortgage exposures	**(110)**	(293)
Qualifying revolving retail exposures	**(9)**	37
Other retail exposures	**2,203**	2,590
Resona Bank, Ltd. (Consolidated) (Note 4)	**(3,423)**	(12,193)
Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**(5,170)**	(13,777)
Corporate exposures	**(370)**	(14,361)
Sovereign exposures	**0**	(0)
Bank exposures	**—**	—
Residential mortgage exposures	**(96)**	(184)
Qualifying revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**1,564**	670
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**885**	(2,153)
Corporate exposures	**674**	(1,787)
Sovereign exposures	**—**	—
Bank exposures	**—**	—
Residential mortgage exposures	**(16)**	18
Qualifying revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**377**	2,191
The Kinki Osaka Bank, Ltd. (Consolidated) (Note 4)	**(2,045)**	(1,707)
The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 4)	**(1,011)**	(1,569)
Corporate exposures	**(1,665)**	(938)
Sovereign risk exposures	**—**	—
Bank exposures	**—**	—
Residential mortgage exposures	**2**	(127)
Qualifying revolving retail exposures	**(9)**	37
Other retail exposures	**261**	(271)

Notes: 1. Actual losses refer to total credit-related expenses incurred during the fiscal year. They consist of disposal of non-performing loans, net addition to general loan loss reserves, disposal of non-performing loans in the trust accounts, and gain from recoveries of written-off claims.
Disposal of non-performing loans refers to write-off of loans, net addition to specific loan loss reserves, net addition to special reserves for certain overseas loans, gains or losses from sale of loans, and other net additions to reserves. Also, actual losses by types of exposures do not include net addition to general loan loss reserves for Normal and Watch borrowers and net addition to reserves under the Burden Sharing System charged by the credit guarantee corporation. Figures in parentheses indicate a profit due to the reversal of the reserve.
2. Actual losses for equity exposures which apply the PD/LGD approach are not included in credit-related expense, since they are difficult to determine whether the losses are due to credit risks or not.
3. Since the losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, Inc., actual losses have been omitted from the above exposure classification.
4. Credit-related expenses for assets and subsidiaries exempt from IRB calculation are included in actual losses.

Analysis

The credit-related expenses of Resona Holdings for the year ended March 31, 2019 amounted to ¥1.3 billion, ¥16.0 billion higher than in the previous fiscal year.

The principal reason is a ¥13.6 billion year-on-year increase in the net addition to specific loan loss reserves.

■ Comparison of Estimated and Actual Losses by Types of Exposures

(Millions of yen)

	As of March 31, 2018 (Note 4)		Year ended March 31, 2019
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	/	/	**1,301**
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	**192,003**	**21,566**	**(5,295)**
Corporate exposures	**154,873**	**11,713**	**(1,361)**
Sovereign exposures	**130**	**129**	**0**
Bank exposures	**643**	**643**	**—**
Residential mortgage exposures	**3,595**	**642**	**(110)**
Qualifying revolving retail exposures	**228**	**188**	**(9)**
Other retail exposures	**29,452**	**5,190**	**2,203**
Resona Bank, Ltd. (Consolidated) (Note 7)	/	/	**(3,423)**
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**134,753**	**13,749**	**(5,170)**
Corporate exposures	**112,508**	**6,184**	**(370)**
Sovereign exposures	**55**	**54**	**0**
Bank exposures	**610**	**610**	**—**
Residential mortgage exposures	**2,368**	**1,053**	**(96)**
Qualifying revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**16,174**	**2,813**	**1,564**
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**34,507**	**949**	**885**
Corporate exposures	**26,389**	**809**	**674**
Sovereign exposures	**11**	**11**	**—**
Bank exposures	**5**	**5**	**—**
Residential mortgage exposures	**993**	**192**	**(16)**
Qualifying revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**7,067**	**(92)**	**377**
The Kinki Osaka Bank, Ltd. (Consolidated) (Note 7)	/	/	**(2,045)**
The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	**22,741**	**6,866**	**(1,011)**
Corporate exposures	**15,975**	**4,719**	**(1,665)**
Sovereign exposures	**63**	**63**	**—**
Bank exposures	**28**	**28**	**—**
Residential mortgage exposures	**233**	**(604)**	**2**
Qualifying revolving retail exposures	**228**	**188**	**(9)**
Other retail exposures	**6,210**	**2,469**	**261**

Notes: 1. Estimated losses and actual losses on equity exposures for which the PD/LGD approach is applied are not included in credit-related expense, since they are difficult to determine whether the losses are due to credit risks or not.
2. Losses incurred from the exposures guaranteed by the consolidated subsidiaries of Resona Holdings are not included in estimated losses.
3. Since losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, estimated losses and actual losses have been omitted from the above exposure classification.
4. Estimated losses are the Expected Loss (EL) as of March 31, 2018.
5. Estimated losses after deduction of reserves are represented by deducting reserves (specific loan loss reserves, general loan loss reserves, and partial direct write-offs) of obligors of Special Attention or below, from EL.
6. Actual losses refers to total credit-related expenses incurred during the fiscal year. They consist of disposal of non-performing loans, net addition to general loan loss reserves, disposal of non-performing loans in the trust accounts, and gains from recoveries of written-off claims.
Disposal of non-performing loans refers to write-off of loans, net addition to specific loan loss reserves, net addition to special reserves for certain overseas loans, gains or losses from sale of loans, and other net additions to reserves. Also, actual losses by types of exposures do not include net addition to general loan loss reserves for Normal and Watch borrowers and net addition to reserves under the Burden Sharing System charged by the Credit Guarantee Corporation. Figures in parentheses indicate a profit due to the reversal of the reserve.
7. Credit-related expenses for assets and subsidiaries exempt from IRB calculation are included in actual losses.

(Millions of yen)

	As of March 31, 2017 (Note 4)		Year ended March 31, 2018
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	/	/	(14,752)
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	226,027	15,757	(17,500)
Corporate exposures	186,224	5,238	(17,087)
Sovereign exposures	190	189	(0)
Bank exposures	574	574	—
Residential mortgage exposures	4,042	420	(293)
Qualifying revolving retail exposures	263	259	37
Other retail exposures	31,125	5,486	2,590
Resona Bank, Ltd. (Consolidated) (Note 7)	/	/	(12,193)
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	161,372	9,069	(13,777)
Corporate exposures	137,533	1,533	(14,361)
Sovereign exposures	120	119	(0)
Bank exposures	525	525	—
Residential mortgage exposures	2,705	1,024	(184)
Qualifying revolving retail exposures (Note 3)	—	—	—
Other retail exposures	16,911	2,292	670
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	38,422	1,846	(2,153)
Corporate exposures	30,238	502	(1,787)
Sovereign exposures	14	14	—
Bank exposures	4	4	—
Residential mortgage exposures	1,023	142	18
Qualifying revolving retail exposures (Note 3)	—	—	—
Other retail exposures	7,112	1,167	2,191
The Kinki Osaka Bank, Ltd. (Consolidated) (Note 7)	/	/	(1,707)
The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	26,231	4,841	(1,569)
Corporate exposures	18,451	3,202	(938)
Sovereign exposures	55	55	—
Bank exposures	44	44	—
Residential mortgage exposures	313	(746)	(127)
Qualifying revolving retail exposures	263	259	37
Other retail exposures	7,101	2,026	(271)

Notes: 1. Estimated losses and actual losses on equity exposures for which the PD/LGD approach is applied are not included in credit-related expense, since they are difficult to determine whether the losses are due to credit risks or not.
2. Losses incurred from the exposures guaranteed by the consolidated subsidiaries of Resona Holdings are not included in estimated losses.
3. Since losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, estimated losses and actual losses have been omitted from the above exposure classification.
4. Estimated losses are the Expected Loss (EL) as of March 31, 2017.
5. Estimated losses after deduction of reserves are represented by deducting reserves (specific loan loss reserves, general loan loss reserves, and partial direct write-offs) of obligors of Special Attention or below, from EL.
6. Actual losses refers to total credit-related expenses incurred during the fiscal year. They consist of disposal of non-performing loans, net addition to general loan loss reserves, disposal of non-performing loans in the trust accounts, and gains from recoveries of written-off claims.
Disposal of non-performing loans refers to write-off of loans, net addition to specific loan loss reserves, net addition to special reserves for certain overseas loans, gains or losses from sale of loans, and other net additions to reserves. Also, actual losses by types of exposures do not include net addition to general loan loss reserves for Normal and Watch borrowers and net addition to reserves under the Burden Sharing System charged by the Credit Guarantee Corporation. Figures in parentheses indicate a profit due to the reversal of the reserve.
7. Credit-related expenses for assets and subsidiaries exempt from IRB calculation are included in actual losses.

(Millions of yen)

	As of March 31, 2016 (Note 4)		Year ended March 31, 2017
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	/	/	(17,452)
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	254,495	1,178	(18,239)
Corporate exposures	211,436	(8,230)	(14,214)
Sovereign exposures	195	194	(1)
Bank exposures	719	719	—
Residential mortgage exposures	4,323	480	(122)
Qualifying revolving retail exposures	298	296	(0)
Other retail exposures	32,768	2,982	1,373
Resona Bank, Ltd. (Consolidated) (Note 7)	/	/	(12,924)
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	182,626	(1,041)	(14,728)
Corporate exposures	156,286	(8,047)	(10,394)
Sovereign exposures	114	112	(1)
Bank exposures	586	586	—
Residential mortgage exposures	3,011	1,181	(121)
Qualifying revolving retail exposures (Note 3)	—	—	—
Other retail exposures	17,898	398	359
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	41,979	16	(896)
Corporate exposures	34,080	(1,141)	(1,287)
Sovereign exposures	15	15	—
Bank exposures	10	10	—
Residential mortgage exposures	943	155	121
Qualifying revolving retail exposures (Note 3)	—	—	—
Other retail exposures	6,903	968	655
The Kinki Osaka Bank, Ltd. (Consolidated) (Note 7)	/	/	(1,948)
The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	29,889	2,203	(2,615)
Corporate exposures	21,068	958	(2,532)
Sovereign exposures	65	65	—
Bank exposures	122	122	—
Residential mortgage exposures	367	(855)	(122)
Qualifying revolving retail exposures	298	296	(0)
Other retail exposures	7,966	1,614	357

Notes: 1. Estimated losses and actual losses on equity exposures for which the PD/LGD approach is applied are not included in credit-related expense, since they are difficult to determine whether the losses are due to credit risks or not.
2. Losses incurred from the exposures guaranteed by the consolidated subsidiaries of Resona Holdings are not included in estimated losses.
3. Since losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, estimated losses and actual losses have been omitted from the above exposure classification.
4. Estimated losses are the Expected Loss (EL) as of March 31, 2016.
5. Estimated losses after deduction of reserves are represented by deducting reserves (specific loan loss reserves, general loan loss reserves, and partial direct write-offs) of obligors of Special Attention or below, from EL.
6. Actual losses refers to total credit-related expenses incurred during the fiscal year. They consist of disposal of non-performing loans, net addition to general loan loss reserves, disposal of non-performing loans in the trust accounts, and gains from recoveries of written-off claims.
Disposal of non-performing loans refers to write-off of loans, net addition to specific loan loss reserves, net addition to special reserves for certain overseas loans, gains or losses from sale of loans, and other net additions to reserves. Also, actual losses by types of exposures do not include net addition to general loan loss reserves for Normal and Watch borrowers and net addition to reserves under the Burden Sharing System charged by the Credit Guarantee Corporation. Figures in parentheses indicate a profit due to the reversal of the reserve.
7. Credit-related expenses for assets and subsidiaries exempt from IRB calculation are included in actual losses.

(Millions of yen)

	As of March 31, 2015 (Note 4)		Year ended March 31, 2016
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	/	/	25,854
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	283,722	(23,378)	23,488
Corporate exposures	237,580	(31,324)	24,072
Sovereign exposures	215	210	(2)
Bank exposures	739	739	—
Residential mortgage exposures	5,936	1,599	(46)
Qualifying revolving retail exposures	415	409	(3)
Other retail exposures	33,622	(192)	3,611
Resona Bank, Ltd. (Consolidated) (Note 7)	/	/	28,369
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	209,168	(22,518)	24,842
Corporate exposures	180,286	(28,234)	21,707
Sovereign exposures	120	115	(2)
Bank exposures	597	597	—
Residential mortgage exposures	3,363	1,342	(57)
Qualifying revolving retail exposures (Note 3)	—	—	—
Other retail exposures	19,609	(1,526)	1,207
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	40,825	900	1,614
Corporate exposures	32,829	(1,017)	4,867
Sovereign exposures	23	23	—
Bank exposures	34	34	—
Residential mortgage exposures	1,211	414	168
Qualifying revolving retail exposures (Note 3)	—	—	—
Other retail exposures	6,705	1,455	1,521
The Kinki Osaka Bank, Ltd. (Consolidated) (Note 7)	/	/	(2,784)
The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	33,728	(1,760)	(2,968)
Corporate exposures	24,464	(2,072)	(2,502)
Sovereign exposures	71	71	—
Bank exposures	108	108	—
Residential mortgage exposures	1,361	(157)	(157)
Qualifying revolving retail exposures	415	409	(3)
Other retail exposures	7,307	(121)	883

Notes: 1. Estimated losses and actual losses on equity exposures for which the PD/LGD approach is applied are not included in credit-related expense, since they are difficult to determine whether the losses are due to credit risks or not.
2. Losses incurred from the exposures guaranteed by the consolidated subsidiaries of Resona Holdings are not included in estimated losses.
3. Since losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, estimated losses and actual losses have been omitted from the above exposure classification.
4. Estimated losses are the Expected Loss (EL) as of March 31, 2015.
5. Estimated losses after deduction of reserves are represented by deducting reserves (specific loan loss reserves, general loan loss reserves, and partial direct write-offs) of obligors of Special Attention or below, from EL.
6. Actual losses refers to total credit-related expenses incurred during the fiscal year. They consist of disposal of non-performing loans, net addition to general loan loss reserves, disposal of non-performing loans in the trust accounts, and gains from recoveries of written-off claims.
Disposal of non-performing loans refers to write-off of loans, net addition to specific loan loss reserves, net addition to special reserves for certain overseas loans, gains or losses from sale of loans, and other net additions to reserves. Also, actual losses by types of exposures do not include net addition to general loan loss reserves for Normal and Watch borrowers and net addition to reserves under the Burden Sharing System charged by the Credit Guarantee Corporation. Figures in parentheses indicate a profit due to the reversal of the reserve.
7. Credit-related expenses for assets and subsidiaries exempt from IRB calculation are included in actual losses.

(Millions of yen)

	As of March 31, 2014 (Note 4)		Year ended March 31, 2015
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	/	/	(22,381)
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	330,902	(23,731)	(24,330)
Corporate exposures	284,846	(27,665)	(7,931)
Sovereign exposures	231	226	(1)
Bank exposures	1,066	1,066	—
Residential mortgage exposures	5,585	417	(483)
Qualifying revolving retail exposures	394	388	(0)
Other retail exposures	35,544	(1,377)	3,894
Resona Bank, Ltd. (Consolidated) (Note 7)	/	/	(23,248)
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	247,301	(20,066)	(24,887)
Corporate exposures	218,936	(23,543)	(6,089)
Sovereign exposures	131	126	(1)
Bank exposures	897	897	—
Residential mortgage exposures	3,648	1,426	(151)
Qualifying revolving retail exposures (Note 3)	—	—	—
Other retail exposures	20,475	(2,179)	2,010
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	44,458	(551)	2,296
Corporate exposures	36,301	(2,481)	(832)
Sovereign exposures	23	23	—
Bank exposures	53	53	—
Residential mortgage exposures	1,321	471	14
Qualifying revolving retail exposures (Note 3)	—	—	—
Other retail exposures	6,735	1,374	1,569
The Kinki Osaka Bank, Ltd. (Consolidated) (Note 7)	/	/	(877)
The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	39,142	(3,112)	(1,738)
Corporate exposures	29,608	(1,640)	(1,009)
Sovereign exposures	77	77	—
Bank exposures	114	114	—
Residential mortgage exposures	614	(1,480)	(346)
Qualifying revolving retail exposures	394	388	(0)
Other retail exposures	8,333	(572)	314

Notes: 1. Estimated losses and actual losses on equity exposures for which the PD/LGD approach is applied are not included in credit-related expense, since they are difficult to determine whether the losses are due to credit risks or not.
2. Losses incurred from the exposures guaranteed by the consolidated subsidiaries of Resona Holdings are not included in estimated losses.
3. Since losses are limited to exposures guaranteed by the consolidated subsidiaries of Resona Holdings, estimated losses and actual losses have been omitted from the above exposure classification.
4. Estimated losses are the Expected Loss (EL) as of March 31, 2014.
5. Estimated losses after deduction of reserves are represented by deducting reserves (specific loan loss reserves, general loan loss reserves, and partial direct write-offs) of obligors of Special Attention or below, from EL.
6. Actual losses refers to total credit-related expenses incurred during the fiscal year. They consist of disposal of non-performing loans, net addition to general loan loss reserves, disposal of non-performing loans in the trust accounts, and gains from recoveries of written-off claims.
Disposal of non-performing loans refers to write-off of loans, net addition to specific loan loss reserves, net addition to special reserves for certain overseas loans, gains or losses from sale of loans, and other net additions to reserves. Also, actual losses by types of exposures do not include net addition to general loan loss reserves for Normal and Watch borrowers and net addition to reserves under the Burden Sharing System charged by the Credit Guarantee Corporation. Figures in parentheses indicate a profit due to the reversal of the reserve.
7. Credit-related expenses for assets and subsidiaries exempt from IRB calculation are included in actual losses.

Credit Risk Mitigation Techniques

In calculating the Capital Adequacy Ratio, the Resona Group adopts the "Comprehensive Approach" as credit risks mitigation techniques which is stipulated in the Notification on Consolidated Capital Adequacy. Credit risk mitigation techniques are approaches to reduce the level of credit risk borne by the Resona Group such as the pledging of Eligible Financial Collateral, offsetting loans with deposits held with the Resona Group (On-Balance Sheet Netting), other eligible IRB collateral, guarantees, and the use of credit derivatives.

Please note that for Group banks adopting the Advanced Internal Ratings-Based Approach, the LGD estimates take account of on-balance sheet netting and credit risk mitigation through collateral.

■ Principal Types of Collateral

The principal type of collateral is as follows.
1. Cash and deposits
2. Listed stocks
3. Real estate
4. Discounted bills
5. Bonds

■ Outline of Procedure on Evaluation and Administration of Collateral

The pledged collateral is properly retained by acquiring the lien on the mortgage and administered under the retention policy so that timely execution of collateral rights is possible. In order to properly acknowledge the coverage status of loans to collateral held, collateral which their value fluctuates according to the financial market are re-evaluated periodically.

■ Outline of Policy and Procedure for On-Balance Sheet Netting of Loans and Deposits

For Group banks adopting the Advanced Internal Ratings-Based Approach, since the LGD estimates take account of on-balance sheet netting, the above-mentioned procedures have not been implemented.

Regarding the adoption of the Foundation Internal Ratings-based Approach, based on contracts governing bank transactions in which the netting of loans and deposits is permitted, we offset the loan balance with the deposits held with us that are not pledged as collateral and define that amount as credit exposure after credit risk mitigation techniques. When there is a maturity and/or currency mismatch, we will adjust the offset amount according to the practices stipulated in the Notification on Consolidated Capital Adequacy.

■ Outline of Policy and Procedure on Legally Binding Netting Contracts for Derivative and Repo-Style Transactions

In applying bilateral netting contracts for derivatives and repo-style transactions, the Bank reviews its legality prior to engagement of the contract. In the case of International SWAP and Derivative Association (ISDA) Master Agreements, we review and confirm that the article on Close-out Netting is legally binding under the laws of each country.

For transactions that are entered individually, we obtain comments from the legal counsel and conduct compliance checks in order to maintain its legality.

The transaction subject to credit risk mitigation techniques in the Trading and Banking Book is as follows.

Transactions: Derivative Transactions (Interest rate swaps, Currency swaps, Interest rate options, FRA, Forward contracts, Currency options, etc.), Repo-style Transactions

■ Information on Credit and Market Risk Concentration Arising from Credit Risk Mitigation Techniques

There is no credit and market risk concentration as a result of the use of credit risk mitigation techniques.

■ Types of Guarantors and Principal Counterparties in Credit Derivative Transactions and Explanation of Their Credit Standings

Major guarantors are central and local governments, government affiliated institutions, multilateral development banks, and banks and securities companies with lower risk weight compared to the borrower and/or the claims subject to the guarantee.

There is no outstanding balance of credit derivatives.

■ Exposure to which Credit Risk Mitigation Techniques Method Is Applied

(Millions of yen)

	As of March 31, 2019		
	Eligible financial collateral	Other eligible IRB collateral	Total
Exposure calculated by the Advanced Internal Ratings-Based Approach	/	/	/
Exposure calculated by the Foundation Internal Ratings-Based Approach	**25,166**	**297,407**	**322,574**
Corporate exposures	**25,037**	**297,274**	**322,311**
Sovereign exposures	**50**	**133**	**183**
Bank exposures	**78**	**—**	**78**
Standardized Approach	**90,200**	/	**90,200**
Total	**115,367**	**297,407**	**412,774**

	As of March 31, 2019		
	Guarantees	Credit derivatives	Total
Internal Ratings-based Approach	**1,433,688**	**—**	**1,433,688**
Corporate exposures	**431,780**	**—**	**431,780**
Sovereign exposures	**46,171**	**—**	**46,171**
Bank exposures	**—**	**—**	**—**
Residential mortgage exposures	**502,898**	**—**	**502,898**
Qualifying revolving retail exposures	**—**	**—**	**—**
Other retail exposures	**452,837**	**—**	**452,837**
Standardized Approach	**112,315**	**4**	**112,320**
Total	**1,546,004**	**4**	**1,546,009**

Note: Exposure to which credit risk mitigation techniques are applied concerning the underlying assets of exposures relating to equity investments in funds is not included.

	As of March 31, 2018		
	Eligible financial collateral	Other eligible IRB collateral	Total
Exposure calculated by the Advanced Internal Ratings-Based Approach	/	/	/
Exposure calculated by the Foundation Internal Ratings-Based Approach	27,003	279,882	306,886
Corporate exposures	26,870	279,736	306,607
Sovereign exposures	51	146	197
Bank exposures	81	—	81
Standardized Approach	20,614	/	20,614
Total	47,617	279,882	327,500

	As of March 31, 2018		
	Guarantees	Credit derivatives	Total
Internal Ratings-based Approach	1,589,741	—	1,589,741
Corporate exposures	477,930	—	477,930
Sovereign exposures	56,487	—	56,487
Bank exposures	—	—	—
Residential mortgage exposures	557,708	—	557,708
Qualifying revolving retail exposures	—	—	—
Other retail exposures	497,615	—	497,615
Standardized Approach	45	—	45
Total	1,589,787	—	1,589,787

Note: Exposure to which credit risk mitigation techniques concerning the components of funds (exposures relating to investment funds) are applied is not included.

Derivative Transactions

■ Status of Derivative Transactions and Long-Settlement Transactions

(Millions of yen)

	As of March 31, 2019	
	Gross replacement cost	Credit equivalent amount
Long-settlement transactions	**—**	**—**
Interest rate related		
Interest rate swaps	**120,110**	**173,901**
Interest rate options	**455**	**542**
Subtotal	**120,565**	**174,444**
Currency-related		
Currency swaps	**34,961**	**63,453**
Currency options	**2,254**	**4,545**
Forward contracts	**12,770**	**28,602**
Subtotal	**49,985**	**96,601**
Credit default swaps (Note 2)	**—**	**1,049**
Subtotal	**170,551**	**272,095**
Credit risk mitigation under close-out netting contracts	**/**	**78,798**
Credit risk mitigation by pledged collateral (Note 3)	**/**	**38,272**
Total (after netting / adjusting collateral) (Note 4)	**/**	**155,024**

	As of March 31, 2018	
	Gross replacement cost	Credit equivalent amount
Long-settlement transactions	0	0
Interest rate related		
Interest rate swaps	131,341	184,535
Interest rate options	610	757
Subtotal	131,951	185,293
Currency-related		
Currency swaps	28,184	45,597
Currency options	3,808	6,431
Forward contracts	19,095	36,036
Subtotal	51,089	88,065
Credit default swaps (Note 2)	—	—
Subtotal	183,040	273,358
Credit risk mitigation under close-out netting contracts	/	110,495
Credit risk mitigation by pledged collateral (Note 3)	/	35,937
Total (after netting / adjusting collateral) (Note 4)	/	126,924

Notes: 1. The credit equivalent amount is calculated according to the Notification on Consolidated Capital Adequacy as follows.
(1) Foreign exchange transactions with the original contractual period within 5 business days are omitted from calculating the credit equivalent amount.
(2) The credit equivalent amount is calculated under the Current Exposure method by adding gross add-ons (market fluctuation risk taking in consideration of residual contractual maturity), to individual derivative transactions at fair market value (Gross replacement cost is limited to figures larger than zero.).
2. Transactions of Kansai Mirai Financial Group.
3. The effect of credit risk mitigation of collateralized derivative transactions as of March 31, 2019, is as follows. Collateral is composed of cash.
(1) Collateral placed: 2,687 millions of yen
(2) Collateral held: 40,960 millions of yen
(2)-(1): 38,272 millions of yen
4. The credit equivalent amount obtained by summing the total gross replacement cost and the total gross add-ons, taking into account credit risk mitigation under close-out netting contracts and credit risk mitigation by pledged collateral.

■ Notional Amount of Credit Derivatives

(Millions of yen)

Credit default swaps	**As of March 31, 2019**	As of March 31, 2018
Protection bought	**10,494**	—
Protection sold	**—**	—

Securitization Exposures

■ Method of Calculating Credit Risk-Weighted Assets of securitization Exposures

In calculating the credit risk-weighted asset of securitization exposures, the Resona Group adopts the Internal Ratings-Based Approach, the External Ratings-Based Approach, and the Standardized Approach as stipulated in the Notification on Consolidated Capital Adequacy.

■ Name of Formula Used in Calculating the Amount Corresponding to Market Risk in Securitization Exposure

There were no securitization exposures subject to calculation of market risk equivalent amount.

■ When the Holding Company Group Securitizes Third-Party Assets through Special-Purpose Entities, Indicate the Type of Special-Purpose Entity and whether the Holding Company Group Holds Securitization Exposure from such Transaction

Special-Purpose Entity for Securitization	Type
AB Global Funding Limited, Tokyo Branch	SPC
March Asset Management Co., Ltd.	SPC

With respect to the status, whether the Holding Company Group retains the securitization exposure from such transactions or not, please refer to "Securitization Exposure that Is Subject to Calculation of Credit Risk Assets, When the Holding Company Group Is the Sponsor of Securitization Programs (ABCP, etc.)".

■ Name of the Subsidiaries of the Holding Company Group (Excluding Consolidated Subsidiaries) and Affiliated Companies that Holds Securitization Exposure Conducted by the Holding Company Group (Including Securitization Transactions Conducted through Special-Purpose Entities)

None

■ Accounting Policy with Respect to Securitization Exposures

The Resona Group applies the Accounting Standards for Financial Instruments and the Practical Guidelines for Accounting for Financial Instruments in accounting for securitization transactions. For those securitization transactions in which the Group is an investor, such financial assets are reported at market value. However, for securitization transactions where the Group is the originator, the following accounting treatment is applied.

With respect to future cash inflows, collection costs, credit risk, risk of redemption before maturity, and others that compose the concerned financial assets, transfer and extinction of ownership and the residual financial assets are recognized, provided that the following conditions are all satisfied.

Conditions:

1. The contractual rights of the recipient of the financial assets that are transferred are legally secured from the transferring party and the creditors of the transferring party.
2. The contractual rights to the benefits of the financial assets that are transferred to the recipient can be received directly or indirectly by normal methods.
3. The transferring party does not have any rights or duties to repurchase the financial assets that such party has transferred prior to the date of maturity.

When these conditions for the recognition of extinction are satisfied, the book value of the portion to be extinguished and the difference between the amount to be received or paid is treated as a gain (loss) for the accounting period. The book value of the portion to be extinguished is calculated as a proportion to the book value of the financial assets.

Moreover, when new financial assets or new financial liabilities are created as a result of the extinction of financial assets, such new assets and liabilities are reported at market value.

Please note that in securitization transactions involving the use of a special-purpose company and trust, when the Group as the transferring party holds all or a portion of the securities or other financial instruments issued by the special-purpose company, that portion is treated as a residual portion and is not recognized as an extinction of the financial assets.

■ Qualified Credit Ratings Agency in Determining the Risk Weights for Securitization Exposures

In calculating the credit risk-weighted assets of securitization exposures, the Resona Group applies the External Ratings-Based Approach and adopts the ratings issued by the following Qualified Ratings Agencies (Eligible External Credit Assessment Institutions). These rating agencies are those designated by the Financial Services Agency, as of March 31, 2019.

- Rating and Investment Information, Inc. (R&I)
- Japan Credit Rating Agency, Ltd. (JCR)
- Moody's Investors Service, Inc. (Moody's)
- S&P Global Ratings (S&P)
- Fitch Ratings Limited (Fitch)

■ When using the Internal Assessment Approach, give a summary of the method

The Resona Group does not use the Internal Assessment Approach

■ When Material Changes Occur in Quantitative Information, Give a Statement of the Content

None

■ Securitization Exposure that Is Subject to Calculation of Credit Risk Assets When the Holding Company Group Is the Originator.

1. Breakdown of Securitization Exposure Retained

(1) Securitization exposure (excluding re-securitization exposure)

(Millions of yen)

	As of March 31, 2019											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total: Amount	Total: Required capital
Retained securitization exposures	**—**	**—**	**9,234**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**9,234**	**536**
Risk weight:												
To 20%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Over 20% to 100%	**—**	**—**	**9,234**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**9,234**	**536**
Over 100% to 1,250%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
1,250% (Note 1)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Capital increase due to securitization transactions	**—**	**—**	**670**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**670**	**670**

Notes: 1. Figures presented are the securitization exposures to which the 1,250% risk weight is applied pursuant to Article 226 and Article 226-4, Paragraph 1, Item 1 and 2 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

	As of March 31, 2018											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total: Amount	Total: Required capital
Retained securitization exposures	—	—	9,234	—	—	—	—	—	—	—	9,234	625
Risk weight:												
To 20%	—	—	—	—	—	—	—	—	—	—	—	—
Over 20% to 100%	—	—	9,234	—	—	—	—	—	—	—	9,234	625
Over 100% to 1,250%	—	—	—	—	—	—	—	—	—	—	—	—
1,250% (Note 1)	—	—	—	—	—	—	—	—	—	—	—	—
Capital increase due to securitization transactions	—	—	1,130	—	—	—	—	—	—	—	1,130	1,130

Notes: 1. Figures presented are the securitization exposures to which the 1,250% risk weight is applied pursuant to Article 225, Paragraph 1 of the Notification on Consolidated Capital Adequacy (as of March 31, 2018).
2. All securitization exposures retained are from on-balance-sheet transactions.

(2) Re-securitization exposure

None

2. Underlying Assets

(Millions of yen)

	As of March 31, 2019										
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total
Amount of underlying assets	—	—	29,665	—	—	—	—	—	—	—	29,665
Asset transfer-type securitizations	—	—	29,665	—	—	—	—	—	—	—	29,665
Past due three months or more, or default	—	—	—	—	—	—	—	—	—	—	—
Losses during the year (Note)	—	—	—	—	—	—	—	—	—	—	—
Synthetic securitizations	—	—	—	—	—	—	—	—	—	—	—
Past due three months or more, or default	—	—	—	—	—	—	—	—	—	—	—
Losses during the year (Note)	—	—	—	—	—	—	—	—	—	—	—
Amount of exposures securitized during the year (Note)	—	—	—	—	—	—	—	—	—	—	—
Amount of gain (loss) recognized for the period in connection with securitization transactions (Note)	—	—	—	—	—	—	—	—	—	—	—
Securitization exposures subject to early amortization provisions	—	—	—	—	—	—	—	—	—	—	—
Amount of assets held for the purpose of securitization transactions	—	—	—	—	—	—	—	—	—	—	—

Note: The amount shown is the cumulative amount from October 2018 to March 2019.

	As of March 31, 2018										
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total
Amount of underlying assets	—	—	31,668	—	—	—	—	—	—	—	31,668
Asset transfer-type securitizations	—	—	31,668	—	—	—	—	—	—	—	31,668
Past due three months or more, or default	—	—	—	—	—	—	—	—	—	—	—
Losses during the year (Note)	—	—	—	—	—	—	—	—	—	—	—
Synthetic securitizations	—	—	—	—	—	—	—	—	—	—	—
Past due three months or more, or default	—	—	—	—	—	—	—	—	—	—	—
Losses during the year (Note)	—	—	—	—	—	—	—	—	—	—	—
Amount of exposures securitized during the year (Note)	—	—	—	—	—	—	—	—	—	—	—
Amount of gain (loss) recognized for the period in connection with securitization transactions (Note)	—	—	—	—	—	—	—	—	—	—	—
Securitization exposures subject to early amortization provisions	—	—	—	—	—	—	—	—	—	—	—
Amount of assets held for the purpose of securitization transactions	—	—	—	—	—	—	—	—	—	—	—

Note: The amount shown is the cumulative amount from October 2017 to March 2018.

■ Securitization Exposure that Is Subject to Calculation of Market Risk When the Holding Company Group Is the Originator.

None

■ Securitization Exposure that Is Subject to Calculation of Credit Risk Assets When the Holding Company Group Is the Sponsor of Securitization Programs (ABCP, etc.).

1. Breakdown of Securitization Exposures Retained

(1) Securitization exposure (excluding re-securitization exposure)

(Millions of yen)

	As of March 31, 2019											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total	
											Amount	Required capital
Retained securitization exposures	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**31,871**	**—**	**10,462**	**42,334**	**1,369**
Risk weight:												
To 20%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**18,671**	**—**	**6,795**	**25,466**	**359**
Over 20% to 100%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**13,199**	**—**	**3,667**	**16,867**	**1,009**
Over 100% to 1,250%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
1,250% (Note 1)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Capital increase due to securitization transactions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

Notes: 1. Figures presented are the securitization exposures to which the 1,250% risk weight is applied pursuant to Article 226 and Article 226-4, Paragraph 1, Item 1 and 2 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

	As of March 31, 2018											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total	
											Amount	Required capital
Retained securitization exposures	—	—	—	—	—	—	—	32,100	—	8,978	41,078	927
Risk weight:												
To 20%	—	—	—	—	—	—	—	18,681	—	4,295	22,976	165
Over 20% to 100%	—	—	—	—	—	—	—	13,418	—	4,683	18,101	762
Over 100% to 1,250%	—	—	—	—	—	—	—	—	—	—	—	—
1,250% (Note 1)	—	—	—	—	—	—	—	—	—	—	—	—
Capital increase due to securitization transactions	—	—	—	—	—	—	—	—	—	—	—	—

Notes: 1. Figures presented are the securitization exposures to which the 1,250% risk weight is applied pursuant to Article 225, Paragraph 1 of the Notification on Consolidated Capital Adequacy (as of March 31, 2018).
2. All securitization exposures retained are from on-balance-sheet transactions.

(2) Re-securitization exposure

None

2. Underlying Assets

(Millions of yen)

	As of March 31, 2019										
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total
Amount of underlying assets	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**46,858**	**—**	**12,204**	**59,062**
Asset transfer-type securitizations	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**46,858**	**—**	**12,204**	**59,062**
Past due three months or more, or default	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**31**	**31**
Losses during the year (Note 1)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**5**	**—**	**31**	**37**
Synthetic securitizations	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Past due three months or more, or default	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Losses during the year (Note 1)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Amount of exposures securitized during the year (Note 1) (Note 2)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**171,370**	**—**	**15,873**	**187,243**
Amount of gain (loss) recognized for the period in connection with securitization transactions (Note 1)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Securitization exposures subject to early amortization provisions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Amount of assets held for the purpose of securitization transactions	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

Notes: 1. The amount shown is the cumulative amount from October 2018 to March 2019.
2. Includes purchase of claims, such as bills, lease receivables, and accounts receivables, etc., originally held by our customers and trust beneficiary rights composed of above-mentioned underlying assets through issuance of CP (ABCP) and/or offering loans (ABL) to special-purpose companies.

	As of March 31, 2018										
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total
Amount of underlying assets	—	—	—	—	—	—	—	43,628	—	10,408	54,037
Asset transfer-type securitizations	—	—	—	—	—	—	—	43,628	—	10,408	54,037
Past due three months or more, or default	—	—	—	—	—	—	—	—	—	33	33
Losses during the year (Note 1)	—	—	—	—	—	—	—	5	—	58	64
Synthetic securitizations	—	—	—	—	—	—	—	—	—	—	—
Past due three months or more, or default	—	—	—	—	—	—	—	—	—	—	—
Losses during the year (Note 1)	—	—	—	—	—	—	—	—	—	—	—
Amount of exposures securitized during the year (Note 1) (Note 2)	—	—	—	—	—	—	—	189,267	—	11,594	200,862
Amount of gain (loss) recognized for the period in connection with securitization transactions (Note 1)	—	—	—	—	—	—	—	—	—	—	—
Securitization exposures subject to early amortization provisions	—	—	—	—	—	—	—	—	—	—	—
Amount of assets held for the purpose of securitization transactions	—	—	—	—	—	—	—	—	—	—	—

Notes: 1. The amount shown is the cumulative amount from October 2017 to March 2018.
2. Includes purchase of claims, such as bills, lease receivables, and accounts receivables, etc., originally held by our customers and trust beneficiary rights composed of above-mentioned underlying assets through issuance of CP (ABCP) and/or offering loans (ABL) to special-purpose companies.

■ Securitization Exposure that Is Subject to Calculation of Market Risk When the Holding Company Group Is the Sponsor of Securitization Programs (ABCP, etc.).

None

■ Securitization Exposure that Is Subject to the Calculation of Credit Risk Assets When the Holding Company Group Is an Investor.

(1) Securitization exposure (excluding re-securitization exposure)

(Millions of yen)

	As of March 31, 2019											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total: Amount	Total: Required capital
Retained securitization exposures	**16,695**	**2,522**	**751**	**—**	**—**	**—**	**—**	**2,115**	**—**	**1,500**	**23,585**	**514**
Risk weight:												
To 20%	**14,464**	**2,322**	**558**	**—**	**—**	**—**	**—**	**402**	**—**	**1,500**	**19,247**	**242**
Over 20% to 100%	**187**	**200**	**193**	**—**	**—**	**—**	**—**	**433**	**—**	**—**	**1,015**	**31**
Over 100% to 1,250%	**2,026**	**—**	**—**	**—**	**—**	**—**	**—**	**1,279**	**—**	**—**	**3,306**	**224**
1,250% (Note 1)	**16**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**16**	**16**

Notes: 1. Figures presented are the securitization exposures to which the 1,250% risk weight is applied pursuant to Article 226 and Article 226-4, Paragraph 1, Item 1 and 2 of the Notification on Consolidated Capital Adequacy.
2. All securitization exposures retained are from on-balance-sheet transactions.

	As of March 31, 2018											
	General loan claims	Housing loan claims	Apartment/ condominium loan claims	Credit card claims	Lease receivables	Consumer loan claims	Auto loan claims	Bills	Medical service fee claims	Other claims	Total: Amount	Total: Required capital
Retained securitization exposures	—	3,870	1,473	—	—	—	—	2,319	—	—	7,664	101
Risk weight:												
To 20%	—	3,870	1,473	—	—	—	—	450	—	—	5,795	36
Over 20% to 100%	—	—	—	—	—	—	—	424	—	—	424	14
Over 100% to 1,250%	—	—	—	—	—	—	—	1,445	—	—	1,445	50
1,250% (Note 1)	—	—	—	—	—	—	—	—	—	—	—	—

Notes: 1. Figures presented are the securitization exposures to which the 1,250% risk weight is applied pursuant to Article 225, Paragraph 1 of the Notification on Consolidated Capital Adequacy (as of March 31, 2018).
2. All securitization exposures retained are from on-balance-sheet transactions.

(2) Re-securitization exposure
None

■ Securitization Exposure that Is Included in the Calculation of Market Risk When the Holding Company Group Is an Investor.

None

Equity Exposures

■ Equity Exposure on the Consolidated Balance Sheets

(Millions of yen)

As of March 31,	2019		2018	
	Consolidated balance sheet amount	Market value	Consolidated balance sheet amount	Market value
Listed stocks exposure	**975,030**	**975,030**	1,014,961	1,014,961
Investment/equity exposure other than the above	**108,548**	**108,548**	230,404	230,404
Total	**1,083,579**	**1,083,579**	1,245,366	1,245,366

■ Gain (Loss) on Sale or Write-off of Equity Exposure

(Millions of yen)

Years ended March 31,	2019	2018
Gain on sale	**26,877**	33,223
Loss on sale	**(15,048)**	(16,400)
Write-off	**(1,677)**	(33)
Net gains/(losses)	**10,151**	16,790

■ Unrealized Gain Recognized on the Consolidated Balance Sheet but Not on the Consolidated Statement of Income

(Millions of yen)

As of March 31,	2019	2018
Unrealized gain	**562,548**	664,676

■ Unrealized Gain (Loss) Not Recognized Either on the Consolidated Balance Sheet or on the Consolidated Statement of Income

None

■ Equity Exposure Portfolio

(Millions of yen)

As of March 31,	2019	2018
Market-based approach (Simple Risk Weight Method)	**83,699**	17,981
PD/LGD Approach	**367,285**	375,805
Total	**450,985**	393,787

Exposures Relating to Investment Funds

■ Exposures Relating to Equity Investments in Funds

(Millions of yen)

As of March 31,	2019	2018
Exposures relating to equity investments in funds	**700,721**	707,993
Look-through approach	**698,950**	/
Mandate-based approach	**—**	/
Simple approach 250%	**1,448**	/
Simple approach 400%	**—**	/
Fall-back approach 1,250%	**322**	/

Interest Rate Risk

■ Outlier Framework

(Billions of yen)

As of March 31,	2018	
	Decline in economic value	Percentage of capital
Resona Bank, Ltd.	45.8	4.3%
Saitama Resona Bank, Ltd.	17.4	5.3%
The Kinki Osaka Bank, Ltd.	9.6	7.2%

Notes: 1. The parameters for estimating the decline in economic value are: Interest rate scenarios assume interest rate shocks in the 99th percentile over an observation period of five years and a holding period of one year.
2. An internal model has been adopted to estimate “core deposits” for measuring the interest rate risk of liquid deposits with no maturities.

■ IRRBB1: Interest rate risk

In handling interest rate risk in banking book, capital adequacy regulations require banks to have adequate internal control processes in place so as to maintain measured declines in economic value of equity (ΔEVE) for certain interest rate shock scenarios such as parallel up and downwards shifts, as shown in the table below, within an appropriate range.

Amounts of decrease in economic value at the Resona Group are within 20% of the value of the Company's equity, and the Company recognizes that there are no issues with respect to interest rate risk management.

(Millions of yen)

Item number		A	B	C	D
		ΔEVE		ΔNII	
		As of March 31, 2019	As of March 31, 2018	**As of March 31, 2019**	As of March 31, 2018
1	Parallel up	**55,957**	/	**/**	/
2	Parallel down	**197,506**	/	**/**	/
3	Steepener	**/**	/	**/**	/
4	Flattener	**/**	/	**/**	/
5	Short rate up	**/**	/	**/**	/
6	Short rate down	**/**	/	**/**	/
7	Maximum	**197,506**	/	**/**	/
		E		F	
		As of March 31, 2019		As of March 31, 2018	
8	Capital	**1,925,949**		/	

Notes: 1. The average repricing maturity assigned to liquid deposits is 2.3 years.
2. The longest repricing maturity assigned to liquid deposits is 10 years.
3. In calculating interest rate risk, the balance of non-maturity deposits which remain on the books for an extended time (core deposits) is estimated using statistical methods based on historical trends in liquid deposit balances.
4. Prepayments and early withdrawal of time deposits are estimated by statistical methods based on past prepayment and withdrawal data for each product type.
5. When aggregating ΔEVE, correlations between currencies are not taken into account, and positive ΔEVE values calculated for each currency are simply combined.
6. In the calculation of ΔEVE, credit risk spreads are not considered.
7. The calculation of the balance of liquid deposits which remain on books for an extended time (core deposits) uses the Company's internal model. The estimation of prepayments of fixed rate loans and early withdrawal of time deposits also uses the internal model.

DISCLOSURE ON REMUNERATION

■ **Table of Contents**

■ **Full Text of Disclosure on Remuneration**

1. Status of Organizational Systems Related to Remuneration of the Resona Group Relevant Officers and Employees

(1) Scope of "Relevant Officers and Employees"

The scope of "Relevant Officers" and "Relevant Employees" (referred to collectively as "Relevant Officers and Employees") are specified in the "Notification on Remuneration*" and have the following meanings as applied by the Resona Group.

*Notification on Remuneration: Based on the Ordinance for Enforcement of the Banking Act Article 19-2 Paragraph 1 Item 6, this notification covers matters related to remuneration, and specifies persons who may have a material impact on banking operations and the state of bank assets as the head of the Financial Services Agency has issued a separate notice (Financial Services Agency Notification No. 21) specifying such persons.

1) Scope of "Relevant Officers"

"Relevant Officers" are the Company's Directors and Executive Officers. Outside directors are excluded.

2) Scope of "Relevant Employees"

"Relevant Employees" are staff of the Company and officers and employees of principal consolidated subsidiaries who "receive a high level of remuneration" and may have a material impact on the banking operations and/or the assets of the Resona Group.

(a) Scope of "Principal Consolidated Subsidiaries"

"Principal consolidated subsidiaries" are those subsidiaries whose total assets exceed 2% of the consolidated total assets of the bank holding company and are consolidated subsidiaries that have a material impact on the Resona Group management. Specifically, these subsidiaries are Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Urban Banking Corporation, Kinki Osaka Bank, and Minato Bank.

(b) Scope of "Persons Receiving High Level of Remuneration"

"Persons receiving a high level of remuneration" are those persons receiving the base amount of remuneration or higher from the Company and its principal consolidated subsidiaries. (Here and hereinafter, "the Resona Group" refers to the Company (Resona Holdings), which is the holding company for the Resona Group, and its principal consolidated subsidiaries.) In the Resona Group, the criterion for compensation is ¥25 million or higher, which was the total annual compensation received by full-time Directors of the Resona Group in the immediately preceding three fiscal years divided by the number of directors. This base compensation amount is applied in common to all principal consolidated subsidiaries.

Please note that when Severance Payments are made, the amount of the Severance Payment is deducted from remuneration and then, "the amount corresponding to the Severance Payment divided by the number of years of service" is added back. The resulting figure is regarded as that person's remuneration.

(c) Scope of "Persons Having a Material Impact on the Business and/or the Assets of the Resona Group"

"Persons having a material impact on the business and/or Assets of the Resona Group" are those persons who may have a substantial impact on the conduct of the Resona Group's operations in the course of executing regular transactions and managing matters under their supervision and who may have an important impact on the state of assets if losses are reported. Specifically, such persons include staff of the Risk Management Division and Compliance Division; Directors and Corporate Auditors of Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Urban Banking Corporation, Kinki Osaka Bank, and Minato Bank (excluding Outside Directors and Outside Corporate Auditors); and Executive Officers with the additional titles of Senior Managing Executive Officer, Managing Executive Officer and Executive Officers in charge of either the Market, Risk Management, or Compliance sections as well as the staff of these sections.

Please note that, because of the differences in the compensation decision-making process, Directors, Corporate Auditors, and Executive Officers of principal consolidated subsidiaries that is included in "Relevant Officers" and "Relevant Employees" are regarded as "Relevant Officers, etc." in Disclosure on Remuneration. In addition, "Relevant Employees" after the exclusion of such Directors, Corporate Auditors, and Executive Officers are regarded as "Relevant Staff."

(2) Decision Making on Remuneration of Relevant Officers and Employees

1) Decision Making on Remuneration of Relevant Officers, etc.
Resona Holdings, adopted the form of company with a nominating committee, etc. as a corporate governance system and has formed a Compensation Committee as required by law.

The Compensation Committee is responsible for setting policies regarding decision making for remuneration of Directors and Executive Officers as well as for making decisions on compensation of individual Directors and Executive Officers. The Compensation Committee is, in principle, composed exclusively of Outside Directors, is independent of the business promotion departments, and has the authority to set compensation policy and the amounts of remuneration of individual Directors and Executive Officers.

Resona Bank and Saitama Resona Bank are companies that have adopted the Board of Corporate Auditors Model. Matters including the total amount of compensation and methods to calculate performance share unit plans of their Directors and the total amount of compensation of their Corporate Auditors are decided by their respective shareholders meeting. The monthly compensation of individual Directors is decided by the Representative Director and President of the respective banks, who has been delegated this authority by the Board of Directors of the respective banks, based on the total amount of compensation decided at their respective shareholders' meetings.

Kansai Mirai Financial Group is a company that has adopted the Audit and Supervisory Committee Model. Matters including the total amount of compensation of its Directors excluding Directors who are Audit and Supervisory Committee Members and the total amount of compensation of its Directors who are Audit and Supervisory Committee Members are decided by its shareholders meeting. The monthly compensation of individual Directors excluding Directors who are Audit and Supervisory Committee Members is decided by the President, who has been delegated this authority by the Board of Directors, based on the total amount of compensation decided at its shareholders' meeting.

In addition, Kansai Mirai Financial Group's consolidated subsidiaries, Kansai Urban Banking Corporation, Kinki Osaka Bank, and Minato Bank, are companies that have adopted the Board of Corporate Auditors Model. Matters including the total amount of compensation of their Directors and the total amount of compensation of their Corporate Auditors are decided by their respective shareholders meeting. The monthly compensation of individual Directors is decided by the President of the respective banks, who has been delegated this authority by the Board of Directors of the respective banks, based on the total amount of compensation decided at their respective shareholders' meetings.

The monthly compensation of individual Executive Officers who are elected by the Board of Directors of the respective banks is decided by the President, who has been delegated this authority by the Board of Directors of the respective banks.

Please note that, when the decisions stated above on the monthly compensation of individual Directors and Executive Officers are made, Resona Bank and Saitama Resona Bank take account of established standards for compensation set by the Compensation Committee of the Company (Resona Holdings). Kansai Mirai Financial Group reports decisions on its compensation system to the Compensation Committee of the Company. Considering that fiscal year 2018 was the first year of business integration, Kansai Urban Banking Corporation, Kinki Osaka Bank, and Minato Bank continued to use their respective compensation systems.

In addition, the monthly compensation of individual Corporate Auditors of Resona Bank, Saitama Resona Bank, Kansai Urban Banking Corporation, Kinki Osaka Bank, and Minato Bank is set within the limits of the total amount of compensation decided at their respective shareholders' meetings and is decided through consultation among the Corporate Auditors. The monthly compensation of individual Directors who are Audit and Supervisory Committee Members of Kansai Mirai Financial Group is set within the limits of the total amount of compensation decided at its shareholders' meeting and is decided through consultation among the Directors who are Audit and Supervisory Committee Members.

2) Decision Making on Remuneration of Relevant Staff
The remuneration of relevant staff is set and paid based on the salary policies duly established by such as the management committees of the respective Resona Group companies. These policies are systematically designed and put in writing by the Human Resources sections of the Resona Group companies, which are independent of the business promotion departments. In addition, when the salary policies of principal consolidated subsidiaries are changed, this is reported to the Company's Human Resources section, which is responsible for verifying the appropriateness of such changes.

Please note that compensation of traders and others in certain market sections in the Company's principal consolidated subsidiaries are decided on an individual basis according to their duties and responsibilities.

(3) Decision Making on Remuneration of the Staff of Risk Management Division and Compliance Division

The compensation of the staff of the Risk Management Division and Compliance Division of Group companies is set based on salary policies, and the specific amounts are decided by the head of the respective Human Resources sections of these companies, which are independent of the business promotion departments, based on assessments of performance.

Moreover, personnel assessment items are used to evaluate the attainment of goals that have been set and approved by the persons responsible for employees in the Risk Management Division and Compliance Division. These goals reflect the contributions of employees within the risk management and compliance frameworks.

(4) Total Amount of Remuneration Paid to Members of the Committees, such as the Compensation Committee, and the Number of Meetings Held

	Number of Meetings (April 2018 to March 2019)
Compensation Committee (Resona Holdings, Inc.)	5
Executive Committee (Resona Bank, Ltd.)	2
Executive Committee (Saitama Resona Bank, Ltd.)	2
Executive Committee (Kansai Mirai Financial Group, Inc.)	0
Executive Committee (Kansai Urban Banking Corporation)	3
Executive Committee (The Kinki Osaka Bank, Ltd.)	2
Executive Committee (The Minato Bank, Ltd.)	1

Notes: 1. The Compensation Committee has three members, all of whom are Outside Directors, and the total amount of remuneration is not included in the above chart.
2. The number of meetings of the Executive Committees of Resona Bank, Saitama Resona Bank, Kansai Mirai Financial Group, Kansai Urban Banking Corporation, Kinki Osaka Bank, and Minato Bank is the number of meetings of the Executive Committees held for deciding on compensation of relevant staff. Moreover, regarding the composition of the Executive Committees, since the amount corresponding to the performance of duties related to decisions on compensation cannot be separated from other compensation, the total amount of remuneration is not shown. Please note that, as regards to the compensation of officers of the respective banks and Kansai Mirai Financial Group, since decisions on the compensation system and levels are made by the Compensation Committee, related matters are not included on the agendas of the Executive Committees shown above.

2. Evaluation of the Appropriateness of the Design and Operation of the Remuneration System of the Resona Group Relevant Officers and Employees

(1) Remuneration Policy

1) Remuneration Policy of Relevant Officers, etc.

(a) Remuneration Policy of the Company's Directors and Executive Officers

The Compensation Committee has established the following policies regarding the compensation of Directors and Executive Officers and the policy for decision making regarding the remuneration of individual Directors and Executive Officers. Based on these policies, decisions are made on the compensation of individual officers.

[Basic Approach]

(1) Remuneration for directors and executive officers is determined by the Compensation Committee following objective and transparent procedures.

(2) Compensation systems for directors are focused on rewarding their performance of their primary duty of providing the sound supervision of executive officers.

(3) Compensation systems for executive officers are designed to maintain and boost their motivation to carry out their business execution duties, with the performance-based variable portion accounting for a significant proportion of their total compensation.

In addition, with the aim of promoting the Group's sustainable growth and strengthening incentive systems for executive officers on a medium- to long-term basis to enhance its corporate value, Resona Holdings has adopted performance share units.

a. Compensation System for Directors

Compensation systems for directors consist of cash-based compensation in the form of a position-based fixed portion and a duty-based additional fixed portion. In addition, to ensure further soundness of supervision toward executive officers, performance-based compensation was abolished in June 2017.

(i) Position-based fixed portion

The position-based fixed portion is determined by the nature and scope of responsibilities held by each individual.

(ii) Duty-based additional fixed portion

The duty-based additional fixed portion is determined by the nature and scope of responsibilities held by each outside director who also serves as a member of the Nominating Committee, Compensation Committee and Audit Committee.

b. Compensation System for Executive Officers

Compensation systems for executive officers consist of a position-based fixed portion and a performance-based variable portion. The latter portion comprises cash-based compensation determined on the basis of the Company's annual operating results as well as performance share units that reflect results over the medium- to long-term. In order to maintain and enhance its incentive systems for executive officers, a significant ratio of compensation is accounted for by the performance-based variable portion (details below). Furthermore, the composition of compensation paid to executive officers who take senior positions has a greater emphasis on the performance-based variable portion.

Position-based fixed portion	Performance-based variable portion (standard amount)		Total
Cash compensation	Cash compensation (annual incentive)	Performance share units (medium- to long-term incentive)	
50-60%	20-25%	20-25%	100%

Note: The percentage figures for the performance-based variable portion stated above are standard amounts presented as ratios to total compensation. The cash-based component of the performance-based variable portion is paid in standard amount when the Company's annual performance targets for the previous fiscal year and individual executive officer's annual performance targets for said year are by and large met. The annual performance share units of said portion are paid in standard amount when ROE in the final fiscal year of the medium-term management plan significantly exceeds the target (by about 15%).

(i) Position-based fixed portion

The position-based fixed portion is determined by the nature and scope of responsibilities held by each individual.

(ii) Performance-based variable portion

The performance-based variable portion consists of cash-based compensation (annual incentive) and performance share units (medium- to long-term incentives).

1) Cash-based compensation (annual incentive): This component is determined based on the annual operating results and individual achievements. The amount allocated to this portion may decrease to zero or increase as much as 1.5 times. Specifically, the Compensation Committee determines the amount by examining net income (consolidated) and minority interests; the profitability, soundness and efficiency of operations; and the Company's annual growth rate vis-à-vis annual performance targets for these factors. The achievements of each executive officer are also taken into account by the Compensation Committee in the process of determining amounts paid to individuals.

2) Performance share units (medium- to long-term incentives): The applicable period for performance share units corresponds to the period of the medium-term management plan, and the Company's shares will be granted in lump sums, subsequent to determining the provision ratio.

Based on the ROE for the final year of the medium-term management plan, the provision ratio will be within a range of 0% to 100%. Shares will account for 60% of the overall value of performance share units and cash compensation will account for the remaining 40% of the value of performance share units, considering the income taxes borne by the recipients.

(b) Remuneration Policy of Officers of Resona Bank, Saitama Resona Bank

Taking account of the matters decided by the Compensation Committee of the bank holding company, Resona Holdings, these Group banks have established the following policies regarding the setting of the remuneration of individual Directors (non-executive), the Representative Director(s), and the Directors with executive responsibilities and Executive Officers (hereinafter, Representative Director, etc.).

[Basic Approach]

(1) The respective shareholders meetings decide on the total amount of monthly compensation of their Directors, and their respective Boards of Directors authorize their Representative Directors and Presidents to set the compensation of individual Directors within the limits of the total monthly compensation. With respect to the compensation for Executive Officers, their respective Boards of Directors authorize their Representative Directors and Presidents to make decisions on the contents of individual compensation, etc. of Executive Officers.

(2) Compensation systems for Directors (non-executive) are focused on rewarding their performance of their primary duty of providing the sound supervision of executive officers.

(3) Compensation systems for Representative Directors, etc., are designed to maintain and boost their motivation to carry out their business execution duties, with the performance-based variable portion accounting for a significant proportion of their total compensation. In addition, with the aim of promoting the Group's sustainable growth and strengthening incentive systems for Representative Directors, etc., on a medium- to long-term basis to enhance its corporate value, Resona Holdings has adopted performance share units.

a. Compensation System for Directors (non-executive)

Compensation systems for directors (non-executive) consist solely of a position-based fixed portion, which is determined by the nature and scope of responsibilities held by each individual. In addition, to ensure further soundness of supervision toward representative directors, performance-based compensation was abolished in June 2017.

b. Compensation System for Representative Directors, Etc.

Compensation systems for representative directors, etc., consist of a position-based fixed portion and a performance-based variable portion. The latter portion comprises cash-based compensation determined on the basis of the Company's annual operating results as well as performance share units that reflect results over the medium- to long-term. In order to maintain and enhance its incentive systems for representative directors, a significant ratio of compensation is accounted for by the performance-based variable portion (details below). Furthermore, the composition of compensation paid to representative directors who take senior positions has a greater emphasis on the performance-based variable portion.

Position-based fixed portion	Performance-based variable portion (standard amount)		Total
Cash compensation	Cash compensation (annual incentive)	Performance share units (medium- to long-term incentive)	
50-60%	20-25%	20-25%	100%

Note: The percentage figures for the performance-based variable portion stated above are standard amounts presented as ratios to total compensation. The cash-based component of the performance-based variable portion is paid in standard amount when the Company's annual performance targets for the previous fiscal year and individual representative director's annual performance targets for said year are by and large met. The annual performance share units of said portion are paid in standard amount when ROE in the final fiscal year of the medium-term management plan significantly exceeds the target (by about 15%).

(i) Position-based fixed portion

The position-based fixed portion is determined by the nature and scope of responsibilities held by each individual.

(ii) Performance-based variable portion

The performance-based variable portion consists of cash-based compensation (annual incentive) and performance share units (medium- to long-term incentives).

1) Cash-based compensation (annual incentive): This component is determined based on the annual operating results and individual achievements. The amount allocated to this portion may decrease to zero or increase as much as 1.5 times. Specifically, the amount are determined based on net income; the profitability, soundness and efficiency of operations; and the Company's annual growth rate vis-à-vis annual performance targets for these factors as well as taking into account the evaluation by the Compensation Committee of Resona Holdings with respect to the financial results of the Group. The amount paid to representative directors are determined based on the evaluation by the Compensation Committee of Resona Holdings with respect to the results of individuals.

2) Performance share units (medium- to long-term incentives): The applicable period for performance share units corresponds to the period of the medium-term management plan, and Resona Holdings' shares will be granted in lump sums, subsequent to determining the provision ratio.

Based on the ROE for the final year of the medium-term management plan, the provision ratio will be within a range of 0% to 100%. Resona Holdings' shares will account for 60% of the overall value of performance share units and cash compensation will account for the remaining 40% of the value of performance share units, considering the income taxes borne by the recipients.

The scope of the total amount of remuneration of Corporate Auditors is decided by the shareholders meeting. The remuneration to be received by individual Corporate Auditors is decided, within the scope of the total amount, through consultation among the Corporate Auditors.

(c) Compensation for officers of Kansai Mirai Financial Group and its consolidated subsidiaries, Kansai Urban Banking Corporation, The Kinki Osaka Bank, and The Minato Bank.

For Kansai Mirai Financial Group, the period from April 2018 to March 2019 was used to prepare for introducing a new compensation system including performance-based compensation in fiscal year 2019, and compensation for officers consisted solely of fixed compensation.

Kansai Urban Banking Corporation, The Kinki Osaka Bank, and The Minato Bank, Ltd. continued to use their respective compensation systems for officers during fiscal year 2018.

2) Remuneration Policy of Relevant Staff

For relevant staff, compensation consists of a fixed amount that is set according to duties and responsibilities and an amount that is linked to corporate performance. To reflect such contribution, compensation is decided based on assessments of performance. Please note that, when deciding on remuneration, the officer in charge of Human Resources sections takes account of this compensation system, the status of performance assessments, and actual payments as well as confirms that compensation practices do not place excessive emphasis on performance.

(2) Impact of the Level of Overall Remuneration on Capital

(Relevant Officers, etc.)

Regarding the level of compensation paid by the Company, Resona Bank and Saitama Resona Bank, the Compensation Committee of the Company calculates the maximum amount (theoretical value) that may be paid under the compensation system, then compares the outlook for payments to officers with the Medium-term Management Plan, thereby making sure that the level of compensation is financially sound for the Group as a whole and consistent with the future outlook and that such payments will not have any material impact on the adequacy of the Group's capital in the future.

(Relevant Staff)

Regarding compensation to the staff of the Resona Group, the Company considers the management condition of the Company as well as the Company's performance, the portion of compensation that varies with the performance of individuals, etc., and the temporary payment portion; then compares these figures with the Medium-term Management Plan; and confirms that such payment will not have an adverse impact on the adequacy of the Group's capital in the future. In addition, the Company compares the amount of salaries paid for the fiscal year with the level of income for the fiscal year as well as the status of retained earnings to confirm that these payments will not have an adverse impact on the capital ratio.

3. Consistency between the Remuneration System of the Resona Group Relevant Officers and Employees and Risk Management

(1) Method of Taking Account Risks in Deciding Remuneration

(Relevant Officers, etc.)

The portion of the compensation of Executive Officers and Representative Directors of the Company, Resona Bank and Saitama Resona Bank that is linked to corporate performance (the portion of cash compensation) is determined with reference to the performance of each company in the previous fiscal year and individual performance. Indicators used in assessing corporate performance are not only net income but also include profitability, soundness, and efficiency. In addition, in assessing individual performance, reference is made to the attainment of objectives that have been set after taking account of various risks that may occur in the divisions where the Executive Officers and Representatives are in charge.

For Directors (non-executive) of the Company, Resona Bank, and Saitama Resona Bank, compensation consists solely of position-based fixed compensation.

Kansai Mirai Financial Group, Kansai Urban Banking Corporation, The Kinki Osaka Bank, and The Minato Bank, Ltd. will introduce a new compensation system in fiscal year 2019. Under this system, performance-based compensation will be paid to executive officers according to each company's performance and individual performance, and corporate performance will comprehensively take into account not only net income but management efficiency and soundness indicators as well.

(Relevant Staff)

When the Resona Group companies design and review their payroll systems, the Human Resources section performs these design and review activities, and final decisions are made by the authorized organizational unit after being reviewed by the Executive Committee. Please note that, when such matters are brought up in meetings of the Executive Committee, the departments in charge of comprehensive risk management verify the appropriateness and suitability of the relevant payroll systems from a risk management perspective.

4. The Link between Remuneration of the Resona Group Relevant Officers and Employees and Corporate Performance

(1) Portion Linked to Corporate Performance in Deciding Remuneration of Relevant Officers and Employees

①Method for Calculating the Portion Linked to Corporate Performance

(Relevant Officers, etc.)

When the Compensation Committee decides on compensation policy for Officers of the Resona Group as a whole, it takes account of the management policies, operating environment, and other relevant matters and then decides on the percentage of the portion of compensation linked to corporate performance for the fiscal year.

(Relevant Staff)

The portion of compensation linked to performance to be paid to the staff is determined based on Group performance according to a predetermined formula.

②Method for Making Adjustments in the Portion Linked to Corporate Performance

(Relevant Officers, etc.)

When performance of Group companies is not satisfactory, the portion of compensation linked to corporate performance for relevant Officers, etc. of the Resona Group may be reduced by lowering the percentage contained in the predetermined formula.

(Relevant Staff)

When performance of Group companies is not satisfactory, the portion of compensation linked to corporate performance for the staff of the Resona Group may be reduced by lowering the percentage contained in the predetermined formula.

③Assessment that the Linkage to Corporate Performance Is not Excessively Short-Term Oriented

(Relevant Officers, etc.)

For compensation of officers, etc. of the Company, Resona Bank, and Saitama Resona Bank, the Compensation Committee has established criteria for the payment of compensation and, by assessing the ratio of the portion of compensation linked to corporate performance and the appropriateness of amounts paid, works to verify that compensation practices do not place excessive emphasis on performance.

In addition, in the new compensation system for Kansai Mirai Financial Group stated above, which will start in fiscal year 2019, compensation rates have been established so as not to provide excessive incentives.

(Relevant Staff)

For compensation of the staff of the Resona Group, taking into account the compensation system, assessments of performance, and actual payments made, Officers in charge of Human Resources sections of each company confirm that compensation practices in their respective companies do not place excessive emphasis on performance.

④Monitoring and Restraint on Transactions that Only Reduce Risk Superficially

The middle-office and back-office departments as well as the internal auditing departments monitor transactions at appropriate intervals to ensure that relevant officers and employees have not made arrangements, etc., to reduce risk superficially and that there is no behavior that may be contrary to the intent of the compensation system, which has been designed to be consistent with risk management.

5. Types, Amounts, and the Method of Remuneration Paid to the Resona Group Relevant Officers and Employees

■ Total Amount of Remuneration of Relevant Officers and Employees

(From April 1, 2018 to March 31, 2019)

Item	Number	Total remuneration (¥ million)	Total fixed compensation			Total variable compensation			
				Basic compensation	Other		Basic compensation	One-time payments	Other
Relevant Officers (excluding Outside Officers)	17	537	368	368	—	168	115	—	53
Relevant Employees	34	1,141	909	909	—	232	174	—	57

Notes: 1. The compensation of relevant officers includes the amount of compensation as officers of principal consolidated subsidiaries.
2. Basic compensation includes retirement benefits paid during the fiscal year (lump-sum retirement benefit payments divided by the number of years of service).
3. “Other” in the above chart is the Share-based variable portion, and the amount reported as an expense during the fiscal year of performance share units which were adopted from July 2017.

6. Other Matters for Reference Regarding Remuneration System of the Resona Group Relevant Officers and Employees

Kansai Urban Banking Corporation and Kinki Osaka Bank, which are wholly-owned subsidiaries of Kansai Mirai Financial Group, merged and became Kansai Mirai Bank on April 1, 2019.

Resona Bank and Saitama Resona Bank made a transition from companies with Board of Corporate Auditors to companies with Audit and Supervisory Committee as per a resolution at the Ordinary General Meeting of Shareholders held in June 2019.