STATUS OF CAPITAL ADEQUACY/ BASEL DATA SECTION

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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: 30
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 Mirai Bank, Ltd.	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
Kansai Mirai Guarantee Co., Ltd.	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
Resona Corporate Investment Co., Ltd.	Management of investment business partnership assets
P.T. Bank Resona Perdania	Banking business
P.T. Resona Indonesia Finance	Finance leasing
Resona Merchant Bank Asia, Ltd.	Financing business and consulting services
13 other companies	

■ 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

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, 2021	As of March 31, 2020
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		**1,836,150**	1,733,490
of which: capital and capital surplus		**66,321**	50,472
of which: retained earnings		**1,796,476**	1,720,062
of which: treasury stock (–)		**2,478**	12,880
of which: earnings to be distributed (–)		**24,169**	24,164
of which: other than the above		**—**	—
Accumulated other comprehensive income included in Core Capital		**(36,329)**	(42,345)
of which: foreign currency translation adjustments		**(5,851)**	(1,942)
of which: remeasurements of defined benefit plans		**(30,478)**	(40,402)
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)		**79,785**	100,350
Reserves included in Core Capital: instruments and reserves		**54,191**	29,023
of which: general reserve for possible loan losses		**4,039**	3,664
of which: eligible provisions		**50,152**	25,358
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		**43,538**	60,488
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		**7,819**	10,556
Non-controlling interests included in Core Capital subject to transitional arrangements		**91,183**	120,841
Core Capital: instruments and reserves	(A)	**2,076,337**	2,012,406
Core Capital: regulatory adjustments			
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)		**37,023**	34,545
of which: goodwill (including those equivalent)		**—**	—
of which: other intangible fixed assets other than goodwill and mortgage servicing rights		**37,023**	34,545
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		**2,978**	4,411
Shortfall of eligible provisions to expected losses		**—**	—
Gain on sale related to securitization transactions		**2,362**	3,638
Gains and losses due to changes in own credit risk on fair valued liabilities		**—**	—
Net defined benefit asset		**30,505**	22,565
Investments in own shares (excluding those reported in the Net Assets)		**29**	236
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		**—**	—
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)		**—**	—
Core Capital: regulatory adjustments	(B)	**72,897**	65,396
Total capital			
Total capital	((A)-(B)) (C)	**2,003,440**	1,947,009
Risk weighted assets			
Credit risk weighted assets		**15,856,984**	16,136,646
Total of items included in risk weighted assets subject to transitional arrangements		**57,918**	58,649
of which: Other Financial Institutions Exposures		**—**	—
of which: other than the above		**57,918**	58,649
Amount equivalent to market risk x 12.5		**59,718**	52,322
Amount equivalent to operational risk x 12.5		**1,083,119**	1,102,733
Credit risk weighted assets adjustments		**352,171**	136,072
Amount equivalent to operational risk adjustments		**—**	—
Total amount of risk weighted assets	(D)	**17,351,993**	17,427,775
Capital adequacy ratio (consolidated)			
Capital adequacy ratio (consolidated)	((C)/(D))	**11.54**	11.17

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 and Leverage 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	2021	2020
Capital requirements for credit risk	**1,113,187**	1,123,346
Standardized Approach	**41,870**	45,087
IRB Approach	**1,068,091**	1,073,941
Corporate exposures (excluding specialized lending)	**743,559**	735,184
Specialized lending	**22,468**	21,758
Sovereign exposures	**9,349**	9,055
Bank exposures	**11,434**	16,913
Residential mortgage exposures	**169,896**	173,890
Qualifying revolving retail exposures	**5,589**	6,536
Other retail exposures	**62,165**	67,768
Purchased receivables exposures	**19,689**	18,279
Other IRB exposures	**23,939**	24,553
Securitization exposures	**3,225**	4,318
Capital requirements for credit risk of equity exposures in the IRB Approach	**61,356**	60,297
Market-Based Approach (Simple Risk Weight Method)	**7,930**	7,138
PD/LGD Approach	**42,505**	44,340
Exposure related to the fund-raising methods of other financial institutions other than equity exposure	**10,920**	8,818
Other	**0**	0
Capital requirements for exposures relating to equity investments in funds	**45,557**	58,608
Look-through approach	**42,975**	57,404
Mandate-based approach	**—**	—
Simple approach 250%	**1,133**	83
Simple approach 400%	**920**	890
Fall-back approach 1,250%	**527**	230
Capital requirements for CVA risk	**6,668**	7,571
Capital requirements for exposure to the Central Counterparty	**296**	428
Exposure related to portions of specified items that cannot be included in regulatory adjustment	**36,857**	35,987
Amount of items included in risk weighted assets subject to transitional arrangements	**4,633**	4,691
Floor adjustment	**28,173**	10,885
Total	**1,296,732**	1,301,817

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	2021	2020
Standardized approach	**4,777**	4,185
Interest rate risk	**2,759**	2,665
Equity risk	**—**	—
Foreign exchange risk	**452**	180
Commodity risk	**—**	—
Option transactions	**1,565**	1,340

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	2021	2020
The Standardized Approach	**86,649**	88,218

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	2021	2020
Total consolidated capital requirement	**1,388,159**	1,394,222

Note: Total consolidated capital requirement is calculated by multiplying the Total amount of risk-weighted assets 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	1,836,150	—	—
Kansai Mirai Financial Group, Inc., P.T. Bank Resona Perdania, others	Non-controlling Interests	170,968	—	—

■ 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. 8 Unsecured Subordinated Bonds	848	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	6,689	Fixed 1.780%	March 15, 2022	—	—
Resona Bank, Ltd.	No. 12 Unsecured Subordinated Bonds	16,000	Fixed 2.464%	March 15, 2027	—	—

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 four 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), and S&P Global Ratings (S&P). These rating agencies are those designated by the Financial Services Agency, as of March 31, 2021, and are "qualified rating agencies" for the purposes of Basel 3.
Qualified rating agencies with no usage record are omitted, starting from the year ended March 31, 2021.

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)
Investment funds (exposures relating to equity investments in funds)	Same as the above
Securitized products Structured finance	Same as the above
Other than the above	Same as the above

■ 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, 2021					
	Total					Past due three months or more, or default
		Loans and bills discounted, foreign exchange, etc.	Securities	Off-balance sheet transactions	Derivatives transactions	
By Region						
Japan	83,800,306	64,561,907	5,847,712	12,377,398	156,984	551,203
Overseas	143,166	131,968	5,520	1,382	358	1,352
Total	83,943,473	64,693,875	5,853,233	12,378,781	157,342	552,556
By Industry						
Manufacturing	3,922,309	2,948,377	367,631	583,579	22,160	81,728
Agriculture and forestry	32,853	29,114	1,171	2,457	95	2,041
Fishery	2,030	2,026	—	2	1	—
Mining, quarrying of stone, gravel extraction	15,671	12,340	2,131	1,112	87	910
Construction	914,171	722,781	79,661	108,568	3,112	18,133
Electricity, gas, heating, water	445,680	380,890	25,604	32,754	6,411	2,605
Information and communication	404,115	319,573	40,246	42,987	1,200	7,088
Transportation, postal services	997,242	846,799	66,175	80,085	4,041	33,790
Wholesale and retail trade	3,106,568	2,658,597	223,585	208,867	14,692	106,517
Finance and insurance	2,453,585	845,619	173,627	1,199,333	58,788	2,761
Real estate	8,328,556	8,130,775	56,450	110,642	29,877	103,894
Goods rental and leasing	455,978	423,926	13,366	18,078	607	2,080
Services	2,755,577	2,430,384	111,913	197,679	14,772	98,341
Individuals	14,326,590	14,250,958	—	75,438	—	76,564
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	43,290,712	29,736,659	3,883,360	9,662,870	1,133	296
Foreign central governments and central banks, etc.	799,684	1,429	798,254	—	—	3
Others	1,692,143	953,618	10,053	54,320	361	15,798
Total	83,943,473	64,693,875	5,853,233	12,378,781	157,342	552,556
By Residual Contractual Maturity						
One year or less	8,443,023	5,571,227	392,345	2,431,439	32,465	/
One year to less than three years	3,639,937	2,660,566	568,010	343,529	28,157	/
Three years to less than five years	6,487,956	3,435,893	1,142,949	1,836,950	22,371	/
Five years to less than seven years	2,698,054	2,228,593	356,650	53,656	27,481	/
Over seven years	27,830,254	24,559,094	2,976,684	215,625	46,506	/
Exposures with no maturity dates	34,844,247	26,238,499	416,593	7,497,579	361	/
Total	83,943,473	64,693,875	5,853,233	12,378,781	157,342	/

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.

6. Out of the totals above, the credit risk exposure calculated by applying the IRB approach was ¥83,166,425 million, and the credit risk exposure calculated by applying the Standardized Approach (including exposure related to the central counterparty) was ¥777,047 million.

	As of March 31, 2020					
	Total					Past due three months or more, or default
		Loans and bills discounted, foreign exchange, etc.	Securities	Off-balance sheet transactions	Derivatives transactions	
By Region						
Japan	62,283,497	52,678,928	4,677,363	3,728,246	223,225	536,870
Overseas	169,827	143,379	12,106	9,604	231	3,355
Total	62,453,324	52,822,308	4,689,470	3,737,850	223,456	540,225
By Industry						
Manufacturing	3,789,374	2,995,400	366,535	407,229	20,135	102,561
Agriculture and forestry	35,109	31,950	1,309	1,734	107	633
Fishery	2,520	2,500	—	17	2	—
Mining, quarrying of stone, gravel extraction	15,615	12,063	1,500	1,943	108	1,161
Construction	896,528	730,858	69,783	92,662	3,129	20,102
Electricity, gas, heating, water	417,553	342,072	24,592	43,162	7,726	445
Information and communication	404,483	332,005	37,844	32,756	1,756	7,781
Transportation, postal services	918,156	782,457	65,362	65,983	3,932	45,781
Wholesale and retail trade	3,120,826	2,744,089	213,130	146,798	15,940	95,825
Finance and insurance	2,509,055	1,240,724	175,274	691,966	118,894	2,976
Real estate	8,457,193	8,275,204	53,793	93,235	32,024	92,161
Goods rental and leasing	480,154	449,662	14,262	15,469	759	1,762
Services	2,662,401	2,392,229	99,870	151,883	17,010	61,048
Individuals	13,973,246	13,892,341	—	80,450	—	86,702
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	22,563,125	17,691,768	3,001,384	1,859,254	1,690	328
Foreign central governments and central banks, etc.	550,020	1,685	548,335	—	—	2
Others	1,657,959	905,294	16,490	53,301	238	20,950
Total	62,453,324	52,822,308	4,689,470	3,737,850	223,456	540,225
By Residual Contractual Maturity						
One year or less	5,159,417	3,028,459	747,770	1,298,263	65,720	/
One year to less than three years	3,704,151	2,615,728	704,421	275,582	48,335	/
Three years to less than five years	4,559,254	3,307,746	918,894	237,730	21,781	/
Five years to less than seven years	2,474,281	2,122,410	190,944	68,730	31,208	/
Over seven years	25,095,497	23,153,360	1,688,800	139,893	56,172	/
Exposures with no maturity dates	21,460,721	18,594,602	438,637	1,717,650	238	/
Total	62,453,324	52,822,308	4,689,470	3,737,850	223,456	/

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.

6. Out of the totals above, the credit risk exposure calculated by applying the IRB approach was ¥61,523,525 million, and the credit risk exposure calculated by applying the Standardized Approach (including exposure related to the central counterparty) was ¥929,799 million.

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

(Millions of yen)

Years ended March 31,	2021			2020		
	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	**97,774**	**17,214**	**114,989**	95,063	2,711	97,774
Special reserve for certain overseas loans	**2**	**(1)**	**1**	0	2	2

Note: General Reserve for Possible Loan Losses and Special Reserve for Certain Overseas Loans are not categoraized by region, industry.

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

(Millions of yen)

Year ended March 31,	2021		
	Balance at beginning of fiscal year	Increase/(decrease) during the fiscal year	Balance at end of fiscal year
By Region			
Japan	**62,444**	**12,653**	**75,097**
Overseas	**—**	**—**	**—**
Total	**62,444**	**12,653**	**75,097**
By Industry			
Manufacturing	**13,121**	**1,420**	**14,542**
Agriculture and forestry	**109**	**532**	**642**
Fishery	**—**	**—**	**—**
Mining, quarrying of stone, gravel extraction	**783**	**(84)**	**699**
Construction	**2,507**	**125**	**2,632**
Electricity, gas, heating, water	**176**	**(176)**	**—**
Information and communication	**1,342**	**(659)**	**682**
Transportation, postal services	**2,632**	**(336)**	**2,296**
Wholesale and retail trade	**14,293**	**3,262**	**17,555**
Finance and insurance	**69**	**106**	**176**
Real estate	**5,450**	**297**	**5,748**
Goods rental and leasing	**220**	**(96)**	**123**
Services	**13,734**	**9,488**	**23,223**
Individuals	**1,894**	**(130)**	**1,764**
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**—**	**—**	**—**
Foreign central governments and central banks, etc.	**—**	**—**	**—**
Others	**6,107**	**(1,097)**	**5,010**
Total	**62,444**	**12,653**	**75,097**

Year ended March 31,	2020		
	Balance at beginning of fiscal year	Increase/(decrease) during the fiscal year	Balance at end of fiscal year
By Region			
Japan	62,994	(550)	62,444
Overseas	—	—	—
Total	62,994	(550)	62,444
By Industry			
Manufacturing	14,674	(1,552)	13,121
Agriculture and forestry	34	75	109
Fishery	—	—	—
Mining, quarrying of stone, gravel extraction	679	104	783
Construction	2,710	(203)	2,507
Electricity, gas, heating, water	107	68	176
Information and communication	2,255	(912)	1,342
Transportation, postal services	2,842	(209)	2,632
Wholesale and retail trade	12,347	1,945	14,293
Finance and insurance	122	(52)	69
Real estate	4,740	710	5,450
Goods rental and leasing	82	137	220
Services	13,682	52	13,734
Individuals	1,900	(6)	1,894
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	—	—	—
Foreign central governments and central banks, etc.	—	—	—
Others	6,814	(707)	6,107
Total	62,994	(550)	62,444

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,	2021	2020
Manufacturing	**2,391**	2,206
Agriculture and forestry	**132**	94
Fishery	**—**	—
Mining, quarrying of stone, gravel extraction	**—**	14
Construction	**436**	375
Electricity, gas, heating, water	**2,360**	—
Information and communication	**760**	323
Transportation, postal services	**124**	562
Wholesale and retail trade	**5,599**	6,571
Finance and insurance	**107**	5
Real estate	**2,601**	912
Goods rental and leasing	**(9)**	205
Services	**5,501**	3,117
Individuals	**265**	423
Japanese central and local governments, government-affiliated organizations, and local public corporations, etc.	**—**	—
Foreign central governments and central banks, etc.	**—**	—
Others	**4,017**	4,943
Total	**24,289**	19,758

[Exposure Subject to the Standardized Approach]

■ Exposure by Risk Weight Category

(Millions of yen)

As of March 31,	2021		2020	
	With external rating	Without external rating	With external rating	Without external rating
0%	**1,352**	**20,536**	3,353	27,140
10%	**—**	**17,990**	—	22,158
20%	**30,276**	**532**	26,977	2,834
35%	**—**	**167**	—	176
50%	**44,932**	**—**	40,375	77
75%	**—**	**162**	—	657
100%	**2,995**	**466,084**	16,876	487,141
150%	**—**	**15,796**	—	20,406
250%	**—**	**11**	—	11
350%	**—**	**—**	—	—
1,250%	**—**	**—**	—	—
Others	**4**	**13**	0	10
Total	**79,560**	**521,295**	87,583	560,614

Notes: 1. Ratings are limited to those provided by qualified rating agencies.
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, 2021**	As of March 31, 2020
Strong	Under 2 and half years	50%	**13,800**	7,225
	Over 2 and half years	70%	**59,601**	45,822
Good	Under 2 and half years	70%	**60,890**	47,844
	Over 2 and half years	90%	**144,401**	164,889
Satisfactory	No term	115%	**19,037**	27,045
Weak	No term	250%	**10,344**	8,532
Default	No term	0%	**—**	—
Total			**308,075**	301,360

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

Slotting criteria	Residual contractual maturity	Risk weight	**As of March 31, 2021**	As of March 31, 2020
Strong	Under 2 and half years	70%	**—**	—
	Over 2 and half years	95%	**—**	—
Good	Under 2 and half years	95%	**8,844**	1,875
	Over 2 and half years	120%	**1,198**	3,250
Satisfactory	No term	140%	**2,960**	107
Weak	No term	250%	**—**	—
Default	No term	0%	**—**	—
Total			**13,003**	5,232

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

(Millions of yen)

As of March 31,	**2021**	2020
Risk weight		
300%	**21,608**	15,572
400%	**7,173**	9,365
Total	**28,782**	24,938

■ Corporate Exposures and Equity Exposures subject to PD/LGD Approach

(Millions of yen)

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
	As of March 31, 2021							
Corporate exposures (Note 2)	/	/	/	/	17,982,857	1,830,054	1,545,559	75.00%
SA, A	0.12%	29.54%	/	21.64%	5,247,514	1,032,361	798,580	75.00%
B–E	0.91%	27.99%	/	50.45%	11,089,656	745,009	712,331	75.00%
F, G	9.06%	27.75%	/	106.43%	1,241,848	46,791	32,150	75.00%
Default	100.00%	33.62%	38.60%	16.54%	403,837	5,891	2,496	75.00%
Sovereign exposures	/	/	/	/	34,328,594	9,664,004	—	—
SA, A	0.00%	34.84%	/	0.22%	34,309,683	9,663,647	—	—
B–E	0.90%	33.42%	/	72.71%	18,611	357	—	—
F, G	14.05%	32.68%	/	145.59%	0	—	—	—
Default	100.00%	17.94%	17.47%	5.83%	299	—	—	—
Bank exposures	/	/	/	/	480,341	825,534	25,700	75.00%
SA, A	0.09%	14.21%	/	9.03%	445,977	804,627	—	—
B–E	0.58%	32.27%	/	39.57%	34,363	20,907	25,700	75.00%
F, G	—	—	/	—	—	—	—	—
Default	—	—	—	—	—	—	—	—
Equity exposures subject to PD/LGD approach	/	/	/	/	368,238	—	—	—
SA, A	0.09%	90.00%	/	108.11%	285,727	—	—	—
B–E	0.64%	90.00%	/	210.84%	77,862	—	—	—
F, G	8.48%	90.00%	/	516.96%	3,967	—	—	—
Default	100.00%	90.00%	/	1125.00%	681	—	—	—
Purchased receivables (Corporate)	/	/	/	/	379,148	6,160	7,146	75.00%
SA, A	0.05%	39.97%	/	18.38%	211,740	1,319	1,359	75.00%
B–E	2.37%	36.91%	/	95.33%	152,409	4,840	5,787	75.00%
F, G	8.08%	32.63%	/	130.55%	14,060	—	—	—
Default	100.00%	32.68%	41.70%	—	938	—	—	—

Notes: 1. Weighted average figures based on EAD

2. Specialized lending exposure subject to supervisory slotting criteria is not included.

(Millions of yen)

Credit rating	As of March 31, 2020							
	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
Corporate exposures (Note 2)	/	/	/	/	18,055,197	1,190,469	1,079,648	75.00%
SA, A	0.12%	31.24%	/	23.51%	5,249,996	543,925	540,456	75.00%
B–E	0.94%	28.08%	/	51.29%	11,401,229	604,508	519,099	75.00%
F, G	9.20%	26.68%	/	100.43%	1,033,430	35,516	15,904	75.00%
Default	100.00%	34.25%	39.27%	20.23%	370,540	6,519	4,188	75.00%
Sovereign exposures	/	/	/	/	21,156,955	1,860,944	—	—
SA, A	0.00%	34.23%	/	0.43%	21,145,018	1,860,489	—	—
B–E	0.91%	34.25%	/	72.30%	11,605	455	—	—
F, G	—	—	/	—	—	—	—	—
Default	100.00%	19.25%	18.79%	5.73%	330	—	—	—
Bank exposures	/	/	/	/	805,978	635,162	25,755	75.00%
SA, A	0.11%	22.73%	/	13.57%	778,020	532,499	—	—
B–E	0.50%	13.70%	/	16.53%	27,957	102,662	25,755	75.00%
F, G	—	—	/	—	—	—	—	—
Default	—	—	—	—	—	—	—	—
Equity exposures subject to PD/LGD approach	/	/	/	/	382,799	—	—	—
SA, A	0.09%	90.00%	/	110.19%	298,235	—	—	—
B–E	0.61%	90.00%	/	208.08%	80,484	—	—	—
F, G	7.97%	90.00%	/	506.54%	3,088	—	—	—
Default	100.00%	90.00%	/	1125.00%	991	—	—	—
Purchased receivables (Corporate)	/	/	/	/	375,334	5,864	7,152	75.00%
SA, A	0.06%	40.13%	/	19.68%	227,062	1,785	2,381	75.00%
B–E	1.86%	38.38%	/	91.97%	141,817	4,078	4,771	75.00%
F, G	8.29%	33.02%	/	143.30%	5,953	—	—	—
Default	48.67%	73.27%	45.00%	66.14%	500	—	—	—

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

■ Retail Exposures

(Millions of yen)

	As of March 31, 2021							
	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	**/**	**/**	**/**	**/**	**12,876,554**	**12,134**	**—**	**—**
Non-default	**0.62%**	**24.96%**	**/**	**15.51%**	**12,814,027**	**12,069**	**—**	**—**
Default	**100.00%**	**25.65%**	**23.77%**	**23.45%**	**62,526**	**64**	**—**	**—**
Qualifying revolving retail exposures	**/**	**/**	**/**	**/**	**94,175**	**46,302**	**497,864**	**9.30%**
Non-default	**2.70%**	**65.33%**	**/**	**46.96%**	**93,846**	**46,262**	**497,588**	**9.30%**
Default	**100.00%**	**68.40%**	**66.07%**	**29.07%**	**329**	**39**	**276**	**14.41%**
Other retail exposures	**/**	**/**	**/**	**/**	**2,666,449**	**26,483**	**54,189**	**35.43%**
Non-default	**1.24%**	**32.84%**	**/**	**27.10%**	**2,604,915**	**26,304**	**54,051**	**35.42%**
Default	**100.00%**	**38.99%**	**36.41%**	**32.24%**	**61,533**	**179**	**138**	**37.30%**
Purchased receivables (Retail)	**/**	**/**	**/**	**/**	**36,542**	**—**	**—**	**—**
Non-default	**0.72%**	**21.14%**	**/**	**17.10%**	**36,103**	**—**	**—**	**—**
Default	**100.00%**	**26.33%**	**24.34%**	**24.85%**	**439**	**—**	**—**	**—**

	As of March 31, 2020							
	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	/	/	/	/	12,429,282	14,723	—	—
Non-default	0.69%	25.24%	/	16.45%	12,355,598	14,544	—	—
Default	100.00%	25.96%	24.28%	20.97%	73,683	179	—	—
Qualifying revolving retail exposures	/	/	/	/	109,067	48,060	496,790	9.67%
Non-default	2.89%	65.31%	/	49.12%	108,707	48,002	496,368	9.67%
Default	100.00%	70.32%	68.30%	25.31%	359	58	422	13.80%
Other retail exposures	/	/	/	/	2,881,576	27,558	53,048	36.89%
Non-default	1.26%	33.44%	/	27.48%	2,816,211	27,346	52,849	36.92%
Default	100.00%	38.86%	36.68%	27.26%	65,364	211	199	28.12%
Purchased receivables (Retail)	/	/	/	/	48,222	64	64	100.00%
Non-default	0.75%	20.72%	/	16.97%	47,686	64	64	100.00%
Default	100.00%	32.08%	30.29%	22.42%	536	—	—	—

Note: Weighted average figures based on EAD

■ Actual Losses by Types of Exposures and Comparison to the Result of the Year Before

(Millions of yen)

Years ended March 31,	2021	2020
Resona Holdings, Inc. (Consolidated) (Note 4)	**57,435**	22,972
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + Kansai Mirai Financial Group, Inc. (Note 4)	**53,649**	20,282
Corporate exposures	**24,216**	9,703
Sovereign exposures	**(1)**	1
Bank exposures	**—**	—
Residential mortgage exposures	**7,707**	54
Qualifying revolving retail exposures	**9**	10
Other retail exposures	**3,420**	4,016
Resona Bank, Ltd. (Consolidated) (Note 4)	**34,908**	9,292
Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**32,390**	9,591
Corporate exposures	**12,028**	1,851
Sovereign exposures	**(1)**	1
Bank exposures	**—**	—
Residential mortgage exposures	**7,674**	(122)
Qualifying revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**1,976**	1,797
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 4)	**9,039**	4,465
Corporate exposures	**4,396**	2,857
Sovereign exposures	**—**	—
Bank exposures	**—**	—
Residential mortgage exposures	**(68)**	(10)
Qualifying revolving retail exposures (Note 3)	**—**	—
Other retail exposures	**465**	129
Kansai Mirai Financial Group, Inc. (Note 4)	**12,219**	6,224
Corporate exposures	**7,791**	4,994
Sovereign risk exposures	**—**	—
Bank exposures	**—**	—
Residential mortgage exposures	**100**	186
Qualifying revolving retail exposures	**9**	10
Other retail exposures	**978**	2,088

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, 2021 amounted to ¥57.4 billion, ¥34.4 billion higher than in the previous fiscal year.

The principal reason is a ¥17.7 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, 2020 (Note 4)		Year ended March 31, 2021
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	/	/	**57,435**
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + The Kinki Osaka Bank, Ltd. (Non-Consolidated) (Note 7)	**254,718**	**20,188**	**53,649**
Corporate exposures	**212,163**	**9,927**	**24,216**
Sovereign exposures	**166**	**166**	**(1)**
Bank exposures	**639**	**639**	**—**
Residential mortgage exposures	**3,892**	**348**	**7,707**
Qualifying revolving retail exposures	**618**	**582**	**9**
Other retail exposures	**35,345**	**6,636**	**3,420**
Resona Bank, Ltd. (Consolidated) (Note 7)	/	/	**34,908**
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**121,292**	**17,893**	**32,390**
Corporate exposures	**103,262**	**13,431**	**12,028**
Sovereign exposures	**59**	**59**	**(1)**
Bank exposures	**541**	**541**	**—**
Residential mortgage exposures	**1,529**	**642**	**7,674**
Qualifying revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**14,624**	**1,946**	**1,976**
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	**30,639**	**3,872**	**9,039**
Corporate exposures	**23,989**	**3,472**	**4,396**
Sovereign exposures	**21**	**21**	**—**
Bank exposures	**22**	**22**	**—**
Residential mortgage exposures	**710**	**84**	**(68)**
Qualifying revolving retail exposures (Note 3)	**—**	**—**	**—**
Other retail exposures	**5,859**	**237**	**465**
Kansai Mirai Financial Group, Inc. (Note 7)	**102,786**	**(1,577)**	**12,219**
Corporate exposures	**84,911**	**(6,976)**	**7,791**
Sovereign exposures	**84**	**84**	**—**
Bank exposures	**74**	**74**	**—**
Residential mortgage exposures	**1,652**	**(378)**	**100**
Qualifying revolving retail exposures	**618**	**582**	**9**
Other retail exposures	**14,861**	**4,453**	**978**

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, 2020.
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, 2019 (Note 4)		Year ended March 31, 2020
	Estimated losses	Estimated losses after deduction of reserves (Note 5)	Actual losses (Note 6)
Resona Holdings, Inc. (Consolidated) (Notes 1, 2 and 7)	/	/	22,972
Resona Bank, Ltd. (Non-Consolidated) + Saitama Resona Bank, Ltd. (Non-Consolidated) + Kansai Mirai Financial Group, Inc. (Note 7)	232,008	747	20,282
Corporate exposures	194,781	(6,250)	9,703
Sovereign exposures	129	128	1
Bank exposures	484	484	—
Residential mortgage exposures	3,452	(64)	54
Qualifying revolving retail exposures	287	251	10
Other retail exposures	31,498	4,841	4,016
Resona Bank, Ltd. (Consolidated) (Note 7)	/	/	9,292
Resona Bank, Ltd. (Non-Consolidated) (Note 7)	122,004	11,752	9,591
Corporate exposures	103,820	7,711	1,851
Sovereign exposures	46	46	1
Bank exposures	432	432	—
Residential mortgage exposures	1,511	458	(122)
Qualifying revolving retail exposures (Note 3)	—	—	—
Other retail exposures	14,917	1,831	1,797
Saitama Resona Bank, Ltd. (Non-Consolidated) (Note 7)	32,613	1,104	4,465
Corporate exposures	25,568	1,358	2,857
Sovereign exposures	9	9	—
Bank exposures	8	8	—
Residential mortgage exposures	740	34	(10)
Qualifying revolving retail exposures (Note 3)	—	—	—
Other retail exposures	6,217	(360)	129
Kansai Mirai Financial Group, Inc. (Note 7)	77,391	(12,110)	6,224
Corporate exposures	65,393	(15,319)	4,994
Sovereign exposures	72	72	—
Bank exposures	43	43	—
Residential mortgage exposures	1,201	(557)	186
Qualifying revolving retail exposures	287	251	10
Other retail exposures	10,364	3,371	2,088

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) of Resona Bank, Ltd. and Saitama Resona Bank, Ltd. as of March 31, 2019, and that of Kansai Mirai Financial Group, Inc. as of March 31, 2020.
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, 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.

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, 2021		
	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	**92,411**	**1,425,472**	**1,517,884**
Corporate exposures	**72,027**	**1,424,964**	**1,496,991**
Sovereign exposures	**50**	**—**	**50**
Bank exposures	**20,334**	**508**	**20,842**
Standardized Approach	**2,257**	/	**2,257**
Total	**94,669**	**1,425,472**	**1,520,141**

	As of March 31, 2021		
	Guarantees	Credit derivatives	Total
Internal Ratings-based Approach	**2,711,001**	**—**	**2,711,001**
Corporate exposures	**1,223,740**	**—**	**1,223,740**
Sovereign exposures	**54,106**	**—**	**54,106**
Bank exposures	**—**	**—**	**—**
Residential mortgage exposures	**442,689**	**—**	**442,689**
Qualifying revolving retail exposures	**—**	**—**	**—**
Other retail exposures	**990,465**	**—**	**990,465**
Standardized Approach	**29**	**—**	**29**
Total	**2,711,031**	**—**	**2,711,031**

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, 2020		
	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	77,631	1,468,878	1,546,510
Corporate exposures	77,352	1,468,162	1,545,514
Sovereign exposures	50	—	50
Bank exposures	228	716	945
Standardized Approach	3,331	/	3,331
Total	80,963	1,468,878	1,549,842

	As of March 31, 2020		
	Guarantees	Credit derivatives	Total
Internal Ratings-based Approach	1,662,725	—	1,662,725
Corporate exposures	571,212	—	571,212
Sovereign exposures	39,735	—	39,735
Bank exposures	—	—	—
Residential mortgage exposures	477,046	—	477,046
Qualifying revolving retail exposures	—	—	—
Other retail exposures	574,730	—	574,730
Standardized Approach	37	—	37
Total	1,662,763	—	1,662,763

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.

Derivative Transactions

■ Status of Derivative Transactions and Long-Settlement Transactions

(Millions of yen)

	As of March 31, 2021	
	Gross replacement cost	Credit equivalent amount
Long-settlement transactions	**—**	**—**
Interest rate related		
Interest rate swaps	**64,036**	**94,926**
Interest rate options	**172**	**201**
Subtotal	**64,209**	**95,128**
Currency-related		
Currency swaps	**3,847**	**19,838**
Currency options	**1,354**	**3,311**
Forward contracts	**22,270**	**38,248**
Subtotal	**27,471**	**61,397**
Credit default swaps (Note 2)	**157**	**816**
Subtotal	**91,838**	**157,342**
Credit risk mitigation under close-out netting contracts	**/**	**17,481**
Credit risk mitigation by pledged collateral (Note 3)	**/**	**8,469**
Total (after netting / adjusting collateral) (Note 4)	**/**	**131,392**

	As of March 31, 2020	
	Gross replacement cost	Credit equivalent amount
Long-settlement transactions	0	0
Interest rate related		
Interest rate swaps	93,738	131,622
Interest rate options	233	279
Subtotal	93,972	131,902
Currency-related		
Currency swaps	27,244	48,349
Currency options	2,912	5,780
Forward contracts	18,728	36,094
Subtotal	48,886	90,224
Credit default swaps (Note 2)	229	1,330
Subtotal	143,087	223,456
Credit risk mitigation under close-out netting contracts	/	48,911
Credit risk mitigation by pledged collateral (Note 3)	/	27,958
Total (after netting / adjusting collateral) (Note 4)	/	146,587

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, Inc.
3. The effect of credit risk mitigation of collateralized derivative transactions as of March 31, 2021 is as follows. Collateral is composed entirely of cash.
(1) Collateral placed: 1,747 millions of yen
(2) Collateral held: 10,216 millions of yen
(2)-(1): 8,469 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, 2021**	As of March 31, 2020
Protection bought	**6,588**	11,010
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, 2021.
Qualified rating agencies with no usage record are omitted, starting from the year ended March 31, 2021.

- 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)

■ 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, 2021											
	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	**—**	**17,711**	**9,234**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**26,946**	**880**
Risk weight:												
To 20%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Over 20% to 100%	**—**	**17,711**	**9,234**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**26,946**	**880**
Over 100% to 1,250%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
1,250% (Note 1)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Capital increase due to securitization transactions	**—**	**2,028**	**333**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2,362**	**2,362**

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, 2020											
	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	—	17,711	9,234	—	—	—	—	—	—	—	26,946	965
Risk weight:												
To 20%	—	—	—	—	—	—	—	—	—	—	—	—
Over 20% to 100%	—	17,711	9,234	—	—	—	—	—	—	—	26,946	965
Over 100% to 1,250%	—	—	—	—	—	—	—	—	—	—	—	—
1,250% (Note 1)	—	—	—	—	—	—	—	—	—	—	—	—
Capital increase due to securitization transactions	—	3,087	551	—	—	—	—	—	—	—	3,638	3,638

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.

(2) Re-securitization exposure

None

2. Underlying Assets

(Millions of yen)

	As of March 31, 2021										
	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	**—**	**91,949**	**21,252**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**113,201**
Asset transfer-type securitizations	**—**	**91,949**	**21,252**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**113,201**
Past due three months or more, or default	**—**	**18**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**18**
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 2020 to March 2021.

	As of March 31, 2020										
	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	—	97,161	24,304	—	—	—	—	—	—	—	121,466
Asset transfer-type securitizations	—	97,161	24,304	—	—	—	—	—	—	—	121,466
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)	—	97,711	—	—	—	—	—	—	—	—	97,711
Amount of gain (loss) recognized for the period in connection with securitization transactions (Note)	—	3,087	—	—	—	—	—	—	—	—	3,087
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 2019 to March 2020.

■ 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, 2021											
	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	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**10,673**	**—**	**9,663**	**20,337**	**841**
Risk weight:												
To 20%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**2,234**	**—**	**6,336**	**8,570**	**113**
Over 20% to 100%	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**8,439**	**—**	**3,327**	**11,766**	**727**
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, 2020											
	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	—	—	—	—	—	—	—	22,878	—	8,313	31,192	1,121
Risk weight:												
To 20%	—	—	—	—	—	—	—	9,995	—	4,317	14,312	190
Over 20% to 100%	—	—	—	—	—	—	—	12,883	—	3,996	16,880	931
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.

(2) Re-securitization exposure

None

2. Underlying Assets

(Millions of yen)

As of March 31, 2021

	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	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**21,698**	**—**	**11,272**	**32,970**
Asset transfer-type securitizations	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**21,698**	**—**	**11,272**	**32,970**
Past due three months or more, or default	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**37**	**37**
Losses during the year (Note 1)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**0**	**—**	**29**	**29**
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)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**52,868**	**—**	**11,765**	**64,633**
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 2020 to March 2021.
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, 2020

	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	—	—	—	—	—	—	—	37,387	—	9,472	46,860
Asset transfer-type securitizations	—	—	—	—	—	—	—	37,387	—	9,472	46,860
Past due three months or more, or default	—	—	—	—	—	—	—	—	—	61	61
Losses during the year (Note 1)	—	—	—	—	—	—	—	22	—	25	47
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)	—	—	—	—	—	—	—	112,616	—	7,842	120,459
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 2019 to March 2020.
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, 2021											
	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	—	144	204	—	—	—	3,200	1,334	—	—	4,882	95
Risk weight:												
To 20%	—	144	204	—	—	—	3,200	—	—	—	3,548	56
Over 20% to 100%	—	—	—	—	—	—	—	1,334	—	—	1,334	38
Over 100% to 1,250%	—	—	—	—	—	—	—	—	—	—	—	—
1,250% (Note 1)	—	—	—	—	—	—	—	—	—	—	—	—

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, 2020											
	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	—	829	432	—	—	—	—	1,821	—	18,577	21,659	824
Risk weight:												
To 20%	—	829	432	—	—	—	—	1,821	—	13,021	16,103	128
Over 20% to 100%	—	—	—	—	—	—	—	—	—	—	—	—
Over 100% to 1,250%	—	—	—	—	—	—	—	—	—	5,556	5,556	695
1,250% (Note 1)	—	—	—	—	—	—	—	—	—	—	—	—

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.

(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,	2021		2020	
	Consolidated balance sheet amount	Market value	Consolidated balance sheet amount	Market value
Listed stocks exposure	**1,001,038**	**1,001,038**	776,906	776,906
Investment/equity exposure other than the above	**115,765**	**115,765**	107,875	107,875
Total	**1,116,804**	**1,116,804**	884,781	884,781

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

(Millions of yen)

Years ended March 31,	2021	2020
Gain on sale	**53,755**	31,216
Loss on sale	**(5,847)**	(25,680)
Write-off	**(920)**	(5,003)
Net gains/(losses)	**46,987**	533

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

(Millions of yen)

As of March 31,	2021	2020
Unrealized gain	**645,544**	405,478

■ 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,	2021	2020
Market-based approach (Simple Risk Weight Method)	**28,782**	24,938
PD/LGD Approach	**368,238**	382,799
Total	**397,020**	407,738

Exposures Relating to Investment Funds

■ Exposures Relating to Equity Investments in Funds

(Millions of yen)

As of March 31,	2021	2020
Exposures relating to equity investments in funds	**747,310**	573,655
Look-through approach	**738,717**	570,404
Mandate-based approach	**—**	—
Simple approach 250%	**5,351**	393
Simple approach 400%	**2,714**	2,626
Fall-back approach 1,250%	**527**	230

Interest Rate Risk

■ 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 decrease in economic value of equity (ΔEVE) for certain interest rate shock scenarios such as parallel up and down 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 equity, and the Company recognizes that there are no issues with respect to interest rate risk management.

Also, as a result of an increase of year-on-year bond investments of Group banks, the interest rate shock scenario with the maximum ΔEVE value has changed to Steepener from Parallel down in the previous fiscal year.

Amounts of decrease in net interest income (ΔNII) are measured for certain interest rate shock scenarios caused by parallel up and down shifts.

(Millions of yen)

Item number		ΔEVE		ΔNII	
		As of March 31, 2021	As of March 31, 2020	**As of March 31, 2021**	As of March 31, 2020
1	Parallel up	**134,255**	16,071	**5,568**	4,291
2	Parallel down	**94,869**	195,612	**110,259**	158,657
3	Steepener	**136,231**	6,531	**/**	/
4	Flattener	**/**	/	**/**	/
5	Short rate up	**/**	/	**/**	/
6	Short rate down	**/**	/	**/**	/
7	Maximum	**136,231**	195,612	**110,259**	158,657
		As of March 31, 2021		As of March 31, 2020	
8	Capital	**2,003,440**		1,947,009	

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 ΔEVE, 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 using the Company's internal models.
4. Prepayments and early withdrawal of time deposits at Resona Bank, Saitama Resona Bank and Kansai Mirai Bank are estimated, by statistical methods based on past prepayment and withdrawal data for each product type using the Company's internal models. For prepayments of housing loans, Minato Bank makes estimates using statistical methods.
5. When aggregating ΔEVE and ΔNII, correlations between currencies are not taken into account, and positive values calculated for each currency are simply combined.
6. In the calculation of ΔEVE and ΔNII, fluctuations in credit risk spreads are not considered.

DISCLOSURE ON REMUNERATION

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■ 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 that have a material impact on Resona Group management. Specifically, these subsidiaries are Resona Bank, Saitama Resona Bank, Kansai Mirai FG, Kansai Mirai Bank, and Minato.

(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 FG, Kansai Mirai Bank, and Minato (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 who are 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 considered to be “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 possesses the authority to set the remuneration policy and the amounts of remuneration of individual Directors and Executive Officers.

Resona Bank, Saitama Resona Bank and Kansai Mirai FG are companies that have 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 their respective shareholders’ meetings. The monthly compensation of individual Directors (excluding Directors who are Audit and Supervisory Committee Members) is decided by the President of the respective companies, who has been delegated this authority by the Board of Directors of the respective companies, based on the total amount of compensation decided at their respective shareholders’ meetings. Furthermore, the monthly compensation of individual Directors who are Audit and Supervisory Committee Members is decided through consultation among the Directors who are Audit and Supervisory Committee Members of the respective companies, within the scope of the total amount of compensation decided at their respective shareholders’ meetings.

In addition, Kansai Mirai FG’s consolidated subsidiaries, Kansai Mirai Bank and Minato, 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’ meetings. 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 Corporate Auditors is decided through consultation among the Corporate Auditors of the respective banks, within the scope of 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 companies is decided by the President, who has been delegated this authority by the Board of Directors of the respective companies.

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 determined 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 2020 to March 2021)
Compensation Committee (Resona Holdings, Inc.)	7
Executive Committee (Resona Bank, Ltd.)	3
Executive Committee (Saitama Resona Bank, Ltd.)	3
Executive Committee (Kansai Mirai Financial Group, Inc.)	3
Executive Committee (Kansai Mirai Bank, Ltd)	2
Executive Committee (The Minato Bank, Ltd.)	2

Notes: 1. The Compensation Committee has four members, all of whom are Outside Directors, and the total amount of remuneration is not stated in the above chart.
2. The number of meetings of the Executive Committees of Resona Bank, Saitama Resona Bank, Kansai Mirai FG, Kansai Mirai Bank, and Minato 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.

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 Company's remuneration policy is determined by the Compensation Committee, which is composed exclusively of independent Outside Directors. An overview of the remuneration policy is as follows.

Compensation System for Directors

Compensation type			Details/payment method	
Position-based	Monetary compensation	Fixed compensation	Position-based compensation (fixed/monetary) ● Payments determined by the nature and scope of responsibilities held by each individual	Monthly payments
Duty-based additional			Duty-based additional compensation (fixed/monetary) ● Payments made to Outside Directors who serve as a member of the Nominating Committee, Compensation Committee and Audit Committee	Monthly payments

Compensation System for Executive Officers

Compensation type			Details/payment method	
Position-based 33-54%	Monetary compensation	Fixed compensation	Position-based compensation (fixed/monetary) ●Payments determined by the nature and scope of responsibilities held by each individual	Monthly payments
Annual incentive 23-33%		Performance-based compensation	Annual incentive (Performance-based/monetary) ●Payments according to the results of the previous fiscal year' s "corporate performance" and "individual performance" Amount varying from as low as zero to as high as 1.7 times the standard amount. Corporate performance: Net income attributable to owners of parent / Consolidated fee income ratio / Consolidated cost-to-income ratio / Common equity Tier 1 capital ratio × Individual performance: ✓ Evaluation of the status of initiatives aimed at helping realize SDGs ✓ Evaluation of the status of medium- to long-term initiatives and annual goals	One annual payment
Medium- to long-term incentive (performance share units) 23-33%	Non-monetary compensation		Medium- to long-term incentive (performance-based/non-monetary) ○From fiscal year 2020, the Company introduced a Board Benefit Trust as performance share units for Executive Officers, covering the period of the medium-term management plan (fiscal year 2020-fiscal year 2022) as the period of evaluation. ○Evaluations are made based on the following indices, with the aims of boosting incentives for officers toward achieving the goals of the medium-term management plan and raising the linkage to shareholder value. Relative TSR (comparison with the TOPIX Total Return Index (Banks) growth rate) Consolidated ROE (based on shareholders' equity) Board Benefit Trust: ✓ Utilize a trust scheme ✓ Payment "in kind" of shares ✓ Secure linage with corporate performance	Payment once in three years (upon conclusion of medium-term management plan)

[Basic Approach]

- Remuneration for directors and executive officers is determined by the Compensation Committee in objective and transparent procedures.
- Compensation systems for directors are focused on rewarding the performance of their primary duty of providing sound supervision for executive officers, and consists of monetary compensation in the form of a position-based portion and a duty-based additional portion.
- Compensation for executive officers is designed to maintain and boost their motivation to carry out their business execution duties. In addition, with the aim of strengthening incentives to promote the Group's sustainable growth and enhance shareholder value over the medium- to long-term, Resona Holdings has adopted medium- to long-term incentives (performance share units).

[Policy on Determining Ratio of Individual Compensation Amount for Directors and Executive Officers]

a. Position-based compensation

Compensation is made in accordance with the nature and scope of responsibilities for each respective position. The composition of position-based compensation in total executive officer compensation is stated in "Compensation System for Executive Officers."

b. Duty-based additional compensation

Duty-based additional compensation is determined by the nature of responsibilities held by each Outside Director who also serves as a member of the Nominating Committee, Compensation Committee and Audit Committee.

c. Annual incentive and medium- to long-term incentive

Executive Officers are compensated through an annual incentive and medium- to long-term incentive in accordance with performance. The composition of compensation paid to executive officers who take senior positions places a greater emphasis on the performance-based portion. The composition of annual incentive and medium- to long-term incentive in overall compensation is stated in "Compensation System for Executive Officers."

(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, the remuneration policy is determined in the Board of Directors. An overview of the remuneration policy is as follows.

Among the Directors, the Representative Director(s), the Directors with executive responsibilities and Executive Officers are stated as "Representative Directors, etc.," and Directors who do not fall under the above categories are stated as "Directors (non-executive)."

The total annual amount of compensation for Directors (Audit and Supervisory Committee Members) is determined at shareholders' meetings, and the amount of compensation for individual Directors is determined through discussions between Directors (Audit and Supervisory Committee Members) within the limits of that amount.

[Basic Approach]

- The total annual amount of compensation for Directors is determined at shareholders' meetings, and within the limits of that amount, Boards of Directors further authorize Representative Directors to determine the details of individual Directors' compensation.
- Compensation for Directors (non-executive) is focused on rewarding performance of their primary duty of providing the sound supervision of Representative Directors, etc., and to further enhance supervisory functions, consists solely of position-based compensation (basic compensation) in accordance with the nature and scope of responsibilities held by each individual.
- Compensation for Representative Directors, etc., are designed to maintain and boost their motivation to execute business tasks, with the performance-based portion accounting for a significant proportion of their total compensation. In addition, with the aim of strengthening the incentive toward promoting the Resona Group's sustainable growth and enhancing medium- to long-term shareholder value, this system includes medium- to long-term incentives (performance share units).

(c) Compensation for officers of Kansai Mirai FG and its consolidated subsidiaries, Kansai Mirai Bank, and Minato.

At Kansai Mirai FG, Kansai Mirai Bank, and Minato, compensation for executive officers comprises position-based compensation and performance-based compensation. Furthermore, performance-based compensation comprises cash-based compensation and stock-based compensation, both of which are paid according to results of the company's performance and individual performance in the previous fiscal year.

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.

The performance-based compensation of Kansai Mirai FG, Kansai Mirai Bank, and Minato will be paid according to each company's performance and individual performance in the previous fiscal year, 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.

Regarding officer compensation for Kansai Mirai FG, Kansai Mirai Bank, and Minato, 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, 2020 to March 31, 2021)

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)	20	832	435	435	—	397	262	—	134
Relevant Employees	28	931	614	614	—	317	217	—	100

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

None.