

Business Results for FY2020 and Future Management Direction



 **Resona Holdings**

May 20, 2021

- I am Masahiro Minami, the president of Resona Holdings. We sincerely thank you for your participation in our IR presentation in the busy schedule today.
- As in the previous year, this time we make it a form of teleconference.
- As for the COVID-19, the situation is still fluctuating.
- We continue to place top priority on fulfilling our social mission as a financial institution and firmly supporting customers through the provision of community-oriented and smooth financial services.
- Now, we will go on to the presentation. Since we made an analyst call after the announcement of our financial results, I will explain it mainly in terms of business strategy today.
- Page 4, please.

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- Abbreviations and definitions of the figures presented in this material are as follows:

[HD] Resona Holdings, [RB] Resona Bank, [SR] Saitama Resona Bank,
[KMFG] Kansai Mirai Financial Group, [KMB] Kansai Mirai Bank*, [MB] Minato Bank
* [KU] Kansai Urban Banking Corporation and [KO] Kinki Osaka Bank merged on April 1, 2019

Negative figures represent items that would reduce net income.

Figures include data for internal administration purpose.

The forward-looking statements contained in this material may be subject to material change due to the following factors.

These factors may include changes in the level of stock price in Japan, any development and change related to the government's and central bank's policies, laws, business practices and their interpretation, emergence of new corporate bankruptcies, changes in the economic environment in Japan and abroad and any other factors which are beyond control of the Resona Group.

These forward-looking statements are not intended to provide any guarantees of the Group's future performance. Please also note that the actual performance may differ from these statements.

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**Outline of Business Results for FY2020
and Updates on Major Businesses**

Efforts for Sustainable Growth

Capital Management

ESG Initiatives

Reference Material

Outline of Financial Results for FY2020

■ Net income attributable to owners of parent: JPY124.4 bn

- Down JPY27.9 bn, or 18.3%, YoY
Progress rate against the full year target ^{*1}: +3.7%

■ Actual net operating profit: JPY224.0 bn

Down JPY17.9 bn, or 7.4%, YoY

● Gross operating profit: JPY639.1 bn, Down JPY19.5 bn, or 2.9%, YoY

- Net interest income from domestic loans and deposits:
Down JPY2.2 bn, YoY
Average loan balance: +6.42%, YoY, Loans rate: down by 7bps, YoY
[Excluding loans to the Japanese government and others]
Average loan balance: +3.25%, YoY, Loans rate: down by 4bps, YoY
Loans bal. surpassed the plan, loans rate was in line with the plan.

- Fee income: Up JPY1.2 bn, YoY, Fee income ratio: 29.9%

Corporate solution and settlement have been robust, AUM has been back on course of recovery.

- Net gains on bonds (including futures): Up JPY2.7 bn, YoY

● Operating expenses: JPY415.5 bn, improved by JPY1.6 bn, YoY

Both personnel and non-personnel expenses decreased.

■ Credit related expenses: JPY57.4 bn (cost)

Increased by JPY34.4 bn, YoY

Provisioned loan loss reserves from a preemptive standpoint by taking into account the potential impact from the long-lasting COVID-19 situation.

■ Completion of making KMFG a wholly-owned subsidiary of HD on April 1, '21

- Accelerate further group synergies and management resources optimization by strengthening the group's management integration
- Implement share buy-back to neutralize dilutive effect on EPS (May 12 – Sep. 30, up to 88 million shares)

HD consolidated (JPY bn)	FY2020 (a)	YoY change (b)	% (c)	Target for FY2021 (d)
Net income attributable to owners of parent	(1) 124.4	(27.9)	(18.3)%	145.0
EPS (yen)	(2) 54.19	(12.08)	(18.2)%	
BPS (yen)	(3) 1,008.82	+104.22	+11.5%	
ROE(s) to holders' equity ^{*2}	(4) 6.88%	(2.03)%		
Gross operating profit	(5) 639.1	(19.5)	(2.9)%	
Net interest income	(6) 417.4	(13.6)		
Net from loans and deposits ^{*3}	(7) 340.3	(2.2)		
Fee income	(8) 191.4	+1.2		
Fee income ratio	(9) 29.9%	+1.0%		
Trust fees	(10) 19.2	+0.1		
Fees and commission income	(11) 172.2	+1.1		
Other operating income	(12) 30.1	(7.1)		
Net gains on bonds (including futures)	(13) 14.0	+2.7		
Operating expenses (excluding group banks' non-recurring items)	(14) (415.5)	+1.6	+0.3%	
Cost income ratio (OIR)	(15) 65.0%	+1.6%		
Actual net operating profit	(16) 224.0	(17.9)	(7.4)%	
Net gains on stocks (including equity derivatives)	(17) 37.2	+27.9		
Credit related expenses, net	(18) (57.4)	(34.4)		
Other gains, net	(19) (19.5)	(3.3)		
Net income before income taxes and non-controlling interests	(20) 184.3	(27.8)	(13.1)%	
Income taxes and other	(21) (54.6)	+2.1		
Net income attributable to non-controlling interests	(22) (5.2)	(2.2)		

^{*1} Full year target of FY2020: JPY120.0 bn

^{*2} Net income attributable to owners of parent / Total shareholders equity (simple sum of the balance at the beginning and the end of the term)²

^{*3} Total of non-consolidated domestic banking accounts of group banks, deposits include NCDs

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- Net income was JPY124.4 bn, a decrease of JPY27.9 bn (-18.3%, YoY), and surpassed the full-year target of JPY120.0 bn by 3.7%.
- Actual net operating profit totaled JPY224.0 bn, an decrease of JPY17.9 bn, -7.4%, YoY.
- Income from domestic loans and deposits decreased by JPY2.2 bn, YoY. Excluding loans to the government and others, average loan balance increased by 3.25%, YoY, and loan rate were down by 4 basis points, YoY. While loan volume surpassed the plan, loan rate was in line with the plan.
- Fee income increased by JPY1.2 bn, YoY. Fee businesses started slowly due to the impact of the COVID-19, but it turned positive YoY for the full fiscal year. I think it is one of the bright signs.
- Expenses improved by JPY1.6 bn, YoY, due to declines in both personnel expenses and non-personnel expenses.
- In the previous fiscal year, the decline in income from loans and deposits (- JPY2.2 bn) was covered by increase in fee income (+JPY1.2 bn) and decline in operating expenses (+JPY1.6 bn) for the first time since FY2008, when the decline in income from domestic loans and deposits began. I understand that there is a great significance for Resona, which has a large housing loans port.
- Credit costs were JPY57.4 bn, an increase of JPY34.4 bn from the previous fiscal year. I will explain this later.
- On April 1, 2021, we completed to make KMFG a wholly-owned subsidiary as planned, and started as a new Resona Group this fiscal year.
- In addition, as previously discussed, we have buy-backed shares with the aim of neutralizing the dilutive effect of EPS from this transaction. In the capital policy section, I would like to explain it later.
- Go to page 5, please.

Updates on Businesses under the COVID-19 Pandemic (1)

Fulfilling our mission as a social infrastructure under the COVID-19 pandemic

Local Communities and Customers

- All domestic branches have maintained the provision of full-line banking services
- Business support including cash flow support
- Expansion of digital channels etc.



(Poster at branches)

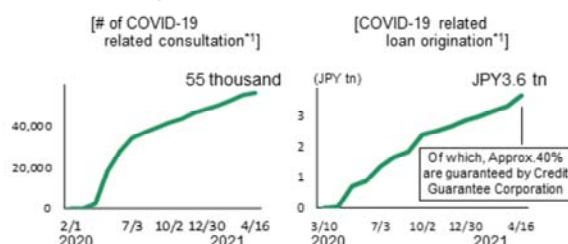
Employees

- Promote diverse working styles such as working from home or at satellite offices
- Expansion of on-line training sessions and education system etc.

Loan businesses trends in FY2020

Loans and cash flow support for corporate customers

- Loans balance surpassed the plan mainly due to increase in loans demand from corporate customers
- Average corporate loan balance excluding loans to HD: +6.31%, YoY



- Response to demand for solutions to strengthen stronger financial base under the circumstance with COVID-19

➢ Utilize JPY31.0 bn of capital support fund**2

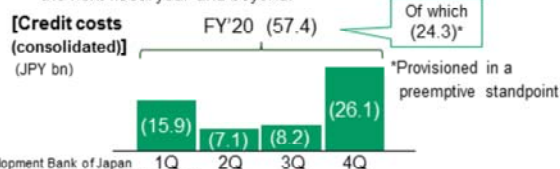
*1. Total of group banks based on the report from each bank *2. Funds cooperated with Development Bank of Japan and Resona stand alone funds *3. Housing loans guarantee subsidiaries' subrogation ratio x (1-collection after subrogation), residential housing loans + apartment loans

Housing loan

- Origination amount continued to be high level due to robust home acquisition demand
- Residential housing loan origination: FY'20 JPY1.3 tn (+6.5%, YoY)
- Provide consultation regarding repayment flexibly
- Sound portfolio Subrogation payment ratio**3: 0.02%

Credit costs

- Provisioned loan loss reserves from a preemptive standpoint by taking into account the potential impact from the long-lasting COVID-19 situation, which reduced downside risks in the next fiscal year and beyond.



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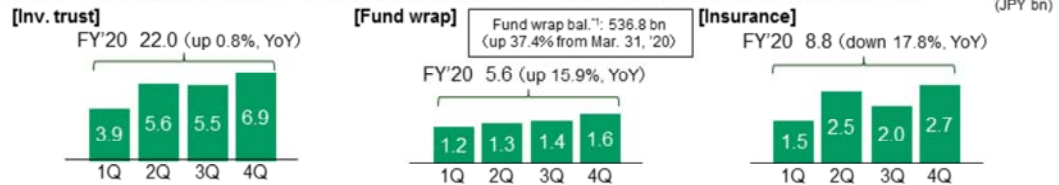
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- Pages 5 and 6 are slides for COVID-19 impacts.
- While the fight against COVID-19 continues, we are working to expand our business support and digital channels, including customer funding support, by continuing to conduct a full line of operations at all domestic locations while taking appropriate measures to ensure the safety of customers and employees.
- In the left-hand side of the middle row, the average balance of loans to corporation (excluding loans to Resona Holdings) increased significantly by 6.31% through support for customers' funding, etc. It was a record growth since Resona was established.
- The number of COVID-19 related consultations reached 55,000 and loan origination expanded to JPY3.6 tn. Approximately 40 percent of these loans were guaranteed by Credit Guarantee Corporation.
- We have also strengthened its equity support by establishing a capital support fund totaling JPY31.0 bn.
- On the right-hand side, the amount of new residential housing loans origination remained at a high level of JPY1.3 tn, up 6.5%, YoY. Subrogation payment ratio continues to be stable at a low level.
- Page 6, please.

Updates on Businesses under the COVID-19 Pandemic (2)

Fee businesses trends in FY2020

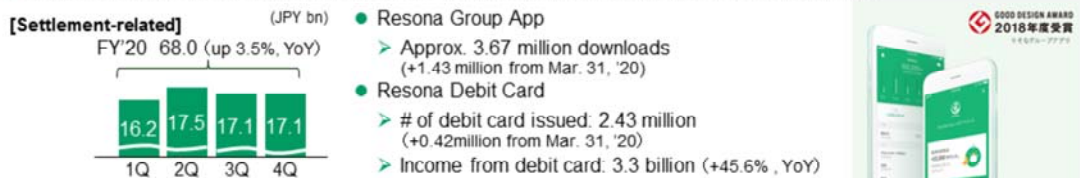
■ Income from asset formation support businesses: On a recovery trend mainly driven by fund wrap



■ Succession (Real estate/M&A) and loan-related income: Succession-related income decreased due to constraint on face-to-face business activities, while loan-related income has been on the rise



■ Settlement and cashless-related Income: On a stable trend mainly due to EB and debit card



*1. Balance of fund wrap (including corporation) of Mar. 31 '21

*2. Income from commitment line, syndicated loans, covenants, and private notes

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- About trends in fee business. I think you can confirm the situation that has gradually recovered over time.
- On a full-year basis, fund wrap, corporate solutions, and settlements increased steadily, while insurance and real estate declined.
- I will touch upon some points that were not mentioned so far by individual slides.
- Please proceed to page 9.

Breakdown of Financial Results

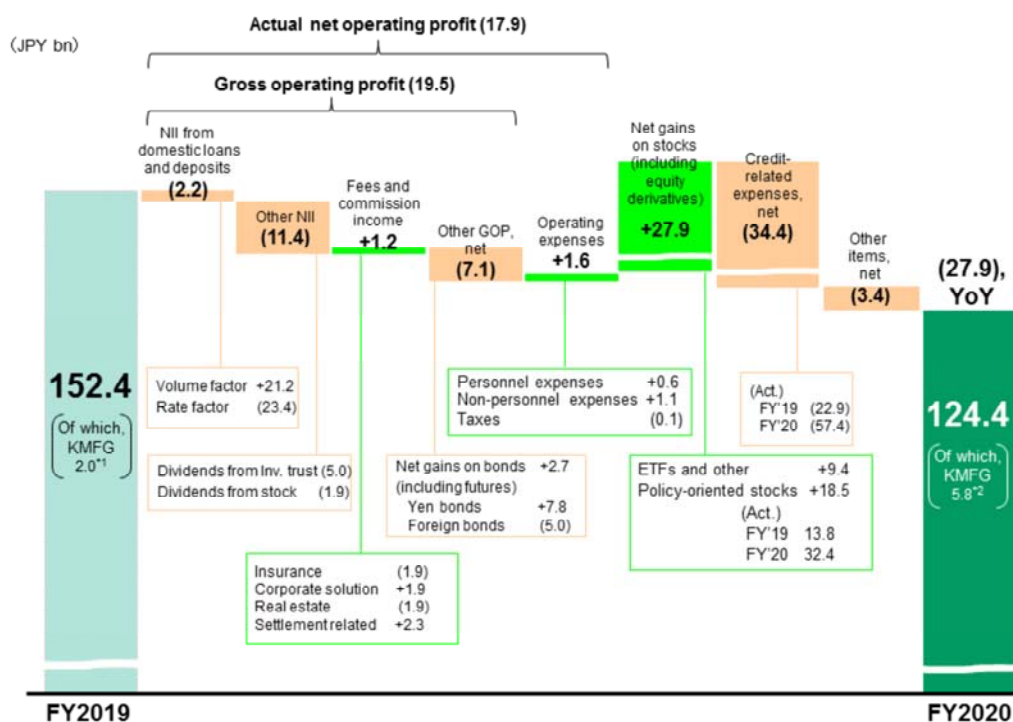
(JPY bn)	Resona Holdings (Consolidated)		Total of group banks		Resona Bank	Saitama Resona Bank	Total of group banks under KMPG	Difference (a)-(c)	
	(a)	YoY (b)	(c)	YoY (d)					
Gross operating profit	(1)	639.1	(19.5)	583.0	(22.3)	339.3	110.5	133.0	56.0
Net interest income	(2)	417.4	(13.6)	410.3	(16.6)	221.5	83.2	106.5	7.1
Nil from domestic loans and deposits	(3)			340.3	(2.2)	173.8	70.1	96.2	
Gains/(losses) on cancellation of investment trusts	(4)	1.6	(1.9)	1.0	(2.4)	(1.6)	(0.0)	2.6	0.5
Fee income	(5)	191.4	+1.2	143.9	+1.5	94.4	26.7	23.7	47.5
Fee income ratio	(6)	29.9%	+1.0%	24.0%	+1.1%	27.8%	23.3%	17.8%	
Trust fees	(7)	19.2	+0.1	19.2	+0.1	19.1	0.0		(0.0)
Fees and commission income	(8)	172.2	+1.1	124.6	+1.3	75.2	25.7	23.7	47.5
Other operating income	(9)	30.1	(7.1)	28.7	(7.2)	23.4	1.5	3.8	1.4
Net gains on bonds (including futures)	(10)	14.0	+2.7	13.9	+2.1	12.9	(0.1)	1.1	0.1
Operating expenses (excluding group banks' non-recurring items)	(11)	(415.6)	+1.6	*1 (390.9)	+2.5	(209.8)	(75.1)	*1 (105.9)	(24.6)
Cost income ratio (OHR)	(12)	65.0%	+1.6%	67.0%	+2.0%	61.8%	67.9%	79.6%	
Actual net operating profit	(13)	224.0	(17.9)	192.0	(19.8)	129.5	35.4	27.1	31.9
Core net operating profit *2 (excluding gains/(losses) on cancellation of investment trusts)	(14)			183.0	(7.4)	122.5	37.1	23.4	
Net gains on stocks (including equity derivatives)	(15)	37.2	+27.9	40.9	+22.2	22.8	14.9	3.1	(3.6)
Credit related expenses, net	(16)	(57.4)	(34.4)	(52.3)	(33.5)	(32.3)	(9.0)	(10.8)	(5.1)
Other gains/(losses), net	(17)	(19.5)	(3.3)	(17.3)	(1.0)	(8.4)	(3.7)	(5.1)	(2.2)
Net income before income taxes	(18)	184.3	(27.8)	163.3	(32.1)	111.5	37.5	14.3	20.9
Income taxes and other	(19)	(54.6)	+2.1	(46.0)	+5.0	(32.3)	(11.1)	(4.5)	
Net income attributable to non-controlling interests	(20)	(5.2)	(2.2)						
Net income (attributable to owners of parent)	(21)	124.4	(27.9)	115.3	(27.1)	79.2	26.3	9.7	

*1. Exclude goodwill amortization by KMB, JPY(0.7) bn, related to acquisition of former Biwako Bank

*2. Actual net operating profit - Gains on cancellation of investment trusts - Net gains on bonds

Factors for the Changes in Net Income Attributable to Owners of Parent (YoY Comparison)

HD
Consolidated



*1. KMFG consolidated net income x 51.2% *2. KMFG consolidated net income(1-3Q) x 51.2%, KMFG consolidated net income(4Q) x 60.4%

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Trend of Loans and Deposits (Domestic Account)

Total of
Group Banks

Average loan / deposit balance, rates and spread

■ FY'20 (YoY)

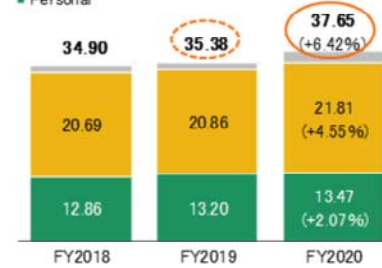
Average loan balance : +6.42%, Loan rate : (7) bps
[Excluding loans to the Japanese government and others]
Average loan balance : +3.25%, Loan rate : (4) bps
=> Full year (plan) +2.13% (3)bps

Avg. bal. : Trillion Yen Income/Cost : Billion Yen		FY 2020		FY2021	
		Act. (a)	YoY *3 (b)	Plan (c)	YoY *3 (d)
Loans	Avg. Bal. (1)	37.65	+6.42%	38.55	+2.39%
	Rate (2)	0.91%	(0.07)%	0.88%	(0.03)%
	Income (3)	345.8	(4.0)	341.3	(4.4)
Corporate Banking Business Unit *1	Avg. Bal. (4)	21.81	+4.55%	22.16	+1.60%
	Rate (5)	0.82%	(0.01)%	0.81%	(0.01)%
Corporate Loan	Avg. Bal. (6)	18.28	+6.31%	18.75	+2.67%
	Rate (7)	0.77%	(0.01)%	0.76%	(0.01)%
Personal Banking Business Unit *2	Avg. Bal. (8)	13.47	+2.07%	13.84	+2.74%
	Rate (9)	1.18%	(0.07)%	1.12%	(0.05)%
Deposits (Including NCDs)	Avg. Bal. (10)	56.04	+7.51%	56.99	+1.69%
	Rate (11)	0.00%	(0.00)%	0.00%	(0.00)%
	Cost (12)	(5.4)	+1.7	(4.7)	+0.7
Loan-to-deposit	Spread (13)	0.90%	(0.06)%	0.87%	(0.03)%
	Net interest income (14)	340.3	(2.2)	336.5	(3.7)

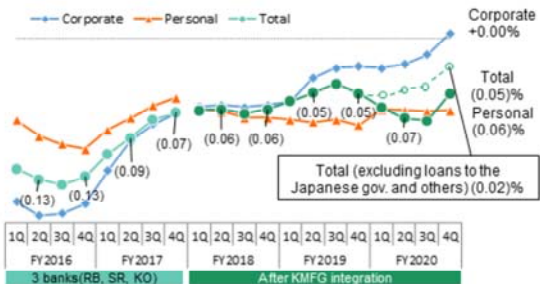
Trend of average loan balance, loan rate change

[Average loan balance (JPY tn)] % represents YoY change

■ Corporate (Excluding loans to HD)
■ Personal



[Loan rate YoY change (%)]



*1. Corporate Banking Business Unit : Corporate loans (excluding loans to HD) + apartment loans, Figures are for internal administration purpose
*2. Personal Banking Business Unit: Residential housing loans + other consumer loans, Figures are for internal administration purpose
*3. Average balance : rate of change

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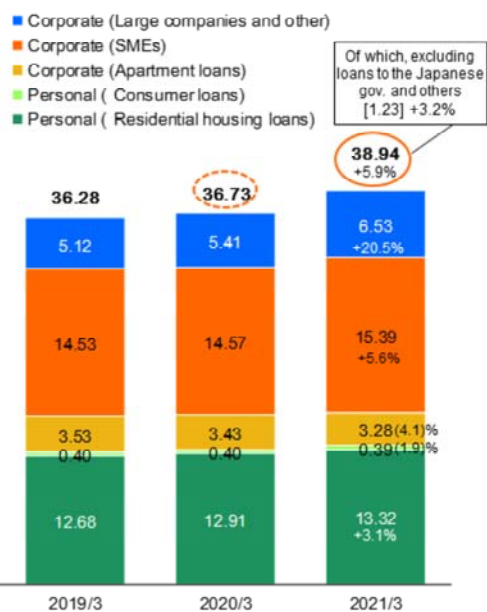
- Regarding the average balance and yield of deposits and loans, we would like you to see the graph at the lower right.
- The yields of decline has been slowing overall, and the yields for corporate sector in particular turned positive in 4Q.
- This is partly due to an increase in loans with Credit Guarantee Corporation, which have relatively high yields, and we will strive to keep this trend.
- Please proceed to page 15.

Term-end Balance of Loans and Deposits

Total of
Group Banks

Term-end loan balance

[JPY tn, % represents YoY change]



Term-end deposit balance

[JPY tn, % represents YoY change]



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Housing Loan Business

Total of
Group Banks

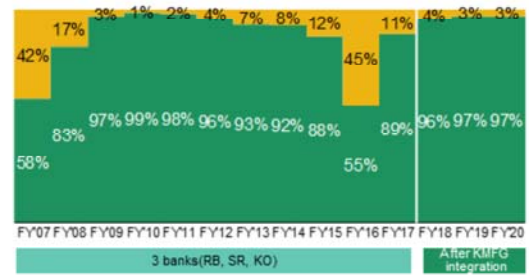
New housing loan origination

[JPY tn, % represents YoY change]



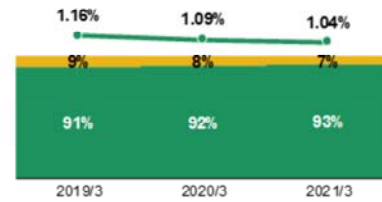
Composition of newly originated residential housing loans by interest rate type

- Share of fixed rate residential housing loans
- Share of variable rate residential housing loans



Residential housing loans yield on a stock basis and composition by interest rate type

- Share of fixed rate residential housing loans
- Share of variable rate residential housing loans
- Residential housing loans yield



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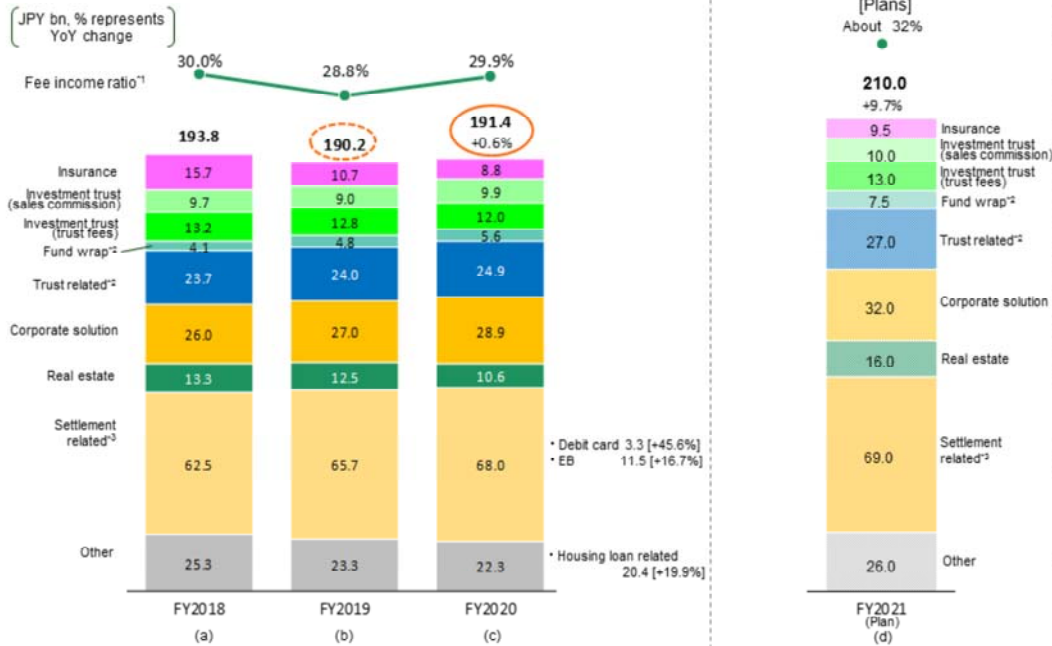
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Fee Income

HD
Consolidated

■ Consolidated fee income ratio^{*1} : 29.9%

■ Income from fund wrap (+15.9%, YoY), corporate solution (+7.1%, YoY) and settlement related (+3.5%, YoY) have increased. Income from Insurance and real estate have decreased by 17.8% and 15.4%, respectively.



*1. (Fees and commission income + trust fees) / Consolidated gross operating profit *2. Including fee income earned by Resona Asset Management

*3. Fees and commission from domestic exchange, account transfer, EB, debit card and fee income earned by Resona Kessai Service and Resona Card

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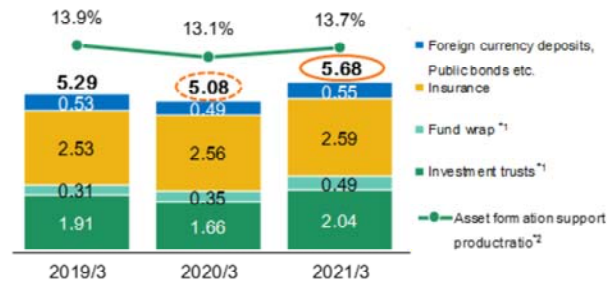
12

Major Fee Businesses (1) (Asset Formation Support Business)

HD
Consolidated

Balance of asset formation support products sold to individuals

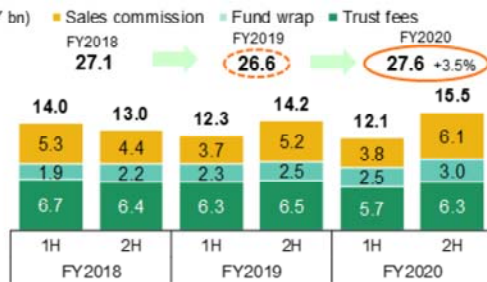
(JPY tn)



- Balance of fund wrap^{*1}: '21/3 JPY490.9 bn (JPY536.8 bn including corporation)
- Change in balance of investment trust and fund wrap: FY'20 Approx. +JPY510.0 bn
- Net inflow (new purchase – withdrawal and redemption): Approx. +JPY85.0 bn
- Number of individual customers having investment trust, fund wrap and insurance products: '21/3 936 thousand
- NISA account holders^{*3}: 387 thousand, +6.0%, YoY
- iDeCo participants^{*4}: '21/3 135 thousand, +14.8%, YoY

Investment trust and fund wrap income

(JPY bn)



Insurance income

(JPY bn)



^{*1} Based on market value ^{*2} Balance of asset formation support products sold to individuals / (balance of asset formation support products sold to individuals and yen deposits held by individuals) ^{*3} NISA, Junior NISA, Cumulative NISA

^{*4} iDeCo participants = members giving investment instructions

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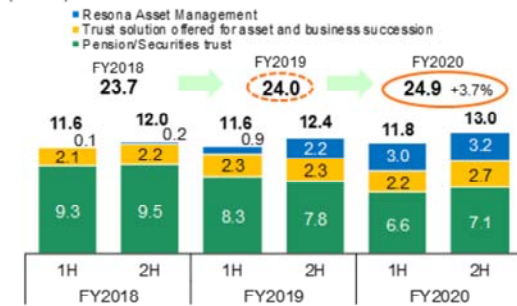
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Major Fee Businesses (2) (Trust, Corporate Solution, Real Estate Business)

HD
Consolidated

Trust-related business income

(JPY bn)



■ Asset and business succession

Number of new asset succession-related contracts
6,083 in FY2019 ⇒ 8,469 in FY2020, +39.2%

■ Securities trust

Total assets in custody
'20/3 JPY35.15 tn ⇒ '21/3 JPY39.11 tn, +11.2%

■ Pension trust

Total assets entrusted
'20/3 JPY5.03 tn ⇒ '21/3 JPY5.59 tn, +11.0%

Corporate solutions business income

(JPY bn)



Real estate business income^{*1}

(JPY bn)



*1. Excluding gains from investments in real estate funds

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Credit Costs and NPL

HD Consolidated
Total of Group Banks

Credit costs

(JPY bn)	FY2018	FY2019	FY2020	FY2021 Plan
	(a)	(b)	(c)	(d)
Net credit cost (HD consolidated) (1)	(1.3)	(22.9)	(57.4)	(44.0)
Net credit cost (Total of group banks) (2)	0.1	(18.8)	(52.3)	(37.0)
General reserve (3)	11.2	(4.7)	(15.9)	
Specific reserve and other items (4)	(11.0)	(14.0)	(36.3)	
New bankruptcy, downward migration (5)	(31.3)	(27.1)	(45.0)	
Collection/upward migration (6)	20.2	13.1	8.7	
Difference (1) - (2) (7)	(1.4)	(4.1)	(5.1)	(7.0)
HL guarantee subsidiaries (8)	3.0	(2.3)	(0.5)	
Resona Card (9)	(2.2)	(2.1)	(1.5)	
<Credit cost ratio> (bps)				
HD consolidated ¹ (10)	(0.3)	(6.2)	(15.0)	(11.0)
Total of group banks ² (11)	0.0	(5.0)	(13.4)	(9.1)

*(Note) Positive figures represent reversal gains

¹1. Credit cost / (Loans and bills discounted + acceptances and guarantees)
(Simple average of the balances at the beginning and end of the term)

²2. Credit cost / total credits defined under the Financial Reconstruction Act
(Simple average of the balances at the beginning and end of the term)

³3. Net of collateral, guarantees and loan loss reserves

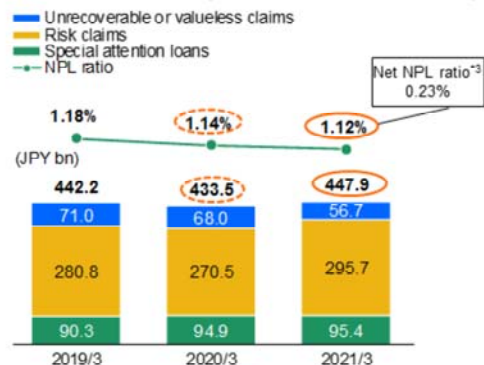
Outline of Preemptive provisioning in FY2020

Credit Costs in FY2020 (total of group banks) (JPY bn)

Total	(52.3)	
Preemptive provisioning	(24.3)	• Provisioned loan loss reserves from a preemptive standpoint against corporations in the industries that are expected to have a significant impact on credit risk by the effect of COVID-19
Top-down approach	(8.6)	< Portfolio-based response > • Provisioned additional loan loss reserves against other watch obligors (balance: approx. 510.0 bn)
Bottom-up approach	(15.7)	< Response to each corporation's risk > • Prepared to downside risk of corporations in a turnaround phase

NPL balance and ratio (total of group banks)

(Financial Reconstruction Act criteria)



Resona Holdings, Inc.

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- Regarding credit costs. HD consolidated credit costs were JPY57.4bn, up from the previous fiscal year and from the forecast. One reason for this is the preemptive provisioning and I will explain the outline of this at the top right of the slides.
- We provisioned loan loss reserves from a preemptive stand point against corporations in the industries that are estimated to have a significant impact on credit risk amid concerns about the long-term impact of the COVID-19 impact, and total impact was estimated to be JPY24.3 bn.
- The breakdown is JPY8.6 bn for the top-down approach. We additionally provisioned for watch obligors (outstanding balance of about JPY510.0 bn) in specific industries that should be strongly affected by the COVID-19.
- For the bottom-up approach, the amount provisioned was JPY15.7 bn. This is a response within the normal rules, but based on the revitalization support policy, we provisioned with a more conservative view of the financial and business prospects of each corporation.
- As a result, we reduced the downside risk to a certain extent in the future, and in light of this, consolidated credit costs forecast for this fiscal year is JPY44.0 bn.
- Credit cost ratio remains at the 11 basis point level, assuming uncertain conditions continue.
- To page 16, please.

Securities Portfolio

Total of
Group Banks

Securities portfolio^{*1}

(JPYbn)		2019/3	2020/3	2021/3	Unrealized gains/(losses)
		(a)	(b)	(c)	(d)
Available-for-sale securities	(1)	2,566.5	3,055.7	4,480.7	615.3
Stocks	(2)	353.8	336.9	325.2	655.6
Bonds	(3)	1,188.2	1,722.8	2,586.4	(13.1)
JGBs	(4)	46.1	459.6	925.7	(15.4)
Average duration (years)	(5)	6.7	14.8	13.1	-
Bas is point value (BPV)	(6)	(0.03)	(0.68)	(1.21)	-
Local government and corporate bonds	(7)	1,142.0	1,263.1	1,660.6	2.3
Other	(8)	1,024.5	995.9	1,569.0	(27.1)
Foreign bonds	(9)	472.3	554.1	904.8	(26.8)
Average duration (years)	(10)	5.3	2.4	6.3	-
Bas is point value (BPV)	(11)	(0.18)	(0.00)	(0.51)	-
Investment trusts (Domestic)	(12)	540.6	435.0	658.4	(2.8)
Net unrealized gain	(13)	598.3	420.7	615.3	
Bonds held to maturity	(14)	2,127.4	1,968.4	1,942.2	11.5
JGBs	(15)	1,539.5	1,144.2	1,035.6	6.6
Net unrealized gain	(16)	47.1	28.1	11.5	

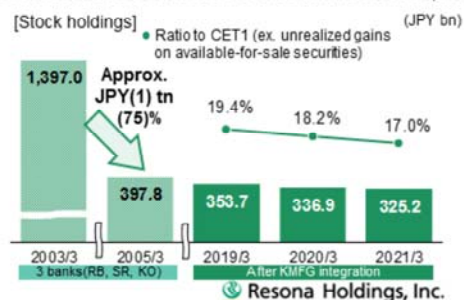
- Unrealized gains/(losses) in 3 assets (4)+(9)+(12)
 '19/3 +JPY2.4 bn ⇒ '20/3 JPY(6.9) bn ⇒ '21/3 JPY(45.1) bn
- CLO: Zero

^{*1} Acquisition cost basis. The presented figures include marketable securities only
^{*2} Excluding unrealized gains on available for sale securities

Status of policy-oriented stocks held

- Balance of listed stocks disposed in FY2020
 (acquisition cost basis): JPY11.6 bn,
 Net gain on sale: JPY32.9 bn (HD consolidated: JPY29.3 bn)
 Breakeven Nikkei average: Approx. 9,000 yen
- Policy for holding policy-oriented stocks
 - Since the capital enhancement with public funds, Resona Group has reduced the balance of the policy-oriented stocks to lessen the risk of price volatility. Our basic policy is to continue to reduce the balance of policy-oriented stocks.
 - The Group determines whether to hold policy-oriented stocks by evaluating the risks and returns, including feasibility of the development of a trading relationship in a medium- to long-term. The Group may also sell stocks in consideration of the market situations, management and financial strategies, even though the Group considers appropriate for holding from the risk-return perspective.

- Plan to reduce JPY30.0 bn level in 3 years from Mar. '20
- Aim to reduce the balance to 15% level of the CET1 capital^{*2}



- On the right, for policy-oriented stocks.
- We reduced policy-oriented stocks by JPY11.6 bn on an acquisition cost basis last year, and posted a gain of sale of JPY29.3 bn on a consolidated basis.
- This time, the policy on strategic stockholdings has been partially revised.
- In addition to explicitly stating that “Our basic policy is to continue to reduce the balance of policy-oriented stocks”, we also state that “We may also sell stocks in consideration of the market situations, management and financial strategies, even though we consider appropriate for holding from the risk-return perspective”.
- We recognize the importance of preparing ourselves for rising volatility in financial markets. We will optimize investment portfolio in anticipation of changes in the business environment. At the same time, we will steadily carry out the current plan, which is accelerating the pace of reduction in policy-oriented stocks.
- To page 17, please.

Capital Adequacy Ratio

HD
Consolidated

■ CAR (Domestic std.) and CET1 ratio (International std.) as of Mar. 31, 2021 were 11.54% and 13.31%, respectively, maintaining sound capital adequacy level

Domestic standard

(Reference) International standard

(JPY bn)	2020/3	2021/3	Change
Capital adequacy ratio (1)	11.17%	11.54%	+0.37%
Total capital (2)	1,947.0	2,003.4	+56.4
Core Capital: instruments and reserves (3)	2,012.4	2,076.3	+63.9
Stockholders' equity (4)	1,733.4	1,836.1	+102.6
Adjusted non-controlling interests (5)	221.1	170.9	(50.2)
Reserves included in Core Capital (6)	29.0	54.1	+25.1
Subordinated loans and bonds subject to transitional arrangement (7)	60.4	43.5	(16.9)
Core Capital: regulatory adjustments (8)	65.3	72.8	+7.5
Risk weighted assets (9)	17,427.7	17,351.9	(75.7)

■ Change in total capital

● Stockholders' equity	+102.6 bn
• Net income attributable to owners of parent	+124.4 bn
• Dividends distributed	(48.3) bn
• Increase in capital surplus due to change in ownership interest of KMFG	+25.8 bn

(JPY bn)	2020/3	2021/3	Change
Common Equity Tier1 capital ratio (10)	12.28%	13.31%	+1.03%
Excluding net unrealized gains on available-for-sale securities (11)	10.54%	10.81%	+0.27%
Tier1 capital ratio (12)	12.52%	13.50%	+0.98%
Total capital ratio (13)	13.06%	14.14%	+1.08%
Common Equity Tier1 capital (14)	2,154.7	2,355.9	+201.2
Instruments and reserves (15)	2,232.9	2,436.5	+203.6
Stockholders' equity (16)	1,733.4	1,836.1	+102.6
Net unrealized gains on available-for-sale securities (17)	306.1	442.9	+136.7
Adjusted non-controlling interests (18)	178.7	143.4	(35.2)
Regulatory adjustments (19)	78.1	80.5	+2.4
Other Tier1 capital (20)	40.9	32.8	(8.0)
Tier1 capital (21)	2,195.6	2,388.8	+193.1
Tier2 capital (22)	95.4	114.2	+18.7
Total capital (Tier1+Tier2) (23)	2,291.1	2,503.1	+211.9
Risk weighted assets (24)	17,533.4	17,691.0	+157.6

(Reference)

■ Trial calculation based on the finalization of Basel 3
CET1 ratio: Approx. 9.0%*
(Excluding net unrealized gains on available-for-sale securities)

*Trial calculation which took into consideration the estimated increase in RWAs owing to the finalization of Basel3 (SA and capital floor revisions) based on the actual CET1 ratio excluding net unrealized gains on available-for-sale securities as of Mar. 31, 2021 reported as (11) in the above table

■ Group banks, Bank holding company

Domestic standard	Resona (CON SOLICATED)	Saitama Resona (NON-CONSOLIDATED)	KMFG (CON-REG SOLICATED)
Capital adequacy ratio	10.88%	14.45%	8.40%

Resona Holdings, Inc.

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- Lower right. The medium-term management plan targets 10% of CET1 ratio excluding unrealized gains on available-for-sale securities on a Basel-3 finalized basis, and the estimate of it at the end of March 2021 was approx. 9.0%.
- Go to page 18, please.

Earnings Targets for FY2021

HD Consolidated
Total of Group Banks

HD consolidated				Common DPS		
(JPY bn)		Full-year	YoY change		DPS	YoY change
Net income attributable to owners of the parent	(1)	145.0	+20.6		Common stock (annual) (4)	21.0 yen
KMFG Consolidated	(2)	15.0	+9.2	+1	Interim dividend (5)	10.5 yen
Difference	(3)	15.0	+1.9			

Total of group banks

(JPY bn)	Total of group banks		Resona Bank		Saitama Resona Bank		KMFG (total of group banks)	
	Full-year	YoY change	Full-year	YoY change	Full-year	YoY change	Full-year	YoY change
Gross operating profit (6)	599.0	+16.0	347.0	+7.7	114.0	+3.5	138.0	+5.0
Operating expenses (7)	(397.0)	(6.1)	(213.0)	(3.2)	(77.5)	(2.4)	(106.5)	(0.6)
Actual net operating profit (8)	202.0	+9.9	134.0	+4.5	36.5	+1.1	31.5	+4.4
Net gains on stocks (including equity derivatives) (9)	30.5	(10.4)	26.0	+3.2	3.5	(11.4)	1.0	(2.1)
Credit related expenses, net (10)	(37.0)	+15.3	(22.0)	+10.3	(6.5)	+2.5	(8.5)	+2.3
Income before income taxes (11)	181.5	+18.2	134.0	+22.5	29.0	(8.5)	18.5	+4.2
Net income (12)	127.5	+12.2	94.5	+15.3	20.5	(5.8)	12.5	+2.8

*1. HD's consolidated net income of FY2021 includes full amount of KMFG's consolidated net income since KMFG has become a wholly-owned subsidiary of HD.

Resona Holdings, Inc.

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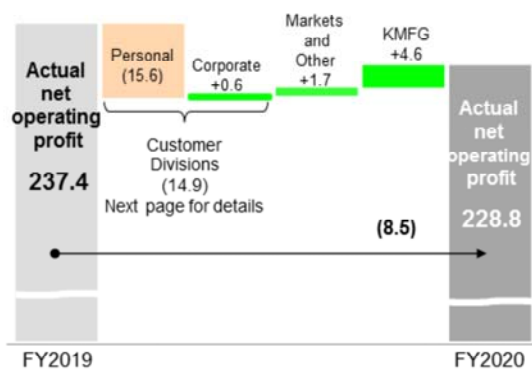
- HD consolidated net income target for this fiscal year is JPY145.0 bn, up by JPY20.6 bn, YoY. Within this amount, consolidated KMFG net income is JPY15.0 bn, which is a 100% contribution to HD income from this fiscal year, and therefore an increase of JPY9.2 bn is expected.
- We plan to pay an annual dividend of JPY21 per share, the same level as the previous year.
- Let me explain the details of group banks basis at the bottom.
- (6)Gross operating profit will be JPY599.0 bn (+JPY16.0 bn, YoY).
- Income from loans and deposits will decrease by JPY3.7 bn, YoY, based on the assumption that the loan rate decline will be 3 basis points and the average loan balance increase rate will be +2.39%. We do not assume the same level of funding needs as in the previous fiscal year.
- Fee income will increase by approx. JPY17.0 bn mainly from increase in real estate, M&A, asset formation support, etc.
- Expenses will increase by JPY6.1 bn in total due to the cost from the past strategic system investments and other expenses at non-personnel expenses, while personnel expenses will improve.
- Based on the above, actual net operating profit is forecast to rise JPY9.9 bn to JPY202.0 bn.
- Net gains on stocks (including futures) will decrease by JPY10.4 bn to JPY30.5 bn due to the reduction of policy-oriented stocks and other factors.
- Credit costs will be JPY37.0 bn, which is a factor of income increase of approximately JPY15.0 bn, YoY.
- As a result, net income for total of group banks increased by JPY12.2 bn to JPY127.5 bn.
- Go to page 22, please.

(Reference) Outline of Financial Results of Each Segment

HD
Consolidated

	(JPY bn)	FY2020	YoY Change
Customer Divisions	Gross operating profit (1)	441.9	(13.7)
	Operating expense (2)	(299.5)	(1.1)
	Actual net operating profit (3)	142.4	(14.9)
Personal Banking	Gross operating profit (4)	182.1	(14.0)
	Operating expense (5)	(153.6)	(1.5)
	Actual net operating profit (6)	28.4	(15.6)
Corporate Banking	Gross operating profit (7)	259.8	+0.2
	Operating expense (8)	(145.8)	+0.3
	Actual net operating profit (9)	113.9	+0.6
Markets and Other	Gross operating profit (10)	59.0	+3.0
	Operating expense (11)	(6.4)	(1.2)
	Actual net operating profit (12)	52.9	+1.7
KMFG	Gross operating profit (13)	143.0	+0.5
	Operating expense (14)	(109.5)	+4.0
	Actual net operating profit (15)	33.4	+4.6
Total	Gross operating profit (16)	643.9	(10.1)
	Operating expense (17)	(415.5)	+1.6
	Actual net operating profit (18)	228.8	(8.5)

(JPY bn)



Definition of management accounting

1. "Customer Divisions" and "Markets and Other" segment refer to the HD Consolidated subsidiaries, except KMFG consolidated subsidiaries.
2. Gross operating profit of "Markets" segment includes a part of net gains/losses on stocks.
"Other" segment refers to the divisions in charge of management and business administration.

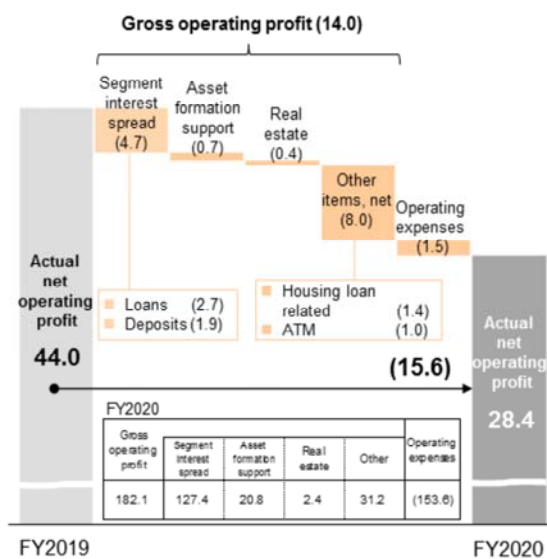
(Reference) Outline of Financial Results of Customer Divisions

HD Consolidated
(exclude KMFG)

Personal Banking Segment

■ Actual net operating profit : Down JPY15.6 bn, YoY

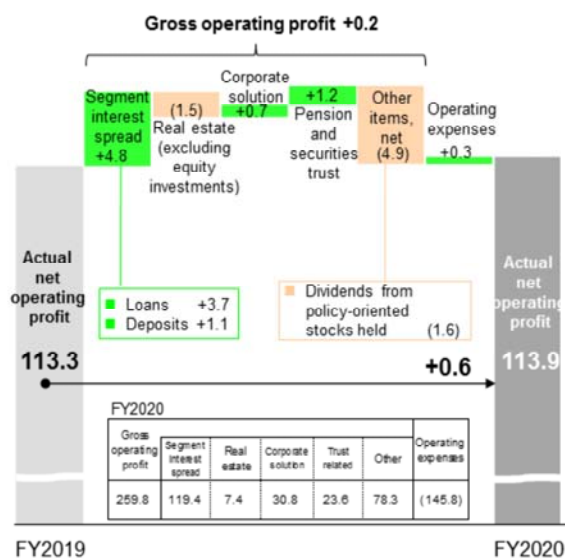
(JPY bn)



Corporate Banking Segment

■ Actual net operating profit : Up JPY0.6 bn, YoY

(JPY bn)



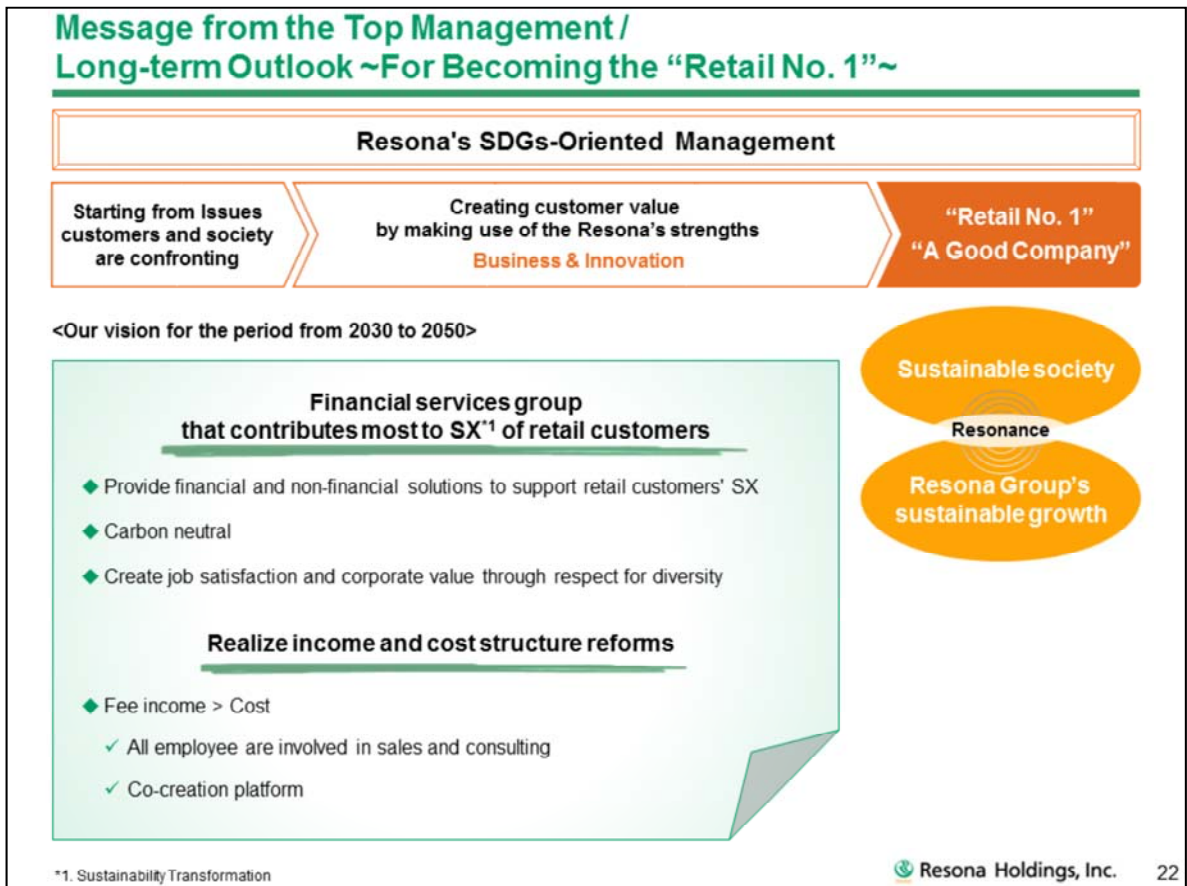
**Outline of Business Results for FY2020
and Updates on Major Businesses**

Efforts for Sustainable Growth

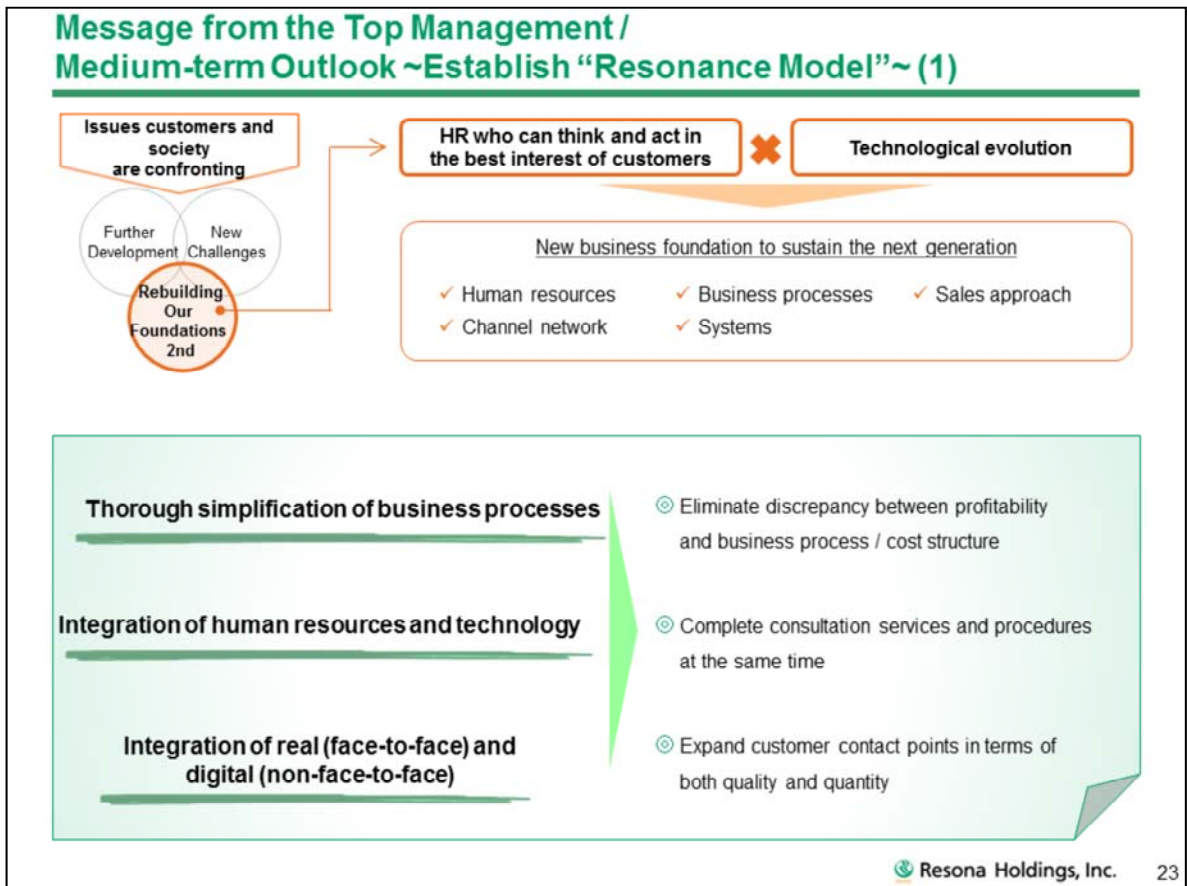
Capital Management

ESG Initiatives

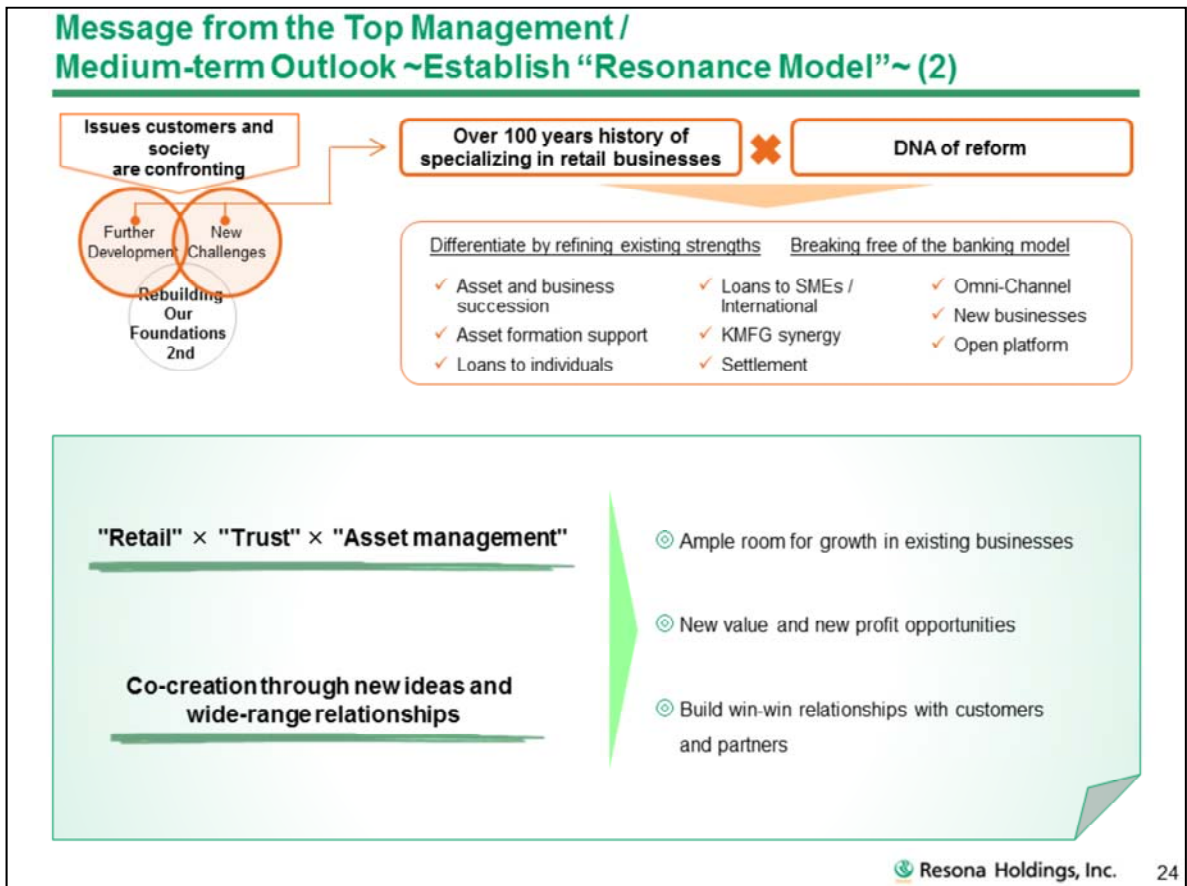
Reference Material



- This time, I will talk a little bit at first from the perspectives of “long-term”, “medium-term”, and “short-term”. First of all from the long-term.
- “Resona’s SDGs Management” is described. Our starting point is to think about businesses from issues customers and society confronting.
- Resona will adapt itself to change and grow together with society while leveraging the underlying strengths of Resona amid changes in both customer and social issues following COVID-19. We think there is the “Retail No. 1” beyond that.
- Two major points are described as our vision form for the period from 2030 to 2050.
- One is that we want to be “the financial services group that contributes most to the SX of retail customers”. I'd like to show you the sustainable goals of Resona in the near term.
- Discussions are underway with an emphasis on the perspectives of finance, carbon neutrality, and corporate value creation that leverage diversity to support the SX of customers, particularly small-and medium-sized enterprises, and individual customers.
- The second point is to realize income and cost structure reforms. We would like to aim for a financial position that can cover costs with fee income by building system where all employees are involved in sales and consulting, business process reforms through DX, and a co-creation platform.
- To page 23, please.



- Next, medium-term outlook. Under the current medium-term plan, we aim to "establish Resonance Model" through "Further Development," "New Challenges," and "Rebuilding our Foundations." From "Rebuilding our foundation."
- Amid changes in the world and major changes in customers' financial behavior, we also need to evolve the way our business is conducted and the mechanisms that support it. There is a major mismatch between the current top-line level and the cost structure that supports it, and this needs to be cut off.
- Starting with the dismantling and rebuilt of business processes, if this changes, the sales style will change, the channel network will change if the sales style changes, and the personnel and systems that support this flow will change. We aim for the next generation integrated process. The time horizon is a little longer than the medium-term plan, but we want to make sure that it is achieved.
- HR is the most important factor in guiding reforms to success. We believe that diversity and expertise are a major driver of innovation, and we have shifted to a new personnel system with multi-path since Apr.'21.
- Amid the overwhelming evolution of technology, the integration of HR and technology will further accelerate transformation.
- Previously, the focus of our strategy was face-to-face, but the number of downloads of group apps reached 3.6 mn, and we are now able to actually depict a world in which face-to-face and digital integrate. We believe that more than 3.6 mn of digital channels will present significant business opportunities going forward. We will expand contact points with customers in terms of both quality and quantity.
- Page 24, please.



- About "Further Development" and "New Challenges."
- Resona Group is a commercial banking group with a full line of trust functions, including trusts, real estate, and asset management for pension, based on the solid customer base it has cultivated over its more than 100-year history of specializing in retail customers. This is already unique in its own right.
- "Further Development" means further refining our strengths to resolve issues customers are facing. For example, support for succession and asset formation in a super-aging society is precisely the area where Resona's strengths are most active. It will also lead to the resolution of social issues in Japan.
- We have worked on various reforms since so called Resona shock in 2003, and the "DNA of reform" cultivated there is also another source of strength of Resona. We can still evolve.
- In "New Challenges," we will leverage this DNA and collaborate with outside entities while possessing new ideas. We would like to bring about a new chemical reaction by connecting with the various knowledge, know-how, and customer bases possessed by people from other industries and regional financial institutions.
- We would like to build WIN-WIN relations with our customers and create a new ecosystem.
- Page 25, please.

Message from the Top Management / Review of FY2020 and Outlook for FY2021 (1)

“Turning Point” that shakes conventional wisdom and values → Turning crisis into opportunity

Changing customers' issues

Impact on major business strategies

Review future plans Growing awareness of preparedness	Asset and business succession Asset formation support	<p>↑ Expansion of M&A and real estate transaction needs</p> <p>↓ Constraints on face-to-face business activities (Relaxed through remote business tools)</p> <p>↑ Expansion of long-term, diversified, and stable asset formation needs</p>
Stable funding Strengthen financial base	Loans to SMEs	<p>↑ Increase in loan demand</p> <p>↑ Customer base expansion</p> <p>↓ Concerns on possibility of the prolonged slump in certain industries</p>
Response to new normal Acceleration of digitalization	Loans to individuals Omni-Channel Settlement	<p>↑ Growing demand for detached houses in suburban area</p> <p>↑ Expansion of non-face-to-face needs</p> <p>↑ Customer base expansion</p>

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- I would like to comment on last year's review and the outlook for the current fiscal year. I think last year was a historical year, which is said to be a turning point later. Previous common sense and values were also shaken.
- We believe that new social issues are not a crisis, but rather a great opportunity for our business.
- Due to the constraints of face-to-face activities, M&A and real estate business were particularly severe in the first half of the previous fiscal year. However, looking at the situation of carried-over projects, etc., we feel that awareness of preparing for the future and succession among customers is increasing.
This also applies to the asset formation support business.
- The Covid pandemic raised corporate customers' need for funding and financial base stabilization more than normal. As a result, in addition to the increase in loans outstanding, the number of new borrowers increased, broadening the customer base.
- As a new way of lives expands, non-face-to-face and non-contact transactions are also expanding significantly.
- I think that what is necessary to take advantage of this great opportunity is to change Resona itself as soon as possible.
- We have already begun to undertake major reforms, including a review of branch operations, a rebuilt of business processes, and a review of our personnel system. We would like to continue to take on the challenge of firmly transforming ourselves with new ideas without being constrained by the values of banks up to now.
- Page 26, please.

Message from the Top Management / Review of FY2020 and Outlook for FY2021 (2)

**Necessity for business operations based on the assumption
that conditions with high uncertainty should continue**

Continue to change ourselves to get strengthened in both offensive and defensive manner

Start the brand new Resona Group

< Major KPIs >	FY2020	FY2021 (Target)	FY2022 (MMP)
● Net income attributable to owners of parent	124.4 bn	145.0 bn	160.0 bn
Kansai Mirai Financial Group	11.2 bn	15.0 bn	20.0 bn
Of which, contribution to HD's consolidated income	5.8 bn	15.0 bn	20.0 bn
● Consolidated fee income ratio	29.9%	32% level	Over 35%
● Consolidated cost income ratio	65.0%	Lower half of the 60% range	60% level
● Shareholders' equity ROE ^{*1}	6.88%	Middle of the 7% range	8% level
● Common Equity Tier1 Ratio ^{*2}	Approx. 9.0%	Middle of the 9% range	10% level

^{*1} Net income attributable to owners of parent / Total shareholders equity (simple sum of the balance at the beginning and the end of the term)

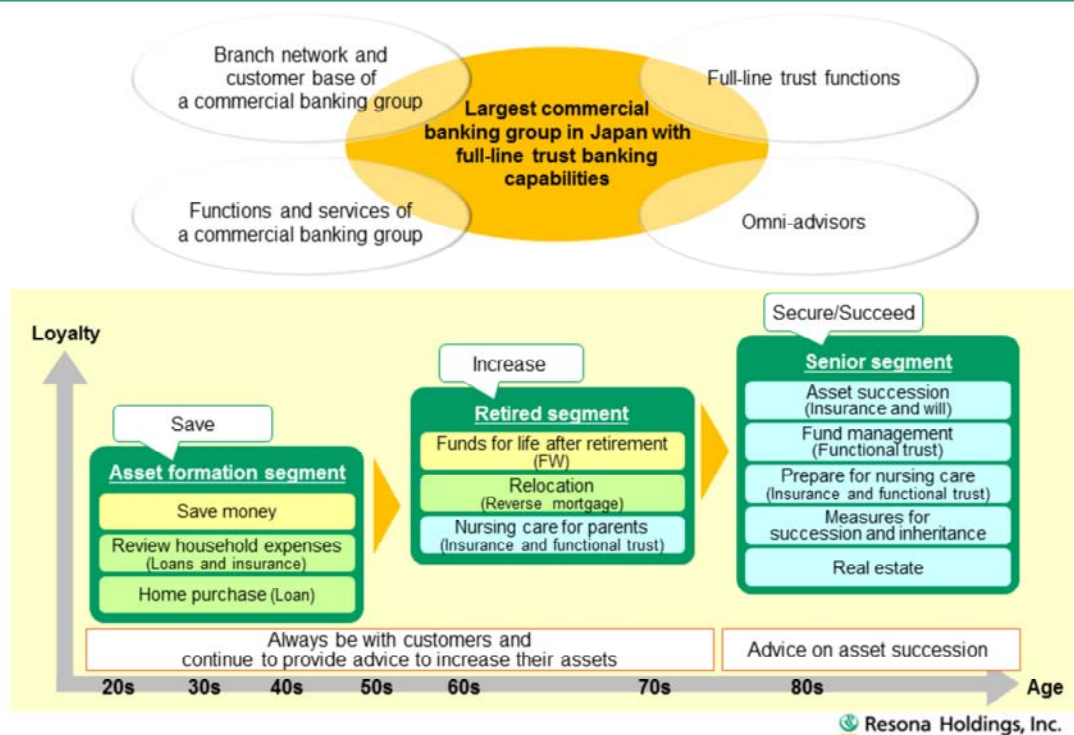
^{*2} Based on the finalization of Basel 3, excluding unrealized gains on available-for-sale securities

Resona Holdings, Inc.

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- Here, the idea and KPI for this fiscal year are shown.
- It is necessary to conduct business operations on the assumption that the situation will continue to fluctuate for the time being, and the targets for the current fiscal year were also planned on this assumption.
- On the other hand, in Japan, vaccination is advancing, and if the environment improves, there is a possibility of a reactionary increase in consumption activities, which had been restrained, and demand for capital expenditure, which had been postponed.
- We will continue to change without fear, and strengthen our posture for both offense and defense.
- Against this backdrop, last year we decided to make KMFG a wholly-owned subsidiary. We started this term as a new Resona Group. We are committed to demonstrating our commitment to reforms.
- We have prepared slides for each business from the next page, and I would like to pick up and comment on the distinctive features.
- Page 27, please.

Seamless life design support for individual customers in the 100-year life era



- This initiative focuses on individual customers.
- Leveraging the strengths of being a retail commercial bank with trust banking capabilities, we will provide seamless support for customers' life designs in the 100-year life era.
- See page 28, please.

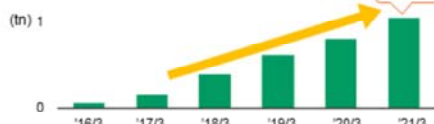
Long-term support to resolve customers' concerns about the future

[KPI] Balance of AUM^{*1} (Resona AM):Mar. 31, '23 JPY24.0 tn
(Approx. +JPY1.4 tn from Mar. 31, '20)Mar. 31, '21:
JPY33.5 tn

Apply investment know-how for professionals cultivated via corporate pensions to individual customers

■ Respond to expanding mid-to long-term stable investment needs

[Balance of investment trusts (Resona AM)]



■ Contribute to the rich post-retirement lives of corporate customers' employees

[DC]

(Thousands of people)



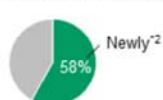
■ Support "Increase" by FW at the core

Products designed to
meet bank customers' needs

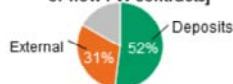
Discretionary and stable fund management Convenient asset management function Lowest cost in the industry

- Periodic receipts service (May '19-)
- Agent function (scheduled for 2H of FY'21)

[FW customers' attributes]

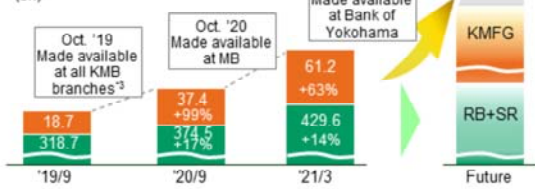


[Anticipated source of new FW contracts]



[Balance of FW (Individuals)]

(bn)



*1. Calculated using the fair value based on balance of assets at the end of month

*2. Customers who don't have any investment trust products at Resona group banks *3. Began handling former KU in addition to the former KO

Resona Holdings, Inc.

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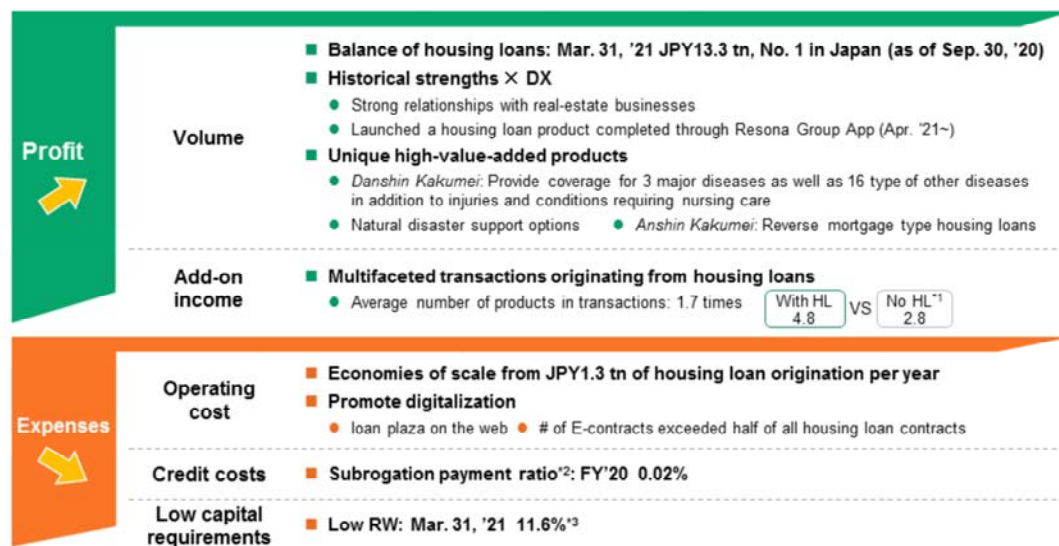
- We will expand asset management know-how for professionals cultivated in corporate pension to individual customers. We perceive Resona Asset Management as a strategic subsidiary. We think it will grow even more significantly in the future.
- The fund wrap is making steady progress with the balance exceeding JPY500 bn.
- There are various fund wraps in Japan, but the feature of Resona's fund wrap is that its product design is greatly compatible with bank customers.
- Amid a significant increase in individual deposits, we will continue to nurture it a core of investment products that contributes to long-term, stable asset formation.
- I would like to emphasize that Kansai Mirai Bank and Minato Bank have also started handling them accordingly, and their outstanding balance has increased significantly. Since Apr. '21, we began offering products to customers of Bank of Yokohama.
- Go to page 29, please.

Further Development Loans for Individuals

Support customers' asset building through Resona's strengths as a front-runner in housing loans

[KPI] Balance of housing loan: Mar. 31, '23 JPY13.8 tn (Approx. +JPY0.9 tn from Mar. 31, '20) Mar. 31, '21: JPY13.3 tn

Quality portfolio × Initiatives to maintain and improve further profitability



*1. Comparison with potential II and III (as of Mar. 31, '21, RB+SR+KMB)

*2. Housing loans guarantee subsidiaries' subrogation ratio x (1-collection after subrogation), residential housing loans + apartment loans

*3. RB, as of Mar. 31, '21, non-default

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- Resona's housing loans outstanding balance is the largest among all banks nationwide, and we have a historical strength in this field.
- Maintaining a high level of loans origination even in the Covid pandemic, we recognize that customers using housing loans are an important customer base as a starting point for multifaceted transactions in the future.
- Housing loans are extremely high quality portfolio, with their cost advantages leveraging economies of scale, low and stable subrogation payment ratio, as well as low capital requirements. Going forward, we will continue to make efforts while remaining awareness of the lifetime value of our customers.
- Page 30, please.

Further Development Asset and Business Succession

Providing one-stop succession solutions by leveraging the strengths of "Retail × Trust"

[KPI] Succession-related income^{*1}:

FY'22 JPY39.0 bn
(Approx. +JPY19.0 bn from FY'19)

FY'20:
JPY18.4 bn

Support "Succession" for SMEs customers

Support "Secure/Succeed" for individual customers

[# of leads on M&A deals]



[M&A deals carried over]

Mar. 31, '20 → Mar. 31, '21
Approx. 1.5 times

[# of leads on real estate-related deals]



[Potential real estate-related deals carried over]

Mar. 31, '20 → Mar. 31, '21
Approx. 1.3 times

■ Established Resona Corporate Investment (Jan. '21)

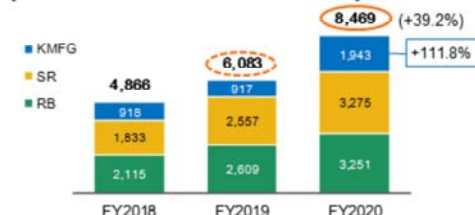
- Specialized investment subsidiary in the management of buyout funds
- Established a fund worth JPY10 bn
- Acquire a majority stake to promote the smooth business succession of SMEs

Initiatives to changing issues customers and society are confronting
⇒ Improved *My Trust* and *Heart Trust*^{*2} functions

- Relaxation of reimbursement requirements for medical and nursing care expenses (Feb. '21-)

■ Accelerate to provide group banks' customers

[# of new asset succession-related contracts]



Specialists (M&A, PB, real estate): Mar. '20 467 staffs ⇒ Apr. '21 525 staffs

FP 1st grade: approx. 1,650 staffs, FP 2nd grade: approx. 13,700 staffs, Real estate notary: approx. 5,700 staffs

^{*1} Income from M&A, real estate excluding equity and succession related transaction

^{*2} My Trust (custom-made asset succession trust products), Heart Trust (packaged asset succession trust products)

- Regarding asset and business succession business.
- Data are shown at the top left in terms of heightened awareness of preparedness for the future. In both M&A, real estate, the number of information on hand and projects in process has greatly increased compared to the previous year.
- The graph on the right shows the number of new asset succession-related trust contracts. Like fund wrap, the growth of KMFG is large. Top-line synergy through integration is surely appearing.
- Page 31, please.

Provide diverse solutions in "with/after COVID-19 era"

[KPI] Balance of loans to SMEs:

Mar. 31, '23 JPY14.6 tn
(Approx. +JPY0.8 tn from Mar. 31, '20)

Mar. 31, '21:
JPY14.6 tn

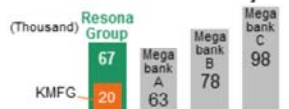
Expand customer base through accompanying-type support

■ Response to financing needs
⇒ Expand the base of corporate loan business

[# of corporate borrowers*1]
(Thousand)



[# of companies that name major banks as their main banks*2]
(Thousand)



■ Response to needs for non-face-to-face services
⇒ Expand transactions with small corporations

- Corporate version of our App, loan products offered via solely web-based procedures, account opening via web, etc.

Diverse solutions aligned with growing stage of each customer

Startup Growth/Maturity Transition

Startup support

BM, Consultation, IT support (⇒P34)

M&A, Real estate, Corporate pension, Overseas businesses support (⇒P63)

SDGs support (⇒P45,46)

Human resources solutions

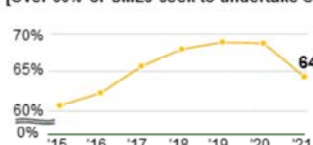
Business succession (⇒P30), Business transition/liquidation support

Turnaround support (capital funds)

Response to diverse financing needs looking ahead for "after COVID-19 era"

■ Pent-up demand in "after COVID-19 era"

[Over 60% of SMEs seek to undertake Capex*3]



[Capex before and after the Lehman Crisis*4]



■ Assist SMEs in their efforts to achieve SDGs

- Private placement bonds for SDGs promotion: Dec. '17~Mar. '21 cumulative total JPY382.9 bn
- SDGs Consulting Fund: Sep. '18~Mar. '21 cumulative total JPY92.0 bn
- Green Bonds issued via private placement, Sustainability Linked Loans, etc.

*1. Total of group banks 2. Source: TEIKOKU DATABANK ('20) *3. Questionnaire results for corporate customers of group banks (2021: Survey period from Dec. '20 to Feb. '21, number of respondents: approx. 25,000)
*4. Source: MOF's Financial Statements Statistics of Corporation (Jan. - Mar. '08 ~ Jul. - Sep. '10)

- I mentioned that the customer base is expanding, and the number of corporate borrowers on the top left has grown by nearly 5%.
- The number of customers whose main bank is our group has progressed to the point where it goes beyond one of the megabanks.
- The lower left column shows the results of hearings on customers' capital expenditures needs. Even in the Covid crisis, more than 60% of customers still have potential needs.
- IT needs are also rising, and in after the Covid, we will take firm steps to capture new funding needs and consulting needs, including new customers.
- Go to page 32, please.

Further Development

X

New Challenges

DX Strategy (1)

Provide customers with a variety of options and new value through DX

■ Resona's DX (Digital Transformation)

✓ Utilize digital technology as a means to structurally change business processes and build new business models

✓ Only in the banking industry

✓ Firstly certified in the banking industry

DX銘柄2020
Digital Transformation

Digital Transformation Certification

Resona Holdings, Inc. has been selected as a Digital Transformation Stock (DX) 2020 by the Ministry of Economy, Trade and Industry (MITI) and the Tokyo Stock Exchange (TSE).

■ Integrate face-to-face and digital channel

Digital channel

✓ App DL 3.67 million*1 => 5 million

✓ User-friendly app

Simple transactions can be completed with the app

Continuous and consistent proposals in all channels

Face-to-face channel

✓ Largest scale customer contact points in Japan

✓ Improved efficiency via digital

Provide values through face-to-face services

■ Strengthen and speed-up DX strategy

● HD/RB organizational reform (Apr. '21-)

(before)

Omni-channel Strategy Division

Settlement Division

➔

(after)

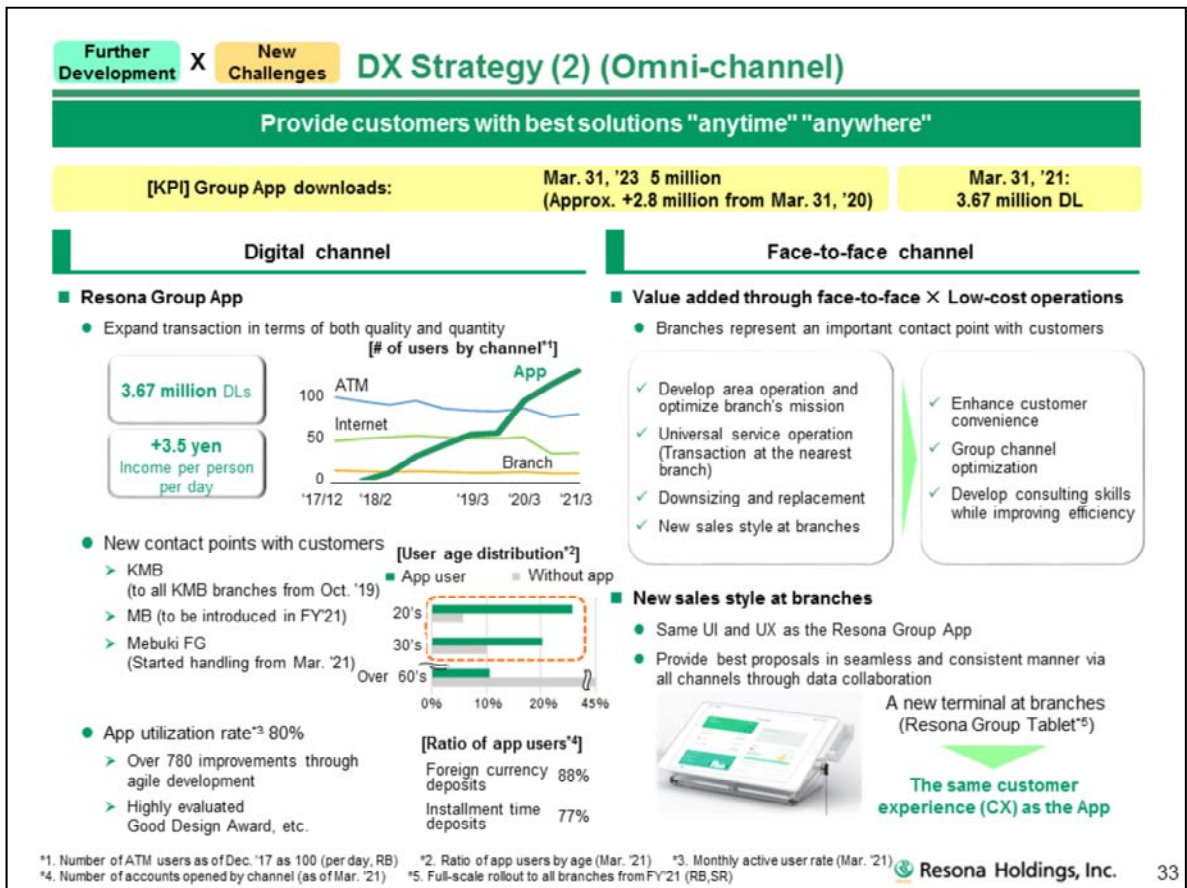
Planning	DX Planning Division	Promote Group DX
Offering	Customer Success Division	DX support for customers
Analysis	Data Science Division	Financial × Non-Financial data utilization

*1. As of Mar. 31, '21

Resona Holdings, Inc.

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- I have prepared three slides regarding DX strategy, but I will make a few comments here.
- Please see the upper right section here. Only in the banking industry, Resona was selected for the DX Stock 2020. We recognize that the provision of new value through the integration of face-to-face and digital has been appreciated, and we will further accelerate this initiative.
- To page 33, please.



- About the omni-channel strategy.
- The left side is about the digital channel. Group app, which reached about 3.6 mn downloads in Mar. '21, has already become the contact point most used by customers, and we recognize that they have been firmly nurtured as the core of digital channels.
- In addition to group development, since Mar.'21, it has also been offered to Mebuki FG's affiliated Ashikaga Bank and Joyo Bank. We believe that it will become the core of the platform business we are working on in the future.
- The right side is regarding face-to-face channels. By integrating it with digital, we intend to increase face-to-face value added while thoroughly implementing low-cost operations. I will talk later in a different slides.
- To page 34, please.

Support for improving corporate and individual customers' productivity and convenience

[KPI] Settlement-related income: FY'22 JPY80.0 bn (Approx. +JPY14.0 bn from FY'19)

FY'20: JPY68.0 bn

Expanding cashless market

[Cashless market-size*1]



Improve convenience for individual customers

■ Debit card

- # of debit card issued: 2.43 million, +0.42 from Mar. 31, '20
- Income from debit card transaction: FY'20 JPY3.3 bn, +45.6% ,YoY
- Expansion to KMFG
 - KMB (handled from Oct. '19 to all KMB branches)
 - MB (to be introduced in FY'21)



Standard equipment with the deposit account (Integrated debit card with cash card/visa paywave)

Support for corporate customers' digitalization

■ Resona Cashless Platform (RCP) ⇒ For details, P62

- # of corporations having introduced or to introduce RCP: Mar. '21 Approx. 2,000 corporate customers, 16,000 stores ⇒ Mar. 31, '23 (target) 4,000 customers
- Respond to cashless needs of local governments (Osaka Pref. and Hanno City, Saitama Pref. etc.) and healthcare-related (hospitals, pharmacies etc.)



With an all-in-1 terminal, responding to diverse payment needs

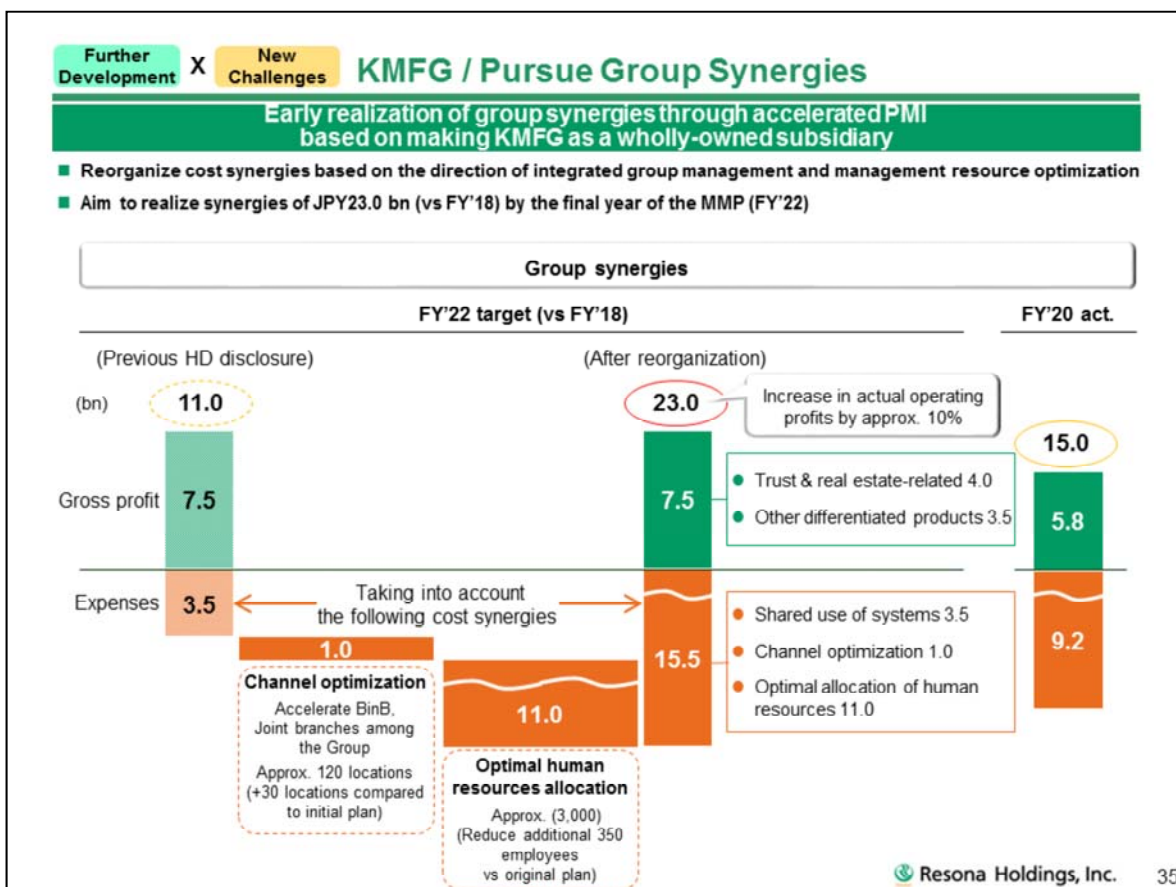
■ Resona B2B Cacheless Platform

- Supporting IT and digitalization of B2B transactions
- Under development for commercialization in FY'21

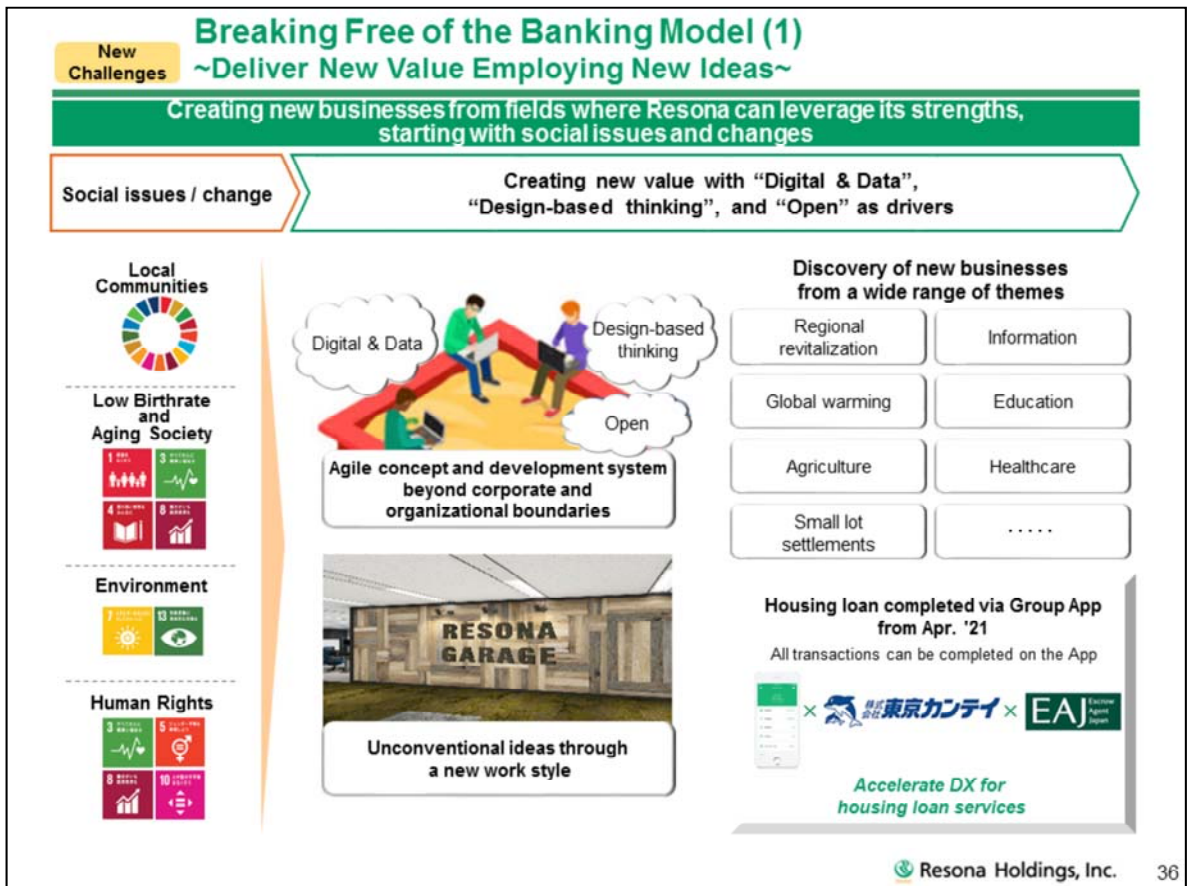


*1. Prepared by Resona HD based on documents issued by the Ministry of Economy, Trade and Industry (METI)
 *2. Assuming private consumption to stay at the 2016 level, based on data publicized by METI

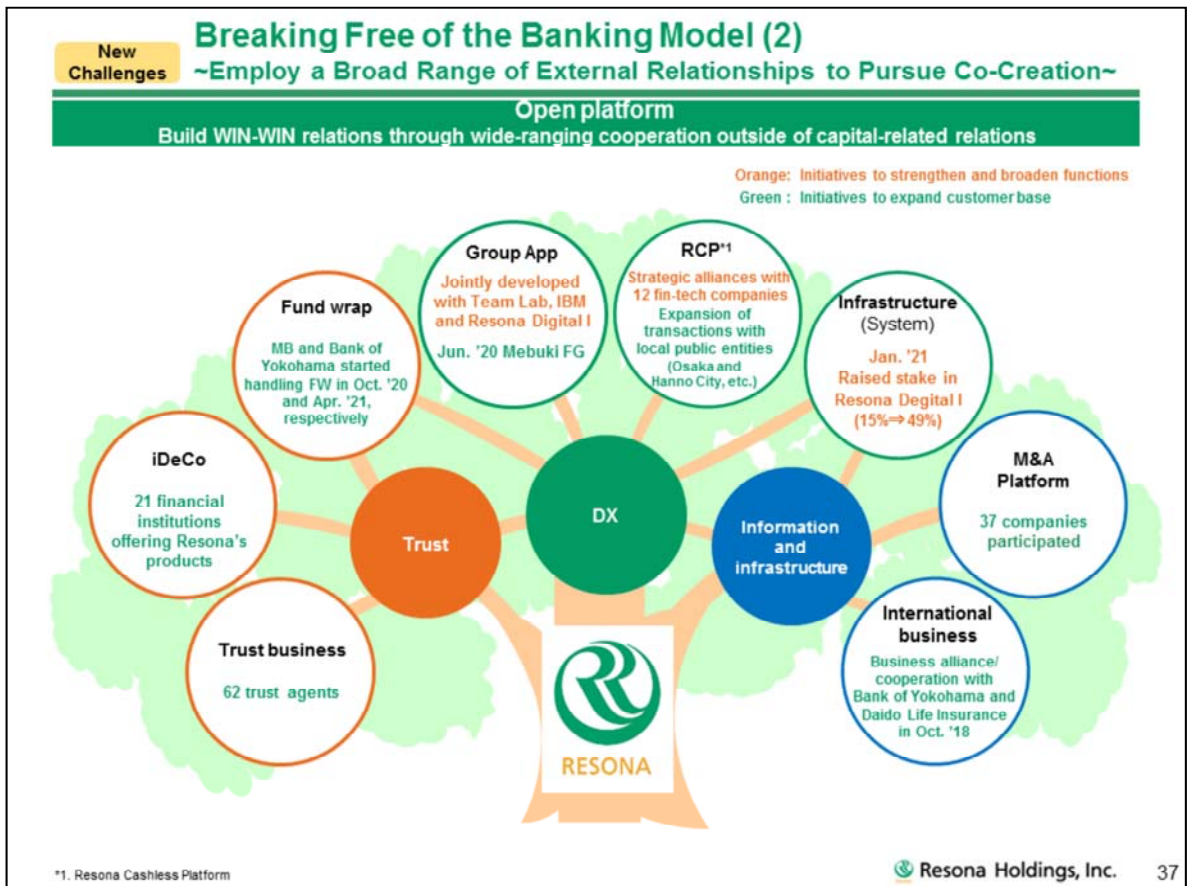
- The cashless settlements and the digitalization of the public and private sectors are accelerating in the Covid crisis.
- On the left, the number of debit card issued increased by 420 thousands from the previous year and income increased by 45%. It is becoming the basis for recurring fee income.
- On the right side, the number of customers planning to install the Resona Cashless Platform has increased to about 2 thousands customers with 16 thousands stores.
- Go to page 35, please.



- On Apr. 1, '21, it was completed to make KMFG a wholly-owned subsidiary of Resona Holdings.
- In light of the fact that we have been able to reallocate management resources more rapidly without constraints, we have rearranged the Group synergies.
- The major difference from the former disclosure is the cost side. Previously, only the system portion was counted for cost synergy, but the figure was rearranged to JPY23 bn in FY'22 in addition to the effects of channel optimization and personnel optimization.
- This is a level that will push up the Group's actual net operating profit by about 10%.
- We explained that the use of differentiated Resona products is increasing significantly among KMFG customers, but in the result of FY'20, the impact has already been a little less than JPY6 bn on the top line.
- On the cost side, in addition to the shared use of the system, the optimization of personnel is also progressing, and the effect of about JPY9 bn has been realized.
- As a result of the completion to make KMFG a wholly-owned subsidiary, we will add about 30 locations for branch integration, bringing the total to about 120 locations.
- We plan to downsize the number of employees by about 350 more than initially planned. We believe that the preparations that had been underway in the past have been completed smoothly, and from here on we have moved to a stage in which the results will be firmly released.
- Page 36, please.



- From here, regarding efforts toward "New Challenges" and "Breaking Free of the Banking Model".
- The creation of "new businesses" is being promoted mainly by Cross Functional Team , which was launched last year.
- In addition to accelerating business process reforms, we hope to accelerate the creation of new businesses.
- See page 37, please.



- Another pillar of "Breaking Free of the Banking Model" is an open platform strategy that provides Resona's differentiated products and services to regional financial institutions and other institutions as a platform while upgrading and expanding functions through co-creation with FinTech companies and other entities.
- These are a typical service menu and these services are expanding among local financial institutions, such as Mebuki FG for Group app and Bank of Yokohama for fund wrap.
- The Resona Cashless Platform is also used in Osaka Prefecture and Hanno City, Saitama Prefecture, for example, and we would like to expand this service centered on transactions with local public entities.
- Page 38, please.

Reform the human resource portfolio with an emphasis on diversity and specialization

Specialized professionals

Multi-path personnel system

Externally competitive personnel management

In-house college "Resona Academy" (Jul. '19-)

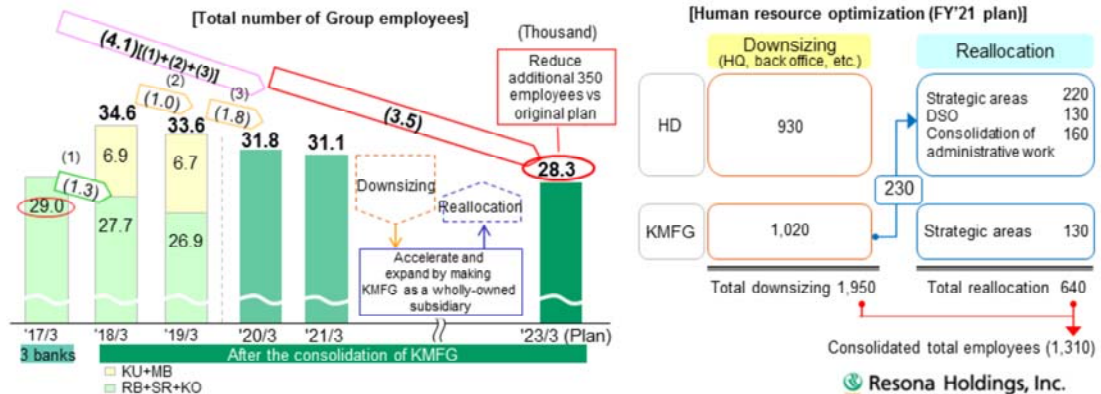
Diversity management

Empowerment of women, Retirement age selection system

Reallocating human resources to focus areas

■ Accelerate downsizing and reallocation of human resources on a group-wide basis by making KMFG a wholly-owned subsidiary

- Total personnel headcount will decrease to below the level prior to KMFG integration due to natural attrition
- Improve productivity through channel reforms and branch DX



- From here, regarding rebuilding our foundation. In the HR strategy, I will add a little on the number of staff at the lower level.
- Number of employees is planned to be around 28.3 thousands employees in the final year of the medium-term management plan, which is lower than the 29 thousands before KMFG integration. We will steadily advance downsizing in HR through utilizing DXs, etc.
- The lower right is the image of the reallocation of HR for the current fiscal year. Reallocation beyond the entity will be done by stepping on another step.
- To page 39, please.

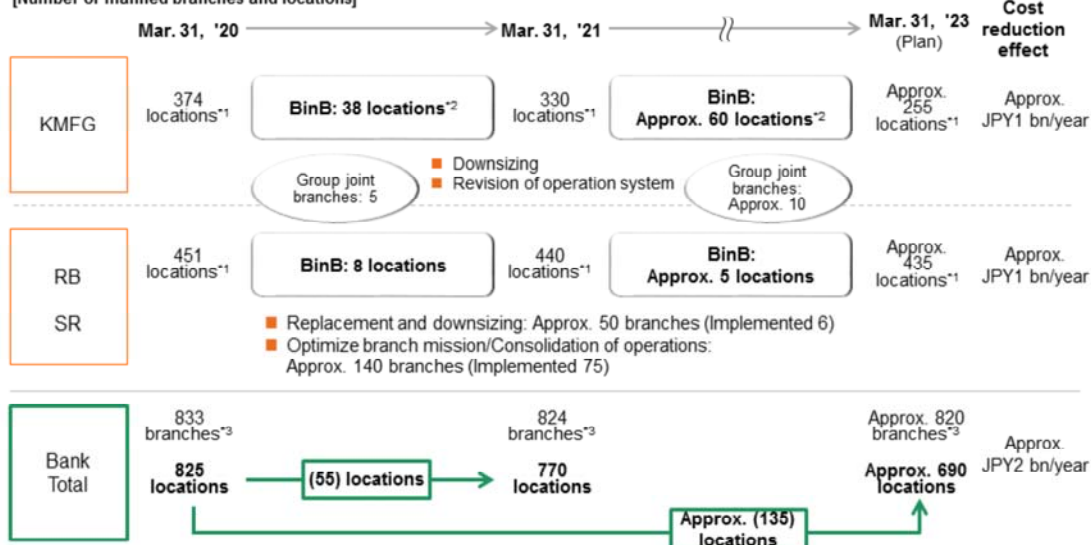
Accelerate to enhance customers convenience and totally optimize group channels

■ Maintain customer contact points and reduce channel-related costs simultaneously by channels optimization

- Accelerate BinB in KMB and joint branch between RB and KMFG after making KMFG a wholly-owned subsidiary
Approx. 90 locations > Approx. 120 locations

■ Branch operation with smaller headcounts through clerical work reduction

[Number of manned branches and locations]



*1. Joint branches between RB and KMFG are counted in RB locations *2. KMFG's BinBs include integration of KMB's plazas (representative offices) *3. Some seven days plazas and other of RB are not included

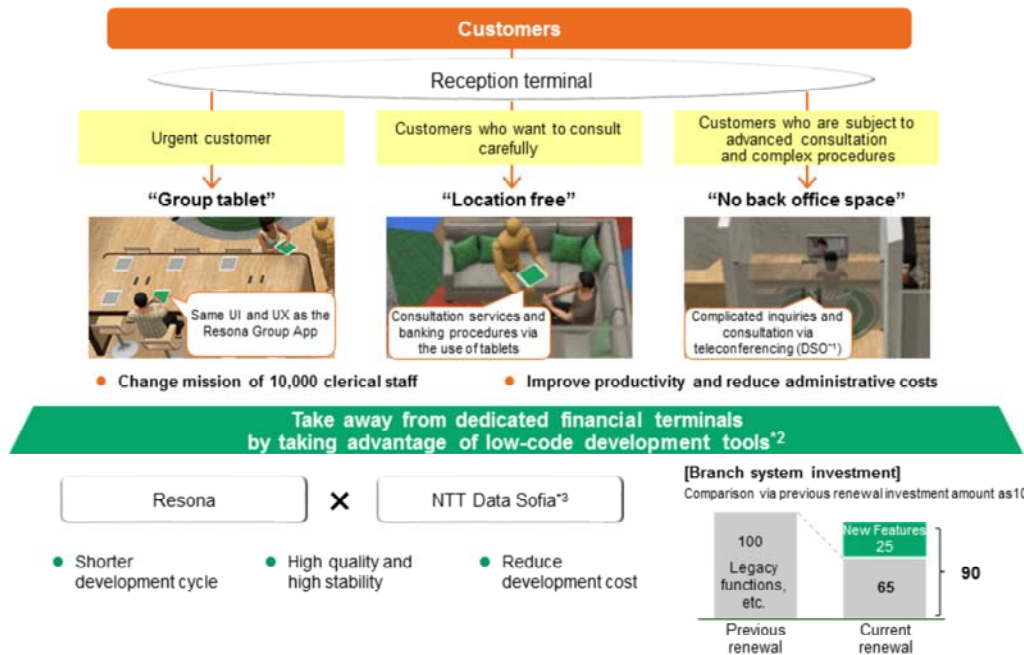
Resona Holdings, Inc.

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- About channel network. While reducing the number of employees per branch, we will reduce the number of locations, particularly in BinB of overlapping locations of the former Kinki Osaka Bank and Kansai Urban Banking Corporation, thereby ensuring both improved customer convenience and cost-cutting.
- You can see numbers listed at the bottom. We will reduce locations by slightly less than 20% over the three years of the medium-term management plan through group-wide branch optimization, etc.
- At the same time, we will reorganize its service areas, optimize its branch mission, implement branch replacement, and downsizing.
- Page 40, please.

Start introduction of the new branch office system (RB, SR)

- System that thoroughly enhance customer convenience and reduce operating costs



^{*1} Digital service office ^{*2} Methodology and supporting tools to develop software as quickly as possible without writing source code
^{*3} Joint venture between NTT DATA and HD

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- Using tablet devices, we intend to introduce the same types of usability as the Group app in branches as well.
- Resona Bank and Saitama Resona Bank are switching to and introducing a new branch system from Apr. '21 in order to establish a new sales style that make it possible to provide consultation service at location-free.
- This time, we would like to add that by utilizing the low-code development tool, and we were able to develop it in less than half of the conventional development period.
- To page 41, please.

Accelerate system structure reform and open platform strategy with an eye on technological evolution

■ System structure reform

- Focus on strategic investment by simplifying systems, low-code development, and expanding the agile development system
- Early provision of Resona products and services to regional banks without system integration by using API infrastructure
- Collaboration with fintech and other industries through open APIs and digital platforms

Accelerate
system development speed

Accelerate
open platform strategy

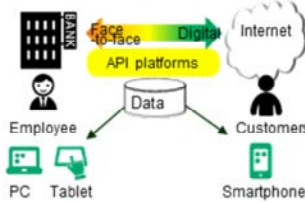
[Image of system-related costs]

- ✓ Shift to DX investment through system structure reform

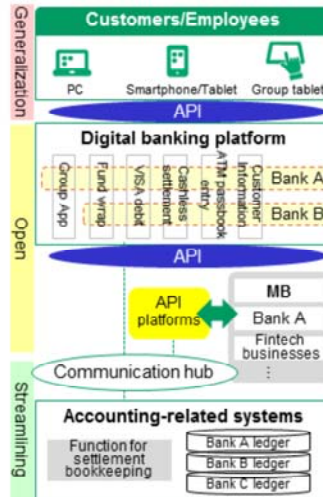


[Integration of face-to-face and digital]

- ✓ Realize omni-channel by expansion of API for accounting related systems



[Vision]



[Current status]

Break away from dependence on dedicated terminals solely for financial institutions

Accounting-related API 500API (see/update) established

Halve the number of dedicated financial terminals Realize transactions with general-purpose PCs in all branches (Scheduled for Oct. '20 to Jul. '21)

Open platform systems

Group App	Joyo Bank and Ashikaga Bank (Mar. '21) MB (planned for FY'21)
Fund wrap	MB (Oct. '20) Bank of Yokohama (Apr. '21)
VISA debit - RCP ^{*1}	MB (planned for FY'21)
ATM passbook sharing ^{*2}	MB (planned for FY'21)

Structural reforms to open systems from legacy systems

Simplified Systems	Started initiatives to streamline existing systems, mainly in the accounting system
--------------------	---

^{*1} Resona Cashless Platform ^{*2} MB passbook bookkeeping at Resona ATMs

Resona Holdings, Inc. 41

- About systems. Through low code development and agile, we will accelerate the speed of development while expanding investment in strategic areas without significantly changing overall system costs.
- We aim to promote general-purpose, open architecture, and downsizing while utilizing APIs.
- Go to page 43, please.

**Outline of Business Results for FY2020
and Updates on Major Businesses**

Efforts for Sustainable Growth

Capital Management

ESG Initiatives

Reference Material

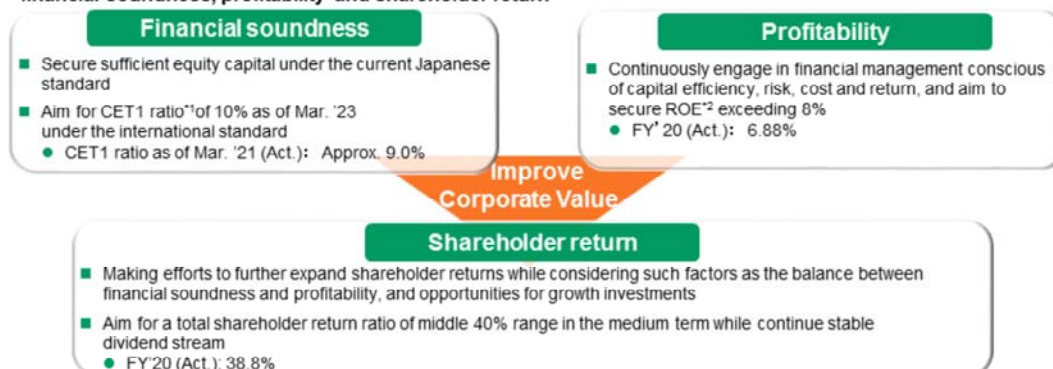
Capital Management

■ Implement share buy-back to neutralize dilutive effect on EPS from Making KMFG a wholly-owned subsidiary of HD

- # of shares to be acquired: Up to JPY 88 million shares
- Total acquisition cost: Up to JPY 50.0 bn
- Period of acquisition: May 12, '21 - September 30, '21
- Method of acquisition: Market buying on TSE
 - (i) Purchase through Off-Floor Treasury Share Repurchase Trading on TSE (ToSTNeT-3): 62 million shares
 - (ii) Market buying pursuant to the discretionary purchase agreement

	After making KMFG a wholly-owned subsidiary (shareholding ratio: 100%)	Before making KMFG a wholly-owned subsidiary (shareholding ratio: 51.2%)	
HD consolidated net income (Earning target for FY'21)	145.0 bn	137.6 bn	
KMFG	15.0 bn	7.6 bn	
Total number of shares issued	2.50 bn shares	2.29 bn shares	
EPS	JPY 57.8	JPY 59.9	EPS Change $\frac{[(1)-(2)]}{(2)}$ (3.5%)
	(1)	(2)	Total # of shares: 88 mil shares (2.5 bn shares X 3.5%)

■ Making efforts to further expand shareholder returns as our basic policy is to strike an optimal balance between financial soundness, profitability and shareholder return



*1. Based on the finalization of Basel 3. Exclude unrealized gains on available-for-sale securities

*2. Net income / Total shareholders equity (simple sum of the balance at the beginning and the end of the term/2)

Resona Holdings, Inc.

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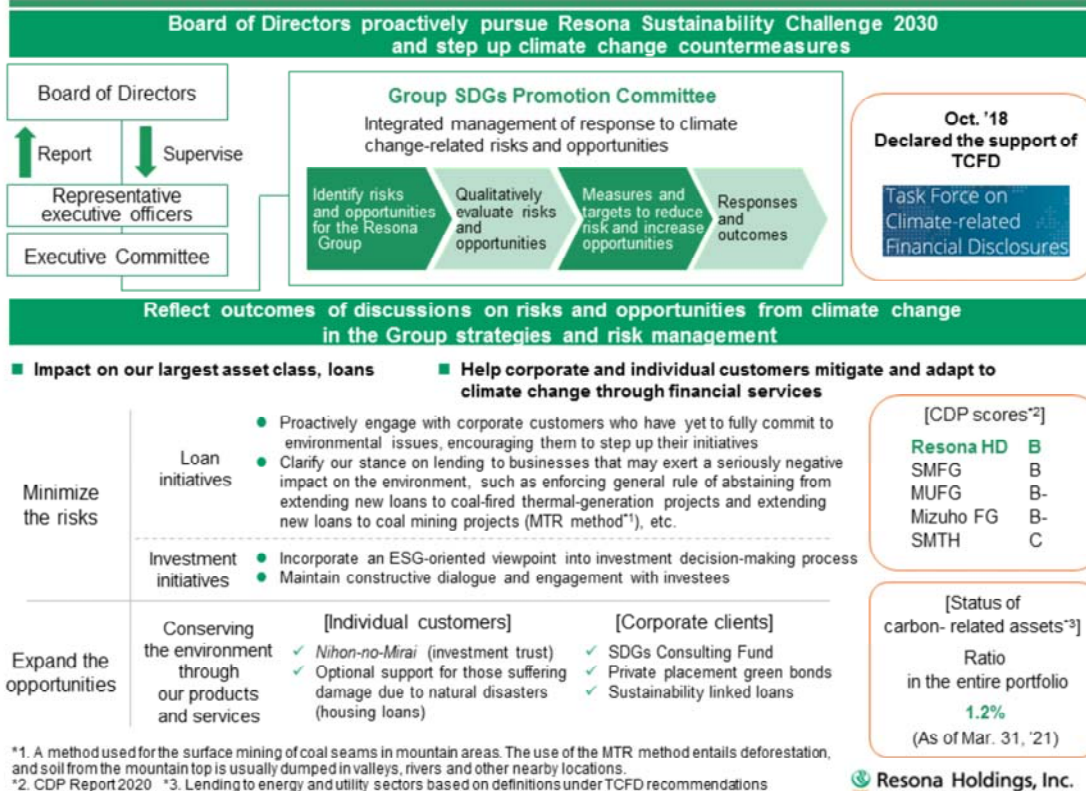
- Regarding capital policy.
- The upper shows share repurchases conducted to neutralize the dilutive effect of EPS arising from making KMFG a wholly-owned subsidiary.
- EPS calculated from the results target for the current fiscal year is JPY57.8.
- On the other hand, EPS calculated from the shares Resona Holdings had held and the number of shares outstanding prior to making KMFG a wholly-owned subsidiary would be JPY59.9, a decrease of 3.5%, so we will acquire 88 million shares, or 3.5% of the number of shares outstanding now.
- We have already released that we completed the purchase of 62 million shares in ToSTNeT-3. For the remainder, we will conduct a market-based purchase based on a discretionary purchase agreement.
- The lower shows the direction of capital policy which we have shown so far.
- There is no change in our approach of aiming to further expand shareholder returns while maintaining a balance between "Financial soundness," "Profitability," and "Shareholder returns."
- While maintaining a stable dividend stream, we aim to achieve a total shareholder return ratio of mid-40% range in the medium term.
- See page 44, please.

Outline of Business Results for FY2020 and Updates on Major Businesses
Efforts for Sustainable Growth
Capital Management
ESG Initiatives
Reference Material

 Resona Holdings, Inc. 44

- Finally, I would like to comment on ESG initiatives.
- To page 45, please

E (Environment): Our Response to Global Warming & Climate Change



- E, about the environment. We recognize that the stage has changed dramatically in this area.
- We identify responses to global warming and climate change as environmental and social issues to be prioritized by the Group as a whole.
- We will continue our efforts to realize a low-carbon, recycling-oriented society through the suspension of new financing to PJs for coal-fired thermal power generation in principle, the incorporation of ESG into the investment process, and the provision of a variety of environmentally conscious products,
- To page 48, please.

E (Environment): Step-up Approach to Support Customer Initiatives

Help customers expand their knowledge of climate change and other social issues

An introductory booklet on SDGs

An easy-to-read booklet explain an overview of SDGs and Resona's initiatives



"The Significant Impact of SDGs on Businesses"

A booklet to facilitate dialogue about impact of environmental and social issues to businesses



Encourage customers to join efforts to address social issues

Private placement SDGs promotion bonds

Donate a portion of commission fees received from customers to support organizations pursuing cases related to SDGs, thereby meeting the needs of those who wish to support the realization of SDGs



Mirai E-us project "Mirai Earth"

Investment trust products designed to invest in stocks of eco-friendly tech companies worldwide or in green bonds



Help customers identify and resolve latent issues

SDGs Consulting Fund

Financing products that provide customers with eligibility to receive on-the-spot consulting with Resona Research Institute free of charge



Private placement green bonds and sustainability linked loans

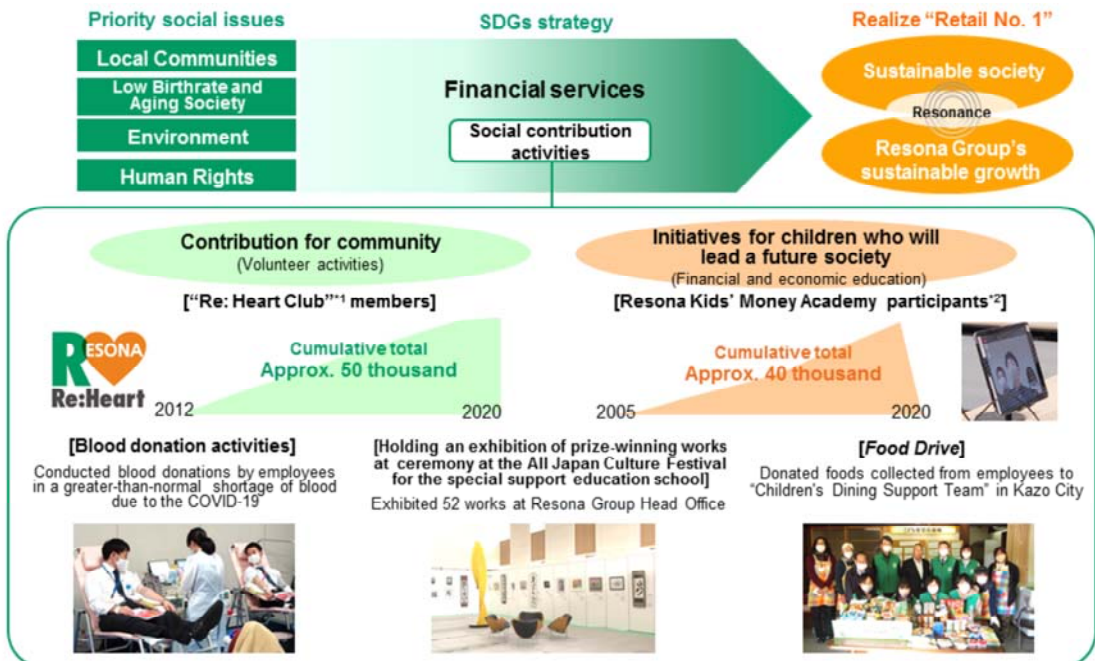
- Support fundraising only for projects which can improve environment (Green Projects)
- Loans whose interest rates and other conditions are linked to the status of achievement of goals which are consistent with customers' sustainability strategies

Our initiatives to address recommendations by Task Force on Climate-related Financial Disclosures (TCFD)

S (Society): Realize “Retail No. 1” through Business & Social Contribution Activities

Leveraging our strengths and management resources
to contribute to the sustainable growth of local communities

[Relationship between business strategy and social contribution activities]



*1. The volunteer group which Resona Group's employees run *2. Held during summer holidays, includes "Mirai Kids' Money Academy"

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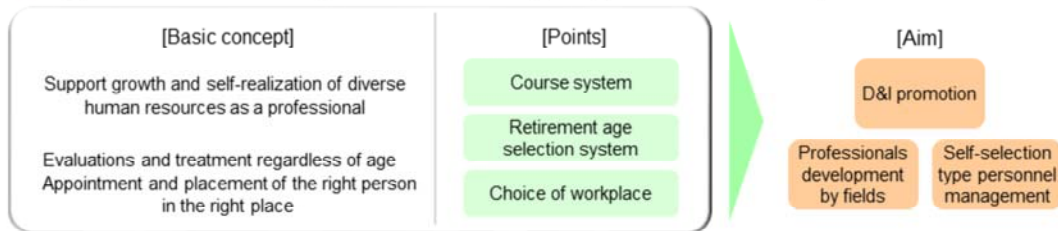
47

S (Society): Diversity & Inclusion

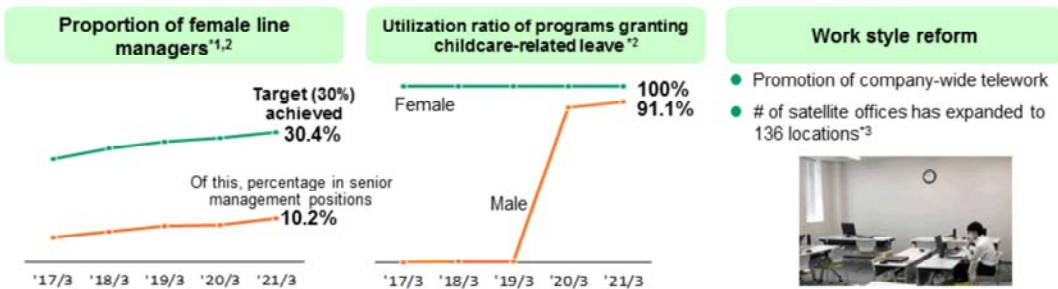
Develop a personnel system which can train professionals with external competitiveness and enable employees to choose diverse work styles

■ New personnel system (Apr. 2021- RB,SR)

- Develop professionals with external competitiveness while promoting diversity management as the basis of human resource management
- Support autonomous career development and diverse work styles in light of their needs for striking a work-life balance



■ Progress of diversity management and promotion of work style reform



^{*1}. Ratio of women to the total number of those in management positions or above charged with overseeing staff
^{*2}. RB+SR ^{*3}. As of Mar. 31, '21

Resona Holdings, Inc.

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- S, regarding society, I would like to comment on the new personnel system launched this fiscal year as Diversity & Inclusion initiatives.
- The personnel system with multi-path has 19 courses in place so that all employees can become expert professionals. Another characteristic is that it is operated without being limited by age.
- We plan to develop expert professionals with external competitiveness and support a variety of work styles in line with work-life balance.
- In the bottom left, the ratio of female line managers is 30.4%.
- To page 49, please.

G (Corporate Governance): Sophisticated Corporate Governance System

The first Japanese banking group which adopted a committee-based corporate governance structure in 2003 for management transparency and objectivity

Board of Directors	<ul style="list-style-type: none"> Majority of the Board members are independent outside directors 	<ul style="list-style-type: none"> Outside directors only
	<ul style="list-style-type: none"> Ratio of female directors: 20% 	<ul style="list-style-type: none"> Introduced succession plan in 2007 and ensure objectivity by drawing on the advice of outside consultants
	<ul style="list-style-type: none"> Chairman does not concurrently serve as an executive officer, separating management supervision and business execution 	<ul style="list-style-type: none"> Introduced share benefit trust as performance based stock compensation program for officers in 2020
		<ul style="list-style-type: none"> Majority of outside directors

Independent: 6, Internal: 4

Committees: Nominating Committee, Compensation Committee, Audit Committee

Outside directors*1

 <p>Tadamitsu Matsui Chairperson, Nominating Committee Chairperson, Compensation Committee <small>Representative Director and President of MATSUI Office Corporation (Former Representative Director and Chairperson of Ryohin Keikaku)</small></p>	 <p>Hidehiko Sato Member, Nominating Committee Member, Audit Committee <small>Attorney-at-law (Hibiki Law Office) (Former National Police Agency Commissioner)</small></p>	 <p>Chiharu Baba Chairperson, Audit Committee <small>(Former Deputy President of Mizuho Trust & Banking)</small></p>
 <p>Kimie Iwata Member, Nominating Committee Member, Compensation Committee <small>(Former Deputy Director-General Human Resource Development Bureau Ministry of Labor, Former Director & Executive Vice President of Shiseido)</small></p>	 <p>Setsuko Egami Member, Nominating Committee Member, Compensation Committee <small>(Former Professor, Faculty of Sociology, Musashi University)</small></p>	 <p>Fumihiko Ike <small>*newly assigned</small> Member, Nominating Committee Member, Audit Committee <small>(Former Chairperson of Honda Motor)</small></p>

Internal directors*1

 <p>Kazuhiro Higashi Chairman</p>	 <p>Masahiro Minami President and Representative Executive Officer</p>	 <p>Mikio Noguchi Executive Officer</p>	 <p>Takahiro Kawashima Member, Audit Committee</p>
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*1. Nominees for directors at the 20th Ordinary General Meeting of Shareholders to be held in June 2021

Resona Holdings, Inc.

- G, regarding governance.
- As you may know, in 2003 we became the first Japanese banking group to adopt a committee-based corporate governance structure.
- The majority of the Board of Directors is composed of outside directors, and the chairs of the 3 committees are all outside directors.
- We continue to maintain a governance system that fully utilizes external perspectives in management and ensures high levels of transparency and fairness.
- That is all for my explanation.

G (Corporate Governance): Roles, Skills, and Expertise Required to Directors

Strengthening supervisory and decision-making functions
through active discussions at Board of Directors meetings, which are rich in diversity

■ Outside directors*1

	Company management/ Operation	Public administration	Finance business	General affairs /HR	Legal/ Risk management	Finance/ Accounting	Marketing	ESG Sustainability	Innovation	IT	Internationality
Tadamitsu Matsui	●			●			●				
Hidehiko Sato	●	●			●						
Chiharu Baba	●		●		●	●					
Kimie Iwata	●	●						●			
Setsuko Egami				●			●		●		
Fumihiko Ike	●									●	●

■ Internal directors*1

	Management and planning	IT/DX	Compliance Risk management
Kazuhiro Higashi	●	●	●
Masahiro Minami	●	●	●
Mikio Noguchi	●	●	
Takahiro Kawashima	●		●

Glass-walled Executive room



*1. Nominees for directors at the 20th Ordinary General Meeting of Shareholders to be held in June 2021

Resona Holdings, Inc.

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G (Corporate Governance): Initiatives for Corporate Governance Evolution

Our initiatives to improve the effectiveness of the Board of Directors' operations

Outside directors' meetings

- ✓ Outside directors conducted meetings on evaluation of the Board of Directors utilizing a third-party organization. Actively discussed to further improve the effectiveness of the Board of Directors

Free discussion sessions

- ✓ Utilize input from outside directors into such key activities as strategies in a timely manner
- ✓ A free discussion meeting was held for the first time in FY'20 with the participation of all outside directors of HD, RB, and SR

Study sessions and onsite tours

- ✓ Facilitate understanding of the Resona Group's business operations
- Study sessions: "Response to International Accounting Standards"
"Future Vision of System Structure"
- Tours: Visited "Resona Garage", a base for CFT activities (FY'20)

Succession Plan (introduced in Jun. '07)

- Our mechanism for ensuring the succession of roles and responsibilities to be borne by executive officers
- The plan covers a range of individuals from candidates for Group bank presidents to new candidates for executive officers
- Candidates are classified by job rank and systematically undergo selection and training programs

Selection process

- Advice from external consultants
 - Nominating Committee members attend each program
- Secure a structure for transparent and fair selection

Training process

Nurture individuals who embody Resona's distinctive strength

Ideal traits of executive officer candidates

Remuneration for directors and executive officers

■ Compensation system for executive officers

Position-based Compensation (Fixed cash compensation)	+	Annual incentive (Variable cash compensation)	+	Medium- to long-term incentives (Variable share-based compensation)
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Annual incentive

Annually examine the status of specific key indices in terms of consistency with MMP targets

Corporate performance

Net income attributable to owners of parent

Fee income ratio

Cost income ratio

CET1 ratio

Individual achievements

- ✓ Evaluate the status of initiatives aimed at helping realize SDGs

- ✓ Evaluate the status of medium- to long-term initiatives and the degree of accomplishment of annual targets

Medium-to long-term incentives

- ✓ Enhance linkage with shareholder value
- ✓ Encourage efforts employing medium- to long-term perspectives to improve corporate value

[Matrix-based evaluation based on two indices]

Relative TSR
(Relative to peers in the banking industry)

Consolidated ROE (Based on shareholders' equity)

"Board Benefit Trust"

- ✓ Utilize a trust scheme
- ✓ Grant shares
- ✓ Enhance linkage with performance

Resona Holdings, Inc.

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ESG-Based Recognitions and Initiatives

Status of inclusion into ESG-based stock indices

[ESG indexes selected by GPIF (domestic stock)]

Aim to be included in all of four indices during the current MMP period

FTSE Blossom Japan Index



S&P/JPX Carbon Efficient Index



MSCI Japan ESG Select Leaders Index

2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

MSCI Japan Empowering Women Index

2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



Our support for ESG-related initiatives at home and abroad



*1. Please refer to our corporate website for details⇒ <https://www.resona-gr.co.jp/holdings/english/sustainability/award/index.html>

Resona Holdings, Inc.

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Resona's Challenges Attracting Attentions from Outside (1)

Resona's challenges towards "Retail No. 1" are highly evaluated by various institutions

Highly evaluated for our initiatives to proactively
facilitating digital transformation (DX)

■ Digital Transformation Stock Selection (DX Stock) 2020 (HD)

- Smartphone-driven business model for individuals
- The reform of branch counter operations by mainly using semi-self-service terminals



Resona Group App
outstanding design and user-friendliness

■ GOOD DESIGN AWARD 2018



■ App Ape Award 2020



App Ape Award 2020
Popular apps

Awarded two consecutive years
(App Ape Award 2019, 2020)

■ App Annie Top Publisher Awards 2021



Awarded two consecutive years
(Top Publisher Awards 2020, 2021)

Highly evaluated for our initiatives to develop
and popularize products facilitating SDGs
and to strengthen ESG investment

■ Principles for Financial Action for the 21st Century Winning the Minister of the Environment Award (HD, FY2018)

■ Principles for Financial Action for the 21st Century Winning Special Award, Selection Committee Chairman's Award (general category (Resona AM, FY2020))



■ Won a Bronze Award under the ESG Finance Award Japan program (investor category) (Resona AM, FY2019)

Resona Holdings, Inc.

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Resona's Challenges Attracting Attentions from Outside (2)

Resona's challenges towards "Retail No. 1" are highly evaluated by various institutions

Winning awards to commend leading companies of diversity

- Leading companies where women shine 2020 Winning the Minister of State for Gender Equality Award (RB)
- Awarded the highest gold rating in the PRIDE Index (for four consecutive years) (HD)
- Obtained Platinum Kurumin (all group banks)
- Ranked #3 in 100 Best Companies Where Women Play Active Part 2021^{*1} (HD)

女性が輝く
先進企業 2020

Ranked first in the Japan Pension Service's Customer Satisfaction Questionnaire Survey in terms of total customer satisfaction rating

Earned customer support thanks to our strong consulting capabilities in such fields as asset formation

- Won the Most Excellent Award under the 2020 R&I Customer Satisfaction Award program (pension category) (RB)



- Nikkei's survey on Banks' Retail Capability

[15th (2019) (Out of 114 banks surveyed)*2]

1st Saitama Resona
2nd Resona
5th Kansai Mirai

^{*1}. Based on a Survey 2021 of Workplace Opportunities for Female Workers undertaken by Nikkei Woman
^{*2}. Reported on Nikkei Veritas in Sep. 29, '19

Outline of Business Results for FY2020 and Updates on Major Businesses

Efforts for Sustainable Growth

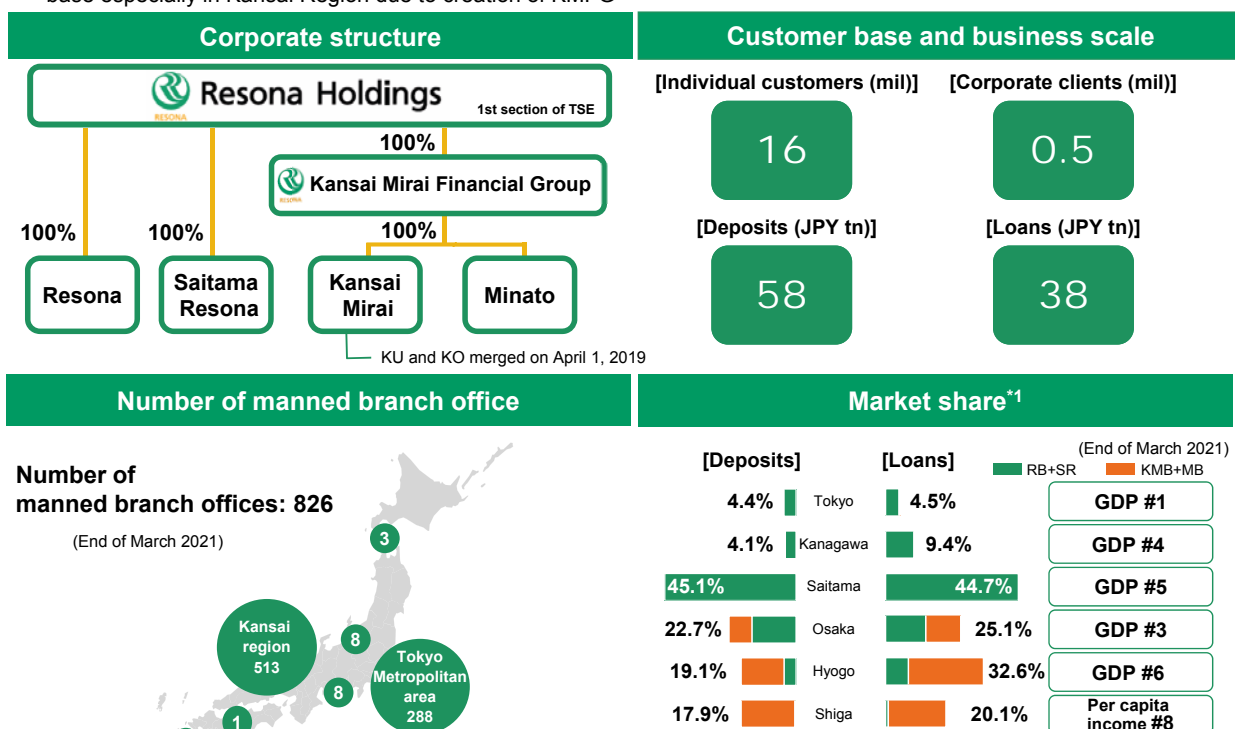
Capital Management

ESG Initiatives

Reference Material

Resona Group at a Glance

- Resona focuses management resources on Tokyo and Kansai metropolitan areas and retail banking business
- Resona Group is the largest retail-focused bank with full-line trust capabilities in Japan with a well-established customer base especially in Kansai Region due to creation of KMFG



*1. Total of group banks, market share based on deposits, and loans and bills discounted by prefecture (domestically licensed banks from BOJ) Resona Holdings, Inc.

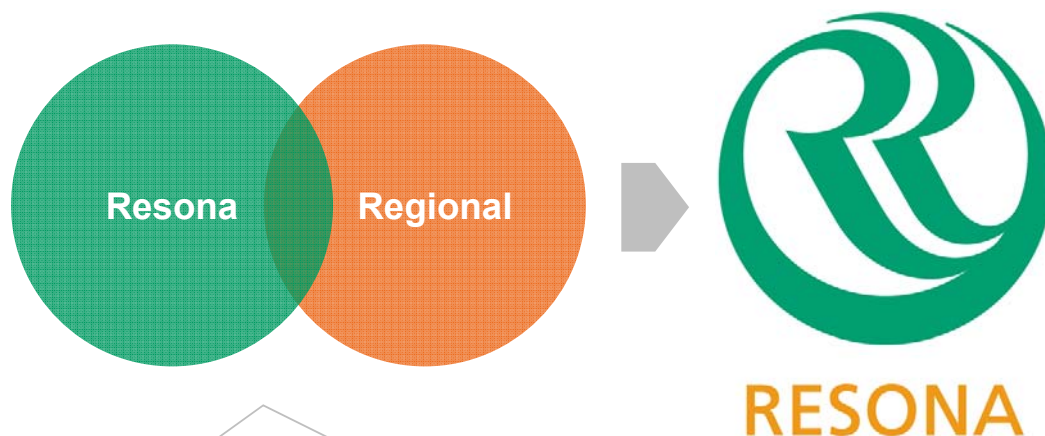
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Resona Group's Brand Identity

The Resona Group's corporate name is derived from the Latin word (*resonus*) meaning "resonate" or "resound" in English

We aim to establish "Resonance Model" by resonance between sustainable society and Resona Group's sustainable growth

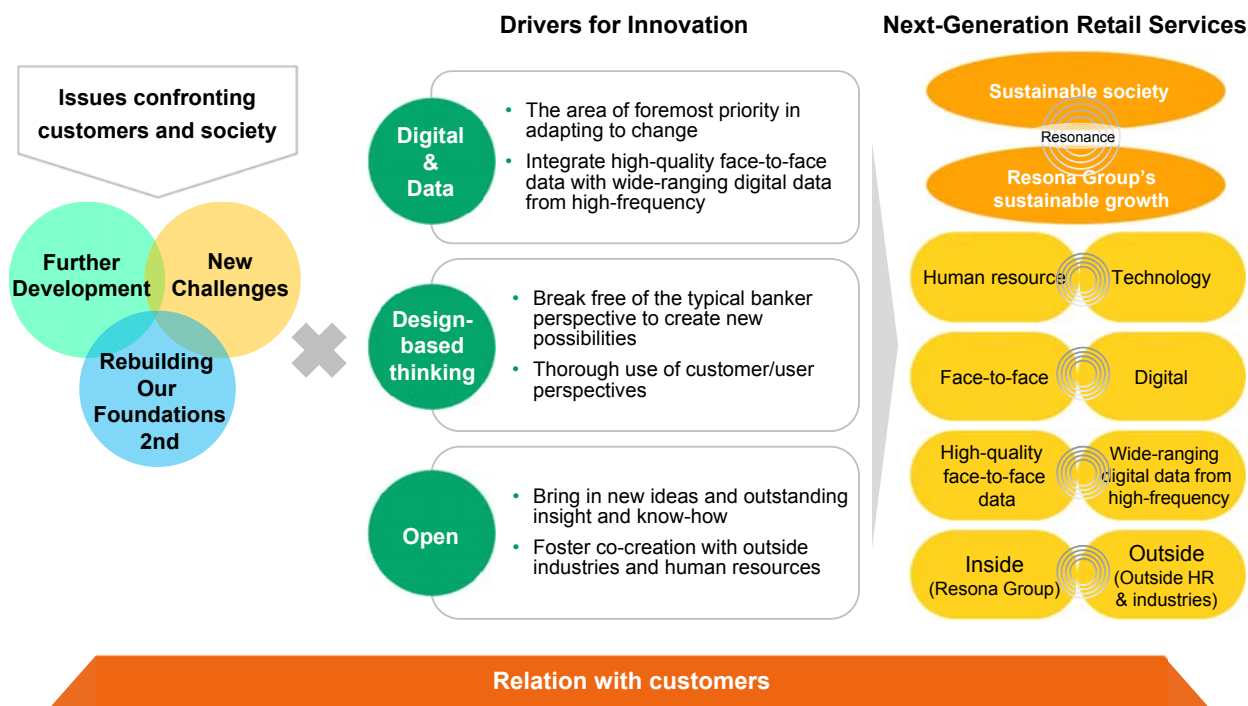
We attach great importance to customers' voice. By adopting the corporate name Resona, we want to express our desire to build stronger ties with communities and customers by "resonating" or "resounding" with them.



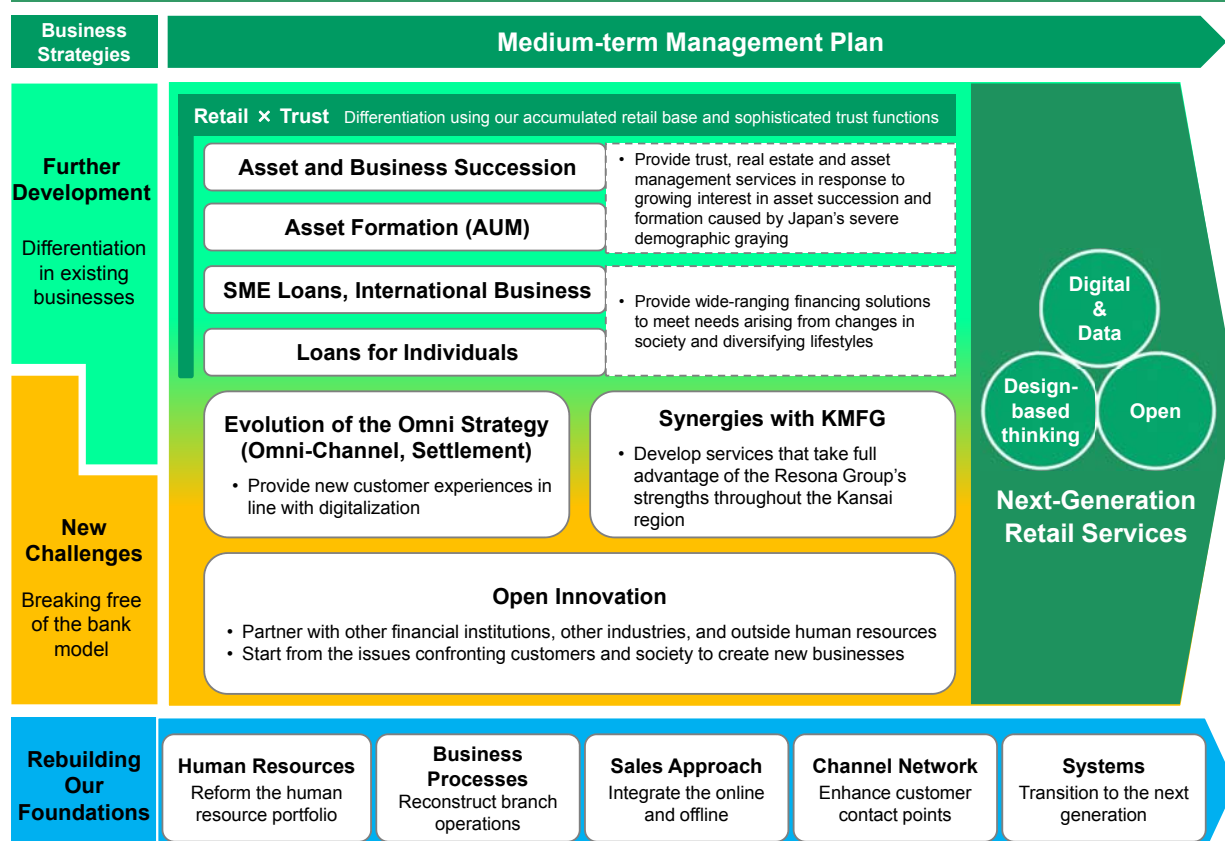
Group Logo expresses the resonance between the "R" in Resona and the "R" in the Group's key word "Regional."

Establish “Resonance Model”





We will provide new value to customers, starting from the issues confronting customers and society, by moving beyond conventional banking frameworks through diverse resonance generated by new ideas and wide-ranging connections



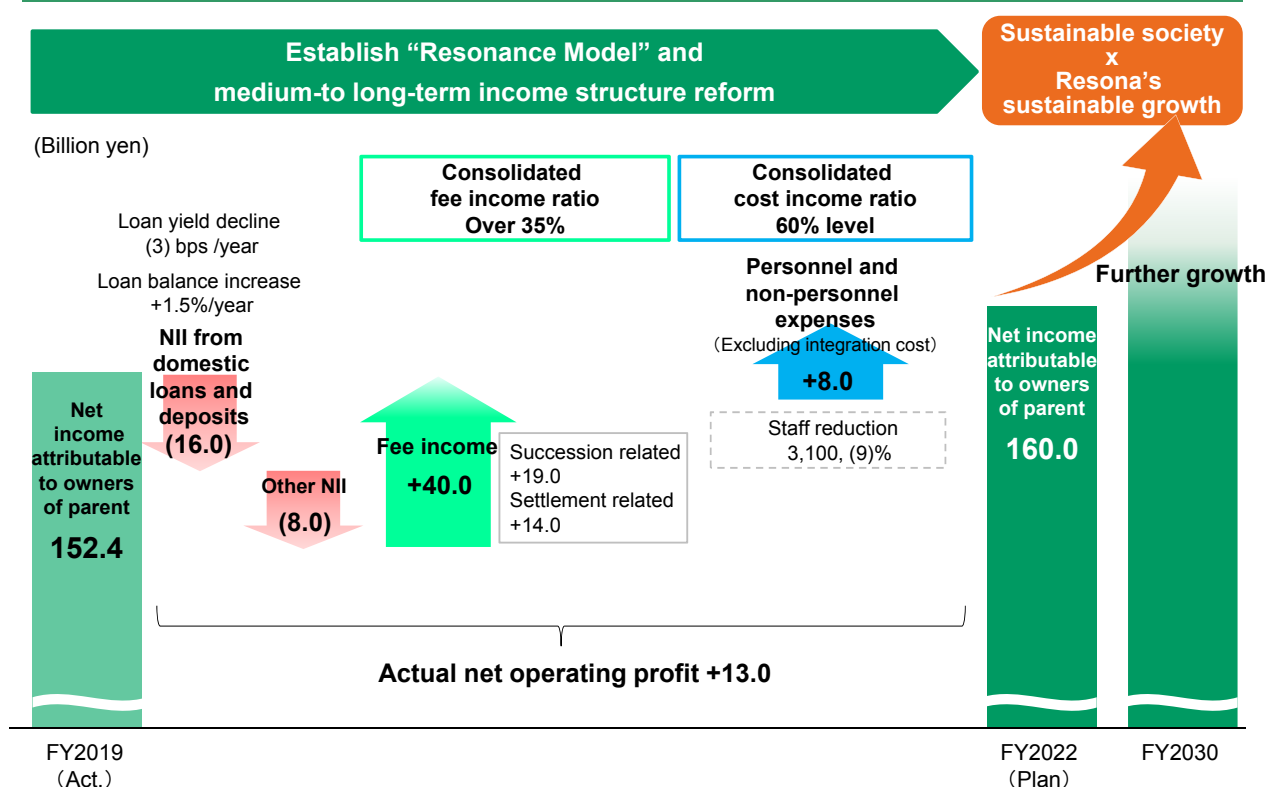
Business Strategy and Rebuild Foundations (Overview)



Points of Focus in the New Medium-term Management Plan toward the 2030 Realization of SDGs

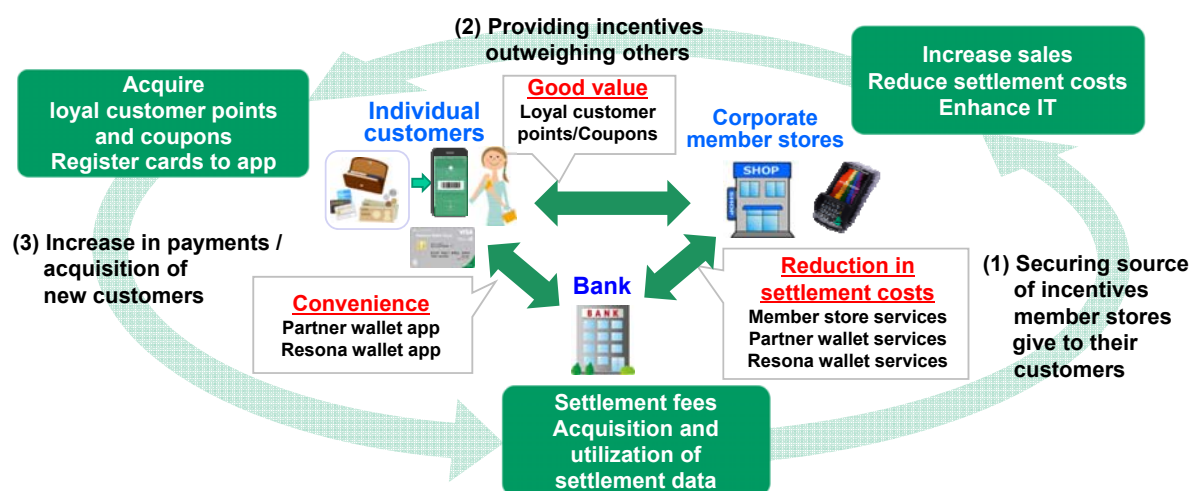
Theme	Expected issues customers will face in the next 10 years	Key policies under the new medium-term management plan
Local Communities  All 17 goals	<ul style="list-style-type: none"> Adapt to a digitalized and global society <ul style="list-style-type: none"> Widespread use of cashless settlement Rapid advance of digitalization Need for supply chain maintenance 	Settlement Omni-Channel
Low Birthrate and Aging Society 	<ul style="list-style-type: none"> Adapt to the low birth rate and graying society <ul style="list-style-type: none"> Need for ensuring smooth succession of assets and businesses as well as securing funds for life after retirement Human resource shortages 	Succession Asset formation
Environment 	<ul style="list-style-type: none"> Respond to climate change risks <ul style="list-style-type: none"> Rising living expenses and housing costs Need for de-carbonization and preparation for natural disasters 	Provide support for de-carbonization Green finance Loan exemptions for those hit by natural disasters
Human Rights 	<ul style="list-style-type: none"> Adapt to diversifying value systems and working styles <ul style="list-style-type: none"> Need to meet higher skill requirements and develop second careers Need to expand hiring of foreigners and elderly people 	Measures for diversity & inclusion Develop human resources capable of meeting diversifying customer needs for sophisticated solutions

Roadmap for Securing Profit



Outline of Resona Cashless Platform

- Settlement infrastructure capable of resolving management issues confronting corporate customers and providing individual customers with more convenient services with smaller fees



[Customers' advantages for adopting RCP]



[Member stores that accommodate payment by Resona Wallet]



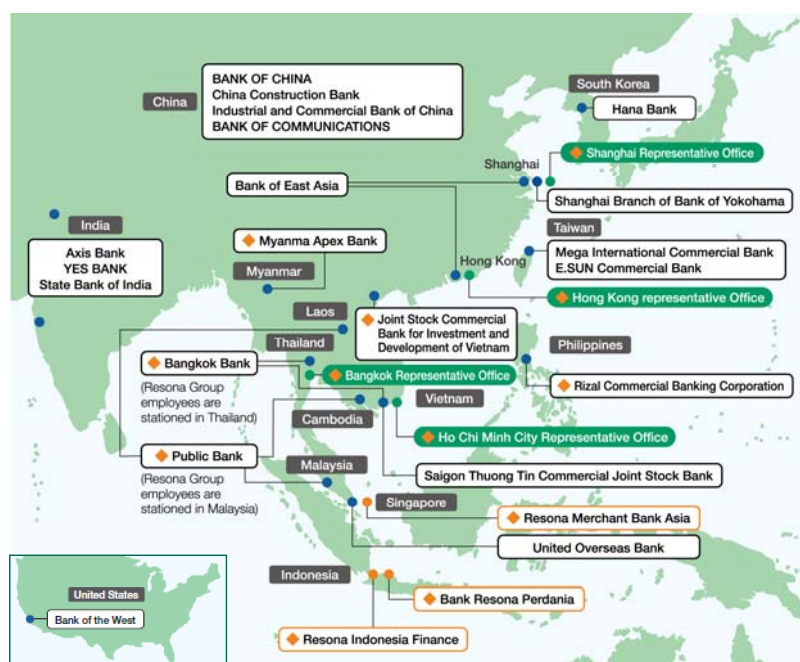
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International Businesses

Overall support for customers' overseas expansion with a focus on Asia via overseas bases and partner banks

- Continue to provide meticulous services utilizing non-face-to-face tools even under the COVID-19 pandemic
- Provide a wide range of consultations concerning overseas expansion, financing, etc.
- Provide solutions via local subsidiaries
 - Bank Resona Perdania (Indonesia)
 - Boasting a business track record spanning more than 60 years and full-fledged banking functions serving locals
 - Resona Merchant Bank Asia (Singapore)
 - Lending, M&A assistance, consulting, etc. in ASEAN, Hong Kong and India
- Strengthen the customer support by expanding overseas network
 - Concluded an agreement for capital and business alliance with SAC Capital (Singapore) (Aug. '20~)
 - Strengthen the customer support for M&A in ASEAN
 - Support customers through cooperation with overseas bases using web conferencing systems, etc.
 - Provision of local information and support for sales channel expansion

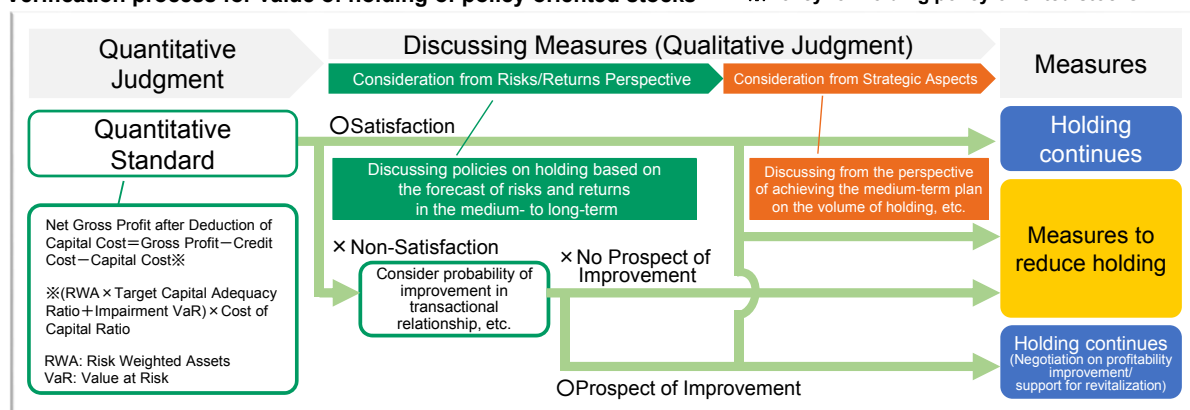


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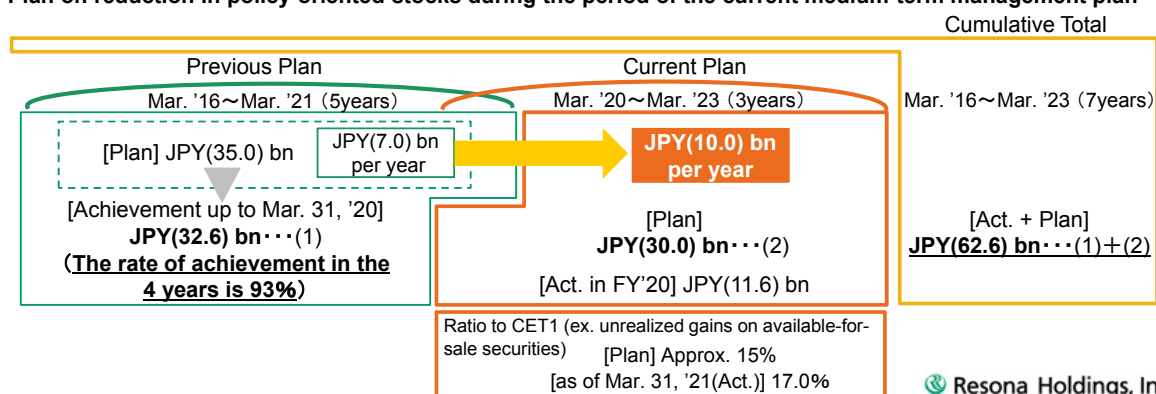
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Policy-Oriented Stocks : Verification Process & Reduction Plan

■ Verification process for value of holding of policy-oriented stocks ※Policy for holding policy-oriented stocks ⇒P16



■ Plan on reduction in policy-oriented stocks during the period of the current medium-term management plan



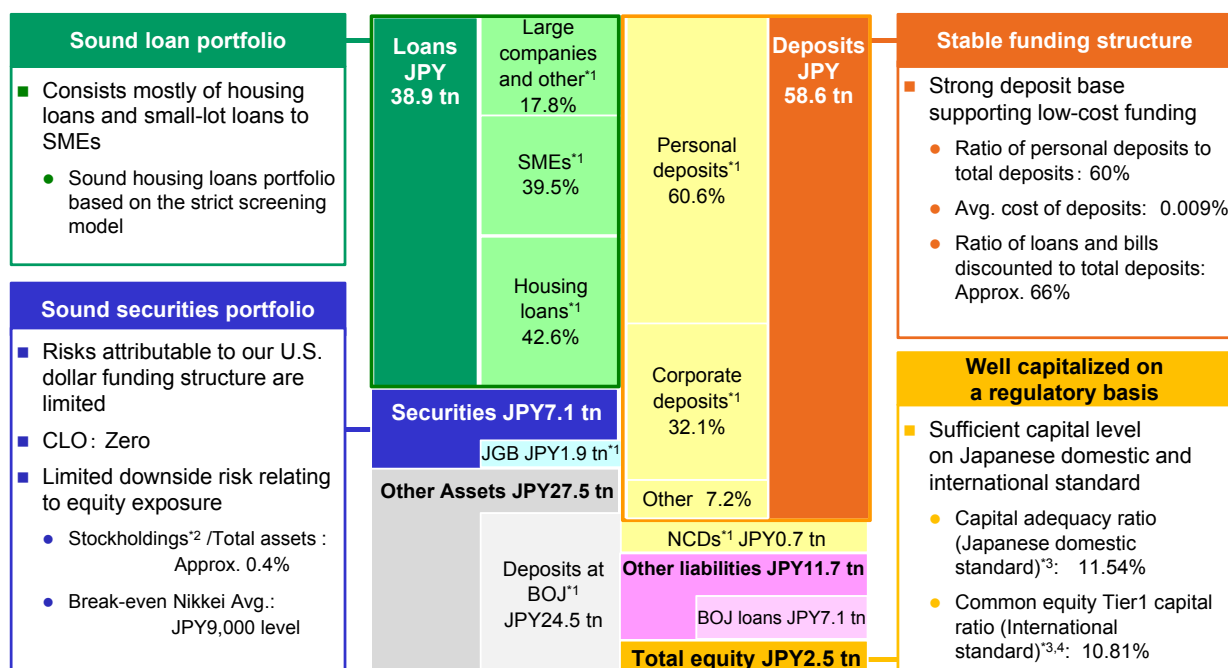
Resona Holdings, Inc.

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Sound Balance Sheet

HD Consolidated

Total assets JPY73.6 tn



*1. Total of group banks *2. At cost *3. Basel 3 Common Equity Tier1 capital ratio is for a reference purpose only
*4. Exclude unrealized gains on available-for-sale securities

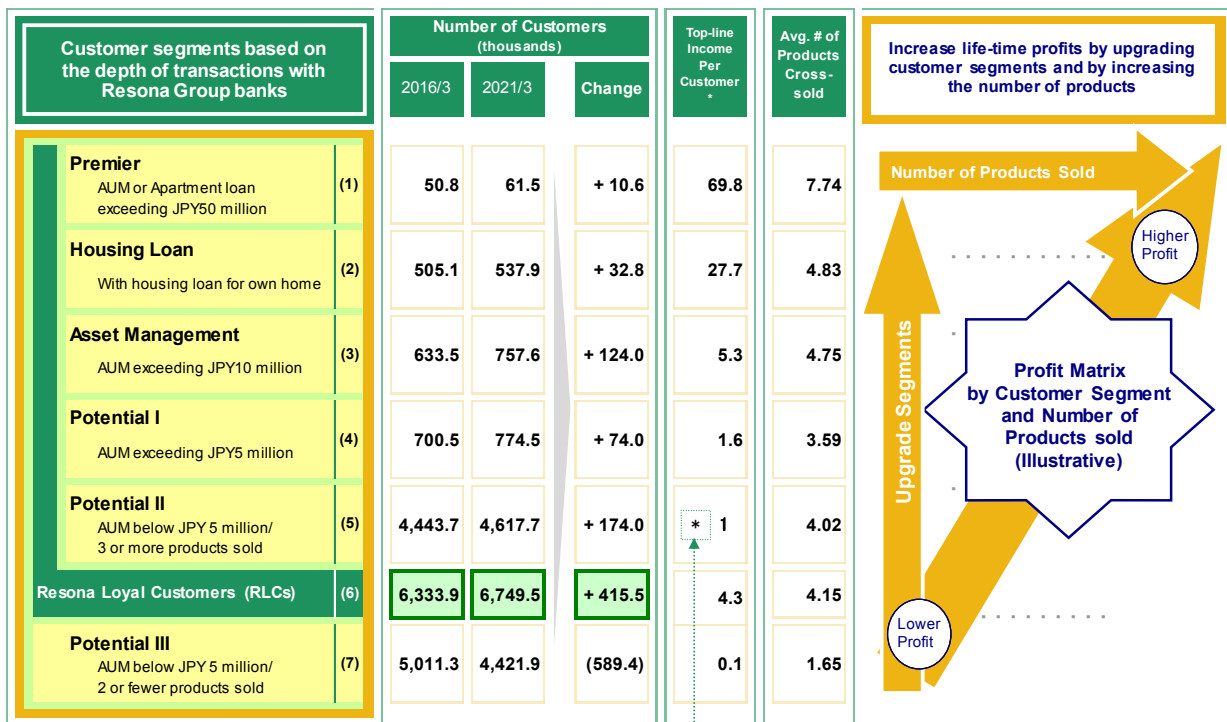
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Measures to Build Multifaceted Business Relationships with Customers

Total of
Two Banks
(RB, SR)

Visible progress has been made through the increase in the number of “Resona Loyal Customers”



* Indexed to average top-line income per client for Potential II segment = 1

Resona Holdings, Inc.

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Business Results by Major Group Business Segments

Management accounting by major group business lines (FY2020)

(JPY bn, %)																	
Resona Group Business Segments		Profitability			Soundness	Net operating profit after a deduction of credit cost											
		Net profit after a deduction of cost on capital	Risk-adjusted return on capital	Cost to income ratio	Internal CAR												
						Actual net operating profit										Credit cost	
						RVA*1	RAROC	OHR		YoY Change		YoY Change	Gross operating profit	YoY Change	Operating expense		
Customer Divisions	(1)	(13.5)	9.0%	67.7%	10.2%	97.3	(43.3)	142.4	(14.9)	441.9	(13.7)	(299.5)	(1.1)	(45.0)	(28.3)		
Personal Banking	(2)	8.7	15.2%	84.3%	10.0%	27.0	(14.8)	28.4	(15.6)	182.1	(14.0)	(153.6)	(1.5)	(1.4)	+0.7		
Corporate Banking	(3)	(22.3)	7.8%	56.1%	10.2%	70.3	(28.4)	113.9	+0.6	259.8	+0.2	(145.8)	+0.3	(43.5)	(29.0)		
Markets	(4)	41.0	58.7%	17.1%	15.5%	49.7	(3.2)	49.7	(3.2)	60.0	(2.1)	(10.3)	(1.0)	-	-		
KMFG	(5)	(26.1)	4.6%	76.5%	8.4%	21.2	(1.3)	33.4	+4.6	143.0	+0.5	(109.5)	+4.0	(12.2)	(5.9)		
Total*2	(6)	(47.8)	8.8%	64.5%	9.3%	171.4	(43.0)	228.8	(8.5)	643.9	(10.1)	(415.5)	+1.6	(57.4)	(34.4)		

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

*2. Numbers reported above refer to 2 Resona Group banks and consolidated subsidiaries

Resona Holdings, Inc.

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Consolidated Subsidiaries and Affiliated Companies (1)

Major consolidated domestic subsidiaries (excluding group banks)

(JPY bn)

Major consolidated domestic subsidiaries (excluding group banks)							
Name		Line of business		Capital contribution ratio	Fiscal year	Net income	YoY change
Resona Guarantee	(1)	Credit guarantee (Mainly mortgage loan)	Japan's highest class of residential housing loan guarantee balances	Resona Holdings 100%	FY'20 (Mar. 31 2021)	11.3	+0.5
Kansai Mirai Guarantee	(2)			Kansai Mirai Bank 100%	FY'20 (Mar. 31 2021)	1.2	+0.5
Kansai Sogo Shinyo	(3)			Kansai Mirai Bank 100%	FY'20 (Mar. 31 2021)	1.0	+0.1
Minato Guarantee	(4)			Minato Bank 100%	FY'20 (Mar. 31 2021)	0.7	(0.1)
Resona Card	(5)	Credit card Credit guarantee	1.5 million card members	Resona Holdings 77.5% Credit Saison 22.4%	FY'20 (Mar. 31 2021)	0.6	(0.9)
Resona Kessai Service	(6)	Collection service Factoring	Collection services with 50 million cases annually	Resona Holdings 100%	FY'20 (Mar. 31 2021)	0.5	(0.3)
Resona Research Institute	(7)	Business consulting service	Management consulting with 800 project annually	Resona Holdings 100%	FY'20 (Mar. 31 2021)	0.0	(0.1)
Resona Capital	(8)	Venture capital	IPO support, SME business succession, re-growth support	Resona Holdings 100%	FY'20 (Mar. 31 2021)	0.0	+0.0
Resona Corporate Investment	(9)	Private Equity	SME business succession support through share acquisition	Resona Holdings 100%	FY'20 (Mar. 31 2021)	(0.0)	—
Resona Business Service	(10)	Back office work Employment agency	Practices quick and accurate operations	Resona Holdings 100%	FY'20 (Mar. 31 2021)	0.0	+0.0
Resona Asset Management	(11)	Investment management business	Business started in Sep. 2015 utilizing 50 years of RB pension management expertise	Resona Holdings 100%	FY'20 (Mar. 31 2021)	2.7	+0.9
Kansai Mirai Leasing	(12)	Leasing business	Providing regional customers with solutions utilizing leasing functions	Kansai Mirai Bank 88.9%	FY'20 (Mar. 31 2021)	0.0	+0.0
Minato Leasing	(13)			Minato Bank 100% (Including 56% Indirectly owned)	FY'20 (Mar. 31 2021)	0.1	(0.0)
Total						18.7	+0.6

Consolidated Subsidiaries and Affiliated Companies (2)

Major consolidated overseas subsidiaries

(JPY bn)

Major consolidated overseas subsidiaries						
Name	Line of business		Capital contribution ratio	Fiscal year	Net income	YoY change
P.T. Bank Resona Perdania (14)	Banking business (Indonesia)	Oldest Japan-affiliated bank in Indonesia	Resona Group 48.4% (Effective control approach)	FY'20 (Dec.31 2020)	0.4	(0.1)
P.T. Resona Indonesia Finance (15)	Leasing business (Indonesia)		Resona Group 100%	FY'20 (Dec.31 2020)	0.0	+0.5
Resona Merchant Bank Asia (16)	Finance, M&A (Singapore)	Became consolidated subsidiary Jul. 2017; direct financing and M&A brokerage, etc.	Resona Group 100%	FY'20 (Dec.31 2020)	(0.3)	(0.3)
Total					0.0	+0.1

Affiliated companies accounted for by the equity method

Affiliated companies accounted for by the equity method							
Name		Line of business	Capital contribution ratio	Fiscal year	Net income	YoY change	
Custody Bank of Japan *2	(17)	Trust banking business (Mainly asset administration)	One of the largest asset size in Japan	Resona Group 16.6% Sumitomo Mitsui Trust HD 33.3%	FY20 (Mar.31 2021)	0.6	—
NTT Data Sofia	(18)	IT system development	Became affiliated company accounted for by the equity method in Oct. 2017; responsible for the system development of the group	Resona Holdings 15% NTT Data 85%	FY20 (Mar.31 2021)	0.1	(0.2)
Resona Digital I *3	(19)	IT system development		Resona Holdings 49% IBM Japan 51%	FY20 (Dec.31 2020)	0.2	+0.0
Shutoken Leasing	(20)	Leasing business	Became affiliated company accounted for by the equity method in Jul. 2018; responsible for the leasing business of the group	Resona Holdings 20.26% Mitsubishi UFJ Lease & Finance 70.71%	FY20 (Mar.31 2021)	1.2	+0.3
DFL Lease	(21)	Leasing business		Resona Holdings 20% Mitsubishi UFJ Lease & Finance 80%	FY20 (Mar.31 2021)	0.5	(0.0)
Total						2.9	+0.1

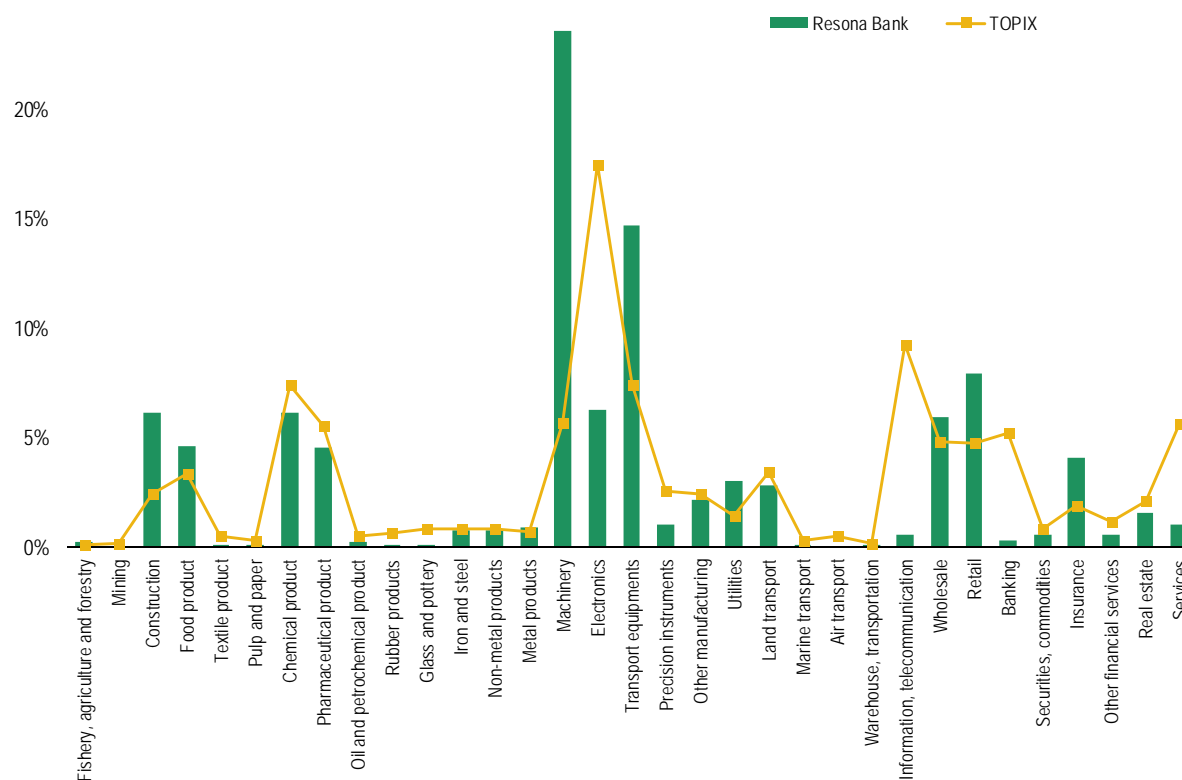
*1. Fiscal year end of the overseas subsidiaries (14)-(16) and Resona Digital I (19) are December 31. HD's consolidated business results reflect the accounts of these subsidiaries settled on Dec. 31.

*2. Established in July 2020 by the merger of JTC Holdings, Japan Trustee Services Bank and Trust & Custody Services Bank

*3. D&I Information Systems Changed its name to Resona Digital I in Jan. '21.

Stocks Held by Industry (March 31, 2021)

RB



(Balance sheet amount)

Resona Holdings, Inc.

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Swap Positions by Remaining Periods

HD Consolidated

■ Notional amounts of interest rate swaps (deferred hedge accounting applicable) by remaining period

(JPY bn)

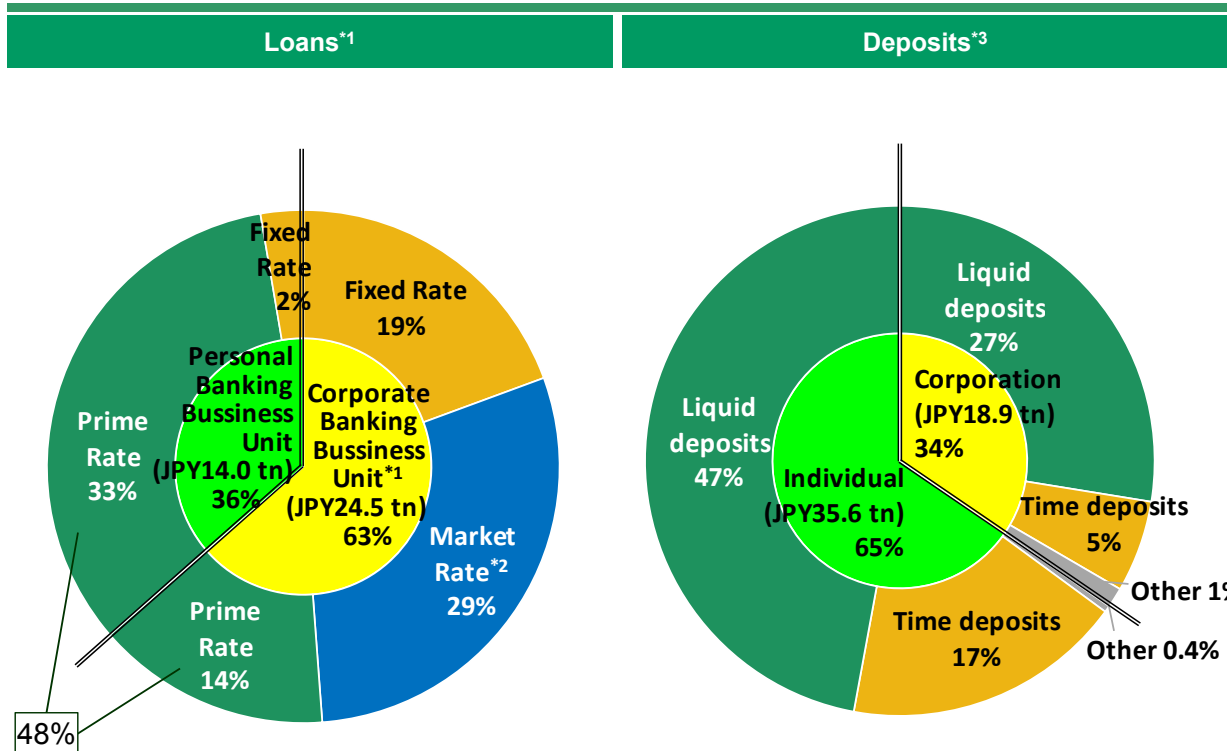
		Mar. 31, 2021				Mar. 31, 2020			
		Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Receive fixed rate/ Pay floating rate	(1)	30.0	830.0	250.0	1,110.0	150.0	890.0	400.0	1,440.0
Receive floating rate/ Pay fixed rate	(2)	157.1	367.4	263.4	787.9	230.4	418.0	364.7	1,013.2
Net position to receive fixed rate	(3)	(127.1)	462.5	(13.4)	322.0	(80.4)	471.9	35.2	426.7

Resona Holdings, Inc.

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Composition of Loan Portfolio and Deposits (March 31, 2021)

Total of
Group Banks



*1. Corporate Banking Business Unit includes apartment loans

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

*3. Domestic individual deposits + Domestic corporate deposits

Resona Holdings, Inc.

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Maturity Ladder of Loan and Deposit (Domestic Operation)

Total of
Two Banks
(RB, SR)

Loans and bills discounted

[End of March 2020]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(1)	0.9%	0.8%	6.1%	14.1%	22.0%
Prime rate-based	(2)	45.6%	0.0%			45.6%
Market rate-based	(3)	31.2%	0.9%			32.2%
Total	(4)	77.8%	1.8%	6.1%	14.1%	100.0%

Loans maturing within 1 year

79.7%

[End of March 2021]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(5)	0.8%	0.8%	6.3%	15.2%	23.3%
Prime rate-based	(6)	42.9%	0.0%			42.9%
Market rate-based	(7)	32.5%	1.1%			33.7%
Total	(8)	76.3%	2.0%	6.3%	15.2%	100.0%

Loans maturing within 1 year

78.4%

Deposits

[End of March 2020]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(1)	40.9%	1.9%	7.8%	27.0%	77.8%
Time deposits	(2)	10.8%	6.1%	4.1%	1.0%	22.1%
Total	(3)	51.7%	8.1%	11.9%	28.1%	100.0%

[End of March 2021]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(4)	43.8%	1.9%	7.6%	26.4%	79.9%
Time deposits	(5)	9.6%	5.8%	3.9%	0.6%	20.0%
Total	(6)	53.4%	7.7%	11.5%	27.1%	100.0%

[Change in FY2020]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Fixed rate	(9)	(0.1)%	+0.0%	+0.1%	+1.1%	+1.2%
Prime rate-based	(10)	(2.6)%	+0.0%			(2.7)%
Market rate-based	(11)	+1.3%	+0.1%			+1.4%
Total	(12)	(1.4)%	+0.1%	+0.1%	+1.1%	-

Loans maturing within 1 year

(1.2)%

[Change in FY2020]

		Within 6M	6 to 12M	1 to 3Y	Over 3Y	Total
Liquid deposits	(7)	+2.8%	(0.0)%	(0.1)%	(0.5)%	+2.1%
Time deposits	(8)	(1.2)%	(0.2)%	(0.2)%	(0.3)%	(2.1)%
Total	(9)	+1.6%	(0.3)%	(0.4)%	(0.9)%	-

Resona Holdings, Inc.

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Migrations of Borrowers (1H of FY2020)

RB

■ Exposure amount basis^{*1}

		End of September 2020									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of March 2020	Normal	97.3%	1.3%	0.1%	0.0%	0.0%	0.0%	1.3%	1.3%	0.0%	-	1.4%
	Other Watch	7.6%	84.7%	1.1%	2.6%	0.1%	0.2%	3.6%	3.6%	0.0%	7.6%	4.0%
	Special Attention	1.1%	32.2%	55.4%	9.5%	0.1%	0.0%	1.6%	1.6%	0.0%	33.4%	9.6%
	Doubtful	1.3%	6.7%	0.5%	82.3%	5.4%	0.9%	2.9%	2.9%	0.0%	8.5%	6.3%
	Effectively Bankrupt	0.2%	0.7%	0.0%	0.1%	89.1%	5.1%	4.8%	4.0%	0.8%	1.0%	5.1%
	Bankrupt	0.0%	0.1%	0.0%	2.0%	0.0%	92.0%	5.9%	0.4%	5.4%	2.1%	-

*1. Above table shows how a borrower belonging to a particular borrower category as of the end of March 2020 migrated to a new category as of the end of September 2020.

Percentage points are calculated based on exposure amounts as of the end of March 2020.

New loans extended, loans partially collected or written-off(including partial direct written-off) during the period are not taken into account.

"Other" as of the end of September 2020 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

Migrations of Borrowers (2H of FY2020)

RB

■ Exposure amount basis^{*1}

		End of March 2021									Upward Migration	Downward Migration
		Normal	Other Watch	Special Attention	Doubtful	Effectively Bankrupt	Bankrupt	Other	Collection, Repayments	Assignments, Sale		
End of September 2020	Normal	98.3%	0.7%	0.1%	0.0%	0.0%	0.0%	0.9%	0.9%	0.0%	-	0.8%
	Other Watch	6.2%	87.3%	1.0%	2.4%	0.2%	0.1%	2.7%	2.7%	0.0%	6.2%	3.7%
	Special Attention	0.7%	3.6%	82.4%	8.7%	0.4%	0.0%	4.2%	4.2%	0.0%	4.3%	9.0%
	Doubtful	1.4%	5.9%	0.0%	79.1%	6.8%	2.6%	4.2%	2.4%	1.8%	7.3%	9.4%
	Effectively Bankrupt	0.7%	0.6%	0.0%	0.1%	87.2%	3.8%	7.6%	2.2%	5.4%	1.4%	3.8%
	Bankrupt	0.1%	0.0%	0.0%	1.9%	0.0%	89.8%	8.2%	0.2%	8.0%	2.0%	-

*1. Above table shows how a borrower belonging to a particular borrower category as of the end of September 2020 migrated to a new category as of the end of March 2021.

Percentage points are calculated based on exposure amounts as of the end of September 2020.

New loans extended, loans partially collected or written-off(including partial direct written-off) during the period are not taken into account.

"Other" as of the end of March 2021 refers to those exposures removed from the balance sheet due to collection, repayments, assignments or sale of claims.

Amount outstanding	Issue date	Maturity	Dividend rate
JPY25.0 bn	June 1, 2011	June 1, 2021	1.878%
JPY20.0 bn	December 22, 2011	December 22, 2026	2.442%
JPY35.0 bn	March 14, 2012	March 15, 2022	1.78%
JPY16.0 bn	March 14, 2012	March 15, 2027	2.464%

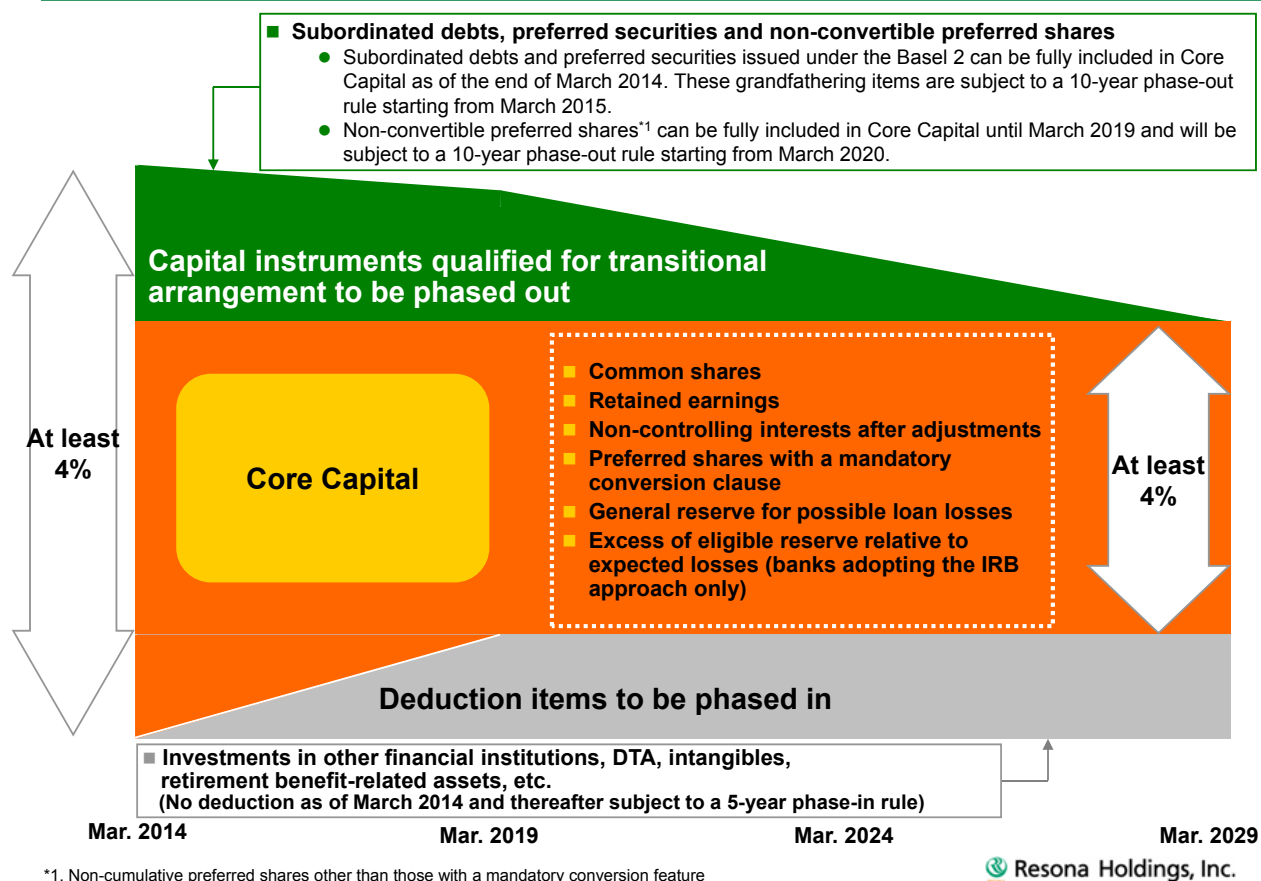
Responses to the Ongoing International Discussion over Further Tightening of Financial Regulation

Major items of financial regulation being discussed internationally / Impact on Resona

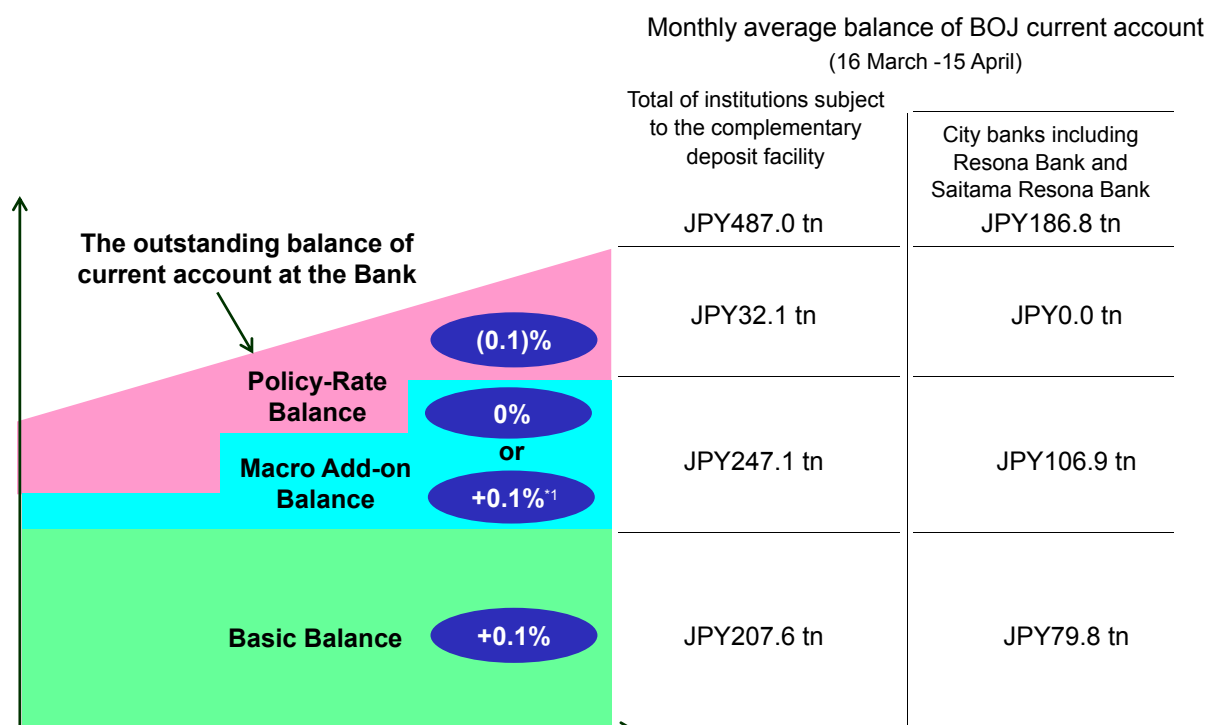
- With Basel 3 finalized, local authorities are currently formulating the domestic rules.
- At present there is no regulation which cause serious impacts on Resona. We are making preparations steadily for implementation of these regulations.

Major regulatory items	Outline of regulation	Important updates
Finalization of Basel 3 <ul style="list-style-type: none"> Review of Standardized Approach (SA) (Credit and operational risks) Review of IRB approach Capital floor based on SA 	<p>Reviewing credit risk calculation method to enhance the risks sensitivity and improve comparability.</p> <p>Reviewing operational risk calculation method to reflect loss data.</p> <p>New capital floor rule requiring a reference to the SA (final output floor calibration : 72.5%).</p>	<ul style="list-style-type: none"> The Implementation date in Japan is scheduled for March 31, 2023. Common Equity Tier 1 (CET1) capital ratio based on finalized Basel 3 (excluding net unrealized gains on available-for-sale securities) is around 9.0%※ ※Trial calculation to CET1 capital ratio of 10.81% as of Mar. 31, 2021 by only taking in consideration the estimated increase in RWAs due to the finalization of Basel 3 (SA and capital floor revisions, fully phased-in basis).
Liquidity regulations (LCR/NSFR)	[LCR] Requiring banks to hold high-quality liquid assets to prepare for significant outflow of funds under a severe stress. [NSFR] Requiring banks to hold certain capital and liabilities for the risk of having illiquid assets.	<ul style="list-style-type: none"> Minimum requirements are applicable to banks subject to the International standard.
Leverage ratio	Introduced to complement capital adequacy ratio requirements. Tier 1 capital as a numerator. Exposure amount, not RWA, to be a denominator.	
IRRBB (interest rate risk in the banking book)	To strengthen the interest rate risk management by measuring the decline in economic value of equity (∠EVE) and net interest income (∠NII) under certain interest rate shock scenarios.	<ul style="list-style-type: none"> Pillar 2 regulation. The threshold of ∠EVE is set at within 15% of Tier 1 capital (in case of domestic standard banks, within 20% of Total capital), the figures are within the threshold.
Derivatives-related (Margin requirements, SA-CCR, CVA, etc.)	Requiring banks to pay/receive margins for OTC derivatives not to be cleared by CCP, reviewing the calculation method of derivatives exposure and CVA.	<ul style="list-style-type: none"> Resona is subject to variable margin requirements from March 2017. Initial margin requirements are scheduled to be introduced from September 2022. Adoption of SA-CCR (Standardized Approach) is optional for the time being. Accounting CVA will be introduced from the first quarter of 2021.
Various capital buffers (G-SIBs/D-SIBs, TLAC)	Capital buffer requirements include capital conservation buffer, counter-cyclical buffer and SIBs' buffer. TLAC requires banks to hold additional capacity to absorb loss.	<ul style="list-style-type: none"> Capital buffers are applicable to G-SIBs/D-SIBs, and banks subject to the International standard. TLAC is applicable to G-SIBs and other.
Discontinuation of LIBOR (the London Interbank Offered Rate)	Major tenors in the U.S. dollar LIBOR will be discontinued at the end of Jun. 2023, and other LIBOR will be discontinued at the end of Dec. 2021.	<ul style="list-style-type: none"> Although we don't have so many loan agreements referencing LIBOR, we address properly preparation for customer communication, amendment of agreement, system modification, etc.

Outline of Eligible Capital under the Japanese Domestic Std.



BOJ Current Account Balances



*1. A part corresponding to the amounts outstanding of loans from BOJ provided through special funds-supplying operations to facilitate financing in response to the novel coronavirus *2. Source: Bank of Japan

Long Term Business Results

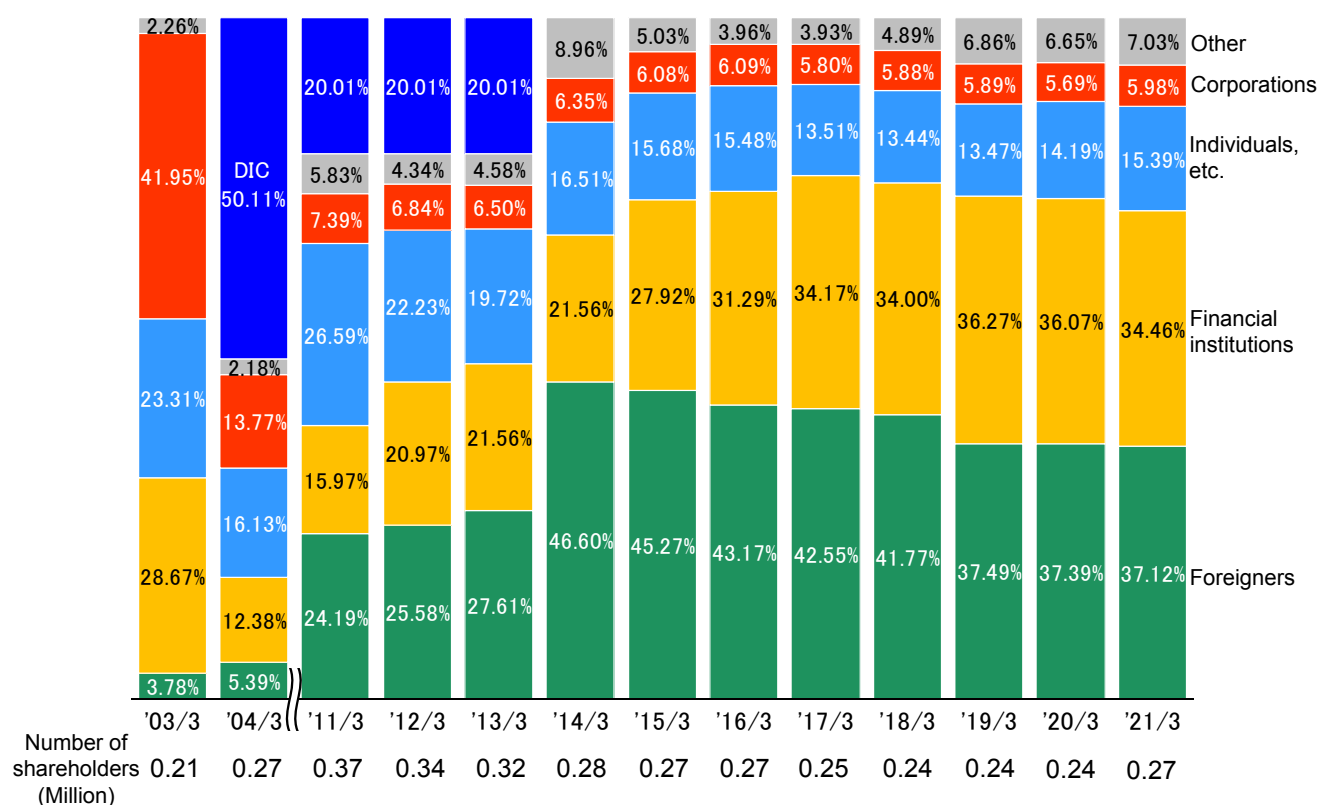
3 banks (RB,SR,KO)									After KMFG integration				
		(JPY bn)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2017	FY2018	FY2019	FY2020
PL	Consolidated	Gross operating profit	655.2	637.1	608.5	632.4	619.5	563.1	552.5	661.3	644.1	658.6	639.1
		Net interest income	463.9	443.0	430.0	425.9	401.3	377.9	368.3	454.2	435.9	431.1	417.4
		Fee incomes ^{*1}	143.1	150.6	158.7	169.2	168.7	160.6	168.0	187.7	193.8	190.2	191.4
		Operating expenses	(360.9)	(361.6)	(348.4)	(357.7)	(347.5)	(362.4)	(360.6)	(442.6)	(439.4)	(426.5)	(425.8)
		Net gains/(losses) on stocks	2.3	(7.5)	22.6	44.5	(6.5)	25.1	16.7	21.4	10.1	0.5	46.9
		Credit related expenses	(13.8)	13.0	26.4	22.3	(25.8)	17.4	14.7	10.1	(1.3)	(22.9)	(57.4)
		Net income attributable to owners of parent	253.6	275.1	220.6	211.4	183.8	161.4	236.2	244.2	175.1	152.4	124.4
BS	Total of group banks	Term end loan balance	26,050.4	26,682.1	26,986.0	27,755.5	27,932.1	28,412.0	28,992.1	35,478.5	36,282.9	36,738.2	38,942.3
		Loans to SMEs and individuals	22,235.8	22,659.5	22,912.6	23,454.9	23,645.8	24,163.8	24,728.4	30,473.3	31,161.3	31,318.9	32,407.7
		Housing loans ^{*2}	12,250.3	12,651.9	12,918.3	13,125.0	13,188.0	13,356.3	13,331.6	15,968.5	16,223.1	16,342.6	16,610.7
		Residential housing loans	9,095.3	9,441.3	9,705.2	9,905.1	10,015.1	10,218.6	10,267.5	12,374.7	12,683.6	12,912.2	13,321.5
		NPL ratio	2.32%	2.06%	1.74%	1.51%	1.51%	1.35%	1.18%	1.26%	1.18%	1.14%	1.12%
		Stocks (Acquisition amount basis)	342.1	336.9	331.6	330.6	351.5	348.3	343.8	365.4	353.8	336.9	325.2
		Unrealized gains/(losses) on available-for-sale securities	131.5	257.5	332.8	573.1	460.1	555.4	649.4	672.8	598.3	420.7	615.3
Business	Total of group banks	Balance of Investment products sold to individuals	3,177.2	3,492.5	3,538.9	3,791.5	3,751.7	3,645.7	3,618.6	4,569.7	4,762.3	4,585.8	5,128.7
		Investment trust/ Fund wrap	1,827.1	1,951.9	1,915.3	2,070.9	1,871.1	1,759.3	1,733.7	2,178.4	2,222.4	2,017.0	2,533.1
		Insurance	1,350.1	1,540.6	1,623.5	1,720.6	1,880.6	1,886.3	1,884.9	2,391.2	2,539.8	2,568.7	2,695.6
		Housing loan ^{*2}	1,301.8	1,559.5	1,478.6	1,352.9	1,292.7	1,481.4	1,174.9	1,418.4	1,577.7	1,506.3	1,506.0
		Residential housing loans	1,048.6	1,225.5	1,162.3	1,042.2	1,011.7	1,198.7	939.0	986.6	1,225.5	1,232.7	1,314.1
		Real estate business (Excluding equity)	7.7	7.8	8.3	11.2	13.5	13.7	13.1	13.1	13.3	12.5	10.6
Remaining public fund balance		871.6	871.6	356.0	128.0	Fully repaid in June 2015							

*1. Fees and commissions income plus trust fees *2. Includes apartment loans (Origination includes Flat35)

Credit Rating Information (Long Term)

	Moody's	S&P	R&I	JCR
Resona Holdings	-	-	A	-
Resona Bank	A2	A	A+	AA-
Saitama Resona Bank	A2	-	A+	AA-
Kansai Mirai Bank	-	-	-	AA-
Minato Bank	-	-	-	AA-

Composition of Resona HD's Common Shareholders



Proactively Communicating with Our Shareholders and Investors

Resona Group Website

[For Shareholders/Investors]
View IR presentation materials from here

Integrated Report of Resona Group (Issued in every July)

Integrated Report explains in a simple manner to all stakeholders the Resona Group's strengths and measures undertaken to create sustainable corporate value.

Investor Relations