# Capital Adequacy (Consolidated)

## Disclosure Regarding Capital Adequacy

The Bank calculates its capital adequacy ratio based on the formula contained in Notification No. 4 of the 2006 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan entitled "Standards for Judging the Soundness of Management of The Norinchukin Bank" (hereinafter "Notification Regarding Capital Adequacy Ratio"). In addition, to calculate risk-weighted assets for credit risk, the Bank has adopted the "Foundation Internal Ratings-Based Approach (F-IRB)" and "The Standardized Approach (TSA)" for calculating operational risk capital charges.

Regarding the calculation of capital adequacy ratio, the Bank has been audited by Ernst & Young ShinNihon LLC pursuant to "Treatment of Inspection of the Capital Ratio Calculation Framework Based on Agreed-upon Procedures" (JICPA Industry Committee Report No. 30). It does not constitute a part of the audit on financial statements by law, but a review on agreed-upon procedures on internal control of the capital adequacy calculation. Accordingly, Ernst & Young ShinNihon LLC does not express any audit opinion as a result of the review.

The disclosure requirements for the Bank are provided in Notification No. 6 of the 2007 Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries of Japan entitled "Disclosure Items Related to Capital Adequacy of The Norinchukin Bank" (hereinafter, "Disclosure Notification"). These disclosures can be found in this annual report as well as in the IR Library of the Bank's website at http://www.nochubank.or.jp/.

## Glossary of Terms

### Exposure

Exposure is defined as the sum of the corresponding credit amount (before credit risk mitigation) of assets recognized on balance sheets, plus those of off-balance sheet transactions.

### Risk-Weighted Asset for Credit Risk (RA)

RA is the amount of credit risk computed from exposure in accordance with the relevant credit risk. Since the Bank adopts the Foundation Internal Ratings-Based Approach (F-IRB), the amount of RAs is computed based on certain parameters—namely, probability of default (PD), loss given default (LGD) and exposure at default (EAD).

### Probability of Default (PD)

Probability of default is the likelihood that the obligor will be in default within a one-year period.

### Loss Given Default (LGD)

Loss given default is the percentage of losses that are incurred from the exposure in default. The loss referred to herein includes costs and the period of recovering the claim.

### Exposure at Default (EAD)

EAD is the amount of the exposure at the time of default, taking into account those of the additional drawdown from the commitment line. Since the Bank adopts the F-IRB, it is required to estimate EAD for retail exposure. Regarding corporate, sovereign, and bank exposures, however, the Bank computes EAD based on the calculation method described in the Notification Regarding Capital Adequacy Ratio.

### Risk Weight (RW)

RW indicates the ratio of RA to EAD. The following formula applies:

EAD x RW (%) = RA

As the Bank adopts F-IRB, with regard to most of the Bank's assets, RW is determined by parameters, including PD which corresponds to the grade of debtor rating.

### Total Regulatory Required Capital

Total regulatory required capital is the amount of capital equivalent to 8% of the denominator of the capital adequacy ratio.

To the amount of total regulatory required capital for each exposure of risk-weighted assets for credit risk in the quantitative disclosures of the Bank, the expected loss, included in the numerator of the capital adequacy ratio, is added and shown.

# Remarks on Computation of the Consolidated Capital Adequacy Ratio

## Scope of Consolidation

- Reason for discrepancies between companies belonging to the Bank's group that are required to compute a consolidated capital adequacy ratio, as specified in the Notification Regarding Capital Adequacy Ratio, Article 3 (hereinafter, "the Consolidated Group") and the companies included in the scope of consolidation, based on "Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statement" under Ministerial Ordinance No. 28, issued by the Ministry of Finance in 1976:
  Not applicable
- As of March 31, 2014, the Bank had nine consolidated subsidiaries. The names and principal lines of business of the primary subsidiaries are as follows:
  1. Norinchukin Trust & Banking Co., Ltd.: Trust and banking business
  2. Kyodo Housing Loan Co., Ltd.: Loans and guarantees for housing
- Companies belonging to the Consolidated Group but not included in the scope of consolidation:
  Not applicable
- Companies not belonging to the Consolidated Group but included in the scope of consolidation:
  Not applicable
- Affiliated companies engaged in financial service business that were subject to the provisions of Article 9 of the Notification Regarding Capital Adequacy Ratio:
  Not applicable
- Restrictions on the transfer of funds and capital between the members of the Consolidated Group:
  Not applicable

## Companies with Less than the Regulatory Required Capital and the Amount of Shortfall

With regard to the group companies that are subject to capital deduction, as provided for in the Notification Regarding Capital Adequacy Ratio, the names of those companies whose capital is less than the regulatory required capital and the total amount of shortfall in their capital:

Not applicable

# Capital Ratio Information (Consolidated)

## Composition of Capital (Consolidated)

### As of March 31, 2014

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Common Equity Tier 1 capital: instruments and reserves | | | | |
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | **4,570,577** | | 1a+2-26 | |
| of which: capital and capital surplus | **3,400,930** | | 1a | E1.1-E1.2+E1.3 |
| of which: retained earnings | **1,236,359** | | 2 | E2 |
| of which: cash dividends to be paid | **66,712** | | 26 | |
| of which: other than the above | **—** | | | E3 |
| Accumulated other comprehensive income and other disclosed reserves | **256,489** | **1,025,958** | 3 | E4 |
| Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | **—** | | 5 | E8.1 |
| Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements | **3,120** | | | |
| of which: minority interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1) | **3,120** | | | |
| Common Equity Tier 1 capital: instruments and reserves (A) | **4,830,187** | | 6 | |
| Common Equity Tier 1 capital: regulatory adjustments | | | | |
| Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights) | **7,049** | **28,199** | 8+9 | |
| of which: goodwill (net of related tax liability, including those equivalent) | **3,347** | **13,388** | 8 | A1.1+A1.2 |
| of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability) | **3,702** | **14,811** | 9 | A2.1-A2.2 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | **—** | **—** | 10 | A3 |
| Deferred gains or losses on derivatives under hedge accounting | **(3,827)** | **(15,310)** | 11 | E7 |
| Shortfall of eligible provisions to expected losses | **3,903** | **15,612** | 12 | |
| Securitisation gain on sale | **—** | **—** | 13 | |
| Gains and losses due to changes in own credit risk on fair valued liabilities | **—** | **—** | 14 | |
| Net defined-benefit asset | **2,193** | **8,775** | 15 | A4-D3 |
| Investments in own shares (excluding those reported in the Net Assets section) | **—** | **—** | 16 | A5 |
| Reciprocal cross-holdings in common equity | **—** | **—** | 17 | A6 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (“Other Financial Institutions”), net of eligible short positions, where the bank does not own more than 10% of the issued share capital | **—** | **—** | 18 | A7 |
| Amount exceeding the 10% threshold on specified items | **—** | **—** | 19+20+21 | |
| of which: significant investments in the common stock of financials | **—** | **—** | 19 | A8 |
| of which: mortgage servicing rights | **—** | **—** | 20 | A9 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | **—** | **—** | 21 | A10 |
| Amount exceeding the 15% threshold on specified items | **—** | **—** | 22 | |
| of which: significant investments in the common stock of financials | **—** | **—** | 23 | A11 |
| of which: mortgage servicing rights | **—** | **—** | 24 | A12 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | **—** | **—** | 25 | A13 |
| Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | **—** | | 27 | |
| Common Equity Tier 1 capital: regulatory adjustments (B) | **9,319** | | 28 | |
| Common Equity Tier 1 capital (CET1) | | | | |
| Common Equity Tier 1 capital (CET1) ((A)-(B)) (C) | **4,820,868** | | 29 | |

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | | Ref. No. |
|---|---|---|---|---|---|
| Additional Tier 1 capital: instruments | | | | | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | **49,000** | | 31a | 30 | E5.1+E5.2 |
| Subscription rights to Additional Tier 1 instruments | **—** | | 31b | | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | **—** | | 32 | | D1.1+D1.2 |
| Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | **—** | | | | |
| Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1) | **2,673** | | 34-35 | | E8.2 |
| Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments | **679** | | 33+35 | | |
| of which: instruments issued by banks and their special purpose vehicles | **679** | | 33 | | |
| of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles) | **—** | | 35 | | |
| Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements | **(4)** | | | | |
| of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income | **(4)** | | | | |
| Additional Tier 1 capital: instruments (D) | **52,348** | | 36 | | |
| Additional Tier 1 capital: regulatory adjustments | | | | | |
| Investments in own Additional Tier 1 instruments | **—** | **—** | 37 | | A14 |
| Reciprocal cross-holdings in Additional Tier 1 instruments | **—** | **—** | 38 | | A15 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | **—** | **—** | 39 | | A16 |
| Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | **8,600** | **34,403** | 40 | | A17 |
| Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements | **7,806** | | | | |
| of which: 50% of balance due to pay of eligible provisions | **7,806** | | | | |
| Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | **—** | | 42 | | |
| Additional Tier 1 capital: regulatory adjustments (E) | **16,407** | | 43 | | |
| Additional Tier 1 capital (AT1) | | | | | |
| Additional Tier 1 capital (AT1) ((D)-(E)) (F) | **35,941** | | 44 | | |
| Tier 1 capital (T1=CET1+AT1) | | | | | |
| Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G) | **4,856,809** | | 45 | | |
| Tier 2 capital: instruments and provisions | | | | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown | **—** | | 46 | | E6 |
| Subscription rights to Tier 2 instruments | **—** | | | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | **1,387,791** | | | | D2.1+D2.2 |
| Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | **—** | | | | |
| Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | **192** | | 48-49 | | E8.3 |
| Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions | **148,216** | | 47+49 | | |
| of which: instruments issued by banks and their special purpose vehicles | **148,216** | | 47 | | |
| of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles) | **—** | | 49 | | |

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Total of general reserve for possible loan losses and eligible provisions included in Tier 2 | **19** | | 50 | |
| of which: general reserve for possible loan losses | **19** | | 50a | A18 |
| of which: eligible provisions | **—** | | 50b | A19 |
| Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements | **641,595** | | | |
| of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income | **641,595** | | | |
| Tier 2 capital: instruments and provisions (H) | **2,177,813** | | 51 | |
| Tier 2 capital: regulatory adjustments | | | | |
| Investments in own Tier 2 instruments | **—** | **—** | 52 | A20 |
| Reciprocal cross-holdings in Tier 2 instruments | **—** | **—** | 53 | A21 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | **—** | **—** | 54 | A22 |
| Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | **—** | **—** | 55 | A23 |
| Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements | **55,367** | | | |
| of which: intangibles assets other than mortgage servicing rights | **13,388** | | | |
| of which: 50% of balance due to pay of eligible provisions | **7,806** | | | |
| of which: significant investments in the additional Tier 1 capital of other financial institutions | **34,172** | | | |
| Tier 2 capital: regulatory adjustments (I) | **55,367** | | 57 | |
| Tier 2 capital (T2) | | | | |
| Tier 2 capital (T2) ((H)-(I)) (J) | **2,122,446** | | 58 | |
| Total capital (TC=T1+T2) | | | | |
| Total capital (TC=T1+T2) ((G) + (J)) (K) | **6,979,256** | | 59 | |
| Risk weighted assets | | | | |
| Total of items included in risk weighted assets under phase-out arrangements | **24,764** | | | |
| of which: intangibles assets other than mortgage servicing rights | **14,811** | | | |
| of which: net defined-benefit asset | **8,775** | | | |
| of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | **1,178** | | | |
| Risk weighted assets (L) | **27,646,905** | | 60 | |
| Capital Ratio (consolidated) | | | | |
| Common Equity Tier 1 capital ratio (consolidated) ((C)/(L)) | **17.43%** | | 61 | |
| Tier 1 capital ratio (consolidated) ((G)/(L)) | **17.56%** | | 62 | |
| Total capital ratio (consolidated) ((K)/(L)) | **25.24%** | | 63 | |
| Regulatory Adjustments | | | | |
| Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | **543,542** | | 72 | A24 |
| Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | **51,927** | | 73 | A25 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | **—** | | 74 | A26 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | **—** | | 75 | A27 |
| Provisions included in Tier 2 capital: instruments and provisions | | | | |
| Provisions (general reserve for possible loan losses) | **19** | | 76 | |
| Cap on inclusion of provisions (general reserve for possible loan losses) | **127** | | 77 | |

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil") | — | | 78 | |
| Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | 149,587 | | 79 | |
| Capital instruments under phase-out arrangements | | | | |
| Current cap on Additional Tier 1 instruments under phase-out arrangements | 679 | | 82 | |
| Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil") | 169 | | 83 | |
| Current cap on Tier 2 instruments under phase-out arrangements | 1,228,805 | | 84 | |
| Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil") | — | | 85 | |

## As of March 31, 2013

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Common Equity Tier 1 capital: instruments and reserves | | | | |
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 4,480,442 | | 1a+2-26 | |
| of which: capital and capital surplus | 3,400,930 | | 1a | E1.1 -E1.2 +E1.3 |
| of which: retained earnings | 1,130,518 | | 2 | E2 |
| of which: cash dividends to be paid | 51,006 | | 26 | |
| of which: other than the above | — | | | E3 |
| Accumulated other comprehensive income and other disclosed reserves | — | 1,179,611 | 3 | E4 |
| Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | — | | 5 | E8.1 |
| Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements | 3,744 | | | |
| of which: minority interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1) | 3,744 | | | |
| Common Equity Tier 1 capital: instruments and reserves (A) | 4,484,187 | | 6 | |
| Common Equity Tier 1 capital: regulatory adjustments | | | | |
| Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights) | — | 41,841 | 8+9 | |
| of which: goodwill (net of related tax liability, including those equivalent) | — | 17,561 | 8 | A1.1+A1.2 |
| of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability) | — | 24,280 | 9 | A2.1-A2.2 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | — | — | 10 | A3 |
| Deferred gains or losses on derivatives under hedge accounting | — | (65,362) | 11 | E7 |
| Shortfall of eligible provisions to expected losses | — | 38,219 | 12 | |
| Securitisation gain on sale | — | — | 13 | |
| Gains and losses due to changes in own credit risk on fair valued liabilities | — | — | 14 | |
| Defined-benefit pension fund net assets (prepaid pension costs) | — | — | 15 | A4-D3 |
| Investments in own shares (excluding those reported in the Net Assets section) | — | — | 16 | A5 |
| Reciprocal cross-holdings in common equity | — | — | 17 | A6 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital | — | — | 18 | A7 |

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Amount exceeding the 10% threshold on specified items | — | — | 19+20+21 | |
| of which: significant investments in the common stock of financials | — | — | 19 | A8 |
| of which: mortgage servicing rights | — | — | 20 | A9 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | — | — | 21 | A10 |
| Amount exceeding the 15% threshold on specified items | — | — | 22 | |
| of which: significant investments in the common stock of financials | — | — | 23 | A11 |
| of which: mortgage servicing rights | — | — | 24 | A12 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | — | — | 25 | A13 |
| Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | — | | 27 | |
| Common Equity Tier 1 capital: regulatory adjustments (B) | — | | 28 | |
| Common Equity Tier 1 capital (CET1) | | | | |
| Common Equity Tier 1 capital (CET1) ((A)-(B)) (C) | **4,484,187** | | 29 | |
| Additional Tier 1 capital: instruments | | | | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | **49,000** | | 31a | E5.1+E5.2 |
| Subscription rights to Additional Tier 1 instruments | — | | 31b | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | 32 | D1.1+D1.2 |
| Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | 30 | |
| Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1) | **2,504** | | 34-35 | E8.2 |
| Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments | **764** | | 33+35 | |
| of which: instruments issued by banks and special purpose vehicles | **764** | | 33 | |
| of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles) | — | | 35 | |
| Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements | **(20)** | | | |
| of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income | **(20)** | | | |
| Additional Tier 1 capital: instruments (D) | **52,248** | | 36 | |
| Additional Tier 1 capital: regulatory adjustments | | | | |
| Investments in own Additional Tier 1 instruments | — | — | 37 | A14 |
| Reciprocal cross-holdings in Additional Tier 1 instruments | — | — | 38 | A15 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | — | — | 39 | A16 |
| Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | — | **35,863** | 40 | A17 |
| Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements | **19,109** | | | |
| of which: 50% of balance due to pay of eligible provisions | **19,109** | | | |
| Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | — | | 42 | |
| Additional Tier 1 capital: regulatory adjustments (E) | **19,109** | | 43 | |
| Additional Tier 1 capital (AT1) | | | | |
| Additional Tier 1 capital (AT1) ((D)-(E)) (F) | **33,138** | | 44 | |
| Tier 1 capital (T1=CET1+AT1) | | | | |
| Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G) | **4,517,326** | | 45 | |

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Tier 2 capital: instruments and provisions | | | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown | — | | 46 | E6 |
| Subscription rights to Tier 2 instruments | — | | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | | D2.1+D2.2 |
| Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | | |
| Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | **102** | | 48-49 | E8.3 |
| Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions | **1,382,406** | | 47+49 | |
| of which: instruments issued by banks and special purpose vehicles | **1,382,406** | | 47 | |
| of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles) | — | | 49 | |
| Total of general reserve for possible loan losses and eligible provisions included in Tier 2 | **15** | | 50 | |
| of which: general reserve for possible loan losses | **15** | | 50a | A18 |
| of which: eligible provisions | — | | 50b | A19 |
| Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements | **770,801** | | | |
| of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income | **770,801** | | | |
| Tier 2 capital: instruments and provisions (H) | **2,153,325** | | 51 | |
| Tier 2 capital: regulatory adjustments | | | | |
| Investments in own Tier 2 instruments | — | — | 52 | A20 |
| Reciprocal cross-holdings in Tier 2 instruments | — | — | 53 | A21 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | — | — | 54 | A22 |
| Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | — | — | 55 | A23 |
| Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements | **72,534** | | | |
| of which: intangibles assets other than mortgage servicing rights | **17,561** | | | |
| of which: 50% of balance due to pay of eligible provisions | **19,109** | | | |
| of which: significant investments in the additional Tier 1 capital of other financial institutions | **35,863** | | | |
| Tier 2 capital: regulatory adjustments (I) | **72,534** | | 57 | |
| Tier 2 capital (T2) | | | | |
| Tier 2 capital (T2) ((H)-(I)) (J) | **2,080,791** | | 58 | |
| Total capital (TC=T1+T2) | | | | |
| Total capital (TC=T1+T2) ((G) + (J)) (K) | **6,598,117** | | 59 | |
| Risk weighted assets | | | | |
| Total of items included in risk weighted assets under phase-out arrangements | **24,280** | | | |
| of which: intangibles assets other than mortgage servicing rights | **24,280** | | | |
| Risk weighted assets (L) | **28,000,947** | | 60 | |
| Capital Ratio (consolidated) | | | | |
| Common Equity Tier 1 capital ratio (consolidated) ((C)/(L)) | **16.01%** | | 61 | |
| Tier 1 capital ratio (consolidated) ((G)/(L)) | **16.13%** | | 62 | |
| Total capital ratio (consolidated) ((K)/(L)) | **23.56%** | | 63 | |

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Regulatory Adjustments | | | | |
| Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | **487,531** | | 72 | A24 |
| Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | **43,592** | | 73 | A25 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | **—** | | 74 | A26 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | **—** | | 75 | A27 |
| Provisions included in Tier 2 capital: instruments and provisions | | | | |
| Provisions (general reserve for possible loan losses) | **15** | | 76 | |
| Cap on inclusion of provisions (general reserve for possible loan losses) | **98** | | 77 | |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as “nil”) | **—** | | 78 | |
| Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | **150,438** | | 79 | |
| Capital instruments under phase-out arrangements | | | | |
| Current cap on Additional Tier 1 instruments under phase-out arrangements | **764** | | 82 | |
| Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as “nil”) | **84** | | 83 | |
| Current cap on Tier 2 instruments under phase-out arrangements | **1,382,406** | | 84 | |
| Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as “nil”) | **153,600** | | 85 | |

## Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements (Consolidated)
## As of March 31, 2014

(Millions of yen)

| Items | Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| (Assets) | | | |
| Loans and Bills Discounted | **17,395,323** | | |
| Foreign Exchanges Assets | **134,353** | | |
| Securities | **52,883,256** | **52,883,256** | |
| Money Held in Trust | **4,650,704** | **4,650,704** | |
| Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets) | | **16,735** | A1.1 |
| Securities and Money Held in Trust of which: investments in own capital instruments | | **—** | |
| Common Equity (excluding those reported in the Net Assets section) | | **—** | A5 |
| Additional Tier 1 capital | | **—** | A14 |
| Tier 2 capital | | **—** | A20 |
| Securities and Money Held in Trust of which: reciprocal cross-holdings in capital instruments | | **—** | |
| Common Equity | | **—** | A6 |
| Additional Tier 1 capital | | **—** | A15 |
| Tier 2 capital | | **—** | A21 |

(Millions of yen)

| Items | Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| Securities and Money Held in Trust of which: investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital | | — | |
| Common Equity | | — | A7 |
| Additional Tier 1 capital | | — | A16 |
| Tier 2 capital | | — | A22 |
| Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting) | | — | A24 |
| Securities and Money Held in Trust of which: significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | | **94,930** | |
| Amount exceeding the 10% threshold on specified items | | — | A8 |
| Amount exceeding the 15% threshold on specified items | | — | A11 |
| Additional Tier 1 capital | | **43,003** | A17 |
| Tier 2 capital | | — | A23 |
| Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting) | | **51,927** | A25 |
| Trading Assets | **14,055** | | |
| Monetary Claims Bought | **174,256** | | |
| Call Loans and Bills Bought | **619,386** | | |
| Receivables under Resale Agreements | **5,614** | | |
| Cash and Due from Banks | **5,981,536** | | |
| Other Assets | **498,890** | | |
| Tangible Fixed Assets | **110,358** | | |
| Buildings | **40,652** | | |
| Land | **51,498** | | |
| Lease Assets | **10,915** | | |
| Construction in Progress | **754** | | |
| Other | **6,537** | | |
| Intangible Fixed Assets | **25,126** | **25,126** | |
| Software | **20,163** | **20,163** | |
| Lease Assets | **1,967** | **1,967** | |
| Other | **2,995** | **2,995** | |
| of which: goodwill and those equivalents (excluding those reported in the Net Assets section) | | — | A1.2 |
| of which: other intangible assets other than goodwill and mortgage servicing rights | | **25,126** | A2.1 |
| of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights | | **6,612** | A2.2 |
| of which: mortgage servicing rights (net of related deferred tax liabilities) | | — | |
| Amount exceeding the 10% threshold on specified items | | — | A9 |
| Amount exceeding the 15% threshold on specified items | | — | A12 |
| Amount below the thresholds for deduction (before risk weighting) | | — | A26 |
| Amounts of assets related to retirement benefits | **15,171** | **15,171** | A4 |
| Deferred Tax Assets | **2,069** | **2,069** | |
| of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related deferred tax liabilities) | | — | A3 |
| of which: deferred tax assets arising from temporary differences (net of related deferred tax liabilities) | | — | |
| Amount exceeding the 10% threshold on specified items | | — | A10 |
| Amount exceeding the 15% threshold on specified items | | — | A13 |
| Amount below the thresholds for deduction (before risk weighting) | | — | A27 |
| Customers' Liabilities for Acceptances and Guarantees | **806,697** | | |

(Millions of yen)

| Items | Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| Reserve for Possible Loan Losses | (170,718) | (170,718) | |
| of which: general reserve for possible loan losses includes Tier 2 | | (19) | A18 |
| of which: eligible provisions includes Tier 2 | | — | A19 |
| Reserve for Possible Investment Losses | (2,407) | | |
| Total Assets | 83,143,675 | | |
| (Liabilities) | | | |
| Deposits | 49,717,247 | | |
| Negotiable Certificates of Deposit | 2,848,086 | | |
| Debentures | 4,025,067 | | |
| Bonds | 50,000 | 50,000 | |
| of which: qualifying Additional Tier 1 instruments | | — | D1.1 |
| of which: qualifying Tier 2 instruments | | — | D2.1 |
| Trading liabilities | 6,994 | | |
| Borrowed money | 2,278,623 | 2,278,623 | |
| of which: qualifying Additional Tier 1 instruments | | — | D1.2 |
| of which: qualifying Tier 2 instruments | | 1,387,791 | D2.2 |
| Call Money and Bills Sold | 492,493 | | |
| Payables under Repurchase Agreements | 12,582,675 | | |
| Payables under Securities Lending Transactions | 132,945 | | |
| Foreign Exchanges Liabilities | 4 | | |
| Trust Money | 2,950,795 | | |
| Other Liabilities | 775,982 | | |
| Reserve for Bonus Payments | 6,830 | | |
| Reserve for Employees' Retirement Benefits | — | | |
| Liabilities related to retirement benefits | 14,589 | | |
| Reserve for Directors' Retirement Benefits | 1,096 | | |
| Deferred Tax Liabilities | 467,297 | 467,297 | |
| of which: assets related to retirement benefits | | 4,202 | D3 |
| Deferred Tax Liabilities for Land Revaluation | 9,729 | 9,729 | |
| Acceptances and Guarantees | 806,697 | | |
| Total Liabilities | 77,167,156 | | |
| (Net Assets) | | | |
| Paid-in Capital | 3,425,909 | 3,425,909 | E1.1 |
| of which: preferred stock | | 24,999 | E1.2 |
| of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | 24,500 | E5.1 |
| Capital Surplus | 25,020 | 25,020 | |
| of which: other capital surplus | | 20 | E1.3 |
| of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | 24,500 | E5.2 |
| Retained Earnings | 1,236,359 | 1,236,359 | E2 |
| Treasury Preferred Stock | (150) | (150) | |
| Total Owners' Equity | 4,687,139 | 4,687,139 | |
| of which: others | | — | E3 |
| of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | — | E6 |
| Net Unrealized Gains on Other Securities | 1,302,399 | 1,302,399 | |
| Net Deferred Losses on Hedging Instruments | (45,419) | (45,419) | |
| of which: net deferred losses on hedge | | (19,137) | E7 |
| Revaluation Reserve for Land | 16,606 | 16,606 | |
| Foreign Currency Translation Adjustment | (6) | (6) | |
| Remeasurements of Defined Benefit Plans | 8,867 | 8,867 | |
| Total Accumulated Other Comprehensive Income | 1,282,448 | 1,282,448 | E4 |

(Millions of yen)

| Items | Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| Minority Interests | **6,930** | **6,930** | |
| of which: common equity issued by subsidiaries and held by third parties (amount allowed in group CET1) | | **—** | E8.1 |
| of which: Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1) | | **2,673** | E8.2 |
| of which: Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | | **192** | E8.3 |
| Total Net Assets | **5,976,519** | | |
| Total Liabilities and Net Assets | **83,143,675** | | |

*Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.*
*2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital".*

## As of March 31, 2013

(Millions of yen)

| Items | Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| (Assets) | | | |
| Loans and Bills Discounted | 16,224,595 | | |
| Foreign Exchanges Assets | 268,750 | | |
| Securities | 50,045,795 | 50,045,545 | |
| Money Held in Trust | 6,892,281 | 6,892,281 | |
| Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets) | | 17,561 | A1.1 |
| Securities and Money Held in Trust of which: investments in own capital instruments | | — | |
| Common Equity (excluding those reported in the Net Assets section) | | — | A5 |
| Additional Tier 1 capital | | — | A14 |
| Tier 2 capital | | — | A20 |
| Securities and Money Held in Trust of which: reciprocal cross-holdings in capital instruments | | — | |
| Common Equity | | — | A6 |
| Additional Tier 1 capital | | — | A15 |
| Tier 2 capital | | — | A21 |
| Securities and Money Held in Trust of which: investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital | | 487,531 | |
| Common Equity | | — | A7 |
| Additional Tier 1 capital | | — | A16 |
| Tier 2 capital | | — | A22 |
| Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting) | | 487,531 | A24 |
| Securities and Money Held in Trust of which: significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions | | 79,455 | |
| Amount exceeding the 10% threshold on specified items | | — | A8 |
| Amount exceeding the 15% threshold on specified items | | — | A11 |
| Additional Tier 1 capital | | 35,863 | A17 |
| Tier 2 capital | | — | A23 |
| Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting) | | 43,592 | A25 |

(Millions of yen)

| Items | Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| Trading Assets | 36,602 | | |
| Monetary Claims Bought | 179,373 | | |
| Call Loans and Bills Bought | 1,527,128 | | |
| Receivables under Resale Agreements | — | | |
| Cash and Due from Banks | 4,419,087 | | |
| Other Assets | 1,251,733 | 1,251,733 | |
| of which: defined-benefit pension fund net assets (prepaid pension costs) | | — | A4 |
| Tangible Fixed Assets | 109,541 | | |
| Buildings | 35,275 | | |
| Land | 52,899 | | |
| Lease Assets | 12,903 | | |
| Construction in Progress | 1,958 | | |
| Other | 6,504 | | |
| Intangible Fixed Assets | 33,424 | 33,424 | |
| Software | 27,628 | 27,628 | |
| Lease Assets | 2,495 | 2,495 | |
| Other | 3,299 | 3,299 | |
| of which: goodwill and those equivalents (excluding those reported in the Net Assets section) | | — | A1.2 |
| of which: other intangible assets other than goodwill and mortgage servicing rights | | 33,424 | A2.1 |
| of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights | | 9,143 | A2.2 |
| of which: mortgage servicing rights (net of related deferred tax liabilities) | | — | |
| Amount exceeding the 10% threshold on specified items | | — | A9 |
| Amount exceeding the 15% threshold on specified items | | — | A12 |
| Amount below the thresholds for deduction (before risk weighting) | | — | A26 |
| Deferred Tax Assets | 2,119 | 2,119 | |
| of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related deferred tax liabilities) | | — | A3 |
| of which: deferred tax assets arising from temporary differences (net of related deferred tax liabilities) | | — | |
| Amount exceeding the 10% threshold on specified items | | — | A10 |
| Amount exceeding the 15% threshold on specified items | | — | A13 |
| Amount below the thresholds for deduction (before risk weighting) | | — | A27 |
| Customers' Liabilities for Acceptances and Guarantees | 688,399 | | |
| Reserve for Possible Loan Losses | (175,959) | (175,959) | |
| of which: general reserve for possible loan losses includes Tier 2 | | (15) | A18 |
| of which: eligible provisions includes Tier 2 | | — | A19 |
| Reserve for Possible Investment Losses | (6,065) | | |
| Total Assets | 81,496,808 | | |
| (Liabilities) | | | |
| Deposits | 47,442,849 | | |
| Negotiable Certificates of Deposit | 2,397,290 | | |
| Debentures | 4,606,940 | | |
| Bonds | 50,000 | 50,000 | |
| of which: qualifying Additional Tier 1 instruments | | — | D1.1 |
| of which: qualifying Tier 2 instruments | | — | D2.1 |
| Trading liabilities | 10,139 | | |

(Millions of yen)

| Items | Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| Borrowed money | 1,779,106 | 1,779,106 | |
| of which: qualifying Additional Tier 1 instruments | | — | D1.2 |
| of which: qualifying Tier 2 instruments | | — | D2.2 |
| Call Money and Bills Sold | 452,214 | | |
| Payables under Repurchase Agreements | 12,349,745 | | |
| Payables under Securities Lending Transactions | 6,129 | | |
| Foreign Exchanges Liabilities | 78 | | |
| Trust Money | 4,235,124 | | |
| Other Liabilities | 1,286,866 | | |
| Reserve for Bonus Payments | 6,747 | | |
| Reserve for Employees’ Retirement Benefits | 11,414 | | |
| Reserve for Directors’ Retirement Benefits | 1,032 | | |
| Deferred Tax Liabilities | 395,295 | 395,295 | |
| of which: prepaid pension cost | | — | D3 |
| Deferred Tax Liabilities for Land Revaluation | 10,158 | 10,158 | |
| Acceptances and Guarantees | 688,399 | | |
| Total Liabilities | 75,729,534 | | |
| (Net Assets) | | | |
| Paid-in Capital | 3,425,909 | 3,425,909 | E1.1 |
| of which: preferred stock | | 24,999 | E1.2 |
| of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | 24,500 | E5.1 |
| Capital Surplus | 25,020 | 25,020 | |
| of which: other capital surplus | | 20 | E1.3 |
| of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | 24,500 | E5.2 |
| Retained Earnings | 1,130,521 | 1,130,518 | E2 |
| Treasury Preferred Stock | (150) | (150) | |
| Total Owners’ Equity | 4,581,301 | 4,581,298 | |
| of which: others | | — | E3 |
| of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | — | E6 |
| Net Unrealized Gains on Other Securities | 1,267,652 | 1,267,652 | |
| Net Deferred Losses on Hedging Instruments | (105,743) | (105,743) | |
| of which: net deferred losses on hedge | | (65,362) | E7 |
| Revaluation Reserve for Land | 17,723 | 17,723 | |
| Foreign Currency Translation Adjustment | (20) | (20) | |
| Total Accumulated Other Comprehensive Income | 1,179,611 | 1,179,611 | E4 |
| Minority Interests | 6,361 | 6,361 | |
| of which: common equity issued by subsidiaries and held by third parties (amount allowed in group CET1) | | — | E8.1 |
| of which: Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1) | | 2,504 | E8.2 |
| of which: Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | | 102 | E8.3 |
| Total Net Assets | 5,767,273 | | |
| Total Liabilities and Net Assets | 81,496,808 | | |

*Notes: 1. “Balance sheet amount based on regulatory scope of consolidation” refers only to the items used in calculating capital adequacy.*
*2. “Balance sheet amount based on regulatory scope of consolidation” does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in “Composition of Capital”.*

# Capital Adequacy (Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category)

## Regulatory Required Capital

(Billions of yen)

| Items | As of March 31, 2014 | | As of March 31, 2013 | |
|---|---|---|---|---|
| | EAD | Regulatory Required Capital | EAD | Regulatory Required Capital |
| Amount of regulatory required capital for credit risk | 105,039 | 2,133 | 104,066 | 2,182 |
| Exposure subject to Internal Ratings-Based Approach | 94,918 | 2,120 | 94,616 | 2,164 |
| Corporate exposure (excluding Specialized Lending) | 5,819 | 261 | 5,490 | 287 |
| Corporate exposure (Specialized Lending) | 131 | 17 | 226 | 35 |
| Sovereign exposure | 49,644 | 0 | 44,099 | 0 |
| Bank exposure | 16,176 | 154 | 18,138 | 159 |
| Retail exposure | 882 | 34 | 760 | 33 |
| Retail exposure secured by residential properties | 838 | 29 | 716 | 28 |
| Qualifying revolving retail exposure | — | — | — | — |
| Other retail exposure | 44 | 4 | 44 | 4 |
| Securitization and re-securitization exposure | 5,432 | 86 | 5,509 | 124 |
| Equity portfolios | 969 | 169 | 821 | 143 |
| Equity portfolios subject to PD/LGD approaches | 183 | 27 | 155 | 24 |
| Equity portfolios subject to simple risk-weighted method | 50 | 17 | 29 | 9 |
| Equities under the internal models approach | 320 | 89 | 257 | 76 |
| Grandfathered equity exposure | 414 | 35 | 379 | 32 |
| Exposure subject to risk-weighted asset calculation for investment fund | 15,447 | 1,374 | 19,244 | 1,362 |
| Other debt purchased | 197 | 12 | 104 | 9 |
| Other exposures | 215 | 9 | 218 | 8 |
| Exposure subject to Standardized Approach | 42 | 0 | 41 | 0 |
| Assets subject to Standardized Approach on a non-consolidated basis | 6 | 0 | 4 | 0 |
| Assets subject to Standardized Approach in consolidated companies (excluding securitization exposure) | 36 | 0 | 36 | 0 |
| Assets subject to Standardized Approach in consolidated companies (securitization exposure) | 0 | 0 | — | — |
| Amount corresponding to CVA risk | 232 | 4 | 502 | 10 |
| CCP-related exposures | 9,787 | 4 | 8,881 | 4 |
| Items that included by transitional arrangements | 58 | 1 | 24 | 1 |
| Amount of regulatory required capital for market risk | / | 165 | / | 178 |
| Standardized Approach | / | 164 | / | 177 |
| Interest rate risk category | / | — | / | — |
| Equity risk category | / | — | / | — |
| Foreign exchange risk category | / | 164 | / | 177 |
| Commodity risk category | / | — | / | — |
| Option transactions | / | — | / | — |
| Internal models Approach | / | 0 | / | 1 |
| Amount of regulatory required capital for operational risk | / | 41 | / | 39 |
| Offsets on consolidation | / | 2,339 | / | 2,401 |

*Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses*

*2. "Risk-weighted asset calculation for investment fund" is risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy Ratio, Article 144.*

*3. The Notification Regarding Capital Adequacy Ratio, Article 13 of supplemental provision contains a grandfathering provision for computing the amount of risk assets related to equity exposures that meet specified criteria.*

*4. Risk-weighted asset calculation for investment fund includes ¥4.1 billion EAD and ¥0 billion of Required Capital of CPP-related exposures.*

*5. Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy Ratio. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk (Notification Regarding Capital Adequacy Ratio, Article 282).*

(Billions of yen)

| Items | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Consolidated total required capital | 2,211 | 2,240 |

*Note: Consolidated total required capital is an amount that results from multiplying the denominator of the formula by 8% as stipulated in Notification Regarding Capital Adequacy Ratio, Article 2.*

## Credit Risk (Consolidated)

(Funds and securitization exposures are excluded)

## 1. Credit Risk Exposure

### Fiscal 2013 (Ended March 31, 2014)

### Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

| Region | Loans, commitments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure | Default exposure |
|---|---|---|---|---|---|---|
| Japan | 19,064 | 15,154 | 8 | 7,106 | 41,334 | 142 |
| Asia except Japan | 201 | 126 | 2 | 306 | 636 | — |
| Europe | 92 | 10,253 | 0 | 6,559 | 16,905 | — |
| The Americas | 463 | 12,016 | 2 | 12,033 | 24,516 | — |
| Other areas | 7 | 1,024 | 0 | 224 | 1,256 | — |
| Amounts held by consolidated subsidiaries | 885 | 36 | 0 | 36 | 958 | 9 |
| Total | 20,714 | 38,612 | 13 | 26,266 | 85,607 | 152 |

### Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

| Industry | Loans, commitments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure | Default exposure | Write-off of loans (amounts of partial direct write-off) |
|---|---|---|---|---|---|---|---|
| Manufacturing | 2,698 | 303 | 0 | 0 | 3,002 | 26 | 1 |
| Agriculture | 40 | 0 | — | 0 | 40 | 6 | 0 |
| Forestry | 10 | — | — | — | 10 | 1 | — |
| Fishing | 28 | — | — | 0 | 28 | 16 | 0 |
| Mining | 4 | — | — | 0 | 4 | — | — |
| Construction | 110 | 7 | — | 0 | 117 | 2 | — |
| Utility | 148 | 5 | 0 | 0 | 154 | — | — |
| Information/telecommunications | 81 | 5 | 0 | 1 | 87 | — | — |
| Transportation | 579 | 85 | 2 | 0 | 667 | 21 | — |
| Wholesaling, retailing | 1,790 | 54 | 0 | 0 | 1,845 | 23 | 0 |
| Finance and insurance | 2,547 | 11,527 | 10 | 26,005 | 40,091 | 14 | — |
| Real estate | 518 | 69 | — | 1 | 590 | 19 | — |
| Services | 1,233 | 95 | 0 | 1 | 1,329 | 10 | 0 |
| Municipalities | 109 | 13 | — | 0 | 122 | — | — |
| Other | 9,927 | 26,409 | — | 219 | 36,556 | 0 | — |
| Amounts held by consolidated subsidiaries | 885 | 36 | 0 | 36 | 958 | 9 | 0 |
| Total | 20,714 | 38,612 | 13 | 26,266 | 85,607 | 152 | 2 |

*Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.*

### Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

| Term to maturity | Loans, commitments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure |
|---|---|---|---|---|---|
| In 1 year | 16,017 | 3,074 | 3 | 25,756 | 44,851 |
| Over 1 year to 3 years | 1,574 | 4,299 | 2 | — | 5,876 |
| Over 3 years to 5 years | 1,335 | 13,330 | 3 | — | 14,668 |
| Over 5 years to 7 years | 543 | 10,668 | 1 | — | 11,213 |
| Over 7 years | 355 | 6,013 | 2 | — | 6,371 |
| No term to maturity | 3 | 1,190 | — | 473 | 1,667 |
| Amounts held by consolidated subsidiaries | 885 | 36 | 0 | 36 | 958 |
| Total | 20,714 | 38,612 | 13 | 26,266 | 85,607 |

*Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2013.*
*2. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.*
*3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥43.5 billion.*
*4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."*

## Fiscal 2012 (Ended March 31, 2013)

## Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

| Region | Loans, commitments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure | Default exposure |
|---|---|---|---|---|---|---|
| Japan | 18,036 | 15,152 | 10 | 5,972 | 39,172 | 182 |
| Asia except Japan | 147 | 131 | — | 408 | 687 | — |
| Europe | 53 | 9,793 | 0 | 8,253 | 18,100 | — |
| The Americas | 375 | 9,004 | 3 | 12,059 | 21,443 | — |
| Other areas | 18 | 1,003 | 0 | 232 | 1,254 | — |
| Amounts held by consolidated subsidiaries | 764 | 35 | — | 37 | 836 | 9 |
| Total | 19,395 | 35,121 | 13 | 26,963 | 81,495 | 192 |

## Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

| Industry | Loans, commitments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure | Default exposure | Write-off of loans (amounts of partial direct write-off) |
|---|---|---|---|---|---|---|---|
| Manufacturing | 2,686 | 265 | 1 | 0 | 2,953 | 31 | 0 |
| Agriculture | 40 | 0 | — | 0 | 40 | 6 | 0 |
| Forestry | 10 | — | — | — | 10 | 0 | — |
| Fishing | 30 | — | — | 0 | 30 | 19 | 0 |
| Mining | 3 | — | — | 0 | 3 | — | — |
| Construction | 129 | 7 | — | 0 | 136 | 3 | — |
| Utility | 124 | 4 | 0 | 0 | 128 | 1 | — |
| Information/telecommunications | 64 | 4 | 0 | 1 | 70 | 1 | — |
| Transportation | 587 | 78 | 3 | 0 | 668 | 25 | — |
| Wholesaling, retailing | 1,643 | 54 | 0 | 0 | 1,699 | 27 | 0 |
| Finance and insurance | 2,566 | 10,603 | 9 | 26,701 | 39,880 | 15 | — |
| Real estate | 460 | 107 | — | 1 | 569 | 36 | — |
| Services | 1,322 | 35 | — | 1 | 1,359 | 14 | — |
| Municipalities | 127 | 15 | — | — | 143 | — | — |
| Other | 8,831 | 23,910 | 0 | 220 | 32,962 | 0 | — |
| Amounts held by consolidated subsidiaries | 764 | 35 | — | 37 | 836 | 9 | 1 |
| Total | 19,395 | 35,121 | 13 | 26,963 | 81,495 | 192 | 1 |

*Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.*

## Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

| Term to maturity | Loans, commitments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure |
|---|---|---|---|---|---|
| In 1 year | 15,203 | 3,879 | 5 | 25,870 | 44,959 |
| Over 1 year to 3 years | 1,514 | 4,010 | 0 | 0 | 5,525 |
| Over 3 years to 5 years | 1,259 | 7,058 | 2 | — | 8,319 |
| Over 5 years to 7 years | 316 | 5,651 | 1 | — | 5,968 |
| Over 7 years | 334 | 12,886 | 4 | — | 13,224 |
| No term to maturity | 3 | 1,600 | — | 1,055 | 2,659 |
| Amounts held by consolidated subsidiaries | 764 | 35 | — | 37 | 836 |
| Total | 19,395 | 35,121 | 13 | 26,963 | 81,495 |

*Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2012.*
*2. The amounts of credit-risk exposure held by consolidated subsidiaries are extremely limited, amounting only to about 1% of consolidated risk exposure, so only the total amounts held by these subsidiaries are shown.*
*3. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥41.3 billion.*
*4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."*

## 2. Reserves for Possible Loan Losses

### Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

| Region | As of March 31, 2014 | As of March 31, 2013 | Increase/(decrease) |
|---|---|---|---|
| General reserve for possible loan losses | **40** | 45 | **(4)** |
| Specific reserve for possible loan losses | **58** | 66 | **(8)** |
| Japan | **58** | 66 | **(8)** |
| Asia except Japan | **—** | — | **—** |
| Europe | **—** | — | **—** |
| The Americas | **—** | — | **—** |
| Other areas | **—** | — | **—** |
| Amounts held by consolidated subsidiaries | **5** | 6 | **(1)** |
| Offsets on consolidation | **(1)** | (1) | **0** |
| Specified reserve for loans to countries with financial problems | **—** | — | **—** |
| Total | **102** | 116 | **(14)** |

### Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specified Reserve for Loans to Countries with Financial Problems by Industry

(Billions of yen)

| Industry | As of March 31, 2014 | As of March 31, 2013 | Increase/(decrease) |
|---|---|---|---|
| General reserve for possible loan losses | **40** | 45 | **(4)** |
| Specific reserve for possible loan losses | **58** | 66 | **(8)** |
| Manufacturing | **6** | 10 | **(4)** |
| Agriculture | **4** | 4 | **0** |
| Forestry | **0** | 0 | **0** |
| Fishing | **8** | 10 | **(1)** |
| Mining | **—** | — | **—** |
| Construction | **0** | 0 | **(0)** |
| Utility | **—** | 1 | **(1)** |
| Information/telecommunications | **—** | 0 | **(0)** |
| Transportation | **5** | 7 | **(1)** |
| Wholesaling, retailing | **3** | 3 | **0** |
| Finance and insurance | **5** | 4 | **0** |
| Real estate | **17** | 15 | **1** |
| Services | **7** | 8 | **(1)** |
| Municipalities | **—** | — | **—** |
| Other | **—** | — | **—** |
| Others | **—** | — | **—** |
| Amount held by consolidated subsidiaries | **5** | 6 | **(1)** |
| Offsets on consolidation | **(1)** | (1) | **0** |
| Specified reserve for loans to countries with financial problems | **—** | — | **—** |
| Total | **102** | 116 | **(14)** |

## 3. Exposure Subject to the Internal Ratings-Based Approach

### Types of Exposure by Portfolio and Overview of Internal Rating Procedures

### ■ Corporate, Sovereign and Bank Exposure

#### Types of Exposure

Corporate exposure includes general business corporate exposure, sovereign (country) exposure, bank exposure, and specialized lending exposure.

Within these categories, general business corporate exposure is subdivided into resident and non-resident corporate, depending on head office location.

Specialized lending is subdivided into Income-Producing Real Estate (IPRE), High-Volatility Commercial Real Estate (HVCRE), Object Finance (OF) and Project Finance (PF).

#### Overview of Debtor Rating Procedure

In the Bank's general procedure for assigning a debtor rating for corporate exposure, the front office is in charge of applying for a rating and then the credit risk management section reviews and approves it. To be more precise, a debtor rating is assigned for each type of exposure including resident and non-resident corporate, sovereign, bank and specialized lending.

#### Work Flow for Assigning Debtor Ratings

The Bank assigns debtor ratings after taking into account all of the latest available and most relevant information.

Ratings undergo "periodic review" at least once a year in order to quickly reflect the financial status of the borrower. When an event occurs that could cause a change in the rating, the Bank conducts an "ad-hoc review."

| | Items for Review | Content of Review |
|---|---|---|
| 1 | Financial rating | Based on quantitative data of an obligor, including financial statements, the relevant quantitative model according to the risk profile of the obligor is applied to assign a financial rating. |
| 2 | Adjustments in financial rating | In addition to the process stated above, the Bank takes into account the events which should affect the obligor, and adjusts the financial rating. |
| 3 | Qualitative evaluation | Among significant elements to evaluate the creditworthiness of the obligor, those elements which are not captured fully by quantitative evaluation are evaluated. |
| 4 | Country adjustment | The rating of the obligor is adjusted not to exceed the rating of the country. |
| 5 | Consideration of external information | Supplemental to quantitative and qualitative evaluation, the Bank may consider other elements, such as changes in agency rating, CDS or corporate bond spread, or stock price, and adjust the rating accordingly. |
| 6 | Determination of debtor classification | Determination of the classification of an obligor in accordance with Procedure for Self-Assessment Exercise. |
| 7 | Final rating | To reflect the situation of the obligor more accurately, supplemental evaluation may be conducted before the final decision of the internal rating. |

The internal auditing unit of the Bank, which is independent of the front section and the credit risk management section, audits the ratings to ensure the appropriateness of the internal ratings assessment methodology and the accuracy of the rating results.

### ■ Equity Exposure

The Bank assigns internal ratings to equity exposures according to the same process used in assigning ratings to corporate exposures whenever possible.

### ■ Retail Exposure

Retail exposures, such as retail exposure secured by residential properties, qualifying revolving retail exposure and other retail exposures, are managed by grouping individual exposures into eligible retail pools the Bank stipulates and assigning ratings at the pool level.

## a. Corporate, Sovereign and Bank Exposure

### Relationship between Internal Ratings and Parameter Estimates

At the Bank, PD for various internal ratings is divided into four categories: resident corporate, non-resident corporate, sovereign and bank. The methods for estimating these PDs are (a) the internal estimate method: the Bank estimates the long-term average for PD according to internal rating grades based on internal default data of the Bank and (b) mapping technique: the Bank maps internal grades to rating grades used by a credit rating agency and applies the default rate for a rating grade of the agency to a corresponding grade of internal rating of the Bank.

The Bank's definition of default used in estimating PD and in validation satisfies the IRB Approach criteria.

For specialized lending, the Bank applies slotting criteria to compute risk-weighted assets.

### Fiscal 2013 (Ended March 31, 2014)

(Billions of yen)

| Ratings | Weighted-average PD | Weighted-average LGD | Weighted-average risk weight | EAD | EAD (on-balance sheet) | EAD (off-balance sheet) |
|---|---|---|---|---|---|---|
| Corporate Exposure | 2.46% | 44.89% | 56% | 5,819 | 5,138 | 681 |
| 1-1 to 4 | 0.13% | 44.94% | 35% | 5,178 | 4,532 | 646 |
| 5 to 7 | 1.77% | 44.62% | 117% | 413 | 386 | 27 |
| 8-1 to 8-2 | 15.79% | 44.37% | 320% | 116 | 110 | 5 |
| Subtotal | 0.57% | 44.90% | 46% | 5,708 | 5,029 | 679 |
| 8-3 to 10-2 | 100.00% | 44.31% | 556% | 111 | 109 | 1 |
| Sovereign Exposure | 0.00% | 45.00% | 0% | 49,644 | 47,843 | 1,801 |
| 1-1 to 4 | 0.00% | 45.00% | 0% | 49,644 | 47,842 | 1,801 |
| 5 to 7 | 0.86% | 45.00% | 131% | 0 | 0 | — |
| 8-1 to 8-2 | 9.88% | 0.00% | 0% | 0 | 0 | — |
| Subtotal | 0.00% | 45.00% | 0% | 49,644 | 47,843 | 1,801 |
| 8-3 to 10-2 | — | — | — | — | — | — |
| Bank Exposure | 0.04% | 22.29% | 12% | 16,176 | 7,379 | 8,796 |
| 1-1 to 4 | 0.03% | 22.32% | 12% | 16,116 | 7,324 | 8,791 |
| 5 to 7 | 1.93% | 17.84% | 64% | 49 | 45 | 4 |
| 8-1 to 8-2 | 8.94% | 5.82% | 33% | 10 | 9 | 0 |
| Subtotal | 0.04% | 22.29% | 12% | 16,176 | 7,379 | 8,796 |
| 8-3 to 10-2 | 100.00% | 45.00% | 563% | 0 | 0 | — |
| Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach | 0.55% | 90.00% | 186% | 183 | 183 | — |
| 1-1 to 4 | 0.12% | 90.00% | 163% | 169 | 169 | — |
| 5 to 7 | 3.48% | 90.00% | 454% | 12 | 12 | — |
| 8-1 to 8-2 | 15.84% | 90.00% | 360% | 2 | 2 | — |
| Subtotal | 0.54% | 90.00% | 186% | 183 | 183 | — |
| 8-3 to 10-2 | 100.00% | 90.00% | 1,193% | 0 | 0 | — |

*Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).*

*2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).*

*3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of the Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision (regarding provisional measures for equity exposure).*

## Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

| Ratings | Weighted-average PD | Weighted-average LGD | Weighted-average risk weight | EAD | | |
|---|---|---|---|---|---|---|
| | | | | | EAD (on-balance sheet) | EAD (off-balance sheet) |
| Corporate Exposure | 3.26% | 44.93% | 65% | 5,490 | 4,783 | 707 |
| 1-1 to 4 | 0.12% | 44.99% | 34% | 4,610 | 3,957 | 652 |
| 5 to 7 | 2.11% | 44.79% | 128% | 565 | 525 | 39 |
| 8-1 to 8-2 | 15.78% | 44.30% | 316% | 183 | 169 | 13 |
| Subtotal | 0.87% | 44.95% | 53% | 5,358 | 4,652 | 705 |
| 8-3 to 10-2 | 100.00% | 44.25% | 556% | 132 | 130 | 1 |
| Sovereign Exposure | 0.00% | 45.00% | 0% | 44,099 | 42,452 | 1,647 |
| 1-1 to 4 | 0.00% | 45.00% | 0% | 44,099 | 42,452 | 1,647 |
| 5 to 7 | 0.86% | 45.00% | 128% | 0 | 0 | — |
| 8-1 to 8-2 | — | — | — | — | — | — |
| Subtotal | 0.00% | 45.00% | 0% | 44,099 | 42,452 | 1,647 |
| 8-3 to 10-2 | — | — | — | — | — | — |
| Bank Exposure | 0.05% | 21.01% | 11% | 18,138 | 7,502 | 10,636 |
| 1-1 to 4 | 0.03% | 21.02% | 11% | 18,075 | 7,444 | 10,631 |
| 5 to 7 | 2.32% | 20.17% | 71% | 52 | 47 | 4 |
| 8-1 to 8-2 | 8.94% | 8.42% | 49% | 10 | 10 | 0 |
| Subtotal | 0.04% | 21.01% | 11% | 18,138 | 7,502 | 10,636 |
| 8-3 to 10-2 | 100.00% | 45.00% | 563% | 0 | 0 | — |
| Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach | 0.59% | 90.00% | 199% | 155 | 155 | — |
| 1-1 to 4 | 0.13% | 90.00% | 165% | 137 | 137 | — |
| 5 to 7 | 3.47% | 90.00% | 457% | 16 | 16 | — |
| 8-1 to 8-2 | 15.84% | 90.00% | 370% | 1 | 1 | — |
| Subtotal | 0.58% | 90.00% | 199% | 155 | 155 | — |
| 8-3 to 10-2 | 100.00% | 90.00% | 1,193% | 0 | 0 | — |

*Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).*
*2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).*
*3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of the Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision (regarding provisional measures for equity exposure).*

## b. Retail Exposure

### Relationship between Retail Pools and Parameter Estimates

On retail exposure, the Bank estimates parameters, namely PD, LGD, and EAD for each retail pool. Each of those parameters is estimated based on observed data of defaults and losses net of recovered amounts as well as external data. The applicable EAD is the end-of-period balance, since the Bank has no exposure for revolving products, with which balances may be changed within the predetermined credit lines at the discretions of the obligors.

The Bank's definition of default used in estimating and validating the parameters satisfies the criteria stipulated in the Notification Regarding Capital Adequacy Ratio.

### Details on PD, LGD, RW and EAD Assets
Fiscal 2013 (Ended March 31, 2014)

(Billions of yen)

| Type of exposure | Weighted-average PD | Weighted-average LGD | Weighted-average LGD default | Weighted-average EL default | Weighted-average risk weight | EAD | EAD (on-balance sheet) | EAD (off-balance sheet) |
|---|---|---|---|---|---|---|---|---|
| Retail exposure secured by residential properties | 1.43% | 49.19% | 92.52% | 82.40% | 50% | 1,003 | 285 | 717 |
| Not default Not delinquent | 0.44% | 49.22% | / | / | 38% | 984 | 269 | 714 |
| Not default Delinquent | 27.13% | 46.28% | / | / | 425% | 12 | 10 | 1 |
| Not default Subtotal | 0.77% | 49.19% | / | / | 43% | 996 | 279 | 716 |
| Default | 100.00% | / | 92.52% | 82.40% | 1,156% | 6 | 5 | 1 |
| Qualifying revolving retail exposure | — | — | — | — | — | — | — | — |
| Not default Not delinquent | — | — | / | / | — | — | — | — |
| Not default Delinquent | — | — | / | / | — | — | — | — |
| Not default Subtotal | — | — | / | / | — | — | — | — |
| Default | — | / | — | — | — | — | — | — |
| Other retail exposure | 5.18% | 61.02% | 115.07% | 99.83% | 124% | 44 | 40 | 4 |
| Not default Not delinquent | 0.86% | 61.04% | / | / | 64% | 42 | 38 | 4 |
| Not default Delinquent | 27.47% | 55.67% | / | / | 323% | 0 | 0 | 0 |
| Not default Subtotal | 0.95% | 61.02% | / | / | 65% | 42 | 38 | 4 |
| Default | 100.00% | / | 115.07% | 99.83% | 1,438% | 1 | 1 | 0 |
| Total | 1.59% | 49.69% | 97.54% | 86.29% | 53% | 1,048 | 326 | 722 |
| Not default Not delinquent | 0.46% | 49.71% | / | / | 39% | 1,027 | 308 | 718 |
| Not default Delinquent | 27.13% | 46.38% | / | / | 424% | 12 | 10 | 1 |
| Not default Subtotal | 0.77% | 49.67% | / | / | 44% | 1,039 | 318 | 720 |
| Default | 100.00% | / | 97.54% | 86.29% | 1,219% | 8 | 7 | 1 |

*Notes: 1. Purchased retail receivables in investment funds using estimated parameters have been included in the amount subject to quantitative disclosure.*
*2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy Ratio, but past-due.*
*3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).*
*4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).*
*5. As of March 31, 2014, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.*

## Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

| Type of exposure | Weighted-average PD | Weighted-average LGD | Weighted-average LGD default | Weighted-average EL default | Weighted-average risk weight | EAD | EAD (on-balance sheet) | EAD (off-balance sheet) |
|---|---|---|---|---|---|---|---|---|
| Retail exposure secured by residential properties | 2.03% | 50.15% | 97.52% | 83.65% | 61% | 907 | 313 | 594 |
| Not default Not delinquent | 0.48% | 50.17% | / | / | 41% | 884 | 293 | 591 |
| Not default Delinquent | 27.90% | 48.80% | / | / | 454% | 12 | 11 | 1 |
| Not default Subtotal | 0.87% | 50.15% | / | / | 47% | 896 | 304 | 592 |
| Default | 100.00% | / | 97.52% | 83.65% | 1,219% | 10 | 8 | 2 |
| Qualifying revolving retail exposure | — | — | — | — | — | — | — | — |
| Not default Not delinquent | — | — | / | / | — | — | — | — |
| Not default Delinquent | — | — | / | / | — | — | — | — |
| Not default Subtotal | — | — | / | / | — | — | — | — |
| Default | — | / | — | — | — | — | — | — |
| Other retail exposure | 5.23% | 62.78% | 115.78% | 99.49% | 127% | 45 | 40 | 4 |
| Not default Not delinquent | 0.88% | 62.80% | / | / | 67% | 42 | 38 | 4 |
| Not default Delinquent | 26.36% | 60.52% | / | / | 349% | 0 | 0 | 0 |
| Not default Subtotal | 1.01% | 62.78% | / | / | 68% | 43 | 38 | 4 |
| Default | 100.00% | / | 115.78% | 99.49% | 1,447% | 1 | 1 | 0 |
| Total | 2.18% | 50.75% | 100.30% | 86.07% | 64% | 952 | 353 | 599 |
| Not default Not delinquent | 0.50% | 50.76% | / | / | 42% | 927 | 331 | 595 |
| Not default Delinquent | 27.88% | 48.99% | / | / | 452% | 12 | 11 | 1 |
| Not default Subtotal | 0.87% | 50.73% | / | / | 48% | 940 | 343 | 596 |
| Default | 100.00% | / | 100.30% | 86.07% | 1,254% | 12 | 10 | 2 |

*Notes: 1. Purchased retail receivables in investment funds using estimated parameters have been included in the amount subject to quantitative disclosure.*
*2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy Ratio, but past-due.*
*3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).*
*4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).*
*5. As of March 31, 2013, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.*

## c. Actual Losses on Exposure to Corporate, Sovereign, Bank and Retail Exposure

### Actual Losses by Exposure Types

(Billions of yen)

| Type of exposure | As of March 31, 2014 | As of March 31, 2013 | Increase/(decrease) |
|---|---|---|---|
| Corporate exposure | **0** | 1 | **(1)** |
| Sovereign exposure | **—** | — | **—** |
| Bank exposure | **—** | — | **—** |
| Equity exposure subject to PD/LGD approach | **—** | — | **—** |
| Retail exposure secured by residential properties | **0** | 0 | **(0)** |
| Qualifying revolving retail exposure | **—** | — | **—** |
| Other retail exposure | **0** | 0 | **(0)** |
| Total | **0** | 2 | **(1)** |

*Note: Actual losses are defined as losses due to direct write-offs, partial direct write-offs, specific reserve for possible loan losses, general reserve for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.*

## Comparison between Actual Losses in the Previous Fiscal Year and Past Financial Results and Analysis of Causes

Corporate exposure has been improved because of recovery of the creditworthiness of debtors, redemption and reversal of reserves for possible loan losses according to the collection of the loan.

Actual losses of fiscal 2013 were down in comparison with the previous year by ¥1.6 billion.

## Comparison of Estimated Losses and Actual Losses

(Billions of yen)

| Type of exposure | **As of March 31, 2014** | | As of March 31, 2013 | | As of March 31, 2012 | | As of March 31, 2011 | |
|---|---|---|---|---|---|---|---|---|
| | **Estimated losses** | **Actual losses** | **Estimated losses** | **Actual losses** | **Estimated losses** | **Actual losses** | **Estimated losses** | **Actual losses** |
| Corporate exposure | **20** | **0** | 24 | 1 | 42 | 9 | 73 | 7 |
| Sovereign exposure | **0** | **—** | 0 | — | 0 | — | 0 | — |
| Bank exposure | **1** | **—** | 0 | — | 0 | — | 0 | — |
| Equity exposure subject to PD/LGD approach | **0** | **—** | 0 | — | 2 | 0 | 3 | 0 |
| Retail exposure secured by residential properties | **2** | **0** | 1 | 0 | 1 | 1 | 1 | 0 |
| Qualifying revolving retail exposure | **—** | **—** | — | — | — | — | — | — |
| Other retail exposure | **0** | **0** | 1 | 0 | 0 | 0 | 0 | 0 |

| Type of exposure | As of March 31, 2010 | | As of March 31, 2009 | | As of March 31, 2008 | | As of March 31, 2007 | |
|---|---|---|---|---|---|---|---|---|
| | **Estimated losses** | **Actual losses** | **Estimated losses** | **Actual losses** | **Estimated losses** | **Actual losses** | **Estimated losses** | **Actual losses** |
| Corporate exposure | 55 | 43 | 46 | 25 | 29 | 7 | 27 | 18 |
| Sovereign exposure | 0 | — | 1 | — | 1 | — | 1 | — |
| Bank exposure | 0 | — | 0 | — | 0 | — | 0 | — |
| Equity exposure subject to PD/LGD approach | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Retail exposure secured by residential properties | 1 | 0 | 1 | 0 | 1 | 0 | — | — |
| Qualifying revolving retail exposure | — | — | — | — | — | — | — | — |
| Other retail exposure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

*Notes: 1. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.*

*2. Estimated losses of each year are amount of expected losses.*

## d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by Risk Weight

### Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by Risk Weight

(Billions of yen)

| Classification | **As of March 31, 2014** | As of March 31, 2013 |
|---|---|---|
| Specialized Lending exposure subject to supervisory slotting criteria | **134** | 226 |
| Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE) | **93** | 185 |
| Risk weight of 50% | **0** | 24 |
| Risk weight of 70% | **72** | 108 |
| Risk weight of 90% | **9** | 18 |
| Risk weight of 115% | **0** | — |
| Risk weight of 250% | **6** | 28 |
| Risk weight of 0% (default) | **4** | 5 |
| High-Volatility Commercial Real Estate (HVCRE) | **40** | 40 |
| Risk weight of 70% | **—** | — |
| Risk weight of 95% | **5** | 5 |
| Risk weight of 120% | **12** | — |
| Risk weight of 140% | **—** | — |
| Risk weight of 250% | **23** | 18 |
| Risk weight of 0% (default) | **—** | 17 |

*Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy Ratio, Article 1-1-41).*

*2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy Ratio, Article 1-1-43.*

*3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, subject to the Bank's internal rating system, and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy Ratio, Article 130-4 and Article 130-6, after taking account of risk weights.*

*4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy Ratio, Article 130-4 and Article 130-6.*

## e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by Risk Weight

### Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

| Classification | **As of March 31, 2014** | As of March 31, 2013 |
|---|---|---|
| Equity exposure subject to the simple risk-weighted method of the market-based approach by RW | **50** | 29 |
| Risk weight of 300% | **—** | — |
| Risk weight of 400% | **50** | 29 |

*Note: The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments. Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy Ratio, Article 143-4).*

## 4. Exposure Subject to Standardized Approach

### Overview

The Bank adopts IRB Approach in computing credit risk assets. However, for the assets listed below, the Bank considers that the percentage of such assets in overall credit risk assets is minuscule and that they are not regarded as significant from a credit risk management perspective. Accordingly, the Bank partially applies the Standardized Approach specifically to those assets and does not plan to apply the IRB Approach to them.

- The on-balance sheet assets and off-balance sheet items of the Bank's consolidated subsidiaries, with the exception of Kyodo Housing Loan Co., Ltd.
- The following assets held by the Bank and Kyodo Housing Loan: Suspense payments (with the exception of the account for securities), prepaid expenses, foreign currency forward contracts for foreign currency deposits of cooperative organizations, and current account overdrafts (to holders of the Bank's debentures).

The Bank applies the ratings of five qualified credit rating agencies (External Credit Assessment Institution (ECAI)) in computing its risk assets, namely Moody's Investors Service, Standard & Poor's, Fitch Ratings, Ltd., Rating & Investment Information, Inc. and Japan Credit Rating Agency, Ltd. The Bank applies a risk weight of 100% to its exposure to corporate, sovereign and bank exposures (excluding past due exposure for three months or more) in accordance with the Notification Regarding Capital Adequacy Ratio, Article 44, regardless of the ratings assigned by these qualified rating agencies.

### Amount of Exposure Subject to Standardized Approach

(Billions of yen)

| Classification | As of March 31, 2014 | | As of March 31, 2013 | |
|---|---|---|---|---|
| | Exposure | Refer to ECAI | Exposure | Refer to ECAI |
| Exposure subject to Standardized Approach | **43** | **—** | 41 | — |
| Risk weight of 0% | **30** | **—** | 30 | — |
| Risk weight of 10% | **—** | **—** | — | — |
| Risk weight of 20% | **3** | **—** | 2 | — |
| Risk weight of 35% | **—** | **—** | — | — |
| Risk weight of 50% | **—** | **—** | — | — |
| Risk weight of 75% | **—** | **—** | — | — |
| Risk weight of 100% | **9** | **—** | 6 | — |
| Risk weight of 150% | **—** | **—** | — | — |
| Risk weight of 1,250% | **—** | **—** | — | — |
| Others | **1** | **—** | 0 | — |

*Note: Others include investment funds which are measured credit risk assets by look-through approach and the assets which are more than 150% and less than 1,250% risk weight.*

## Credit Risk Mitigation Techniques (Consolidated)

### Overview of Risk Management Policies and Procedures Related to Credit Risk Mitigation Techniques

#### ■ Outline of Evaluation, Administrative Policies and Procedures for Collateral

The Bank regards future cash flows generated from the businesses of debtors as funds for recovery of its claims. Collateral is viewed as supplementary for the recovery of its claims. The Bank applies a collateral evaluation method to ensure that the amount recovered from collateral is not less than the assessed value of the collateral, even in the case that it becomes necessary to recover claims from collateral.

Specifically, the Bank values collateral based on objective evidence such as appraisals, official land valuations for inheritance tax purposes, and market value. Further, it has established detailed valuation procedures that make up its internal rules. In addition, the procedures stipulate the frequency of valuation reviews according to collateral type and the creditworthiness of debtors, which routinely reflects changes in value. The Bank conducts verification whenever possible, even when setting policies for debtors and during self-assessment. The Bank also estimates the recoverable amount by multiplying the weighing factor based on collateral type, and then uses that estimate as a secured amount for the depreciation allowance.

As a part of collateral management, the Bank stipulates the procedures of reviewing the legal efficacy and enforceability of collateral not only at the time of the collateral pledge but also periodically through the term of contract.

#### ■ Principal Types of Collateral

The principal types of collateral are marketable securities, commercial bills and real estate.

#### ■ Types of Guarantors and Principal Counterparties in Credit Derivatives and Explanation of their Credit Standing

The types of guarantors in such transactions are mainly sovereigns, including central and local governments, financial institutions and corporates. When evaluating the creditworthiness of guarantors, the Bank evaluates their financial soundness after assigning a debtor rating and assessing their creditworthiness. There is no transaction for which credit risk is mitigated by a credit derivative.

#### ■ Scope of Credit Risk Mitigation

Taking account of the conditions stated in the Notification Regarding Capital Adequacy Ratio and the Bank's operating practices, the Bank adopts Credit Risk Mitigation (CRM) as follows.

##### Eligible Financial Collateral

For repo-type transactions and secured derivative transactions (transactions based on a CSA contract), the Bank recognizes the effectiveness of CRM as stipulated in the Notification Regarding Capital Adequacy Ratio.

For transactions other than repo-type transactions and secured derivative transactions, the Bank recognizes the effectiveness of CRM in such case where deposits with the Bank (including Norinchukin Bank Debentures) or stocks, etc., are pledged as collateral.

##### Other Eligible Collateral

The Bank does not take into account the effects of CRM for collateral such as real estate, commercial bills, and other eligible assets.

##### Setoff for Loans and Deposits

The Bank does not take into account the effects of CRM for deposits held with the Bank unless they are pledged as collateral.

## Guarantees and Credit Derivatives

Guarantees derived from guarantors recognized for maintaining effective guarantees take into account the effects of CRM, including the assignment of a debtor rating higher than that of the guaranteed party.

These are not transactions that use credit derivatives to reduce credit risk.

## Legally Binding Bilateral Netting Contracts for Derivatives and Repo-Type Transactions

The Bank considers legally binding bilateral netting contracts for derivatives subject to netting in the ISDA Master Agreement as a means of CRM. Legally binding netting contracts are managed by verifying the necessity of the contract itself and scope of transactions on a regular and as-needed basis.

Regarding repo-type transactions, although the Bank has concluded legally binding netting agreements with its major counterparties, taking account of the stipulations of the Notification Regarding Capital Adequacy Ratio and the Bank's operating practices, the Bank does not consider these agreements as a means of mitigating credit risk.

## ■ Information about Credit and Market Risk Concentration Arising from the Application of CRM Techniques

For exposures where the credit risk has been transferred from a guaranteed party to a guarantor as a result of CRM techniques, the Bank monitors the concentrations of credit risk, and manages the exposures accordingly. Regarding market risk, there is no exposure of credit derivatives in the Bank's trading accounts.

## Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral, Guarantees, Credit Derivatives)

(Billions of yen)

| Classification | | | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|---|---|
| Foundation Internal Ratings-Based Approach | | | **8,949** | 10,093 |
| | Eligible financial collateral | | **7,755** | 8,983 |
| | | Corporate exposure | **11** | 8 |
| | | Sovereign exposure | **0** | — |
| | | Bank exposure | **7,743** | 8,975 |
| | Other eligible IRB collateral | | **—** | — |
| | | Corporate exposure | **—** | — |
| | | Sovereign exposure | **—** | — |
| | | Bank exposure | **—** | — |
| | Guarantees, Credit Derivatives | | **1,194** | 1,109 |
| | | Corporate exposure | **290** | 207 |
| | | Sovereign exposure | **200** | 200 |
| | | Bank exposure | **702** | 702 |
| | | Retail exposure secured by residential properties | **—** | — |
| | | Qualifying revolving retail exposure | **—** | — |
| | | Other retail exposure | **—** | — |
| Standardized Approach | | | **—** | — |
| | Eligible financial collateral | | **—** | — |
| | Guarantees, Credit Derivatives | | **—** | — |

*Note: Exposure subject to risk-weighted asset calculation for investment fund is not included.*

## Counterparty Credit Risk in Derivative Transactions (Consolidated)

### Overview of Risk Management Policies and Procedures for Counterparty Credit Risk in Derivatives and Transactions with a Long Settlement Period

#### ■ Policies for Allocation of Risk Capital and Credit Lines

The Bank manages credit risk involving derivative transactions with financial institutions within the risk limits (Bank Ceiling) established in each group financial institution. A Bank Ceiling is established for each front section on the basis of each entity within the group and each type of transaction (derivatives, financial transactions, loans, etc.). Credit exposures related to derivative transactions are managed so as not to exceed the limits. Under the Bank Ceiling system, the exposure of derivatives that are to be managed is calculated utilizing the current exposure method (the replacement cost (mark-to-market) of the transaction plus an add-on deemed to reflect the potential future exposure).

#### ■ Policies for Calculating the Value of Collateral as Security for Claims and Reserve for Possible Loan Losses

For derivative transactions, the Bank has concluded a CSA contract with major counterparties. In some cases, the Bank receives collateral from these counterparties. The collateral posted may vary depending on the terms of the CSA contract, but mainly it consists of Japanese government bonds (JGBs), Japanese yen cash, U.S. Treasury bonds, and U.S. dollar cash. Regarding replacement costs for derivative transactions (the required cost when renegotiating the same transaction on the market), the Bank has allocated a required reserve depending on the debtor classification of the financial institution counterparty.

#### ■ Remarks on Impact in Case the Bank Is Required to Post Additional Collateral when its Credit Standing Deteriorates

If the Bank's credit rating is downgraded, the Bank's financial institution counterparty will reduce its credit risk limit and may demand the Bank to post collateral. However, the Bank has a sufficiently high level of liquid assets, such as government bonds that can be used as collateral, and the amount of those assets is periodically checked by the Market Portfolio Management Committee. For this reason, even if the Bank is required to post additional collateral, the impact on the Bank will be minimal.

## Methods Used for Calculating Amount of Credit Exposure

The current exposure method has been adopted.

## Breakdown of the Amount of Credit Exposure

(Billions of yen)

| Classification | | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|---|
| Total gross replacement costs (limited to items with a value of greater than zero) | (A) | **100** | 117 |
| Total gross add-ons | (B) | **469** | 430 |
| Gross credit exposure | (C) = (A)+(B) | **570** | 547 |
| Foreign exchange related | | **460** | 453 |
| Interest rate related | | **107** | 91 |
| Equity related | | **2** | 2 |
| Credit derivatives | | **—** | — |
| Transactions with a long settlement period | | **—** | — |
| Reduction in credit exposure due to netting contracts (including collateral pledged for CSA) | (D) | **345** | 63 |
| Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral | (E) = (C)–(D) | **224** | 483 |
| Amount of collateral | (F) | **13** | 0 |
| Eligible financial collateral | | **13** | 0 |
| Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral | (G) = (E)–(F) | **210** | 482 |

*Notes: 1. Derivatives transactions included in risk-weighted assets calculation for investment funds are not included.*
*2. Under the stipulations of the Notification Regarding Capital Adequacy Ratio, Article 56-1, the amount of credit exposure not computed has not been included.*

## Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| To buy protection | **—** | — |
| Credit default swaps | **—** | — |
| Total return swaps | **—** | — |
| To sell protection | **—** | — |
| Credit default swaps | **—** | — |
| Total return swaps | **—** | — |
| Notional principal amount of credit derivatives taking into consideration the effect of credit risk mitigation techniques | **—** | — |

*Notes: 1. Credit derivatives included in risk-weighted assets for investment funds have not been taken into consideration.*
*2. Under the stipulations of the Notification Regarding Capital Adequacy Ratio, Article 10 and Article 56, the amount of credit risk assets not computed has not been included.*

## Securitization Exposure (Consolidated)

### Overview of Risk Management Policies and Risk Characteristics for Securitization Exposure

From the standpoint of globally diversified investments, the Bank invests in securitized (structured finance) transactions to generate earnings from global credit risk. Securitized transactions have certain types of underlying assets and make it possible to effectively and efficiently mitigate and acquire credit risk and other forms of risk. The Bank's policy is to continuously utilize such transactions while managing the risk arising from those transactions appropriately.

The Bank's risk management for securitization exposure is in line with the credit and market risk management framework and consists of a cycle that is mainly focused on establishing investment policy, performing individual analysis during initial investment research (due diligence), credit screening, implementation, monitoring, and investment policy review.

Securitization exposure changes the risk-return profile of the underlying asset and transfers all or part of them to investors. Therefore, in general, securitization exposure is a complex investment structure with a different risk-return profile than the underlying assets. In view of the risk characteristics of securitization exposure, to properly evaluate risk return, the Bank has established a systematic risk evaluation process, which includes setting investment approval limits based on credit rating, monitoring the rating methods of credit rating agencies, and quantitative analysis of repayment ability. Further, after performing due diligence and identifying items to be monitored and reviewed for each asset class and securitization and re-securitization, the Bank carefully examines risk in the underlying assets and structure at the time of investment. The Bank monitors and reviews the credit condition of each investment on an ongoing basis and analyzes and assesses the market environment for each asset class, taking into account underlying asset performance.

The securitization exposure which contains securitization exposure as an underlying asset is called re-securitization exposure. Among the re-securitization exposures, wherein the majority of underlying assets are comprised of securitization exposures, the Bank treats them as secondary and tertiary re-securitization exposures and manages them separately from other re-securitization exposures in order to monitor them closely. The Bank does not plan to acquire new secondary or tertiary re-securitization exposures.

Regarding its securitization exposure, the Bank appropriately calculates the amount of risk-weighted asset for credit risk based on the Notification Regarding Capital Adequacy Ratio. As a part of its integrated risk management, based on the risk profile of the securitization exposure, the Bank computes risk amount and engages in other initiatives to enhance the accuracy and sophistication of its risk management.

As of March 31, 2014, the Bank engaged in no securitization transactions in which the Bank acted as an originator and recognized regulatory risk asset mitigation effects. In addition, the Bank has had no securitization transactions involving third-party assets using a special purpose entity (SPE), nor do the Bank's subsidiaries (excluding consolidated subsidiaries) or affiliates have securitization exposure involving securitization transactions performed by the Bank in fiscal 2013.

## Calculation of Risk-Weighted Asset for Credit Risk in Securitization Exposure

The Bank calculates the amount of risk-weighted asset for credit risk for securitization exposure by applying the "Ratings-Based Approach (RBA)" or "Supervisory Formula (SF)." In cases in which it cannot apply RBA or SF, the Bank applies a risk weight of 1,250%. In addition, the Bank does not use the "Internal Assessment Approach (IAA)."

The Bank has no securitization exposures containing securitization exposure as an underlying asset, for which risk-weighted asset for credit risk is calculated not as re-securitization exposure but as securitization exposure based on rules in the Notification Regarding Capital Adequacy Ratio.

For securitization exposures to which RBA is applied, the Bank relies on the following five qualified credit rating agencies: Moody's Investors Service, Standard & Poor's, Fitch Ratings, Ltd., Rating & Investment Information, Inc., and Japan Credit Rating Agency, Ltd.

The Bank treats securitized instruments in accordance with the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10) and "Practical Guidelines on Accounting Standards for Financial Instruments" (JICPA Laws and Regulations Committee Report No. 14) for accounting purposes.

No material changes have been made to quantitative data. Moreover, the Bank holds no assets for the purpose of securitization transactions.

# 1. Items to Calculate Risk-Weighted Asset for Credit Risk

## Details of Securitization Exposure Held as Originator

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Total amount of underlying assets | **—** | — |
| Amounts of assets held by securitization transactions purpose | **—** | — |
| Amounts of securitized exposure | **—** | — |
| Gains (losses) on sales of securitization transactions | **—** | — |
| Amounts of securitization exposure | **—** | — |
| Amounts of re-securitization exposure | **—** | — |
| Increase in capital due to securitization transactions | **—** | — |
| Amounts of securitization exposure that applied risk weight 1,250% | **—** | — |
| Amounts of re-securitization exposure subject to credit risk mitigation techniques | **—** | — |

## Details of Securitization Exposure Held as Investor by Exposure Type

## Fiscal 2013 (Ended March 31, 2014)

(Billions of yen)

| Classification | Total amount of securitization exposure | | | | | |
|---|---|---|---|---|---|---|
| | | | Re-securitization exposure | | | |
| | Amount of exposure | Risk weight 1,250% | Amount of exposure | Re-securitization products (Secondary, tertiary) | Re-securitization products peculiar to regulation | Risk weight 1,250% |
| Amount of exposure | **5,432 ( 3)** | **33 ( 2)** | **359** | **96** | **263** | **25** |
| Individuals | | | | | | |
| Asset-Backed Securities (ABS) | **1,501 ( 0)** | **— (—)** | **—** | **—** | **—** | **—** |
| Residential Mortgage-Backed Securities (RMBS) | **2,638 (—)** | **— (—)** | **9** | **—** | **9** | **—** |
| Real estate | | | | | | |
| Commercial Mortgage-Backed Securities (CMBS) | **71 (—)** | **3 (—)** | **—** | **—** | **—** | **—** |
| Corporates | | | | | | |
| Subtotal of CDOs (CLO, ABS-CDO, CBO) | **1,172 (—)** | **25 (—)** | **349** | **96** | **253** | **25** |
| Collateralized Loan Obligations (CLO) | **1,076 (—)** | **— (—)** | **253** | **—** | **253** | **—** |
| Asset-Backed Securities CDOs (ABS-CDO) | **96 (—)** | **25 (—)** | **96** | **96** | **—** | **25** |
| Collateralized Bond Obligations (CBO) | **— (—)** | **— (—)** | **—** | **—** | **—** | **—** |
| Others | **49 ( 3)** | **4 ( 2)** | **—** | **—** | **—** | **—** |

*Note: The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.*

## Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

| Classification | Total amount of securitization exposure | | | | | |
|---|---|---|---|---|---|---|
| | Amount of exposure | Risk weight 1,250% | Re-securitization exposure | | | |
| | | | Amount of exposure | Re-securitization products (Secondary, tertiary) | Re-securitization products peculiar to regulation | Risk weight 1,250% |
| Amount of exposure | 5,509 ( 3) | 36 ( 2) | 397 | 125 | 271 | 15 |
| Individuals | | | | | | |
| Asset-Backed Securities (ABS) | 1,917 ( 0) | — (—) | — | — | — | — |
| Residential Mortgage-Backed Securities (RMBS) | 2,387 (—) | 6 (—) | 14 | — | 14 | — |
| Real estate | | | | | | |
| Commercial Mortgage-Backed Securities (CMBS) | 216 (—) | 9 (—) | 24 | — | 24 | — |
| Corporates | | | | | | |
| Subtotal of CDOs (CLO, ABS-CDO, CBO) | 937 (—) | 15 (—) | 358 | 125 | 233 | 15 |
| Collateralized Loan Obligations (CLO) | 812 (—) | — (—) | 233 | — | 233 | — |
| Asset-Backed Securities CDOs (ABS-CDO) | 125 (—) | 15 (—) | 125 | 125 | — | 15 |
| Collateralized Bond Obligations (CBO) | — (—) | — (—) | — | — | — | — |
| Others | 50 ( 3) | 5 ( 2) | — | — | — | — |

*Note: The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.*

# Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

## Fiscal 2013 (Ended March 31, 2014)

(Billions of yen)

| Classification | Amount of exposure | | | Regulatory required capital | | |
|---|---|---|---|---|---|---|
| | | On-balance | Off-balance | | On-balance | Off-balance |
| Amount of securitization exposure | **5,073** | **5,069** | **3** | **47** | **44** | **2** |
| Risk weight: 20% or less | **4,961** | **4,960** | **0** | **30** | **30** | **0** |
| Risk weight: exceeding 20% to 50% or less | **18** | **18** | **—** | **0** | **0** | **—** |
| Risk weight: exceeding 50% to 100% or less | **79** | **79** | **—** | **5** | **5** | **—** |
| Risk weight: exceeding 100% to 250% or less | **—** | **—** | **—** | **—** | **—** | **—** |
| Risk weight: exceeding 250% to less than 1,250% | **6** | **5** | **1** | **2** | **1** | **0** |
| Risk weight: 1,250% | **7** | **5** | **2** | **8** | **5** | **2** |
| Amount of re-securitization exposure | **359** | **359** | **—** | **38** | **38** | **—** |
| Risk weight: 20% or less | **9** | **9** | **—** | **0** | **0** | **—** |
| Risk weight: exceeding 20% to 50% or less | **290** | **290** | **—** | **9** | **9** | **—** |
| Risk weight: exceeding 50% to 100% or less | **33** | **33** | **—** | **2** | **2** | **—** |
| Risk weight: exceeding 100% to 250% or less | **—** | **—** | **—** | **—** | **—** | **—** |
| Risk weight: exceeding 250% to less than 1,250% | **—** | **—** | **—** | **—** | **—** | **—** |
| Risk weight: 1,250% | **25** | **25** | **—** | **26** | **26** | **—** |

## Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

| Classification | Amount of exposure | | | Regulatory required capital | | |
|---|---|---|---|---|---|---|
| | | On-balance | Off-balance | | On-balance | Off-balance |
| Amount of securitization exposure | 5,112 | 5,109 | 3 | 74 | 71 | 2 |
| Risk weight: 20% or less | 4,878 | 4,878 | 0 | 30 | 30 | 0 |
| Risk weight: exceeding 20% to 50% or less | 79 | 79 | — | 2 | 2 | — |
| Risk weight: exceeding 50% to 100% or less | 83 | 83 | — | 5 | 5 | — |
| Risk weight: exceeding 100% to 250% or less | 32 | 32 | — | 6 | 6 | — |
| Risk weight: exceeding 250% to less than 1,250% | 17 | 16 | 1 | 6 | 6 | 0 |
| Risk weight: 1,250% | 21 | 18 | 2 | 22 | 20 | 2 |
| Amount of re-securitization exposure | 397 | 397 | — | 50 | 50 | — |
| Risk weight: 20% or less | 14 | 14 | — | 0 | 0 | — |
| Risk weight: exceeding 20% to 50% or less | 267 | 267 | — | 8 | 8 | — |
| Risk weight: exceeding 50% to 100% or less | 37 | 37 | — | 2 | 2 | — |
| Risk weight: exceeding 100% to 250% or less | 16 | 16 | — | 2 | 2 | — |
| Risk weight: exceeding 250% to less than 1,250% | 46 | 46 | — | 19 | 19 | — |
| Risk weight: 1,250% | 15 | 15 | — | 16 | 16 | — |

## Amount of Re-Securitization Exposure Held as Investor and Subject to Credit Risk Mitigation Techniques

(Billions of yen)

| Classification | As of March 31, 2014 | | As of March 31, 2013 | |
|---|---|---|---|---|
| | Amount of exposure | Regulatory required capital | Amount of exposure | Regulatory required capital |
| Amount of re-securitization exposure | — | — | — | — |
| Risk weight applied to guarantor: 20% or less | — | — | — | — |
| Risk weight applied to guarantor: exceeding 20% to 50% or less | — | — | — | — |
| Risk weight applied to guarantor: exceeding 50% to 100% or less | — | — | — | — |
| Risk weight applied to guarantor: exceeding 100% to 250% or less | — | — | — | — |
| Risk weight applied to guarantor: exceeding 250% to less than 1,250% | — | — | — | — |
| Risk weight applied to guarantor: 1,250% | — | — | — | — |

## Risk-Weighted Asset Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy Ratio

Not applicable

## 2. Securitization Exposure Subject to Market Risk

Not applicable

# Market Risk (Consolidated)

## Methods for Calculating Market Risk Amount and Applicable Valuation Methods

The Bank utilizes an internal models approach to measure "general market risk in trading accounts." The Bank applies a standardized approach for measuring "individual risk in trading accounts," "foreign currency exchange risk," "commodity risk," "assets and liabilities related to trading accounts in consolidated subsidiaries," and "foreign currency exchange risk and commodity risk in consolidated subsidiaries." The amount of market risk in securitization exposure is also calculated using this method.

The financial products pertaining to trading accounts are limited to those with extremely high liquidity such as JGBs, derivatives (interest rate futures, bond futures, interest rate swaps, and other products). Securitization exposure is not covered by these accounts.

## Computation of Market Risk Amount by Internal Models Approach

### ■ Scope of Market Risk Amount Computed by the Internal Models Approach

The model covers general market risk in the trading accounts. The scope of market risk amount is the same on a consolidated and non-consolidated basis.

When computing market risk amount, the assumed holding period is set at 10 business days based on the characteristics of the product handle, and the market risk amount is the combined total of stress VaR calculated after taking into account market fluctuations at times of past stress affecting the portfolio and the VaR measured during the most recent observation period.

### ■ Internal Models Approach

(1) Applied model: Variance-covariance matrix

(2) Confidence interval: 99th percentile, one-tailed confidence interval

(3) Holding period: 10 business days
(Calculated based on a holding period of one business day by multiplying by the square root of 10)

### ■ VaR

(Millions of yen)

| | Fiscal 2013 | Fiscal 2012 |
|---|---|---|
| Base date of computation | **2014. 3. 31** | 2013. 3. 29 |
| VaR (For the most recent 60 business days) | | |
| Base date of computation | **26** | 124 |
| Maximum | **60** | 139 |
| Minimum | **15** | 50 |
| Average | **32** | 83 |

### ■ Stress VaR

(Millions of yen)

| | Fiscal 2013 | Fiscal 2012 |
|---|---|---|
| Base date of computation | **2014. 3. 31** | 2013. 3. 29 |
| Stress VaR (For the most recent 60 business days) | | |
| Base date of computation | **140** | 500 |
| Maximum | **210** | 605 |
| Minimum | **87** | 235 |
| Average | **143** | 379 |

## ■ Amount of Market Risk

(Millions of yen)

| | | Fiscal 2013 | Fiscal 2012 |
|---|---|---|---|
| For the portion computed with the internal models approach (B)+(G)+(J) | (A) | **529** | 1,388 |
| Value at Risk (MAX (C, D)) | (B) | **98** | 250 |
| Amount on base date of computation | (C) | **26** | 124 |
| Amount determined by multiplying (E) by the average for the most recent 60 business days | (D) | **98** | 250 |
| (Multiplier) | (E) | **3.0** | 3.0 |
| (Times exceeding VaR in back testing) | (F) | **3** | 1 |
| Stress Value at Risk (MAX (H, I)) | (G) | **430** | 1,137 |
| Amount on base date of computation | (H) | **140** | 500 |
| Amount determined by multiplying (E) by the average for the most recent 60 business days | ( I ) | **430** | 1,137 |
| Additional amount at the time of measuring individual risk | ( J ) | **0** | 0 |

*Notes: 1. As a result of back testing conducted in fiscal 2013, actual gains and losses did not diverge substantially downward from the VaR value.*
*2. When discrepancies between the model's estimates and actual results go beyond a certain number of times due to the design of the model, the Bank scrutinizes the relevant model factors and revises the model if necessary.*
*3. Since the bank adopts a standardized approach, neither an additional risk nor a comprehensive risk of specific risks of trading account are the measurement objects.*

# Equity Exposure (Consolidated)

(Includes items such as shares; excludes items in trading accounts)

## Overview of Risk Management Policies and Procedures Related to Equity Exposure

The Bank's exposure to equity comprises stocks classified as other securities and stocks of subsidiaries and other associated companies. The amount of risk-weighted asset for credit risk is computed by the methods specified by the Notification Regarding Capital Adequacy Ratio. For internal management purposes, the Bank conducts comprehensive risk management within its economic capital management framework, as described in the section, "Risk Management."

### ■ Equities Classified as Other Securities

Risk management of equities classified as other securities is managed under a framework of market risk management (including interest rate risk and foreign currency exchange risk). That framework mainly consists of the economic capital management framework. Further details can be found in "Risk Management."

### ■ Stocks of Subsidiaries and Affiliates

The stocks of subsidiaries and other associated companies are recognized as credit risk assets and managed within the economic capital management framework.

### ■ Principal Accounting Policies

For accounting purposes, among exposure to equity and other investments, stocks of subsidiaries and other associated companies are valued at cost, determined by the moving average method. Exposure to equity and other investments classified in other securities is valued at the market value prevailing on the date of the closing of accounts, in the case of equities with quoted market values (with book values mainly determined by the moving average method). Equities which are extremely difficult to determine the fair value of are valued at cost, determined by the moving average method. In addition, the valuation difference on other securities is entered directly in the net assets account.

### ■ Calculating Risk-Weighted Asset of Equity Exposure

The Bank applies the PD/LGD approach to calculate risk-weighted asset for credit risk for equity exposure, and the simple risk-weighted method and internal models approach under the market-based approach.

## Amount on the Balance Sheet and Market Value

(Billions of yen)

| Classification | As of March 31, 2014 | | As of March 31, 2013 | |
|---|---|---|---|---|
| | Amount on the balance sheet | Market value | Amount on the balance sheet | Market value |
| Equity exposure | **969** | **/** | 821 | / |
| Exposure to publicly traded equity | **798** | **798** | 676 | 676 |
| Exposure to privately held equity | **171** | **/** | 145 | / |

*Notes: Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 2 were not included.*

## Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

| Item | Fiscal 2013 | | | Fiscal 2012 | | |
|---|---|---|---|---|---|---|
| | Gains from sale of equities, etc. | Losses from sales of equities, etc. | Write-offs of equities, etc. | Gains from sale of equities, etc. | Losses from sales of equities, etc. | Write-offs of equities, etc. |
| Equity exposure | **2** | **5** | **0** | 11 | 4 | 1 |

*Note: Amounts reflect relevant figures posted in the consolidated income statements.*

## Amount of Valuation Gains (Losses)

(Billions of yen)

| Item | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations | **209** | 153 |

*Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.*
*2. Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 2 were not included.*

## Unrealized Gains (Losses) Not Recognized on Consolidated Balance Sheets or Consolidated Statements of Income

Not applicable

## Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| | Amount on the balance sheets | Amount on the balance sheets |
| Equity exposure subject to treatment under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13 | **414** | 379 |
| Corporate | **400** | 365 |
| Bank | **9** | 8 |
| Sovereign | **5** | 5 |

*Note: The Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.*

## Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds (Consolidated)

### Overview of Risk Management Policies and Procedures Related to Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds

Exposure subject to risk-weighted asset calculation for investment funds consists mainly of assets managed in investment trusts and money trusts. Assets under management include equities, bonds and credit assets, which are the Bank's primary investment assets. Risk management policies are stipulated for each of the asset's risk. An outline is provided in the section "Risk Management." In addition to assets managed by the Bank itself, the Bank utilizes investment funds in which asset management is entrusted to management firms. Risk is managed by applying methods appropriate for each type of fund in accordance with the Bank's internal rules. In order to select managers and entrust assets with them, the Bank performs thorough due diligence on the manager's ability, including operating organization, risk management, compliance framework, management philosophy and strategies, as well as past performance. In addition, during entrusting assets to managers, the Bank monitors their performance from quantitative and qualitative perspectives and conducts reviews of performance on a regular basis to assess whether to maintain or replace individual managers.

### Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

| Classification | As of March 31, 2014 | | As of March 31, 2013 | |
|---|---|---|---|---|
| | Exposure | (For reference) Weighted-average risk weight | Exposure | (For reference) Weighted-average risk weight |
| Look-through approach | **12,338** | **72%** | 15,989 | 59% |
| Majority approach | **432** | **406%** | 407 | 432% |
| Mandate approach | **—** | **—** | — | — |
| Market-based approach | **2,029** | **263%** | 1,696 | 260% |
| Others (simple approach) | **217** | **437%** | 233 | 437% |
| Total | **15,018** | **111%** | 18,326 | 88% |

*Notes: 1. The "Look-through approach" is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy Ratio, Article 144-1.)*

*2. The "Majority approach" is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in a fund. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-2.)*

*3. The "Mandate approach" is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows: It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-3.)*

*4. The "Market-based approach" is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank's internal model (which is a value-at-risk (VaR) model based on the historical simulation method). (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-4.)*

*5. The "Others (simple approach)" is a method for computing the risk-weighted assets in fund by applying risk weight of 400%, when it is judged the probability that the weighted-average risk weight will be less than 400%. In all other cases, risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-5.)*

*6. (For reference) The sum of the amount of risk-weighted assets (excluding CVA risk amount) and the amount resulting from dividing the expected loss by 8% are divided by EAD to yield the risk weight value.*

## Interest Rate Risk (Consolidated)

(The increase or decrease of the profit and loss or in the economic value from interest rate shocks which are used for internal management purpose, in terms of interest rate risk excluding trading accounts.)

### Overview of Risk Management Policies and Procedures for Interest Rate Risk

As described in the "Risk Management" section, in its economic capital management, or the foundation of the Bank's risk management, the Bank primarily conducts overall risk management, taking into account the correlation between asset classes such as bonds, stocks, and credit assets under the Bank's core concept of globally diversified investment.

The Bank manages interest rate risk by performing profit and loss simulation analyses under a wide range of scenarios. The Bank also conducts various interest rate sensitivity analyses, such as BPV and yield-curve risk, and static and dynamic revenue and expenditure impact analyses by major currencies. The Bank manages interest rate risk based on interest rate risk standards for banking accounts as well. The Bank has been constructing a framework that will enable it to properly monitor the multi-faceted effects of interest rate risk.

The Bank verifies the proper operation of interest rate risk management, besides the management of other major risks, from the point of view of the assessment of capital adequacy, by monitoring checkpoints for the Bank's capital management and conducting sets of stress testing.

### Key Assumptions for Interest Rate Risk Management and Frequency of Risk Measurement

As previously mentioned, economic capital management forms the core of the Bank's risk management. The Bank measures its securities portfolio risk on a daily basis. In addition, the internal management of interest rate risk based on interest rate risk standards for banking accounts applies a one year holding period and at least a five year historical observation period to measure interest rate volatility. The Bank calculates monthly declines in economic value corresponding to a 99% confidence interval for interest rate volatility. The measurements cover, in principle, all financial assets and liabilities, but the measurement process itself does not take into account inter-grid factors and correlations with other assets.

### Interest Rate Risk Volume Computed with the Internal Model in Core Business Accounts (Excluding Trading Accounts)

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Interest rate risk | **2,119** | 2,261 |
| Yen interest rate risk | **182** | 269 |
| U.S. dollar interest rate risk | **1,470** | 1,503 |
| Euro interest rate risk | **460** | 482 |
| Interest rate risk in other currencies | **4** | 5 |

*Notes: 1. Interest rate risk, without taking into account inter-grid factors and correlations with other assets, calculates a one-year holding period and a historical observation period from 1995 to the most recent year of interest rate volatility. The Bank calculated declines in economic value corresponding to a 99% confidence interval for interest rate volatility. Because the interest rate risk of consolidated subsidiaries is limited from the standpoint of the asset value of subsidiaries, the non-consolidated risk of the Bank is calculated.*

*2. Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity due to call conditions and other factors.*

## Indicators for Assessing Global Systemically Important Banks (G-SIBs)

(In 0.1 billion yen)

| Description | As of March 31, 2014 |
|---|---|
| 1 Total exposures<br>(A)+(B)+(C)+(D):<br>(A) Counterparty exposure of derivatives contracts<br>(B) Gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs<br>(C) Other assets (other than assets specifically identified above and regulatory adjustments to Tier 1 and CET1 capital under the fully phased-in Basel III framework)<br>(D) Notional amount of off-balance sheet items (other than derivatives contracts and SFTs) | **846,233** |
| 2 Intra-financial system assets<br>(A)+(B)+(C)+(D):<br>(A) Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions<br>(B) Holdings of securities issued by other financial institutions (Note 1)<br>(C) Net positive current exposure of SFTs with other financial institutions<br>(D) Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value | **113,676** |
| 3 Intra-financial system liabilities<br>(A)+(B)+(C):<br>(A) Deposits due to, and undrawn committed lines obtained from, other financial institutions<br>(B) Net negative current exposure of SFTs with other financial institutions<br>(C) OTC derivatives with other financial institutions that have a net negative fair value | **86,287** |
| 4 Securities outstanding (Note 1) | **69,231** |
| 5 Assets under custody | **62,118** |
| 6 Notional amount of OTC derivatives | **280,674** |
| 7 Held-for-trading (HFT) securities and available-for-sale (AFS) securities , excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts (Note 2) | **120,239** |
| 8 Level 3 assets (Note 3) | **14,363** |
| 9 Cross-jurisdictional claims | **426,584** |
| 10 Cross-jurisdictional liabilities | **146,462** |

| Description | Fiscal 2013 |
|---|---|
| 11 Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments) | **3,848,299** |
| 12 Underwritten transactions in debt and equity markets (Note 4) | **580** |

*Notes: 1. Securities refer to secured debt securities, senior unsecured debt securities, subordinated debt securities,commercial paper, certificate of deposits, and common equities.*
*2. Level 1 and Level 2 assets with haircuts are defined in the Basel III Liquidity Coverage Ratio (LCR).*
*3. The amount is calculated in accordance with the International Financial Reporting Standards.*
*4. This refers to underwriting of securities defined in article 2 paragraph 8 item 6 of the Financial Instruments and Exchange Act.*

# Capital Adequacy (Non-Consolidated)

## Capital Ratio Information (Non-Consolidated)

### Composition of Capital (Non-Consolidated)

### As of March 31, 2014

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Common Equity Tier 1 capital: instruments and reserves | | | | |
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | **4,532,258** | | 1a+2-26 | |
| of which: capital and capital surplus | **3,400,930** | | 1a | E1.1+E1.2 |
| of which: retained earnings | **1,198,041** | | 2 | E2 |
| of which: cash dividends to be paid | **66,712** | | 26 | |
| of which: other than the above | **—** | | | E3 |
| Valuation and translation adjustments and other disclosed reserves | **254,667** | **1,018,670** | 3 | E4 |
| Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements | **—** | | | |
| Common Equity Tier 1 capital: instruments and reserves (A) | **4,786,925** | | 6 | |
| Common Equity Tier 1 capital: regulatory adjustments | | | | |
| Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights) | **3,456** | **13,824** | 8+9 | |
| of which: goodwill (net of related tax liability, including those equivalent) | **—** | **—** | 8 | A1.1+A1.2 |
| of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability) | **3,456** | **13,824** | 9 | A2.1-A2.2 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | **—** | **—** | 10 | |
| Deferred gains or losses on derivatives under hedge accounting | **(3,826)** | **(15,305)** | 11 | E7 |
| Shortfall of eligible provisions to expected losses | **3,127** | **12,511** | 12 | |
| Securitisation gain on sale | **—** | **—** | 13 | |
| Gains and losses due to changes in own credit risk on fair valued liabilities | **—** | **—** | 14 | |
| Defined-benefit pension fund net assets (prepaid pension costs) | **—** | **—** | 15 | A3-D3 |
| Investments in own shares (excluding those reported in the Net Assets section) | **—** | **—** | 16 | A4 |
| Reciprocal cross-holdings in common equity | **—** | **—** | 17 | A5 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (“Other Financial Institutions”), net of eligible short positions, where the bank does not own more than 10% of the issued share capital | **—** | **—** | 18 | A6 |
| Amount exceeding the 10% threshold on specified items | **—** | **—** | 19+20+21 | |
| of which: significant investments in the common stock of financials | **—** | **—** | 19 | A7 |
| of which: mortgage servicing rights | **—** | **—** | 20 | A8 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | **—** | **—** | 21 | |
| Amount exceeding the 15% threshold on specified items | **—** | **—** | 22 | |
| of which: significant investments in the common stock of financials | **—** | **—** | 23 | A9 |
| of which: mortgage servicing rights | **—** | **—** | 24 | A10 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | **—** | **—** | 25 | |
| Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | **—** | | 27 | |
| Common Equity Tier 1 capital: regulatory adjustments (B) | **2,757** | | 28 | |
| Common Equity Tier 1 capital (CET1) | | | | |
| Common Equity Tier 1 capital (CET1) ((A)-(B)) (C) | **4,784,168** | | 29 | |

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | | Ref. No. |
|---|---|---|---|---|---|
| Additional Tier 1 capital: instruments | | | | | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | **49,000** | | 31a | 30 | E5.1+E5.2 |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | **—** | | 32 | | D1.1+D1.2 |
| Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | **—** | | | | |
| Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments | **799** | | 33+35 | | |
| Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements | **(4)** | | | | |
| of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related valuation and translation adjustments | **(4)** | | | | |
| Additional Tier 1 capital: instruments (D) | **49,795** | | 36 | | |
| Additional Tier 1 capital: regulatory adjustments | | | | | |
| Investments in own Additional Tier 1 instruments | **—** | **—** | 37 | | A11 |
| Reciprocal cross-holdings in Additional Tier 1 instruments | **—** | **—** | 38 | | A12 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | **—** | **—** | 39 | | A13 |
| Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | **7,588** | **30,354** | 40 | | A14 |
| Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements | **6,255** | | | | |
| of which: 50% of balance due to pay of eligible provisions | **6,255** | | | | |
| Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | **—** | | 42 | | |
| Additional Tier 1 capital: regulatory adjustments (E) | **13,844** | | 43 | | |
| Additional Tier 1 capital (AT1) | | | | | |
| Additional Tier 1 capital (AT1) ((D)-(E)) (F) | **35,950** | | 44 | | |
| Tier 1 capital (T1=CET1+AT1) | | | | | |
| Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G) | **4,820,118** | | 45 | | |
| Tier 2 capital: instruments and provisions | | | | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown | **—** | | | | E6 |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | **1,387,791** | | 46 | | D2.1+D2.2 |
| Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | **—** | | | | |
| Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions | **148,216** | | 47+49 | | |
| Total of general reserve for possible loan losses and eligible provisions included in Tier 2 | **11** | | 50 | | |
| of which: general reserve for possible loan losses | **11** | | 50a | | A15 |
| of which: eligible provisions | **—** | | 50b | | A16 |
| Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements | **641,539** | | | | |
| of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related valuation and translation adjustments | **641,539** | | | | |
| Tier 2 capital: instruments and provisions (H) | **2,177,557** | | 51 | | |

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Tier 2 capital: regulatory adjustments | | | | |
| Investments in own Tier 2 instruments | — | — | 52 | A17 |
| Reciprocal cross-holdings in Tier 2 instruments | — | — | 53 | A18 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | — | — | 54 | A19 |
| Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | — | — | 55 | A20 |
| Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements | **6,255** | | | |
| of which: 50% of balance due to pay of eligible provisions | **6,255** | | | |
| Tier 2 capital: regulatory adjustments (I) | **6,255** | | 57 | |
| Tier 2 capital (T2) | | | | |
| Tier 2 capital (T2) ((H)-(I)) (J) | **2,171,301** | | 58 | |
| Total capital (TC=T1+T2) | | | | |
| Total capital (TC=T1+T2) ((G) + (J)) (K) | **6,991,420** | | 59 | |
| Risk weighted assets | | | | |
| Total of items included in risk weighted assets under phase-out arrangements | **67,670** | | | |
| of which: intangibles assets other than mortgage servicing rights | **13,824** | | | |
| of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | **53,846** | | | |
| Risk weighted assets (L) | **27,446,963** | | 60 | |
| Capital ratio (non-consolidated) | | | | |
| Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L)) | **17.43%** | | 61 | |
| Tier 1 capital ratio (non-consolidated) ((G)/(L)) | **17.56%** | | 62 | |
| Total capital ratio (non-consolidated) ((K)/(L)) | **25.47%** | | 63 | |
| Regulatory adjustments | | | | |
| Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | **542,300** | | 72 | A21 |
| Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | **67,460** | | 73 | A22 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | | 74 | A23 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | — | | 75 | |
| Provisions included in Tier 2 capital: instruments and provisions | | | | |
| Provisions (general reserve for possible loan losses) | **11** | | 76 | |
| Cap on inclusion of provisions (general reserve for possible loan losses) | **80** | | 77 | |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as “nil”) | — | | 78 | |
| Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | **148,553** | | 79 | |
| Capital instruments under phase-out arrangements | | | | |
| Current cap on Additional Tier 1 instruments under phase-out arrangements | **799** | | 82 | |
| Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as “nil”) | **199** | | 83 | |
| Current cap on Tier 2 instruments under phase-out arrangements | **1,228,805** | | 84 | |
| Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as “nil”) | — | | 85 | |

## As of March 31, 2013

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Common Equity Tier 1 capital: instruments and reserves | | | | |
| Directly issued qualifying common share capital plus related capital surplus and retained earnings | 4,454,652 | | 1a+2-26 | |
| of which: capital and capital surplus | 3,400,930 | | 1a | E1.1+E1.2 |
| of which: retained earnings | 1,104,728 | | 2 | E2 |
| of which: cash dividends to be paid | 51,006 | | 26 | |
| of which: other than the above | — | | | E3 |
| Valuation and translation adjustments and other disclosed reserves | — | 1,179,646 | 3 | E4 |
| Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements | — | | | |
| Common Equity Tier 1 capital: instruments and reserves (A) | 4,454,652 | | 6 | |
| Common Equity Tier 1 capital: regulatory adjustments | | | | |
| Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights) | — | 23,039 | 8+9 | |
| of which: goodwill (net of related tax liability, including those equivalent) | — | — | 8 | A1.1+A1.2 |
| of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability) | — | 23,039 | 9 | A2.1-A2.2 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | — | — | 10 | |
| Deferred gains or losses on derivatives under hedge accounting | — | (65,239) | 11 | E7 |
| Shortfall of eligible provisions to expected losses | — | 34,427 | 12 | |
| Securitisation gain on sale | — | — | 13 | |
| Gains and losses due to changes in own credit risk on fair valued liabilities | — | — | 14 | |
| Defined-benefit pension fund net assets (Prepaid pension costs) | — | — | 15 | A3-D3 |
| Investments in own shares (excluding those reported in the Net Assets section) | — | — | 16 | A4 |
| Reciprocal cross-holdings in common equity | — | — | 17 | A5 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (“Other Financial Institutions”), net of eligible short positions, where the bank does not own more than 10% of the issued share capital | — | — | 18 | A6 |
| Amount exceeding the 10% threshold on specified items | — | — | 19+20+21 | |
| of which: significant investments in the common stock of financials | — | — | 19 | A7 |
| of which: mortgage servicing rights | — | — | 20 | A8 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | — | — | 21 | |
| Amount exceeding the 15% threshold on specified items | — | — | 22 | |
| of which: significant investments in the common stock of financials | — | — | 23 | A9 |
| of which: mortgage servicing rights | — | — | 24 | A10 |
| of which: deferred tax assets arising from temporary differences (net of related tax liability) | — | — | 25 | |
| Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | — | | 27 | |
| Common Equity Tier 1 capital: regulatory adjustments (B) | — | | 28 | |
| Common Equity Tier 1 capital (CET1) | | | | |
| Common Equity Tier 1 capital (CET1) ((A)-(B)) (C) | 4,454,652 | | 29 | |

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | | Ref. No. |
|---|---|---|---|---|---|
| Additional Tier 1 capital: instruments | | | | | |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and the breakdown | 49,000 | | 31a | 30 | E5.1+E5.2 |
| Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | 32 | | D1.1+D1.2 |
| Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | | | |
| Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments | 899 | | 33+35 | | |
| Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements | (20) | | | | |
| of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related valuation and translation adjustments | (20) | | | | |
| Additional Tier 1 capital: instruments (D) | 49,879 | | 36 | | |
| Additional Tier 1 capital: regulatory adjustments | | | | | |
| Investments in own Additional Tier 1 instruments | — | — | 37 | | A11 |
| Reciprocal cross-holdings in Additional Tier 1 instruments | — | — | 38 | | A12 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | — | — | 39 | | A13 |
| Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | — | 35,448 | 40 | | A14 |
| Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements | 17,213 | | | | |
| of which: 50% of balance due to pay of eligible provisions | 17,213 | | | | |
| Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | — | | 42 | | |
| Additional Tier 1 capital: regulatory adjustments (E) | 17,213 | | 43 | | |
| Additional Tier 1 capital (AT1) | | | | | |
| Additional Tier 1 capital (AT1) ((D)-(E)) (F) | 32,665 | | 44 | | |
| Tier 1 capital (T1=CET1+AT1) | | | | | |
| Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G) | 4,487,318 | | 45 | | |
| Tier 2 capital: instruments and provisions | | | | | |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown | — | | 46 | | E6 |
| Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards | — | | | | D2.1+D2.2 |
| Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities | — | | | | |
| Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions | 1,382,406 | | 47+49 | | |
| Total of general reserve for possible loan losses and eligible provisions included in Tier 2 | 8 | | 50 | | |
| of which: general reserve for possible loan losses | 8 | | 50a | | A15 |
| of which: eligible provisions | — | | 50b | | A16 |
| Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements | 770,843 | | | | |
| of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related valuation and translation adjustments | 770,843 | | | | |
| Tier 2 capital: instruments and provisions (H) | 2,153,258 | | 51 | | |

(Millions of yen, %)

| Items | | Amounts excluded under transitional arrangements | Basel III Template No. | Ref. No. |
|---|---|---|---|---|
| Tier 2 capital: regulatory adjustments | | | | |
| Investments in own Tier 2 instruments | — | — | 52 | A17 |
| Reciprocal cross-holdings in Tier 2 instruments | — | — | 53 | A18 |
| Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | — | — | 54 | A19 |
| Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | — | — | 55 | A20 |
| Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements | 17,213 | | | |
| of which: 50% of balance due to pay of eligible provisions | 17,213 | | | |
| Tier 2 capital: regulatory adjustments (I) | 17,213 | | 57 | |
| Tier 2 capital (T2) | | | | |
| Tier 2 capital (T2) ((H)-(I)) (J) | 2,136,044 | | 58 | |
| Total capital (TC=T1+T2) | | | | |
| Total capital (TC=T1+T2) ((G) + (J)) (K) | 6,623,363 | | 59 | |
| Risk weighted assets | | | | |
| Total of items included in risk weighted assets under phase-out arrangements | 88,845 | | | |
| of which: intangibles assets other than mortgage servicing rights | 23,039 | | | |
| of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions) | 65,805 | | | |
| Risk weighted assets (L) | 27,863,036 | | 60 | |
| Capital ratio (non-consolidated) | | | | |
| Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L)) | 15.98% | | 61 | |
| Tier 1 capital ratio (non-consolidated) ((G)/(L)) | 16.10% | | 62 | |
| Total capital ratio (non-consolidated) ((K)/(L)) | 23.77% | | 63 | |
| Regulatory adjustments | | | | |
| Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 486,233 | | 72 | A21 |
| Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting) | 64,258 | | 73 | A22 |
| Mortgage servicing rights that are below the thresholds for deduction (before risk weighting) | — | | 74 | A23 |
| Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting) | — | | 75 | |
| Provisions included in Tier 2 capital: instruments and provisions | | | | |
| Provisions (general reserve for possible loan losses) | 8 | | 76 | |
| Cap on inclusion of provisions (general reserve for possible loan losses) | 56 | | 77 | |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as “nil”) | — | | 78 | |
| Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | 149,763 | | 79 | |
| Capital instruments under phase-out arrangements | | | | |
| Current cap on Additional Tier 1 instruments under phase-out arrangements | 899 | | 82 | |
| Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as “nil”) | 99 | | 83 | |
| Current cap on Tier 2 instruments under phase-out arrangements | 1,382,406 | | 84 | |
| Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as “nil”) | 153,600 | | 85 | |

# Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements (Non-Consolidated)

## As of March 31, 2014

(Millions of yen)

| Items | Non-Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| (Assets) | | | |
| Loans and Bills Discounted | **17,295,089** | | |
| Loans on deeds | **15,601,861** | | |
| Loans on bills | **285,793** | | |
| Overdrafts | **1,402,833** | | |
| Bills discounted | **4,601** | | |
| Foreign Exchanges Assets | **134,353** | | |
| Due from foreign banks | **134,353** | | |
| Securities | **52,901,442** | **52,901,436** | |
| Japanese government bonds | **14,051,062** | **14,051,062** | |
| Municipal government bonds | **2,143** | **2,143** | |
| Corporate bonds | **34,908** | **34,908** | |
| Stocks | **684,678** | **684,678** | |
| Other securities | **38,128,649** | **38,128,643** | |
| Money Held in Trust | **4,649,907** | **4,649,907** | |
| Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets) | | **—** | A1.1 |
| Securities and Money Held in Trust of which: investments in own capital instruments | | **—** | — |
| Common Equity (excluding those reported in the Net Assets section) | | **—** | A4 |
| Additional Tier 1 capital | | **—** | A11 |
| Tier 2 capital | | **—** | A17 |
| Securities and Money Held in Trust of which: reciprocal cross-holdings in capital instruments | | **—** | — |
| Common Equity | | **—** | A5 |
| Additional Tier 1 capital | | **—** | A12 |
| Tier 2 capital | | **—** | A18 |
| Securities and Money Held in Trust of which: investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital | | **542,300** | — |
| Common Equity | | **—** | A6 |
| Additional Tier 1 capital | | **—** | A13 |
| Tier 2 capital | | **—** | A19 |
| Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting) | | **542,300** | A21 |
| Securities and Money Held in Trust of which: significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions | | **105,403** | — |
| Amount exceeding the 10% threshold on specified items | | **—** | A7 |
| Amount exceeding the 15% threshold on specified items | | **—** | A9 |
| Additional Tier 1 capital | | **37,942** | A14 |
| Tier 2 capital | | **—** | A20 |
| Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting) | | **67,460** | A22 |
| Trading Assets | **14,055** | | |
| Trading securities | **6,082** | | |
| Derivatives of trading securities | **—** | | |
| Derivatives of securities related to trading transactions | **—** | | |
| Trading-related financial derivatives | **7,973** | | |
| Monetary Claims Bought | **174,256** | | |
| Call Loans | **619,386** | | |

(Millions of yen)

| Items | Non-Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| Receivables under Resale Agreements | **5,614** | | |
| Cash and Due from Banks | **5,967,497** | | |
| Cash | **100,667** | | |
| Due from banks | **5,866,829** | | |
| Other Assets | **495,370** | **495,369** | |
| Domestic exchange settlement account, debit | **30** | **30** | |
| Prepaid expenses | **428** | **428** | |
| Accrued income | **180,711** | **180,710** | |
| Initial margins of futures markets | **894** | **894** | |
| Valuation margins of futures markets | **—** | **—** | |
| Derivatives other than for trading | **94,795** | **94,795** | |
| Cash collateral paid for financial instruments | **158,793** | **158,793** | |
| Others | **59,717** | **59,717** | |
| of which: defined-benefit pension fund net assets (prepaid pension costs) | | **—** | A3 |
| Tangible Fixed Assets | **108,316** | | |
| Buildings | **39,904** | | |
| Land | **50,546** | | |
| Lease assets | **10,849** | | |
| Construction in progress | **754** | | |
| Other | **6,261** | | |
| Intangible Fixed Assets | **23,900** | **23,900** | |
| Software | **19,348** | **19,348** | |
| Lease assets | **1,967** | **1,967** | |
| Other | **2,584** | **2,584** | |
| of which: goodwill and those equivalents (excluding those reported in the Net Assets section) | | **—** | A1.2 |
| of which: other intangible assets other than goodwill and mortgage servicing rights | | **23,900** | A2.1 |
| of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights | | **6,620** | A2.2 |
| of which: mortgage servicing rights (net of related deferred tax liabilities) | | **—** | — |
| Amount exceeding the 10% threshold on specified items | | **—** | A8 |
| Amount exceeding the 15% threshold on specified items | | **—** | A10 |
| Amount below the thresholds for deduction (before risk weighting) | | **—** | A23 |
| Customers' Liabilities for Acceptances and Guarantees | **137,056** | | |
| Reserve for Possible Loan Losses | **(167,110)** | **(166,875)** | |
| of which: general reserve for possible loan losses includes Tier 2 | | **(11)** | A15 |
| of which: eligible provisions includes Tier 2 | | **—** | A16 |
| Reserve for Possible Investment Losses | **(2,855)** | | |
| Total Assets | **82,356,280** | | |

(Millions of yen)

| Items | Non-Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| (Liabilities) | | | |
| Deposits | 49,731,175 | | |
| Time deposits | 43,557,676 | | |
| Deposits at notice | 72,543 | | |
| Ordinary deposits | 1,129,174 | | |
| Current deposits | 84,419 | | |
| Other deposits | 4,887,362 | | |
| Negotiable Certificates of Deposit | 2,848,086 | | |
| Debentures | 4,037,577 | | |
| Debentures issued | 4,037,577 | | |
| Bonds Payable | | 50,000 | |
| of which: qualifying Additional Tier 1 instruments of which: classified as liabilities | | — | D1.1 |
| of which: qualifying Tier 2 instruments of which: classified as liabilities | | — | D2.1 |
| Trading Liabilities | 6,994 | | |
| Derivatives of trading securities | — | | |
| Derivatives of securities related to trading transactions | — | | |
| Trading-related financial derivatives | 6,994 | | |
| Borrowed Money | 2,272,623 | 2,222,623 | |
| Borrowings | 2,272,623 | 2,222,623 | |
| of which: qualifying Additional Tier 1 instruments | | — | D1.2 |
| of which: qualifying Tier 2 instruments | | 1,387,791 | D2.2 |
| Call Money | 492,493 | | |
| Payables under Repurchase Agreements | 12,582,675 | | |
| Payables under Securities Lending Transactions | 132,945 | | |
| Foreign Exchanges Liabilities | 4 | | |
| Foreign bills payable | 4 | | |
| Trust Money | 2,950,795 | | |
| Other Liabilities | 751,547 | | |
| Domestic exchange settlement account, credit | 55 | | |
| Accrued expenses | 48,612 | | |
| Income taxes payable | 96 | | |
| Unearned income | 892 | | |
| Employees' deposits | 8,462 | | |
| Variation margins of futures markets | 3 | | |
| Derivatives other than for trading | 320,896 | | |
| Cash collateral received for financial instruments | 9,837 | | |
| Lease liabilities | 12,177 | | |
| Others | 350,512 | | |
| Reserve for Bonus Payments | 5,457 | | |
| Reserve for Employees' Retirement Benefits | 10,476 | | |
| Reserve for Directors' Retirement Benefits | 803 | | |
| Deferred Tax Liabilities | 463,869 | 463,934 | |
| of which: prepaid pension cost | | — | D3 |
| Deferred Tax Liabilities for Land Revaluation | 9,729 | 9,729 | |
| Acceptances and Guarantees | 137,056 | | |
| Total Liabilities | 76,434,310 | | |

(Millions of yen)

| Items | Non-Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| (Net Assets) | | | |
| Paid-in Capital | 3,425,909 | 3,425,909 | |
| Common equity | 3,400,909 | 3,400,909 | E1.1 |
| of which: lower dividend rate stock | 2,975,192 | 2,975,192 | |
| Preferred stock | 24,999 | 24,999 | |
| of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | 24,500 | E5.1 |
| Capital Surplus | 25,020 | 25,020 | |
| Capital surplus | 24,999 | 24,999 | |
| of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | 24,500 | E5.2 |
| Other capital surplus | 20 | 20 | E1.2 |
| Reserve for revaluation | 20 | 20 | |
| Retained Earnings | 1,197,694 | 1,198,041 | E2 |
| Legal reserves | 504,066 | 504,066 | |
| Voluntary reserves | 693,628 | 693,975 | |
| Special reserves | 72,000 | 72,000 | |
| General reserves | 409,403 | 409,403 | |
| Reserves for tax basis adjustments of fixed assets | 7,661 | 7,661 | |
| Others | 7 | 7 | |
| Unappropriated retained earnings | 204,556 | 204,903 | |
| Net income | 143,197 | 143,201 | |
| Total Owners' Equity | 4,648,624 | 4,648,977 | |
| of which: others | | — | E3 |
| of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | — | E6 |
| Net Unrealized Gains on Other Securities | 1,302,149 | 1,302,149 | |
| Net Deferred Losses on Hedging Instruments | (45,412) | (45,412) | |
| of which: net deferred losses on hedging instruments | | (19,131) | E7 |
| Revaluation Reserve for Land, net of taxes | 16,606 | 16,606 | |
| Foreign Currency Translation Adjustment | | (6) | |
| Total Valuation and Translation Adjustment | 1,273,344 | 1,273,338 | E4 |
| Total Net Assets | 5,921,969 | | |
| Total Liabilities and Net Assets | 82,356,280 | | |

*Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.*
*2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital".*

## As of March 31, 2013

(Millions of yen)

| Items | Non-Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| (Assets) | | | |
| Loans and Bills Discounted | 16,127,677 | | |
| Loans on deeds | 14,510,581 | | |
| Loans on bills | 240,721 | | |
| Overdrafts | 1,370,964 | | |
| Bills discounted | 5,410 | | |
| Foreign Exchanges Assets | 268,750 | | |
| Due from foreign banks | 268,750 | | |
| Securities | 50,072,352 | 50,072,346 | |
| Japanese government bonds | 13,545,158 | 13,545,158 | |
| Municipal government bonds | 2,039 | 2,039 | |
| Corporate bonds | 76,229 | 76,229 | |
| Stocks | 633,129 | 633,129 | |
| Other securities | 35,815,795 | 35,815,789 | |
| Money Held in Trust | 6,891,232 | 6,891,232 | |
| Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets) | | — | A1.1 |
| Securities and Money Held in Trust of which: investments in own capital instruments | | — | — |
| Common Equity (excluding those reported in the Net Assets section) | | — | A4 |
| Additional Tier 1 capital | | — | A11 |
| Tier 2 capital | | — | A17 |
| Securities and Money Held in Trust of which: reciprocal cross-holdings in capital instruments | | — | — |
| Common Equity | | — | A5 |
| Additional Tier 1 capital | | — | A12 |
| Tier 2 capital | | — | A18 |
| Securities and Money Held in Trust of which: investments in the instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital | | 486,233 | — |
| Common Equity | | — | A6 |
| Additional Tier 1 capital | | — | A13 |
| Tier 2 capital | | — | A19 |
| Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting) | | 486,233 | A21 |
| Securities and Money Held in Trust of which: significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions | | 99,707 | — |
| Amount exceeding the 10% threshold on specified items | | — | A7 |
| Amount exceeding the 15% threshold on specified items | | — | A9 |
| Additional Tier 1 capital | | 35,448 | A14 |
| Tier 2 capital | | — | A20 |
| Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting) | | 64,258 | A22 |
| Trading Assets | 36,602 | | |
| Trading securities | 25,821 | | |
| Derivatives of trading securities | 7 | | |
| Derivatives of securities related to trading transactions | 20 | | |
| Trading-related financial derivatives | 10,752 | | |
| Monetary Claims Bought | 179,373 | | |
| Call Loans | 1,527,128 | | |

(Millions of yen)

| Items | Non-Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| Receivables under Resale Agreements | — | | |
| Receivables under Securities Borrowing Transactions | — | | |
| Cash and Due from Banks | 4,403,890 | | |
| Cash | 108,450 | | |
| Due from banks | 4,295,439 | | |
| Other Assets | 1,248,265 | 1,248,264 | |
| Domestic exchange settlement account, debit | 81 | 81 | |
| Prepaid expenses | 430 | 430 | |
| Accrued income | 155,535 | 155,534 | |
| Initial margins of futures markets | 2,075 | 2,075 | |
| Valuation margins of futures markets | 7 | 7 | |
| Derivatives other than for trading | 106,871 | 106,871 | |
| Cash collateral paid for financial instruments | 778,131 | 778,131 | |
| Others | 205,132 | 205,132 | |
| of which: defined-benefit pension fund net assets (prepaid pension costs) | | — | A3 |
| Tangible Fixed Assets | 107,435 | | |
| Buildings | 34,456 | | |
| Land | 51,947 | | |
| Lease assets | 12,832 | | |
| Construction in progress | 1,958 | | |
| Other | 6,240 | | |
| Intangible Fixed Assets | 32,187 | 32,187 | |
| Software | 26,707 | 26,707 | |
| Lease assets | 2,494 | 2,494 | |
| Other | 2,985 | 2,985 | |
| of which: goodwill and those equivalents (excluding those reported in the Net Assets section) | | — | A1.2 |
| of which: other intangible assets other than goodwill and mortgage servicing rights | | 32,187 | A2.1 |
| of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights | | 9,148 | A2.2 |
| of which: mortgage servicing rights (net of related deferred tax liabilities) | | — | — |
| Amount exceeding the 10% threshold on specified items | | — | A8 |
| Amount exceeding the 15% threshold on specified items | | — | A10 |
| Amount below the thresholds for deduction (before risk weighting) | | — | A23 |
| Customers' Liabilities for Acceptances and Guarantees | 142,169 | | |
| Reserve for Possible Loan Losses | (170,847) | (170,612) | |
| of which: general reserve for possible loan losses includes Tier 2 | | (8) | A15 |
| of which: eligible provisions includes Tier 2 | | — | A16 |
| Reserve for Possible Investment Losses | (5,120) | | |
| Total Assets | 80,861,096 | | |

(Millions of yen)

| Items | Non-Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| (Liabilities) | | | |
| Deposits | 47,456,419 | | |
| Time deposits | 39,871,077 | | |
| Deposits at notice | 88,937 | | |
| Ordinary deposits | 1,029,832 | | |
| Current deposits | 78,863 | | |
| Other deposits | 6,387,707 | | |
| Negotiable Certificates of Deposit | 2,397,290 | | |
| Debentures | 4,619,200 | | |
| Debentures issued | 4,619,200 | | |
| Bonds Payable | | 50,000 | |
| of which: qualifying Additional Tier 1 instruments of which: classified as liabilities | | — | D1.1 |
| of which: qualifying Tier 2 instruments of which: classified as liabilities | | — | D2.1 |
| Trading Liabilities | 10,139 | | |
| Derivatives of trading securities | 31 | | |
| Derivatives of securities related to trading transactions | 32 | | |
| Trading-related financial derivatives | 10,075 | | |
| Borrowed Money | 1,772,106 | 1,722,106 | |
| Borrowings | 1,772,106 | 1,722,106 | |
| of which: qualifying Additional Tier 1 instruments | | — | D1.2 |
| of which: qualifying Tier 2 instruments | | — | D2.2 |
| Call Money | 452,214 | | |
| Payables under Repurchase Agreements | 12,349,745 | | |
| Payables under Securities Lending Transactions | 6,129 | | |
| Foreign Exchanges Liabilities | 78 | | |
| Foreign bills payable | 78 | | |
| Trust Money | 4,235,124 | | |
| Other Liabilities | 1,263,850 | | |
| Domestic exchange settlement account, credit | 93 | | |
| Accrued expenses | 51,504 | | |
| Income taxes payable | 97 | | |
| Unearned income | 991 | | |
| Employees' deposits | 8,341 | | |
| Derivatives other than for trading | 705,609 | | |
| Cash collateral received for financial instruments | 1,010 | | |
| Lease liabilities | 15,585 | | |
| Others | 480,617 | | |
| Reserve for Bonus Payments | 5,382 | | |
| Reserve for Employees' Retirement Benefits | 10,084 | | |
| Reserve for Directors' Retirement Benefits | 722 | | |
| Deferred Tax Liabilities | 395,295 | 395,360 | |
| of which: prepaid pension cost | | — | D3 |
| Deferred Tax Liabilities for Land Revaluation | 10,158 | 10,158 | |
| Acceptances and Guarantees | 142,169 | | |
| Total Liabilities | 75,126,111 | | |

(Millions of yen)

| Items | Non-Consolidated balance sheet amount | Balance sheet amount based on regulatory scope of consolidation | Ref. No. |
|---|---|---|---|
| (Net Assets) | | | |
| Paid-in Capital | 3,425,909 | 3,425,909 | |
| Common equity | 3,400,909 | 3,400,909 | E1.1 |
| of which: lower dividend rate stock | 2,975,192 | 2,975,192 | |
| Preferred stock | 24,999 | 24,999 | |
| of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | 24,500 | E5.1 |
| Capital Surplus | 25,020 | 25,020 | |
| Capital surplus | 24,999 | 24,999 | |
| of which: directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | 24,500 | E5.2 |
| Other capital surplus | 20 | 20 | E1.2 |
| Reserve for revaluation | 20 | 20 | |
| Retained Earnings | 1,104,386 | 1,104,728 | E2 |
| Legal reserves | 481,266 | 481,266 | |
| Voluntary reserves | 623,120 | 623,462 | |
| Special reserves | 49,200 | 49,200 | |
| General reserves | 394,403 | 394,403 | |
| Reserves for tax basis adjustments of fixed assets | 8,015 | 8,015 | |
| Others | 7 | 7 | |
| Unappropriated retained earnings | 171,494 | 171,836 | |
| Net income | 106,839 | 106,867 | |
| Total Owners' Equity | 4,555,316 | 4,555,664 | |
| of which: others | | — | E3 |
| of which: directly issued qualifying Tier 2 instruments plus related capital surplus of which classified as equity under applicable accounting standards | | — | E6 |
| Net Unrealized Gains on Other Securities | 1,267,564 | 1,267,564 | |
| Net Deferred Losses on Hedging Instruments | (105,620) | (105,620) | |
| of which: net deferred losses on hedging instruments | | (65,239) | E7 |
| Revaluation Reserve for Land, net of taxes | 17,723 | 17,723 | |
| Foreign Currency Translation Adjustment | | (20) | |
| Total Valuation and Translation Adjustment | 1,179,667 | 1,179,646 | E4 |
| Total Net Assets | 5,734,984 | | |
| Total Liabilities and Net Assets | 80,861,096 | | |

*Notes: 1. "Balance sheet amount based on regulatory scope of consolidation" refers only to the items used in calculating capital adequacy.*
*2. "Balance sheet amount based on regulatory scope of consolidation" does not reflect transitional arrangements so that the amount of the column consists of the amount included in capital adequacy and the amount excluded under transitional arrangements in "Composition of Capital".*

# Capital Adequacy (Non-Consolidated)

(Minimum amount of regulatory required capital and breakdown for each risk category)

## Regulatory Required Capital

(Billions of yen)

| Items | As of March 31, 2014 | | As of March 31, 2013 | |
|---|---|---|---|---|
| | EAD | Regulatory Required Capital | EAD | Regulatory Required Capital |
| Amount of regulatory required capital for credit risk | **104,226** | **2,111** | 103,435 | 2,164 |
| Exposure subject to Internal Ratings-Based Approach | **94,154** | **2,095** | 93,984 | 2,141 |
| Corporate exposure (excluding Specialized Lending) | **5,878** | **261** | 5,553 | 286 |
| Corporate exposure (Specialized Lending) | **131** | **17** | 226 | 35 |
| Sovereign exposure | **49,644** | **0** | 44,099 | 0 |
| Bank exposure | **16,175** | **154** | 18,138 | 159 |
| Retail exposure | **4** | **2** | 4 | 1 |
| Retail exposure secured by residential properties | **—** | **—** | — | — |
| Qualifying revolving retail exposure | **—** | **—** | — | — |
| Other retail exposure | **4** | **2** | 4 | 1 |
| Securitization and re-securitization exposure | **5,432** | **86** | 5,509 | 124 |
| Equity portfolios | **1,029** | **177** | 886 | 153 |
| Equity portfolios subject to PD/LGD approaches | **219** | **33** | 196 | 32 |
| Equity portfolios subject to simple risk-weighted method | **50** | **17** | 29 | 9 |
| Equities under the internal models approach | **320** | **89** | 257 | 76 |
| Grandfathered equity exposure | **438** | **37** | 403 | 34 |
| Exposure subject to risk-weighted asset calculation for investment fund | **15,445** | **1,374** | 19,243 | 1,362 |
| Other debt purchased | **197** | **12** | 104 | 9 |
| Other exposures | **214** | **9** | 217 | 8 |
| Exposure subject to Standardized Approach | **6** | **0** | 4 | 0 |
| Overdrafts | **—** | **—** | — | — |
| Prepaid expenses | **0** | **0** | 0 | 0 |
| Suspense payments | **5** | **0** | 4 | 0 |
| Other | **—** | **—** | — | — |
| Amount corresponding to CVA risk | **232** | **4** | 502 | 10 |
| CCP-related exposures | **9,787** | **4** | 8,881 | 4 |
| Items that included by transitional arrangements | **45** | **5** | 62 | 7 |
| Amount of regulatory required capital for market risk | **/** | **165** | / | 178 |
| Standardized Approach | **/** | **164** | / | 177 |
| Interest rate risk category | **/** | **—** | / | — |
| Equity risk category | **/** | **—** | / | — |
| Foreign exchange risk category | **/** | **164** | / | 177 |
| Commodity risk category | **/** | **—** | / | — |
| Option transactions | **/** | **—** | / | — |
| Internal models Approach | **/** | **0** | / | 1 |
| Amount of regulatory required capital for operational risk | **/** | **39** | / | 37 |
| Offsets on consolidation | **/** | **2,316** | / | 2,380 |

*Notes: 1. Regulatory required capital for credit risk = 8% of risk-weighted assets for credit risk + Expected losses*

*2. "Risk-weighted asset calculation for investment fund" is risk-weighted assets as calculated according to the method specified in Notification Regarding Capital Adequacy Ratio, Article 144.*

*3. The Notification Regarding Capital Adequacy Ratio, Article 13 of supplemental provision contains a grandfathering provision for computing the amount of risk assets related to equity exposures that meet specified criteria.*

*4. Risk-weighted asset calculation for investment fund includes ¥4.1 billion EAD and ¥0 billion of Required Capital of CPP-related exposures.*

*5. Under "The Standardized Approach (TSA)," which is a method for computing the amount corresponding to operational risk, the gross profit for one year is allocated among the business activities as specified in Appendix Table 1 of the Notification Regarding Capital Adequacy Ratio. The multiplier specified for each business activity classification is multiplied by the gross profit, and the average of the annual totals for the past three years is taken to be the amount corresponding to operational risk (Notification Regarding Capital Adequacy Ratio, Article 282).*

(Billions of yen)

| Items | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Non-consolidated total required capital | **2,195** | 2,229 |

*Note: Non-consolidated total required capital is an amount that results from multiplying the denominator of the formula by 8% as stipulated in Notification Regarding Capital Adequacy Ratio, Article 14.*

## Credit Risk (Non-Consolidated)

(Funds and securitization exposures are excluded)

### 1. Credit Risk Exposure

#### Fiscal 2013 (Ended March 31, 2014)

#### Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

| Region | Loans, commitments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure | Default exposure |
|---|---|---|---|---|---|---|
| Japan | 19,064 | 15,154 | 8 | 7,106 | 41,334 | 142 |
| Asia except Japan | 201 | 126 | 2 | 306 | 636 | — |
| Europe | 92 | 10,253 | 0 | 6,559 | 16,905 | — |
| The Americas | 463 | 12,016 | 2 | 12,033 | 24,516 | — |
| Other areas | 7 | 1,024 | 0 | 224 | 1,256 | — |
| Total | 19,829 | 38,576 | 13 | 26,230 | 84,649 | 142 |

#### Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

| Industry | Loans, commitments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure | Default exposure | Write-off of loans (amounts of partial direct write-off) |
|---|---|---|---|---|---|---|---|
| Manufacturing | 2,698 | 303 | 0 | 0 | 3,002 | 26 | 1 |
| Agriculture | 40 | 0 | — | 0 | 40 | 6 | 0 |
| Forestry | 10 | — | — | — | 10 | 1 | — |
| Fishing | 28 | — | — | 0 | 28 | 16 | 0 |
| Mining | 4 | — | — | 0 | 4 | — | — |
| Construction | 110 | 7 | — | 0 | 117 | 2 | — |
| Utility | 148 | 5 | 0 | 0 | 154 | — | — |
| Information/telecommunications | 81 | 5 | 0 | 1 | 87 | — | — |
| Transportation | 579 | 85 | 2 | 0 | 667 | 21 | — |
| Wholesaling, retailing | 1,790 | 54 | 0 | 0 | 1,845 | 23 | 0 |
| Finance and insurance | 2,547 | 11,527 | 10 | 26,005 | 40,091 | 14 | — |
| Real estate | 518 | 69 | — | 1 | 590 | 19 | — |
| Services | 1,233 | 95 | 0 | 1 | 1,329 | 10 | 0 |
| Municipalities | 109 | 13 | — | 0 | 122 | — | — |
| Other | 9,927 | 26,409 | — | 219 | 36,556 | 0 | — |
| Total | 19,829 | 38,576 | 13 | 26,230 | 84,649 | 142 | 2 |

*Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.*

#### Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

| Term to maturity | Loans, commitments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure |
|---|---|---|---|---|---|
| In 1 year | 16,017 | 3,074 | 3 | 25,756 | 44,851 |
| Over 1 year to 3 years | 1,574 | 4,299 | 2 | — | 5,876 |
| Over 3 years to 5 years | 1,335 | 13,330 | 3 | — | 14,668 |
| Over 5 years to 7 years | 543 | 10,668 | 1 | — | 11,213 |
| Over 7 years | 355 | 6,013 | 2 | — | 6,371 |
| No term to maturity | 3 | 1,190 | — | 473 | 1,667 |
| Total | 19,829 | 38,576 | 13 | 26,230 | 84,649 |

*Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2013.*
*2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥6.4 billion.*
*3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."*

## Fiscal 2012 (Ended March 31, 2013)

## Geographic Distribution of Exposure, Details in Significant Areas by Major Types of Credit Exposure

(Billions of yen)

| Region | Loans, commit-ments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure | Default exposure |
|---|---|---|---|---|---|---|
| Japan | 18,036 | 15,152 | 10 | 5,972 | 39,172 | 182 |
| Asia except Japan | 147 | 131 | — | 408 | 687 | — |
| Europe | 53 | 9,793 | 0 | 8,253 | 18,100 | — |
| The Americas | 375 | 9,004 | 3 | 12,059 | 21,443 | — |
| Other areas | 18 | 1,003 | 0 | 232 | 1,254 | — |
| Total | 18,631 | 35,086 | 13 | 26,926 | 80,658 | 182 |

## Industry Distribution of Exposure, Details by Major Types of Credit Exposure

(Billions of yen)

| Industry | Loans, commit-ments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure | Default exposure | Write-off of loans (amounts of partial direct write-off) |
|---|---|---|---|---|---|---|---|
| Manufacturing | 2,686 | 265 | 1 | 0 | 2,953 | 31 | 0 |
| Agriculture | 40 | 0 | — | 0 | 40 | 6 | 0 |
| Forestry | 10 | — | — | — | 10 | 0 | — |
| Fishing | 30 | — | — | 0 | 30 | 19 | 0 |
| Mining | 3 | — | — | 0 | 3 | — | — |
| Construction | 129 | 7 | — | 0 | 136 | 3 | — |
| Utility | 124 | 4 | 0 | 0 | 128 | 1 | — |
| Information/telecommunications | 64 | 4 | 0 | 1 | 70 | 1 | — |
| Transportation | 587 | 78 | 3 | 0 | 668 | 25 | — |
| Wholesaling, retailing | 1,643 | 54 | 0 | 0 | 1,699 | 27 | 0 |
| Finance and insurance | 2,566 | 10,603 | 9 | 26,701 | 39,880 | 15 | — |
| Real estate | 460 | 107 | — | 1 | 569 | 36 | — |
| Services | 1,322 | 35 | — | 1 | 1,359 | 14 | — |
| Municipalities | 127 | 15 | — | — | 143 | — | — |
| Other | 8,831 | 23,910 | 0 | 220 | 32,962 | 0 | — |
| Total | 18,631 | 35,086 | 13 | 26,926 | 80,658 | 182 | 0 |

*Note: "Others" within "Finance and insurance" includes repo-type transactions, call loans, and certain other items.*

## Residual Contractual Maturity Breakdown of Credit Risk Exposure

(Billions of yen)

| Term to maturity | Loans, commit-ments, off-balance sheet exposure | Securities | Derivatives | Others | Total credit risk exposure |
|---|---|---|---|---|---|
| In 1 year | 15,203 | 3,879 | 5 | 25,870 | 44,959 |
| Over 1 year to 3 years | 1,514 | 4,010 | 0 | 0 | 5,525 |
| Over 3 years to 5 years | 1,259 | 7,058 | 2 | — | 8,319 |
| Over 5 years to 7 years | 316 | 5,651 | 1 | — | 5,968 |
| Over 7 years | 334 | 12,886 | 4 | — | 13,224 |
| No term to maturity | 3 | 1,600 | — | 1,055 | 2,659 |
| Total | 18,631 | 35,086 | 13 | 26,926 | 80,658 |

*Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2012.*
*2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥4.5 billion.*
*3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."*

## 2. Reserves for Possible Loan Losses

### Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specific Reserve for Loans to Countries with Financial Problems by Region

(Billions of yen)

| Region | As of March 31, 2014 | As of March 31, 2013 | Increase/(decrease) |
|---|---|---|---|
| General reserve for possible loan losses | **40** | 45 | **(4)** |
| Specific reserve for possible loan losses | **58** | 66 | **(8)** |
| Japan | **58** | 66 | **(8)** |
| Asia except Japan | **—** | — | **—** |
| Europe | **—** | — | **—** |
| The Americas | **—** | — | **—** |
| Other areas | **—** | — | **—** |
| Specified reserve for loans to countries with financial problems | **—** | — | **—** |
| Total | **99** | 111 | **(12)** |

### Increase/Decrease in General Reserve for Possible Loan Losses, Specific Reserve for Possible Loan Losses and the Specified Reserve for Loans to Countries with Financial Problems by Industry

(Billions of yen)

| Industry | As of March 31, 2014 | As of March 31, 2013 | Increase/(decrease) |
|---|---|---|---|
| General reserve for possible loan losses | **40** | 45 | **(4)** |
| Specific reserve for possible loan losses | **58** | 66 | **(8)** |
| Manufacturing | **6** | 10 | **(4)** |
| Agriculture | **4** | 4 | **0** |
| Forestry | **0** | 0 | **0** |
| Fishing | **8** | 10 | **(1)** |
| Mining | **—** | — | **—** |
| Construction | **0** | 0 | **(0)** |
| Utility | **—** | 1 | **(1)** |
| Information/telecommunications | **—** | 0 | **(0)** |
| Transportation | **5** | 7 | **(1)** |
| Wholesaling, retailing | **3** | 3 | **0** |
| Finance and insurance | **5** | 4 | **0** |
| Real estate | **17** | 15 | **1** |
| Services | **7** | 8 | **(1)** |
| Municipalities | **—** | — | **—** |
| Other | **—** | — | **—** |
| Others | **—** | — | **—** |
| Specified reserve for loans to countries with financial problems | **—** | — | **—** |
| Total | **99** | 111 | **(12)** |

# 3. Exposure Subject to the Internal Ratings-Based Approach

## a. Corporate, Sovereign and Bank Exposure

### Fiscal 2013 (Ended March 31, 2014)

(Billions of yen)

| Ratings | | Weighted-average PD | Weighted-average LGD | Weighted-average risk weight | EAD | | |
|---|---|---|---|---|---|---|---|
| | | | | | | EAD (on-balance sheet) | EAD (off-balance sheet) |
| Corporate Exposure | | **2.36%** | **44.89%** | **56%** | **5,878** | **5,196** | **681** |
| | 1-1 to 4 | **0.13%** | **44.94%** | **35%** | **5,242** | **4,596** | **646** |
| | 5 to 7 | **1.76%** | **44.62%** | **117%** | **412** | **385** | **27** |
| | 8-1 to 8-2 | **15.79%** | **44.37%** | **319%** | **116** | **110** | **5** |
| | Subtotal | **0.56%** | **44.90%** | **46%** | **5,771** | **5,092** | **679** |
| | 8-3 to 10-2 | **100.00%** | **44.28%** | **556%** | **106** | **104** | **1** |
| Sovereign Exposure | | **0.00%** | **45.00%** | **0%** | **49,644** | **47,842** | **1,801** |
| | 1-1 to 4 | **0.00%** | **45.00%** | **0%** | **49,644** | **47,842** | **1,801** |
| | 5 to 7 | **0.86%** | **45.00%** | **131%** | **0** | **0** | **—** |
| | 8-1 to 8-2 | **9.88%** | **0.00%** | **0%** | **0** | **0** | **—** |
| | Subtotal | **0.00%** | **45.00%** | **0%** | **49,644** | **47,842** | **1,801** |
| | 8-3 to 10-2 | **—** | **—** | **—** | **—** | **—** | **—** |
| Bank Exposure | | **0.04%** | **22.29%** | **12%** | **16,175** | **7,379** | **8,796** |
| | 1-1 to 4 | **0.03%** | **22.32%** | **12%** | **16,116** | **7,324** | **8,791** |
| | 5 to 7 | **1.93%** | **17.84%** | **64%** | **49** | **45** | **4** |
| | 8-1 to 8-2 | **8.94%** | **5.82%** | **33%** | **10** | **9** | **0** |
| | Subtotal | **0.04%** | **22.29%** | **12%** | **16,175** | **7,379** | **8,796** |
| | 8-3 to 10-2 | **100.00%** | **45.00%** | **563%** | **0** | **0** | **—** |
| Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach | | **0.53%** | **90.00%** | **191%** | **219** | **219** | **—** |
| | 1-1 to 4 | **0.13%** | **90.00%** | **173%** | **204** | **204** | **—** |
| | 5 to 7 | **3.48%** | **90.00%** | **454%** | **12** | **12** | **—** |
| | 8-1 to 8-2 | **15.84%** | **90.00%** | **338%** | **2** | **2** | **—** |
| | Subtotal | **0.53%** | **90.00%** | **191%** | **219** | **219** | **—** |
| | 8-3 to 10-2 | **100.00%** | **90.00%** | **1,193%** | **0** | **0** | **—** |

*Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).*

*2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).*

*3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of the Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision (regarding provisional measures for equity exposure).*

## Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

| Ratings | Weighted-average PD | Weighted-average LGD | Weighted-average risk weight | EAD | EAD (on-balance sheet) | EAD (off-balance sheet) |
|---|---|---|---|---|---|---|
| Corporate Exposure | 3.12% | 44.93% | 64% | 5,553 | 4,846 | 707 |
| 1-1 to 4 | 0.12% | 44.99% | 34% | 4,680 | 4,027 | 652 |
| 5 to 7 | 2.10% | 44.79% | 128% | 564 | 524 | 39 |
| 8-1 to 8-2 | 15.78% | 44.29% | 316% | 182 | 168 | 13 |
| Subtotal | 0.86% | 44.95% | 53% | 5,427 | 4,721 | 705 |
| 8-3 to 10-2 | 100.00% | 44.22% | 556% | 126 | 125 | 1 |
| Sovereign Exposure | 0.00% | 45.00% | 0% | 44,099 | 42,451 | 1,647 |
| 1-1 to 4 | 0.00% | 45.00% | 0% | 44,099 | 42,451 | 1,647 |
| 5 to 7 | 0.86% | 45.00% | 128% | 0 | 0 | — |
| 8-1 to 8-2 | — | — | — | — | — | — |
| Subtotal | 0.00% | 45.00% | 0% | 44,099 | 42,451 | 1,647 |
| 8-3 to 10-2 | — | — | — | — | — | — |
| Bank Exposure | 0.05% | 21.01% | 11% | 18,138 | 7,501 | 10,636 |
| 1-1 to 4 | 0.03% | 21.02% | 11% | 18,075 | 7,444 | 10,631 |
| 5 to 7 | 2.32% | 20.17% | 71% | 52 | 47 | 4 |
| 8-1 to 8-2 | 8.94% | 8.42% | 49% | 10 | 10 | 0 |
| Subtotal | 0.04% | 21.01% | 11% | 18,138 | 7,501 | 10,636 |
| 8-3 to 10-2 | 100.00% | 45.00% | 563% | 0 | 0 | — |
| Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach | 0.66% | 90.00% | 205% | 196 | 196 | — |
| 1-1 to 4 | 0.14% | 90.00% | 178% | 177 | 177 | — |
| 5 to 7 | 3.49% | 90.00% | 458% | 16 | 16 | — |
| 8-1 to 8-2 | 15.84% | 90.00% | 334% | 2 | 2 | — |
| Subtotal | 0.65% | 90.00% | 205% | 196 | 196 | — |
| 8-3 to 10-2 | 100.00% | 90.00% | 1,193% | 0 | 0 | — |

*Notes: 1. Weighted averages of PD, LGD and risk weights are computed based on EAD (including on-balance and off-balance items).*

*2. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).*

*3. "Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach" does not take account of the Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision (regarding provisional measures for equity exposure).*

## b. Retail Exposure

### Details on PD, LGD, RW and EAD Assets

### Fiscal 2013 (Ended March 31, 2014)

(Billions of yen)

| Type of exposure | Weighted-average PD | Weighted-average LGD | Weighted-average LGD default | Weighted-average EL default | Weighted-average risk weight | EAD | EAD (on-balance sheet) | EAD (off-balance sheet) |
|---|---|---|---|---|---|---|---|---|
| Retail exposure secured by residential properties | 4.67% | 43.98% | 84.23% | 71.07% | 91% | 164 | 164 | — |
| Not default Not delinquent | 0.69% | 43.98% | / | / | 46% | 150 | 150 | — |
| Not default Delinquent | 28.41% | 43.98% | / | / | 413% | 9 | 9 | — |
| Not default Subtotal | 2.33% | 43.98% | / | / | 68% | 160 | 160 | — |
| Default | 100.00% | / | 84.23% | 71.07% | 1,053% | 3 | 3 | — |
| Qualifying revolving retail exposure | — | — | — | — | — | — | — | — |
| Not default Not delinquent | — | — | / | / | — | — | — | — |
| Not default Delinquent | — | — | / | / | — | — | — | — |
| Not default Subtotal | — | — | / | / | — | — | — | — |
| Default | — | / | — | — | — | — | — | — |
| Other retail exposure | 31.53% | 77.82% | 115.14% | 99.89% | 517% | 4 | 2 | 2 |
| Not default Not delinquent | 1.93% | 78.09% | / | / | 120% | 3 | 1 | 2 |
| Not default Delinquent | 41.01% | 47.39% | / | / | 364% | 0 | 0 | 0 |
| Not default Subtotal | 2.28% | 77.82% | / | / | 122% | 3 | 1 | 2 |
| Default | 100.00% | / | 115.14% | 99.89% | 1,439% | 1 | 1 | 0 |
| Total | 5.44% | 44.95% | 92.56% | 78.84% | 103% | 169 | 166 | 2 |
| Not default Not delinquent | 0.71% | 44.73% | / | / | 47% | 154 | 152 | 2 |
| Not default Delinquent | 28.45% | 43.99% | / | / | 413% | 9 | 9 | 0 |
| Not default Subtotal | 2.33% | 44.68% | / | / | 69% | 163 | 161 | 2 |
| Default | 100.00% | / | 92.56% | 78.84% | 1,157% | 5 | 5 | 0 |

*Notes: 1. As of March 31, 2014, the majority of retail exposure is purchased retail receivables which are included in investment funds. Purchased retail receivables in investment funds using estimated parameters have been included in the amount subject to quantitative disclosure.*

*2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy Ratio, but past-due.*

*3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).*

*4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).*

*5. As of March 31, 2014, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.*

## Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

| Type of exposure | Weighted-average PD | Weighted-average LGD | Weighted-average LGD default | Weighted-average EL default | Weighted-average risk weight | EAD | EAD (on-balance sheet) | EAD (off-balance sheet) |
|---|---|---|---|---|---|---|---|---|
| Retail exposure secured by residential properties | 5.74% | 46.07% | 93.18% | 75.43% | 109% | 190 | 190 | — |
| Not default Not delinquent | 0.70% | 46.07% | / | / | 48% | 173 | 173 | — |
| Not default Delinquent | 28.92% | 46.07% | / | / | 436% | 10 | 10 | — |
| Not default Subtotal | 2.26% | 46.07% | / | / | 70% | 183 | 183 | — |
| Default | 100.00% | / | 93.18% | 75.43% | 1,165% | 6 | 6 | — |
| Qualifying revolving retail exposure | — | — | — | — | — | — | — | — |
| Not default Not delinquent | — | — | / | / | — | — | — | — |
| Not default Delinquent | — | — | / | / | — | — | — | — |
| Not default Subtotal | — | — | / | / | — | — | — | — |
| Default | — | / | — | — | — | — | — | — |
| Other retail exposure | 26.41% | 77.32% | 115.11% | 99.68% | 448% | 5 | 2 | 2 |
| Not default Not delinquent | 1.90% | 77.51% | / | / | 119% | 3 | 1 | 2 |
| Not default Delinquent | 38.54% | 56.26% | / | / | 439% | 0 | 0 | 0 |
| Not default Subtotal | 2.23% | 77.32% | / | / | 122% | 4 | 1 | 2 |
| Default | 100.00% | / | 115.11% | 99.68% | 1,439% | 1 | 1 | 0 |
| Total | 6.30% | 46.92% | 96.75% | 79.38% | 118% | 195 | 192 | 2 |
| Not default Not delinquent | 0.72% | 46.78% | / | / | 50% | 177 | 174 | 2 |
| Not default Delinquent | 28.95% | 46.11% | / | / | 436% | 10 | 10 | 0 |
| Not default Subtotal | 2.26% | 46.74% | / | / | 71% | 187 | 184 | 2 |
| Default | 100.00% | / | 96.75% | 79.38% | 1,209% | 8 | 8 | 0 |

*Notes: 1. As of March 31, 2013, the majority of retail exposure is purchased retail receivables which are included in investment funds. Purchased retail receivables in investment funds using estimated parameters have been included in the amount subject to quantitative disclosure.*

*2. "Not default Delinquent" does not fall under the default definition in the Notification Regarding Capital Adequacy Ratio, but past-due.*

*3. Risk weights are equivalent to the total of the risk-weighted assets and the amount of dividing the expected loss by 8%, then dividing the result by exposure at default (EAD).*

*4. For defaulted exposure, the risk weights have been computed taking account of the unexpected losses on default (LGD default) and the expected losses on default (EL default).*

*5. As of March 31, 2013, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.*

## c. Actual Losses on Exposure to Corporate, Sovereign, Bank and Retail Exposure

### Actual Losses by Exposure Types

(Billions of yen)

| Type of exposure | As of March 31, 2014 | As of March 31, 2013 | Increase/(decrease) |
|---|---|---|---|
| Corporate exposure | **0** | 1 | **(1)** |
| Sovereign exposure | **—** | — | **—** |
| Bank exposure | **—** | — | **—** |
| Equity exposure subject to PD/LGD approach | **—** | — | **—** |
| Retail exposure secured by residential properties | **—** | — | **—** |
| Qualifying revolving retail exposure | **—** | — | **—** |
| Other retail exposure | **0** | 0 | **(0)** |
| Total | **0** | 1 | **(1)** |

*Note: Actual losses are defined as losses due to direct write-offs, partial direct write-offs, specific reserve for possible loan losses, general reserve for possible loan losses and loan sales of exposure that defaulted up to the end of the previous period.*

### Comparison between Actual Losses in the Previous Fiscal Year and Past Financial Results and Analysis of Causes

Corporate exposure has been improved because of recovery of the creditworthiness of debtors, redemption and reversal of reserve for possible loan losses according to the collection of the loan.

Actual losses of fiscal 2013 became a decrease in comparison with the previous year by ¥1.3 billion.

### Comparison of Estimated Losses and Actual Losses

(Billions of yen)

| Type of exposure | As of March 31, 2014 | | As of March 31, 2013 | | As of March 31, 2012 | | As of March 31, 2011 | |
|---|---|---|---|---|---|---|---|---|
| | Estimated losses | Actual losses | Estimated losses | Actual losses | Estimated losses | Actual losses | Estimated losses | Actual losses |
| Corporate exposure | **20** | **0** | 24 | 1 | 42 | 9 | 73 | 7 |
| Sovereign exposure | **0** | **—** | 0 | — | 0 | — | 0 | — |
| Bank exposure | **1** | **—** | 0 | — | 0 | — | 0 | — |
| Equity exposure subject to PD/LGD approach | **0** | **—** | 0 | — | 2 | 0 | 3 | 0 |
| Retail exposure secured by residential properties | **—** | **—** | — | — | — | — | — | — |
| Qualifying revolving retail exposure | **—** | **—** | — | — | — | — | — | — |
| Other retail exposure | **0** | **0** | 0 | 0 | 0 | 0 | 0 | 0 |

| Type of exposure | As of March 31, 2010 | | As of March 31, 2009 | | As of March 31, 2008 | | As of March 31, 2007 | |
|---|---|---|---|---|---|---|---|---|
| | Estimated losses | Actual losses | Estimated losses | Actual losses | Estimated losses | Actual losses | Estimated losses | Actual losses |
| Corporate exposure | 55 | 42 | 45 | 23 | 28 | 6 | 27 | 18 |
| Sovereign exposure | 0 | — | 1 | — | 1 | — | 1 | — |
| Bank exposure | 0 | — | 0 | — | 0 | — | 0 | — |
| Equity exposure subject to PD/LGD approach | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Retail exposure secured by residential properties | — | — | — | — | — | — | — | — |
| Qualifying revolving retail exposure | — | — | — | — | — | — | — | — |
| Other retail exposure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

*Notes: 1. The scope of actual and estimated losses includes the following accounts on balance sheet: loans, foreign exchange, accrued interests in other assets, suspense payable and customers' liabilities for acceptances and guarantees, as well as securities without quoted market values, money trusts without quoted market values, and monetary claims purchased.*

*2. Estimated losses of each year are amount of expected losses.*

## d. Exposure to Specialized Lending Products Subject to Supervisory Slotting Criteria by Risk Weight

### Amount of Specialized Lending Exposure Subject to Supervisory Slotting Criteria by Risk Weight

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Specialized Lending exposure subject to supervisory slotting criteria | **134** | 226 |
| Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE) | **93** | 185 |
| Risk weight of 50% | **0** | 24 |
| Risk weight of 70% | **72** | 108 |
| Risk weight of 90% | **9** | 18 |
| Risk weight of 115% | **0** | — |
| Risk weight of 250% | **6** | 28 |
| Risk weight of 0% (default) | **4** | 5 |
| High-Volatility Commercial Real Estate (HVCRE) | **40** | 40 |
| Risk weight of 70% | **—** | — |
| Risk weight of 95% | **5** | 5 |
| Risk weight of 120% | **12** | — |
| Risk weight of 140% | **—** | — |
| Risk weight of 250% | **23** | 18 |
| Risk weight of 0% (default) | **—** | 17 |

*Notes: 1. "Specialized Lending" refers to loans for Project Finance (PF), Object Finance (OF), Commodity Finance (CF) and Income-Producing Real Estate (IPRE) (as defined in the Notification Regarding Capital Adequacy Ratio, Article 1-1-41).*

*2. "High-Volatility Commercial Real Estate (HVCRE)" refers to loans that are the financing of commercial real estate that exhibits a higher rate of loss volatility compared to other types of Specialized Lending, as specified in the Notification Regarding Capital Adequacy Ratio, Article 1-1-43.*

*3. "Specialized Lending exposure subject to supervisory slotting criteria" refers to the amounts of Specialized Lending, subject to the Bank's internal rating system, and have been allotted to the risk asset classifications given in the Notification Regarding Capital Adequacy Ratio, Article 130-4 and Article 130-6, after taking account of risk weights.*

*4. For risk weights, the Bank has applied the stipulations contained in the Notification Regarding Capital Adequacy Ratio, Article 130-4 and Article 130-6.*

## e. Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach by Risk Weight

### Amount of Equity Exposure Subject to the Simple Risk-Weighted Method of the Market-Based Approach

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Equity exposure subject to the simple risk-weighted method of the market-based approach by RW | **50** | 29 |
| Risk weight of 300% | **—** | — |
| Risk weight of 400% | **50** | 29 |

*Note: The "simple risk-weighted method of the market-based approach by RW" is a method for computing the amount of risk-weighted assets of equity and other investments. Under this method, the market value of listed stocks is multiplied by a risk weight of 300%, and the estimated value of unlisted stocks is multiplied by a risk weight of 400% (Notification Regarding Capital Adequacy Ratio, Article 143-4).*

## 4. Exposure Subject to Standardized Approach

### Amount of Exposure Subject to Standardized Approach

(Billions of yen)

| Classification | As of March 31, 2014 | | As of March 31, 2013 | |
|---|---|---|---|---|
| | Exposure | Refer to ECAI | Exposure | Refer to ECAI |
| Exposure subject to Standardized Approach | **6** | **—** | 4 | — |
| Risk weight of 0% | **—** | **—** | — | — |
| Risk weight of 10% | **—** | **—** | — | — |
| Risk weight of 20% | **—** | **—** | — | — |
| Risk weight of 35% | **—** | **—** | — | — |
| Risk weight of 50% | **—** | **—** | — | — |
| Risk weight of 75% | **—** | **—** | — | — |
| Risk weight of 100% | **6** | **—** | 4 | — |
| Risk weight of 150% | **—** | **—** | — | — |
| Risk weight of 1,250% | **—** | **—** | — | — |
| Others | **—** | **—** | — | — |

*Note: Others include investment funds which are measured credit risk assets by look-through approach and the assets which are more than 150% and less than 1,250% risk weight.*

## Credit Risk Mitigation Techniques (Non-Consolidated)

### Amount of Exposure Subject to Credit Risk Mitigation Techniques (Eligible Financial Collateral, Other Eligible IRB Collateral, Guarantees, Credit Derivatives)

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Foundation Internal Ratings-Based Approach | **8,949** | 10,093 |
| Eligible financial collateral | **7,755** | 8,983 |
| Corporate exposure | **11** | 8 |
| Sovereign exposure | **0** | — |
| Bank exposure | **7,743** | 8,975 |
| Other eligible IRB collateral | **—** | — |
| Corporate exposure | **—** | — |
| Sovereign exposure | **—** | — |
| Bank exposure | **—** | — |
| Guarantees, Credit Derivatives | **1,194** | 1,109 |
| Corporate exposure | **290** | 207 |
| Sovereign exposure | **200** | 200 |
| Bank exposure | **702** | 702 |
| Retail exposure secured by residential properties | **—** | — |
| Qualifying revolving retail exposure | **—** | — |
| Other retail exposure | **—** | — |
| Standardized Approach | **—** | — |
| Eligible financial collateral | **—** | — |
| Guarantees, Credit Derivatives | **—** | — |

*Note: Exposure subject to risk-weighted asset calculation for investment fund is not included.*

# Counterparty Credit Risk in Derivative Transactions (Non-Consolidated)

## Methods Used for Calculating Amount of Credit Exposure

The current exposure method has been adopted.

## Breakdown of the Amount of Credit Exposure

(Billions of yen)

| Classification | | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|---|
| Total gross replacement costs (limited to items with a value of greater than zero) | (A) | **100** | 117 |
| Total gross add-ons | (B) | **469** | 430 |
| Gross credit exposure | (C) = (A)+(B) | **570** | 547 |
| Foreign exchange related | | **460** | 453 |
| Interest rate related | | **107** | 91 |
| Equity related | | **2** | 2 |
| Credit derivatives | | **—** | — |
| Transactions with a long settlement period | | **—** | — |
| Reduction in credit exposure due to netting contracts (including collateral pledged for CSA) | (D) | **345** | 63 |
| Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral | (E) = (C)–(D) | **224** | 483 |
| Amount of collateral | (F) | **13** | 0 |
| Eligible financial collateral | | **13** | 0 |
| Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral | (G) = (E)–(F) | **210** | 482 |

*Notes: 1. Derivatives transactions included in risk-weighted assets calculation for investment funds are not included.*
*2. Under the stipulations of the Notification Regarding Capital Adequacy Ratio, Article 56-1, the amount of credit exposure not computed has not been included.*

## Notional Principal Amount of Credit Derivatives Included in Computation of Credit Exposure

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| To buy protection | **—** | — |
| Credit default swaps | **—** | — |
| Total return swaps | **—** | — |
| To sell protection | **—** | — |
| Credit default swaps | **—** | — |
| Total return swaps | **—** | — |
| Notional principal amount of credit derivatives taking into consideration the effect of credit risk mitigation techniques | **—** | — |

*Notes: 1. Credit derivatives included in risk-weighted assets for investment funds have not been taken into consideration.*
*2. Under the stipulations of the Notification Regarding Capital Adequacy Ratio, Article 21 and Article 56, the amount of credit risk assets not computed has not been included.*

# Securitization Exposure (Non-Consolidated)

## 1. Items to Calculate Risk-Weighted Asset for Credit Risk

### Details of Securitization Exposure Held as Originator

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Total amount of underlying assets | — | — |
| Amounts of assets held by securitization transactions purpose | — | — |
| Amounts of securitized exposure | — | — |
| Gains (losses) on sales of securitization transactions | — | — |
| Amounts of securitization exposure | — | — |
| Amounts of re-securitization exposure | — | — |
| Increase in capital due to securitization transactions | — | — |
| Amounts of securitization exposure that applied risk weight 1,250% | — | — |
| Amounts of re-securitization exposure subject to credit risk mitigation techniques | — | — |

### Details of Securitization Exposure Held as Investor by Exposure Type

### Fiscal 2013 (Ended March 31, 2014)

(Billions of yen)

| Classification | Total amount of securitization exposure | | | | | |
|---|---|---|---|---|---|---|
| | | | Re-securitization exposure | | | |
| | Amount of exposure | Risk weight 1,250% | Amount of exposure | Re-securitization products (Secondary, tertiary) | Re-securitization products peculiar to regulation | Risk weight 1,250% |
| Amount of exposure | 5,432 ( 3) | 33 ( 2) | 359 | 96 | 263 | 25 |
| Individuals | | | | | | |
| Asset-Backed Securities (ABS) | 1,501 ( 0) | — (—) | — | — | — | — |
| Residential Mortgage-Backed Securities (RMBS) | 2,638 (—) | — (—) | 9 | — | 9 | — |
| Real estate | | | | | | |
| Commercial Mortgage-Backed Securities (CMBS) | 71 (—) | 3 (—) | — | — | — | — |
| Corporates | | | | | | |
| Subtotal of CDOs (CLO, ABS-CDO, CBO) | 1,172 (—) | 25 (—) | 349 | 96 | 253 | 25 |
| Collateralized Loan Obligations (CLO) | 1,076 (—) | — (—) | 253 | — | 253 | — |
| Asset-Backed Securities CDOs (ABS-CDO) | 96 (—) | 25 (—) | 96 | 96 | — | 25 |
| Collateralized Bond Obligations (CBO) | — (—) | — (—) | — | — | — | — |
| Others | 49 ( 3) | 4 ( 2) | — | — | — | — |

*Note: The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.*

## Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

| Classification | Total amount of securitization exposure | | | | | |
|---|---|---|---|---|---|---|
| | | | Re-securitization exposure | | | |
| | Amount of exposure | Risk weight 1,250% | Amount of exposure | Re-securitization products (Secondary, tertiary) | Re-securitization products peculiar to regulation | Risk weight 1,250% |
| Amount of exposure | 5,509 ( 3) | 36 ( 2) | 397 | 125 | 271 | 15 |
| Individuals | | | | | | |
| Asset-Backed Securities (ABS) | 1,917 ( 0) | — (—) | — | — | — | — |
| Residential Mortgage-Backed Securities (RMBS) | 2,387 (—) | 6 (—) | 14 | — | 14 | — |
| Real estate | | | | | | |
| Commercial Mortgage-Backed Securities (CMBS) | 216 (—) | 9 (—) | 24 | — | 24 | — |
| Corporates | | | | | | |
| Subtotal of CDOs (CLO, ABS-CDO, CBO) | 937 (—) | 15 (—) | 358 | 125 | 233 | 15 |
| Collateralized Loan Obligations (CLO) | 812 (—) | — (—) | 233 | — | 233 | — |
| Asset-Backed Securities CDOs (ABS-CDO) | 125 (—) | 15 (—) | 125 | 125 | — | 15 |
| Collateralized Bond Obligations (CBO) | — (—) | — (—) | — | — | — | — |
| Others | 50 ( 3) | 5 ( 2) | — | — | — | — |

*Note: The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.*

# Amount of Securitization Exposure Held as Investor and Regulatory Required Capital by Risk-Weighted Category

## Fiscal 2013 (Ended March 31, 2014)

(Billions of yen)

| Classification | Amount of exposure | | | Regulatory required capital | | |
|---|---|---|---|---|---|---|
| | | On-balance | Off-balance | | On-balance | Off-balance |
| Amount of securitization exposure | **5,073** | **5,069** | **3** | **47** | **44** | **2** |
| Risk weight: 20% or less | **4,961** | **4,960** | **0** | **30** | **30** | **0** |
| Risk weight: exceeding 20% to 50% or less | **18** | **18** | **—** | **0** | **0** | **—** |
| Risk weight: exceeding 50% to 100% or less | **79** | **79** | **—** | **5** | **5** | **—** |
| Risk weight: exceeding 100% to 250% or less | **—** | **—** | **—** | **—** | **—** | **—** |
| Risk weight: exceeding 250% to less than 1,250% | **6** | **5** | **1** | **2** | **1** | **0** |
| Risk weight: 1,250% | **7** | **5** | **2** | **8** | **5** | **2** |
| Amount of re-securitization exposure | **359** | **359** | **—** | **38** | **38** | **—** |
| Risk weight: 20% or less | **9** | **9** | **—** | **0** | **0** | **—** |
| Risk weight: exceeding 20% to 50% or less | **290** | **290** | **—** | **9** | **9** | **—** |
| Risk weight: exceeding 50% to 100% or less | **33** | **33** | **—** | **2** | **2** | **—** |
| Risk weight: exceeding 100% to 250% or less | **—** | **—** | **—** | **—** | **—** | **—** |
| Risk weight: exceeding 250% to less than 1,250% | **—** | **—** | **—** | **—** | **—** | **—** |
| Risk weight: 1,250% | **25** | **25** | **—** | **26** | **26** | **—** |

## Fiscal 2012 (Ended March 31, 2013)

(Billions of yen)

| Classification | Amount of exposure | | | Regulatory required capital | | |
|---|---|---|---|---|---|---|
| | | On-balance | Off-balance | | On-balance | Off-balance |
| Amount of securitization exposure | 5,112 | 5,109 | 3 | 74 | 71 | 2 |
| Risk weight: 20% or less | 4,878 | 4,878 | 0 | 30 | 30 | 0 |
| Risk weight: exceeding 20% to 50% or less | 79 | 79 | — | 2 | 2 | — |
| Risk weight: exceeding 50% to 100% or less | 83 | 83 | — | 5 | 5 | — |
| Risk weight: exceeding 100% to 250% or less | 32 | 32 | — | 6 | 6 | — |
| Risk weight: exceeding 250% to less than 1,250% | 17 | 16 | 1 | 6 | 6 | 0 |
| Risk weight: 1,250% | 21 | 18 | 2 | 22 | 20 | 2 |
| Amount of re-securitization exposure | 397 | 397 | — | 50 | 50 | — |
| Risk weight: 20% or less | 14 | 14 | — | 0 | 0 | — |
| Risk weight: exceeding 20% to 50% or less | 267 | 267 | — | 8 | 8 | — |
| Risk weight: exceeding 50% to 100% or less | 37 | 37 | — | 2 | 2 | — |
| Risk weight: exceeding 100% to 250% or less | 16 | 16 | — | 2 | 2 | — |
| Risk weight: exceeding 250% to less than 1,250% | 46 | 46 | — | 19 | 19 | — |
| Risk weight: 1,250% | 15 | 15 | — | 16 | 16 | — |

## Amount of Re-Securitization Exposure Held as Investor and Subject to Credit Risk Mitigation Techniques

(Billions of yen)

| Classification | As of March 31, 2014 | | As of March 31, 2013 | |
|---|---|---|---|---|
| | Amount of exposure | Regulatory required capital | Amount of exposure | Regulatory required capital |
| Amount of re-securitization exposure | — | — | — | — |
| Risk weight applied to guarantor: 20% or less | — | — | — | — |
| Risk weight applied to guarantor: exceeding 20% to 50% or less | — | — | — | — |
| Risk weight applied to guarantor: exceeding 50% to 100% or less | — | — | — | — |
| Risk weight applied to guarantor: exceeding 100% to 250% or less | — | — | — | — |
| Risk weight applied to guarantor: exceeding 250% to less than 1,250% | — | — | — | — |
| Risk weight applied to guarantor: 1,250% | — | — | — | — |

## Risk-Weighted Asset Computed through Application of Appendix Article 15 of the Notification Regarding Capital Adequacy Ratio

Not applicable

## 2. Securitization Exposure Subject to Market Risk

Not applicable

# Market Risk (Non-Consolidated)

## Computation of Market Risk Amount by Internal Models Approach

### ■ VaR

(Millions of yen)

| | Fiscal 2013 | Fiscal 2012 |
|---|---|---|
| Base date of computation | **2014. 3. 31** | 2013. 3. 29 |
| VaR (For the most recent 60 business days) | | |
| Base date of computation | **26** | 124 |
| Maximum | **60** | 139 |
| Minimum | **15** | 50 |
| Average | **32** | 83 |

### ■ Stress VaR

(Millions of yen)

| | Fiscal 2013 | Fiscal 2012 |
|---|---|---|
| Base date of computation | **2014. 3. 31** | 2013. 3. 29 |
| Stress VaR (For the most recent 60 business days) | | |
| Base date of computation | **140** | 500 |
| Maximum | **210** | 605 |
| Minimum | **87** | 235 |
| Average | **143** | 379 |

### ■ Amount of Market Risk

(Millions of yen)

| | | Fiscal 2013 | Fiscal 2012 |
|---|---|---|---|
| For the portion computed with the internal models approach (B)+(G)+(J) | (A) | **529** | 1,388 |
| Value at Risk (MAX (C, D)) | (B) | **98** | 250 |
| Amount on base date of computation | (C) | **26** | 124 |
| Amount determined by multiplying (E) by the average for the most recent 60 business days | (D) | **98** | 250 |
| (Multiplier) | (E) | **3.0** | 3.0 |
| (Times exceeding VaR in back testing) | (F) | **3** | 1 |
| Stress Value at Risk (MAX (H, I)) | (G) | **430** | 1,137 |
| Amount on base date of computation | (H) | **140** | 500 |
| Amount determined by multiplying (E) by the average for the most recent 60 business days | ( I ) | **430** | 1,137 |
| Additional amount at the time of measuring individual risk | ( J ) | **0** | 0 |

*Notes: 1. As a result of back testing conducted in fiscal 2013, actual gains and losses did not diverge substantially downward from the VaR value.*
*2. When discrepancies between the model's estimates and actual results go beyond a certain number of times due to the design of the model, the Bank scrutinizes the relevant model factors and revises the model if necessary.*
*3. Since the bank adopts a standardized approach, neither an additional risk nor a comprehensive risk of specific risks of trading account are the measurement objects.*

# Equity Exposure (Non-Consolidated)

(Includes items such as shares; excludes items in trading accounts)

## Amount on the Balance Sheet and Market Value

(Billions of yen)

| Classification | As of March 31, 2014 | | As of March 31, 2013 | |
|---|---|---|---|---|
| | Amount on the balance sheet | Market value | Amount on the balance sheet | Market value |
| Equity exposure | **1,029** | **/** | 886 | / |
| Exposure to publicly traded equity | **798** | **798** | 676 | 676 |
| Exposure to privately held equity | **231** | **/** | 210 | / |

*Note: Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 2 were not included.*

## Amount of Gain (Loss) due to Sale or Write-Off

(Billions of yen)

| Item | Fiscal 2013 | | | Fiscal 2012 | | |
|---|---|---|---|---|---|---|
| | Gains from sale of equities, etc. | Losses from sales of equities, etc. | Write-offs of equities, etc. | Gains from sale of equities, etc. | Losses from sales of equities, etc. | Write-offs of equities, etc. |
| Equity exposure | **2** | **5** | **0** | 11 | 4 | 1 |

*Note: Amounts reflect relevant figures posted in the income statements.*

## Amount of Valuation Gains (Losses)

(Billions of yen)

| Item | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations | **209** | 153 |

*Notes: 1. Exposure is to equity shares issued by both domestic and overseas companies.*
*2. Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 2 were not included.*

## Unrealized Gains (Losses) Not Recognized on Non-Consolidated Balance Sheets or Non-Consolidated Statements of Income

Not applicable

## Equity Exposure Subject to Treatment Under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| | Amount on the balance sheets | Amount on the balance sheets |
| Equity exposure subject to treatment under the Notification Regarding Capital Adequacy Ratio, Appendix Article 13 | **438** | 403 |
| Corporate | **404** | 369 |
| Bank | **29** | 28 |
| Sovereign | **5** | 5 |

*Note: The Notification Regarding Capital Adequacy Ratio, Article 13 of Supplemental Provision specifies provisional methods for calculating the value of credit risk assets in exposure to equity and other investments that meets certain specified standards.*

## Exposure Subject to Risk-Weighted Asset Calculation for Investment Funds (Non-Consolidated)

### Amount of Exposure Subject to Risk-Weighted Asset Calculation for Investment Fund

(Billions of yen)

| Classification | As of March 31, 2014 | | As of March 31, 2013 | |
|---|---|---|---|---|
| | Exposure | (For reference) Weighted-average risk weight | Exposure | (For reference) Weighted-average risk weight |
| Look-through approach | **12,337** | **72%** | 15,989 | 59% |
| Majority approach | **432** | **406%** | 407 | 432% |
| Mandate approach | **—** | **—** | — | — |
| Market-based approach | **2,029** | **263%** | 1,696 | 260% |
| Others (simple approach) | **217** | **437%** | 232 | 438% |
| Total | **15,017** | **111%** | 18,325 | 88% |

*Notes: 1. The "Look-through approach" is a method for computing the risk-weighted assets in fund by totaling the amount of risk-weighted assets for credit risk in individual asset categories. (Please refer to Notification Regarding Capital Adequacy Ratio, Article 144-1.)*

*2. The "Majority approach" is a method for computing the risk-weighted assets in fund by applying risk weight to the fund as well as equity exposure when the exposure of equity, in terms of value, is major in a fund. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-2.)*

*3. The "Mandate approach" is a method for computing the risk-weighted assets in fund where only the investment mandate of the fund is known. The risk-weighted assets are computed as follows: It is assumed that the fund first invests, to the maximum extent allowed under its mandate, in the asset classes attracting the highest capital requirement, and then continues making investments in descending order until the maximum total investment level is reached. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-3.)*

*4. The "Market-based approach" is a method for computing the credit risk of exposure regarded as credit risk assets using the Bank's internal model (which is a value-at-risk (VaR) model based on the historical simulation method). (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-4.)*

*5. The "Others (simple approach)" is a method for computing the risk-weighted assets in fund by applying risk weight of 400%, when it is judged the probability that the weighted-average risk weight will be less than 400%. In all other cases, risk weight of 1,250% is applied to funds. (Please refer to the Notification Regarding Capital Adequacy Ratio, Article 144-5.)*

*6. (For reference) The sum of the amount of risk-weighted assets (excluding CVA risk amount) and the amount resulting from dividing the expected loss by 8% are divided by EAD to yield the risk weight value.*

## Interest Rate Risk (Non-Consolidated)

(The increase or decrease of the profit and loss or in the economic value from interest rate shocks which are used for internal management purpose, in terms of interest rate risk excluding trading accounts.)

### Interest Rate Risk Volume Computed with the Internal Model in Core Business Accounts (Excluding Trading Accounts)

(Billions of yen)

| Classification | As of March 31, 2014 | As of March 31, 2013 |
|---|---|---|
| Interest rate risk | **2,119** | 2,261 |
| Yen interest rate risk | **182** | 269 |
| U.S. dollar interest rate risk | **1,470** | 1,503 |
| Euro interest rate risk | **460** | 482 |
| Interest rate risk in other currencies | **4** | 5 |

*Notes: 1. Interest rate risk, without taking into account inter-grid factors and correlations with other assets, calculates a one-year holding period and a historical observation period from 1995 to the most recent year of interest rate volatility. The Bank calculated declines in economic value corresponding to a 99% confidence interval for interest rate volatility.*

*2. Regarding core deposits, since the balances of deposits, etc., without maturity dates are limited, the Bank does not currently measure their risk volume. In addition, regarding repayments of mortgage-backed securities and callable securities before maturity, risk volume is measured after taking account of negative convexity due to call conditions and other factors.*