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 “Advanced Internal Ratings-Based Approach (A-IRB) (partially 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 https://www.nochubank.or.jp/.

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, 2017, the Bank had 12 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)

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements	Ref. No.
Common Equity Tier 1 capital: instruments and reserves						
1a+2-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	**5,296,239**		5,157,954		
1a	of which: capital and capital surplus	**3,455,509**		3,455,509		E1.1-E1.2+E1.3
2	of which: retained earnings	**1,910,262**		1,770,832		E2
26	of which: cash dividends to be paid	**69,531**		68,387		
	of which: other than the above	**—**		—		E3
3	Accumulated other comprehensive income and other disclosed reserves	**1,267,699**	**316,924**	1,141,575	761,050	E4
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	**—**		—		E8.1
	Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements	**960**		1,754		
	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)	**960**		1,754		
6	Common Equity Tier 1 capital: instruments and reserves (A)	**6,564,899**		6,301,284		
Common Equity Tier 1 capital: regulatory adjustments						
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	**29,690**	**7,422**	18,142	12,095	
8	of which: goodwill (net of related tax liability, including those equivalent)	**11,087**	**2,771**	9,021	6,014	A1.1+A1.2
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	**18,602**	**4,650**	9,121	6,080	A2.1-A2.2
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	**—**	**—**	—	—	A3
11	Deferred gains or losses on derivatives under hedge accounting	**15,538**	**3,884**	(34,238)	(22,825)	E7
12	Shortfall of eligible provisions to expected losses	**14,971**	**3,742**	26,436	17,624	
13	Securitisation gain on sale	**—**	**—**	—	—	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	**—**	**—**	—	—	
15	Net defined-benefit asset	**26,354**	**6,588**	12,124	8,083	A4-D3
16	Investments in own shares (excluding those reported in the Net Assets section)	**—**	**—**	—	—	A5
17	Reciprocal cross-holdings in common equity	**—**	**—**	—	—	A6
18	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	**—**	**—**	—	—	A7

(Millions of Yen, %)

Basel III Template No.		Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements	Ref. No.
19+20+21		Amount exceeding the 10% threshold on specified items	**—**	**—**	—	—	
19		of which: significant investments in the common stock of financials	**—**	**—**	—	—	A8
20		of which: mortgage servicing rights	**—**	**—**	—	—	A9
21		of which: deferred tax assets arising from temporary differences (net of related tax liability)	**—**	**—**	—	—	A10
22		Amount exceeding the 15% threshold on specified items	**—**	**—**	—	—	
23		of which: significant investments in the common stock of financials	**—**	**—**	—	—	A11
24		of which: mortgage servicing rights	**—**	**—**	—	—	A12
25		of which: deferred tax assets arising from temporary differences (net of related tax liability)	**—**	**—**	—	—	A13
27		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	**—**		—		
28		Common Equity Tier 1 capital: regulatory adjustments (B)	**86,555**		22,465		
Common Equity Tier 1 capital (CET1)							
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	**6,478,344**		6,278,818		
Additional Tier 1 capital: instruments							
30	31a	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**		49,000		E5.1+E5.2
30	31b	Subscription rights to Additional Tier 1 instruments	**—**		—		
30	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	**—**		—		D1.1+D1.2
30		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	**—**		—		
34-35		Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	**3,254**		2,982		E8.2
33+35		Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	**424**		509		
33		of which: instruments issued by banks and their special purpose vehicles	**424**		509		
35		of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	**—**		—		
		Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	**(10)**		(19)		
		of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income	**(10)**		(19)		
36		Additional Tier 1 capital: instruments (D)	**52,668**		52,473		

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements	Ref. No.
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own Additional Tier 1 instruments	**—**	**—**	—	—	A14
38	Reciprocal cross-holdings in Additional Tier 1 instruments	**—**	**—**	—	—	A15
39	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)	**—**	**—**	—	—	A16
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	**40,027**	**10,006**	29,222	19,481	A17
	Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	**1,871**		8,812		
	of which: 50% of balance due to pay of eligible provisions	**1,871**		8,812		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	**—**		—		
43	Additional Tier 1 capital: regulatory adjustments (E)	**41,898**		38,034		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	**10,769**		14,439		
Tier 1 capital (T1=CET1+AT1)						
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	**6,489,114**		6,293,257		
Tier 2 capital: instruments and provisions						
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown	**—**		—		E6
46	Subscription rights to Tier 2 instruments	**—**		—		
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	**1,415,480**		1,415,480		D2.1+D2.2
46	Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	**—**		—		
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	**96**		197		E8.3
47+49	Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	**97,816**		147,816		
47	of which: instruments issued by banks and their special purpose vehicles	**97,816**		147,816		
49	of which: instruments issued by subsidiaries (excluding banks' special purpose vehicles)	**—**		—		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	**12**		6		
50a	of which: general reserve for possible loan losses	**12**		6		A18
50b	of which: eligible provisions	**—**		—		A19
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	**192,795**		487,276		
	of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income	**192,795**		487,276		
51	Tier 2 capital: instruments and provisions (H)	**1,706,199**		2,050,776		

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements	Ref. No.
Tier 2 capital: regulatory adjustments						
52	Investments in own Tier 2 instruments	**—**	**—**	—	—	A20
53	Reciprocal cross-holdings in Tier 2 instruments	**—**	**—**	—	—	A21
54	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)	**—**	**—**	—	—	A22
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	**—**	**—**	—	—	A23
	Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements	**14,592**		34,192		
	of which: intangibles assets other than mortgage servicing rights	**2,771**		6,014		
	of which: 50% of balance due to pay of eligible provisions	**1,871**		8,812		
	of which: significant investments in the additional Tier 1 capital of other financial institutions	**9,948**		19,365		
57	Tier 2 capital: regulatory adjustments (I)	**14,592**		34,192		
Tier 2 capital (T2)						
58	Tier 2 capital (T2) ((H)-(I)) (J)	**1,691,607**		2,016,584		
Total capital (TC=T1+T2)						
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	**8,180,721**		8,309,841		
Risk weighted assets						
	Total of items included in risk weighted assets under phase-out arrangements	**11,533**		14,753		
	of which: intangibles assets other than mortgage servicing rights	**4,650**		6,080		
	of which: net defined-benefit asset	**6,588**		8,083		
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	**294**		589		
60	Risk weighted assets (L)	**33,539,401**		33,135,294		
Capital ratio (consolidated)						
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	**19.31%**		18.94%		
62	Tier 1 capital ratio (consolidated) ((G)/(L))	**19.34%**		18.99%		
63	Total capital ratio (consolidated) ((K)/(L))	**24.39%**		25.07%		
Regulatory adjustments						
72	Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	**348,985**		439,019		A24.1+A24.2
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	**46,493**		50,005		A25
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	**—**		—		A26
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	**—**		—		A27

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements	Ref. No.
Provisions included in Tier 2 capital: instruments and provisions						
76	Provisions (general reserve for possible loan losses)	**12**		6		
77	Cap on inclusion of provisions (general reserve for possible loan losses)	**143**		134		
78	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”)	**—**		—		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	**183,999**		176,884		
Capital instruments under phase-out arrangements						
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	**424**		509		
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as “nil”)	**424**		339		
84	Current cap on Tier 2 instruments under phase-out arrangements	**768,003**		921,604		
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as “nil”)	**—**		—		

Explanation on Reconciliation between Balance Sheet Items and Regulatory Capital Elements (Consolidated)
As of March 31, 2017

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Assets)			
Loans and Bills Discounted	**12,058,289**		
of which: non-significant investments in the capital instruments of other financial institutions		**103,000**	
Tier 2 capital instruments		**—**	
Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)		**103,000**	A24.1
Foreign Exchanges Assets	**224,101**		
Securities	**62,079,090**	**62,079,090**	
Money Held in Trust	**6,983,612**	**6,983,612**	
Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets)		**13,858**	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		**245,985**	
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)		**245,985**	A24.2
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)		**96,526**	
Amount exceeding the 10% threshold on specified items		—	A8
Amount exceeding the 15% threshold on specified items		—	A11
Additional Tier 1 capital		**50,033**	A17
Tier 2 capital		—	A23
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		**46,493**	A25
Trading Assets	**10,715**		
Monetary Claims Bought	**257,888**		
Call Loans and Bills Bought	**146,220**		
Receivables under Resale Agreements	—		
Receivables under Securities Borrowing Transactions	**1,173**		
Cash and Due from Banks	**22,939,086**		
Other Assets	**1,001,888**		
Tangible Fixed Assets	**117,791**		
Buildings	**45,206**		
Land	**48,100**		
Lease Assets	**21,394**		
Construction in Progress	**158**		
Other	**2,931**		
Intangible Fixed Assets	**31,141**	**31,141**	
Software	**11,639**	**11,639**	
Lease Assets	**5,882**	**5,882**	
Other	**13,618**	**13,618**	
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		**31,141**	A2.1
of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		**7,888**	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	**45,596**	**45,596**	A4
Deferred Tax Assets	**7,010**	**7,010**	
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		—	
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	**1,215,882**		

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Reserve for Possible Loan Losses	**(56,730)**	**(56,730)**	
of which: general reserve for possible loan losses includes Tier 2		**(12)**	A18
of which: eligible provisions includes Tier 2		**—**	A19
Reserve for Possible Investment Losses	**(10)**		
Total Assets	**107,062,747**		
(Liabilities)			
Deposits	**61,886,185**		
Negotiable Certificates of Deposit	**3,689,270**		
Debentures	**2,412,824**		
Bonds	**—**	**—**	
of which: qualifying Additional Tier 1 instruments		**—**	D1.1
of which: qualifying Tier 2 instruments		**—**	D2.1
Trading liabilities	**6,150**		
Borrowed Money	**4,371,611**	**4,371,611**	
of which: qualifying Additional Tier 1 instruments		**—**	D1.2
of which: qualifying Tier 2 instruments		**1,415,480**	D2.2
Call Money and Bills Sold	**3,365**		
Payables under Repurchase Agreements	**19,645,010**		
Payables under Securities Lending Transactions	**1,013**		
Foreign Exchanges Liabilities	**2**		
Trust Money	**1,257,432**		
Other Liabilities	**4,929,423**		
Reserve for Bonus Payments	**7,894**		
Reserve for Employees' Retirement Benefits	**—**		
Liabilities related to retirement benefits	**38,624**		
Reserve for Directors' Retirement Benefits	**1,286**		
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	**523**		
Deferred Tax Liabilities	**578,827**	**578,827**	
of which: assets related to retirement benefits		**12,652**	D3
Deferred Tax Liabilities for Land Revaluation	**8,607**	**8,607**	
Acceptances and Guarantees	**1,215,882**		
Total Liabilities	**100,053,934**		
(Net Assets)			
Paid-in Capital	**3,480,488**	**3,480,488**	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	**24,993**	**24,993**	
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	**1,910,262**	**1,910,262**	E2
Treasury Preferred Stock	**(150)**	**(150)**	
Total Owners' Equity	**5,415,594**	**5,415,594**	
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	**1,584,281**	**1,584,281**	
Net Deferred Losses on Hedging Instruments	**(26,550)**	**(26,550)**	
of which: net deferred losses on hedge		**19,422**	E7
Revaluation Reserve for Land	**14,312**	**14,312**	
Foreign Currency Translation Adjustment	**(53)**	**(53)**	
Remeasurements of Defined Benefit Plans	**12,635**	**12,635**	
Total Accumulated Other Comprehensive Income	**1,584,624**	**1,584,624**	E4

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Minority Interests	**8,594**	**8,594**	
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)		**3,254**	E8.2
of which: Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		**96**	E8.3
Total Net Assets	**7,008,813**		
Total Liabilities and Net Assets	**107,062,747**		

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, 2016

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Assets)			
Loans and Bills Discounted	18,022,160		
of which: non-significant investments in the capital instruments of other financial institutions		105,000	
Tier 2 capital instruments		—	
Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)		105,000	A24.1
Foreign Exchanges Assets	237,332		
Securities	58,306,391	58,306,391	
Money Held in Trust	4,922,923	4,922,923	
Securities and Money Held in Trust of which: goodwill and those equivalents (excluding those reported in the Intangible Fixed Assets)		15,035	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 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		334,019	
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)		334,019	A24.2
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)		98,708	
Amount exceeding the 10% threshold on specified items		—	A8
Amount exceeding the 15% threshold on specified items		—	A11

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Additional Tier 1 capital		48,703	A17
Tier 2 capital		—	A23
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		50,005	A25
Trading Assets	14,284		
Monetary Claims Bought	244,023		
Call Loans and Bills Bought	139,877		
Receivables under Resale Agreements	—		
Receivables under Securities Borrowing Transactions	2,049,052		
Cash and Due from Banks	15,057,960		
Other Assets	1,037,001		
Tangible Fixed Assets	108,304		
Buildings	43,237		
Land	50,499		
Lease Assets	10,958		
Construction in Progress	775		
Other	2,833		
Intangible Fixed Assets	20,362	20,362	
Software	10,326	10,326	
Lease Assets	3,304	3,304	
Other	6,732	6,732	
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		20,362	A2.1
of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		5,160	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	27,969	27,969	A4
Deferred Tax Assets	1,999	1,999	
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		—	
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	1,087,130		
Reserve for Possible Loan Losses	(93,854)	(93,854)	
of which: general reserve for possible loan losses includes Tier 2		(6)	A18
of which: eligible provisions includes Tier 2		—	A19
Reserve for Possible Investment Losses	—		
Total Assets	101,182,920		
(Liabilities)			
Deposits	58,823,374		
Negotiable Certificates of Deposit	3,598,338		
Debentures	3,122,077		
Bonds	50,000	50,000	
of which: qualifying Additional Tier 1 instruments		—	D1.1
of which: qualifying Tier 2 instruments		—	D2.1
Trading liabilities	8,476		

(Millions of Yen)

Items	Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Borrowed Money	3,090,120	3,090,120	
of which: qualifying Additional Tier 1 instruments		—	D1.2
of which: qualifying Tier 2 instruments		1,415,480	D2.2
Call Money and Bills Sold	4,276		
Payables under Repurchase Agreements	18,488,218		
Payables under Securities Lending Transactions	903,887		
Foreign Exchanges Liabilities	17		
Trust Money	1,397,731		
Other Liabilities	2,645,958		
Reserve for Bonus Payments	7,711		
Reserve for Employees' Retirement Benefits	—		
Liabilities related to retirement benefits	39,756		
Reserve for Directors' Retirement Benefits	1,179		
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	12,684		
Deferred Tax Liabilities	705,928	705,928	
of which: assets related to retirement benefits		7,761	D3
Deferred Tax Liabilities for Land Revaluation	9,263	9,263	
Acceptances and Guarantees	1,087,130		
Total Liabilities	93,996,130		
(Net Assets)			
Paid-in Capital	3,480,488	3,480,488	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	1,770,832	1,770,832	E2
Treasury Preferred Stock	(150)	(150)	
Total Owners' Equity	5,276,191	5,276,191	
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	2,118,533	2,118,533	
Net Deferred Losses on Hedging Instruments	(231,632)	(231,632)	
of which: net deferred losses on hedge		(57,063)	E7
Revaluation Reserve for Land	16,020	16,020	
Foreign Currency Translation Adjustment	(48)	(48)	
Remeasurements of Defined Benefit Plans	(246)	(246)	
Total Accumulated Other Comprehensive Income	1,902,626	1,902,626	E4
Minority Interests	7,972	7,972	
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)		2,982	E8.2
of which: Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		197	E8.3
Total Net Assets	7,186,790		
Total Liabilities and Net Assets	101,182,920		

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, 2017		As of March 31, 2016	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	**141,673**	**2,551**	132,499	2,479
Exposure subject to Internal Ratings-Based Approach	**125,678**	**2,527**	112,952	2,455
Corporate exposure (excluding Specialized Lending)	**7,454**	**188**	6,586	257
Corporate exposure (Specialized Lending)	**513**	**39**	327	27
Sovereign exposure	**66,106**	**0**	61,832	0
Bank exposure	**16,901**	**108**	16,980	157
Retail exposure	**1,268**	**40**	1,128	37
Retail exposure secured by residential properties	**1,224**	**36**	1,084	32
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**44**	**4**	43	4
Securitization and re-securitization exposure	**6,513**	**42**	4,768	36
Equity portfolios	**1,250**	**200**	1,187	193
Equity portfolios subject to PD/LGD approaches	**802**	**80**	773	81
Equity portfolios subject to simple risk-weighted method	**100**	**34**	89	30
Equities under the internal models approach	**346**	**85**	323	81
Exposure subject to risk-weighted asset calculation for investment fund	**25,111**	**1,892**	19,560	1,720
Other debt purchased	**308**	**4**	362	15
Other exposures	**249**	**12**	219	8
Exposure subject to Standardized Approach	**50**	**0**	52	0
Assets subject to Standardized Approach on a non-consolidated basis	**7**	**0**	6	0
Assets subject to Standardized Approach in consolidated companies (excluding securitization exposure)	**43**	**0**	45	0
Assets subject to Standardized Approach in consolidated companies (securitization exposure)	**—**	**—**	—	—
Amount corresponding to CVA risk	**547**	**4**	675	6
CCP-related exposures	**15,375**	**16**	18,784	14
Items that included by transitional arrangements	**21**	**0**	33	1
Amount of regulatory required capital for market risk	**/**	**136**	/	197
Standardized Approach	**/**	**135**	/	197
Interest rate risk category	**/**	**—**	/	—
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**135**	/	197
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**0**	/	0
Amount of regulatory required capital for operational risk	**/**	**71**	/	72
Offsets on consolidation	**/**	**2,758**	/	2,749

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

2. Within the Exposure Subject to the Internal Ratings-Based Approach (excluding retail), the EAD subject to the Advanced Internal Ratings-Based Approach and the amount of regulatory required capital are ¥7,910.6 billion and ¥189.1 billion, respectively.

3. "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.

4. Risk-weighted asset calculation for investment fund includes ¥172.7 billion EAD and ¥0.3 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)

Item	As of March 31, 2017	As of March 31, 2016
Consolidated total required capital	**2,683**	2,650

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 2016 (Ended March 31, 2017)

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

(Billions of Yen)

Regions	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	11,830	15,146	30	23,930	50,938	59
Asia except Japan	291	146	12	388	838	—
Europe	284	10,268	218	10,009	20,781	—
The Americas	841	18,012	38	15,239	34,131	—
Other areas	258	407	14	258	938	—
Amounts held by consolidated subsidiaries	1,268	28	—	54	1,352	5
Total	14,774	44,010	314	49,880	108,980	64

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

(Billions of Yen)

Industries	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	2,708	466	1	0	3,176	23	—
Agriculture	47	0	0	0	48	5	0
Forestry	6	—	—	—	6	0	—
Fishing	19	0	—	0	19	11	—
Mining	13	—	—	0	13	—	—
Construction	85	11	—	0	96	0	—
Utility	356	5	—	0	361	—	—
Information/telecommunications	118	8	—	0	127	—	—
Transportation	622	124	2	0	750	7	—
Wholesaling, retailing	1,500	121	0	0	1,622	7	—
Finance and insurance	2,696	7,824	310	49,566	60,396	0	—
Real estate	636	143	—	2	783	0	—
Services	1,482	82	0	1	1,565	3	0
Municipalities	39	0	—	0	39	—	—
Other	3,171	35,192	—	255	38,619	0	—
Amounts held by consolidated subsidiaries	1,268	28	—	54	1,352	5	0
Total	14,774	44,010	314	49,880	108,980	64	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)

Terms to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	7,116	5,358	66	49,043	61,583
Over 1 year to 3 years	1,847	14,622	78	0	16,547
Over 3 years to 5 years	2,432	12,043	1	0	14,477
Over 5 years to 7 years	961	3,077	0	0	4,039
Over 7 years	1,146	7,133	168	0	8,448
No term to maturity	2	1,747	—	782	2,532
Amounts held by consolidated subsidiaries	1,268	28	—	54	1,352
Total	14,774	44,010	314	49,880	108,980

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2016.
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 ¥51.3 billion.
4. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

Fiscal 2015 (Ended March 31, 2016)

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

(Billions of Yen)

Regions	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	17,930	15,029	52	18,773	51,786	85
Asia except Japan	270	147	27	82	527	—
Europe	277	9,824	108	7,186	17,397	—
The Americas	771	17,141	79	17,480	35,473	—
Other areas	127	441	17	252	838	—
Amounts held by consolidated subsidiaries	1,129	30	—	51	1,211	6
Total	20,506	42,614	286	43,827	107,234	91

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

(Billions of Yen)

Industries	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	2,567	395	1	0	2,965	21	0
Agriculture	32	0	0	0	33	5	0
Forestry	7	—	—	—	7	0	—
Fishing	23	0	—	0	23	15	0
Mining	14	—	—	0	14	—	—
Construction	85	10	—	0	96	0	—
Utility	270	6	—	0	277	—	—
Information/telecommunications	80	7	—	0	88	—	—
Transportation	562	121	3	0	687	8	2
Wholesaling, retailing	1,451	113	0	0	1,565	8	0
Finance and insurance	2,379	10,075	280	43,546	56,281	1	—
Real estate	575	133	—	2	711	17	—
Services	1,321	128	0	1	1,451	7	—
Municipalities	57	0	—	0	57	—	—
Other	9,946	31,589	—	224	41,760	0	—
Amounts held by consolidated subsidiaries	1,129	30	—	51	1,211	6	0
Total	20,506	42,614	286	43,827	107,234	91	4

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)

Terms to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	14,389	2,505	132	42,785	59,811
Over 1 year to 3 years	1,603	13,314	146	198	15,262
Over 3 years to 5 years	1,724	16,422	2	0	18,149
Over 5 years to 7 years	789	5,197	0	0	5,988
Over 7 years	865	3,646	4	0	4,516
No term to maturity	5	1,497	—	791	2,294
Amounts held by consolidated subsidiaries	1,129	30	—	51	1,211
Total	20,506	42,614	286	43,827	107,234

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2015.
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 ¥53.0 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)

Regions	As of March 31, 2017	As of March 31, 2016	Increase/(decrease)
General reserve for possible loan losses	**28**	14	**13**
Specific reserve for possible loan losses	**22**	35	**(12)**
Japan	**22**	35	**(12)**
Asia except Japan	**—**	—	**—**
Europe	**—**	—	**—**
The Americas	**—**	—	**—**
Other areas	**—**	—	**—**
Amounts held by consolidated subsidiaries	**3**	3	**0**
Offsets on consolidation	**(1)**	(1)	**0**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**53**	52	**1**

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)

Industries	As of March 31, 2017	As of March 31, 2016	Increase/(decrease)
General reserve for possible loan losses	**28**	14	**13**
Specific reserve for possible loan losses	**22**	35	**(12)**
Manufacturing	**7**	4	**2**
Agriculture	**4**	3	**0**
Forestry	**0**	0	**(0)**
Fishing	**5**	5	**(0)**
Mining	**—**	—	**—**
Construction	**—**	0	**(0)**
Utility	**—**	—	**—**
Information/telecommunications	**—**	—	**—**
Transportation	**1**	3	**(1)**
Wholesaling, retailing	**1**	2	**(0)**
Finance and insurance	**0**	0	**(0)**
Real estate	**—**	9	**(9)**
Services	**1**	5	**(3)**
Municipalities	**—**	—	**—**
Other	**—**	—	**—**
Others	**—**	—	**—**
Amount held by consolidated subsidiaries	**3**	3	**0**
Offsets on consolidation	**(1)**	(1)	**0**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**53**	52	**1**

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, sovereign and bank exposure, the front office is in charge of applying for a rating and then the credit risk management section reviews and approves it. Moreover, the debtor rating is reviewed at least once a year. In addition, when an event occurs that could cause a change in the rating, the Bank conducts an "ad-hoc review.

Overview of Loan Recovery Rating Procedures

At the Bank, a loan recovery rating is assigned to each transaction with corporate, sovereign and bank exposure according to the conservation status.

Moreover, the loan recovery rating is reviewed on a quarterly basis.

	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 credit-worthiness 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.

■ 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, the internal estimates, which are divided into four categories—resident corporate, non-resident corporate, sovereign and bank—are adopted as the PD corresponding to the debtor internal rating grades. As the methods for estimating these PDs, the Bank estimates the long-term average default for each PD after mapping the default data by the Bank's internal rating or the default data by the external rating to the internal rating grades.

For the LGD, which corresponds to each level of the loan recovery rating, the internal estimates for transaction with corporate exposure, which is subject to the Advanced Internal Ratings-Based Approach (A-IRB), are adopted. Moreover, as a method for estimating LGD, the long-term average for default ratios is calculated based on the internal default data.

The Bank does not use its own estimates for the EAD.

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

Fiscal 2016 (Ended March 31, 2017)

(Billions of Yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)	Amount of undrawn commitments	Weighted average of credit conversion factor
Corporate Exposure	**1.11%**	**30.00%**		**32%**	**7,454**	**6,254**	**1,199**	**698**	**75.00%**
1-1 to 4	**0.11%**	**30.15%**		**24%**	**6,909**	**5,742**	**1,167**	**687**	**75.00%**
5 to 7	**1.53%**	**28.02%**		**74%**	**388**	**364**	**24**	**10**	**75.00%**
8-1 to 8-2	**15.84%**	**29.05%**		**209%**	**103**	**96**	**6**	**0**	**75.00%**
Subtotal	**0.41%**	**30.02%**		**29%**	**7,402**	**6,203**	**1,198**	**698**	**75.00%**
8-3 to 10-2	**100.00%**	**27.16%**	**27.16%**	**339%**	**52**	**51**	**0**	**—**	**—**
Sovereign Exposure	**0.00%**	**44.99%**		**0%**	**66,106**	**64,060**	**2,046**	**19**	**75.00%**
1-1 to 4	**0.00%**	**44.99%**		**0%**	**66,106**	**64,060**	**2,046**	**19**	**75.00%**
5 to 7	**1.00%**	**45.00%**		**134%**	**0**	**0**	**—**	**—**	**—**
8-1 to 8-2	**9.88%**	**0.02%**		**4%**	**0**	**0**	**—**	**—**	**—**
Subtotal	**0.00%**	**44.99%**		**0%**	**66,106**	**64,060**	**2,046**	**19**	**75.00%**
8-3 to 10-2	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Bank Exposure	**0.05%**	**19.00%**		**8%**	**16,901**	**5,990**	**10,911**	**0**	**75.00%**
1-1 to 4	**0.04%**	**18.98%**		**8%**	**16,820**	**5,913**	**10,907**	**0**	**75.00%**
5 to 7	**2.02%**	**25.00%**		**74%**	**80**	**76**	**3**	**—**	**—**
8-1 to 8-2	**8.94%**	**45.00%**		**250%**	**0**	**0**	**0**	**—**	**—**
Subtotal	**0.05%**	**19.00%**		**8%**	**16,901**	**5,990**	**10,911**	**0**	**75.00%**
8-3 to 10-2	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	**0.17%**	**90.00%**		**126%**	**802**	**802**	**—**	**—**	**—**
1-1 to 4	**0.08%**	**90.00%**		**122%**	**789**	**789**	**—**	**—**	**—**
5 to 7	**1.93%**	**90.00%**		**292%**	**12**	**12**	**—**	**—**	**—**
8-1 to 8-2	**15.84%**	**90.00%**		**723%**	**0**	**0**	**—**	**—**	**—**
Subtotal	**0.13%**	**90.00%**		**126%**	**802**	**802**	**—**	**—**	**—**
8-3 to 10-2	**100.00%**	**90.00%**	**90.00%**	**1,193%**	**0**	**0**	**—**	**—**	**—**

Notes: 1. Weighted averages of PD, LGD, EL default 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).

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD				
						EAD (on-balance sheet)	EAD (off-balance sheet)	Amount of undrawn commitments	Weighted average of credit conversion factor
Corporate Exposure	1.31%	44.96%		49%	6,586	5,819	767	670	75.00%
1-1 to 4	0.12%	45.00%		36%	6,093	5,361	732	655	75.00%
5 to 7	1.72%	44.62%		119%	355	329	26	12	75.00%
8-1 to 8-2	15.84%	44.74%		319%	76	68	8	1	75.00%
Subtotal	0.40%	44.97%		44%	6,526	5,759	766	670	75.00%
8-3 to 10-2	100.00%	43.76%	43.76%	552%	60	59	1	0	75.00%
Sovereign Exposure	0.00%	45.00%		0%	61,832	59,953	1,878	9	75.00%
1-1 to 4	0.00%	45.00%		0%	61,831	59,953	1,878	9	75.00%
5 to 7	0.86%	45.00%		131%	0	0	—	—	—
8-1 to 8-2	9.88%	0.01%		3%	0	0	—	—	—
Subtotal	0.00%	45.00%		0%	61,832	59,953	1,878	9	75.00%
8-3 to 10-2	—	—	—	—	—	—	—	—	—
Bank Exposure	0.05%	23.48%		12%	16,980	7,600	9,380	4	75.00%
1-1 to 4	0.04%	23.50%		11%	16,923	7,547	9,376	4	75.00%
5 to 7	2.43%	19.54%		68%	48	44	4	—	—
8-1 to 8-2	8.94%	5.29%		31%	8	8	0	—	—
Subtotal	0.05%	23.48%		12%	16,980	7,600	9,380	4	75.00%
8-3 to 10-2	100.00%	45.00%	45.00%	563%	0	0	—	—	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.15%	90.00%		132%	773	773	—	—	—
1-1 to 4	0.08%	90.00%		129%	763	763	—	—	—
5 to 7	1.92%	90.00%		295%	8	8	—	—	—
8-1 to 8-2	15.84%	90.00%		549%	1	1	—	—	—
Subtotal	0.15%	90.00%		132%	773	773	—	—	—
8-3 to 10-2	100.00%	90.00%	90.00%	1,193%	0	0	—	—	—

Notes: 1. Weighted averages of PD, LGD, EL default 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).

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 2016 (Ended March 31, 2017)

(Billions of Yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)	Amount of undrawn commitments	Weighted average of credit conversion factor
Retail exposure secured by residential properties	0.89%	49.00%	73.26%	39%	1,327	233	1,094	—	—
Not default Not delinquent	0.36%	49.00%		32%	1,313	222	1,090	—	—
Not default Delinquent	24.92%	47.91%		425%	9	6	2	—	—
Not default Subtotal	0.53%	49.00%		35%	1,322	229	1,093	—	—
Default	100.00%		73.26%	1,049%	4	4	0	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—		—	—	—	—	—	—
Not default Delinquent	—	—		—	—	—	—	—	—
Not default Subtotal	—	—		—	—	—	—	—	—
Default	—		—	—	—	—	—	—	—
Other retail exposure	5.76%	60.01%	97.15%	128%	44	41	3	—	—
Not default Not delinquent	0.81%	60.02%		61%	42	38	3	—	—
Not default Delinquent	23.36%	57.47%		304%	0	0	0	—	—
Not default Subtotal	0.91%	60.01%		63%	42	39	3	—	—
Default	100.00%		97.15%	1,408%	2	2	0	—	—
Total	1.05%	49.34%	80.73%	42%	1,372	274	1,097	—	—
Not default Not delinquent	0.37%	49.35%		33%	1,355	261	1,094	—	—
Not default Delinquent	24.90%	48.09%		423%	9	6	2	—	—
Not default Subtotal	0.54%	49.34%		36%	1,365	268	1,096	—	—
Default	100.00%		80.73%	1,161%	6	6	0	—	—

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, 2017, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)	Amount of undrawn commitments	Weighted average of credit conversion factor
Retail exposure secured by residential properties	1.04%	48.64%	71.02%	41%	1,207	244	962	—	—
Not default Not delinquent	0.38%	48.65%		34%	1,191	231	960	—	—
Not default Delinquent	25.93%	47.11%		425%	10	8	2	—	—
Not default Subtotal	0.60%	48.64%		37%	1,202	240	962	—	—
Default	100.00%		71.02%	1,020%	5	4	0	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—		—	—	—	—	—	—
Not default Delinquent	—	—		—	—	—	—	—	—
Not default Subtotal	—	—		—	—	—	—	—	—
Default	—		—	—	—	—	—	—	—
Other retail exposure	5.95%	59.76%	96.90%	131%	44	40	3	—	—
Not default Not delinquent	0.82%	59.79%		61%	41	38	3	—	—
Not default Delinquent	22.72%	54.28%		282%	0	0	0	—	—
Not default Subtotal	0.92%	59.76%		62%	41	38	3	—	—
Default	100.00%		96.90%	1,413%	2	2	0	—	—
Total	1.21%	49.01%	78.66%	44%	1,251	285	966	—	—
Not default Not delinquent	0.39%	49.03%		34%	1,233	269	963	—	—
Not default Delinquent	25.88%	47.24%		422%	10	8	2	—	—
Not default Subtotal	0.61%	49.01%		38%	1,244	278	965	—	—
Default	100.00%		78.66%	1,136%	7	7	0	—	—

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, 2016, 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, 2017	As of March 31, 2016	Increase/(decrease)
Corporate exposure	**4**	1	**2**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**—**	0	**(0)**
Retail exposure secured by residential properties	**0**	0	**(0)**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**0**
Total	**4**	2	**2**

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

Although credit conditions have generally remained favorable due to the recording of reserves for possible loan losses caused by worsened credit conditions of some entities for which the Bank provided loans, the total value of actual losses for fiscal 2016 were up ¥2.3 billion year-on-year.

Comparison of Estimated Losses and Actual Losses

(Billions of Yen)

Type of exposure	As of March 31, 2017		As of March 31, 2016		As of March 31, 2015	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	**14**	**4**	15	1	17	3
Sovereign exposure	**0**	**—**	0	—	0	—
Bank exposure	**1**	**—**	0	—	0	—
Equity exposure subject to PD/LGD approach	**0**	**—**	0	0	0	1
Retail exposure secured by residential properties	**2**	**0**	2	0	2	0
Qualifying revolving retail exposure	**—**	**—**	—	—	—	—
Other retail exposure	**0**	**0**	0	0	0	0

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

Type of exposure	As of March 31, 2011		As of March 31, 2010		As of March 31, 2009	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	73	7	55	43	46	25
Sovereign exposure	0	—	0	—	1	—
Bank exposure	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	3	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

Type of exposure	As of March 31, 2008	
	Estimated losses	Actual losses
Corporate exposure	29	7
Sovereign exposure	1	—
Bank exposure	0	—
Equity exposure subject to PD/LGD approach	1	0
Retail exposure secured by residential properties	1	0
Qualifying revolving retail exposure	—	—
Other retail exposure	0	0

Notes: 1. The scope of estimated and actual 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, 2017	As of March 31, 2016
Specialized Lending exposure subject to supervisory slotting criteria	**587**	373
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**587**	373
Risk weight of 50%	**57**	43
Risk weight of 70%	**366**	201
Risk weight of 90%	**91**	84
Risk weight of 115%	**16**	7
Risk weight of 250%	**17**	18
Risk weight of 0% (default)	**38**	19
High-Volatility Commercial Real Estate (HVCRE)	**—**	—
Risk weight of 70%	**—**	—
Risk weight of 95%	**—**	—
Risk weight of 120%	**—**	—
Risk weight of 140%	**—**	—
Risk weight of 250%	**—**	—
Risk weight of 0% (default)	**—**	—

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, 2017	As of March 31, 2016
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**100**	89
Risk weight of 300%	**—**	—
Risk weight of 400%	**100**	89

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.

- 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 Standard & Poor's, Moody's Investors Service, Fitch Ratings, Rating & Investment Information and Japan Credit Rating Agency. 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.

The Bank plans to apply the Internal Ratings-Based Approach to Norinchukin Australia Pty Limited from March 31, 2020.

Amount of Exposure Subject to Standardized Approach

(Billions of Yen)

Classification	As of March 31, 2017		As of March 31, 2016	
	Exposure	Refer to ECAI	Exposure	Refer to ECAI
Exposure subject to Standardized Approach	**51**	**—**	53	—
Risk weight of 0%	**37**	**—**	38	—
Risk weight of 10%	**—**	**—**	—	—
Risk weight of 20%	**2**	**—**	3	—
Risk weight of 35%	**—**	**—**	—	—
Risk weight of 50%	**—**	**—**	—	—
Risk weight of 75%	**—**	**—**	—	—
Risk weight of 100%	**10**	**—**	9	—
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. Furthermore, 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 of guaranteed exposure is being 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, 2017	As of March 31, 2016
Foundation Internal Ratings-Based Approach	**9,692**	8,230
Eligible financial collateral	**8,940**	7,557
Corporate exposure	**—**	57
Sovereign exposure	**0**	0
Bank exposure	**8,940**	7,499
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, Credit Derivatives	**751**	673
Corporate exposure	**405**	388
Sovereign exposure	**256**	231
Bank exposure	**89**	52
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 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, 2017	As of March 31, 2016
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**420**	510
Total gross add-ons	(B)	**576**	498
Gross credit exposure	(C) = (A)+(B)	**997**	1,008
Foreign exchange related		**719**	880
Interest rate related		**277**	127
Equity related		**0**	0
Credit derivatives		**—**	—
Transactions with a long settlement period		**—**	—
Reduction in credit exposure due to netting contracts (including collateral pledged for CSA)	(D)	**250**	324
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(E) = (C)–(D)	**746**	683
Amount of collateral	(F)	**292**	314
Eligible financial collateral		**292**	314
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral	(G) = (E)–(F)	**453**	369

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, 2017	As of March 31, 2016
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 10-2, 3 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. Securitized exposure is a tool enabling the Bank to effectively and efficiently mitigate and acquire credit risk and other forms of risk of underlying assets. The Bank's policy is to continuously utilize securitized transactions while managing the risk arising from those transactions appropriately.

Regarding securitization exposure, after establishing an investment policy for each asset class, the Bank implements the transaction through individual analysis during initial investment research (due diligence) and credit screening. During individual analysis, in general, because of complex investment structures with different risk-return profiles than the underlying assets, after identifying items of due diligence and monitoring of each asset class as well as securitization and re-securitization, the Bank carefully examines risk in underlying assets and structure and conducts quantitative analysis of repayment capacity. After investment, the Bank monitors the credit condition, including underlying asset performance of each project, and analyzes and assesses the market environment taking into account underlying asset trends of each asset class. In the event of credit deterioration, etc., is being seen, a framework of risk management is created including revising investment and holding policies.

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 and manage 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.

For securitization transactions, as described above, the Bank has been mainly be involved as an investor, and also involved in arranging securitization and liquidity schemes such as using loan debt as the Group.

As of March 31, 2017, 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's subsidiaries (excluding consolidated subsidiaries) or affiliates have no securitization exposure involving securitization transactions performed by the Bank in fiscal 2016.

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: Standard & Poor's, Moody's Investors Service, Fitch Ratings, Rating & Investment Information and Japan Credit Rating Agency.

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, 2017	As of March 31, 2016
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 2016 (Ended March 31, 2017)

(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	**6,513 (0)**	**0 (—)**	**51**	**0**	**51**	**0**
Individuals						
Asset-Backed Securities (ABS)	**1,071 (—)**	**— (—)**	**—**	**—**	**—**	**—**
Residential Mortgage-Backed Securities (RMBS)	**2,336 (—)**	**— (—)**	**—**	**—**	**—**	**—**
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	**66 (—)**	**— (—)**	**—**	**—**	**—**	**—**
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	**3,038 (—)**	**0 (—)**	**51**	**0**	**51**	**0**
Collateralized Loan Obligations (CLO)	**3,038 (—)**	**— (—)**	**51**	**—**	**51**	**—**
Asset-Backed Securities CDOs (ABS-CDO)	**0 (—)**	**0 (—)**	**0**	**0**	**—**	**0**
Collateralized Bond Obligations (CBO)	**— (—)**	**— (—)**	**—**	**—**	**—**	**—**
Others	**0 (0)**	**— (—)**	**—**	**—**	**—**	**—**

Notes: 1. Re-securitization exposure refers to securitization exposure which contains securitization exposure as an underlying asset.
2. The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Fiscal 2015 (Ended March 31, 2016)

(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	4,768 (1)	1 (0)	134	0	134	0
Individuals						
Asset-Backed Securities (ABS)	662 (0)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	1,902 (—)	— (—)	3	—	3	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	65 (—)	— (—)	—	—	—	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	2,136 (—)	0 (—)	130	0	130	0
Collateralized Loan Obligations (CLO)	2,136 (—)	— (—)	130	—	130	—
Asset-Backed Securities CDOs (ABS-CDO)	0 (—)	0 (—)	0	0	—	0
Collateralized Bond Obligations (CBO)	— (—)	— (—)	—	—	—	—
Others	1 (0)	1 (0)	—	—	—	—

Notes: 1. Re-securitization exposure refers to securitization exposure which contains securitization exposure as an underlying asset.
2. 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 2016 (Ended March 31, 2017)

(Billions of Yen)

Classification	**Amount of exposure**			**Regulatory required capital**		
		On-balance	**Off-balance**		**On-balance**	**Off-balance**
Amount of securitization exposure	**6,461**	**6,461**	**0**	**40**	**40**	**0**
Risk weight: 20% or less	**6,442**	**6,442**	**—**	**39**	**39**	**—**
Risk weight: exceeding 20% to 50% or less	**6**	**6**	**—**	**0**	**0**	**—**
Risk weight: exceeding 50% to 100% or less	**12**	**12**	**—**	**1**	**1**	**—**
Risk weight: exceeding 100% to 250% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 250% to less than 1,250%	**0**	**—**	**0**	**0**	**—**	**0**
Risk weight: 1,250%	**—**	**—**	**—**	**—**	**—**	**—**
Amount of re-securitization exposure	**51**	**51**	**—**	**1**	**1**	**—**
Risk weight: 20% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 20% to 50% or less	**51**	**51**	**—**	**1**	**1**	**—**
Risk weight: exceeding 50% to 100% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 100% to 250% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 250% to less than 1,250%	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: 1,250%	**0**	**0**	**—**	**0**	**0**	**—**

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Classification	Amount of exposure			Regulatory required capital		
		On-balance	Off-balance		On-balance	Off-balance
Amount of securitization exposure	4,634	4,633	1	32	32	0
Risk weight: 20% or less	4,618	4,618	0	29	29	0
Risk weight: exceeding 20% to 50% or less	7	7	—	0	0	—
Risk weight: exceeding 50% to 100% or less	1	1	—	0	0	—
Risk weight: exceeding 100% to 250% or less	0	—	0	0	—	0
Risk weight: exceeding 250% to less than 1,250%	5	4	0	1	1	0
Risk weight: 1,250%	1	1	0	1	1	0
Amount of re-securitization exposure	134	134	—	3	3	—
Risk weight: 20% or less	3	3	—	0	0	—
Risk weight: exceeding 20% to 50% or less	130	130	—	3	3	—
Risk weight: exceeding 50% to 100% or less	—	—	—	—	—	—
Risk weight: exceeding 100% to 250% or less	—	—	—	—	—	—
Risk weight: exceeding 250% to less than 1,250%	—	—	—	—	—	—
Risk weight: 1,250%	0	0	—	0	0	—

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

(Billions of Yen)

Classification	**As of March 31, 2017**		As of March 31, 2016	
	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%	**—**	**—**	—	—

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
(Adjust value for holding period of one business day)

■ VaR

(Millions of Yen)

	Fiscal 2016	Fiscal 2015
Base date of computation	**2017. 3. 31**	2016. 3. 31
VaR (For the most recent 60 business days)		
Base date of computation	**108**	83
Maximum	**128**	88
Minimum	**40**	30
Average	**65**	51

■ Stress VaR

(Millions of Yen)

	Fiscal 2016	Fiscal 2015
Base date of computation	**2017. 3. 31**	2016. 3. 31
Stress VaR (For the most recent 60 business days)		
Base date of computation	**259**	285
Maximum	**311**	285
Minimum	**83**	62
Average	**191**	119

■ Amount of Market Risk

(Millions of Yen)

		Fiscal 2016	Fiscal 2015
For the portion computed with the internal models approach (B)+(G)+(J)	(A)	**769**	512
Value at Risk (MAX (C, D))	(B)	**195**	154
Amount on base date of computation	(C)	**108**	83
Amount determined by multiplying (E) by the average for the most recent 60 business days	(D)	**195**	154
(Multiplier)	(E)	**3.0**	3.0
(Times exceeding VaR in back testing)	(F)	**2**	2
Stress Value at Risk (MAX (H, I))	(G)	**573**	358
Amount on base date of computation	(H)	**259**	285
Amount determined by multiplying (E) by the average for the most recent 60 business days	(I)	**573**	358
Additional amount at the time of measuring individual risk	(J)	**0**	0

Notes: 1. As a result of back testing conducted in fiscal 2016, 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, 2017		As of March 31, 2016	
	Amount on the balance sheet	**Market value**	Amount on the balance sheet	Market value
Equity exposure	**1,250**	**/**	1,187	/
Exposure to publicly traded equity	**1,062**	**1,062**	1,009	1,009
Exposure to privately held equity	**187**	**/**	178	/

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 2016			Fiscal 2015		
	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	**34**	**0**	**0**	4	1	0

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

Amount of Valuation Gains (Losses)

(Billions of Yen)

Item	**As of March 31, 2017**	As of March 31, 2016
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	**436**	391

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 Exposures for Each Portfolio Classification

(Billions of Yen)

Classification	**As of March 31, 2017**	As of March 31, 2016
	EAD	EAD
Equity portfolios	**1,250**	1,187
Equity portfolios subject to PD/LGD approaches	**802**	773
Equity portfolios subject to simple risk-weighted method	**100**	89
Equities under the internal models approach	**346**	323

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, 2017		As of March 31, 2016	
	Exposure	(For reference) Weighted-average risk weight	Exposure	(For reference) Weighted-average risk weight
Look-through approach	**17,571**	**64%**	14,631	72%
Majority approach	**713**	**388%**	677	380%
Mandate approach	**—**	**—**	—	—
Market-based approach	**1,670**	**325%**	1,762	333%
Others (simple approach)	**306**	**428%**	266	429%
Total	**20,261**	**94%**	17,338	109%

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, 2017	As of March 31, 2016
Interest rate risk	**2,299**	1,811
Yen interest rate risk	**132**	234
U.S. dollar interest rate risk	**1,714**	1,246
Euro interest rate risk	**437**	311
Interest rate risk in other currencies	**14**	18

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, 2017
1 Total exposures (A)+(B)+(C)+(D): (A) On-balance assets (other than assets specifically identified below (B), (C) and contra-account of guarantees) (B) Sum of counterparty exposure of derivatives contracts, capped notional amount of credit derivatives and potential future exposure of derivatives contracts (C) Adjusted gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs (D) Gross notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	**1,084,445**
2 Intra-financial system assets (A)+(B)+(C)+(D): (A) Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions (B) Holdings of securities issued by other financial institutions (Note 1) (C) Net positive current exposure of SFTs with other financial institutions (D) Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	**104,631**
3 Intra-financial system liabilities (A)+(B)+(C): (A) Deposits and debt due to, and undrawn committed lines obtained from, other financial institutions (B) Net negative current exposure of SFTs with other financial institutions (C) OTC derivatives with other financial institutions that have a net negative fair value	**41,658**
4 Securities outstanding (Note 1)	**61,020**
5 Assets under custody	**42,906**
6 Notional amount of OTC derivatives	**305,733**
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)	**136,410**
8 Level 3 assets (Note 3)	**11,703**
9 Cross-jurisdictional claims	**536,492**
10 Cross-jurisdictional liabilities	**228,377**

Description	Fiscal 2016
11 Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	**8,236,236**
12 Underwritten transactions in debt and equity markets (Note 4)	**170**

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.

(In 0.1 Billion Yen)

Description	As of March 31, 2016
1 Total exposures (A)+(B)+(C)+(D): (A) On-balance assets (other than assets specifically identified below (B), (C) and contra-account of guarantees) (B) Sum of counterparty exposure of derivatives contracts, capped notional amount of credit derivatives and potential future exposure of derivatives contracts (C) Adjusted gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs (D) Gross notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	1,021,571
2 Intra-financial system assets (A)+(B)+(C)+(D): (A) Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions (B) Holdings of securities issued by other financial institutions (Note 1) (C) Net positive current exposure of SFTs with other financial institutions (D) Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	121,963
3 Intra-financial system liabilities (A)+(B)+(C): (A) Deposits and debt due to, and undrawn committed lines obtained from, other financial institutions (B) Net negative current exposure of SFTs with other financial institutions (C) OTC derivatives with other financial institutions that have a net negative fair value	75,399
4 Securities outstanding (Note 1)	67,704
5 Assets under custody	43,952
6 Notional amount of OTC derivatives	363,795
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)	152,871
8 Level 3 assets (Note 3)	13,715
9 Cross-jurisdictional claims	483,796
10 Cross-jurisdictional liabilities	223,213

Description	Fiscal 2015
11 Payments (settled through the BOJ-NET, the Japanese Banks' Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	4,498,960
12 Underwritten transactions in debt and equity markets (Note 4)	305

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.

Composition of Leverage Ratio Disclosure (Consolidated)

(In Million Yen, %)

Corresponding line # on Basel III disclosure template (Table 2) (*)		Corresponding line # on Basel III disclosure template (Table 1) (*)	Items		As of March 31, 2017	As of March 31, 2016
On-balance sheet exposures (1)						
1			On-balance sheet exposures before deducting adjustment items		**105,152,671**	97,176,350
	1a	1	Total assets reported in the consolidated balance sheet		**107,062,747**	101,182,920
	1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (–)			
	1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)		**—**	—
	1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (–)		**1,910,076**	4,006,570
2		7	The amount of adjustment items pertaining to Tier 1 capital (–)		**112,915**	94,738
3			Total on-balance sheet exposures	(a)	**105,039,756**	97,081,611
Exposures related to derivative transactions (2)						
4			Replacement cost associated with derivatives transactions, etc.		**314,857**	286,507
5			Add-on amount associated with derivatives transactions, etc.		**428,062**	354,424
			The amount of receivables arising from providing cash marginin relation to derivatives transactions, etc.		**154,189**	305,999
6			The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework		**—**	—
7			The amount of deductions of receivables (out of those arising from providing cash variation margin) (–)		**—**	—
8			The amount of client-cleared trade exposures for which a bank or bank holding company acting as clearing member is not obliged to make any indemnification (–)			
9			Adjusted effective notional amount of written credit derivatives		**—**	—
10			The amount of deductions from effective notional amount of written credit derivatives (–)		**—**	—
11		4	Total exposures related to derivative transactions	(b)	**897,109**	946,932
Exposures related to repo transactions (3)						
12			The amount of assets related to repo transactions, etc.		**118,494**	2,102,009
13			The amount of deductions from the assets above (line 12) (–)		**—**	—
14			The exposures for counterparty credit risk for repo transactions, etc.		**486,837**	478,305
15			The exposures for agent repo transaction			
16		5	The Total exposures related to repo transactions, etc.	(c)	**605,332**	2,580,315
Exposures related to off-balance sheet transactions (4)						
17			Notional amount of off-balance sheet transactions		**3,333,877**	3,087,439
18			The amount of adjustments for conversion in relation to off-balance sheet transactions (–)		**1,390,219**	1,327,908
19		6	Total exposures related to off-balance sheet transactions	(d)	**1,943,657**	1,759,530
Leverage ratio on a consolidated basis (5)						
20			The amount of capital (Tier 1 capital)	(e)	**6,489,114**	6,293,257
21		8	Total exposures ((a)+(b)+(c)+(d))	(f)	**108,485,856**	102,368,389
22			Leverage ratio on a consolidated basis ((e)/(f))		**5.98%**	6.14%

Quantitative Disclosure Items Concerning a Liquidity Coverage Ratio on a Consolidated Basis

(Unit: Millions of Yen, %, the Number of Items)

Items		The current quarter (January 1 to March 31, 2017)		The previous quarter (October 1 to December 31, 2016)	
High-quality liquid assets (1)					
1	Total high-quality liquid assets		34,774,772		36,898,611
Cash outflows (2)		Amount before multiplying a cash outflow ratio	Amount after multiplying a cash outflow ratio	Amount before multiplying a cash outflow ratio	Amount after multiplying a cash outflow ratio
2	Cash outflows relating to unsecured retail funding	62,351	6,282	62,640	6,321
3	of which: stable deposits	394	12	363	11
4	of which: quasi-stable deposits	61,957	6,270	62,277	6,310
5	Cash outflows relating to unsecured wholesale funding	10,784,581	7,840,327	10,638,295	7,716,219
6	of which: qualifying operational deposits	0	0	0	0
7	of which: capital relating to unsecured wholesale funding, excluding qualifying operational deposits and debt securities	9,712,697	6,768,443	9,501,504	6,579,428
8	of which: debt securities	1,071,884	1,071,884	1,136,791	1,136,791
9	Cash outflows relating to secured funding, etc.		272,185		220,335
10	Cash outflows relating to funding programs and credit/liquidity facilities such as derivative transactions, etc.	2,732,400	1,739,109	2,632,021	1,658,687
11	of which: cash outflows relating to derivative transactions	1,507,960	1,507,960	1,431,857	1,431,857
12	of which: cash outflows relating to funding programs	0	0	0	0
13	of which: cash outflows relating to credit/liquidity facilities	1,224,440	231,150	1,200,164	226,830
14	Cash outflows based on an obligation to provide capital	4,817,513	415,306	4,367,900	220,161
15	Cash outflows relating to contingencies	4,030,056	140,071	3,933,778	128,726
16	Total cash outflows		10,413,281		9,950,449
Cash inflows (3)		Amount before multiplying a cash outflow ratio	Amount after multiplying a cash outflow ratio	Amount before multiplying a cash outflow ratio	Amount after multiplying a cash outflow ratio
17	Cash inflows relating to secured fund management, etc.	1,563,435	0	400,364	0
18	Cash inflows relating to collections of advances, etc.	3,612,503	2,961,234	2,407,666	1,694,270
19	Other cash inflows	6,045,831	908,918	4,160,899	585,832
20	Total cash inflows	11,221,769	3,870,152	6,968,929	2,280,103
Liquidity coverage ratio on a consolidated basis (4)					
21	Sum of high-quality liquid assets that can be included		34,774,772		36,898,611
22	Net cash outflows		6,543,129		7,670,346
23	Liquidity coverage ratio on a consolidated basis		531.4		481.0
24	The number of data for calculating the average value		61		3

Qualitative Disclosure Items Concerning a Liquidity Coverage Ratio on a Consolidated Basis

Items concerning a change in the consolidated liquidity coverage ratio on a time-series basis

The consolidated liquidity coverage ratio for the current quarter maintained a high and stable level.

Items concerning evaluation of the level of the consolidated liquidity coverage ratio

The consolidated liquidity coverage ratio for the current quarter has tended to be well above the minimum level.

Items concerning the details of the sum of high-quality liquid assets that can be included

In light of the Bank's liquidity coverage ratio, there is no material item.

Other items concerning the consolidated liquidity coverage ratio

In light of the Bank's liquidity coverage ratio, there is no material item.

Capital Adequacy (Non-Consolidated)

Capital Ratio Information (Non-Consolidated)

Composition of Capital (Non-Consolidated)

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements	Ref. No.
Common Equity Tier 1 capital: instruments and reserves						
1a+2-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	**5,248,636**		5,113,093		
1a	of which: capital and capital surplus	**3,455,509**		3,455,509		E1.1+E1.2
2	of which: retained earnings	**1,862,634**		1,725,971		E2
26	of which: cash dividends to be paid	**69,507**		68,387		
	of which: other than the above	**—**		—		E3
3	Valuation and translation adjustments and other disclosed reserves	**1,256,883**	**314,220**	1,141,454	760,969	E4
	Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements	**—**		—		
6	Common Equity Tier 1 capital: instruments and reserves (A)	**6,505,519**		6,254,547		
Common Equity Tier 1 capital: regulatory adjustments						
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	**16,429**	**4,107**	8,061	5,374	
8	of which: goodwill (net of related tax liability, including those equivalent)	**—**	**—**	—	—	A1.1+A1.2
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	**16,429**	**4,107**	8,061	5,374	A2.1-A2.2
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	**—**	**—**	—	—	
11	Deferred gains or losses on derivatives under hedge accounting	**15,423**	**3,855**	(34,239)	(22,826)	E7
12	Shortfall of eligible provisions to expected losses	**11,506**	**2,876**	23,907	15,938	
13	Securitisation gain on sale	**—**	**—**	—	—	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	**—**	**—**	—	—	
15	Defined-benefit pension fund net assets (prepaid pension costs)	**7,458**	**1,864**	3,516	2,344	A3-D3
16	Investments in own shares (excluding those reported in the Net Assets section)	**—**	**—**	—	—	A4
17	Reciprocal cross-holdings in common equity	**—**	**—**	—	—	A5
18	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	**—**	**—**	—	—	A6
19+20+21	Amount exceeding the 10% threshold on specified items	**—**	**—**	—	—	
19	of which: significant investments in the common stock of financials	**—**	**—**	—	—	A7
20	of which: mortgage servicing rights	**—**	**—**	—	—	A8
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	**—**	**—**	—	—	

(Millions of Yen, %)

Basel III Template No.		Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements	Ref. No.
22		Amount exceeding the 15% threshold on specified items	**—**	**—**	—	—	
23		of which: significant investments in the common stock of financials	**—**	**—**	—	—	A9
24		of which: mortgage servicing rights	**—**	**—**	—	—	A10
25		of which: deferred tax assets arising from temporary differences (net of related tax liability)	**—**	**—**	—	—	
27		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	**—**		—		
28		Common Equity Tier 1 capital: regulatory adjustments (B)	**50,818**		1,246		
Common Equity Tier 1 capital (CET1)							
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	**6,454,700**		6,253,301		
Additional Tier 1 capital: instruments							
30	31a	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**		49,000		E5.1+E5.2
30	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	**—**		—		D1.1+D1.2
30		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	**—**		—		
33+35		Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	**499**		599		
		Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	**2**		4		
		of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related valuation and translation adjustments	**2**		4		
36		Additional Tier 1 capital: instruments (D)	**49,502**		49,604		
Additional Tier 1 capital: regulatory adjustments							
37		Investments in own Additional Tier 1 instruments	**—**	**—**	—	—	A11
38		Reciprocal cross-holdings in Additional Tier 1 instruments	**—**	**—**	—	—	A12
39		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)	**—**	**—**	—	—	A13
40		Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	**31,233**	**7,808**	23,424	15,616	A14
		Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	**1,438**		7,969		
		of which: 50% of balance due to pay of eligible provisions	**1,438**		7,969		

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements	Ref. No.
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	**—**		—		
43	Additional Tier 1 capital: regulatory adjustments (E)	**32,671**		31,394		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	**16,830**		18,210		
Tier 1 capital (T1=CET1+AT1)						
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	**6,471,531**		6,271,511		
Tier 2 capital: instruments and provisions						
46	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	**1,415,480**		1,415,480		D2.1+D2.2
	Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	**—**		—		
47+49	Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	**97,816**		147,816		
50	Total of general reserve for possible loan losses and eligible provisions included in Tier 2	**7**		3		
50a	of which: general reserve for possible loan losses	**7**		3		A15
50b	of which: eligible provisions	**—**		—		A16
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	**192,720**		487,200		
	of which: amounts of counted in to base instruments of Additional Tier 2 under phase-out arrangements that related valuation and translation adjustments	**192,720**		487,200		
51	Tier 2 capital: instruments and provisions (H)	**1,706,023**		2,050,500		
Tier 2 capital: regulatory adjustments						
52	Investments in own Tier 2 instruments	**—**	**—**	—	—	A17
53	Reciprocal cross-holdings in Tier 2 instruments	**—**	**—**	—	—	A18
54	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)	**—**	**—**	—	—	A19
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	**—**	**—**	—	—	A20
	Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements	**1,438**		7,969		
	of which: 50% of balance due to pay of eligible provisions	**1,438**		7,969		
57	Tier 2 capital: regulatory adjustments (I)	**1,438**		7,969		

(Millions of Yen, %)

Basel III Template No.	Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements	Ref. No.
Tier 2 capital (T2)						
58	Tier 2 capital (T2) ((H)-(I)) (J)	**1,704,585**		2,042,530		
Total capital (TC=T1+T2)						
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	**8,176,116**		8,314,042		
Risk weighted assets						
	Total of items included in risk weighted assets under phase-out arrangements	**17,926**		31,627		
	of which: intangibles assets other than mortgage servicing rights	**4,107**		5,374		
	of which: prepaid pension costs	**1,864**		2,344		
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	**11,954**		23,908		
60	Risk weighted assets (L)	**33,231,785**		32,874,613		
Capital ratio (non-consolidated)						
61	Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	**19.42%**		19.02%		
62	Tier 1 capital ratio (non-consolidated) ((G)/(L))	**19.47%**		19.07%		
63	Total capital ratio (non-consolidated) ((K)/(L))	**24.60%**		25.29%		
Regulatory adjustments						
72	Non-significant investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	**347,726**		437,777		A21.1+A21.2
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	**67,401**		67,401		A22
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	**—**		—		A23
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	**—**		—		
Provisions included in Tier 2 capital: instruments and provisions						
76	Provisions (general reserve for possible loan losses)	**7**		3		
77	Cap on inclusion of provisions (general reserve for possible loan losses)	**89**		82		
78	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”)	**—**		—		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	**182,328**		175,487		
Capital instruments under phase-out arrangements						
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	**499**		599		
83	Amount excluded from Additional Tier 1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as “nil”)	**499**		399		
84	Current cap on Tier 2 instruments under phase-out arrangements	**768,003**		921,604		
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as “nil”)	**—**		—		

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

As of March 31, 2017

(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	**11,948,542**		
Loans on deeds	**10,476,391**		
Loans on bills	**370,443**		
Overdrafts	**1,099,295**		
Bills discounted	**2,411**		
Including non-significant investments in the capital instruments of other financial institutions		**103,000**	
Tier 2 capital instruments		**—**	
Non-significant investments in the capital instruments of other financial institutions not subject to deduction		**103,000**	A21.1
Foreign Exchanges Assets	**224,101**		
Due from foreign banks	**224,101**		
Securities	**62,108,251**	**62,108,246**	
Japanese government bonds	**13,166,759**	**13,166,759**	
Municipal government bonds	**148**	**148**	
Short-term corporate bonds	**150,000**	**150,000**	
Corporate bonds	**272,622**	**272,622**	
Stocks	**881,571**	**881,571**	
Other securities	**47,637,150**	**47,637,144**	
Money Held in Trust	**6,982,774**	**6,982,774**	
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		**244,726**	—
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)		**244,726**	A21.2
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)		**106,442**	—
Amount exceeding the 10% threshold on specified items		**—**	A7
Amount exceeding the 15% threshold on specified items		**—**	A9
Additional Tier 1 capital		**39,041**	A14
Tier 2 capital		**—**	A20
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		**67,401**	A22

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Trading Assets	**10,715**		
Trading securities	**3,913**		
Derivatives of trading securities	**4**		
Derivatives of securities related to trading transactions	**8**		
Trading-related financial derivatives	**6,787**		
Monetary Claims Bought	**257,888**		
Call Loans	**146,220**		
Payables under Repurchase Agreements	**—**		
Receivables under Resale Agreements	**1,173**		
Cash and Due from Banks	**22,912,982**		
Cash	**95,371**		
Due from banks	**22,817,610**		
Other Assets	**997,741**	**997,741**	
Domestic exchange settlement account, debit	**194**	**194**	
Prepaid expenses	**418**	**418**	
Accrued income	**196,382**	**196,382**	
Initial margins of futures markets	**3,944**	**3,944**	
Valuation margins of futures markets	**617**	**617**	
Derivatives other than for trading	**414,707**	**414,707**	
Cash collateral paid for financial instruments	**149,628**	**149,628**	
Others	**231,847**	**231,847**	
Defined-benefit pension fund net assets (prepaid pension costs)	**12,903**	**12,903**	A3
Tangible Fixed Assets	**115,392**		
Buildings	**44,345**		
Land	**47,280**		
Lease assets	**21,119**		
Construction in progress	**44**		
Other	**2,601**		
Intangible Fixed Assets	**28,425**	**28,425**	
Software	**9,844**	**9,844**	
Lease assets	**5,880**	**5,880**	
Other	**12,700**	**12,700**	
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		**28,425**	A2.1
of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		**7,888**	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	**120,867**		
Reserve for Possible Loan Losses	**(54,203)**	**(54,203)**	
of which: general reserve for possible loan losses includes Tier 2		**(7)**	A15
of which: eligible provisions includes Tier 2		**—**	A16
Reserve for Possible Investment Losses	**(1,344)**		
Total Assets	**105,812,432**		

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Liabilities)			
Deposits	**61,904,218**		
Time deposits	**54,444,528**		
Deposits at notice	**36,227**		
Ordinary deposits	**2,988,208**		
Current deposits	**90,932**		
Other deposits	**4,344,321**		
Negotiable Certificates of Deposit	**3,689,270**		
Debentures	**2,423,827**		
Debentures issued	**2,423,827**		
Bonds Payable		**—**	
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	**6,150**		
Derivatives of trading securities	**—**		
Derivatives of securities related to trading transactions	**9**		
Trading-related financial derivatives	**6,141**		
Borrowed Money	**4,315,111**	**4,315,111**	
Borrowings	**4,315,111**	**4,315,111**	
of which: qualifying Additional Tier 1 instruments		**—**	D1.2
of which: qualifying Tier 2 instruments		**1,415,480**	D2.2
Call Money	**3,365**		
Payables under Repurchase Agreements	**19,645,010**		
Payables under Securities Lending Transactions	**1,013**		
Foreign Exchanges Liabilities	**2**		
Foreign bills payable	**2**		
Trust Money	**1,257,432**		
Other Liabilities	**4,894,665**		
Domestic exchange settlement account, credit	**936**		
Accrued expenses	**62,989**		
Income taxes payable	**11,348**		
Unearned income	**671**		
Employees' deposits	**9,070**		
Variation margins of futures markets	**—**		
Derivatives other than for trading	**228,773**		
Cash collateral received for financial instruments	**433,362**		
Lease liabilities	**24,045**		
Others	**4,123,467**		
Reserve for Bonus Payments	**6,302**		
Reserve for Employees' Retirement Benefits	**22,301**		
Reserve for Directors' Retirement Benefits	**938**		
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	**523**		
Deferred Tax Liabilities	**573,768**	**573,768**	
of which: prepaid pension cost		**3,580**	D3
Deferred Tax Liabilities for Land Revaluation	**8,607**	**8,607**	
Acceptances and Guarantees	**120,867**		
Total Liabilities	**98,873,376**		

(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	**3,480,488**	**3,480,488**	
Common equity	**3,455,488**	**3,455,488**	E1.1
of which: lower dividend rate stock	**3,029,771**	**3,029,771**	
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	**1,862,453**	**1,862,634**	E2
Legal reserves	**668,466**	**668,466**	
Voluntary reserves	**1,193,987**	**1,194,168**	
Special reserves	**236,400**	**236,400**	
General reserves	**559,403**	**559,403**	
Reserves for tax basis adjustments of fixed assets	**7,596**	**7,596**	
Others	**7**	**7**	
Unappropriated retained earnings	**390,580**	**390,761**	
Net income	**203,414**	**203,342**	
Total Owners' Equity	**5,367,962**	**5,368,149**	
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	**1,583,476**	**1,583,476**	
Net Deferred Losses on Hedging Instruments	**(26,695)**	**(26,695)**	
of which: net deferred losses on hedge		**19,278**	E7
Revaluation Reserve for Land, net of taxes	**14,312**	**14,312**	
Foreign Currency Translation Adjustment		**10**	
Total Valuation and Translation Adjustment	**1,571,093**	**1,571,103**	E4
Total Net Assets	**6,939,055**		
Total Liabilities and Net Assets	**105,812,432**		

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, 2016

(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	17,915,833		
Loans on deeds	16,348,723		
Loans on bills	359,252		
Overdrafts	1,205,150		
Bills discounted	2,705		
Including non-significant investments in the capital instruments of other financial institutions		105,000	
Tier 2 capital instruments		—	
Non-significant investments in the capital instruments of other financial institutions not subject to deduction		105,000	A21.1
Foreign Exchanges Assets	237,332		
Due from foreign banks	237,332		
Securities	58,329,733	58,329,727	
Japanese government bonds	13,463,863	13,463,863	
Municipal government bonds	213	213	
Corporate bonds	85,777	85,777	
Stocks	853,508	853,508	
Other securities	43,926,371	43,926,365	
Money Held in Trust	4,922,102	4,922,102	
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		332,777	—
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)		332,777	A21.2
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)		106,441	—
Amount exceeding the 10% threshold on specified items		—	A7
Amount exceeding the 15% threshold on specified items		—	A9
Additional Tier 1 capital		39,040	A14
Tier 2 capital		—	A20
Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		67,401	A22

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
Trading Assets	14,284		
Trading securities	5,077		
Derivatives of trading securities	7		
Derivatives of securities related to trading transactions	5		
Trading-related financial derivatives	9,193		
Monetary Claims Bought	244,023		
Call Loans	139,877		
Payables under Repurchase Agreements	—		
Receivables under Resale Agreements	2,049,052		
Cash and Due from Banks	15,031,730		
Cash	111,190		
Due from banks	14,920,540		
Other Assets	1,032,564	1,032,584	
Domestic exchange settlement account, debit	82	82	
Prepaid expenses	2,746	2,746	
Accrued income	187,233	187,253	
Initial margins of futures markets	987	987	
Valuation margins of futures markets	6	6	
Derivatives other than for trading	502,223	502,223	
Cash collateral paid for financial instruments	305,005	305,005	
Others	34,279	34,279	
Defined-benefit pension fund net assets (prepaid pension costs)	8,111	8,111	A3
Tangible Fixed Assets	106,405		
Buildings	42,447		
Land	49,679		
Lease assets	10,912		
Construction in progress	775		
Other	2,589		
Intangible Fixed Assets	18,597	18,597	
Software	9,254	9,254	
Lease assets	3,301	3,301	
Other	6,041	6,041	
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		18,597	A2.1
of which: amount that corresponds to effective tax rate to other intangible assets other than goodwill and mortgage servicing rights		5,160	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	173,161		
Reserve for Possible Loan Losses	(91,370)	(91,290)	
of which: general reserve for possible loan losses includes Tier 2		(3)	A15
of which: eligible provisions includes Tier 2		—	A16
Reserve for Possible Investment Losses	(1,344)		
Total Assets	100,130,096		

(Millions of Yen)

Items	Non-Consolidated balance sheet amount	Balance sheet amount based on regulatory scope of consolidation	Ref. No.
(Liabilities)			
Deposits	58,838,558		
Time deposits	51,173,171		
Deposits at notice	40,207		
Ordinary deposits	2,948,829		
Current deposits	132,441		
Other deposits	4,543,908		
Negotiable Certificates of Deposit	3,598,338		
Debentures	3,133,079		
Debentures issued	3,133,079		
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	8,476		
Derivatives of trading securities	—		
Derivatives of securities related to trading transactions	15		
Trading-related financial derivatives	8,461		
Borrowed Money	3,085,120	3,035,120	
Borrowings	3,085,120	3,035,120	
of which: qualifying Additional Tier 1 instruments		—	D1.2
of which: qualifying Tier 2 instruments		1,415,480	D2.2
Call Money	4,276		
Payables under Repurchase Agreements	18,488,218		
Payables under Securities Lending Transactions	903,887		
Foreign Exchanges Liabilities	17		
Foreign bills payable	17		
Trust Money	1,397,731		
Other Liabilities	2,611,934		
Domestic exchange settlement account, credit	60		
Accrued expenses	63,746		
Income taxes payable	39,175		
Unearned income	760		
Employees' deposits	8,894		
Variation margins of futures markets	—		
Derivatives other than for trading	456,097		
Cash collateral received for financial instruments	313,410		
Lease liabilities	12,450		
Others	1,717,339		
Reserve for Bonus Payments	6,227		
Reserve for Employees' Retirement Benefits	18,846		
Reserve for Directors' Retirement Benefits	850		
Reserve for Agriculture, Fishery and Forestry Industry Subsidies	12,684		
Deferred Tax Liabilities	705,782	705,805	
of which: prepaid pension cost		2,251	D3
Deferred Tax Liabilities for Land Revaluation	9,263	9,263	
Acceptances and Guarantees	173,161		
Total Liabilities	92,996,456		

(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	3,480,488	3,480,488	
Common equity	3,455,488	3,455,488	E1.1
of which: lower dividend rate stock	3,029,771	3,029,771	
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	1,725,717	1,725,971	E2
Legal reserves	613,866	613,866	
Voluntary reserves	1,111,851	1,112,105	
Special reserves	181,800	181,800	
General reserves	559,403	559,403	
Reserves for tax basis adjustments of fixed assets	7,139	7,139	
Others	7	7	
Unappropriated retained earnings	363,501	363,754	
Net income	271,580	271,591	
Total Owners' Equity	5,231,226	5,231,486	
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	2,118,027	2,118,027	
Net Deferred Losses on Hedging Instruments	(231,634)	(231,634)	
of which: net deferred losses on hedge		(57,065)	E7
Revaluation Reserve for Land, net of taxes	16,020	16,020	
Foreign Currency Translation Adjustment		11	
Total Valuation and Translation Adjustment	1,902,413	1,902,424	E4
Total Net Assets	7,133,639		
Total Liabilities and Net Assets	100,130,096		

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, 2017		As of March 31, 2016	
	EAD	Regulatory Required Capital	EAD	Regulatory Required Capital
Amount of regulatory required capital for credit risk	**140,505**	**2,521**	131,451	2,453
Exposure subject to Internal Ratings-Based Approach	**124,561**	**2,498**	111,960	2,428
Corporate exposure (excluding Specialized Lending)	**7,514**	**188**	6,640	257
Corporate exposure (Specialized Lending)	**513**	**39**	327	27
Sovereign exposure	**66,106**	**0**	61,832	0
Bank exposure	**16,925**	**108**	16,998	158
Retail exposure	**3**	**1**	3	1
Retail exposure secured by residential properties	**0**	**0**	0	0
Qualifying revolving retail exposure	**—**	**—**	—	—
Other retail exposure	**3**	**1**	3	1
Securitization and re-securitization exposure	**6,513**	**42**	4,768	36
Equity portfolios	**1,316**	**209**	1,249	202
Equity portfolios subject to PD/LGD approaches	**869**	**90**	836	91
Equity portfolios subject to simple risk-weighted method	**100**	**34**	89	30
Equities under the internal models approach	**346**	**85**	323	81
Exposure subject to risk-weighted asset calculation for investment fund	**25,110**	**1,891**	19,559	1,720
Other debt purchased	**308**	**4**	362	15
Other exposures	**248**	**12**	218	8
Exposure subject to Standardized Approach	**7**	**0**	6	0
Overdrafts	**—**	**—**	—	—
Prepaid expenses	**0**	**0**	2	0
Suspense payments	**6**	**0**	3	0
Other	**—**	**—**	—	—
Amount corresponding to CVA risk	**547**	**4**	675	6
CCP-related exposures	**15,375**	**16**	18,784	14
Items that included by transitional arrangements	**13**	**1**	23	2
Amount of regulatory required capital for market risk	**/**	**136**	/	197
Standardized Approach	**/**	**135**	/	197
Interest rate risk category	**/**	**—**	/	—
Equity risk category	**/**	**—**	/	—
Foreign exchange risk category	**/**	**135**	/	197
Commodity risk category	**/**	**—**	/	—
Option transactions	**/**	**—**	/	—
Internal models Approach	**/**	**0**	/	0
Amount of regulatory required capital for operational risk	**/**	**69**	/	70
Offsets on consolidation	**/**	**2,727**	/	2,721

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

2. Within the Exposure Subject to the Internal Ratings-Based Approach (excluding retail), the EAD subject to the Advanced Internal Ratings-Based Approach and the amount of regulatory required capital are ¥7,973.4 billion and ¥190.3 billion, respectively.

3. "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.

4. Risk-weighted asset calculation for investment fund includes ¥172.6 billion EAD and ¥0.3 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)

Item	As of March 31, 2017	As of March 31, 2016
Non-consolidated total required capital	**2,658**	2,629

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 2016 (Ended March 31, 2017)

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

(Billions of Yen)

Regions	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	11,830	15,146	30	23,930	50,938	59
Asia except Japan	291	146	12	388	838	—
Europe	284	10,268	218	10,009	20,781	—
The Americas	841	18,012	38	15,239	34,131	—
Other areas	258	407	14	258	938	—
Total	13,506	43,981	314	49,826	107,628	59

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

(Billions of Yen)

Industries	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	2,708	466	1	0	3,176	23	—
Agriculture	47	0	0	0	48	5	0
Forestry	6	—	—	—	6	0	—
Fishing	19	0	—	0	19	11	—
Mining	13	—	—	0	13	—	—
Construction	85	11	—	0	96	0	—
Utility	356	5	—	0	361	—	—
Information/telecommunications	118	8	—	0	127	—	—
Transportation	622	124	2	0	750	7	—
Wholesaling, retailing	1,500	121	0	0	1,622	7	—
Finance and insurance	2,696	7,824	310	49,566	60,396	0	—
Real estate	636	143	—	2	783	0	—
Services	1,482	82	0	1	1,565	3	0
Municipalities	39	0	—	0	39	—	—
Other	3,171	35,192	—	255	38,619	0	—
Total	13,506	43,981	314	49,826	107,628	59	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)

Terms to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	7,116	5,358	66	49,043	61,583
Over 1 year to 3 years	1,847	14,622	78	0	16,547
Over 3 years to 5 years	2,432	12,043	1	0	14,477
Over 5 years to 7 years	961	3,077	0	0	4,039
Over 7 years	1,146	7,133	168	0	8,448
No term to maturity	2	1,747	—	782	2,532
Total	13,506	43,981	314	49,826	107,628

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2016.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥7.1 billion.
3. Default exposure is classified in the Bank's self-assessment as being under "Debtor Under Requirement of Control."

Fiscal 2015 (Ended March 31, 2016)

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

(Billions of Yen)

Regions	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure	Default exposure
Japan	17,930	15,029	52	18,773	51,786	85
Asia except Japan	270	147	27	82	527	—
Europe	277	9,824	108	7,186	17,397	—
The Americas	771	17,141	79	17,480	35,473	—
Other areas	127	441	17	252	838	—
Total	19,377	42,583	286	43,775	106,022	85

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

(Billions of Yen)

Industries	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	2,567	395	1	0	2,965	21	0
Agriculture	32	0	0	0	33	5	0
Forestry	7	—	—	—	7	0	—
Fishing	23	0	—	0	23	15	0
Mining	14	—	—	0	14	—	—
Construction	85	10	—	0	96	0	—
Utility	270	6	—	0	277	—	—
Information/telecommunications	80	7	—	0	88	—	—
Transportation	562	121	3	0	687	8	2
Wholesaling, retailing	1,451	113	0	0	1,565	8	0
Finance and insurance	2,379	10,075	280	43,546	56,281	1	—
Real estate	575	133	—	2	711	17	—
Services	1,321	128	0	1	1,451	7	—
Municipalities	57	0	—	0	57	—	—
Other	9,946	31,589	—	224	41,760	0	—
Total	19,377	42,583	286	43,775	106,022	85	3

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)

Terms to maturity	Loans, commitments, off-balance sheet exposure	Securities	Derivatives	Others	Total credit risk exposure
In 1 year	14,389	2,505	132	42,785	59,811
Over 1 year to 3 years	1,603	13,314	146	198	15,262
Over 3 years to 5 years	1,724	16,422	2	0	18,149
Over 5 years to 7 years	789	5,197	0	0	5,988
Over 7 years	865	3,646	4	0	4,516
No term to maturity	5	1,497	—	791	2,294
Total	19,377	42,583	286	43,775	106,022

Notes: 1. The amount of credit exposure at the end of the period does not substantially differ from the average-risk position during fiscal 2015.
2. Within credit risk exposure, credit risk exposure subject to the Standardized Approach was ¥6.6 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)

Regions	As of March 31, 2017	As of March 31, 2016	Increase/(decrease)
General reserve for possible loan losses	**28**	14	**13**
Specific reserve for possible loan losses	**22**	35	**(12)**
Japan	**22**	35	**(12)**
Asia except Japan	**—**	—	**—**
Europe	**—**	—	**—**
The Americas	**—**	—	**—**
Other areas	**—**	—	**—**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**51**	50	**0**

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)

Industries	As of March 31, 2017	As of March 31, 2016	Increase/(decrease)
General reserve for possible loan losses	**28**	14	**13**
Specific reserve for possible loan losses	**22**	35	**(12)**
Manufacturing	**7**	4	**2**
Agriculture	**4**	3	**0**
Forestry	**0**	0	**(0)**
Fishing	**5**	5	**(0)**
Mining	**—**	—	**—**
Construction	**—**	0	**(0)**
Utility	**—**	—	**—**
Information/telecommunications	**—**	—	**—**
Transportation	**1**	3	**(1)**
Wholesaling, retailing	**1**	2	**(0)**
Finance and insurance	**0**	0	**(0)**
Real estate	**—**	9	**(9)**
Services	**1**	5	**(3)**
Municipalities	**—**	—	**—**
Other	**—**	—	**—**
Others	**—**	—	**—**
Specified reserve for loans to countries with financial problems	**—**	—	**—**
Total	**51**	50	**0**

3. Exposure Subject to the Internal Ratings-Based Approach

a. Corporate, Sovereign and Bank Exposure

Fiscal 2016 (Ended March 31, 2017)

(Billions of Yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD	EAD (on-balance sheet)	EAD (off-balance sheet)	Amount of undrawn commitments	Weighted average of credit conversion factor
Corporate Exposure	1.08%	30.00%		31%	7,514	6,314	1,199	698	75.00%
1-1 to 4	0.11%	30.15%		24%	6,972	5,805	1,167	687	75.00%
5 to 7	1.52%	27.98%		74%	387	363	24	10	75.00%
8-1 to 8-2	15.84%	29.02%		208%	103	96	6	0	75.00%
Subtotal	0.40%	30.02%		29%	7,463	6,265	1,198	698	75.00%
8-3 to 10-2	100.00%	26.54%	26.54%	332%	50	49	0	—	—
Sovereign Exposure	0.00%	44.99%		0%	66,106	64,060	2,046	19	75.00%
1-1 to 4	0.00%	44.99%		0%	66,106	64,060	2,046	19	75.00%
5 to 7	1.00%	45.00%		134%	0	0	—	—	—
8-1 to 8-2	9.88%	0.02%		4%	0	0	—	—	—
Subtotal	0.00%	44.99%		0%	66,106	64,060	2,046	19	75.00%
8-3 to 10-2	—	—	—	—	—	—	—	—	—
Bank Exposure	0.05%	19.04%		8%	16,925	5,989	10,935	0	75.00%
1-1 to 4	0.04%	19.01%		8%	16,844	5,912	10,931	0	75.00%
5 to 7	2.02%	25.00%		74%	80	76	3	—	—
8-1 to 8-2	8.94%	45.00%		250%	0	0	0	—	—
Subtotal	0.05%	19.04%		8%	16,925	5,989	10,935	0	75.00%
8-3 to 10-2	—	—	—	—	—	—	—	—	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.17%	90.00%		130%	869	869	—	—	—
1-1 to 4	0.09%	90.00%		127%	854	854	—	—	—
5 to 7	2.08%	90.00%		293%	13	13	—	—	—
8-1 to 8-2	15.84%	90.00%		723%	0	0	—	—	—
Subtotal	0.13%	90.00%		130%	868	868	—	—	—
8-3 to 10-2	100.00%	90.00%	90.00%	1,193%	0	0	—	—	—

Notes: 1. Weighted averages of PD, LGD, EL default 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).

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Ratings	Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD				
						EAD (on-balance sheet)	EAD (off-balance sheet)		
								Amount of undrawn commitments	Weighted average of credit conversion factor
Corporate Exposure	1.25%	44.96%		49%	6,640	5,873	767	670	75.00%
1-1 to 4	0.12%	45.00%		36%	6,151	5,419	732	655	75.00%
5 to 7	1.71%	44.62%		118%	355	329	26	12	75.00%
8-1 to 8-2	15.84%	44.74%		319%	76	68	8	1	75.00%
Subtotal	0.39%	44.97%		44%	6,583	5,817	766	670	75.00%
8-3 to 10-2	100.00%	43.70%	43.70%	551%	57	56	1	0	75.00%
Sovereign Exposure	0.00%	45.00%		0%	61,832	59,953	1,878	9	75.00%
1-1 to 4	0.00%	45.00%		0%	61,831	59,953	1,878	9	75.00%
5 to 7	0.86%	45.00%		131%	0	0	—	—	—
8-1 to 8-2	9.88%	0.01%		3%	0	0	—	—	—
Subtotal	0.00%	45.00%		0%	61,832	59,953	1,878	9	75.00%
8-3 to 10-2	—	—	—	—	—	—	—	—	—
Bank Exposure	0.05%	23.51%		12%	16,998	7,599	9,398	4	75.00%
1-1 to 4	0.04%	23.53%		11%	16,941	7,547	9,394	4	75.00%
5 to 7	2.43%	19.54%		68%	48	44	4	—	—
8-1 to 8-2	8.94%	5.29%		31%	8	8	0	—	—
Subtotal	0.05%	23.51%		12%	16,998	7,599	9,398	4	75.00%
8-3 to 10-2	100.00%	45.00%	45.00%	563%	0	0	—	—	—
Equity Exposure for Credit Risk Using Internal Ratings: PD/LGD Approach	0.15%	90.00%		136%	836	836	—	—	—
1-1 to 4	0.09%	90.00%		133%	824	824	—	—	—
5 to 7	2.15%	90.00%		299%	9	9	—	—	—
8-1 to 8-2	15.84%	90.00%		541%	2	2	—	—	—
Subtotal	0.15%	90.00%		136%	836	836	—	—	—
8-3 to 10-2	100.00%	90.00%	90.00%	1,193%	0	0	—	—	—

Notes: 1. Weighted averages of PD, LGD, EL default 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).

b. Retail Exposure

Details on PD, LGD, RW and EAD Assets

Fiscal 2016 (Ended March 31, 2017)

(Billions of Yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD				
						EAD (on-balance sheet)	EAD (off-balance sheet)		
								Amount of undrawn commitments	Weighted average of credit conversion factor
Retail exposure secured by residential properties	4.79%	43.92%	59.39%	86%	103	103	—	—	—
Not default Not delinquent	0.64%	43.92%		43%	94	94	—	—	—
Not default Delinquent	27.39%	43.92%		407%	5	5	—	—	—
Not default Subtotal	2.12%	43.92%		63%	100	100	—	—	—
Default	100.00%		59.39%	902%	2	2	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—		—	—	—	—	—	—
Not default Delinquent	—	—		—	—	—	—	—	—
Not default Subtotal	—	—		—	—	—	—	—	—
Default	—		—	—	—	—	—	—	—
Other retail exposure	20.55%	89.55%	97.78%	378%	3	1	2	—	—
Not default Not delinquent	2.15%	89.62%		143%	3	0	2	—	—
Not default Delinquent	26.36%	42.79%		246%	0	0	0	—	—
Not default Subtotal	2.19%	89.55%		143%	3	0	2	—	—
Default	100.00%		97.78%	1,395%	0	0	0	—	—
Total	5.34%	45.25%	67.00%	96%	107	104	2	—	—
Not default Not delinquent	0.68%	45.32%		46%	97	95	2	—	—
Not default Delinquent	27.39%	43.92%		407%	5	5	0	—	—
Not default Subtotal	2.13%	45.25%		66%	103	101	2	—	—
Default	100.00%		67.00%	1,000%	3	3	0	—	—

Notes: 1. As of March 31, 2017, 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, 2017, the Bank held no Qualifying revolving retail exposure for which net withdrawals of commitments had occurred.

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Type of exposure	Weighted-average PD	Weighted-average LGD	Weighted-average EL default	Weighted-average risk weight	EAD				
						EAD (on-balance sheet)	EAD (off-balance sheet)	Amount of undrawn commitments	Weighted average of credit conversion factor
Retail exposure secured by residential properties	5.13%	43.53%	59.45%	89%	122	122	—	—	—
Not default Not delinquent	0.64%	43.53%		43%	111	111	—	—	—
Not default Delinquent	27.77%	43.53%		405%	7	7	—	—	—
Not default Subtotal	2.27%	43.53%		65%	119	119	—	—	—
Default	100.00%		59.45%	895%	3	3	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—	—	—	—
Not default Not delinquent	—	—		—	—	—	—	—	—
Not default Delinquent	—	—		—	—	—	—	—	—
Not default Subtotal	—	—		—	—	—	—	—	—
Default	—		—	—	—	—	—	—	—
Other retail exposure	26.76%	83.45%	98.26%	458%	3	1	2	—	—
Not default Not delinquent	2.07%	84.20%		133%	2	0	2	—	—
Not default Delinquent	21.03%	46.54%		225%	0	0	0	—	—
Not default Subtotal	2.45%	83.45%		135%	2	0	2	—	—
Default	100.00%		98.26%	1,432%	0	0	0	—	—
Total	5.79%	44.47%	67.58%	100%	126	124	2	—	—
Not default Not delinquent	0.68%	44.53%		45%	114	112	2	—	—
Not default Delinquent	27.71%	43.55%		404%	7	7	0	—	—
Not default Subtotal	2.28%	44.47%		67%	121	119	2	—	—
Default	100.00%		67.58%	1,008%	4	4	0	—	—

Notes: 1. As of March 31, 2016, 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, 2016, 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, 2017	As of March 31, 2016	Increase/(decrease)
Corporate exposure	**4**	1	**2**
Sovereign exposure	**—**	—	**—**
Bank exposure	**—**	—	**—**
Equity exposure subject to PD/LGD approach	**—**	0	**(0)**
Retail exposure secured by residential properties	**—**	0	**(0)**
Qualifying revolving retail exposure	**—**	—	**—**
Other retail exposure	**0**	0	**0**
Total	**4**	1	**2**

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

Although credit conditions have generally remained favorable due to the recording of reserves for possible loan losses caused by worsened credit conditions of some entities for which the Bank provided loans, the total value of actual losses for fiscal 2016 were up ¥2.4 billion year-on-year.

Comparison of Estimated Losses and Actual Losses

(Billions of Yen)

Type of exposure	**As of March 31, 2017**		As of March 31, 2016		As of March 31, 2015	
	Estimated losses	**Actual losses**	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	**14**	**4**	15	1	17	3
Sovereign exposure	**0**	**—**	0	—	0	—
Bank exposure	**1**	**—**	0	—	0	—
Equity exposure subject to PD/LGD approach	**0**	**—**	0	0	0	1
Retail exposure secured by residential properties	**0**	**—**	0	0	—	—
Qualifying revolving retail exposure	**—**	**—**	—	—	—	—
Other retail exposure	**0**	**0**	0	0	0	0

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

Type of exposure	As of March 31, 2011		As of March 31, 2010		As of March 31, 2009	
	Estimated losses	Actual losses	Estimated losses	Actual losses	Estimated losses	Actual losses
Corporate exposure	73	7	55	42	45	23
Sovereign exposure	0	—	0	—	1	—
Bank exposure	0	—	0	—	0	—
Equity exposure subject to PD/LGD approach	3	0	1	0	0	0
Retail exposure secured by residential properties	—	—	—	—	—	—
Qualifying revolving retail exposure	—	—	—	—	—	—
Other retail exposure	0	0	0	0	0	0

Type of exposure	As of March 31, 2008	
	Estimated losses	Actual losses
Corporate exposure	28	6
Sovereign exposure	1	—
Bank exposure	0	—
Equity exposure subject to PD/LGD approach	1	0
Retail exposure secured by residential properties	—	—
Qualifying revolving retail exposure	—	—
Other retail exposure	0	0

Notes: 1. The scope of estimated and actual 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, 2017	As of March 31, 2016
Specialized Lending exposure subject to supervisory slotting criteria	**587**	373
Specialized Lending, excluding High-Volatility Commercial Real Estate (HVCRE)	**587**	373
Risk weight of 50%	**57**	43
Risk weight of 70%	**366**	201
Risk weight of 90%	**91**	84
Risk weight of 115%	**16**	7
Risk weight of 250%	**17**	18
Risk weight of 0% (default)	**38**	19
High-Volatility Commercial Real Estate (HVCRE)	**—**	—
Risk weight of 70%	**—**	—
Risk weight of 95%	**—**	—
Risk weight of 120%	**—**	—
Risk weight of 140%	**—**	—
Risk weight of 250%	**—**	—
Risk weight of 0% (default)	**—**	—

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, 2017	As of March 31, 2016
Equity exposure subject to the simple risk-weighted method of the market-based approach by RW	**100**	89
Risk weight of 300%	**—**	—
Risk weight of 400%	**100**	89

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, 2017		As of March 31, 2016	
	Exposure		Exposure	
		Refer to ECAI		Refer to ECAI
Exposure subject to Standardized Approach	**7**	**—**	6	—
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%	**7**	**—**	6	—
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, 2017	As of March 31, 2016
Foundation Internal Ratings-Based Approach	**9,692**	8,230
Eligible financial collateral	**8,940**	7,557
Corporate exposure	**—**	57
Sovereign exposure	**0**	0
Bank exposure	**8,940**	7,499
Other eligible IRB collateral	**—**	—
Corporate exposure	**—**	—
Sovereign exposure	**—**	—
Bank exposure	**—**	—
Guarantees, Credit Derivatives	**751**	673
Corporate exposure	**405**	388
Sovereign exposure	**256**	231
Bank exposure	**89**	52
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, 2017	As of March 31, 2016
Total gross replacement costs (limited to items with a value of greater than zero)	(A)	**420**	510
Total gross add-ons	(B)	**576**	498
Gross credit exposure	(C) = (A)+(B)	**997**	1,008
Foreign exchange related		**719**	880
Interest rate related		**277**	127
Equity related		**0**	0
Credit derivatives		**—**	—
Transactions with a long settlement period		**—**	—
Reduction in credit exposure due to netting contracts (including collateral pledged for CSA)	(D)	**250**	324
Amount of credit exposure before taking into account credit risk mitigation techniques due to collateral	(E) = (C)–(D)	**746**	683
Amount of collateral	(F)	**292**	314
Eligible financial collateral		**292**	314
Amount of credit exposure after taking into account credit risk mitigation techniques due to collateral	(G) = (E)–(F)	**453**	369

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, 2017	As of March 31, 2016
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 21-2, 3 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, 2017	As of March 31, 2016
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 2016 (Ended March 31, 2017)

(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	**6,513 (0)**	**0 (—)**	**51**	**0**	**51**	**0**
Individuals						
Asset-Backed Securities (ABS)	**1,071 (—)**	**— (—)**	**—**	**—**	**—**	**—**
Residential Mortgage-Backed Securities (RMBS)	**2,336 (—)**	**— (—)**	**—**	**—**	**—**	**—**
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	**66 (—)**	**— (—)**	**—**	**—**	**—**	**—**
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	**3,038 (—)**	**0 (—)**	**51**	**0**	**51**	**0**
Collateralized Loan Obligations (CLO)	**3,038 (—)**	**— (—)**	**51**	**—**	**51**	**—**
Asset-Backed Securities CDOs (ABS-CDO)	**0 (—)**	**0 (—)**	**0**	**0**	**—**	**0**
Collateralized Bond Obligations (CBO)	**— (—)**	**— (—)**	**—**	**—**	**—**	**—**
Others	**0 (0)**	**— (—)**	**—**	**—**	**—**	**—**

Notes: 1. Re-securitization exposure refers to securitization exposures of the underlying assets in the securitization exposure.
2. The off-balance exposure has been described in parentheses. There is no re-securitization exposure of the off-balance.

Fiscal 2015 (Ended March 31, 2016)

(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	4,768 (1)	1 (0)	134	0	134	0
Individuals						
Asset-Backed Securities (ABS)	662 (0)	— (—)	—	—	—	—
Residential Mortgage-Backed Securities (RMBS)	1,902 (—)	— (—)	3	—	3	—
Real estate						
Commercial Mortgage-Backed Securities (CMBS)	65 (—)	— (—)	—	—	—	—
Corporates						
Subtotal of CDOs (CLO, ABS-CDO, CBO)	2,136 (—)	0 (—)	130	0	130	0
Collateralized Loan Obligations (CLO)	2,136 (—)	— (—)	130	—	130	—
Asset-Backed Securities CDOs (ABS-CDO)	0 (—)	0 (—)	0	0	—	0
Collateralized Bond Obligations (CBO)	— (—)	— (—)	—	—	—	—
Others	1 (0)	1 (0)	—	—	—	—

Notes: 1. Re-securitization exposure refers to securitization exposures of the underlying assets in the securitization exposure.
2. 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 2016 (Ended March 31, 2017)

(Billions of Yen)

Classification	Amount of exposure			Regulatory required capital		
		On-balance	Off-balance		On-balance	Off-balance
Amount of securitization exposure	**6,461**	**6,461**	**0**	**40**	**40**	**0**
Risk weight: 20% or less	**6,442**	**6,442**	**—**	**39**	**39**	**—**
Risk weight: exceeding 20% to 50% or less	**6**	**6**	**—**	**0**	**0**	**—**
Risk weight: exceeding 50% to 100% or less	**12**	**12**	**—**	**1**	**1**	**—**
Risk weight: exceeding 100% to 250% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 250% to less than 1,250%	**0**	**—**	**0**	**0**	**—**	**0**
Risk weight: 1,250%	**—**	**—**	**—**	**—**	**—**	**—**
Amount of re-securitization exposure	**51**	**51**	**—**	**1**	**1**	**—**
Risk weight: 20% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 20% to 50% or less	**51**	**51**	**—**	**1**	**1**	**—**
Risk weight: exceeding 50% to 100% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 100% to 250% or less	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: exceeding 250% to less than 1,250%	**—**	**—**	**—**	**—**	**—**	**—**
Risk weight: 1,250%	**0**	**0**	**—**	**0**	**0**	**—**

Fiscal 2015 (Ended March 31, 2016)

(Billions of Yen)

Classification	Amount of exposure			Regulatory required capital		
		On-balance	Off-balance		On-balance	Off-balance
Amount of securitization exposure	4,634	4,633	1	32	32	0
Risk weight: 20% or less	4,618	4,618	0	29	29	0
Risk weight: exceeding 20% to 50% or less	7	7	—	0	0	—
Risk weight: exceeding 50% to 100% or less	1	1	—	0	0	—
Risk weight: exceeding 100% to 250% or less	0	—	0	0	—	0
Risk weight: exceeding 250% to less than 1,250%	5	4	0	1	1	0
Risk weight: 1,250%	1	1	0	1	1	0
Amount of re-securitization exposure	134	134	—	3	3	—
Risk weight: 20% or less	3	3	—	0	0	—
Risk weight: exceeding 20% to 50% or less	130	130	—	3	3	—
Risk weight: exceeding 50% to 100% or less	—	—	—	—	—	—
Risk weight: exceeding 100% to 250% or less	—	—	—	—	—	—
Risk weight: exceeding 250% to less than 1,250%	—	—	—	—	—	—
Risk weight: 1,250%	0	0	—	0	0	—

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

(Billions of Yen)

Classification	**As of March 31, 2017**		As of March 31, 2016	
	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%	—	—	—	—

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 2016	Fiscal 2015
Base date of computation	**2017. 3. 31**	2016. 3. 31
VaR (For the most recent 60 business days)		
Base date of computation	**108**	83
Maximum	**128**	88
Minimum	**40**	30
Average	**65**	51

■ Stress VaR

(Millions of Yen)

	Fiscal 2016	Fiscal 2015
Base date of computation	**2017. 3. 31**	2016. 3. 31
Stress VaR (For the most recent 60 business days)		
Base date of computation	**259**	285
Maximum	**311**	285
Minimum	**83**	62
Average	**191**	119

■ Amount of Market Risk

(Millions of Yen)

		Fiscal 2016	Fiscal 2015
For the portion computed with the internal models approach (B)+(G)+(J)	(A)	**769**	512
Value at Risk (MAX (C, D))	(B)	**195**	154
Amount on base date of computation	(C)	**108**	83
Amount determined by multiplying (E) by the average for the most recent 60 business days	(D)	**195**	154
(Multiplier)	(E)	**3.0**	3.0
(Times exceeding VaR in back testing)	(F)	**2**	2
Stress Value at Risk (MAX (H, I))	(G)	**573**	358
Amount on base date of computation	(H)	**259**	285
Amount determined by multiplying (E) by the average for the most recent 60 business days	(I)	**573**	358
Additional amount at the time of measuring individual risk	(J)	**0**	0

Notes: 1. As a result of back testing conducted in fiscal 2016, 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, 2017		As of March 31, 2016	
	Amount on the balance sheet	Market value	Amount on the balance sheet	Market value
Equity exposure	**1,316**	/	1,249	/
Exposure to publicly traded equity	**1,062**	**1,062**	1,009	1,009
Exposure to privately held equity	**253**	/	240	/

Note: Regulatory adjustments in numerator provided for by Notification Regarding Capital Adequacy Ratio, Article 14 were not included.

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

(Billions of Yen)

Item	Fiscal 2016			Fiscal 2015		
	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	**34**	**0**	**0**	4	1	0

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

Amount of Valuation Gains (Losses)

(Billions of Yen)

Item	As of March 31, 2017	As of March 31, 2016
Amount of valuation gains (losses) recognized on the balance sheet and not recognized in the statements of operations	**436**	391

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 14 were not included.

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

Not applicable

Equity Exposures for Each Portfolio Classification

(Billions of Yen)

Classification	As of March 31, 2017	As of March 31, 2016
	EAD	EAD
Equity portfolios	**1,316**	1,249
Equity portfolios subject to PD/LGD approaches	**869**	836
Equity portfolios subject to simple risk-weighted method	**100**	89
Equities under the internal models approach	**346**	323

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, 2017		As of March 31, 2016	
	Exposure	**(For reference) Weighted-average risk weight**	Exposure	(For reference) Weighted-average risk weight
Look-through approach	**17,570**	**64%**	14,630	72%
Majority approach	**713**	**388%**	677	380%
Mandate approach	**—**	**—**	—	—
Market-based approach	**1,670**	**325%**	1,762	333%
Others (simple approach)	**306**	**428%**	266	429%
Total	**20,260**	**94%**	17,337	109%

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, 2017	As of March 31, 2016
Interest rate risk	**2,299**	1,811
Yen interest rate risk	**132**	234
U.S. dollar interest rate risk	**1,714**	1,246
Euro interest rate risk	**437**	311
Interest rate risk in other currencies	**14**	18

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.

Quantitative Disclosure Items Concerning a Liquidity Coverage Ratio on a Non-Consolidated Basis

(Unit: Millions of Yen, %, the Number of Items)

Items		The current quarter (January 1 to March 31, 2017)		The previous quarter (October 1 to December 31, 2016)	
High-quality liquid assets (1)					
1	Total high-quality liquid assets		**34,774,772**		36,898,611
Cash outflows (2)		**Amount before multiplying a cash outflow ratio**	**Amount after multiplying a cash outflow ratio**	Amount before multiplying a cash outflow ratio	Amount after multiplying a cash outflow ratio
2	Cash outflows relating to unsecured retail funding	**62,351**	**6,282**	62,640	6,321
3	of which: stable deposits	**394**	**12**	363	11
4	of which: quasi-stable deposits	**61,957**	**6,270**	62,277	6,310
5	Cash outflows relating to unsecured wholesale funding	**10,744,197**	**7,799,942**	10,595,517	7,673,441
6	of which: qualifying operational deposits	**0**	**0**	0	0
7	of which: capital relating to unsecured wholesale funding, excluding qualifying operational deposits and debt securities	**9,672,087**	**6,727,832**	9,458,476	6,536,400
8	of which: debt securities	**1,072,110**	**1,072,110**	1,137,041	1,137,041
9	Cash outflows relating to secured funding, etc.		**272,185**		220,335
10	Cash outflows relating to funding programs and credit/ liquidity facilities such as derivative transactions, etc.	**2,732,400**	**1,739,109**	2,632,021	1,658,687
11	of which: cash outflows relating to derivative transactions	**1,507,960**	**1,507,960**	1,431,857	1,431,857
12	of which: cash outflows relating to funding programs	**0**	**0**	0	0
13	of which: cash outflows relating to credit/liquidity facilities	**1,224,440**	**231,150**	1,200,164	226,830
14	Cash outflows based on an obligation to provide capital	**4,820,265**	**418,058**	4,367,904	220,165
15	Cash outflows relating to contingencies	**3,161,779**	**120,758**	3,083,385	109,772
16	Total cash outflows		**10,356,335**		9,888,721
Cash inflows (3)		**Amount before multiplying a cash outflow ratio**	**Amount after multiplying a cash outflow ratio**	Amount before multiplying a cash outflow ratio	Amount after multiplying a cash outflow ratio
17	Cash inflows relating to secured fund management, etc.	**1,563,435**	**0**	400,364	0
18	Cash inflows relating to collections of advances, etc.	**3,670,455**	**3,019,545**	2,465,310	1,752,269
19	Other cash inflows	**6,045,408**	**908,496**	4,160,285	585,219
20	Total cash inflows	**11,279,299**	**3,928,041**	7,025,958	2,337,488
Liquidity coverage ratio on a non-consolidated basis (4)					
21	Sum of high-quality liquid assets that can be included		**34,774,772**		36,898,611
22	Net cash outflows		**6,428,294**		7,551,234
23	Liquidity coverage ratio on a non-consolidated basis		**540.9**		488.6
24	The number of data for calculating the average value		**61**		3

Qualitative Disclosure Items Concerning a Liquidity Coverage Ratio on a Non-Consolidated Basis

Items concerning a change in the non-consolidated liquidity coverage ratio on a time-series basis

The non-consolidated liquidity coverage ratio for the current quarter maintained a high and stable level.

Items concerning evaluation of the level of the non-consolidated liquidity coverage ratio

The non-consolidated liquidity coverage ratio for the current quarter has tended to be well above the minimum level.

Items concerning the details of the sum of high-quality liquid assets that can be included

In light of the Bank's liquidity coverage ratio, there is no material item.

Other items concerning the non-consolidated liquidity coverage ratio

In light of the Bank's liquidity coverage ratio, there is no material item.