



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

FEB 18 2016

Mr. Kenichi Sugita
General Manager
The Norinchukin Bank
New York Branch
245 Park Ave., 21st Floor
New York, New York 10167

Dear Mr. Sugita:

This letter is in response to your request, dated January 8, 2015, that the Board grant an exemption for The Norinchukin Bank (“Norinchukin”), Tokyo, Japan, from the requirement to have one independent board member on the U.S. risk committee for purposes of compliance with Regulation YY.

Regulation YY requires a foreign banking organization with combined U.S. assets greater than \$50 billion, but total U.S. non-branch assets of less than \$50 billion, to maintain a U.S. risk committee at its global board of directors.¹ Among other requirements related to the U.S. risk committee, the risk committee of a foreign banking organization with combined U.S. assets of \$50 billion or more must include at least one member who is not an officer or employee of the company or its affiliates, and who is not a member of the immediate family of a person who is an executive officer of the company or its affiliates.² Norinchukin is foreign banking organization that has combined U.S. assets of greater than \$50 billion, but less than \$50 billion in total U.S. non-branch assets. Accordingly, Norinchukin is subject to these U.S. risk committee requirements.

¹ 12 CFR 252.155(a)(3)(ii)(A). A foreign banking organization that is required to maintain its U.S. risk committee at its global board of directors may maintain its U.S. risk committee on either a standalone basis or as a joint committee with its enterprise-wide risk committee.

² 12 CFR 252.155(a)(5)(ii).

Norinchukin is the central bank for primary industry cooperatives in Japan and is chartered under its own Japanese statute, the Norinchukin Act of Japan, which prohibits Norinchukin from having board members that are not executive officers of Norinchukin. Norinchukin would be required to ask the Japanese Diet to amend the Norinchukin Act in order to comply with the director independence requirements in Regulation YY. Norinchukin therefore requests an exemption from the requirement to have one independent board member on the U.S. risk committee. To meet the spirit of the U.S. risk committee requirements under Regulation YY, Norinchukin proposes to establish a U.S. risk committee with at least two board members and one independent member who is not a member of the board of directors.

After consideration of all relevant facts, including Norinchukin's activities, scope of operations, structure, and similar considerations, the Board has granted Norinchukin's request for an exemption from the requirement to have one independent board member on its U.S. risk committee.

Norinchukin is prevented by Japanese law from meeting the requirement under Regulation YY to have one independent board member on its U.S. risk committee. In addition, Norinchukin's U.S. risk-committee charter would allow the independent member of the U.S. risk committee to operate effectively in the manner contemplated by Regulation YY. Norinchukin's proposed solution meets the spirit of the U.S. risk committee requirements. In order to maintain the U.S. risk committee's character and authority, Norinchukin has entered into the commitment set forth in Attachment A.³

For the reasons stated above, the Board has granted Norinchukin's request for an exemption from Regulation YY's requirement to have one independent board member on its U.S. risk committee. This action is based on all the facts of record and on all the representations and commitments made by Norinchukin in the submissions to the Board in connection with the request, including the commitment set forth in Attachment A. These representations and commitments constitute conditions imposed in writing in connection with the findings and decisions herein and, as such, may be enforced in

³ Norinchukin has committed that it will not make any amendments or other alterations to the U.S. risk committee charter that would materially change or limit the U.S. risk committee's oversight responsibilities for Norinchukin's combined U.S. operations.

proceedings under applicable law. Any material change in those facts or representations could affect this approval and should be communicated promptly to Board staff.

Very truly yours,

(signed) Margaret McCloskey Shanks
Margaret McCloskey Shanks
Deputy Secretary of the Board

cc: Ms. Laura Braverman
Federal Reserve Bank of New York

Attachment A
Commitment by The Norinchukin Bank
to the Board of Governors of the Federal Reserve System

In connection with the request, dated January 8, 2015, to the Board of Governors of the Federal Reserve System (the “Board”) for the Board’s approval for an exemption for The Norinchukin Bank (“Norinchukin”), Tokyo, Japan, from the requirement to have one independent board member on the U.S. risk committee for purposes of compliance with Regulation YY, Norinchukin makes the following commitment to the Board:

1. Norinchukin will not make any amendments or other alterations to the U.S. risk committee charter that would materially change or limit the U.S. risk committee’s oversight responsibilities for Norinchukin’s combined U.S. operations.

Norinchukin agrees that the foregoing commitment is deemed to be a condition imposed in writing by the Board in connection with its findings and decisions on Norinchukin’s request, and as such, may be enforced in proceedings under applicable law.