

**Composition of Capital Disclosure (Consolidated)**

**The Norinchukin Bank**

As of December 31, 2015

(millions of yen, %)

Basel III Template No.	Items	As of December 31, 2015	Amounts excluded under transitional arrangements	As of September 30, 2015	Amounts excluded under transitional arrangements
<b>Common Equity Tier 1 Capital: instruments and reserves</b>					
1a+2-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	5,202,588		5,161,311	
1a	of which: capital and capital surplus	3,455,509		3,446,481	
2	of which: retained earnings	1,747,079		1,714,830	
26	of which: cash dividends to be paid	-		-	
	of which: other than the above	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	720,799	1,081,198	712,681	1,069,022
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-		-	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves under phase-out arrangements	2,770		2,666	
	of which: non-controlling interests and other items corresponding to common share capital issued by consolidated subsidiaries (amount allowed to be included in group Common Equity Tier 1)	2,770		2,666	
6	Common Equity Tier 1 capital: instruments and reserves (A)	5,926,157		5,876,660	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	12,019	18,029	12,037	18,056
8	of which: goodwill (net of related tax liability, including those equivalent)	5,981	8,972	6,080	9,120
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	6,037	9,056	5,957	8,935
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	△ 712	△ 1,068	△ 18,900	△ 28,350
12	Shortfall of eligible provisions to expected losses	14,755	22,132	12,676	19,015
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	9,430	14,145	9,471	14,207
16	Investments in own shares (excluding those reported in the Net assets section)	-	-	-	-
17	Reciprocal cross-holdings in common equity	-	-	-	-
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	-	-	-	-
19+20+21	Amount exceeding the 10% threshold on specified items	-	-	-	-
19	of which: significant investments in the common stock of financials	-	-	-	-
20	of which: mortgage servicing rights	-	-	-	-
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
22	Amount exceeding the 15% threshold on specified items	-	-	-	-
23	of which: significant investments in the common stock of financials	-	-	-	-
24	of which: mortgage servicing rights	-	-	-	-
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)	35,492		15,286	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	5,890,664		5,861,374	

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<b>Additional Tier 1 capital: instruments</b>					
31a	30	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
31b		Subscription rights to Additional Tier 1 instruments	-		-
32		Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	-		-
		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)		2,917		2,867
33+35	Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments		594		594
33	of which: instruments issued by banks and their special purpose vehicles		594		594
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		18		14
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related other comprehensive income		18		14
36	Additional Tier 1 capital: instruments (D)		52,530		52,476
<b>Additional Tier 1 capital: regulatory adjustments</b>					
37	Investments in own Additional Tier 1 instruments		-	-	-
38	Reciprocal cross-holdings in Additional Tier 1 instruments		-	-	-
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)		-	-	-
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)		19,165	28,748	18,813
	Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements		11,066		9,507
	of which: 50% of balance due to pay of eligible provisions		11,066		9,507
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		-		-
43	Additional Tier 1 capital: regulatory adjustments (E)		30,232		28,321
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)		22,298		24,155
<b>Tier 1 capital (T1=CET1+AT1)</b>					
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)		5,912,963		5,885,529
<b>Tier 2 capital: instruments and provisions</b>					
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards and its breakdown		-		-
	Subscription rights to Tier 2 instruments		-		-
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards		1,415,480		1,410,566
	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)		181		164
47+49	Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions		147,816		148,216
47	of which: instruments issued by banks and their special purpose vehicles		147,816		148,216
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		8		6
50a	of which: general allowance for possible loan losses		8		6
50b	of which: eligible provisions		-		-
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements		665,116		682,046
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related other comprehensive income		665,116		682,046
51	Tier 2 capital: instruments and provisions (H)		2,228,602		2,240,999

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<b>Tier 2 capital: regulatory adjustments</b>					
52	Investments in own Tier 2 instruments	-	-	-	-
53	Reciprocal cross-holdings in Tier 2 instruments	-	-	-	-
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)	-	-	-	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-	-	-
	Total of items included in Tier 2 capital: regulatory adjustments under phase-out arrangements	48,614		46,675	
	of which: intangibles assets other than mortgage servicing rights	8,972		9,120	
	of which: 50% of balance due to pay of eligible provisions	11,066		9,507	
	of which: significant investments in the additional Tier 1 capital of other financial institutions	28,575		28,046	
57	Tier 2 capital: regulatory adjustments (I)	48,614		46,675	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,179,988		2,194,324	
<b>Total capital (TC=T1+T2)</b>					
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	8,092,951		8,079,853	
<b>Risk weighted assets</b>					
	Total of items included in risk weighted assets under phase-out arrangements	24,086		24,027	
	of which: intangibles assets other than mortgage servicing rights	9,056		8,935	
	of which: net defined-benefit asset	14,145		14,207	
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	883		883	
60	Risk weighted assets (L)	33,359,098		31,776,362	
<b>Capital Ratio (consolidated)</b>					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	17.65%		18.44%	
62	Tier 1 capital ratio (consolidated)((G)/(L))	17.72%		18.52%	
63	Total capital ratio (consolidated)((K)/(L))	24.26%		25.42%	
<b>Regulatory Adjustments</b>					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	493,048		455,326	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	57,300		56,583	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	-		-	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	-		-	
<b>Provisions included in Tier 2 capital: instruments and provisions</b>					
76	Provisions (general reserve for possible loan losses)	8		6	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	150		109	
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	180,916		170,419	
<b>Capital instruments subject to phase-out arrangements</b>					
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	594		594	
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")	254		254	
84	Current cap on Tier 2 instruments subject to phase-out arrangements	1,075,204		1,075,204	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-		-	