

Composition of Capital Disclosure (Non-Consolidated)

The Norinchukin Bank

As of September 30, 2016

(millions of yen, %)

Basel III Template No.	Items	As of September 30, 2016	Amounts excluded under transitional arrangements	As of September 30, 2015	Amounts excluded under transitional arrangements
Common Equity Tier 1 Capital: instruments and reserves					
1a+2-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	5,256,902		5,114,641	
1a	of which: capital and capital surplus	3,455,509		3,446,481	
2	of which: retained earnings	1,801,393		1,668,160	
26	of which: cash dividends to be paid	-		-	
	of which: other than the above	-		-	
3	Valuation and translation adjustments and other disclosed reserves	1,020,389	680,259	704,113	1,056,170
	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)	6,277,292		5,818,755	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	9,988	6,659	5,287	7,931
8	of which: goodwill (net of related tax liability, including those equivalent)	-	-	-	-
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	9,988	6,659	5,287	7,931
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	△ 46,255	△ 30,837	△ 18,922	△ 28,384
12	Shortfall of eligible provisions to expected losses	21,692	14,461	11,101	16,651
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)	4,593	3,062	1,469	2,203
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)	△ 9,981		△ 1,064	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B) (C)	6,287,273		5,819,820	
Additional Tier 1 capital: instruments					
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	
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	-		-	
33+35	Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	599		699	
	Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	△ 4		13	
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related valuation and translation adjustments	△ 4		13	
36	Additional Tier 1 capital: instruments (D)	49,595		49,713	
Additional Tier 1 capital: regulatory adjustments					
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)	23,424	15,616	15,464	23,196
	Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	7,230		8,325	
	of which: 50% of balance due to pay of eligible provisions	7,230		8,325	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	30,655		23,790	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital (AT1) ((D)-(E) (F)	18,940		25,923	
Tier 1 capital (T1=CET1+AT1) ((C)+(F) (G)					
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F) (G)	6,306,214		5,845,744	

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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	-		-	
	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	-		-	
47+49	Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	97,816		148,216	
50	Total of general allowance for credit losses and eligible provisions included in Tier 2	1		2	
50a	of which: general reserve for possible loan losses	1		2	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	442,096		681,594	
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related valuation and translation adjustments	442,096		681,594	
51	Tier 2 capital: instruments and provisions (H)	1,955,394		2,240,379	
Tier 2 capital: regulatory adjustments					
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 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	7,230		8,325	
	of which: 50% of balance due to pay of eligible provisions	7,230		8,325	
57	Tier 2 capital: regulatory adjustments (I)	7,230		8,325	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I))(J)	1,948,163		2,232,053	
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	8,254,377		8,077,797	
Risk weighted assets					
	Total of items included in risk weighted assets under phase-out arrangements	33,630		45,998	
	of which: intangibles assets other than mortgage servicing rights	6,659		7,931	
	of which: Deferred tax assets that rely on future profitability excluding those arising from temporary differences	-		-	
	of which: Defined-benefit pension fund net assets (prepaid pension costs)	3,062		2,203	
	of which: 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)	-		-	
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	23,908		35,863	
60	Risk weighted assets (L)	30,993,646		31,512,971	
Capital Ratio (non-consolidated)					
61	Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	20.28%		18.46%	
62	Tier 1 capital ratio (non-consolidated)((G)/(L))	20.34%		18.55%	
63	Total capital ratio (non-consolidated)((K)/(L))	26.63%		25.63%	
Regulatory Adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	304,065		454,084	
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	
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)	-		-	
Provisions included in Tier 2 capital: instruments and provisions					
76	Provisions (general reserve for possible loan losses)	1		2	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	46		52	
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	165,396		169,009	
Capital instruments subject to phase-out arrangements					
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	599		699	
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")	399		299	
84	Current cap on Tier 2 instruments under phase-out arrangements	921,604		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")	-		-	