

Composition of Capital Disclosure (Non-Consolidated)

The Norinchukin Bank

As of December 31, 2016

(millions of yen, %)

Basel III Template No.	Items	As of December 31, 2016	Amounts excluded under transitional arrangements	As of September 30, 2016	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	5,301,872		5,256,902	
1a	of which: capital and capital surplus	3,455,509		3,455,509	
2	of which: retained earnings	1,846,362		1,801,393	
26	of which: cash dividends to be paid	-		-	
	of which: other than the above	-		-	
3	Valuation and translation adjustments and other disclosed reserves	985,463	656,975	1,020,389	680,259
	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)	6,287,335		6,277,292	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	9,782	6,521	9,988	6,659
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)	9,782	6,521	9,988	6,659
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	37,111	24,740	Δ 46,255	Δ 30,837
12	Shortfall of eligible provisions to expected losses	26,172	17,448	21,692	14,461
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)	5,062	3,375	4,593	3,062
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)	78,129		Δ 9,981	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,209,205		6,287,273	
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		599	
	Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	7		Δ 4	
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related valuation and translation adjustments	7		Δ 4	
36	Additional Tier 1 capital: instruments (D)	49,607		49,595	
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	23,424	15,616
	Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	8,724		7,230	
	of which: 50% of balance due to pay of eligible provisions	8,724		7,230	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	32,149		30,655	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	17,458		18,940	
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	6,226,664		6,306,214	

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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		1,415,480	
	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		97,816	
50	Total of general allowance for credit losses and eligible provisions included in Tier 2	2		1	
50a	of which: general reserve for possible loan losses	2		1	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	392,605		442,096	
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related valuation and translation adjustments	392,605		442,096	
51	Tier 2 capital: instruments and provisions (H)	1,905,903		1,955,394	
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	8,724		7,230	
	of which: 50% of balance due to pay of eligible provisions	8,724		7,230	
57	Tier 2 capital: regulatory adjustments (I)	8,724		7,230	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I) (J))	1,897,179		1,948,163	
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	8,123,843		8,254,377	
Risk weighted assets					
	Total of items included in risk weighted assets under phase-out arrangements	33,805		33,630	
	of which: intangibles assets other than mortgage servicing rights	6,521		6,659	
	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)	3,375		3,062	
	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		23,908	
60	Risk weighted assets (L)	34,040,236		30,993,646	
Capital Ratio (non-consolidated)					
61	Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	18.24%		20.28%	
62	Tier 1 capital ratio (non-consolidated)((G)/(L))	18.29%		20.34%	
63	Total capital ratio (non-consolidated)((K)/(L))	23.86%		26.63%	
Regulatory Adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	346,014		304,065	
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)	2		1	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	66		46	
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	187,036		165,396	
Capital instruments subject to phase-out arrangements					
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	599		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")	399		399	
84	Current cap on Tier 2 instruments under phase-out arrangements	921,604		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")	-		-	