

Composition of Capital Disclosure (Consolidated)

The Norinchukin Bank

As of December 31, 2017

(millions of yen, %)

Basel III Template No.	Items	As of December 31, 2017	Amounts excluded under transitional arrangements	As of September 30, 2017	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	5,429,445		5,402,811		
1a	of which: capital and capital surplus	3,455,509		3,455,509		
2	of which: retained earnings	1,973,936		1,947,301		
26	of which: cash dividends to be paid	-		-		
	of which: other than the above	-		-		
3	Accumulated other comprehensive income and other disclosed reserves	1,377,180	344,295	1,366,483	341,620	
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	1,100		1,044		
	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)	1,100		1,044		
6	Common Equity Tier 1 capital: instruments and reserves (A)	6,807,726		6,770,339		
Common Equity Tier 1 capital: regulatory adjustments						
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	28,113	7,028	33,604	8,401	
8	of which: goodwill (net of related tax liability, including those equivalent)	3,793	948	10,616	2,654	
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	24,320	6,080	22,987	5,746	
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	31,479	7,869	9,457	2,364	
12	Shortfall of eligible provisions to expected losses	20,875	5,218	17,329	4,332	
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	26,806	6,701	26,743	6,685	
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)	107,276		87,134		
Common Equity Tier 1 capital (CET1)						
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,700,450		6,683,204		
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	49,973		48,973	
	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)	3,386		3,318		
33+35	Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	-		424		
33	of which: instruments issued by banks and their special purpose vehicles	-		424		
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	Δ 9		Δ 9		
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related other comprehensive income	Δ 9		Δ 9		
36	Additional Tier 1 capital: instruments (D)	53,350		52,707		
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)	41,183	10,295	40,054	10,013	
	Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	2,609		2,166		
	of which: 50% of balance due to pay of eligible provisions	2,609		2,166		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-		
43	Additional Tier 1 capital: regulatory adjustments (E)	43,792		42,220		
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	9,558		10,487		
Tier 1 capital (T1=CET1+AT1)						
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	6,710,008		6,693,691		

Composition of Capital Disclosure (Consolidated)

The Norinchukin Bank

As of December 31, 2017

(millions of yen, %)

Basel III Template No.	Items	As of December 31, 2017	Amounts excluded under transitional arrangements	As of September 30, 2017	Amounts excluded under transitional arrangements
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	-		-	
	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		1,415,480	
	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)	113		102	
47+49	Eligible Tier 2 capital instruments under phase-out arrangements included in Tier 2: instruments and provisions	97,816		97,816	
47	of which: instruments issued by banks and their special purpose vehicles	97,816		97,816	
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	19		12	
50a	of which: general allowance for possible loan losses	19		12	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	207,604		209,277	
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related other comprehensive income	207,604		209,277	
	51	Tier 2 capital: instruments and provisions (H)	1,721,033		1,722,688
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 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	13,795		14,776	
	of which: intangibles assets other than mortgage servicing rights	948		2,654	
	of which: 50% of balance due to pay of eligible provisions	2,609		2,166	
	of which: significant investments in the additional Tier 1 capital of other financial institutions	10,238		9,955	
57	Tier 2 capital: regulatory adjustments (I)	13,795		14,776	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I) (J))	1,707,237		1,707,912	
Total capital (TC=T1+T2)					
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	8,417,246		8,401,604	
Risk weighted assets					
	Total of items included in risk weighted assets under phase-out arrangements	13,076		12,727	
	of which: intangibles assets other than mortgage servicing rights	6,080		5,746	
	of which: net defined-benefit asset	6,701		6,685	
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	294		294	
60	Risk weighted assets (L)	38,049,291		35,681,820	
Capital Ratio (consolidated)					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	17.60%		18.72%	
62	Tier1 capital ratio (consolidated)((G)/(L))	17.63%		18.75%	
63	Total capital ratio (consolidated)((K)/(L))	22.12%		23.54%	
Regulatory Adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	346,852		342,609	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	24,405		50,666	
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)	19		12	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	223		135	
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	210,295		195,747	
Capital instruments subject to phase-out arrangements					
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	-		424	
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	
84	Current cap on Tier 2 instruments subject to phase-out arrangements	768,003		768,003	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-		-	