

Composition of Capital Disclosure (Non-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
<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	5,366,862		5,353,147	
1a	of which: capital and capital surplus	3,455,509		3,455,509	
2	of which: retained earnings	1,911,353		1,897,638	
26	of which: cash dividends to be paid	-		-	
	of which: other than the above	-		-	
3	Valuation and translation adjustments and other disclosed reserves	1,367,052	341,763	1,356,349	339,087
	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)	6,733,915		6,709,497	
<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)	21,652	5,413	20,611	5,152
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)	21,652	5,413	20,611	5,152
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	31,225	7,806	9,249	2,312
12	Shortfall of eligible provisions to expected losses	17,538	4,384	13,868	3,467
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)	10,817	2,704	9,781	2,445
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)	81,233		53,510	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B) (C)	6,652,681		6,655,986	
<b>Additional Tier 1 capital: instruments</b>					
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	49,999		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	-		499	
	Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	2		2	
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related valuation and translation adjustments	2		2	
36	Additional Tier 1 capital: instruments (D)	50,002		49,502	
<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)	31,233	7,808	31,233	7,808
	Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	2,192		1,733	
	of which: 50% of balance due to pay of eligible provisions	2,192		1,733	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	33,425		32,966	
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital (AT1) ((D)-(E) (F)	16,576		16,535	
<b>Tier 1 capital (T1=CET1+AT1) ((C)+(F) (G)</b>					
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F) (G)	6,669,258		6,672,521	

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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
<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	-		-	
	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	7		5	
50a	of which: general reserve for possible loan losses	7		5	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	207,408		209,162	
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related valuation and translation adjustments	207,408		209,162	
51	Tier 2 capital: instruments and provisions (H)	1,720,711		1,722,463	
<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 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	2,192		1,733	
	of which: 50% of balance due to pay of eligible provisions	2,192		1,733	
57	Tier 2 capital: regulatory adjustments (I)	2,192		1,733	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (T2) ((H)-(I))(J)	1,718,518		1,720,729	
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	8,387,777		8,393,251	
<b>Risk weighted assets</b>					
	Total of items included in risk weighted assets under phase-out arrangements	20,071		19,552	
	of which: intangibles assets other than mortgage servicing rights	5,413		5,152	
	of which: Defined-benefit pension fund net assets (prepaid pension costs)	2,704		2,445	
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	11,954		11,954	
60	Risk weighted assets (L)	37,628,527		35,340,763	
<b>Capital Ratio (non-consolidated)</b>					
61	Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	17.67%		18.83%	
62	Tier 1 capital ratio (non-consolidated)((G)/(L))	17.72%		18.88%	
63	Total capital ratio (non-consolidated)((K)/(L))	22.29%		23.74%	
<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)	345,584		341,353	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	18,489		68,397	
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)	7		5	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	84		55	
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	207,985		193,888	
<b>Capital instruments subject to phase-out arrangements</b>					
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	-		499	
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")	-		499	
84	Current cap on Tier 2 instruments under 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")	-		-	