

Composition of Capital Disclosure (Consolidated)

The Norinchukin Bank

As of March 31, 2018		(millions of yen, %)			
Basel III Template No.	Items	As of March 31, 2018	Amounts excluded under transitional arrangements	As of December 31, 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	5,373,368		5,429,445	
1a	of which: capital and capital surplus	3,455,509		3,455,509	
2	of which: retained earnings	1,988,359		1,973,936	
26	of which: cash dividends to be paid	70,500		-	
	of which: other than the above	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	1,242,763		1,377,180	344,295
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	
	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	
6	Common Equity Tier 1 capital: instruments and reserves (A)	6,616,132		6,807,726	
Common Equity Tier 1 capital: regulatory adjustments					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	37,007		28,113	7,028
8	of which: goodwill (net of related tax liability, including those equivalent)	4,638		3,793	948
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	32,368		24,320	6,080
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	89,100		31,479	7,869
12	Shortfall of eligible provisions to expected losses	21,227		20,875	5,218
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	37,938		26,806	6,701
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)	185,274		107,276	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,430,858		6,700,450	
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		49,973
	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)	3,543		3,386	
33+35	Eligible Tier 1 capital instruments under phase-out arrangements included in Additional Tier 1 capital: instruments	-		-	
33	of which: instruments issued by banks and their special purpose vehicles	-		-	
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			(9)	
	of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related other comprehensive income			(9)	
36	Additional Tier 1 capital: instruments (D)	53,517		53,350	
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)	51,754		41,183	10,295
	Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements			2,609	
	of which: 50% of balance due to pay of eligible provisions			2,609	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	51,754		43,792	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	1,763		9,558	

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The Norinchukin Bank

As of March 31, 2018

(millions of yen, %)

Basel III Template No.	Items	As of March 31, 2018	Amounts excluded under transitional arrangements	As of December 31, 2017	Amounts excluded under transitional arrangements
Tier 1 capital (T1=CET1+AT1)					
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	6,432,621		6,710,008	
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)	121		113	
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	72		19	
50a	of which: general allowance for possible loan losses	72		19	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	-		207,604	
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related other comprehensive income	-		207,604	
51	Tier 2 capital: instruments and provisions (H)	1,513,489		1,721,033	
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	
	of which: intangibles assets other than mortgage servicing rights	-		948	
	of which: 50% of balance due to pay of eligible provisions	-		2,609	
	of which: significant investments in the additional Tier 1 capital of other financial institutions	-		10,238	
57	Tier 2 capital: regulatory adjustments (I)	-		13,795	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,513,489		1,707,237	
Total capital (TC=T1+T2)					
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	7,946,110		8,417,246	
Risk weighted assets					
	Total of items included in risk weighted assets under phase-out arrangements	-		13,076	
	of which: intangibles assets other than mortgage servicing rights	-		6,080	
	of which: net defined-benefit asset	-		6,701	
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	-		294	
60	Risk weighted assets (L)	33,810,329		38,049,291	
Capital Ratio (consolidated)					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	19.02%		17.60%	
62	Tier1 capital ratio (consolidated)((G)/(L))	19.02%		17.63%	
63	Total capital ratio (consolidated)((K)/(L))	23.50%		22.12%	
Regulatory Adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	315,503		346,852	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	24,445		24,405	
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)	72		19	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	892		223	
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	189,429		210,295	
Capital instruments subject to phase-out arrangements					
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	-		-	
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")	-		-	
84	Current cap on Tier 2 instruments subject to phase-out arrangements	614,402		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")	-		-	

Key metrics (Consolidated)

The Norinchukin Bank

As of March 31, 2018

(millions of yen, %)

KM1 : Key metrics(Consolidated)						
Basel III Template No.		a	b	c	d	e
		As of March 31, 2018	As of December 31, 2017	As of September 30, 2017	As of June 30, 2017	As of March 31, 2017
Available capital						
1	Common Equity Tier 1 capital (CET1)	6,430,858	6,700,450	6,683,204	6,623,784	6,478,344
2	Tier 1 capital	6,432,621	6,710,008	6,693,691	6,635,141	6,489,114
3	Total capital	7,946,110	8,417,246	8,401,604	8,333,805	8,180,721
Risk-weighted assets						
4	Total risk-weighted assets (RWA)	33,810,329	38,049,291	35,681,820	34,627,288	33,539,401
Capital ratio (consolidated)						
5	Common Equity Tier 1 capital ratio	19.02%	17.60%	18.72%	19.12%	19.31%
6	Tier 1 capital ratio	19.02%	17.63%	18.75%	19.16%	19.34%
7	Total capital ratio	23.50%	22.12%	23.54%	24.06%	24.39%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement	1.87%	1.25%	1.25%	1.25%	1.25%
9	Countercyclical buffer requirement	0.00%	0.00%	0.00%	0.00%	0.00%
10	Bank G-SIB/D-SIB additional requirements	0.37%	0.25%	0.25%	0.25%	0.25%
11	Total of bank CET1 specific buffer requirements	2.25%	1.50%	1.50%	1.50%	1.50%
12	CET1 available after meeting the bank's minimum capital requirements	13.02%	11.63%	12.75%	13.16%	13.34%
Leverage ratio(consolidated)						
13	Total exposures	106,552,327	115,024,404	114,645,763	113,624,020	108,485,856
14	Leverage ratio	6.03%	5.83%	5.83%	5.83%	5.98%
Liquidity Coverage Ratio(consolidated)						
15	Total HQLA allowed to be included in the calculation	35,326,846	36,412,857	37,230,666	36,748,317	34,774,772
16	Net cash outflows	5,810,850	6,100,928	6,643,212	7,696,192	6,543,129
17	Liquidity coverage ratio	607.9%	596.8%	560.4%	477.4%	531.4%

Overview of RWA(Consolidated)

The Norinchukin Bank

As of March 31, 2018

(millions of yen)

OV1: Overview of RWA(Consolidated)					
Basel III Template No.		a	b	c	d
		RWA		Minimum capital requirements	
		As of March 31, 2018	As of December 31, 2017	As of March 31, 2018	As of December 31, 2017
1	Credit risk (excluding counterparty credit risk)	5,115,398		432,755	
2	Of which: standardised approach (SA)	71,423		5,713	
3	Of which: internal rating-based (IRB) approach	4,900,735		415,582	
	Of which: significant investments	-		-	
	Of which: estimated residual value of lease transactions	-		-	
	Others	143,239		11,459	
4	Counterparty credit risk(CCR)	478,053		39,309	
5	Of which: standardised approach for counterparty credit risk (SA-CCR)	-		-	
	Of which: current exposure method (CEM)	42,302		3,587	
6	Of which: expected positive exposure (EPE)	-		-	
	Of which: credit valuation adjustment(CVA)	64,705		5,176	
	Of which: Central counterparty related exposure(CCP)	191,435		15,314	
	Others	179,609		15,230	
7	Equity positions in banking book under market-based approach	1,587,104		134,586	
	Equity investments in funds(SA)	-		-	
	Equity investments in funds(IRB)	22,365,018		1,896,529	
11	Settlement risk	0		0	
12	Securitization exposures in banking book	518,665		43,982	
13	Of which: IRB ratings-based approach (RBA) or IRB internal assessment approach (IAA)	518,665		43,982	
14	Of which: IRB Supervisory Formula Approach (SFA)	-		-	
15	Of which: Standardised approach (SA)	-		-	
	Of which: 1250% risk weight is applied	0		0	
16	Market risk	1,197,002		95,760	
17	Of which: standardised approach (SA)	1,171,398		93,711	
18	Of which: internal model approaches (IMM)	25,604		2,048	
19	Operational risk	709,217		56,737	
20	Of which: Basic Indicator Approach	-		-	
21	Of which: Standardised Approach	709,217		56,737	
22	Of which: Advanced Measurement Approach	-		-	
23	Amounts below the thresholds for deduction	60,904		5,164	
	Risk weighted assets subject to transitional arrangements				
24	Floor adjustment	-		-	
25	Total	32,031,365		2,704,826	