Composition of Capital Disclosure (Non-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		5,308,106		5,366,862	
1a			of which: capital and capital surplus	3,455,509		3,455,509	
2			of which: retained earnings	1,923,097		1,911,353	
26			of which: cash dividends to be paid	70,500		-	
			of which: other than the above	-		-	
3		Valuation and translation adjustments and other disclosed reserves		1,225,668		1,367,052	341,763
		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)		6,533,774		6,733,915	
Common Equity Tier 1 capital: regulatory adjustments							
8+9		Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)		28,931		21,652	5,413
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)	28,931		21,652	5,413
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		88,989		31,225	7,806
12		Shortfall of eligible provisions to expected losses		14,701		17,538	4,384
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)		15,043		10,817	2,704
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)		147,666		81,233	
Common Equity Tier 1 capital (CET1)							
29		Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)		6,386,108		6,652,681	
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		49,999		49,999	
	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		-		-	
		Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements				2	
			of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related valuation and translation adjustments			2	
36		Additional Tier 1 capital: instruments (D)		49,999		50,002	
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)		39,041		31,233	7,808
		Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements				2,192	
			of which: 50% of balance due to pay of eligible provisions			2,192	
42		Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		-		-	
43		Additional Tier 1 capital: regulatory adjustments (E)		39,041		33,425	
Additional Tier 1 capital (AT1)							
44		Additional Tier 1 capital (AT1) ((D)-(E)) (F)		10,958		16,576	
45		Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)		6,397,066		6,669,258	

Composition of Capital Disclosure (Non-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
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	30		7	
50a	of which: general reserve for possible loan losses	30		7	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements			207,408	
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related valuation and translation adjustments			207,408	
51	Tier 2 capital: instruments and provisions (H)	1,513,326		1,720,711	
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			2,192	
	of which: 50% of balance due to pay of eligible provisions			2,192	
57	Tier 2 capital: regulatory adjustments (I)	-		2,192	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I))(J)	1,513,326		1,718,518	
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	7,910,393		8,387,777	
Risk weighted assets					
	Total of items included in risk weighted assets under phase-out arrangements			20,071	
	of which: intangibles assets other than mortgage servicing rights			5,413	
	of which: Defined-benefit pension fund net assets (prepaid pension costs)			2,704	
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)			11,954	
60	Risk weighted assets (L)	33,259,570		37,628,527	
Capital Ratio (non-consolidated)					
61	Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	19.20%		17.67%	
62	Tier 1 capital ratio (non-consolidated)((G)/(L))	19.23%		17.72%	
63	Total capital ratio (non-consolidated)((K)/(L))	23.78%		22.29%	
Regulatory Adjustments					
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	314,254		345,584	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	18,489		18,489	
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)	30		7	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	374		84	
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	186,541		207,985	
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 under 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（Non-Consolidated）

The Norinchukin Bank

As of March 31, 2018 (millions of yen, %)

KM1 : Key metrics(Non-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)	6,386,108	6,652,681	6,655,986	6,598,761	6,454,700
2	Tier 1 capital	6,397,066	6,669,258	6,672,521	6,615,528	6,471,531
3	Total capital	7,910,393	8,387,777	8,393,251	8,326,938	8,176,116
Risk-weighted assets						
4	Total risk-weighted assets (RWA)	33,259,570	37,628,527	35,340,763	34,296,558	33,231,785
Capital ratio (Non-consolidated)						
5	Common Equity Tier 1 capital ratio	19.20%	17.67%	18.83%	19.24%	19.42%
6	Tier 1 capital ratio	19.23%	17.72%	18.88%	19.28%	19.47%
7	Total capital ratio	23.78%	22.29%	23.74%	24.27%	24.60%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement					
9	Countercyclical buffer requirement					
10	Bank G-SIB/D-SIB additional requirements					
11	Total of bank CET1 specific buffer requirements					
12	CET1 available after meeting the bank's minimum capital requirements					
Liquidity Coverage Ratio(Non-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	5,699,028	5,986,104	6,528,231	7,649,761	6,428,294
17	Liquidity coverage ratio	619.8%	608.2%	570.3%	480.3%	540.9%

Overview of RWA (Non-Consolidated)

The Norinchukin Bank

As of March 31,2018 (millions of yen)

Basel III Template No.	OV1：Overview of RWA(Non-Consolidated)	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)	4,629,601		391,761	
2	Of which: standardised approach (SA)	29,963		2,397	
3	Of which: internal rating-based (IRB) approach	4,456,982		377,952	
	Of which: significant investments	-		-	
	Of which: estimated residual value of lease transactions	-		-	
	Others	142,656		11,412	
4	Counterparty credit risk(CCR)	480,954		39,555	
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	182,511		15,476	
7	Equity positions in banking book under market-based approach	1,589,624		134,800	
	Equity investments in funds(SA)	-		-	
	Equity investments in funds(IRB)	22,364,471		1,896,483	
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	681,275		54,502	
20	Of which: Basic Indicator Approach	-		-	
21	Of which: Standardised Approach	681,275		54,502	
22	Of which: Advanced Measurement Approach	-		-	
23	Amounts below the thresholds for deduction	46,223		3,919	
	Risk weighted assets subject to transitional arrangements				
24	Floor adjustment	-		-	
25	Total	31,507,820		2,660,765	