

Composition of Capital Disclosure (Non-Consolidated)

The Norinchukin Bank

As of March 31, 2016

(millions of yen, %)

Basel III Template No.	Items	As of March 31, 2016	Amounts excluded under transitional arrangements	As of March 31, 2015	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	5,113,093		4,854,345	
1a	of which: capital and capital surplus	3,455,509		3,400,930	
2	of which: retained earnings	1,725,971		1,530,925	
26	of which: cash dividends to be paid	68,387		77,510	
	of which: other than the above	-		-	
3	Valuation and translation adjustments and other disclosed reserves	1,141,454	760,969	900,084	1,350,126
	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)	6,254,547		5,754,429	
<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)	8,061	5,374	5,619	8,428
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)	8,061	5,374	5,619	8,428
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	Δ 34,239	Δ 22,826	Δ 14,913	Δ 22,369
12	Shortfall of eligible provisions to expected losses	23,907	15,938	14,316	21,474
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)	3,516	2,344	490	736
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)	1,246		5,513	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,253,301		5,748,916	
<b>Additional Tier 1 capital: instruments</b>					
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		699	
	Total of items included in Additional Tier 1 capital: instruments under phase-out arrangements	4		14	
	of which: amounts of counted in to base instruments of Additional Tier 1 under phase-out arrangements that related valuation and translation adjustments	4		14	
36	Additional Tier 1 capital: instruments (D)	49,604		49,714	
<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)	23,424	15,616	15,210	22,816
	Total of items included in Additional Tier 1 capital: regulatory adjustments under phase-out arrangements	7,969		10,737	
	of which: 50% of balance due to pay of eligible provisions	7,969		10,737	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	31,394		25,948	
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	18,210		23,765	
<b>Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)</b>					
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	6,271,511		5,772,681	

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<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		1,387,791	
	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	147,816		148,216	
50	Total of general allowance for credit losses and eligible provisions included in Tier 2	3		3	
50a	of which: general reserve for possible loan losses	3		3	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions under phase-out arrangements	487,200		852,868	
	of which: amounts of counted in to base instruments of Additional Tier1 under phase-out arrangements that related valuation and translation adjustments	487,200		852,868	
51	Tier 2 capital: instruments and provisions (H)	2,050,500		2,388,878	
<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	7,969		10,737	
	of which: 50% of balance due to pay of eligible provisions	7,969		10,737	
57	Tier 2 capital: regulatory adjustments (I)	7,969		10,737	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (T2) ((H)-(I) )(J)	2,042,530		2,378,141	
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	8,314,042		8,150,823	
<b>Risk weighted assets</b>					
	Total of items included in risk weighted assets under phase-out arrangements	31,627		45,028	
	of which: intangibles assets other than mortgage servicing rights	5,374		8,428	
	of which: Defined-benefit pension fund net assets (prepaid pension costs)	2,344		736	
	of which: significant investments in the Additional Tier 1 capital of Other Financial Institutions (net of eligible short positions)	23,908		35,863	
60	Risk weighted assets (L)	32,874,613		33,458,943	
<b>Capital Ratio (non-consolidated)</b>					
61	Common Equity Tier 1 capital ratio (non-consolidated) ((C)/(L))	19.02%		17.18%	
62	Tier 1 capital ratio (non-consolidated)((G)/(L))	19.07%		17.25%	
63	Total capital ratio (non-consolidated)((K)/(L))	25.29%		24.36%	
<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)	437,777		551,761	
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	67,401		67,400	
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)	3		3	
77	Cap on inclusion of provisions (general reserve for possible loan losses)	82		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	175,487		177,921	
<b>Capital instruments subject to phase-out arrangements</b>					
82	Current cap on Additional Tier 1 instruments under phase-out arrangements	599		699	
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		299	
84	Current cap on Tier 2 instruments under phase-out arrangements	921,604		1,075,204	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-		-	