

Composition of Capital Disclosure (Consolidated)

The Norinchukin Bank

As of September 30, 2018

(millions of yen, %)

Basel III Template No.	Items	As of September 30, 2018	As of June 30, 2018	
Common Equity Tier 1 Capital: instruments and reserves				
1a+2-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	5,459,172	5,455,043	
1a	of which: capital and capital surplus	3,455,509	3,455,509	
2	of which: retained earnings	2,003,663	1,999,533	
26	of which: cash dividends to be paid	-	-	
	of which: other than the above	-	-	
3	Accumulated other comprehensive income and other disclosed reserves	1,147,864	1,177,308	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-	
6	Common Equity Tier 1 capital: instruments and reserves (A)	6,607,036	6,632,351	
Common Equity Tier 1 capital: regulatory adjustments				
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	39,642	37,497	
8	of which: goodwill (net of related tax liability, including those equivalent)	4,683	4,746	
9	of which: other intangible assets other than goodwill and mortgage servicing rights (net of related tax liability)	34,959	32,750	
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	153,995	114,402	
12	Shortfall of eligible provisions to expected losses	29,279	24,380	
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	38,357	38,211	
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)	261,275	214,493	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	6,345,761	6,417,858	
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)	3,651	3,606	
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)	-	-	
36	Additional Tier 1 capital: instruments (D)	53,624	53,580	
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)	50,777	50,016	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	
43	Additional Tier 1 capital: regulatory adjustments (E)	50,777	50,016	
Additional Tier 1 capital (AT1)				
44	Additional Tier 1 capital (AT1) ((D)-(E)) (F)	2,847	3,563	

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Basel III Template No.	Items	As of September 30, 2018	As of June 30, 2018
Tier 1 capital (T1=CET1+AT1)			
45	Tier 1 capital (T1=CET1+AT1) ((C)+(F)) (G)	6,348,609	6,421,421
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)	135	132
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	99	107
50a	of which: general reserve for possible loan losses	99	107
50b	of which: eligible provisions	-	-
51	Tier 2 capital: instruments and provisions (H)	1,513,530	1,513,536
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)	-	-
57	Tier 2 capital: regulatory adjustments (I)	-	-
Tier 2 capital (T2)			
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,513,530	1,513,536
Total capital (TC=T1+T2)			
59	Total capital (TC=T1+T2) ((G) + (J)) (K)	7,862,140	7,934,957
Risk weighted assets			
60	Risk weighted assets (L)	38,164,507	35,357,539
Capital Ratio (consolidated)			
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	16.62%	18.15%
62	Tier1 capital ratio (consolidated)((G)/(L))	16.63%	18.16%
63	Total capital ratio (consolidated)((K)/(L))	20.60%	22.44%
Regulatory Adjustments			
72	Non-significant Investments in the capital of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	212,392	199,420
73	Significant investments in the common stock of Other Financial Institutions that are below the thresholds for deduction (before risk weighting)	23,520	23,193
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)	99	107
77	Cap on inclusion of provisions (general reserve for possible loan losses)	1,383	1,435
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	213,234	197,499
Capital instruments under 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	614,402
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-	-