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# Financial Summary for the 1<sup>st</sup> Quarter of Fiscal Year 2019



**NORINCHUKIN**

**August 6, 2019**

# Income Statement Summary

## 【Consolidated】

(in JPY bn)

	FY2018 Apr-Jun	FY2019 Apr-Jun	Change
1 Ordinary Income	498.6	454.8	(43.8)
2 Interest Income	365.9	349.2	(16.7)
3 <Interests on/Dividends from Securities>	336.4	309.6	(26.7)
4 <Interests on Loans>	25.1	31.4	6.2
5 Ordinary Expenses	388.2	378.4	(9.7)
6 Interest Expenses	294.0	317.8	23.8
7 <Expenses on Funding from Members>	85.3	83.5	(1.7)
8 General and Administrative Expenses	37.4	37.5	0.0
9 Ordinary Profits	110.3	76.3	(34.0)
10 Income before Income Taxes	110.2	78.0	(32.1)
11 Net Income	81.6	59.8	(21.8)

## 【Non-consolidated】

(in JPY bn)

	FY2018 Apr-Jun	FY2019 Apr-Jun	Change
12 Ordinary Profits	111.4	77.0	(34.3)
13 Net Income	83.9	61.8	(22.0)

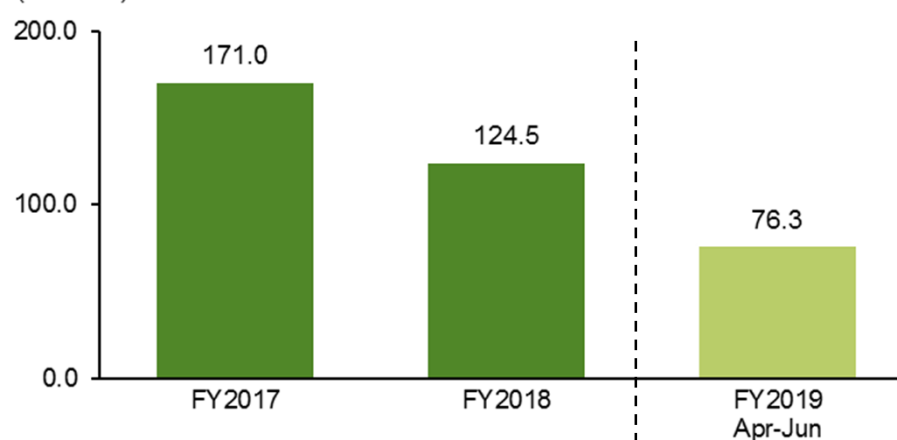
### 【Reference (Non-consolidated)】

14 Net Gains/Losses on Sale of Securities	25.6	19.8	(5.7)
15 Credit-related Expenses <sup>(Note)</sup>	(0.8)	2.4	3.2
16 Disposal of Securities	0.0	0.1	0.1

(Note) Negative numbers for credit-related expenses indicate reversals

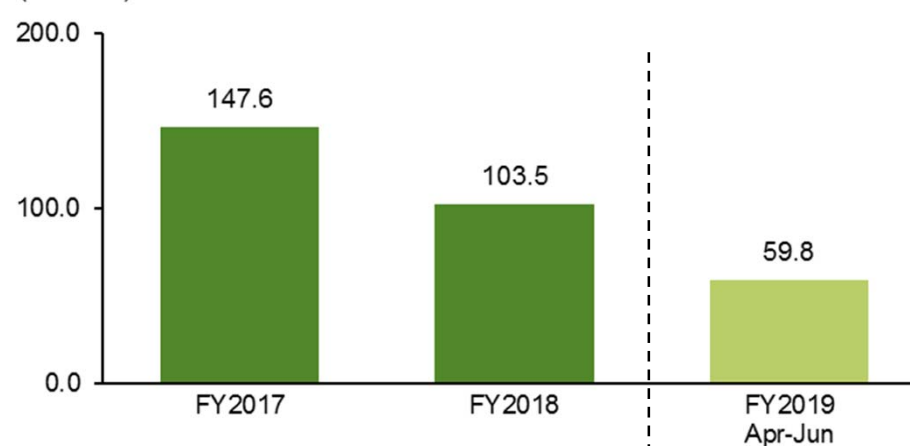
## Ordinary Profits over Time (Consolidated)

(in JPY bn)



## Net Income over Time (Consolidated)

(in JPY bn)



# Balance Sheet Summary

【Consolidated】

(in JPY bn)

	Mar 2019	Jun 2019	Change
1 Loans and Bills Discounted	18,613.0	18,659.7	46.6
2 Securities	55,658.7	55,177.9	(480.8)
3 Money Held in Trust	8,667.3	7,621.0	(1,046.3)
4 Cash and Due from Banks	18,941.6	21,626.9	2,685.2
5 Others	4,073.1	5,531.0	1,457.9
6 <b>Total Assets</b>	<b>105,953.9</b>	<b>108,616.5</b>	<b>2,662.6</b>
7 Deposits <sup>(Note)</sup>	67,845.1	69,744.0	1,898.8
8 Debentures	1,254.2	1,118.8	(135.4)
9 Payables under Repurchase Agreements	15,111.2	14,795.3	(315.9)
10 Others	14,269.9	15,355.2	1,085.2
11 <b>Total Liabilities</b>	<b>98,480.6</b>	<b>101,013.4</b>	<b>2,532.7</b>
12 <b>Total Net Assets</b>	<b>7,473.2</b>	<b>7,603.1</b>	<b>129.8</b>

(Note) Deposits include deposits and entrusted funds (the majority are short-term funds received from members) for accounting purpose.

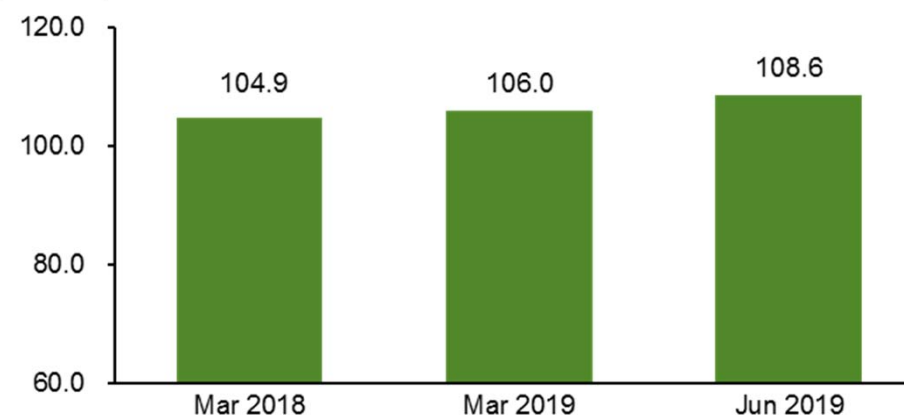
【Non-consolidated】

(in JPY bn)

	Mar 2019	Jun 2019	Change
13 <b>Total Assets</b>	<b>104,176.8</b>	<b>106,833.3</b>	<b>2,656.5</b>
14 <b>Total Liabilities</b>	<b>96,794.9</b>	<b>99,318.1</b>	<b>2,523.2</b>
15 <b>Total Net Assets</b>	<b>7,381.8</b>	<b>7,515.1</b>	<b>133.3</b>
16 Gains/Losses on Revaluation of Securities	2,069.9	2,491.7	421.7

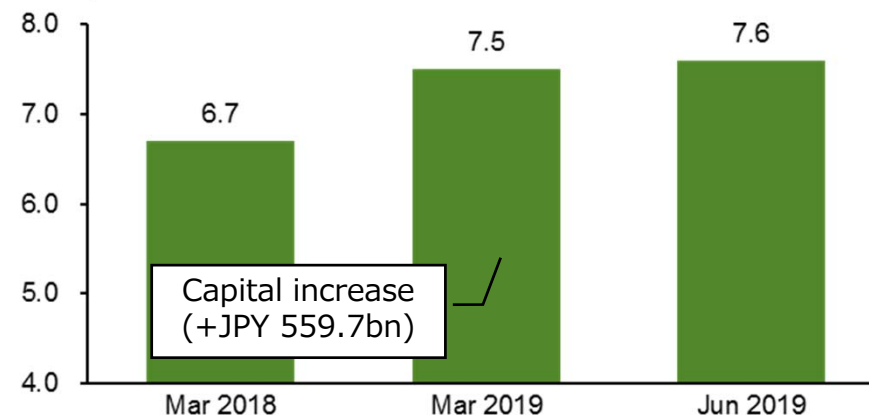
## Total Assets over Time (Consolidated)

(in JPY trn)



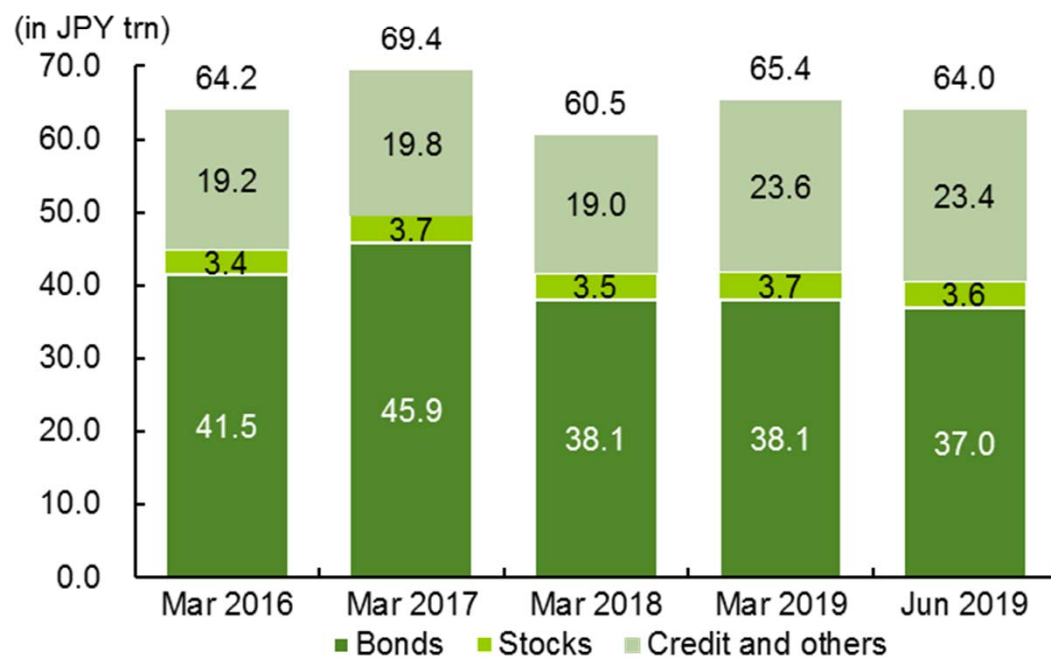
## Net Assets over Time (Consolidated)

(in JPY trn)

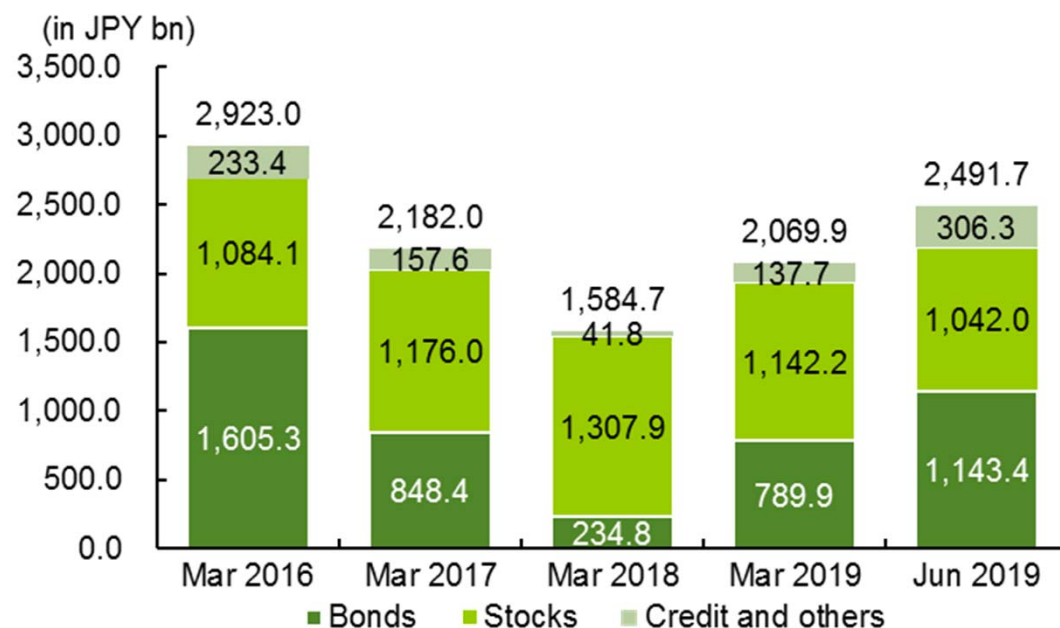


# Market Investment Portfolio (Non-consolidated)

## Market Investment Portfolio over Time



## Net Unrealized Gains and Losses over Time



# Appendix

# Bank's Investment in CLOs

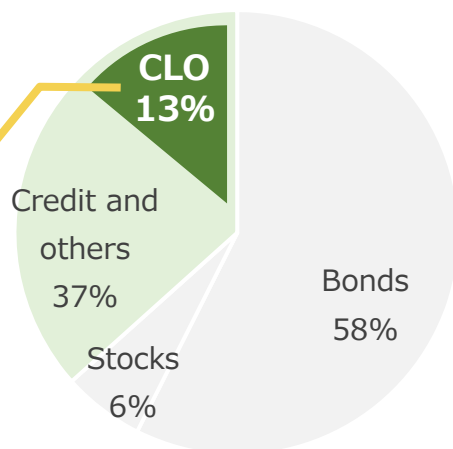
- The Bank applies a consistent approach to robust due diligence and disciplined risk management in CLO investments

## Bank's CLO Holdings over Time



## Market Investment Portfolio

- 13% of investment portfolio
- Only triple-A rated and held-to-maturity securities



Note: The Total might not equal the sum of each value due to rounding.

## Due Diligence and Risk Management

### Investment Guidelines

- Solely on the most senior, triple-A rated tranche
- Strict requirements on stipulations and underlying assets
- Bank-original, rigorous stress-test scenarios

### Investment Process

- Credit review process on each transaction by the Credit Risk Management Division in addition to the analysis by the investment team

### Managers

- Collateral managers only with good track-records and disciplined investment style

### Monitoring

- Periodical review on the compliance status of tests and underlying asset quality
- Frequent communication with the managers

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