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Financial Summary for the 3rd Quarter of Fiscal Year 2020



NORINCHUKIN

February 2, 2021

Income Statement Summary

【Consolidated】

(in JPY bn)

	FY2019 Apr-Dec	FY2020 Apr-Dec	Change
1 Ordinary Income	1,218.7	877.1	(341.5)
2 Interest Income	958.4	614.2	(344.1)
3 <Interest and Dividends on Securities>	839.6	528.5	(311.0)
4 <Interest on Loans and Bills Discounted>	95.4	73.3	(22.1)
5 Ordinary Expenses	1,104.7	728.6	(376.1)
6 Interest Expenses	906.3	489.0	(417.2)
7 <Expenses on Funding from Members>	254.1	237.4	(16.7)
8 General and Administrative Expenses	114.3	107.8	(6.5)
9 Ordinary Profits	113.9	148.4	34.5
10 Income before Income Taxes	115.3	148.2	32.9
11 Profit Attributable to Owners of Parent	83.2	109.3	26.1

【Non-consolidated】

(in JPY bn)

	FY2019 Apr-Dec	FY2020 Apr-Dec	Change
12 Ordinary Profits	109.3	149.4	40.1
13 Net Income	82.2	113.6	31.3

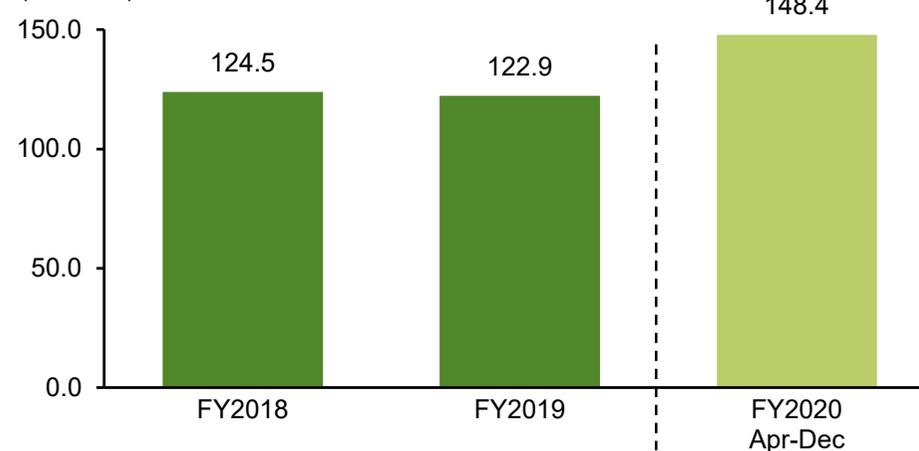
【Reference (Non-consolidated)】

14 Net Gains/Losses on Sales of Securities	65.2	16.7	(48.4)
15 Credit Costs ^(Note)	2.0	52.9	50.9
16 Write-off of Securities	0.4	9.1	8.6

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

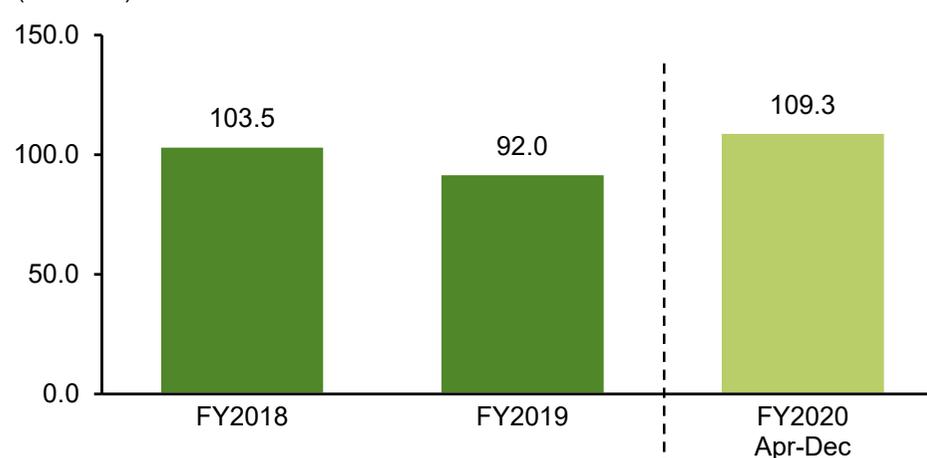
Ordinary Profits over Time (Consolidated)

(in JPY bn)



Net Income over Time (Consolidated)

(in JPY bn)



Balance Sheet Summary

【Consolidated】 (in JPY bn)

	Mar 2020	Dec 2020	Change
1 Loans and Bills Discounted	20,058.8	22,717.0	2,658.2
2 Securities	54,533.2	50,093.2	(4,440.0)
3 Money Held in Trust	5,996.6	10,268.0	4,271.3
4 Cash and Due from Banks	19,505.0	19,278.2	(226.8)
5 Others	5,388.1	5,370.6	(17.5)
6 Total Assets	105,482.0	107,727.2	2,245.2
7 Deposits ^(Note)	66,431.6	67,618.1	1,186.4
8 Debentures	784.4	417.2	(367.1)
9 Payables under Repurchase Agreements	15,726.5	17,651.6	1,925.1
10 Others	15,277.6	13,816.2	(1,461.3)
11 Total Liabilities	98,220.3	99,503.3	1,282.9
12 Total Net Assets	7,261.6	8,223.9	962.2

(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 2020	Dec 2020	Change
13 Total Assets	103,403.5	105,436.2	2,032.7
14 Total Liabilities	96,228.6	97,294.5	1,065.9
15 Total Net Assets	7,174.8	8,141.7	966.8
16 Gains/Losses on Revaluation of Securities	2,347.1	3,502.8	1,155.6

Total Assets over Time (Consolidated)

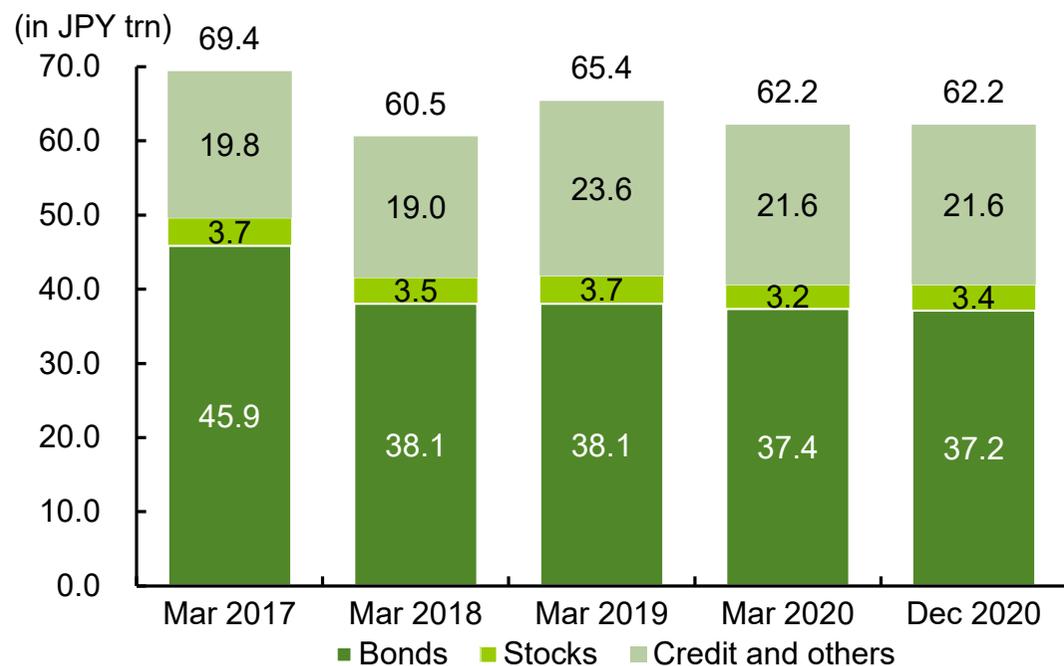


Net Assets over Time (Consolidated)

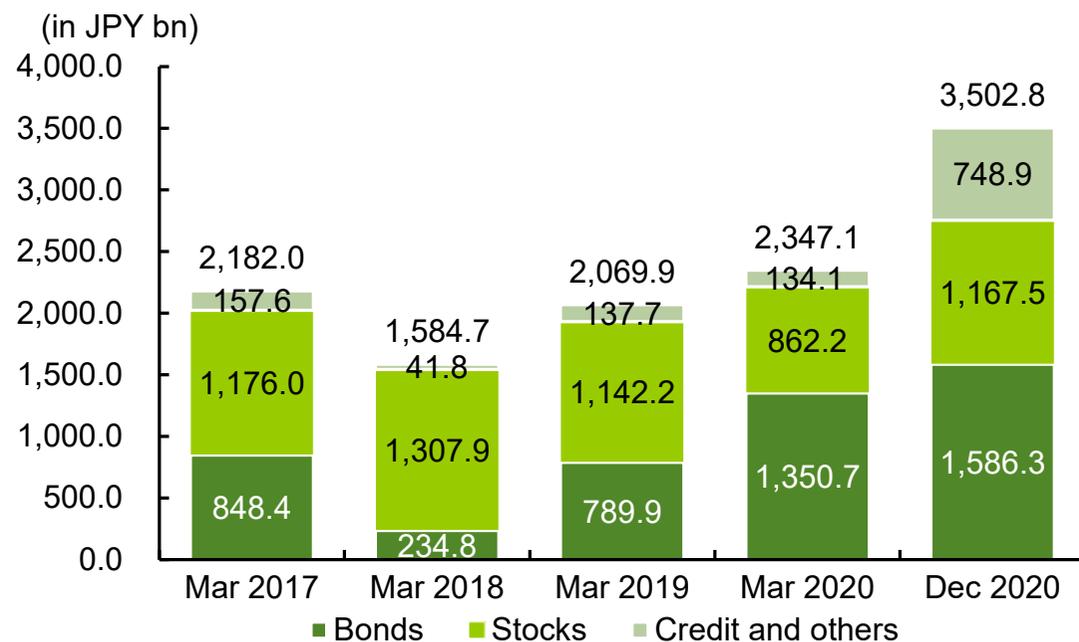


Market Investment Portfolio (Non-consolidated)

Market Investment Portfolio over Time



Net Unrealized Gains and Losses over Time

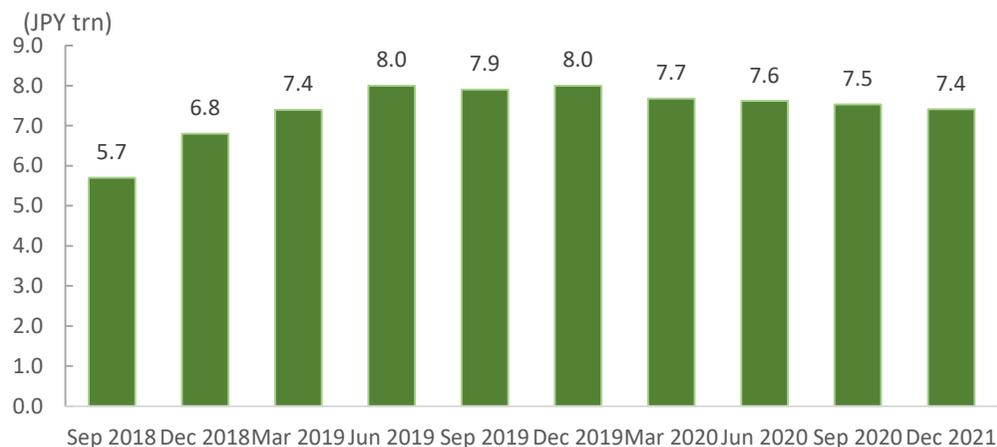


Appendix

Bank's Investment in CLOs

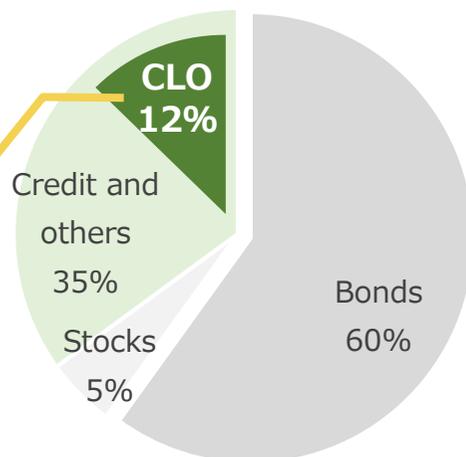
- The Bank applies a consistent approach to robust due diligence and disciplined risk management in CLO investments

Bank's CLO Holdings over Time



Market Investment Portfolio

- 12% of investment portfolio
- Only triple-A rated and held-to-maturity securities



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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