



***Financial Summary for the 3rd Quarter  
of Fiscal Year 2012***

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**February 22, 2013**

**農林中央金庫**

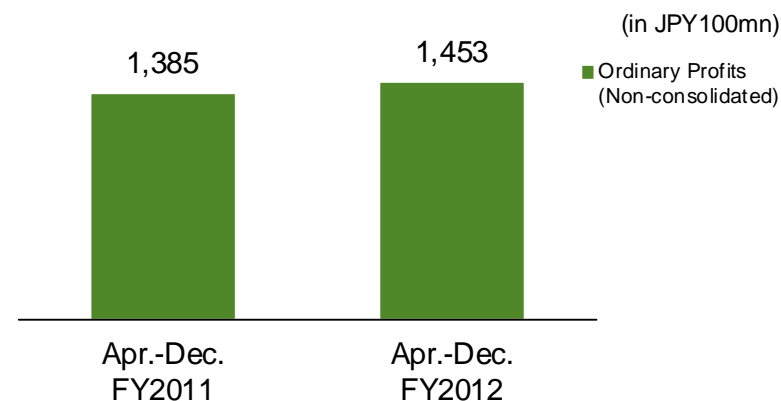
**The Norinchukin Bank**

# Financial Highlights for the 3Q of FY2012

~ Achieved growth above target profit level and maintained a high capital adequacy ratio ~

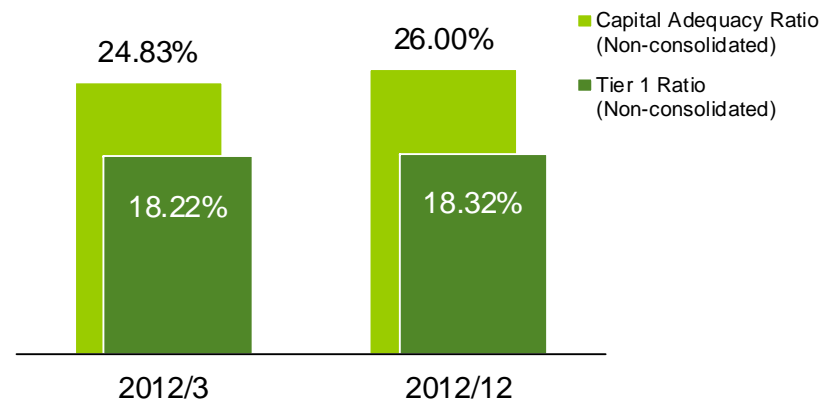
## Profits

【Non-consolidated】				(in JPY 100mn)
	Apr.-Dec. FY2011	Apr.-Dec. FY2012	Change	Mid-term Target (Full Year)
Ordinary Profits	1,385	1,453	67	500-1,000
Net Income	1,074	1,326	252	
【Consolidated】				
Ordinary Profits	1,404	1,543	139	
Net Income	1,111	1,406	295	



## Financial Soundness

【Non-consolidated】				Mid-term Target
	2012/3	2012/12 (Preliminary Figure)	Change	
Tier 1 Ratio	18.22%	18.32%	0.10%	-
Capital Adequacy Ratio	24.83%	26.00%	1.17%	Approx. 20%
【Consolidated】				
Tier 1 Ratio	18.25%	18.32%	0.07%	
Capital Adequacy Ratio	24.67%	25.76%	1.09%	



# Income statement Summary

## 【Non-consolidated】

(in JPY 100mn)

	Apr.-Dec. FY2011	Apr.-Dec. FY2012	Change
1 Ordinary Income	7,958	7,913	(45)
2 Interest Income	5,252	5,442	190
3 Ordinary Expenses	6,573	6,460	(112)
4 Interest Expenses	4,329	4,414	84
5 General and Administrative Expenses	846	904	58
6 Ordinary Profits	1,385	1,453	67
7 Extraordinary Profits/Losses	(2)	7	9
8 Income before Income Taxes	1,383	1,460	77
9 Net Income	1,074	1,326	252

## 【Reference Figures】

10 Gains/Losses on Sale of Securities	(32)	39	71
11 Gains on Sale of Securities	245	456	210
12 Losses on Sale of Securities	278	417	138
13 Credit-related Expenses <sup>(Note 1)</sup>	(198)	104	302
14 Disposal of Securities	411	79	(332)

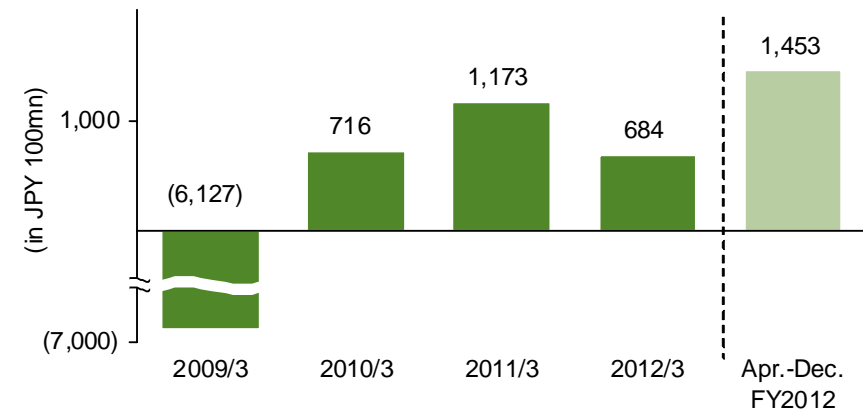
(Note 1) Negative numbers for credit-related expenses indicate reversals

## 【Consolidated】

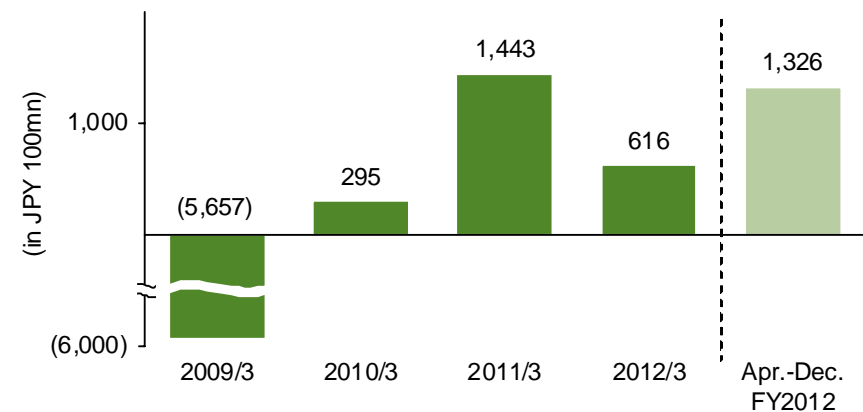
(in JPY 100mn)

	Apr.-Dec. FY2011	Apr.-Dec. FY2012	Change
15 Ordinary Profits	1,404	1,543	139
16 Net Income	1,111	1,406	295

## Ordinary Profits over Time (Non-consolidated)



## Net Income over Time (Non-consolidated)



# Balance Sheet Summary

【Non-consolidated】

(in JPY 100mn)

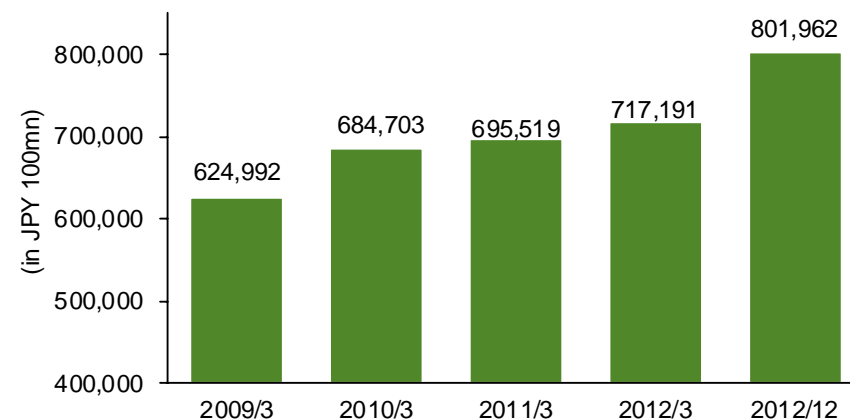
	2012/3	2012/12	Change
1 Loans and Bills Discounted	146,557	166,548	19,991
2 Securities	456,554	495,062	38,508
3 Money Held in Trust	70,269	68,647	(1,621)
4 Cash and Due from Banks	16,728	39,880	23,152
5 Others	27,082	31,821	4,738
6 Total Assets	717,191	801,962	84,770
7 Deposits	435,631	451,345	15,714
8 Debentures	51,256	47,457	(3,798)
9 Payables under Repurchase Agreements	78,004	105,730	27,726
10 Entrusted Funds	43,517	63,629	20,112
11 Others	60,578	80,384	19,806
12 Total Liabilities	668,987	748,547	79,560
13 Total Net Assets	48,204	53,414	5,209
14 Gains/Losses on Revaluation of Securities	5,042	11,276	6,233

【Consolidated】

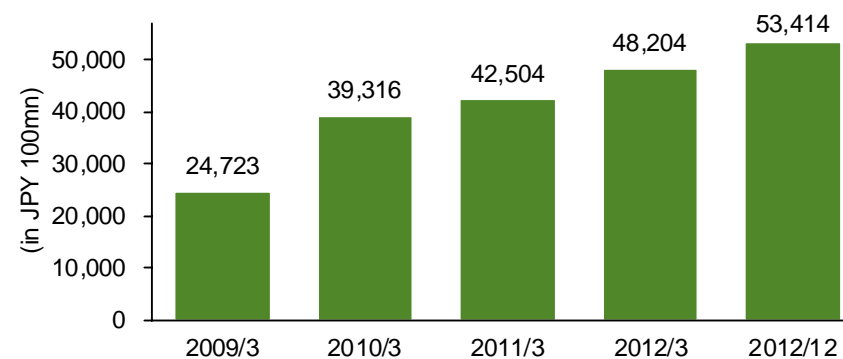
(in JPY 100mn)

	2012/3	2012/12	Change
15 Total Assets	722,628	807,720	85,091
16 Total Liabilities	674,239	754,040	79,801
17 Total Net Assets	48,389	53,679	5,290

Total Assets over Time (Non-consolidated)



Net Assets over Time (Non-consolidated)



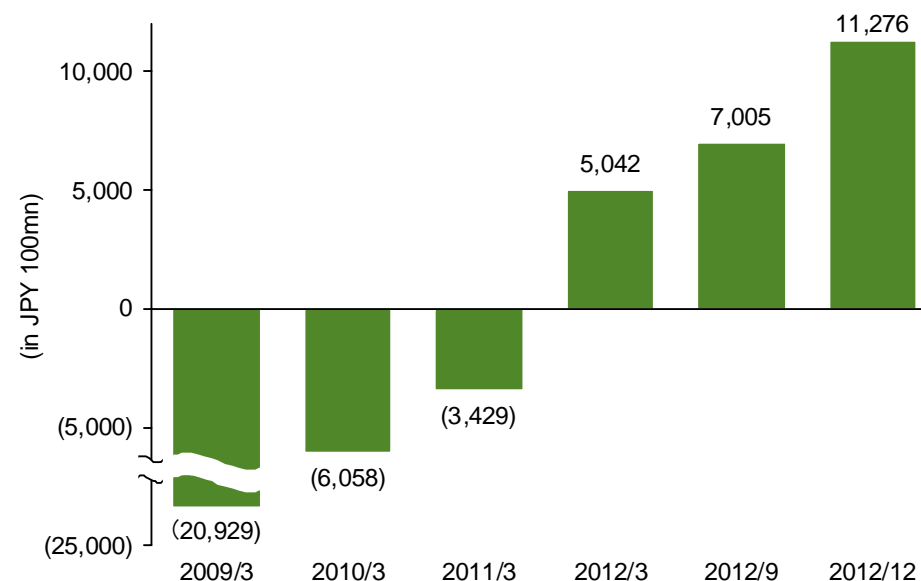
# Net Unrealized Gains and Losses on Securities (Non-consolidated)

(in JPY 100mn)

	2012/3	2012/9	2012/12	Change (vs 2012/9)
1 Stocks	712	391	708	316
2 Bonds	2,208	2,634	2,426	(207)
3 Japanese Government Bonds (Note 1)	2,217	2,638	2,431	(207)
4 Municipal Government Bonds	0	0	0	(0)
5 Corporate Bonds	(10)	(5)	(4)	0
6 Others	(684)	1,102	5,285	4,183
7 Foreign Bonds (Note 1)	172	1,078	3,368	2,289
8 Foreign Stocks	3	20	38	17
9 Investment Trusts	(856)	(21)	1,838	1,859
10 Others	(3)	23	39	16
11 Money Held in Trust	2,806	2,877	2,856	(21)
12 Total	5,042	7,005	11,276	4,271

(Note 1) Include securities reclassified into held-to-maturity securities from other holding purpose classification

Net Unrealized Gains and Losses on Securities over Time



# Capital Position

【Non-consolidated】

(in JPY 100mn)

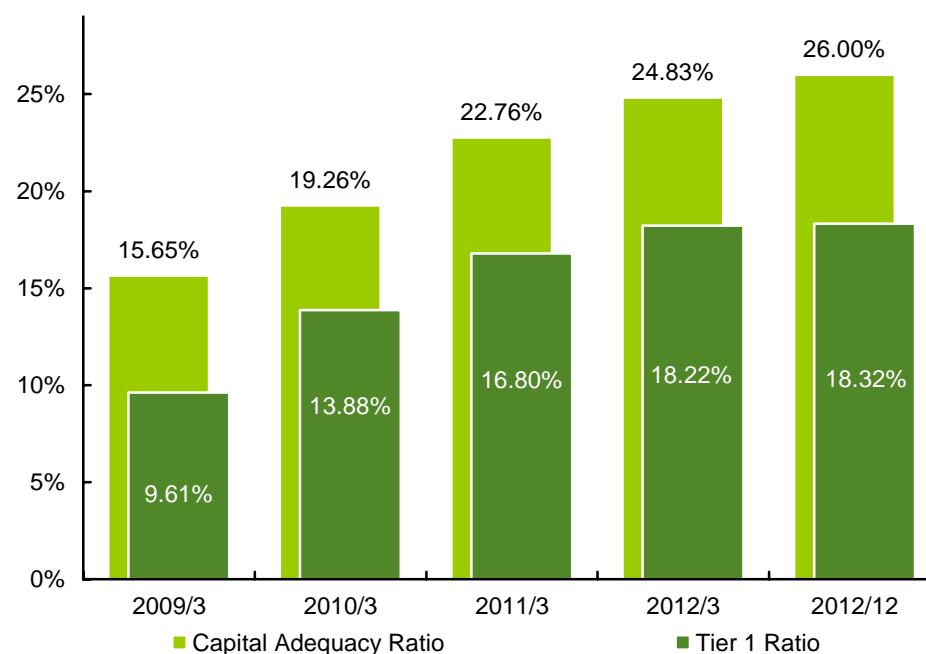
	2012/3	2012/12 (Preliminary Figure)	Change
1 Tier 1 Capital	44,054	45,562	1,508
2 Capital Stock and Capital Surplus	34,509	34,509	-
3 Earned Surplus	9,907	11,254	1,347
4 Tier 2 Capital	17,763	20,510	2,747
5 45% of Unrealized Gains on Other Securities	2,232	4,993	2,760
6 Perpetual Subordinated Bonds and Loans	14,860	14,860	-
7 Dated Subordinated Bonds and Loans	500	500	-
8 Deductions	1,792	1,424	(368)
9 Total Capital	60,024	64,649	4,624
10 Risk-weighted Assets	241,658	248,582	6,923
11 Tier I Ratio	18.22%	18.32%	0.10%
12 Capital Adequacy Ratio	24.83%	26.00%	1.17%

【Consolidated】

(in JPY 100mn)

	2012/3	2012/12 (Preliminary Figure)	Change
13 Tier 1 Capital	44,227	45,814	1,587
14 Total Capital	59,793	64,406	4,612
15 Risk-weighted Assets	242,307	249,995	7,688
16 Tier 1 Ratio	18.25%	18.32%	0.07%
17 Capital Adequacy Ratio	24.67%	25.76%	1.09%

Capital Adequacy Ratio over Time (Non-consolidated)



# Consolidated Financial Summary

## 【Consolidated Income Statement】

(in JPY 100mn)

	Apr.-Dec. FY2011	Apr.-Dec. FY2012	Change
1 Ordinary Income	8,058	8,078	20
2 Interest Income	5,274	5,463	188
3 Ordinary Expenses	6,654	6,535	(119)
4 Interest Expenses	4,329	4,414	84
5 General and Administrative Expenses	898	974	75
6 Ordinary Profits	1,404	1,543	139
7 Extraordinary Profits	29	14	(14)
8 Extraordinary Losses	7	7	0
9 Income before Income Taxes	1,426	1,550	124
10 Net Income	1,111	1,406	295

(Note) The Bank has introduced a process of reviewing consolidated quarterly financial statements on a voluntary basis. The review process has been completed for the 3Q of FY2012.

## 【Consolidated Balance Sheet】

(in JPY 100mn)

	2012/3	2012/12	Change
1 Loans and Bills Discounted	147,382	167,128	19,745
2 Securities	456,264	494,782	38,517
3 Money Held in Trust	70,275	68,658	(1,617)
4 Cash and Due from Banks	16,873	40,020	23,147
5 Others	31,832	37,131	5,299
6 Total Assets	722,628	807,720	85,091
7 Deposits	435,503	451,269	15,766
8 Negotiable Cert. of Deposit	18,824	25,711	6,887
9 Debentures	51,178	47,337	(3,841)
10 Borrowed Money	18,148	17,483	(664)
11 Entrusted Funds	43,517	63,629	20,112
12 Others	107,067	148,609	41,541
13 Total Liabilities	674,239	754,040	79,801
14 Paid-in Capital	34,259	34,259	-
15 Capital Surplus	250	250	-
16 Retained Earnings	10,249	11,462	1,213
17 Others	3,631	7,707	4,076
18 Total Net Assets	48,389	53,679	5,290

# 【Reference】 Investments in Securitized Products (1) (Non-consolidated, Preliminary Figures)

## 1. Exposures by Product (Note 1) (Note 2)

	AAA	AA	A	BBB	Below BBB	Total	(JPY in 100mn)	
							Change (vs 2012/3)	Profits/ Losses (Note 5)
1 ABS	18,799	-	-	-	-	18,799	1,359	-
2 RMBS (Note 3)	17,436	162	59	60	286	18,004	4,059	-
3 CMBS	529	125	645	493	270	2,063	(845)	-
4 CDO	3,927	3,568	1,004	325	599	9,425	29	-
5 CLO	3,924	3,401	495	78	229	8,130	194	-
6 Resecuritized Products (Note 4)	2	166	509	246	370	1,295	48	-
7 CBO and Others	-	-	-	-	-	-	(213)	-
8 Others	-	-	-	438	164	603	(384)	-
9 Total	40,692	3,855	1,709	1,317	1,321	48,896	4,219	-

## 2. Unrealized Gains/Losses and Total Profits/Losses by Product

	AAA	AA	A	BBB	Below BBB	Total	(JPY in 100mn)	
							Change (vs 2012/3)	Profits/ Losses (Note 5)
10 ABS	(76)	-	-	-	-	(76)	55	-
11 RMBS (Note 3)	11	(2)	(1)	(0)	122	131	35	(0)
12 CMBS	(124)	(1)	(27)	(37)	36	(154)	62	(0)
13 CDO	(71)	(209)	(44)	12	-	(312)	105	82
14 CLO	(73)	(224)	(45)	12	-	(330)	147	8
15 Resecuritized Products (Note 4)	1	15	1	-	-	18	(3)	73
16 CBO and Others	-	-	-	-	-	-	(39)	-
17 Others	-	-	-	-	-	-	-	-
18 Total	(260)	(212)	(72)	(24)	159	(411)	258	82

## 3. Exposures by Currency (Note 1) (Note 2)

	Exposures	Change (vs 2012/3)	Unrealized Gains/Losses	Change (vs 2012/3)	(JPY in 100mn)	
					Profits/ Losses (Note 5)	
1 USD	35,497	3,677	(320)	105	84	-
2 EUR	6,471	1,398	(82)	121	-	-
3 GBP	1,698	210	(6)	1	-	-
4 JPY	5,228	(1,066)	(1)	30	(1)	-
5 Total	48,896	4,219	(411)	258	82	-

(Note 1) Securitized products are defined internally based on the definition in Basel II. Includes subprime-related products.

(Note 2) The amount of securitization exposure is the net exposure after write-off and revaluation. For some CMBS, the amount of exposure which should be included in specialized lending (SL) under Basel II (JPY 41.7bn (Revaluation losses: JPY0.4bn, Losses: JPY0bn)), is not included here.

(Note 3) Includes sub-prime RMBS. Does not include mortgage-backed securities related to US government sponsored entities.

(Note 4) Resecuritized products such as ABS-CDO, and CDO of CDO's. Include resecuritized products (i. e. products containing at least one securitized product as an underlying asset) under Basel 2.5 totaling JPY253.3bn.

(Note 5) The total value of revaluation profits/losses and unrealized gains/losses on financial instruments with embedded derivatives as of FYE 2013/3.

As of December 31, 2012, non-consolidated basis



# 【Reference】 Investments in Securitized Products (2) (Non-consolidated, Preliminary Figures)

## 1. Investment in Subprime Loan-related Products (Note1) (in JPY 100mn)

### (1) Subprime Loan-related Products (Subprime RMBS: Securitized Instruments) (Note2)

	Exposures	Change (vs 2012/3)	Unrealized Gains/Losses	Change (vs 2012/3)	Profits/Losses
1 AAA	31	1	17	3	-
2 AA	-	-	-	-	-
3 A	-	(111)	-	(14)	-
4 BBB	-	-	-	-	-
5 below BBB	286	(233)	122	49	(0)
6 Total	318	(342)	140	37	(0)

### (2) ABS-CDO and CDO of CDO's including Subprime RMBS (Resecuritized Instruments and Cubic Instruments) (Note3)(Note 4)

	Exposures	Change (vs 2012/3)	Unrealized Gains/Losses	Change (vs 2012/3)	Profits/Losses
7 AAA	2	2	1	1	-
8 AA	15	(6)	14	4	-
9 A	-	(12)	-	(11)	-
10 BBB	-	-	-	-	-
11 below BBB	0	0	-	-	-
12 Total	18	(15)	16	(5)	-

### (3) Total of Subprime Loan-related Products (Total of (1) and (2))

	Exposures	Change (vs 2012/3)	Unrealized Gains/Losses	Change (vs 2012/3)	Profits/Losses
13 AAA	34	4	18	4	-
14 AA	15	(6)	14	4	-
15 A	-	(123)	-	(26)	-
16 BBB	-	-	-	-	-
17 below BBB	286	(233)	122	49	(0)
18 Total	337	(357)	156	32	(0)

## 2. Investment in Monoline Products (Note 5) (in JPY 100mn)

	Exposures	Change (vs 2012/3)	Unrealized Gains/Losses	Change (vs 2012/3)
1 Monoline Wrapped Financial Instruments (Note6)	229	(30)	(54)	9
2 Monoline usage in Securitization Business	-	-	-	-
3 Total	229	(30)	(54)	9

## 3. Investment in Leveraged Loans (Note 7) (in JPY 100mn)

	Exposures	Change (vs 2012/3)
4 Domestic	26	(4)
5 Overseas	311	(120)
6 Total	337	(124)

## 4. Trading of Subprime Loan-related Products

The Bank has not originated, underwritten nor traded ABCP, SIV, or leveraged loans. The Bank does not own any subprime loan related products in its trading account and is not involved in any unconsolidated off-balance sheet transactions. The Bank is only involved in sponsoring one SPC to provide liquidity to its domestic customer's account receivables (Exposures: JPY24.0bn).

## 5. Investment in Bonds Issued by US Housing-related GSEs (Note 8) (in JPY 100mn)

	Exposures	Change (vs 2012/3)	Unrealized Gains/Losses	Change (vs 2012/3)
7 Agency Mortgage Bonds	35,394	3,474	1,003	(107)
8 Agency Bonds	14,700	(1,341)	97	347
9 Total	50,095	2,133	1,101	240

### 【Reference】

- Subprime loan-related products within fund investment  
The Bank does not own any funds which invest in subprime loan-related products. (Note)
- (Note) Internal research basis for funds which the Bank can look through individual assets within each fund

(Note 1) The Bank has not engaged in any subprime loan-related lending.

(Note 2) Ratios by vintage (issuance year) are 100% for 2004 and before.

(Note 3) Ratios by vintage (issuance year) are 100% for 2004 and before.

(Note 4) ABS-CDOs and CDO of CDOs containing even small number of RMBS. Includes only a small number of subprime RMBS.

(Note 5) The Bank has exposure to securitized products (CDOs) including monoline-CDS, in addition to financial products guaranteed by monolines.

(Note 6) Non-guaranteed grades for non-recourse loans and CLOs are all above investment grades. No subprime loan-related products are included in guaranteed products.

(Note 7) Loans internally defined as those used mainly for LBOs. Reserve for possible loan losses amounts to JPY1.1bn.

(Note 8) The Bank has JPY1,544.4bn of mortgage-backed security bonds issued and guaranteed by Ginnie Mae, a US government-owned corporation.

As of December 31, 2012, non-consolidated basis.



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