



Financial Summary for Fiscal Year 2013

May 22, 2014

農林中央金庫

The Norinchukin Bank

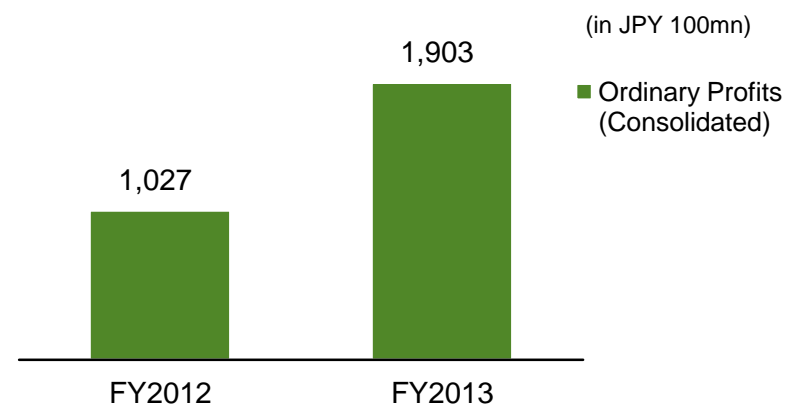
Financial Highlights for FY2013

~ Achieved profit increase through financial management adjusting to market environment and high capital adequacy ratios (under Basel III) ~

Profits

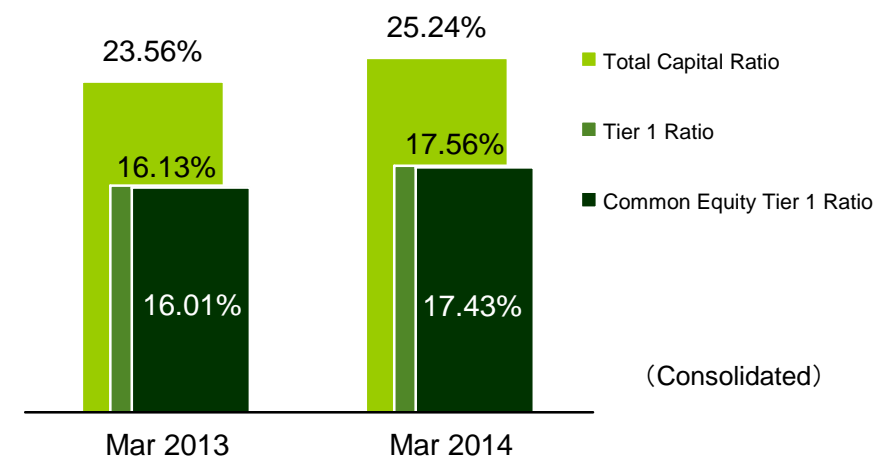
	【Consolidated】 (in JPY 100mn)		
	FY2012	FY2013	Change
Ordinary Profits	1,027	1,903	876
Net Income	1,198	1,557	358
【Non-consolidated】			
Ordinary Profits (Note 1)	881	1,751	870
Net Income	1,068	1,431	363

(Note 1) Ordinary profit target of JPY 100 billion is set in the Medium-Term Management Plan.



Capital Position (under Basel III)

	【Consolidated】		
	Mar 2013	Mar 2014 (Preliminary Figure)	Change
Common Equity Tier 1 Ratio	16.01%	17.43%	1.42%
Tier 1 Ratio	16.13%	17.56%	1.43%
Total Capital Ratio	23.56%	25.24%	1.68%
【Non-consolidated】			
Common Equity Tier1 Ratio	15.98%	17.43%	1.45%
Tier 1 Ratio	16.10%	17.56%	1.46%
Total Capital Ratio	23.77%	25.47%	1.70%



Income Statement Summary

【Consolidated】

(in JPY 100mn)

	FY2012	FY2013	Change
1 Ordinary Profits	1,027	1,903	876
2 Net Income	1,198	1,557	358

【Non-consolidated】

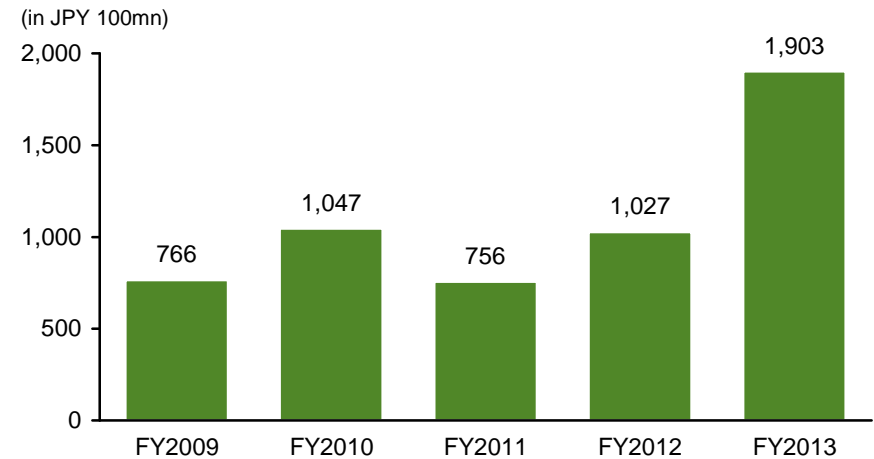
(in JPY 100mn)

	FY2012	FY2013	Change
3 Ordinary Income	9,708	10,623	914
4 Interest Income	6,347	8,008	1,660
5 Ordinary Expenses	8,827	8,871	43
6 Interest Expenses	5,896	5,665	(230)
7 General and Administrative Expenses	1,165	1,207	41
8 Ordinary Profits	881	1,751	870
9 Extraordinary Profits/Losses	(7)	(31)	(23)
10 Income before Income Taxes	873	1,719	846
11 Net Income	1,068	1,431	363

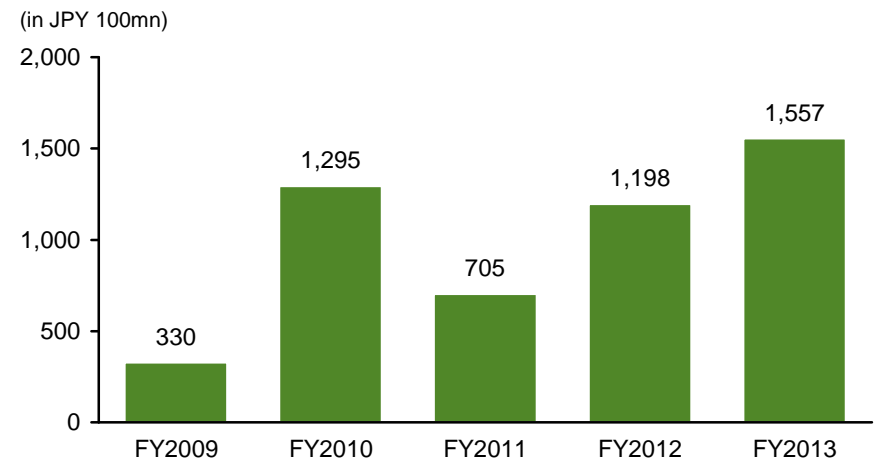
【Reference Information】

12 Gains/Losses on Sale of Securities	(124)	(423)	(298)
13 Gains on Sale of Securities	651	559	(91)
14 Losses on Sale of Securities	775	983	207
15 Credit-related Expenses	134	1	(133)
16 Write-off of Securities	28	10	(17)

Ordinary Profits over Time (Consolidated)



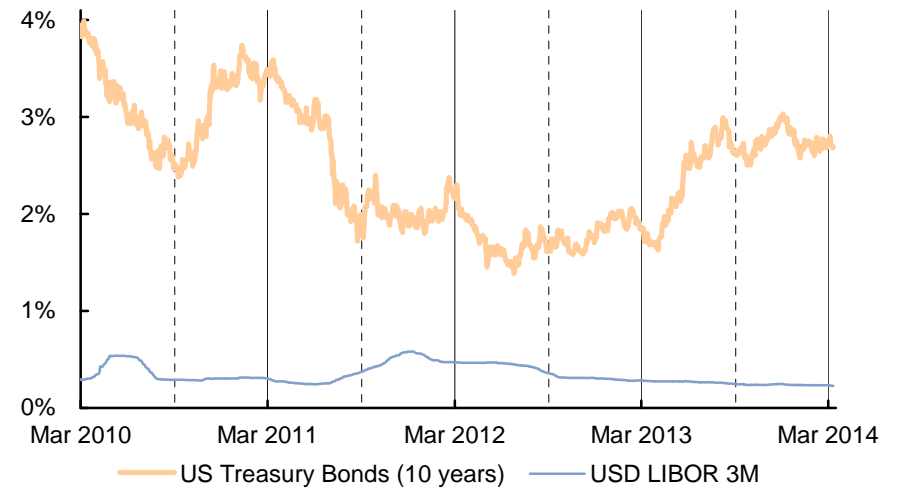
Net Income over Time (Consolidated)



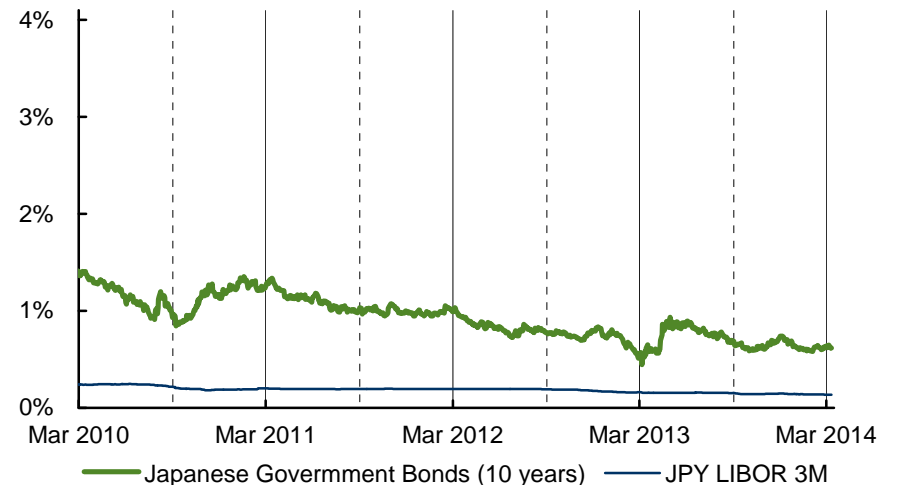
Earnings Yields (Non-consolidated)

	Average (in JPY trn)		Earnings (in JPY 100mn)		Yield		
	FY2013	YOY Change	FY2013	YOY Change	FY2013	YOY Change	
【Investment】							
1	Loans and Bills Discounted	16.8	0.8	667	(82)	0.39%	(0.07%)
2	Securities	54.7	6.9	8,069	779	1.47%	(0.05%)
3	Yen-denominated Securities	18.0	0.4	1,841	692	1.02%	0.37%
4	Foreign Currency-denominated Securities	36.7	6.4	6,227	86	1.70%	(0.34%)
5	Short-term Investment Assets	3.0	(4.0)	58	(25)	0.19%	0.07%
【Funding】							
6	From Member Banks	46.8	2.6	3,037	(40)	0.65%	(0.05%)
7	Debentures	4.3	(0.5)	305	(147)	0.71%	(0.22%)
8	Funding from Markets	22.9	4.7	384	(66)	0.17%	(0.08%)
9	From the Yen Market	1.1	0.3	20	2	0.17%	(0.03%)
10	From Foreign Currencies Markets	21.7	4.4	364	(68)	0.17%	(0.08%)

(Reference) US Dollar Interest Rates over Time



(Reference) Yen Interest Rates over Time



Balance Sheet Summary

【Consolidated】 (in JPY 100mn)

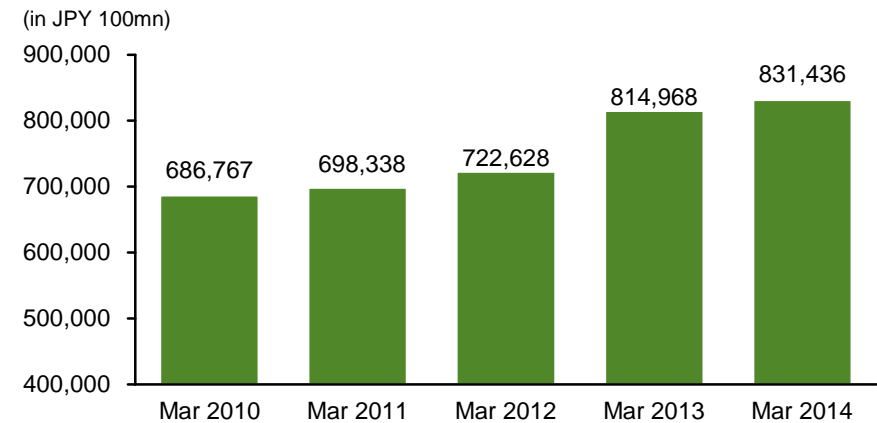
	Mar 2013	Mar 2014	Change
1 Total Assets	814,968	831,436	16,468
2 Total Liabilities	757,295	771,671	14,376
3 Total Net Assets	57,672	59,765	2,092

【Non-consolidated】 (in JPY 100mn)

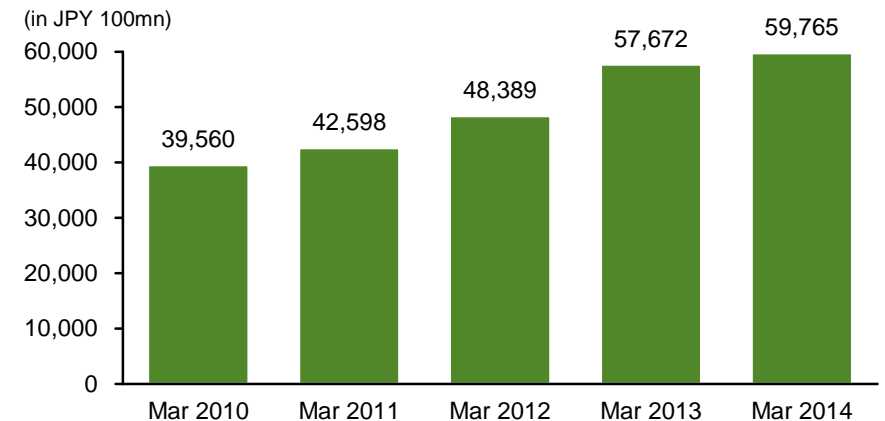
	Mar 2013	Mar 2014	Change
4 Loans and Bills Discounted	161,276	172,950	11,674
5 Securities	500,723	529,014	28,290
6 Money Held in Trust	68,912	46,499	(22,413)
7 Cash and Due from Banks	44,038	59,674	15,636
8 Others	33,659	15,423	(18,235)
9 Total Assets	808,610	823,562	14,951
10 Deposits ^(Note 1)	516,915	526,819	9,904
11 Debentures	46,192	40,375	(5,816)
12 Payables under Repurchase Agreements	123,497	125,826	2,329
13 Others	64,656	71,320	6,664
14 Total Liabilities	751,261	764,343	13,081
15 Total Net Assets	57,349	59,219	1,869
16 Gains/Losses on Revaluation of Securities	17,409	17,920	511

(Note 1) Deposits include deposits and entrusted funds (the majority are short-term funds received from members) for accounting purpose.

Total Assets over Time (Consolidated)

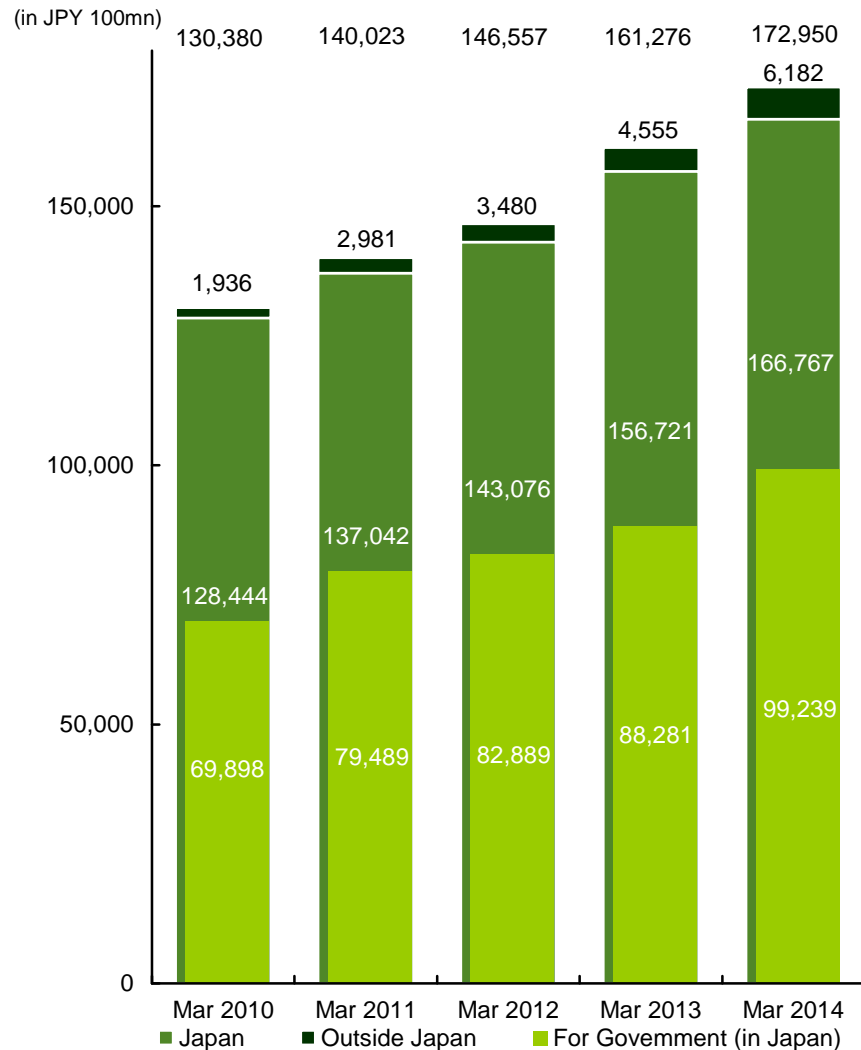


Net Assets over Time (Consolidated)



Loans and Bills Discounted (Non-consolidated)

Loans and Bills Discounted over Time

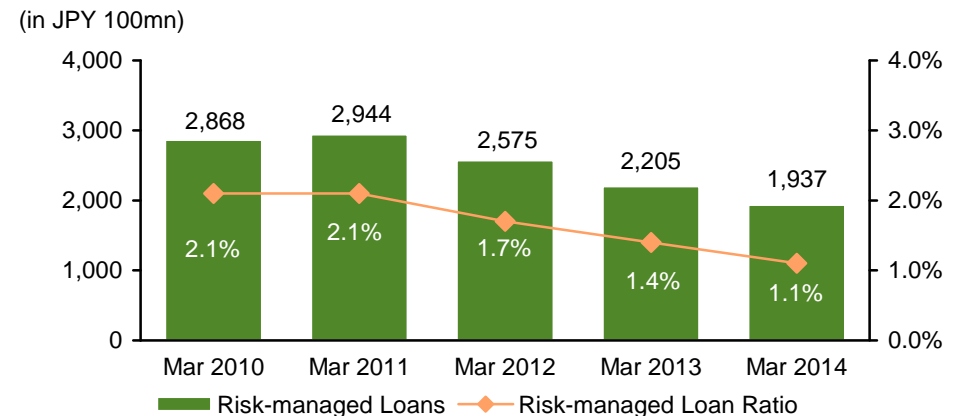


Outstanding Loan Balance by Sector

(in JPY 100mn)

	Balance Mar 2014	Change from Mar 2013	Ratio
1 Cooprerrative Organizations	6,222	220	4%
2 Corporations	58,002	3,381	33%
3 Others	108,725	8,071	63%
4 Government	99,239	10,958	57%
5 Total	172,950	11,674	100%

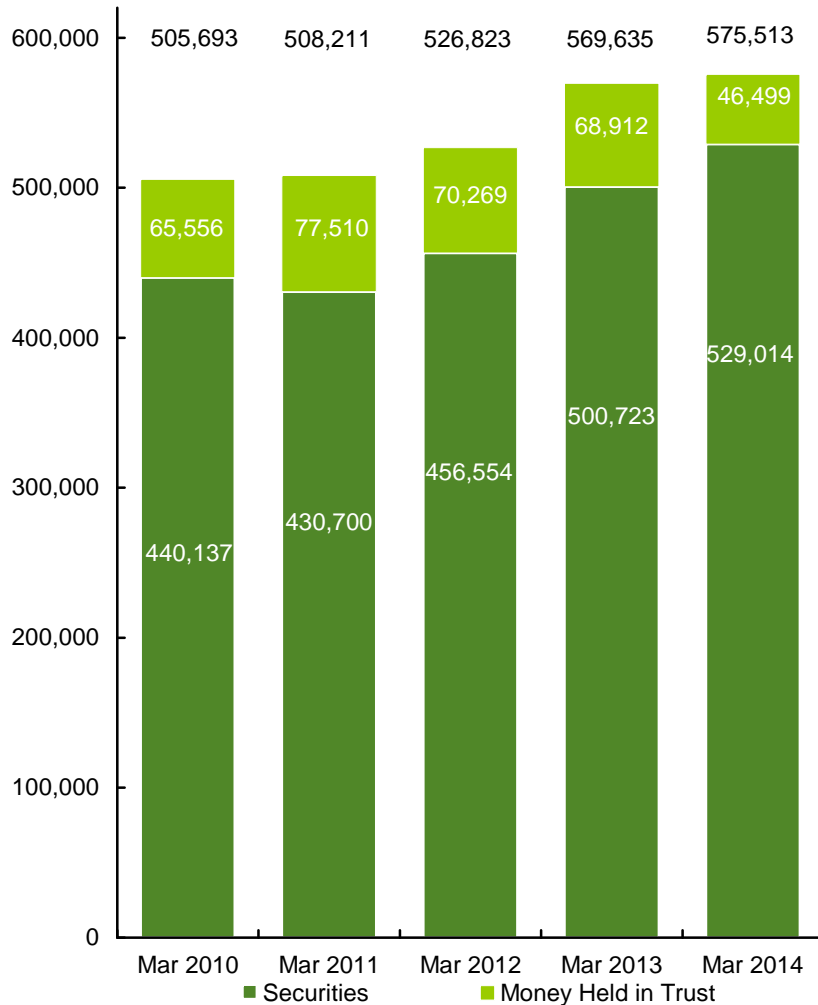
Risk-managed Loans over Time



Market Investment Portfolio (Non-consolidated)

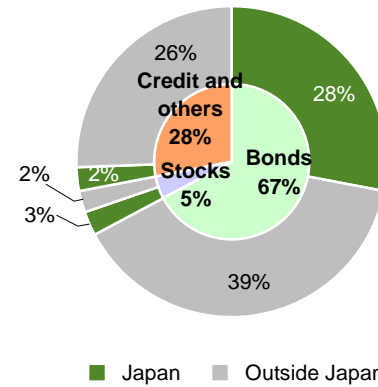
Securities/Money Held in Trust over Time

(in JPY 100mn)

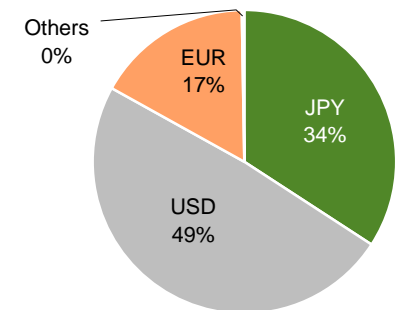


Market Investment Portfolio (Mar 2014)

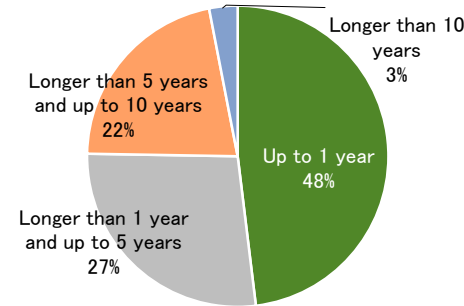
Market Investment Portfolio by Risk



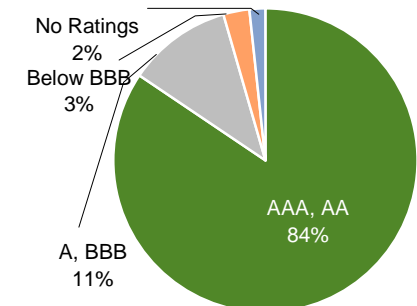
Market Investment Portfolio by Currency



Bond and Credit Portfolio by Rate Reset Maturity



Market Investment Portfolio by Rating



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

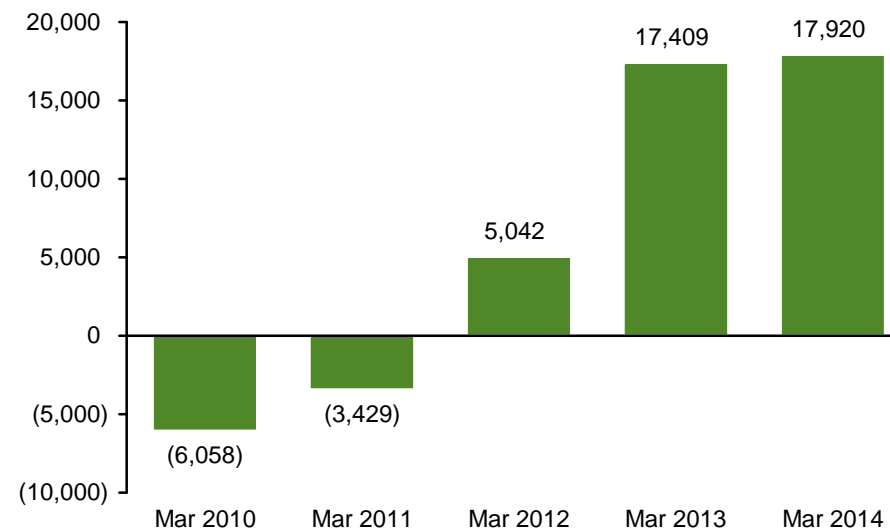
(in JPY 100mn)

	Mar 2013	Mar 2014	Change
1 Stocks	1,486	1,951	465
2 Bonds	3,307	2,857	(449)
3 Japanese Government Bonds (Note 1)	3,301	2,856	(445)
4 Municipal Bonds	0	0	(0)
5 Corporate Bonds	4	0	(4)
6 Others	9,430	10,540	1,110
7 Foreign Bonds (Note 1)	4,607	3,093	(1,514)
8 Foreign Stocks	51	142	90
9 Investment Trusts	4,695	7,136	2,440
10 Others	75	168	92
11 Money Held in Trust	3,185	2,571	(614)
12 Total	17,409	17,920	511

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

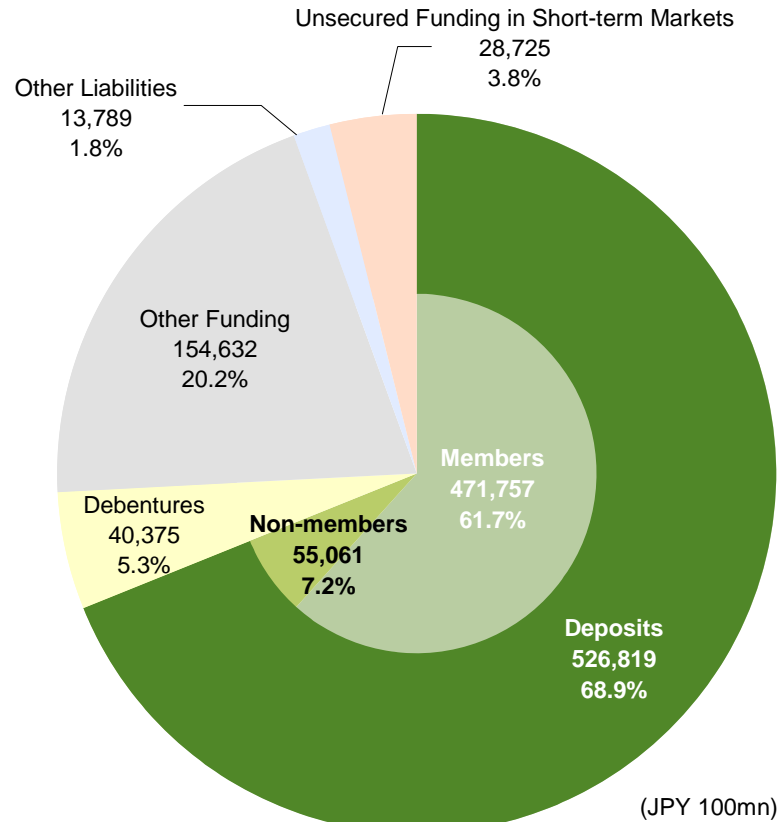
Net Unrealized Gains and Losses on Securities over Time

(in JPY 100mn)



Funding (Non-consolidated)

Breakdown of Funding

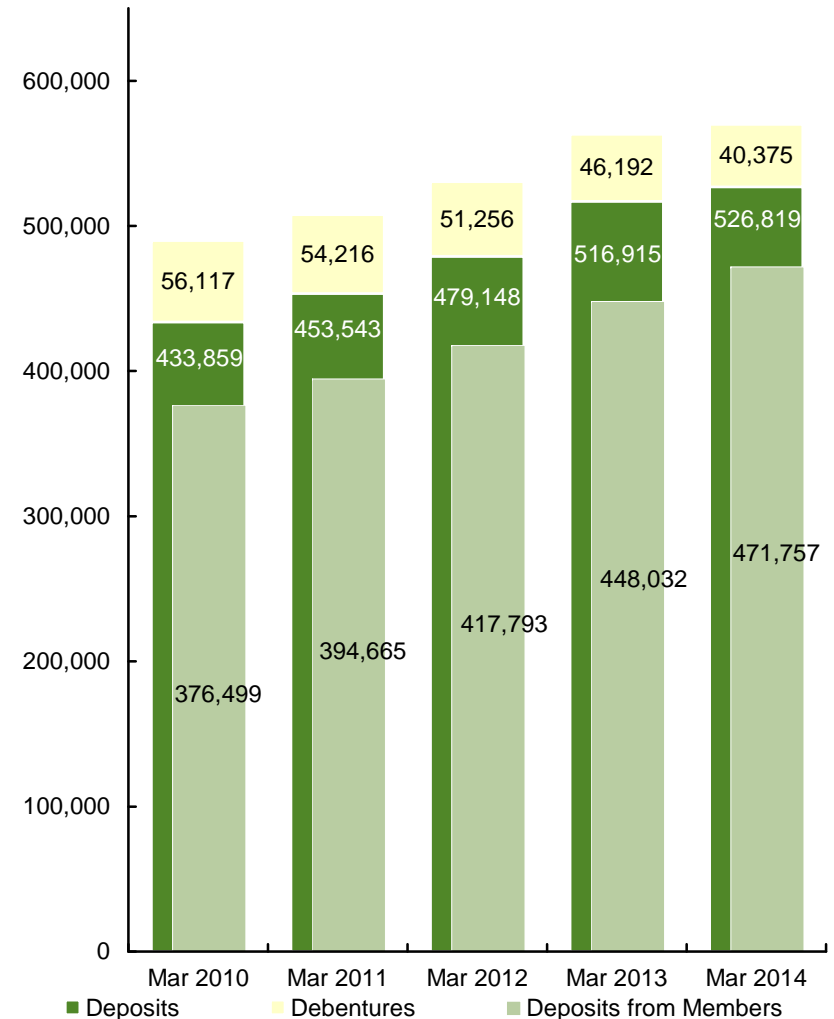


Total Liabilities: JPY764,343

(Note) Deposits include deposits and entrusted funds (the majority are short-term funds received from members) for accounting purpose. Other funding includes borrowed money (secured and subordinated loans) such as payables under repurchase agreements and payables under securities lending transactions. Other liabilities include acceptance & guarantees and reserves. Short-term unsecured funding from markets include trading liabilities, negotiable certificates of deposits, and unsecured call money.

Deposits and Debtentures over Time

(in JPY 100mn)



Capital Position

【Consolidated】

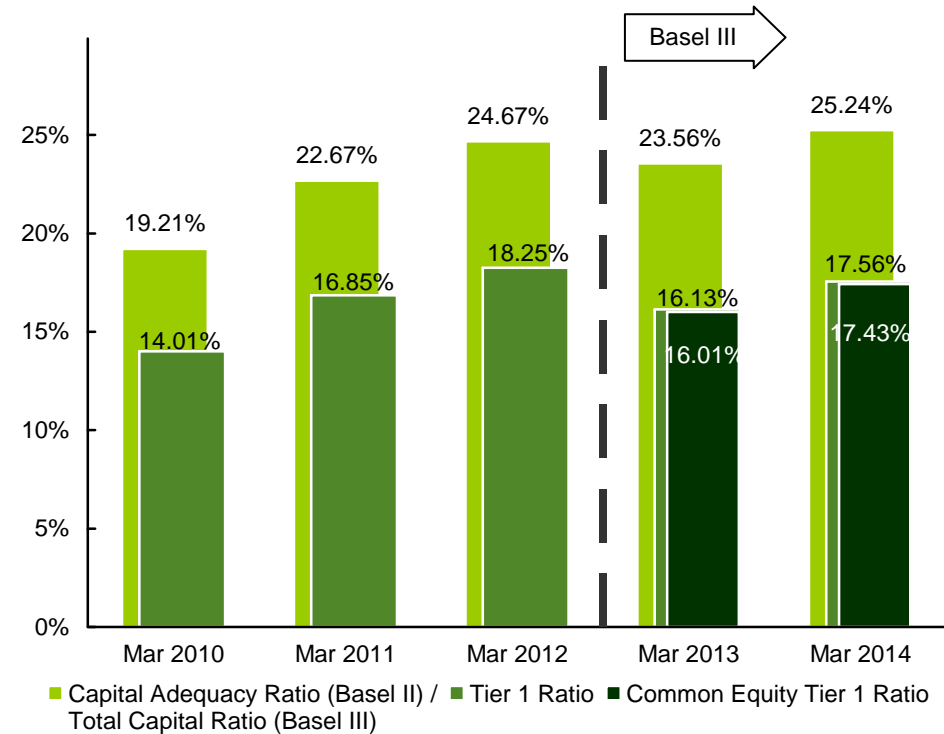
(in JPY 100mn)

	Mar 2013	Mar 2014 (Preliminary Figure)	Change
1 Tier 1 Capital	45,173	48,568	3,394
2 Common Equity Tier 1 Capital (CET1)	44,841	48,208	3,366
3 Total Capital	65,981	69,792	3,811
4 Risk-weighted Assets	280,009	276,469	(3,540)
5 Common Equity Tier 1 Ratio	16.01%	17.43%	1.42%
6 Tier 1 Ratio	16.13%	17.56%	1.43%
7 Total Capital Ratio	23.56%	25.24%	1.68%

【Non-consolidated】

	Mar 2013	Mar 2014 (Preliminary Figure)	Change
8 Tier 1 Capital	44,873	48,201	3,328
9 Common Equity Tier 1 Capital (CET1)	44,546	47,841	3,295
10 Capital Stock and Capital Surplus	34,009	34,009	-
11 Retained Earnings	10,537	11,313	776
12 Unrealized Gains on Other Securities	-	2,604	2,604
13 Additional Tier 1 Capital	326	359	32
14 Tier 2 Capital	21,360	21,713	352
15 45% of Unrealized Gains on Other Securities	7,834	6,451	(1,382)
16 Subordinated Debt	13,824	15,360	1,536
17 Total Capital	66,233	69,914	3,680
18 Risk-weighted Assets	278,630	274,469	(4,160)
19 Common Equity Tier 1 Ratio	15.98%	17.43%	1.45%
20 Tier 1 Ratio	16.10%	17.56%	1.46%
21 Total Capital Ratio	23.77%	25.47%	1.70%

Capital Ratio over Time (Consolidated)



Composition of Capital Disclosure

“Disclosure relating to the composition of regulatory capital” and “a full terms and conditions of regulatory capital instruments” are available in IR Library on the Bank’s website (Japanese: <http://www.nochubank.or.jp/ir/capital>)

“Reconciliation between banks’ balance sheets and their regulatory capital” will be disclosed in the Bank’s annual and interim reports.



Appendices



The Bank's Medium-Term Management Plan (FY 2013 – 2015)

Future Vision for the 100th Anniversary (2023)

Leading Bank that Supports the Agricultural, Fisheries and Forestry Industries, Food Production and Consumption, and the Daily Lives of Local Communities

Basic Concept I Challenge for New Initiatives that Contribute to the Agricultural, Fisheries and Forestry Industries, Food Production and Consumption, and the Daily Lives of Local Communities

1. Proactive efforts on new initiatives contributing to the development of the agricultural, fisheries and forestry industries, food production and consumption, and revitalization of local communities

- Support to leaders in the agricultural, fisheries and forestry industries
- Support for enhanced business management
- Support for the revitalization of local communities
- Reconstruction initiatives following the Great East Japan Earthquake

2. Planning and implementation of further initiatives for strengthening and expanding the cooperative banking

- Strengthening of services based on users' perspective
- Prevention of misconduct and elimination of anti-social elements
- Initiatives for developing cooperative banking-related human resources

Basic Concept II Strengthening of Profitability and Organizational Strengths that Leads to Enhanced Competitiveness of the Bank and the Cooperative System

3. Strengthening of profitability through appropriate risk management

- Flexible and strategic asset allocation
- Pursuing new investment opportunities for increased profitability
- Implementation of risk management that contributes to enhanced competitiveness

4. Building up of organizational strengths through strategic use and enhancement of management resources

- Initiatives for cultivating human resources who will play a key role in the Bank and the cooperative system and for the improvement of business infrastructures
- Stable return of profits based on adequate financial management
- Strengthening of compliance and business management arrangements

JA Bank Initiatives (FY 2013)

Initiatives Based on JA Bank Mid-Term Strategies (FY 2013 – 2015)



Future Vision in 10 Years Time: The Bank that Contributes to Food Production and Consumption, Agriculture, and Local Communities More than Ever / The Bank Chosen and Trusted by Customers

Enhancement of the Role as the Main Bank for the Agricultural Industry

Visits by JA to farmers who are expected to use JA Bank as their main bank
About 90,000 farmers visited by JA nationwide



JA Bank Agricultural Financial Planner certification system
More than 5,000 certified planners nationwide

Enhancement of responsiveness to agricultural funding needs
Proposal of JA financial products, provision of interest subsidies, financing through funds



Cultivation and Development of Human Resources

Start of organizational change leadership training for officers and employees

Provision of Financial Services for Daily Living Meeting Customer Needs

Provision of various types of JA Bank loans

Expansion of ATM network affiliated with convenience store ATMs

CS improvement program



Customer Protection and Strengthening of Compliance System

Efforts for improving the reliability of business processing

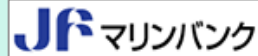
Elimination of anti-social elements

Prevention of misconduct



JF Marine Bank and JForest Group Initiatives (FY 2013)

JF Marin Bank



Become a Trusted Provider of Financial Services for Fishing Communities

Enhancement of Financial Functions to the Fisheries Industry

Development of financial consultants who can provide financial services to the fisheries industry

Enhancement of responsiveness through promotion of the Fisheries Modernization Loan, etc.



Promotion of the Use of JF Marine Bank as the Main Bank

Promotion of IC cash card issuance

Expansion of ATM network affiliated with convenience store ATMs



Development of Human Resources

Organization of training for managers of JF branches that conduct banking business

JForest Group



Movement to Expand the Use of Domestic Lumber and Revitalize Forestland and the Forestry Industry

Support for Initiatives through Funds

Support through the Forest Rejuvenation Fund (Front80)

Establishment of a successor fund, the "Potential Forest Productivity Fund"



Consolidation of Management

Organization of the "Management Sophistication Summit"

Subsidization of expenses for GPS/GIS introduction



Expansion of Domestic Lumber Use

Financial support for the development of distribution and sales systems, such as agreement-based distribution and sales systems

Development of the Agricultural, Fisheries and Forestry Industries and Efforts to Revitalize Local Communities (1)

3 Pillars Based on the Policies of the Medium-Term Management Plan



Establishment of the Fund for Future Agricultural, Fisheries and Forestry Industries

- The Fund for Future Agricultural, Fisheries and Forestry Industries was established in March 2014 aiming at contributing to the “agricultural, fisheries and forestry industries”, “food production and consumption” and “livelihoods of local communities” (Contribution: JPY20 billion)
- The fund promotes businesses that aim at supporting the following three aspects and supports creative and unique challenges by agricultural, fisheries and forestry workers

Business Entity	Fund for Future Agricultural, Fisheries and Forestry Industries (a general incorporated association)
Location	Chiyoda-ku, Tokyo
Date of Establishment	March 24, 2014
Employees	Representatives of JA, JF, JForest Group, etc.

- Support to leaders who support the sustainable development of the agricultural, fisheries and forestry industries
- Support to efforts to enhance the profitability of the agricultural, fisheries and forestry industries
- Support to efforts to revitalize local communities centering on the agricultural, fisheries and forestry industries

Development of the Agricultural, Fisheries and Forestry Industries and Efforts to Revitalize Local Communities (2)

Support to Leaders in the Agricultural, Fisheries and Forestry Industries

Supply of Funds through Funds

The number of investments made through the Agri-Seed Fund has reached 100

- The Fund, in corporation with The Agribusiness Investment Consultation Co, Ltd, provides funds to technically competent agricultural corporations for their business expansion and financial stability.
- Since its inception in 2010, the number of projects funded by the Fund has grown each year, reaching 100 in FY2013, with total investment of JPY836 million (as of March 31, 2014).



[Invested farms]



Investment through the Support Fund for Business Entities of Agricultural Leaders

- The fund was established in June 2013 to meet the needs of relatively large agricultural corporations that seek to expand business through the use of abandoned farmland and consolidation of farmlands.
- In a Niigata project, the Fund supported to strengthen the capital base of an agricultural corporation that has produced a number of future leaders in the local agriculture by accepting young trainees and working to foster young employees (November 2013).
- For an Aomori project, the fund made an investment in an agricultural corporation having the largest planting area in the prefecture and playing a central role in local agriculture (December 2013).



[Agricultural corporation in Niigata]



[Agricultural corporation in Aomori and its products]



Strengthening of Partnership with Japan Agricultural Corporations Association

- A comprehensive partnership agreement was signed with Japan Agricultural Corporations Association, whose membership comprises 1,800 pioneering agricultural corporations nationwide (February 2014)

The Norinchukin Bank

Comprehensive partnership agreement

Japan Agricultural Corporations Association
Management Support Project Team

Dispatch of an employee as the project leader

Development of the Agricultural, Fisheries and Forestry Industries and Efforts to Revitalize Local Communities (3)

Support for Enhanced Business Management

Initiatives for Sixth Industrialization

Out of 12 projects funded through some of 41 sixth industrialization subfunds nationwide, 3 projects received investment from the JA Sixth Industrialization Fund (As of March 31, 2014)

Investment project in Fukui Prefecture (February 2014)

- A corporation, jointly established by an agricultural corporation in Fukui equipped with a technology that produces meat-like products made from soy, etc. and an agricultural corporation that produces and sells rice in the same prefecture, was established.
- The newly established company sells meat-like products made from locally grown brown rice and soy on a nationwide scale.
- It is a joint effort with JA in the area to contribute to revitalize local economies by improving farmers' income through increased business and by creating jobs through setting up new businesses.



[Products made by the investee and its farm]

Investment Project in Fukuoka Prefecture (March 2014)

- An agricultural corporation that mainly produces peanuts and bean sprouts was established in Fukuoka.
- The company cooperates with JA Group to produce and sell prepared foods made from farm products in Kyushu.
- The company, equipped with unique technologies that enable to make products containing minimum additives and keeping the natural flavor of ingredients, and to extend best before dates to 9 days, has achieved product differentiation from other companies' products.



[Products made by the investee and its factory]

Enhancement of Sales Capabilities by Organizing Business Conferences, etc.

- Market expansion and network development for those in the agricultural, fisheries and forestry industries by organizing national and local business conferences as well as reconstruction support business conferences
- Support for efforts for export expansion through assistance for participation in an overseas business conference (in Hong Kong) and organization of export seminars



National Agricultural and Livestock Producers' Business Conference (March 2014)



Tohoku Reconstruction Support Business Conference (February 2014)



Hong Kong Food Expo (August 2013)

Development of the Agricultural, Fisheries and Forestry Industries and Efforts to Revitalize Local Communities (4)

Support for the Revitalization of Local Communities

Promotion of Renewable Energy Use

- Support for setting up renewable energy businesses that help create recycling-oriented society by, for instance, leveraging resources in rural areas, revitalizing local economies and securing employment

Syndicated loan to fund a biomass power plant project (March 2014)

- The Bank and The Norinchukin Trust & Banking jointly arranged a syndicated loan to a chicken litter fueled biomass power plant project operated by a large chicken producer in Iwate (total investment: JPY6 billion).
- It is an innovative project that leads to solve the issue of the substantial cost burden of chicken waste disposal and to strengthen the competitiveness of local agriculture.
- The company is the largest agricultural corporation in the Tohoku area, and the project is an initiative to contribute to the reconstruction of the disaster-affected area and revitalization of its local economy.



[Borrower's chicken farm]

Loan to a solar power plant project where domestic timber from forest thinning are used as panel mounts (December 2013)

- A loan was extended to a solar power plant project, where domestic timber from forest thinning are used as panel mounts, operated by the Hyogo Prefectural Federations of Forest Owners.
- It is an initiative that contributes to revitalize the forestry industry by putting the income from power sales to use in forest development, etc.



[Mount made of a timber from forest thinning]

Group-wide Initiatives

- The Food & Farming Education Support Project as part of the JA Bank Agri-Support Project (Provision of subsidies to food and farming education activities conducted by JA and others, and production and donation of textbooks)
- Provision of support to the activities of JF Women's Group · Donation of products made of locally produced timber · Support for agri-commerce-industry collaboration through organization of local business conferences and seminars
- Efforts to revitalize local communities through cooperation among JA Bank, JF Marine Bank and JForest Group (e.g. Construction of houses using timber produced in the same prefecture, and campaigns to promote the use of JA and JF housing loans)

The Bank Provides Support to Prefectural-level Organizations through Development of Nationwide Measures and Common Infrastructures

Planning and Promotion of Investment/Loan Products

Interest Subsidy

Nationwide Trainings and Seminars, Certification System

Support for Agri-Commerce-Industry Collaboration through Organization of Business Conferences

Provision of Tax and Labor Consultation Services

Reconstruction Initiatives following the Great East Japan Earthquake

- The Bank continues various initiatives, such as the Reconstruction Support Program, to support the reconstruction of members, the lives of customers, agricultural, fisheries and forestry workers, and local communities in the affected areas

Reconstruction Support Program (Financial Support Program, Business & Management Support Program)

Reconstruction Support for Farmers, Fishermen, Foresters and Local Communities

<Financial Support>

- Provision of interest subsidies to disaster funds by JA and JF
- Subsidization of lease fees for disaster-affected farmers to whom JA leases agricultural equipments
- Supply of long-term low-interest funds through a reconstruction loan
- Provision of capital through a reconstruction fund



(Hydroponics farming project funded through the Reconstruction Fund)

<Non-financial Support>

- Subsidization of the expenses of production materials for rice farming
- Donation of fish baskets and subsidization of the costs of cardboard boxes used for collective shipment



Reconstruction Support to Members and Customers

<Business Recovery and Reconstruction for Members>

- Dispatch of employees to JA and JF affected by the disaster on a continuing basis, and provision of guidance and advice
- Support for the business recovery of disaster-stricken JA and JF based on a plan to help strengthen the cooperative banking business, and for initiatives to rebuild local communities

<Provision of Financial Services to Affected Customers>

- Support to disaster-affected customers to restore their lives through the provision of the Reconstruction Support Time Deposits and the Reconstruction Support Loan by JA and JF
- Support to disaster-affected customers dealing with “double loan problems” and response to the project to promote collective relocation for disaster prevention

Product	No. of Loans, etc.	Amount
“Tohoku Agricultural, Forestry, and Fisheries Industries Support Loan” (since December 2011)	Number of loans 68	JPY23.9bn
“Tohoku Agricultural, Forestry, and Fisheries Industries Support Fund” (since February 2012)	Number of investments 16	JPY300mn
Lease subsidies (since July 2012)	Number of subsidies 543	JPY2.6bn

(Cumulative total as of March 2014)

Disaster Recovery Initiatives and Social Actions

Response to Damage from Heavy Snows (February 2014)

<Interest Subsidies to Disaster Funds>

- As urgent measures of financial support for ensuring the continuation of farm management, interest subsidies were provided to the JA Bank Disaster Funds extended by JA and JA Shinren in affected prefectures in cooperation with the government and others

<Investment through Fund>

- Aiming at stable, long-time assistance to affected agricultural corporations and others, the 2014 Heavy Snow Relief Fund was created in cooperation with the Agribusiness Investment & Consultation Co., Ltd.

<Response to Funding Needs through Loans>

- The 2014 Heavy Snow Relief Loan was created to meet the needs for capital expenditure for disaster recovery and for operating funds for business resumption

<Dispatch of Support Groups>

- In addition to financial support, other necessary support, such as dispatching of volunteers, was provided.



[Support Group Members]



Disaster recovery support will be provided on a continuing basis working with cooperative organizations

Social Actions

Sponsorship for Green Promotion Campaign at Various Locations
(e.g. "Hana Ippai Undo (flower planting campaign)")

Donation of Wood Products Made from Locally Produced Lumber

Participation and Sponsorship in Environmental Beautification Campaigns



[Green Promotion Campaign]



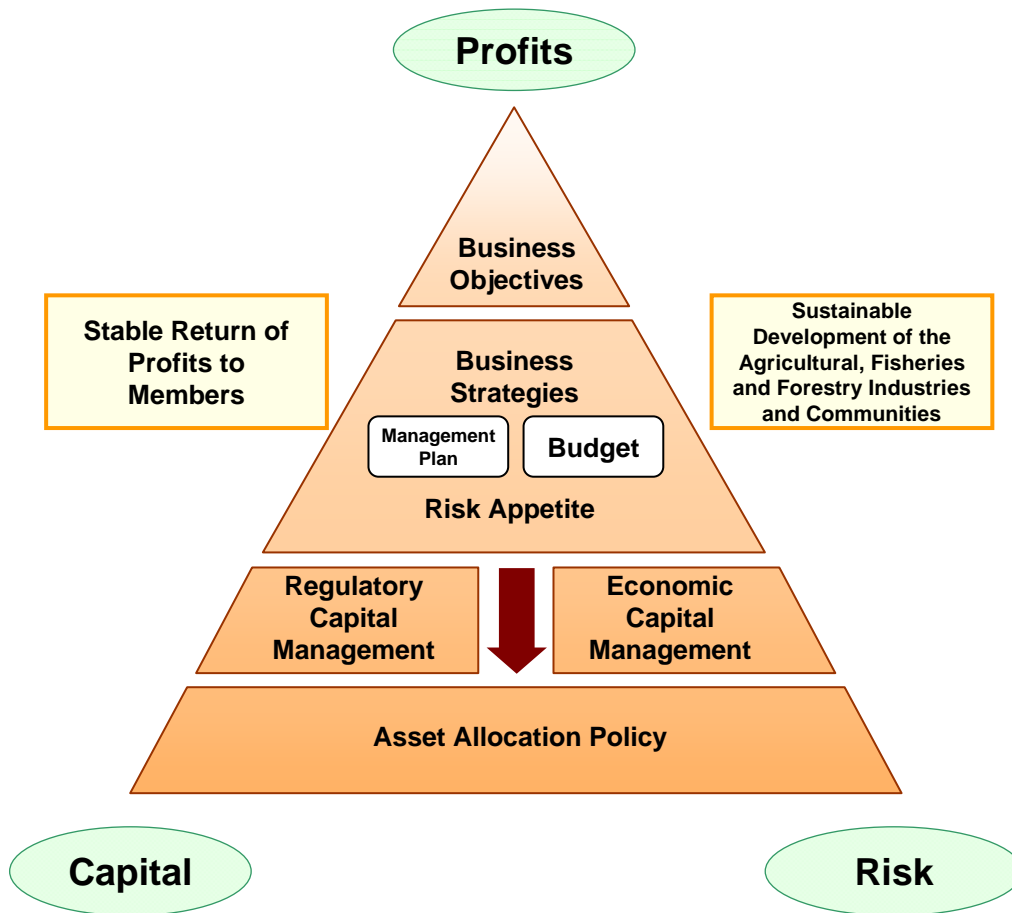
[Donation of Wood Products]



[Clean-up Volunteers]

Internal Capital Adequacy Assessment

- The Bank conducts Internal Capital Adequacy Assessment Process (ICAAP) to manage its capital resources so that profits, capital and risk are managed in a consistent and efficient manner



ICAAP

- A process for demonstrating the appropriate management of risks facing a company so that it can achieve its business objectives, and for the appropriate maintenance and control of a sufficient level of internal capital to cover these risks

Risk Appetite

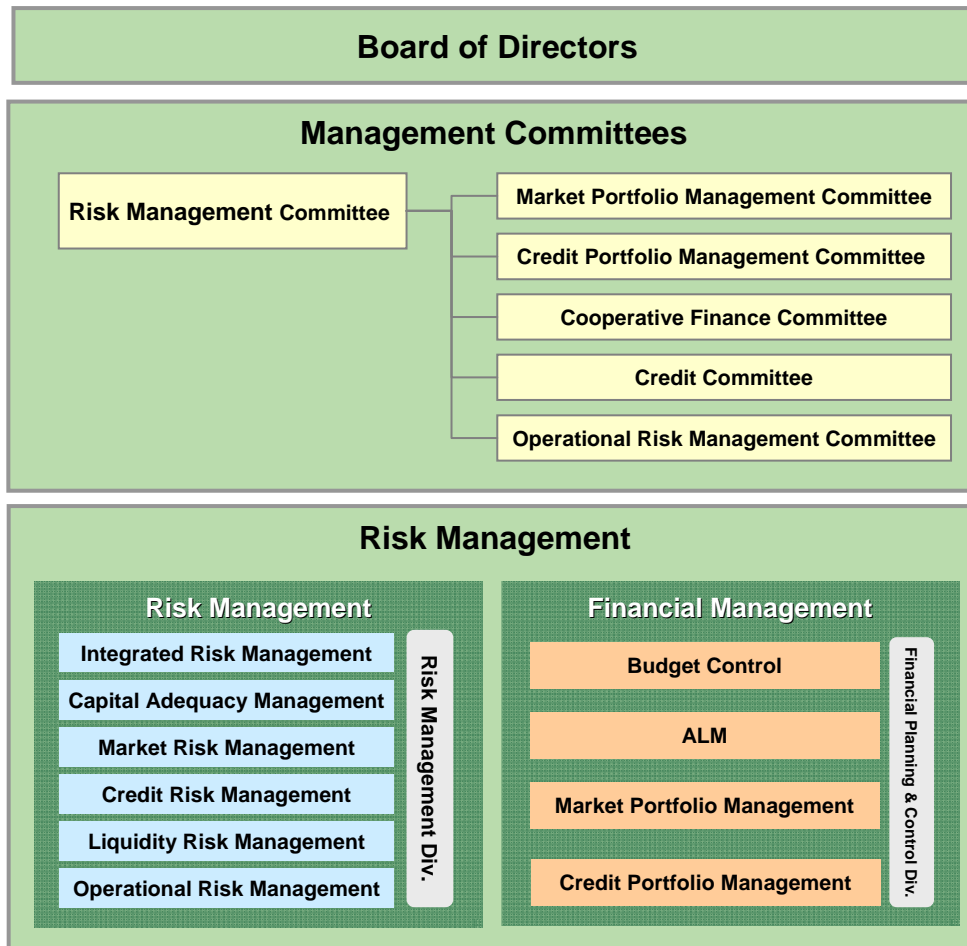
- In implementing the Bank's strategies, risk appetite reflects specific views on risk-taking, and defines what types of risk and magnitude of risk the Bank is willing to accept.
- To return profits in a stable manner to its members, the Bank seeks to take on risk through globally diversified investment by maintaining sufficient capital.
- The Bank's portfolio management strategy (asset allocation policy) for executing globally diversified investments is viewed as the manifestation of risk appetite.

Business Operations Consistent with the Risk Appetite

- The Bank develops its budgets and management plans that are consistent with its risk appetite, and performs financial and business management in a fine balance with risks and its capital position.
- To maintain a sufficient level of capital, the Bank performs stress tests on a regular basis and manages its capital adequacy by monitoring checkpoints.

Risk Management System

- The Bank has employed an “integrated risk management” system with a central focus on economic capital management



1. Board of Directors

- The Board of Directors sets business objectives in the form of medium-term management plans, risk appetite, management plans and budgets based on them. It also determines a risk management framework for their implementation.
- Based on feedbacks from internal and external audits, the board keeps track of the risk management regimes.

2. Management Committees

- The Risk Management Committee discusses and determines important issues associated with the management of economic and regulatory capital and the handling of respective risks.
- Based on the determination, each relevant committee, such as the Market Portfolio Management Committee and Credit Portfolio Management Committee, sets concrete portfolio management policies.

3. Risk Management

- As part of its integrated risk management efforts, the Bank has established individual units to watch over market risk, credit risk, liquidity risk and operational risk as well as a unit to supervise such units. Their roles and responsibilities have been clearly defined.
- Through its integrated risk management efforts, the Bank, under its risk management framework, has established its financial management practices flexible enough to ensure that it maintains sound and profitable business performance and, at the same time, to strike an optimal balance among risk, profit, and capital in volatile markets and in constantly changing economic and financial environments.

Investments in Securitized Products (Non-consolidated, Preliminary Figures)

1 Investment in Securitized Products (Notes 1 and 2)

							(JPY in 100mn)			
		AAA	AA	A	BBB	Below BBB	Total	Change from Mar 2013	Unrealized Gains /Losses	Change from Mar 2013
1	ABS	15,010	-	-	-	-	15,010	(4,163)	(23)	37
2	RMBS	25,938	192	104	104	50	26,389	2,518	(12)	(63)
3	Subprime RMBS	-	-	-	-	-	-	(92)	-	(57)
4	CMBS	582	-	88	8	33	713	(1,456)	(125)	10
5	CDO	7,416	3,141	564	345	253	11,721	2,345	(215)	49
6	CLO	7,175	2,863	377	345	-	10,761	2,636	(215)	67
7	Resecuritized Products (Note 3)	240	278	187	-	253	960	(291)	0	(17)
8	Subprime-related products	-	-	-	-	0	0	(18)	-	(17)
9	Others	-	-	-	433	56	490	(15)	-	-
10	Total	48,947	3,333	757	892	393	54,324	(772)	(376)	34

2 Investment in Monoline Products (Note 4)

		(JPY in 100mn)			
		Exposures	Change from Mar 2013	Unrealized Gains /Losses	Change from Mar 2013
1	Monoline Wrapped Financial Instruments	208	(22)	(46)	7

3 Investment in Leveraged Loans (Note 5)

		(JPY in 100mn)	
		Exposures	Change from Mar 2013
1	Japan	-	(8)
2	Overseas	37	(208)
3	Total	37	(217)

4 Investment in Bonds Issued by US Housing-related GSEs (Note 6)

		(JPY in 100mn)			
		Exposures	Change from Mar 2013	Unrealized Gains /Losses	Change from Mar 2013
1	Agency Mortgage Bonds	18,527	(17,220)	591	(287)
2	Agency Bonds	15,983	2,343	(324)	(553)
3	Total	34,511	(14,877)	267	(840)

5 Others

The Bank has not originated, underwritten nor traded ABCP, SIV, or leveraged loans. The Bank does not own any products related to them in its trading account and is not involved in any unconsolidated off-balance sheet transactions.

(Note 1) Securitized products are defined internally based on the definition under the Basel capital framework. Mortgage-backed securities related to US government are not included. sponsored entities.

(Note 2) The amount of securitization exposure is the net exposure after write-off and revaluation. Had a positive impact on the income for FY 2013 (JPY1.3bn).

(Note 3) Resecuritized products such as ABS-CDO, and CDO of CDO's. Resecuritized products (i. e. products containing at least one securitized product as an underlying asset) under the Baselcapital framework totaling JPY263.4bn are also included.

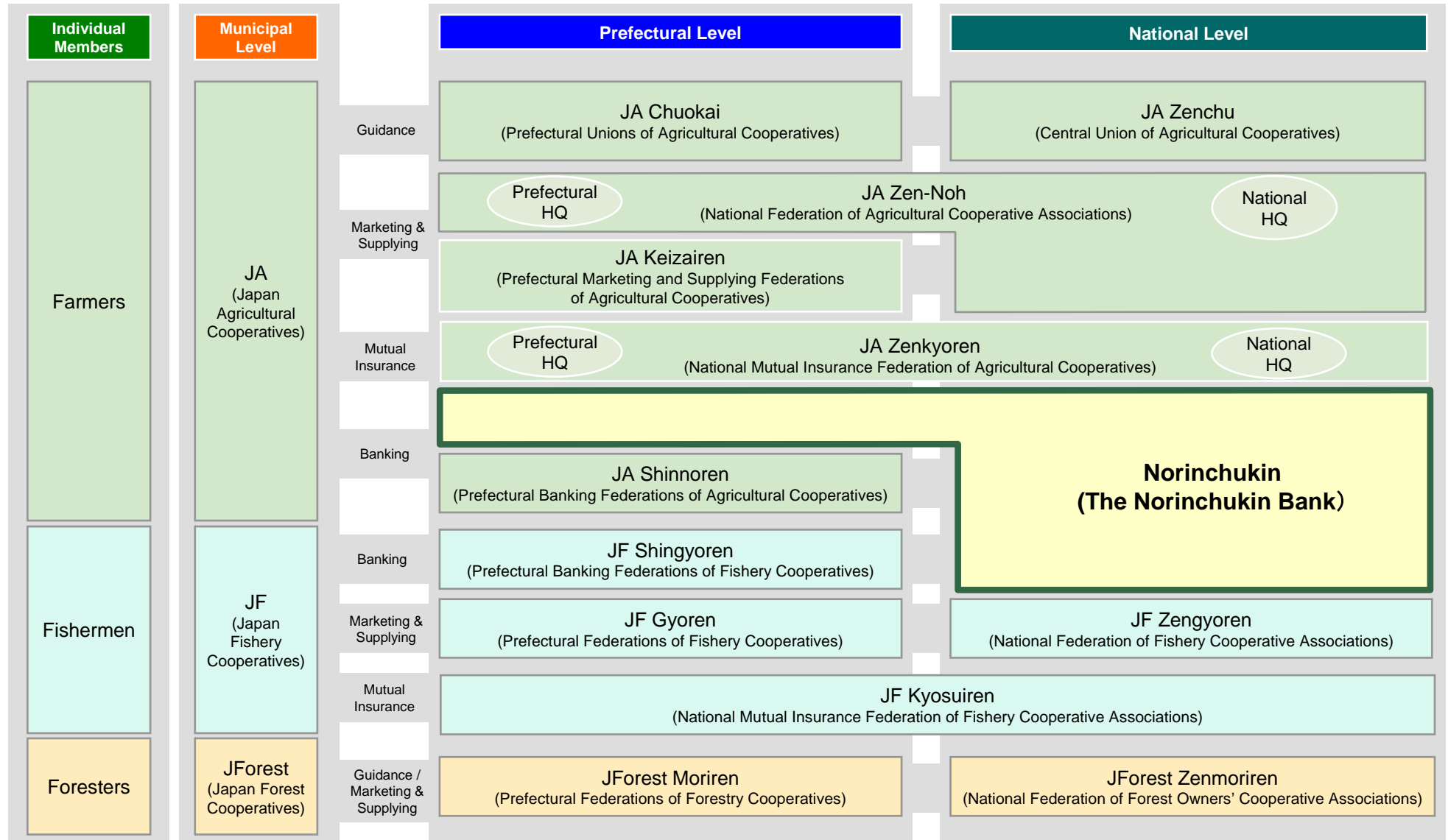
(Note 4) The Bank has exposure to securitized products (CDOs) including monoline-CDS, in addition to financial products guaranteed by monolines.

(Note 5) Loans internally defined as those used mainly for LBOs. Reserve for possible loan losses amounts to JPY0bn.

(Note 6) The Bank has JPY1,241.0bn of mortgage-backed security bonds issued and guaranteed by Ginnie Mae, a US government-owned corporation.

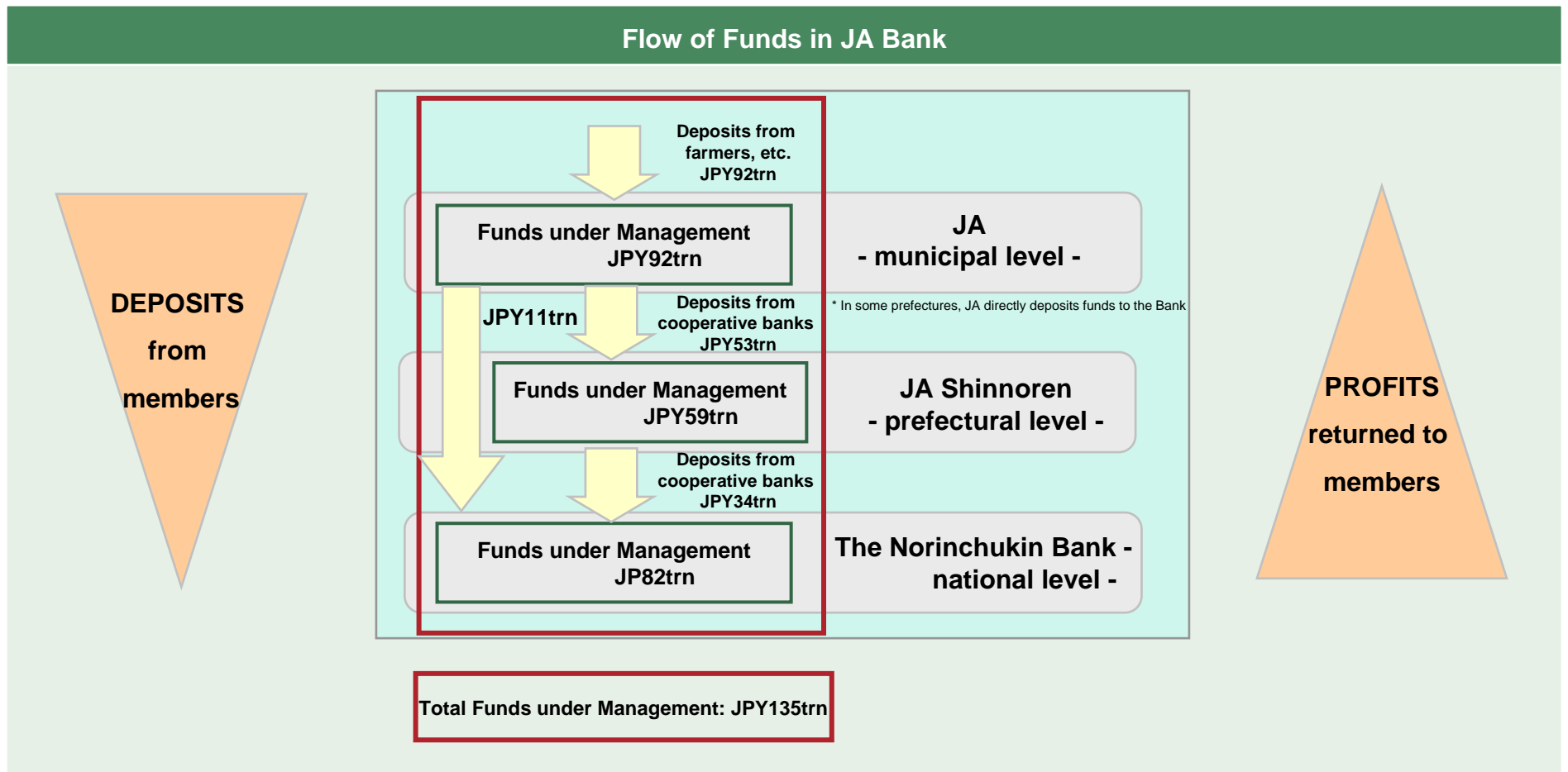
As of March 31, 2014, non-consolidated basis

Structure of the Cooperative System



Flow of Funds in JA Bank

- JA Bank = JA (municipal level) + JA Shinnoren (prefectural level) + The Norinchukin Bank (national level)

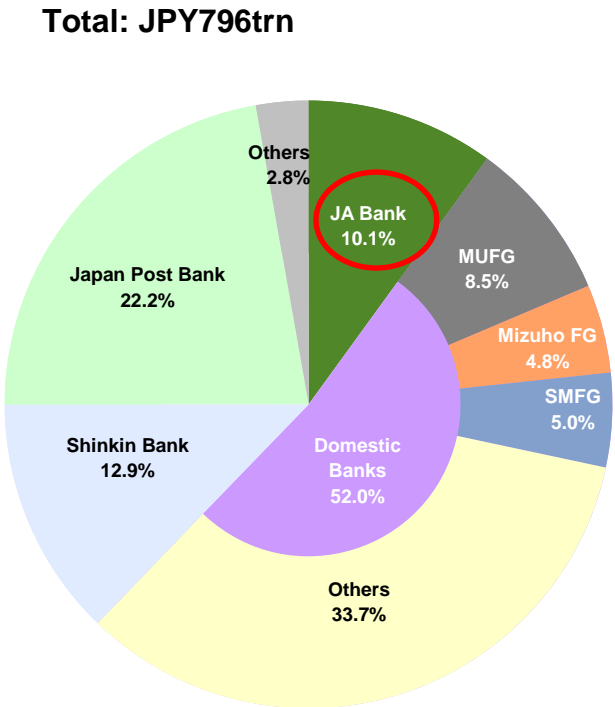


Note: As of March 31, 2014

Total funds under management = Funds under management (JPY92trn+JPY59trn+JPY82trn) – Deposits (JPY53trn+JPY11trn+JPY34trn)

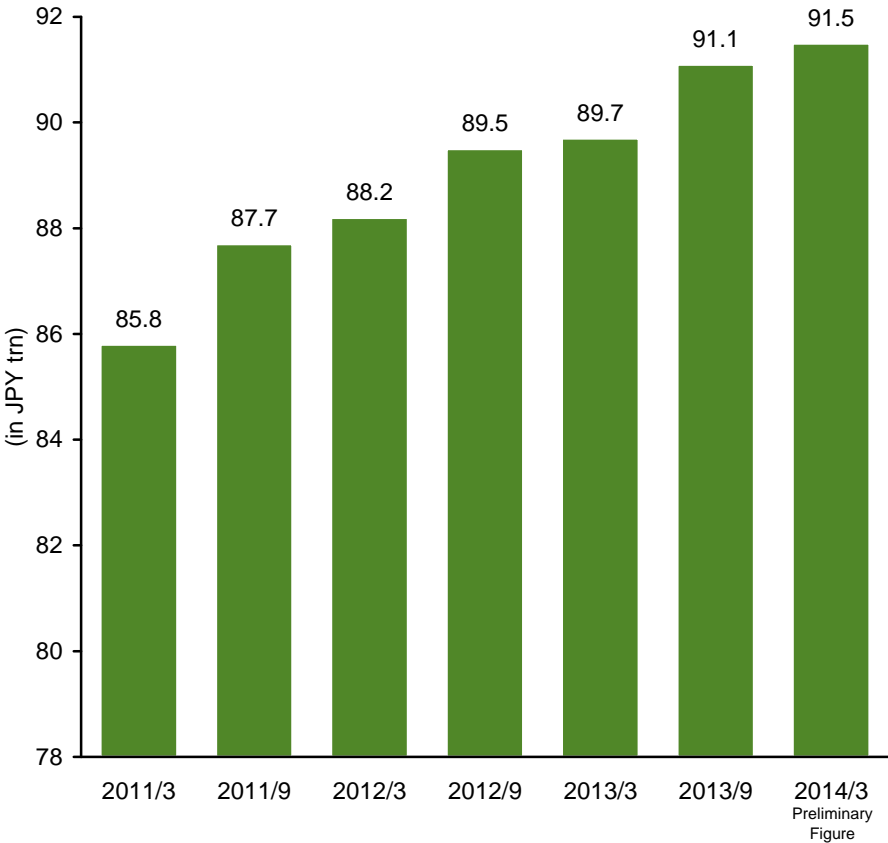
Stable JA Savings

Deposits and Savings (Retail)



Note: As of September 30, 2013
 Prepared by The Norinchukin Bank based on materials of the Bank of Japan, financial statements of Japan Post and financial summaries of other banks
 Retail deposit and savings balance for JA Bank, domestic banks and Shinkin Banks; savings balance for Japan Post Bank

JA Bank Deposits and Savings over Time

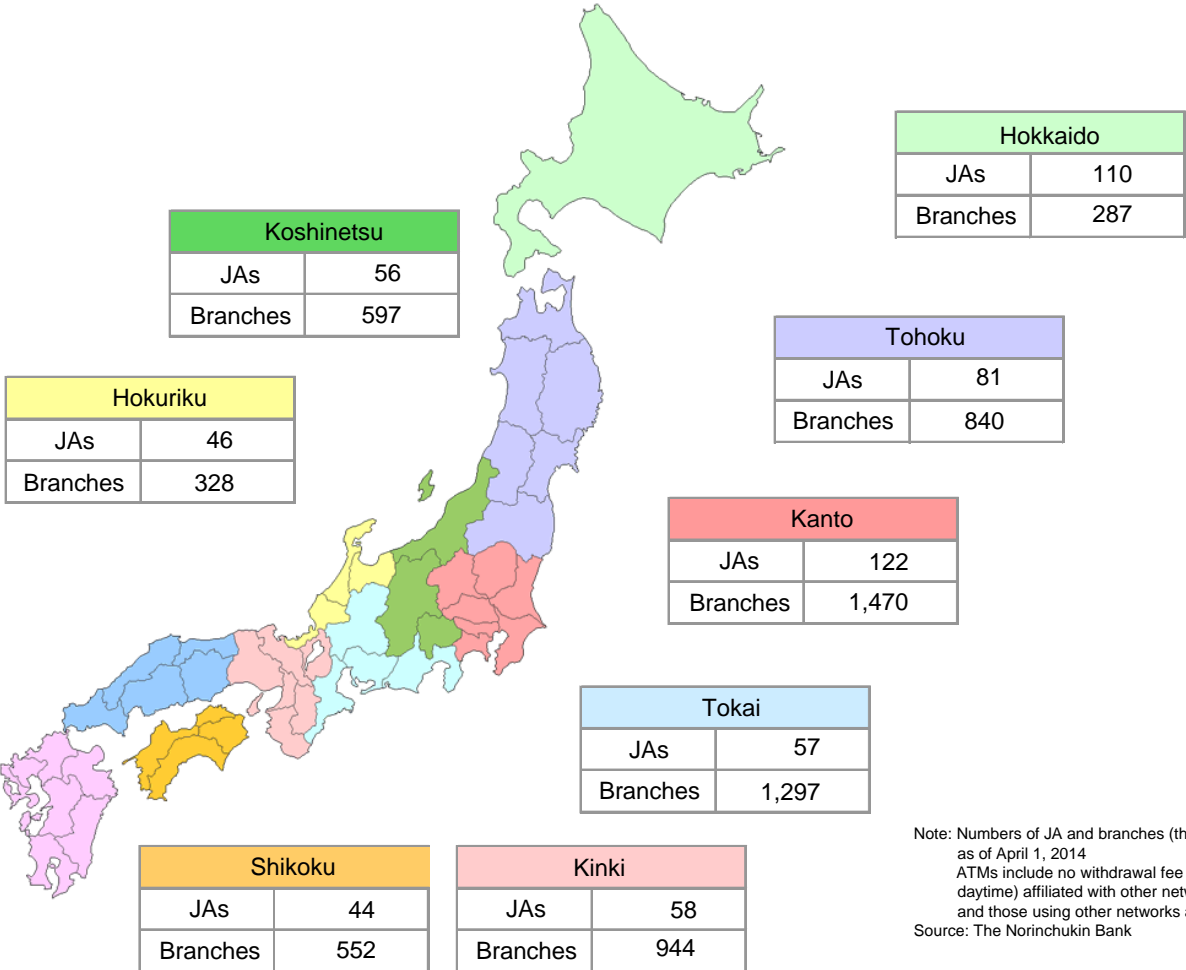


Note: Aggregate retail and non-retail (public and corporate sectors, etc.) deposits and savings
 Source: The Norinchukin Bank

JA Bank Branch Network

- Strong business base and network with 702 JA nationwide with 8,250 branches
- One of the largest ATM networks in the industry with about 89,000 charge free ATMs (including affiliated ATMs) nationwide

Nationwide	
JAs	702
Branches	8,250



Note: Numbers of JA and branches (those handling domestic exchange) as of April 1, 2014
 ATMs include no withdrawal fee ATMs (on weekdays/during daytime) affiliated with other networks as of September 30, 2014 and those using other networks affiliated thereafter.
 Source: The Norinchukin Bank

Agricultural Loans

- JA Bank supports the agricultural industry by offering a variety of loan products designed to accommodate the various financial needs of farmers and agricultural organizations

- JA Bank has the top share in the transaction volumes of two major policy-based loans: Agricultural Modernization Loans and Japan Finance Corporation's Agricultural Loans

JA Bank Group's Agricultural Loans by Type

(in JPY100mn)

Type	March 31, 2013
Proper Agricultural Loans	15,530
Agricultural Policy Loans	5,858
Agricultural Modernization Loans	1,745
Other Policy-based Loans	4,112
Total	21,388

JA Bank Group's Entrusted Agricultural Loans

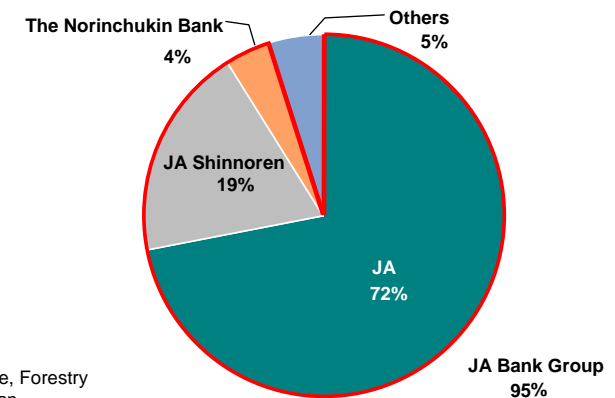
(in JPY100mn)

Type	March 31, 2013
Loans Entrusted by Japan Finance Corporation	5,552
Others	11
Total	5,564

Proper Agricultural Loans represent non-policy-based loans funded by JA Bank. Agricultural policy loans include 1) loans which are extended directly or indirectly by local public organizations, and 2) loans to which interest subsidies are granted by local public organizations, and for this reason, are extended at low interest rates by JA. Other policy-based loans include the Super S Loans and loans which are intended for the reduction of financial burden on agricultural business owners.

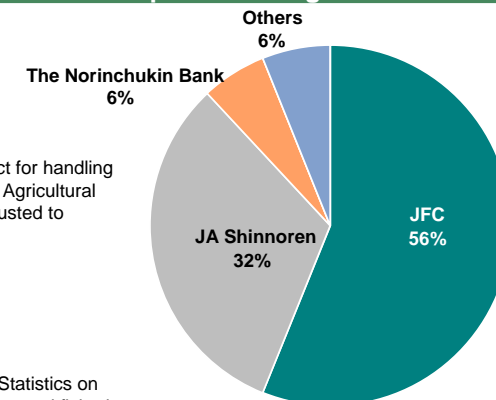
Source: The Norinchukin Bank

Share of the Agricultural Modernization Loans



As of December 31, 2012
Source: Ministry of Agriculture, Forestry and Fisheries of Japan

Share of Transaction Volume of Japan Finance Corporation's Agricultural Loan



As of March 31, 2013
Source: The Annual Business Statistics on the agriculture, forestry, and fisheries businesses by Japan Finance Corporation



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