

***Financial Summary  
for the 3rd Quarter of Fiscal Year 2018***

**February 5, 2019**



**NORINCHUKIN**

# Income Statement Summary

【Consolidated】		(in JPY bn)		
		FY2017	FY2018	Change
		Apr-Dec	Apr-Dec	
1	Ordinary Income	1,100.9	1,279.4	178.5
2	Interest Income	861.2	979.3	118.0
3	<Interests on/Dividends from Securities>	788.7	883.6	94.9
4	<Interests on Loans>	58.6	78.9	20.3
5	Ordinary Expenses	933.7	1,189.5	255.8
6	Interest Expenses	758.0	933.1	175.1
7	<Expenses on Funding from Members>	254.8	262.1	7.3
8	General and Administrative Expenses	118.3	121.0	2.6
9	Ordinary Profits	167.2	89.9	(77.2)
10	Income before Income Taxes	180.1	89.7	(90.4)
11	Net Income	133.1	73.3	(59.8)

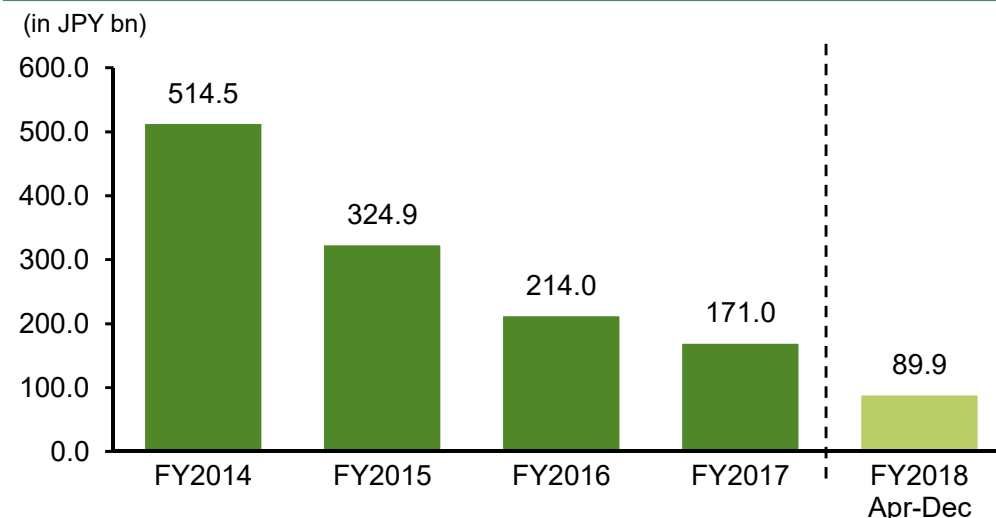
【Non-consolidated】		(in JPY bn)		
		FY2017	FY2018	Change
		Apr-Dec	Apr-Dec	
12	Ordinary Profits	158.9	84.6	(74.2)
13	Net Income	118.2	71.4	(46.7)

## 【Reference (Non-consolidated)】

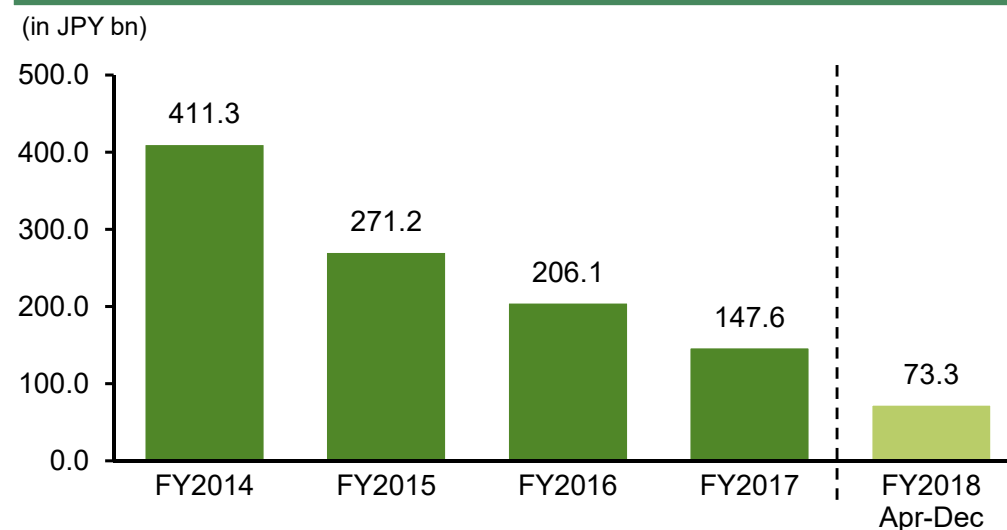
14	Gains on Sale of Securities	43.8	103.0	59.1
15	Losses on Sale of Securities	2.5	83.0	80.5
16	Credit-related Expenses <sup>(Note)</sup>	2.1	0.5	(1.6)
17	Disposal of Securities	1.1	0.3	(0.7)

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

## Ordinary Profits over Time (Consolidated)



## Net Income over Time (Consolidated)



# Balance Sheet Summary

【Consolidated】

(in JPY bn)

	Mar 2018	Dec 2018	Change
1 Loans and Bills Discounted	11,858.9	16,104.7	4,245.8
2 Securities	52,321.8	53,505.5	1,183.7
3 Money Held in Trust	7,439.7	8,056.9	617.2
4 Cash and Due from Banks	28,756.3	22,871.9	(5,884.4)
5 Others	4,550.8	4,937.5	386.6
6 Total Assets	104,927.7	105,476.8	549.0
7 Deposits <sup>(Note)</sup>	67,204.7	69,423.3	2,218.6
8 Debentures	1,766.4	1,378.8	(387.6)
9 Payables under Repurchase Agreements	15,080.6	14,002.6	(1,078.0)
10 Others	14,129.7	14,248.0	118.2
11 Total Liabilities	98,181.6	99,052.8	871.1
12 Total Net Assets	6,746.0	6,423.9	(322.1)

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

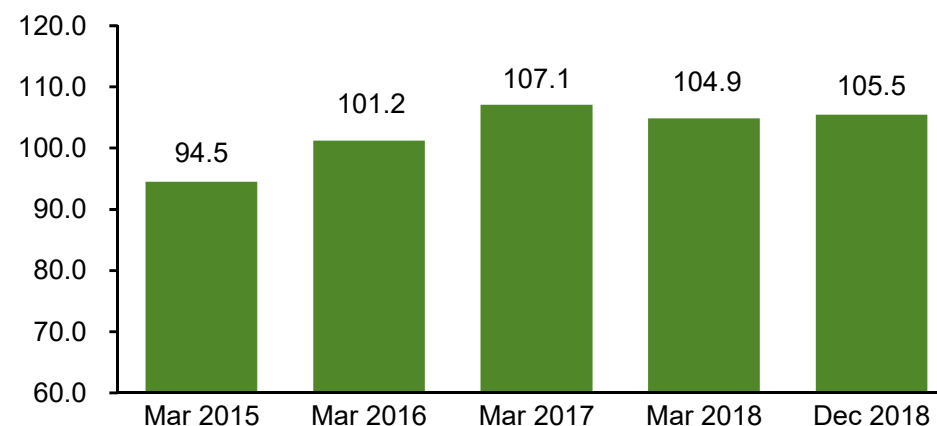
【Non-consolidated】

(in JPY bn)

	Mar 2018	Dec 2018	Change
13 Total Assets	103,417.6	103,768.9	351.3
14 Total Liabilities	96,763.5	97,436.0	672.5
15 Total Net Assets	6,654.0	6,332.8	(321.2)
16 Gains/Losses on Revaluation of Securities	1,584.7	1,279.9	(304.8)

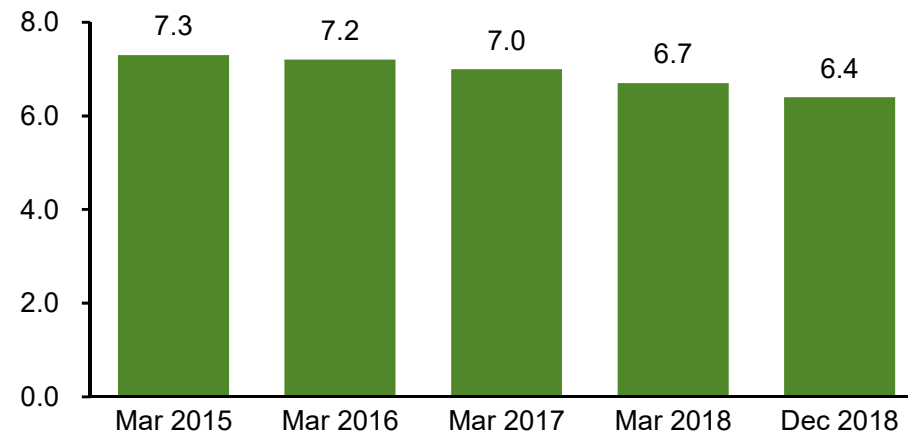
## Total Assets over Time (Consolidated)

(in JPY trn)



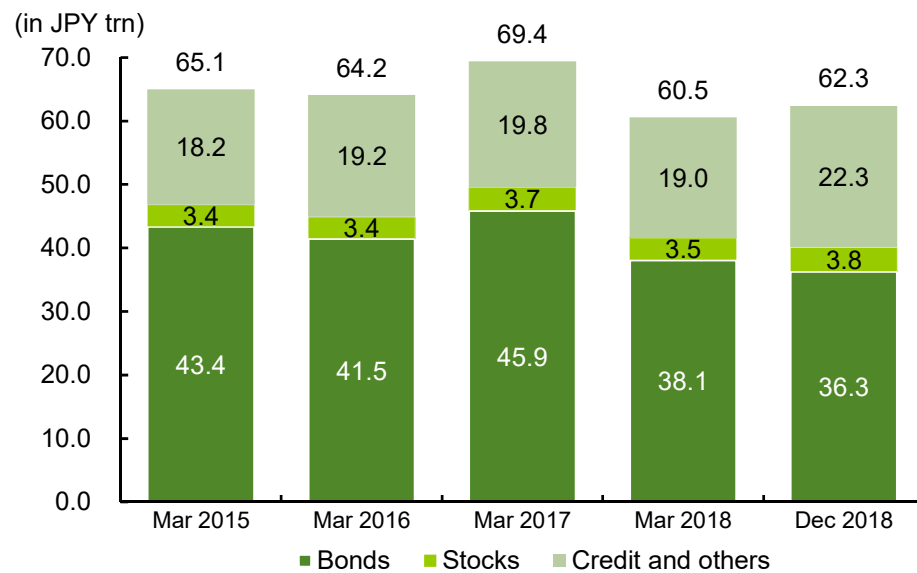
## Net Assets over Time (Consolidated)

(in JPY trn)

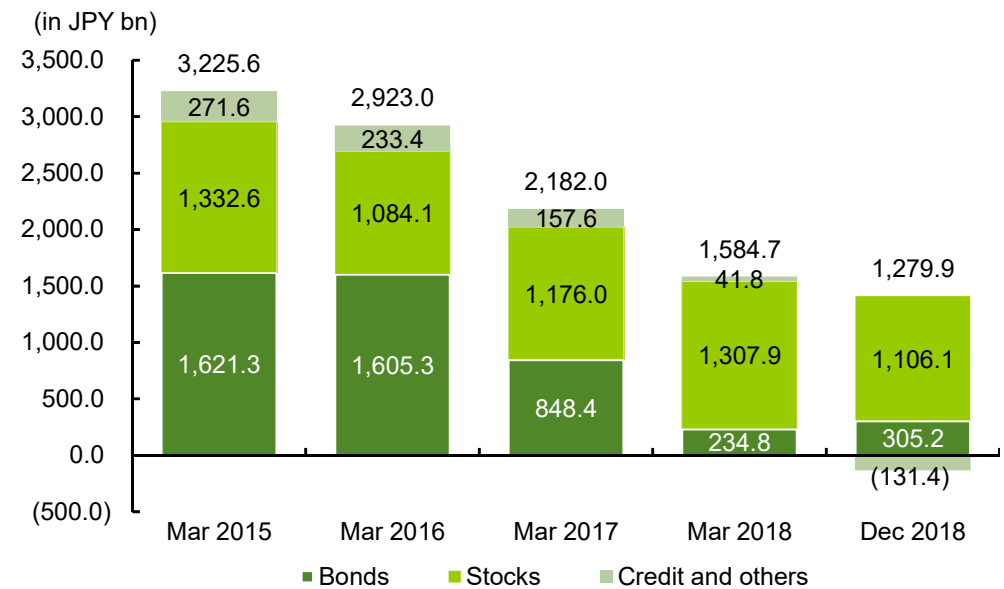


# Market Investment Portfolio (Non-consolidated)

## Market Investment Portfolio over Time



## Net Unrealized Gains and Losses over Time



# Investments in Securitized Products (Non-consolidated)

## 1 Investment in Securitized Products (Notes 1 & 2)

								(JPY in bn)				
		AAA	AA	A	BBB	Below BBB	Total	Change from Mar 2018	Unrealized Gains /Losses	Change from Mar 2018		
1	ABS	917.2	-	-	-	-	917.2	▲47.4	-	-		
2	RMBS	2,100.1	19.1	2.8	1.1	-	2,123.2	▲267.9	2.4	▲1.1		
3	CMBS	66.8	-	-	-	-	66.8	3.4	▲10.9	0.1		
4	CDO (Note 3)	6,821.9	-	-	-	0.0	6,821.9	3,008.4	-	-		
5	Total	9,906.0	19.1	2.8	1.1	0.0	9,929.1	2,696.4	▲8.5	▲0.9		

## Exposures by Currency

		(JPY in bn)			
			Change from Mar 2018	Unrealized Gains /Losses	Change from Mar 2018
1	USD	6,094.6	2,177.4	▲10.9	0.1
2	EUR	2,067.3	614.3	2.7	▲1.3
3	GBP	584.6	▲144.3	-	-
4	AUD	932.0	58.9	-	-
5	JPY	250.3	▲9.9	▲0.2	0.2
6	Total	9,929.1	2,696.4	▲8.5	▲0.9

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

		(JPY in bn)			
		Exposures	Change from Mar 2018	Unrealized Gains /Losses	Change from Mar 2018
1	Agency Mortgage Bonds	1,448.2	▲35.6	▲18.4	▲9.7
2	Agency Bonds	-	-	-	-
3	Total	1,448.2	▲35.6	▲18.4	▲9.7

## 3 Others

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

In addition, the Bank does not have a balance on loans internally defined as those used mainly for LBOs nor a balance on monoline wrapped financial instruments.

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

(Note 2) The Bank does not have any exposure to sub-prime related RMBS or CDO in its investments in securitized products.

(Note 3) The Bank has little exposure (less than JPY0.1bn) to re-securitized products such as ABS-CDO, and CDO of CDO's.

The Bank does not have any exposure to re-securitized products (i.e. products containing at least one securitized product as an underlying asset) under the Basel capital framework.

(Note 4) The Bank has JPY5,991.5bn of mortgage-backed security bonds issued and guaranteed by Government National Mortgage Association and has JPY56.8bn of counterparty exposure of securities financing transactions with Federal Home Loan Mortgage Corporation.

As of Dec 31, 2018, non-consolidated basis

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