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Financial Summary for the 3rd Quarter of Fiscal Year 2019



NORINCHUKIN

February 4, 2020

Income Statement Summary

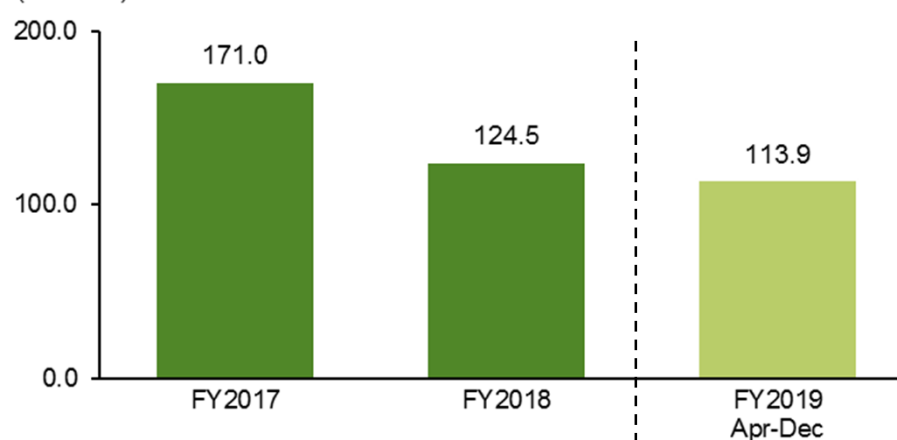
【Consolidated】

(in JPY bn)

	FY2018 Apr-Dec	FY2019 Apr-Dec	Change
1 Ordinary Income	1,279.4	1,218.7	(60.7)
2 Interest Income	979.3	958.4	(20.9)
3 <Interest and Dividends on Securities>	883.6	839.6	(44.0)
4 <Interest on Loans and Bills Discounted>	78.9	95.4	16.4
5 Ordinary Expenses	1,189.5	1,104.7	(84.7)
6 Interest Expenses	933.1	906.3	(26.7)
7 <Expenses on Funding from Members>	262.1	254.1	(8.0)
8 General and Administrative Expenses	121.0	114.3	(6.6)
9 Ordinary Profits	89.9	113.9	24.0
10 Income before Income Taxes	89.7	115.3	25.5
11 Profit Attributable to Owners of Parent	73.3	83.2	9.9

Ordinary Profits over Time (Consolidated)

(in JPY bn)



【Non-consolidated】

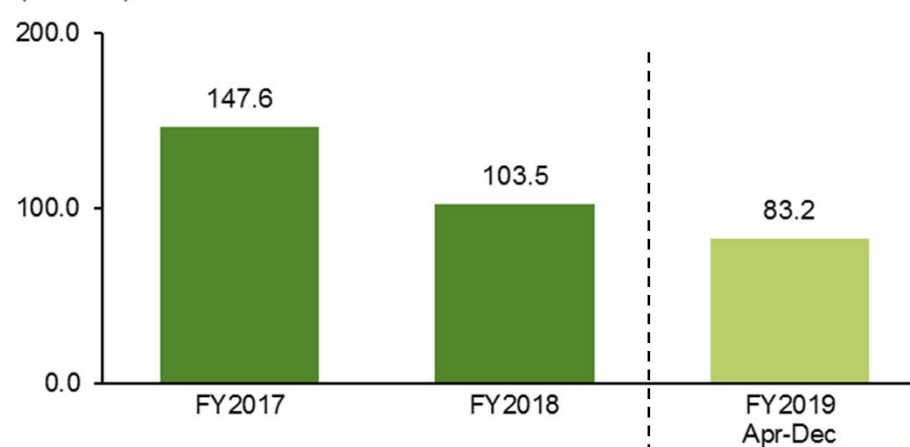
(in JPY bn)

	FY2018 Apr-Dec	FY2019 Apr-Dec	Change
12 Ordinary Profits	84.6	109.3	24.6
13 Net Income	71.4	82.2	10.7
【Reference (Non-consolidated)】			
14 Net Gains/Losses on Sales of Securities	19.9	65.2	45.2
15 Credit Costs <small>(Note)</small>	0.5	2.0	1.5
16 Write-off of Securities	0.3	0.4	0.0

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

Net Income over Time (Consolidated)

(in JPY bn)



Balance Sheet Summary

【Consolidated】

(in JPY bn)

	Mar 2019	Dec 2019	Change
1 Loans and Bills Discounted	18,613.0	20,532.6	1,919.6
2 Securities	55,658.7	55,706.3	47.6
3 Money Held in Trust	8,667.3	6,818.6	(1,848.7)
4 Cash and Due from Banks	18,941.6	21,984.6	3,042.9
5 Others	4,073.1	4,845.3	772.1
6 Total Assets	105,953.9	109,887.6	3,933.6
7 Deposits ^(Note)	67,845.1	67,522.1	(323.0)
8 Debentures	1,254.2	896.8	(357.3)
9 Payables under Repurchase Agreements	15,111.2	17,187.5	2,076.2
10 Others	14,269.9	16,524.0	2,254.1
11 Total Liabilities	98,480.6	102,130.6	3,650.0
12 Total Net Assets	7,473.2	7,756.9	283.6

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

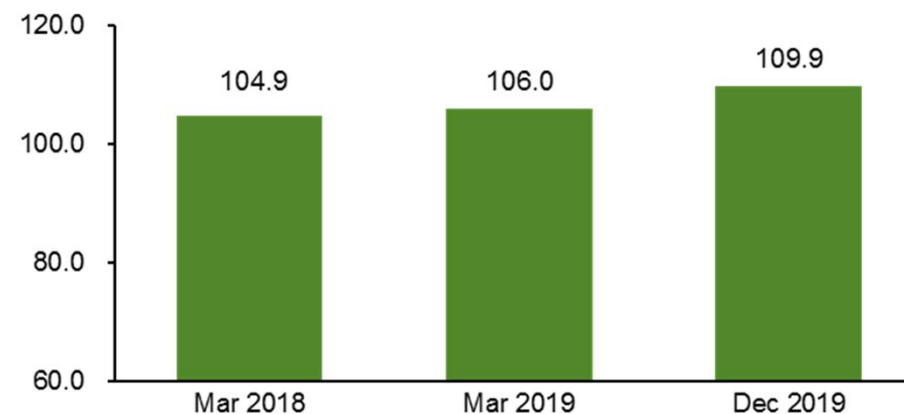
【Non-consolidated】

(in JPY bn)

	Mar 2019	Dec 2019	Change
13 Total Assets	104,176.8	107,888.2	3,711.4
14 Total Liabilities	96,794.9	100,221.9	3,427.0
15 Total Net Assets	7,381.8	7,666.3	284.4
16 Gains/Losses on Revaluation of Securities	2,069.9	2,614.6	544.6

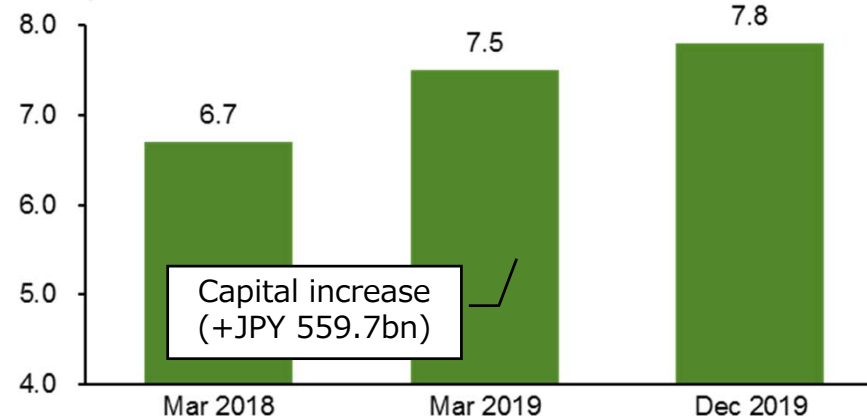
Total Assets over Time (Consolidated)

(in JPY trn)



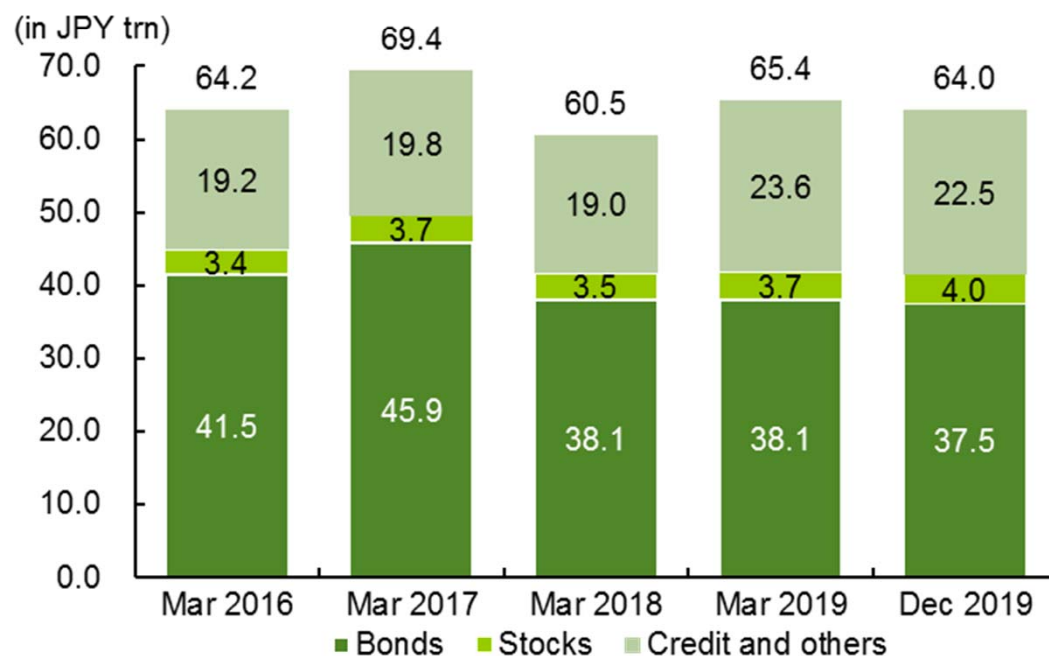
Net Assets over Time (Consolidated)

(in JPY trn)

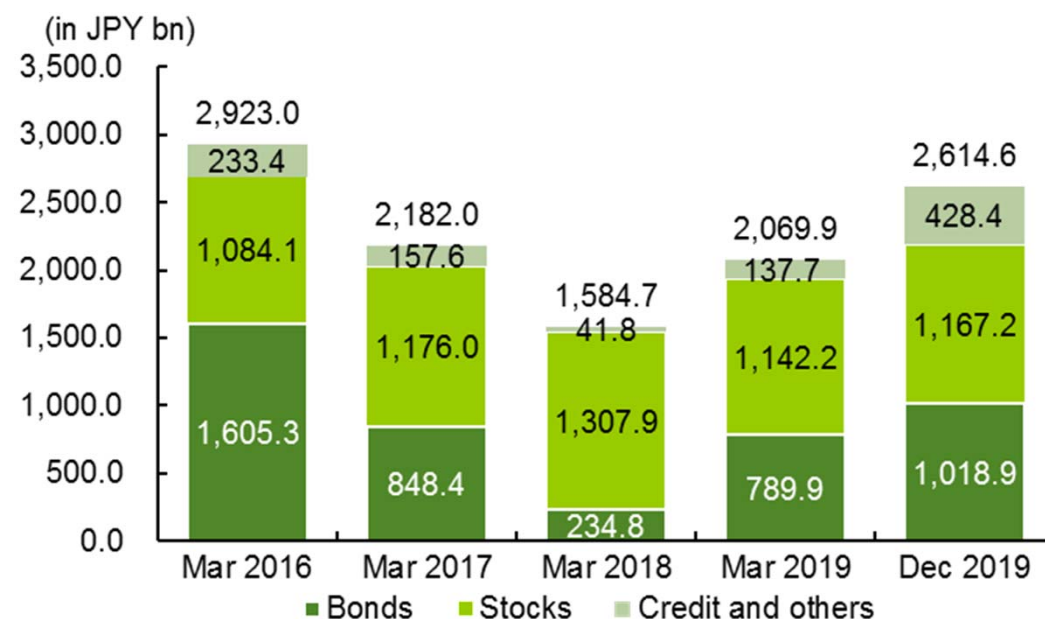


Market Investment Portfolio (Non-consolidated)

Market Investment Portfolio over Time



Net Unrealized Gains and Losses over Time



Appendix

Bank's Investment in CLOs

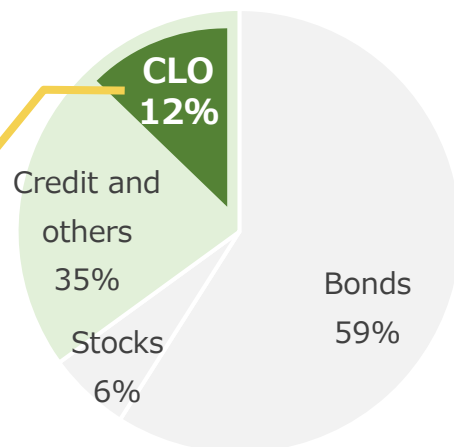
- The Bank applies a consistent approach to robust due diligence and disciplined risk management in CLO investments

Bank's CLO Holdings over Time



Market Investment Portfolio

- 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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