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# Financial Summary for the 3<sup>rd</sup> Quarter of Fiscal Year 2021



**NORINCHUKIN**

**February 4, 2022**

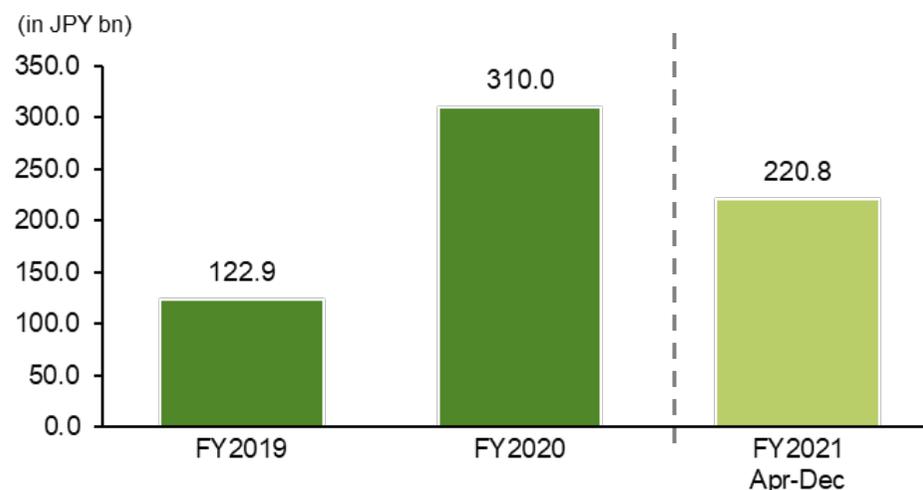
# Income Statement Summary

[Consolidated]

(in JPY bn)

	FY2020 Apr-Dec	FY2021 Apr-Dec	Change
1 Ordinary Income	877.1	944.2	67.1
2 Interest Income	614.2	495.5	(118.7)
3 <Interest and Dividends on Securities>	528.5	413.2	(115.2)
4 <Interest on Loans and Bills Discounted>	73.3	70.8	(2.4)
5 Ordinary Expenses	728.6	723.3	(5.2)
6 Interest Expenses	489.0	383.3	(105.7)
7 <Expenses on Funding from Members>	237.4	220.5	(16.8)
8 General and Administrative Expenses	107.8	104.3	(3.5)
9 Ordinary Profits	148.4	220.8	72.3
10 Income before Income Taxes	148.2	220.8	72.6
11 Profit Attributable to Owners of Parent	109.3	157.0	47.6

## Ordinary Profits over Time (Consolidated)

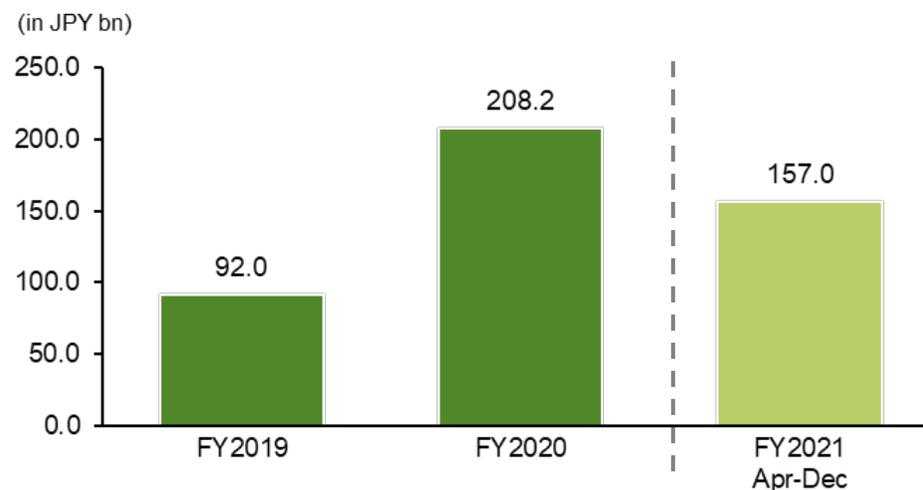


[Non-consolidated]

(in JPY bn)

	FY2020 Apr-Dec	FY2021 Apr-Dec	Change
12 Ordinary Profits	149.4	208.4	58.9
13 Net Income	113.6	150.0	36.4
[Reference (Non-consolidated)]			
14 Net Gains/Losses on Sales of Securities	16.7	(29.6)	(46.3)
15 Net Gains (Losses) from Redemption of Investment Trusts and from Sales of Assets included in Money Held in Trust	12.1	(72.2)	(84.4)
16 Credit Costs <sup>(Note)</sup>	52.9	(14.4)	(67.4)
17 Write-off of Securities	9.1	2.5	(6.6)

## Net Income over Time (Consolidated)



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

# Balance Sheet Summary

[Consolidated]

(in JPY bn)

		Mar 2021	Dec 2021	Change
1	Loans and Bills Discounted	22,102.5	23,069.6	967.0
2	Securities	48,093.8	45,152.0	(2,941.8)
3	Money Held in Trust	10,638.5	10,338.2	(300.3)
4	Cash and Due from Banks	20,066.9	20,405.9	338.9
5	Others	6,745.8	7,856.2	1,110.3
6	<b>Total Assets</b>	<b>107,647.8</b>	<b>106,822.1</b>	<b>(825.6)</b>
7	Deposits <sup>(Note)</sup>	66,529.9	67,195.1	665.2
8	Debentures	355.4	382.1	26.6
9	Payables under Repurchase Agreements	17,073.9	16,923.3	(150.5)
10	Others	15,732.9	14,107.4	(1,625.4)
11	<b>Total Liabilities</b>	<b>99,692.2</b>	<b>98,608.1</b>	<b>(1,084.0)</b>
12	<b>Total Net Assets</b>	<b>7,955.5</b>	<b>8,213.9</b>	<b>258.4</b>

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

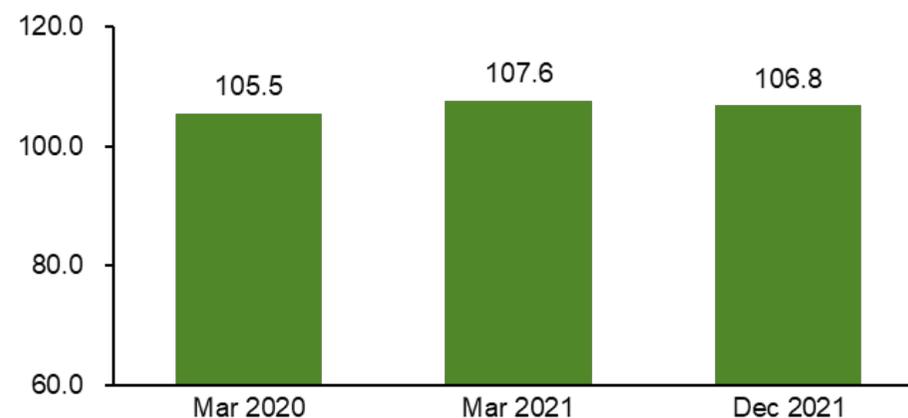
[Non-consolidated]

(in JPY bn)

		Mar 2021	Dec 2021	Change
13	<b>Total Assets</b>	<b>105,238.1</b>	<b>104,130.2</b>	<b>(1,107.8)</b>
14	<b>Total Liabilities</b>	<b>97,412.0</b>	<b>96,056.0</b>	<b>(1,356.0)</b>
15	<b>Total Net Assets</b>	<b>7,826.0</b>	<b>8,074.2</b>	<b>248.2</b>
16	Gains/Losses on Revaluation of Securities	2,683.9	2,818.3	134.3

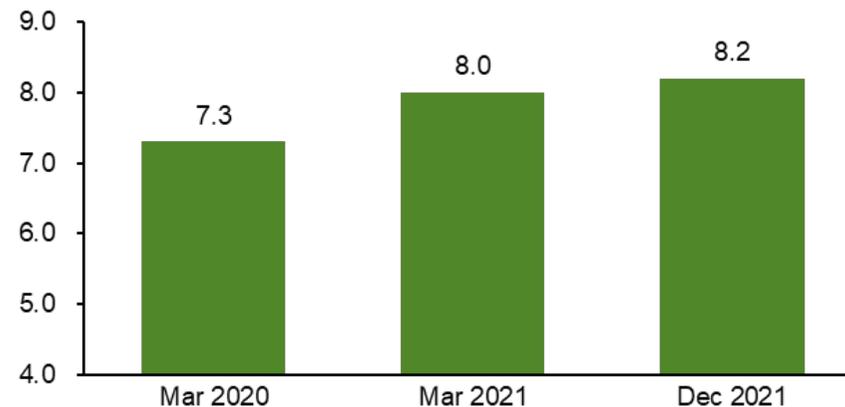
## Total Assets over Time (Consolidated)

(in JPY tm)



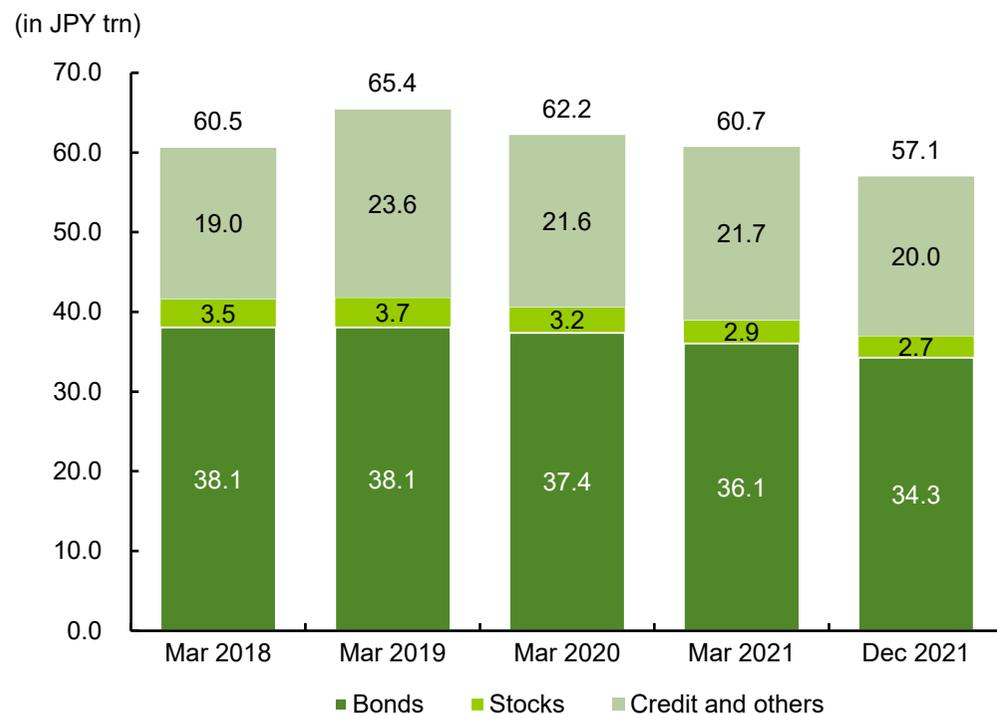
## Net Assets over Time (Consolidated)

(in JPY tm)

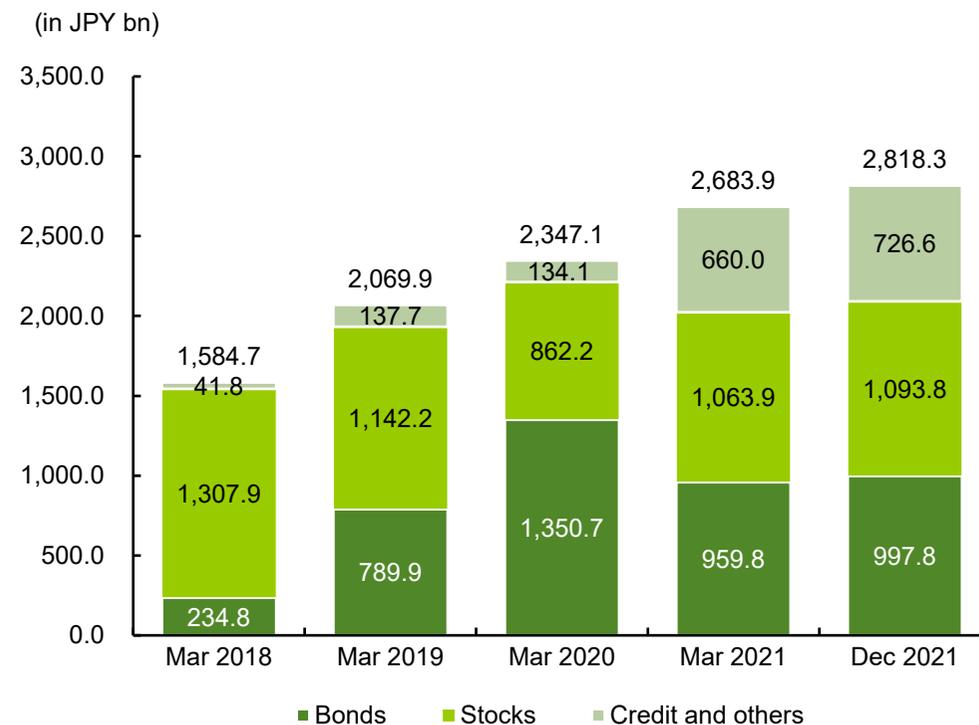


# Market Investment Portfolio (Non-consolidated)

## Market Investment Portfolio over Time



## Net Unrealized Gains and Losses over Time

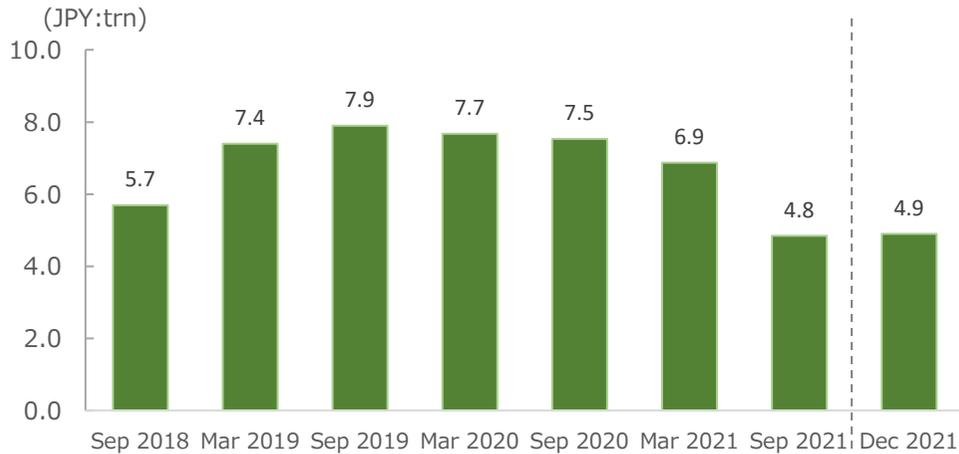


# Appendix

# The Bank's Investment in CLOs

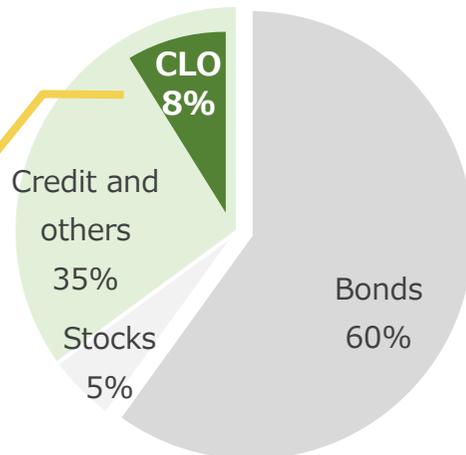
- The Bank applies a consistent approach to robust due diligence and disciplined risk management in CLO investments

## The Bank's CLO Holdings over Time



## Market Investment Portfolio

- 8% 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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