



Financial Summary for the First Half of Fiscal Year 2012

November 22, 2012

農林中央金庫

The Norinchukin Bank

Financial Highlights for the First Half of FY2012

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

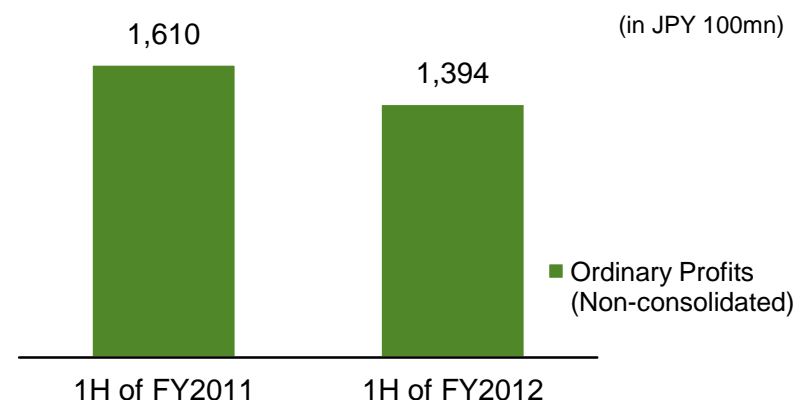
Profit

【Non-consolidated】

	1H of FY2011	1H of FY2012	Change	(in JPY 100mn)
Ordinary Profits	1,610	1,394	(215)	Mid-term Target (Full Year) 500 - 1,000
Net Income	1,242	1,268	25	

【Consolidated】

Ordinary Profits	1,583	1,439	(143)
Net Income	1,239	1,310	70



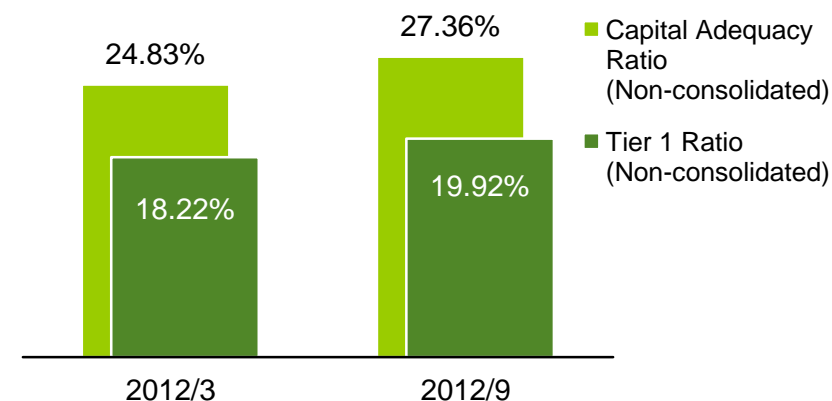
Financial Soundness

【Non-consolidated】

	2012/3	2012/9 (Preliminary Figure)	Change	Mid-term Target
Tier 1 Ratio	18.22%	19.92%	1.70%	-
Capital Adequacy Ratio	24.83%	27.36%	2.53%	Approx. 20%

【Consolidated】

Tier 1 Ratio	18.25%	19.88%	1.63%
Capital Adequacy Ratio	24.67%	27.09%	2.42%



Income Statement Summary

【Non-consolidated】

(in JPY 100mn)

	1H of FY2011	1H of FY2012	Change
1 Ordinary Income	6,145	5,454	(691)
2 Interest Income	4,127	3,706	(421)
3 Ordinary Expenses	4,535	4,059	(475)
4 Interest Expenses	2,813	2,895	81
5 General and Administrative Expenses	566	598	31
6 Ordinary Profits	1,610	1,394	(215)
7 Extraordinary Profits/Losses	(0)	10	10
8 Income before Income Taxes	1,609	1,405	(204)
9 Net Income	1,242	1,268	25

【Non-consolidated: Reference Figures】

10 Gains/Losses on Sale of Securities	(81)	263	345
11 Gains on Sale of Securities	182	317	135
12 Losses on Sale of Securities (▲)	264	53	(210)
13 Credit-related Expenses (▲) ^(Note 1)	(257)	(123)	133
14 Disposal of Securities (▲)	382	144	(237)

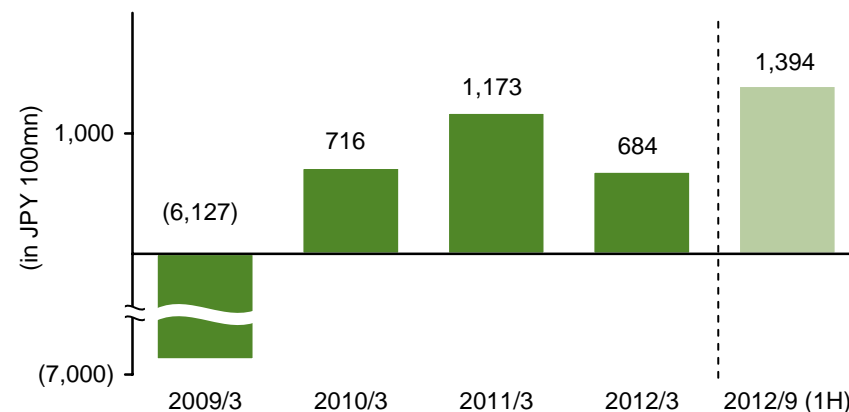
(Note 1) Negative numbers for credit-related expenses indicate reversals

【Consolidated】

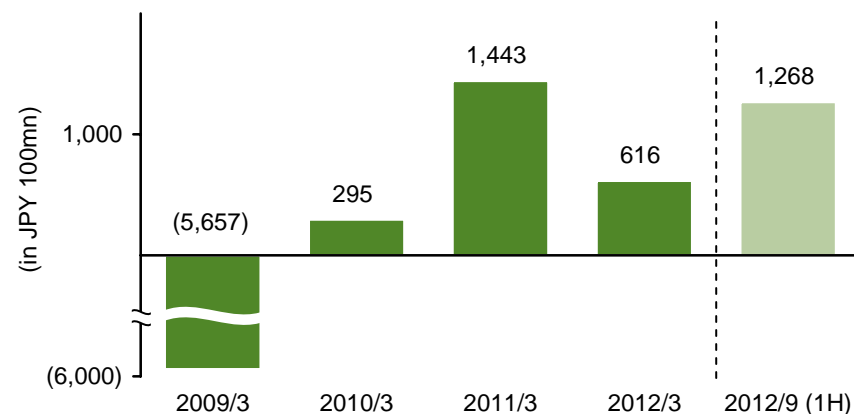
(in JPY 100mn)

	1H of FY2011	1H of FY2012	Change
15 Ordinary Profits	1,583	1,439	(143)
16 Net Income	1,239	1,310	70

Ordinary Profits over Time (Non-consolidated)



Net Income over Time (Non-consolidated)

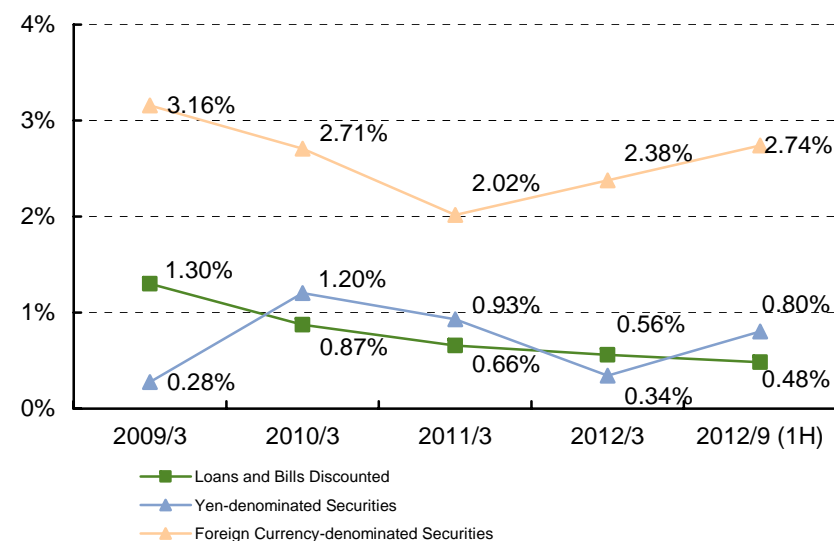


Earnings Yields (Non-consolidated)

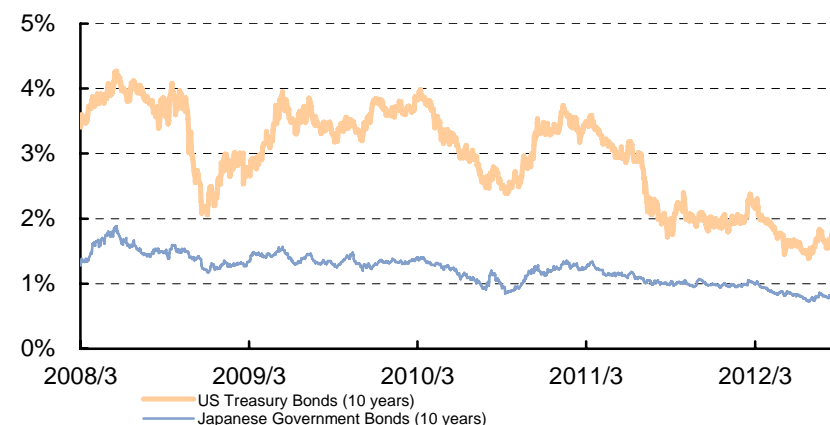
	Average (in JPY trn)		Earnings (in JPY 100mn)		Yield		
	1H of FY2012	YOY Change	1H of FY2012	YOY Change	1H of FY2012	YOY Change	
【Investment】							
1	Loans and Bills discounted	15.5	1.2	378	(37)	0.48%	(0.09%)
2	Securities	44.3	1.3	4,442	(229)	2.00%	(0.17%)
3	Yen-denominated Securities	17.0	0.7	686	118	0.80%	0.11%
4	Foreign Currency-denominated Securities	27.3	0.5	3,756	(348)	2.74%	(0.33%)
5	Short-term Investment Assets	8.8	0.9	47	(4)	0.11%	(0.02%)
【Funding】							
6	From Member Banks	43.6	2.4	1,536	(22)	0.70%	(0.05%)
7	Debentures	5.0	(0.3)	247	(65)	0.98%	(0.19%)
8	Funding from Markets	17.1	0.3	607	(64)	0.71%	(0.09%)
9	From the Yen Market	0.8	(0.1)	8	(0)	0.20%	0.02%
10	From Foreign Currencies Markets	13.9	0.4	194	(63)	0.28%	(0.11%)

(Note) Securities include money held in trust and monetary claims bought but exclude TB.
Yield includes income from and expenses on trading-related financial derivatives.

Loans and Bills Discounted/Securities over Time



(Reference) Market Interest Rates over Time



Balance Sheet Summary

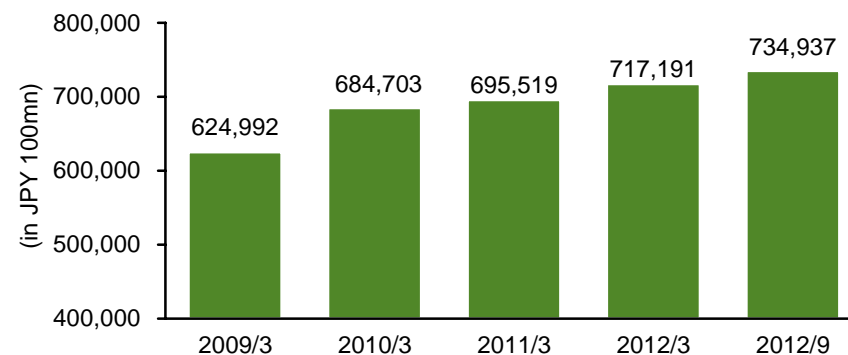
【Non-consolidated】 (in JPY 100mn)

	2012/3	2012/9	Change
1 Loans and Bills Discounted	146,557	162,378	15,821
2 Securities	456,554	448,132	(8,421)
3 Money Held in Trust	70,269	65,881	(4,387)
4 Cash and Due from Banks	16,728	13,956	(2,772)
5 Others	27,082	44,588	17,505
6 Total Assets	717,191	734,937	17,745
7 Deposits	435,631	433,726	(1,905)
8 Debentures	51,256	48,583	(2,673)
9 Payables under Repurchase Agreements	78,004	76,407	(1,596)
10 Entrusted Funds	43,517	61,632	18,115
11 Others	60,578	64,448	3,870
12 Total Liabilities	668,987	684,798	15,810
13 Total Net Assets	48,204	50,138	1,934
14 Gains/Losses on Revaluation of Securities	5,042	7,005	1,962

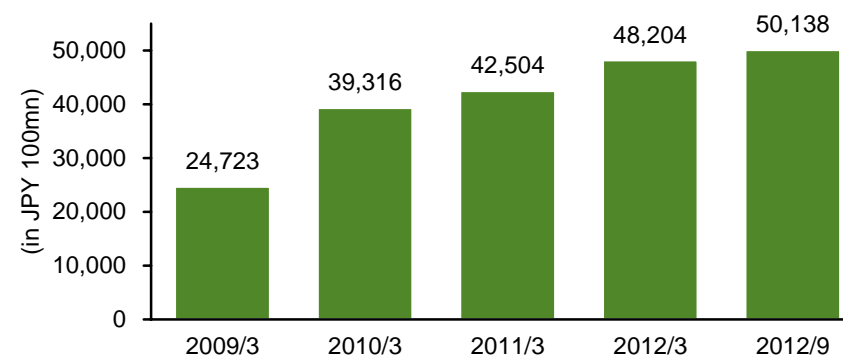
【Consolidated】 (in JPY 100mn)

	2012/3	2012/9	Change
15 Total Assets	722,628	740,654	18,025
16 Total Liabilities	674,239	690,291	16,051
17 Total Net Assets	48,389	50,363	1,973

Total Assets over Time (Non-consolidated)

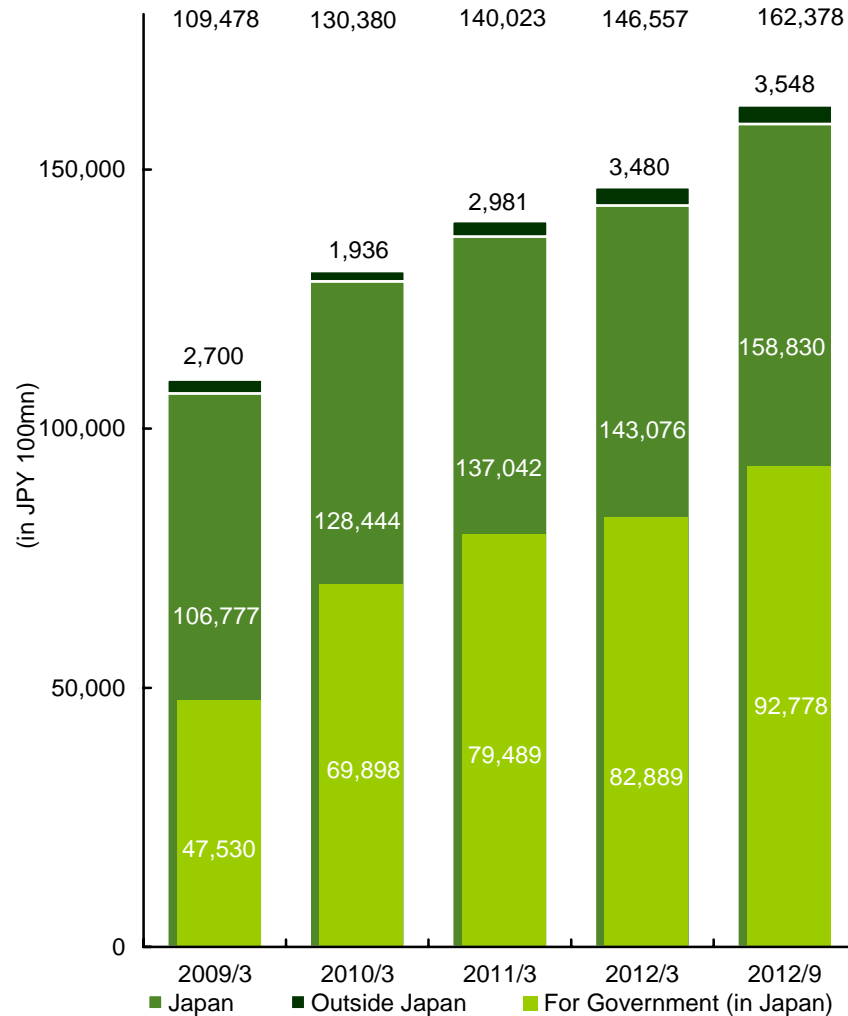


Net Assets over Time (Non-consolidated)



Loans and Bills Discounted (Non-consolidated)

Loans and Bills Discounted over Time

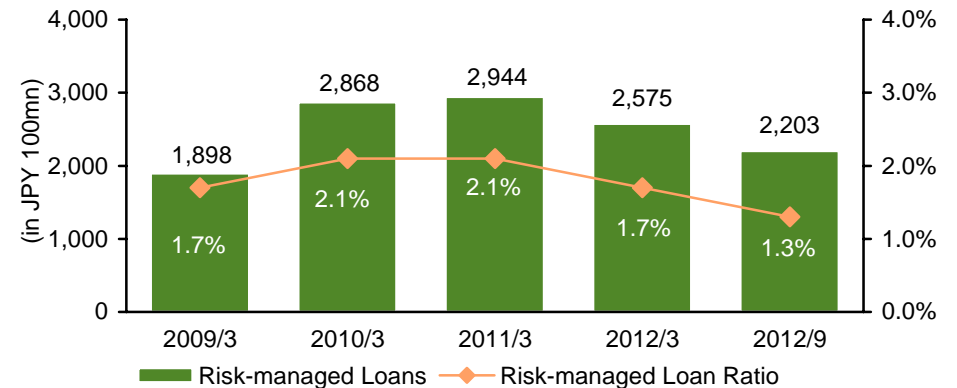


Outstanding Loan Balance by Sector

(in JPY 100mn)

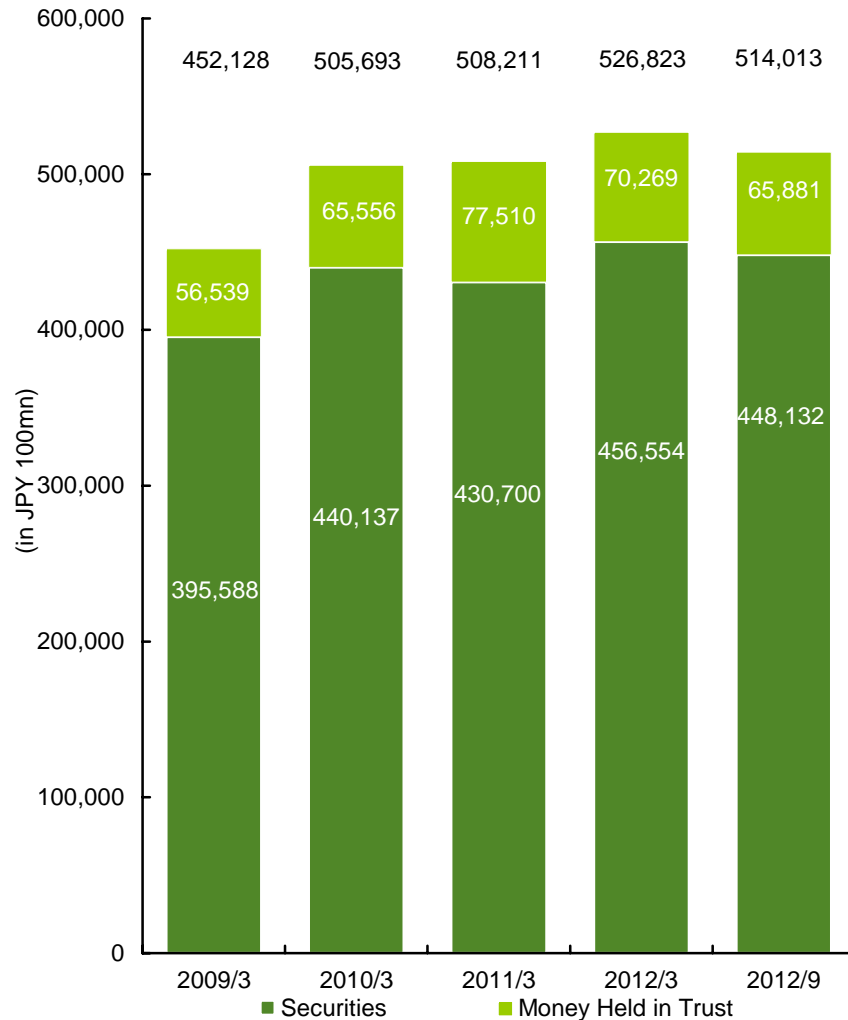
	Balance (2012/9)	Change from 2012/3	Ratio
1 Corporate Organizations	5,419	(517)	3%
2 Corporations	52,997	6,518	33%
3 Others	103,962	9,820	64%
4 Government	92,778	9,888	57%
5 Total	162,378	15,821	100%

Risk-managed Loans over Time



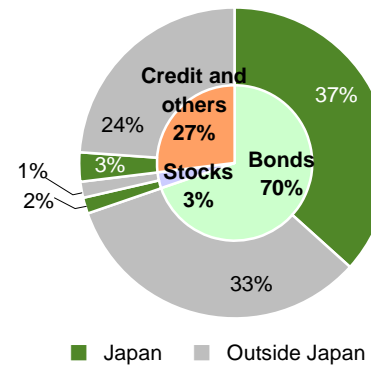
Market Investment Portfolio (Non-consolidated)

Securities/Money Held in Trust over Time

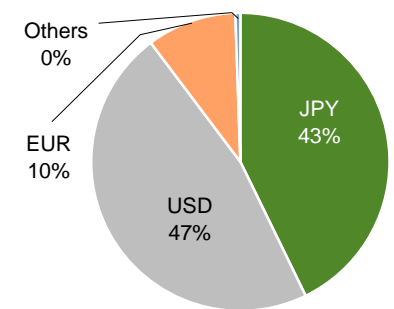


Market Investment Portfolio (2012/9)

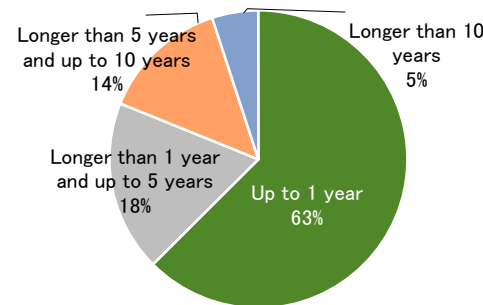
Market Investment Portfolio by Risk



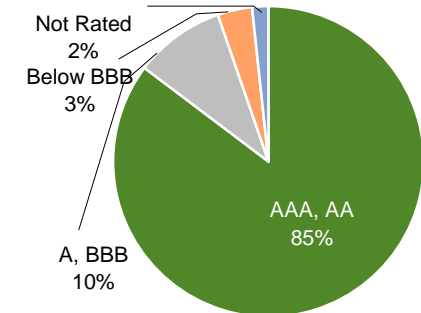
Market Investment Portfolio by Currency



Bond and Credit Portfolio by Rate Reset Maturity



Market Investment Portfolio by Rating

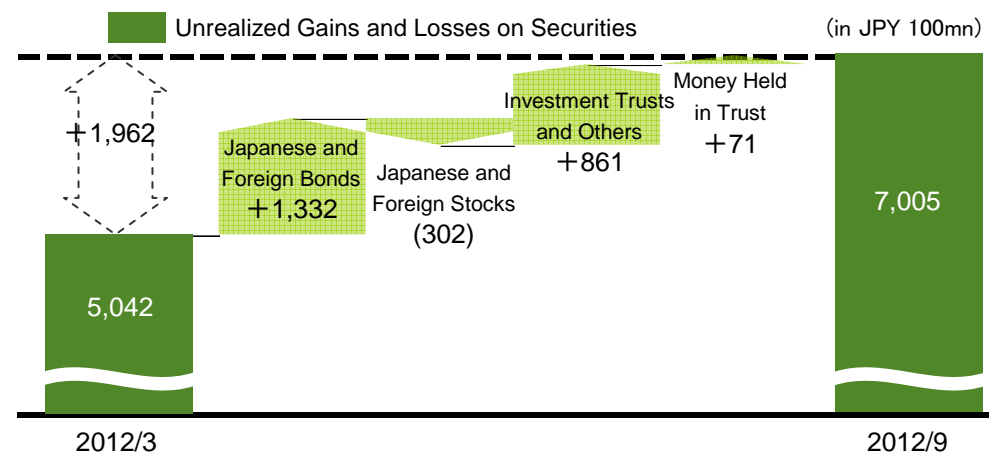


Net Unrealized Gains and Losses on Securities (Non-consolidated)

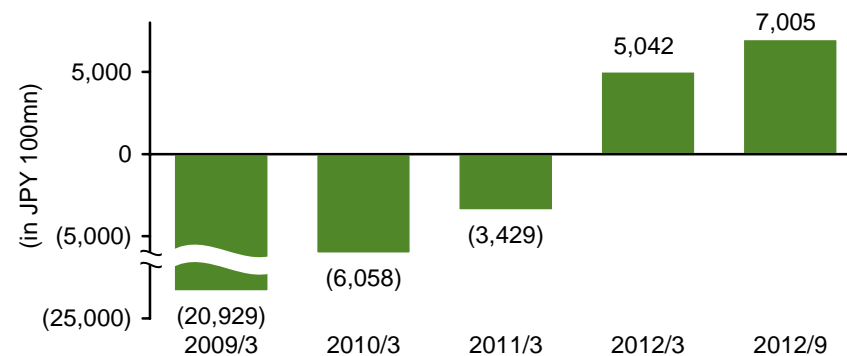
(in JPY 100mn)

	2012/3	2012/9	Change
1 Stocks	712	391	(320)
2 Bonds	2,208	2,634	425
3 Japanese Government Bonds (Note 1)	2,217	2,638	420
4 Municipal Government Bonds	0	0	0
5 Corporate Bonds	(10)	(5)	5
6 Others	(684)	1,102	1,786
7 Foreign Bonds (Note 1)	172	1,078	906
8 Foreign Stocks	3	20	17
9 Investment Trusts	(856)	(21)	834
10 Others	(3)	23	26
11 Money Held in Trust	2,806	2,877	71
12 Total	5,042	7,005	1,962

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

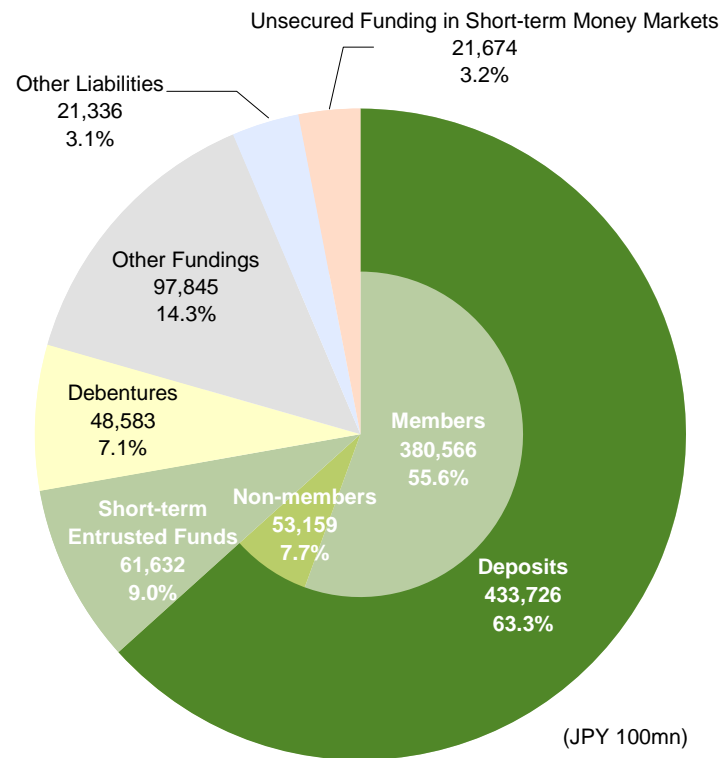


Unrealized Gains and Losses on Securities over Time



Funding (Non-consolidated)

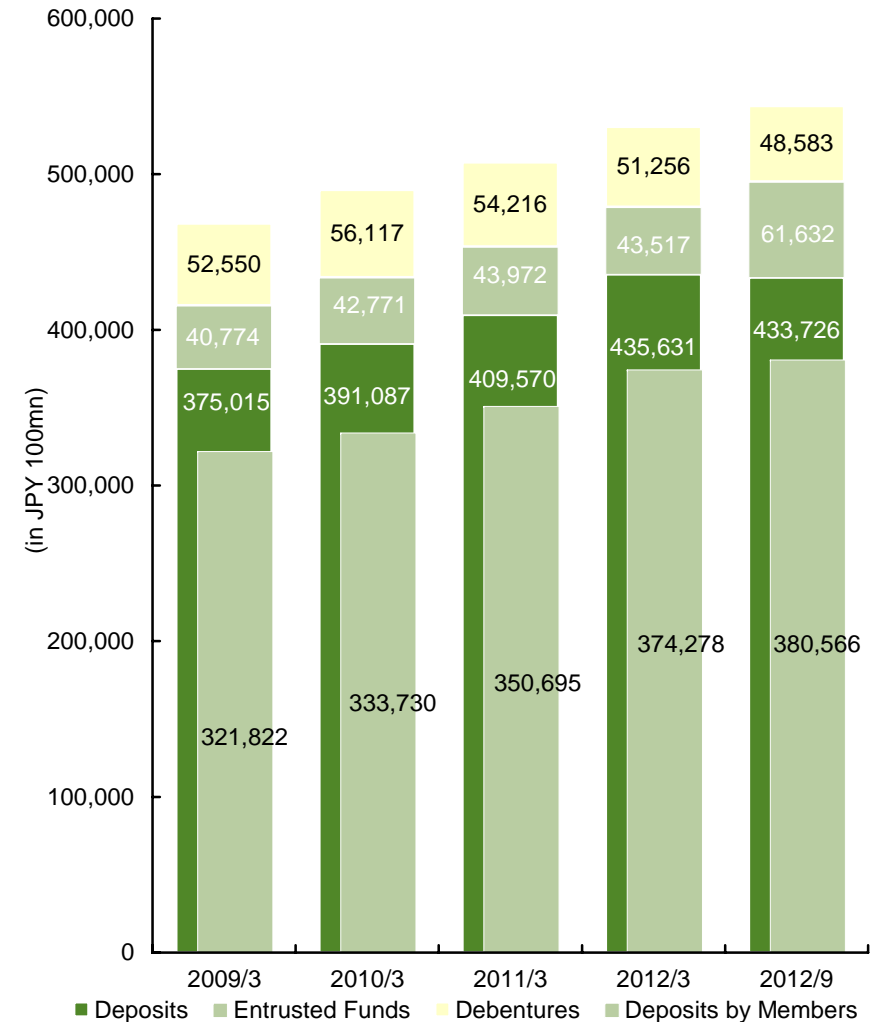
Breakdown of Funding



Total Liabilities: 684,798

(Note) 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.
 The majority of entrusted funds are short-term funds from members.

Deposits, Debtentures and Entrusted Funds over Time



Capital Position

【Non-consolidated】

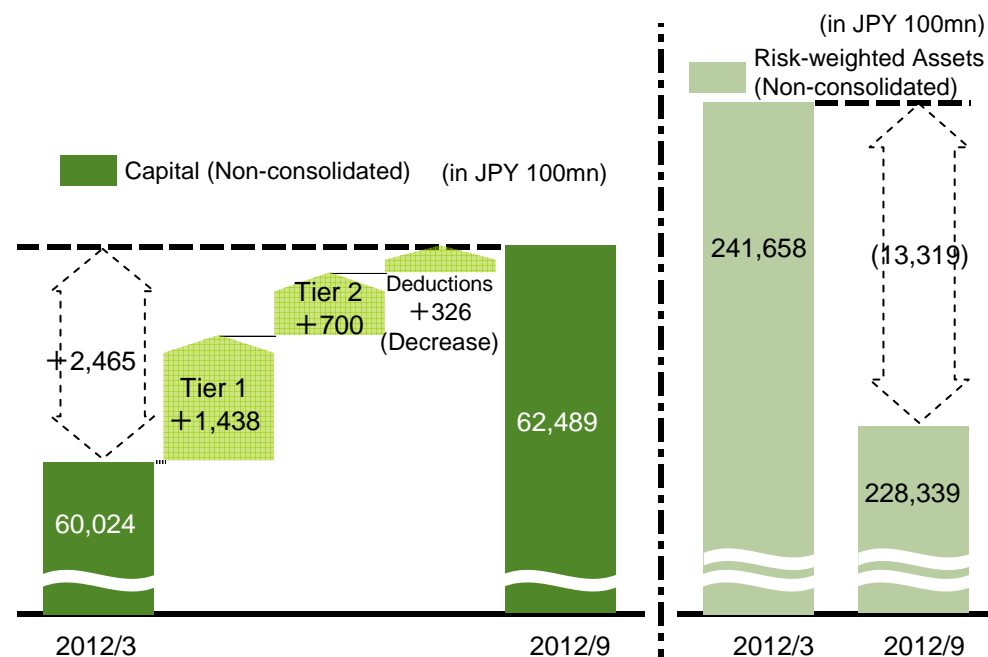
(in JPY 100mn)

	2012/3	2012/9	Change
1 Tier 1 Capital	44,054	45,492	1,438
2 Capital Stock and Capital Surplus	34,509	34,509	-
3 Earned Surplus	9,907	11,195	1,288
4 Tier 2 Capital	17,763	18,463	700
5 45% of Unrealized Gains on Other Securities	2,232	2,945	712
6 Perpetual Subordinated Bonds and Loans	14,860	14,860	-
7 Dated Subordinated Bonds and Loans	500	500	-
8 Deductions	1,792	1,466	(326)
9 Total Capital	60,024	62,489	2,465
10 Risk-weighted Assets	241,658	228,339	(13,319)
11 Tier I Ratio	18.22%	19.92%	1.70%
12 Capital Adequacy Ratio	24.83%	27.36%	2.53%

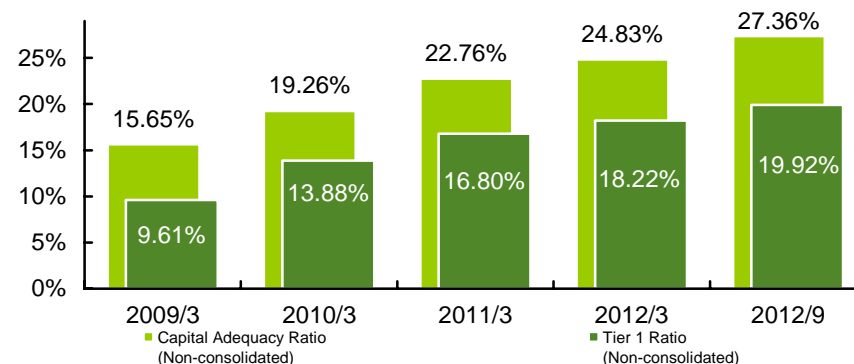
【Consolidated】

(in JPY 100mn)

	2012/3	2012/9	Change
13 Tier 1 Capital	44,227	45,706	1,478
14 Total Capital	59,793	62,275	2,481
15 Risk-weighted Assets	242,307	229,848	(12,458)
16 Tier 1 Ratio	18.25%	19.88%	1.63%
17 Capital Adequacy Ratio	24.67%	27.09%	2.42%



Capital Ratio over Time





Appendices



Medium-Term Management Plan (FY2011 - 2012)

- Stable return of profits to its members and expansion of its role as the central organization for cooperatives as well as financial institution for farmers, fishermen, and foresters
- Commitment to support reconstruction of the areas affected by the Great East Japan Earthquake

Medium-Term Management Plan (FY2011 - 2012)

Role as the Central Organization for Cooperatives as well as Financial Institution for Farmers, Fishermen, and Foresters

Reconstruction Support Program
-Financial Support Program, and
Business & Management Support Program-

Initiatives Shared by Members
-Business Support, Human Resource Development,
and Emissions Trading-

JA Bank
-Implementation of the JA Bank Medium-Term Strategies:
Serving as the Main Bank for the Agricultural Industry
and the Local Residents

JF Marine Bank
-Banking Services for the Fisheries Industry, and
Credit Safety Net-

Forestry Business
-Forest Restoration Support-

Financial, Risk, and Capital Management Policies

Top Management Priority: Stable Return of Profits
Ordinary Income Target (Non-consolidated):
JPY50bn to JPY100bn Per Year

Adequate Risk and Portfolio Management Practices
on a Continuous Basis

Cultivating New and High-quality
Investment Opportunities and Fields
under the Globally Diversified Investment Policies

Maintaining a Capital Adequacy Ratio at around 20%

Response to the Great East Japan Earthquake (1)

- The Great East Japan Earthquake brought extensive damage to primary industry workers, JA (agriculture), JF (fisheries), and JForest (forestry). In response, the Bank established the Reconstruction Support Program, through which all-out and multi-faceted support has been provided for the reconstruction of the agriculture, fisheries, and forestry industries

Reconstruction Support Program (Period: 4 years, Size: JPY30bn)	
Financial Support Program	<ul style="list-style-type: none"> ■ Financial Support: Interest subsidies, reconstruction and recovery loans (low-interest loans), etc.
Business & Management Support Program	<ul style="list-style-type: none"> ■ Business Recovery: Support for recovery of infrastructures, such as branches, ATMs, and terminals ■ Business Support: Support for strengthening the business base of members

Provision and Maintenance of Financial Services in the Affected Areas

•Support to JA and JF in the Affected Areas

- Capital injection of JPY57bn into affected JA (8) and JF (1) in Iwate, Miyagi and Fukushima
- Provision of management advisory support to the affected JA and JF based on a plan to help strengthen cooperative banking business by dispatching employees

Recovery and Reconstruction of Affected Members

•Support for Recovery and Reconstruction of Affected Members

- Provision of support for recovery of banking business-related infrastructure
- Initiatives to Support Normalization of Banking Services in the Affected Areas
 - Operation of the Disaster-Affected Customer Support Center for affected JA customers
 - Provision of support for affected members on practical issues

Recovery and Reconstruction of the Lives of Affected Primary Industry Workers and Areas

•Financial Support to Affected Workers, etc.

- Provision of interest subsidies on JA and JF loans extended to disaster-affected borrowers, supply of funds through the Tohoku Agriculture, Forestry, and Fisheries Industries Support Loan and Fund

•Non-financial Support to Affected Workers, etc.

- Provision of production materials (e.g. subsidies on cardboard boxes used for collective shipment of seaweed, donation of fish boxes and wood products) jointly by the National Federation of Fishery Cooperative Associations, hosting of business conferences for post-disaster reconstruction

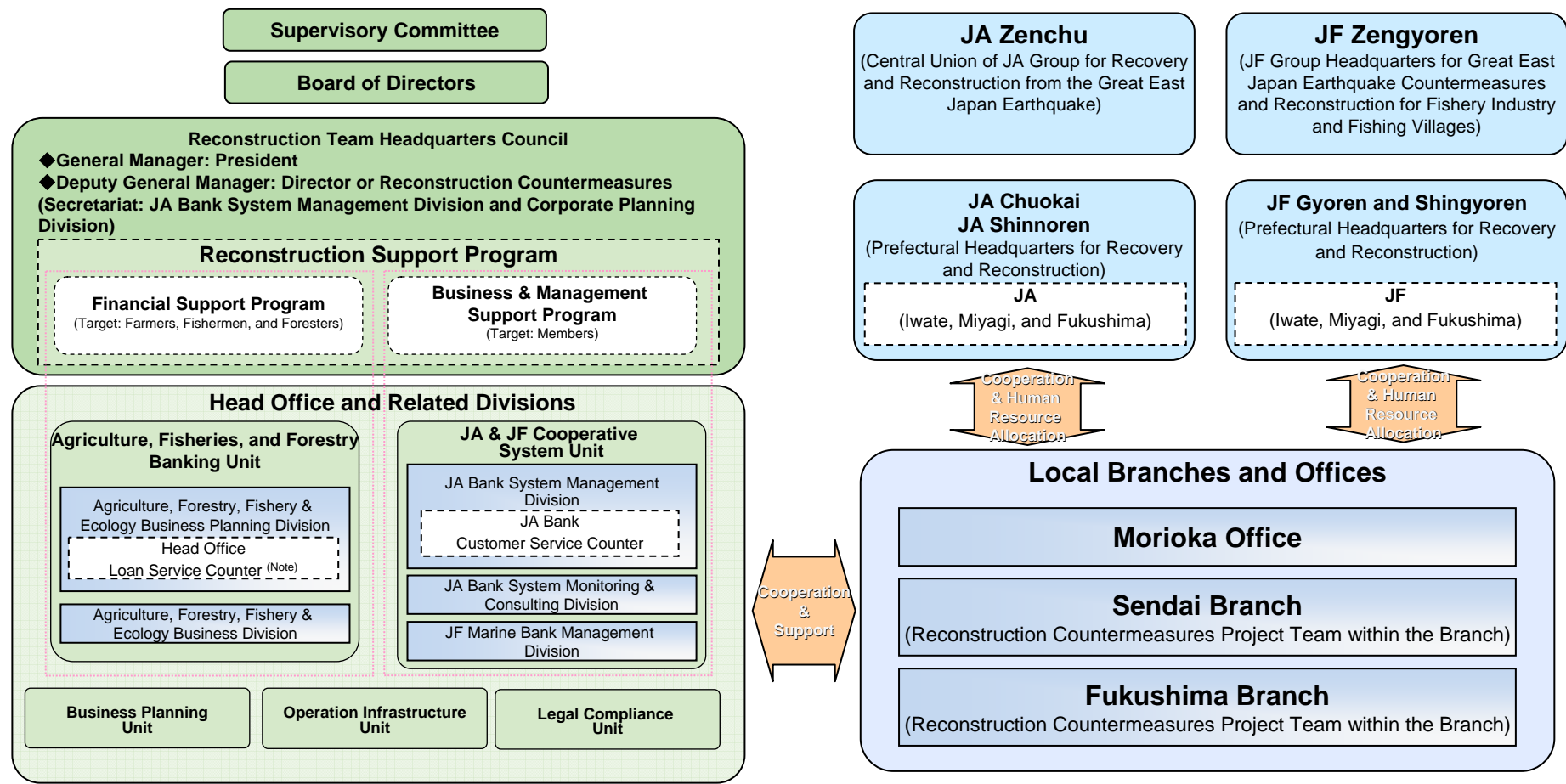
•Initiatives to Support Reconstruction of the Lives of People in the Affected Areas

- Provision of support related to the Reconstruction Support Time Deposit and Loan extended by JA and JF in the affected areas
- Support to deal with the “double-loan” problem (e.g. debt adjustment for disaster-affected borrowers)

These initiatives for mutual cooperation were communicated in Japan and abroad, for instance, on the occasion of the International Summit of Cooperatives and the IMF-World Bank Annual Meeting

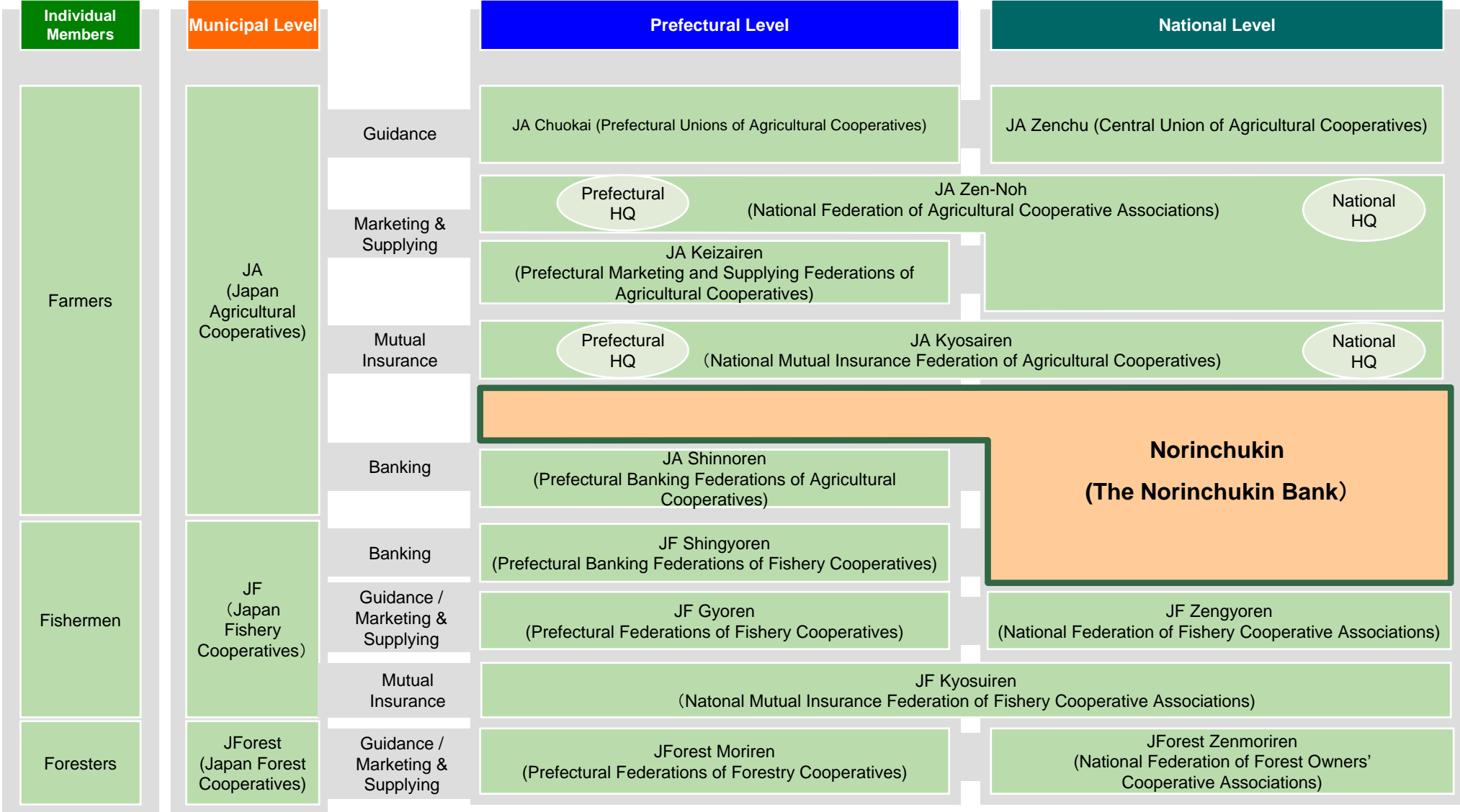
Response to the Great East Japan Earthquake (2)

■ The Bank has positioned reconstruction support as its highest priority in the Medium-Term Management Plan. In order to coordinate the collective efforts of the head office and branches, the Bank established the Reconstruction Team Headquarters Council headed by the President



(Note) Loan service counters are located in all branches nationwide.

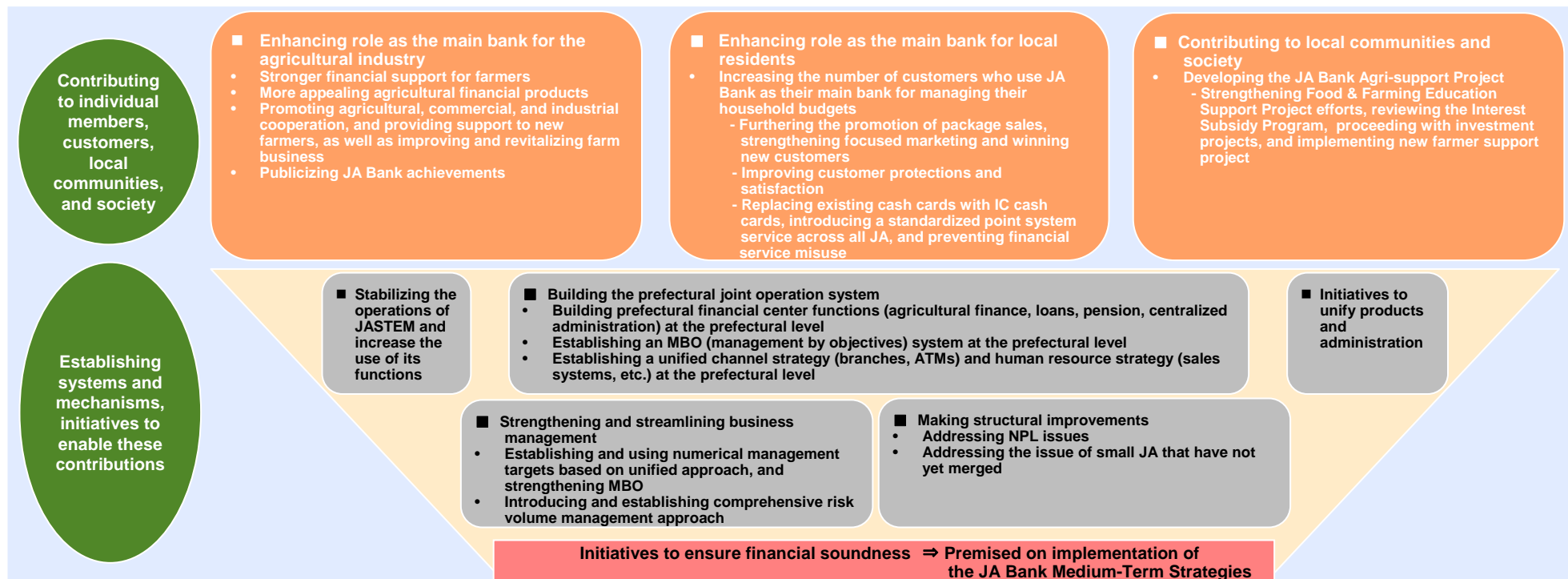
Structure of the Cooperative System



JA Bank Medium-Term Strategies (FY2010 – 2012)

- Basic Objective: Bringing about “JA Bank which contributes to both the agricultural industry and people’s daily lives, is chosen by the people, and then continues to grow”
- JA, Shinnoren, and the Norinchukin Bank work in unison within the JA Bank System to carry out the Medium-Term Strategies (FY2010 to FY2012) towards achieving the basic objective

■ Action Items (Framework) for the JA Bank Medium-Term Strategies (FY2010 - 2012)



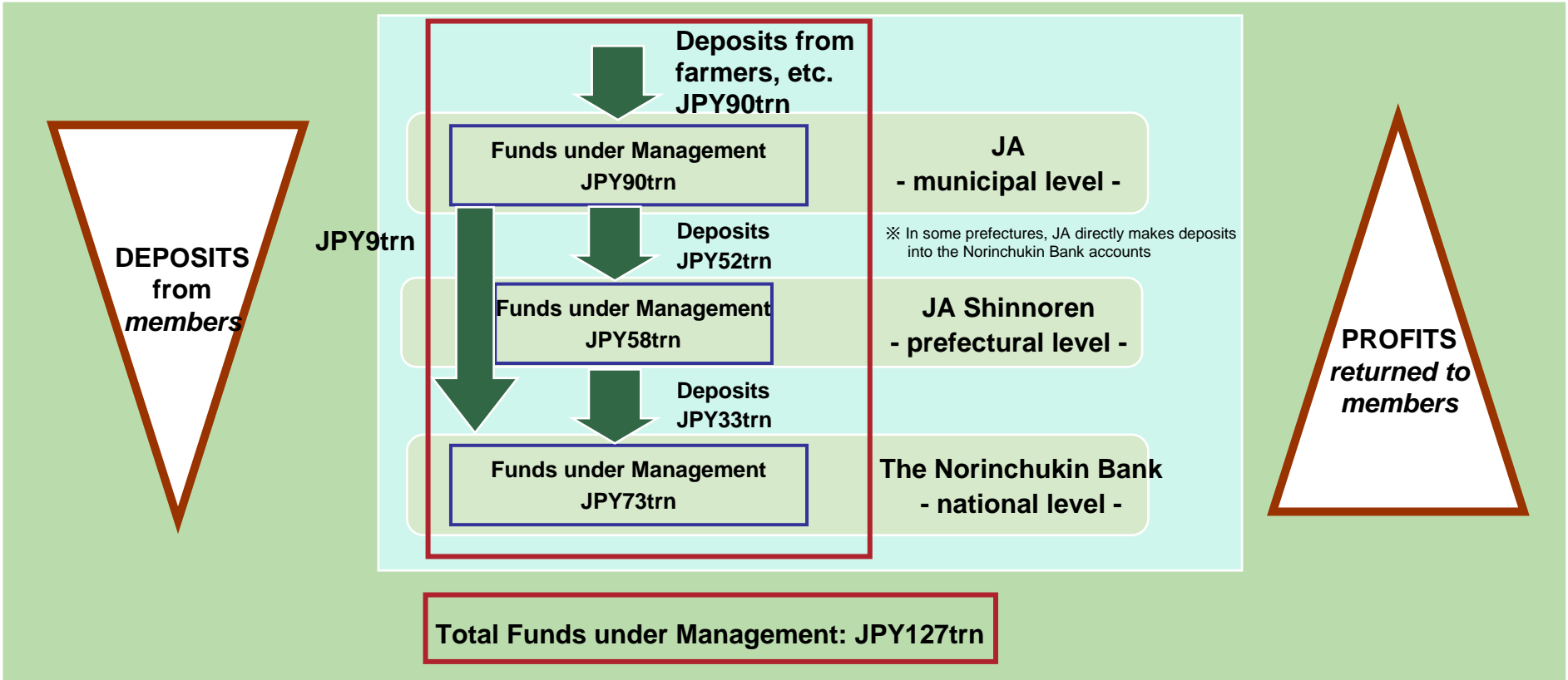
■ JA Bank’s Goals (FY2012)

- Stronger relations with agricultural corporations and large-scale farmers; increasing the number of customers
- Raising satisfaction of individual members (farmers) and customers
- Increasing the number of customers over the next two generations
- Increasing the number of customers, raising regional market share, and encouraging greater use of JA Bank
- Raising JA’s and JA Bank’s regional reputation

Flow of Funds in JA Bank Group

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

Flow of Funds in JA Bank Group

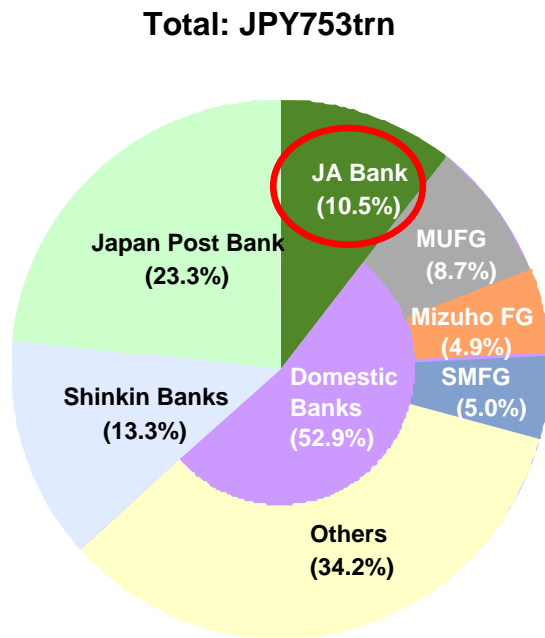


(Note) As of September 30, 2012
 Total funds under management = Funds under management (JPY90trn+JPY58trn+JPY73trn) – Deposits (JPY52trn+JPY9trn+JPY33trn)

Stable JA Savings

- JA Bank maintains a strong operating base and a network of 8,402 branches (as of September 30, 2012)
(710 JA nationwide, as of September 30, 2012)
- Outstanding balance of JA Bank deposits and savings have shown a stable long-term growth

Deposits and Savings (Retail)

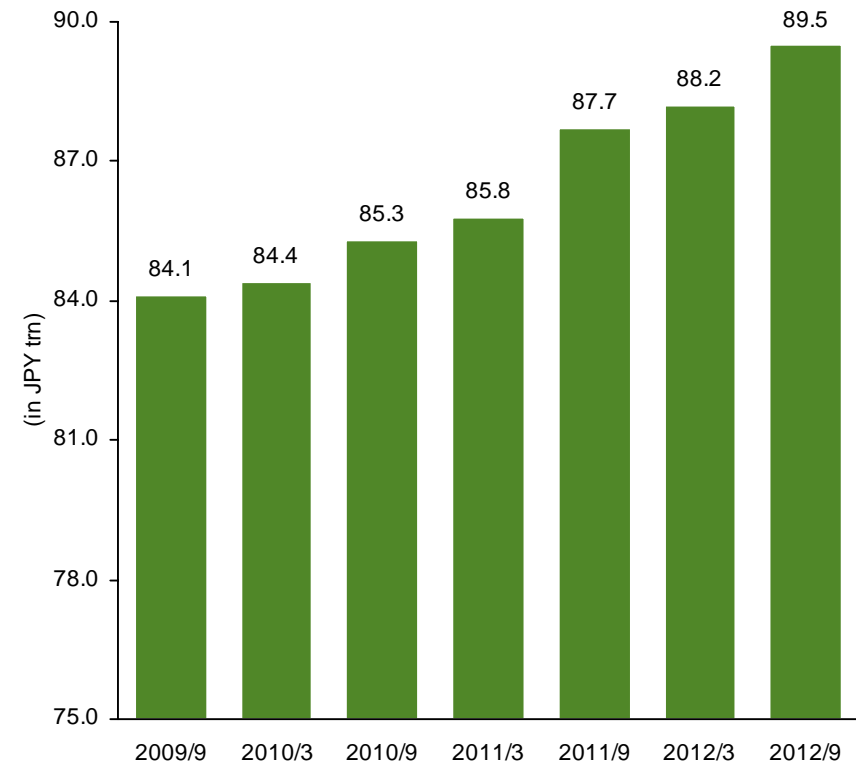


As of March 31, 2012

(Note) 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 Group's Agricultural Loans

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

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

Agricultural Loans by Type (in JPY100mn)

Type	March 31, 2012
Proper Agricultural Loans	15,434
Agricultural Policy Loans	6,326
Agricultural Modernization Loans	1,882
Other Policy-based Loans	4,444
Total	21,760

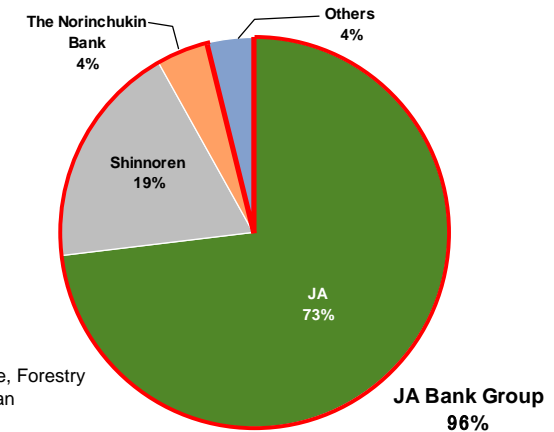
Entrusted Agricultural Loans (in JPY 100mn)

Type	March 31, 2012
Loans Entrusted by the Japan Finance Corporation	5,997
Others	10
Total	6,008

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 reduction of financial burden on agricultural business owners.

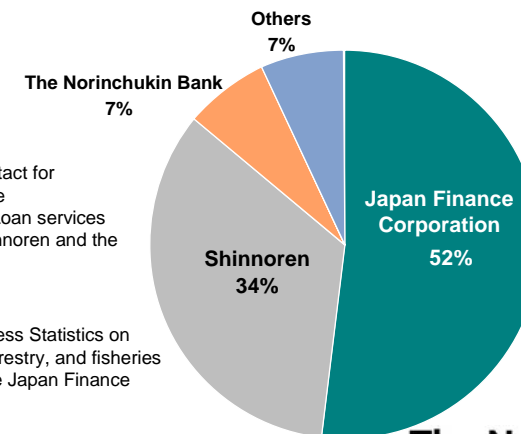
Source: The Norinchukin Bank

Share of Agricultural Modernization Loans



As of December 31, 2011
Source: Ministry of Agriculture, Forestry and Fisheries of Japan

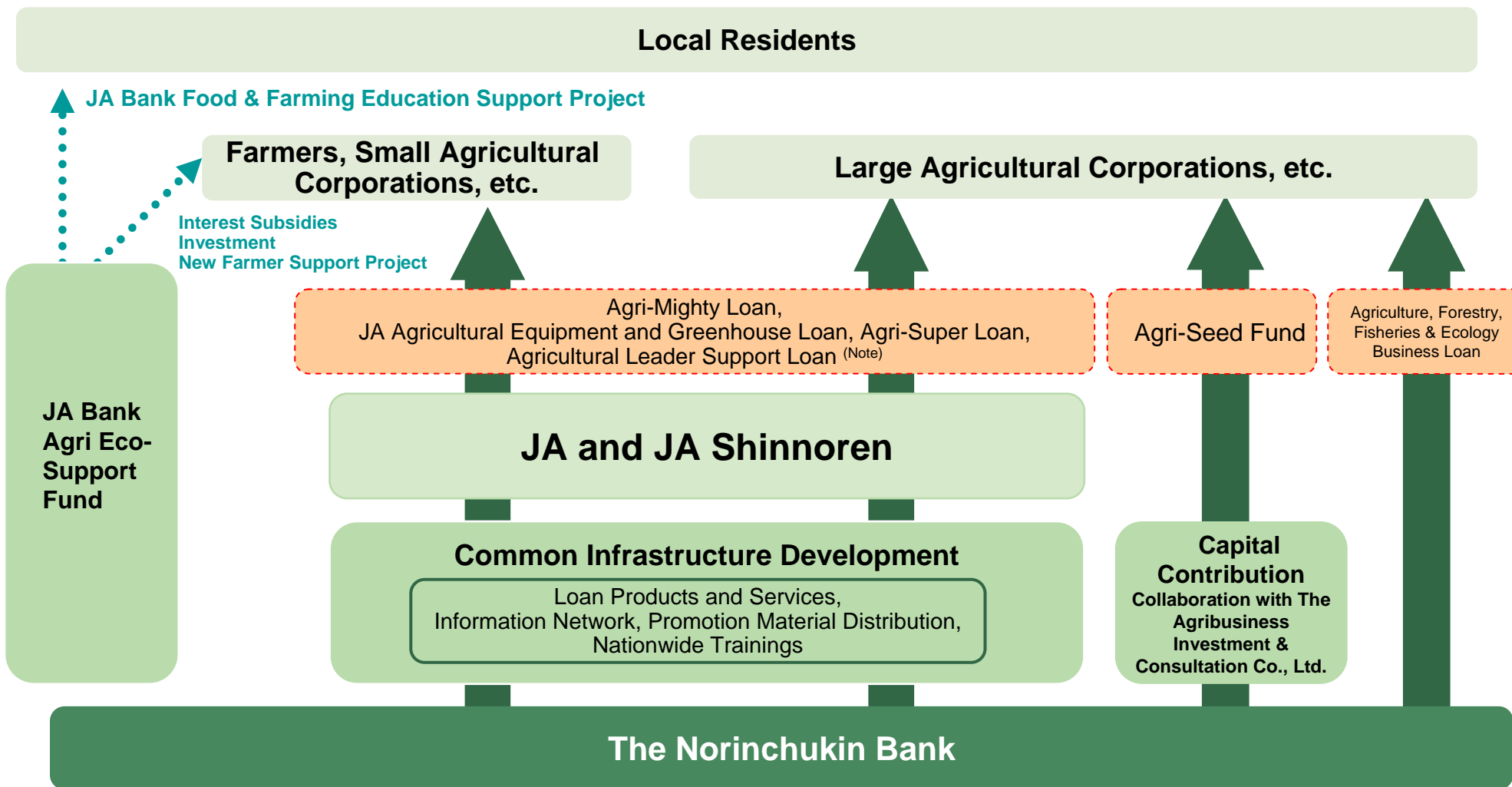
Share of Transaction Volume of the Japan Finance Corporation's Agricultural Loan



JA acts as the primary contact for handling the Japan Finance Corporation's Agricultural Loan services which are entrusted to Shinnoren and the Bank

As of March 31, 2012
Source: The Annual Business Statistics on the agriculture, forestry, and fisheries businesses by the Japan Finance Corporation

JA Bank Group's Initiatives to Support Agricultural Leaders



(Note) Agri-Mighty Loan: For capital investment and working capital
 JA Agricultural Equipment and Greenhouse Loan: For capital investment in production facilities
 Agriculture, Forestry, Fisheries & Ecology Business Loan: For capital investment, working capital and other capital associated with production, processing, and sales
 Agri-Super Loan: For working capital for owners of rice paddies and arable farms to support their income
 Agricultural Leader Support Loan: For working capital for farmers who use JA Bank's tax support program

JA Bank Group's Initiatives to Provide Services for Farmers

- JA, Shinnoren, and the Bank have implemented various measures in an integrated manner to demonstrate JA Bank Group's role as the main bank for the agricultural industry
- The Bank has supported these initiatives by JA and Shinnoren through provision of infrastructures
- The Group has deployed the JA Bank Agri-Support Project through the JA Bank Agri-Eco Support Fund

JA Bank's Initiatives

Provision of Support such as Agricultural Loans	<ul style="list-style-type: none"> ■ Appropriately provided agricultural and policy-based loans suitable to farmer's varying funding needs ■ Visited farmers in coordination with agricultural management guidance and marketing and purchasing business units, provided advice, and proposed loans ■ Provided comprehensive financial services through investment by The Agribusiness Investment & Consultation Co., Ltd. and leasing by JA MITSUI LEASING, LTD. ■ Promoted the sixth industrialization of agricultural, fisheries, and forestry communities through agriculture-commerce-industry cooperation ■ Provided support to farmers in coordination with agricultural management guidance and marketing and purchasing business units in explaining the income compensation system for farmers and its application
Measures to Facilitate Financing for Farmers	<ul style="list-style-type: none"> ■ Provided support to farmers suffered from illnesses or disasters <ul style="list-style-type: none"> • Established service counters, provided disaster funds, provided interest subsidies, and relaxed repayment conditions ■ Provided support to farmers against slumping agricultural product prices and rising agricultural material prices ■ Provided business support to underperforming farmers for improved management

The Bank's Initiatives and Support

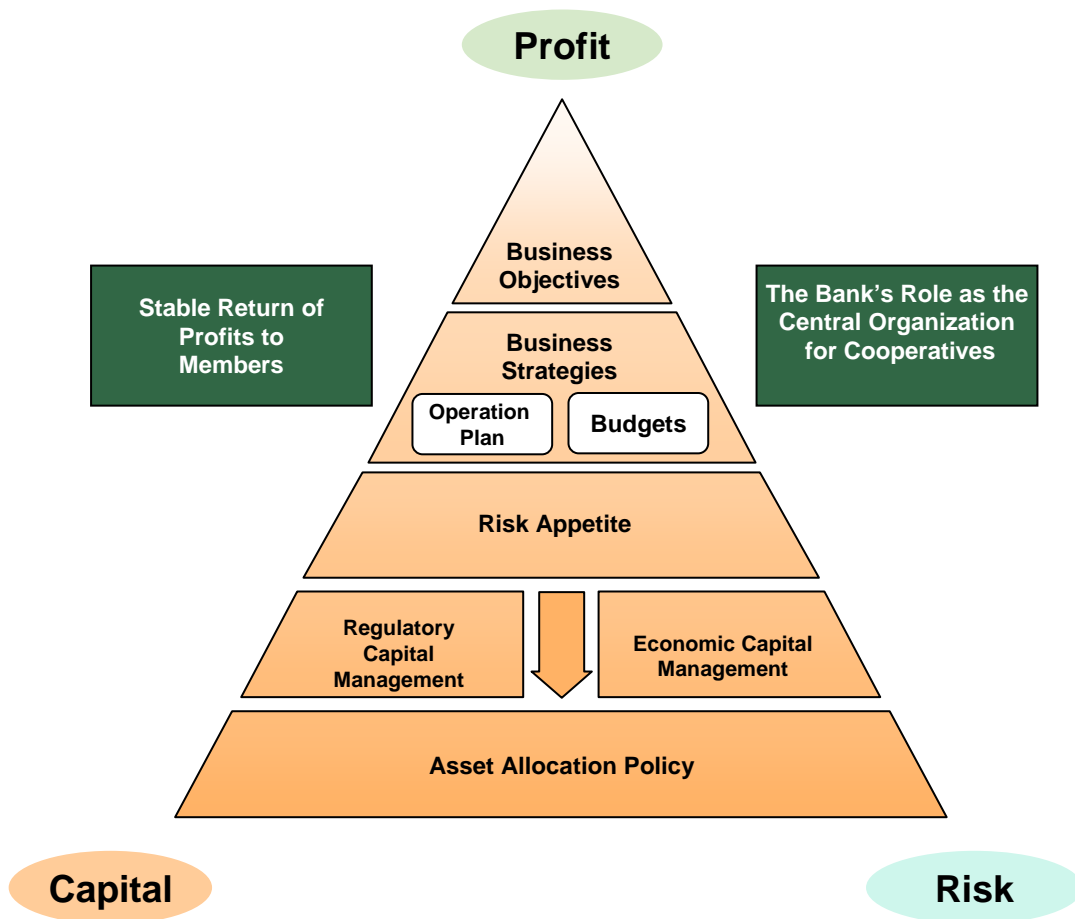
<ul style="list-style-type: none"> ■ Developed and promoted agricultural loan products (national guidelines), and provided promotional materials to JA ■ Visited agricultural corporations in coordination with JA and Shinnoren, and provided advice and funds ■ Supported human resource development by holding trainings nationwide and providing materials at prefectural-level trainings <ul style="list-style-type: none"> • Held a national meeting for JA Bank financial leaders for agricultural leaders ■ Supported agricultural leaders in coordination with national federations, etc. <ul style="list-style-type: none"> • Efforts by the National-level Liaison Council for Agricultural Leaders in JA Group (Zenchu, Zen-Noh, and Zenkyoren) to strengthen cooperation among various JA projects ■ Developed a funding framework for development of agricultural corporations (the Agri-Seed Fund) ■ Initiatives to promote the sixth industrialization of agricultural, fisheries, forestry communities through agriculture-commerce-industry cooperation <ul style="list-style-type: none"> • Hosted the JA Group Business Conference for Domestic Agricultural and Livestock Products (nationwide, annually) • Hosted regional and overseas business conferences • Hosted a seminar on food market development in Asia • Hosted business-matching events among farmers, fishermen, foresters, cooperatives, and those engaged in commerce and industry ■ Provided measures and support to facilitate financing for farmers by establishing service counters in corporation with JA and Shinnoren
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Initiatives through the JA Bank Agri-Support Project

Food & Farming Education Support Project	<ul style="list-style-type: none"> ■ Donated original textbooks on food, farming, etc. to 200,000 elementary schools and 3,000 special-needs schools ■ Provided financial aid for JA's food and farming-related educational activities nationwide 	Investment	<ul style="list-style-type: none"> ■ Provided financial and educational support, through the Agri-Eco Support Fund, to companies that work on the promotion of agriculture and contribution to ecology
New Farmer Support Project	<ul style="list-style-type: none"> ■ Provided subsidies to farmers, etc. who provided trainings to those wishing to enter the agricultural industry (as trainees) 	Interest Subsidy	<ul style="list-style-type: none"> ■ Provided interest subsidies on agricultural loans extended by JA

Internal Capital Adequacy Assessment

- Internal Capital Adequacy Assessment Process (ICAAP) under Pillar II of the Basel II Accord



ICAAP

- A process, in line with the spirit of the final BASEL II Accord, to identify, measure, integrate, and control any risks imminent to the Bank, and to ultimately ensure that the Bank has a system to secure adequate level of capital to support respective risk characteristics.
- The process is carried out annually in principle, and approved in the Board of Directors meeting.

Risk Appetite

- The Bank announces its concrete risk-taking policies including the idea on what types and magnitude of risks the Bank is willing to take in carrying out its business strategies
- The Bank reaffirms that its primary objective is to return profits in a stable manner to its members, while maintaining healthy financial status
- The Bank's risk appetite is reflected in its portfolio management policies (allocation policies) which encourage globally diversified investments

Business Operations Consistent with the Risk Appetite

- The Bank develops its budget and business plans that are consistent with its risk appetite, and pursues financial and business management in a fine balance with risks and its capital position
- The Bank established a check point system under the capital management regime so that its capital adequacy is maintained above the risk appetite-based threshold.

Risk Management System

- The Bank has employed an “integrated risk management” system, in which risks are managed in an integrated manner with a central focus on economic capital management



1. Board of Directors

- The board sets business objectives in the form of medium-term management plans, annual operation plans, economic capital allocation and management plans, and budget plans. It also implements the ICAAP (Internal Capital Adequacy Assessment Process).
- 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 evaluation of fair value.
- 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 divisions to watch over market risk, credit risk, liquidity risk and operational risk as well as a division to supervise such divisions. 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 a constantly changing economic and financial environment.

Investments in Securitized Products (1) (Non-consolidated, Preliminary Figures)

1. Exposures by Product

(JPY in 100mn)

	AAA	AA	A	BBB	Below BBB	Total	Change from 2012/3
1 ABS	17,035	-	379	-	-	17,414	(25)
2 RMBS (Note 3)	14,528	163	172	63	300	15,228	1,283
3 CMBS	472	120	717	471	402	2,184	(723)
4 CDO	3,468	3,182	1,268	265	566	8,750	(645)
5 CLO	3,468	3,029	746	66	200	7,511	(424)
6 Resecuritized Products (Note 4)	-	152	521	198	365	1,238	(8)
7 CBO and Others	0	-	-	-	-	0	(212)
8 Others	-	-	-	440	167	607	(380)
9 Total	35,505	3,466	2,537	1,240	1,436	44,185	(490)

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

(JPY in 100mn)

	AAA	AA	A	BBB	Below BBB	Total	Change from 2012/3	Profits/ Losses (Note 5)
10 ABS	(89)	-	(8)	-	-	(98)	33	-
11 RMBS (Note 3)	10	(1)	22	1	95	129	33	(1)
12 CMBS	(112)	(1)	(29)	(31)	26	(148)	67	(0)
13 CDO	(79)	(205)	(73)	8	-	(349)	68	42
14 CLO	(79)	(207)	(86)	8	-	(364)	114	7
15 Resecuritized Products (Note 4)	-	1	12	-	-	14	(6)	35
16 CBO and Others	0	-	-	-	-	0	(39)	-
17 Others	-	-	-	-	-	-	-	-
18 Total	(271)	(208)	(89)	(21)	122	(468)	202	41

3. Exposures by Currency

(JPY in 100mn)

	Exposures	Change from 2012/3	Unrealized Gains/Losses	Change from 2012/3	Profits/ Losses (Note 5)
1 USD	32,501	681	(338)	87	41
2 EUR	4,659	(413)	(125)	78	-
3 GBP	1,559	71	(7)	1	-
4 JPY	5,465	(829)	2	35	0
5 Total	44,185	(490)	(468)	202	41

(Note 1) Securitized products are defined internally based on the definition in Basel II. Includes sub-prime 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 41.6bn (Revaluation losses: JPY0.5bn, 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) Re-securitized products such as ABS-CDO, and CDO of CDO's. Include re-securitized products (i. e. products containing at least one securitized product as an underlying asset) under Basel 2.5 totaling JPY244.7bn.

(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 September 30, 2012, non-consolidated basis

Investments in Securitized Products (2) (Non-consolidated, Preliminary Figures)

1. Investment in Sub-prime Loan Related Products (Note1) (in JPY 100mn)

(1) Sub-prime Loan related products (Sub-prime RMBS: securitized instruments) (Note2)

	Exposures	Change from 2012/3	Unrealized Gains/Losses	Change from 2012/3	Profits/Losses
1 AAA	26	(3)	13	(0)	-
2 AA	-	-	-	-	-
3 A	112	1	23	8	-
4 BBB	-	-	-	-	-
5 Below BBB	300	(219)	95	22	(1)
6 Total	439	(221)	132	30	(1)

(2) ABS-CDO and CDO of CDO's including Sub-prime RMBS (Resecuritized Instruments and Cubic Instruments) (Notes 3 and 4)

	Exposures	Change from 2012/3	Unrealized Gains/Losses	Change from 2012/3	Profits/Losses
7 AAA	-	-	-	-	-
8 AA	2	(19)	1	(8)	-
9 A	13	0	12	0	-
10 BBB	-	-	-	-	-
11 Below BBB	0	(0)	-	-	-
12 Total	15	(18)	13	(7)	-

(3) Total of Sub-prime Loan-related Products (Total of (1) and (2))

	Exposures	Change from 2012/3	Unrealized Gains/Losses	Change from 2012/3	Profits/Losses
13 AAA	26	(3)	13	(0)	-
14 AA	2	(19)	1	(8)	-
15 A	125	2	35	9	-
16 BBB	-	-	-	-	-
17 Below BBB	300	(219)	95	22	(1)
18 Total	454	(240)	146	22	(1)

(Note 1) The Bank has not engaged in any sub-prime 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 sub-prime 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 sub-prime 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 JPY0.4bn.

(Note 8) The Bank has JPY1,541.4bn of mortgaged-backed security bonds issued and guaranteed by Ginnie Mae, a US government-owned corporation.

As of September 30, 2012, non-consolidated basis.

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

	Exposures	Change from 2012/3	Unrealized Gains/Losses	Change from 2012/3
1 Monoline Wrapped Financial Instruments (Note6)	216	(43)	(51)	12
2 Monoline Usage in Securitization business	-	-	-	-
3 Total	216	(43)	(51)	12

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

	Exposures	Change from 2012/3
4 Japan	25	(5)
5 Overseas	301	(130)
6 Total	326	(135)

4. Trading of Sub-prime loan related products

The Bank has not originated, underwritten nor traded ABCP, SIV, or leveraged loans. The Bank does not own any sub-prime 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 customers' account receivables (Exposures: JPY56.0bn).

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

	Exposures	Change from 2012/3	Unrealized Gains/Losses	Change from 2012/3
7 Agency Mortgage Bonds	32,179	259	1,128	17
8 Agency Bonds	13,445	(2,596)	(500)	(249)
9 Total	45,624	(2,337)	628	(232)

[Reference]

- Sub-prime loan-related products within fund investment

The Bank does not own any funds which invest in sub-prime loan-related products. (Note)

(Note) Internal research basis for funds which the Bank can look through individual assets within each fund

Basel III Requirements

The Bank's Responses to International Regulations

- Response to Basel III
 - Introduction of Basel III Capital Adequacy Framework, preparation to comply with Basel III Liquidity Requirements
- Response to global requirements
 - Close monitoring of trends in global regulatory activities, such as those for the Dodd-Frank Act, understanding of their impact and implementation of appropriate measures on a continuous basis

The Bank's Common Equity Tier 1 Ratio (Estimate)

- Continues to exceed the minimum requirements after full implementation of Basel III
- The Bank continues to enhance capital under its appropriate capital management framework

After full implementation	Common Equity Tier 1 Ratio Approx. 18%
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- Estimation based on information as of September 30, 2012
(Consolidated and non-consolidated)

<Reference> Capital Requirements under Basel III (Common Equity Tier 1 Ratio)

Introduction → Full Implementation

	2013	2014	2015	2016	2017	2018	2019 -
Capital Conservation Buffer (A)	0%	0%	0%	0.625%	1.25%	1.875%	2.5%
Minimum Requirements (B)	3.5%	4.0%	4.5%	4.5%	4.5%	4.5%	4.5%
(A) + (B)	3.5%	4.0%	4.5%	5.125%	5.75%	6.375%	7.0%

To be implemented in 2013
To be fully implemented in 2019
after a phase-in period



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