[Translation]

Interim Financial Publication
for Fiscal Year Ended September 30, 2017

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Representative in Japan
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Interim Balance Sheet

As of September 30, 2017

Millions of Yen

Account Name	Amount	Account Name	Amount
Cash and due from banks	1,635,736	Deposits	1,385,245
Receivables under resale agreements	326,587	Call money	3,941
Monetary claims bought	6,889	Payables under repurchase agreements	157,686
Trading assets	9,236	Trading liabilities	2,521
Securities	62,240	Borrowed money	2
Loans and bills discounted	271,028	Foreign exchanges	45,882
Foreign Exchanges	37,924	Other liabilities	232,537
Other assets	241,200	Income taxes payable	1,272
Derivatives other than for trading - assets	231,956	Derivatives other than for trading - liabilities	223,216
Others	9,244	Asset retirement obligation	4
Tangible fixed assets	8	Others	8,043
Intangible fixed assets	39	Provision for bonuses	725
Customers' liabilities for acceptances and guarantees	165,776	Deferred tax liabilities	904
Allowance for loan losses	(891)	Acceptances and guarantees	165,776
Head office and branch accounts	304,681	Head office and branch accounts	1,058,310
		Total liabilities	3,053,532
		Brought-in capital	2,000
		Retained earnings	4,314
		Valuation difference on AFS securities	611
		Total net assets	6,926
Total assets	3,060,458	Total liabilities and net assets	3,060,458

Interim Statement of Income

From April 1, 2017 to September 30, 2017
(Millions of Yen)

Account Name	Amount	
Ordinary income		17,539
Interest income	8,552	
(Interest on loans and discounts)	2,827	
(Interest and dividends on securities)	79	
Fees and commissions	5,665	
Trading income	3	
Other ordinary income	2,292	
Other income	1,026	
Ordinary expenses		16,527
Interest expenses	4,494	
(Interest on deposits)	1,263	
Fees and commissions paid	1,132	
Trading Losses	18	
Other ordinary expenses	14	
General and administrative expenses	10,175	
Other expenses	692	
Ordinary profit		1,012
Extraordinary loss	0	
Income before income taxes		1,011
Income taxes-current	960	
Income taxes-deferred	(636)	
Total income taxes		324
Net income		687

Amounts less than one million yen have been omitted.

Accounting Policies

1. Standard for valuation of trading assets and trading liabilities / booking of income and losses for trading purposes transaction

Transactions for trading purposes, such as seeking gains arising from short-term changes in interest rates, foreign exchange rates, or securities prices and other market related indices or from variation among markets (hereinafter referred to as “Trading Purposes”), are included in “Trading assets” or “Trading liabilities” on the balance sheet on a trade date basis. Income and Expenses on trading-purpose transactions are recognized on a trading date basis, and recorded as “Trading income” and “Trading losses”.

Securities and monetary claims purchased for trading purposes are stated at the interim fiscal year-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the interim fiscal year-end.

“Trading income” and “Trading losses” include interest received or paid during the interim fiscal year. The year-on-year valuation differences of securities and money claims are also recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the year-on-year valuation differences are also recorded in the above-mentioned accounts.

2. Standard and method for valuation of AFS securities

AFS securities that have market prices are carried at their balance sheet date market prices (cost of securities sold is calculated using primarily the moving-average method). Net unrealized gains/losses on AFS securities, net of income taxes, are included in “Net assets”.

3. Standard and method for valuation of derivative transaction

Derivative transactions (excluding those for trading purposes) are carried at fair value.

4. Depreciation method for fixed assets

(1) Tangible fixed assets

Tangible fixed assets are depreciated using the declining-balance method (with the exception of building facilities acquired on or after April 1, 2016, for which the straight-line had been applied).

The estimated useful lives are as follows:

Buildings:	10 to 15 years
Others:	3 to 20 years

(2) Intangible fixed assets

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use is depreciated over its estimated useful life (5 years).

5. Standard for the translation into Japanese yen

Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the balance sheet date.

6. Standard for Allowance

(1) Allowance for loan losses

Allowance for loan losses is provided as detailed below in accordance with the internal standards for write-offs and provisioning.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings (“bankrupt borrowers”) or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation (“effectively bankrupt borrowers”), an allowance is provided based on the amount of claims, after the write-off stated in the additional paragraph below, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy, an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees. For other claims, an allowance is provided based on the expected loan-loss ratio assigned to each risk rating.

Responsible divisions for Self-Assessment and Front office mutually conduct assessment of all claims in accordance with the internal rules for self-assessment of assets. The allowance is provided based on the results of these assessments.

(2) Provision for bonuses

Provision for bonuses is reported in preparation for the payment of bonuses to the employees at the amount estimated for the payment of bonuses to the employees during the interim fiscal year.

7. Method for hedge accounting

The exceptional method is applied to certain interest rate swaps that meet the criteria for the exceptional treatments. No assessment is performed for hedge effectiveness of qualifying interest rate swaps accounted for by the exceptional treatments, as it is ascertained that the criteria for the exceptional treatments are continually met.

8. Accounting for consumption taxes

National and Local Consumption Taxes are excluded from transaction amounts.

Notes to Balance Sheet

1. For securities held as collateral under “receivables under resale agreements” and “derivative transactions” which can be sold or pledged without restrictions, 237,184 million yen were pledged and 166,202 million yen were held by Citibank, N.A., Tokyo Branch as of September 30, 2017.

2. There was no Bankrupt loans. Past due loans/non-accrual loans were 458 million yen.
“Bankrupt loans” are loans on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons (excluding write-offs, hereinafter “non-accrual loans”), and as defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance of the Japanese Corporate Tax Law.
“Past due loans/non-accrual loans” are loans on which accrued interest income is not recognized, excluding “Bankrupt loans” and loans on which interest payments are deferred in order to support the borrowers’ recovery from financial difficulties.

3. Past due loans (3 months or more) were 2,592 million yen.
“Past due loans (3 months or more)” are loans on which the principal or interest is past due for three months or more, excluding “Bankrupt loans” and “Past due loans/non-accrual loans”.

4. There was no Restructured loans.
“Restructured loans” are loans on which terms and conditions have been amended in favor of the borrowers (e.g. reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness) in order to support the borrowers’ recovery from financial difficulties, excluding “Bankrupt loans,” “Past due loans/non-accrual loans” and “Past due loans (3 months or more)”.

5. The total amount of “Bankrupt loans”, “Past due loans/non-accrual loans”, “Past due loans (3 months or more)” and “Restructured loans” were 3,050 million yen.
Claims shown from 2 to 5 are the amounts before the appropriate allowance.

6. Bills discounted are treated as financial transactions in accordance with JICPA Industry Audit Committee Report No.24. Citibank, N.A., Tokyo Branch has rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign bills bought etc. without restrictions. The total face value was 33,056 million yen.

7. AFS securities of 58,340 million yen were pledged as collateral for settlements of FX transactions. In addition, other assets include other guarantee deposits of 5,933 million yen.

8. Overdraft facilities and commitment line contracts on loans are agreements to lend to customers up to a prescribed amount, as long as there is no violation of any condition established in the contracts.
The amount of unused commitments was 255,502 million yen and the amount of those with remaining period within one year was 222,898 million yen.
Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments include clauses under which we can reject an application from customers or reduce the contract amounts in the event that economic conditions change, we need to secure claims, or other events occur. In addition, we may request the customers to pledge collateral such as premises and securities at the time of the contracts, and take necessary measures such as monitoring customers’ financial positions, revising contracts when need arises and securing claims after contracts are made on a periodic basis.

9. Accumulated depreciation on tangible fixed assets: 1 million yen.

Notes to Statement of Income

Head office cost sharing

(1) Direct expense (Expatriate salary etc.)	113 million yen
(2) Indirect charge	792 million yen

Notes related to Financial Instruments

Fair Value of Financial Instruments

Fair value and balance sheet amount of financial instruments as of September 30, 2017 are shown below.

(Millions of Yen)

	Balance sheet amount	Fair value	Difference
(1) Cash and due from banks	1,635,736	1,635,736	-
(2) Receivables under resale agreements	326,587	327,251	663
(3) Monetary claims bought (*1)	6,889	6,889	-
(4) Trading assets			
Trading securities	6,728	6,728	-
(5) Securities			
Other securities	62,240	62,240	-
(6) Loans and bills discounted	271,028		
Allowance for loan losses (*1)	(752)		
	270,275	271,660	1,385
(7) Foreign exchange (*1)	37,924	37,924	-
(8) Head office and branch accounts	304,681	305,157	475
Total Assets	2,651,063	2,653,588	2,524
(1) Deposits	1,385,245	1,385,245	0
(2) Call money	3,941	3,941	-
(3) Payables under repurchase agreements	157,686	157,686	-
(4) Borrowed money	2	2	-
(5) Foreign exchange	45,882	45,882	-
(6) Head office and branch accounts	1,058,310	1,057,722	(587)
Total Liabilities	2,651,068	2,650,480	(587)
Derivative transactions (*2)			
Trading	8,727	8,727	-
Total derivative transactions	8,727	8,727	-

Others	Contract amount	Fair value
Overdraft facilities and commitment line (*3)	255,502	(916)

(*1) General allowance for loan losses and specific allowance for loan losses provided to “Loans and bills discounted” are separately shown in the above table. Allowance for loan losses provided to “Monetary claims bought” and “Foreign exchange” are directly deducted from the book value due to immateriality.

(*2) Derivatives included in “Trading assets”, “Trading liabilities”, “Other assets” and “Other liabilities” are shown together. Negative amount indicates in case of liabilities exceeding the assets.

(*3) Contract amount of Overdraft facilities and commitment line are unused amount.

(Notes) Valuation method of financial instruments

(Assets)

(1) Cash and due from banks

For due from banks without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. For due from banks with maturity, fair value is determined as present value of total future cash flows, discounted by interest rate that would be applied to new acceptances. Total future cash flows are contractual payment of principal and interest. For due from banks with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(2) Receivables under resale agreements

For Receivables under resale agreements with remaining period exceeding 1 year, fair value is determined as present future cash flows, discounted by interest rate that would be applied to new acceptance. Total future cash flows are contractual payment of principal and interest.

For Receivables under resale agreements with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(3) Monetary claims bought

For monetary claims bought, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because they have short remaining period (within 1 year).

(4) Trading assets

For securities such as bonds that are held for trading, the fair value is calculated based on their market prices.

(5) Securities

For securities such as bonds that are available for sale, the fair value is calculated based on their market prices.

(6) Loans and bills discounted

For loans without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because of their estimated maturity length and the interest rate conditions. For loans with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

For loan with remaining period exceeding 1 year, fair value is determined as present value of total future cash flows, discounted by interest rate that would be applied to newly accepted loans. Total future cash flows are contractual payment of principal and interest.

As for the loans to bankrupt, de facto bankrupt, and potentially bankrupt borrowers, credit loss is estimated based on factors such as the present value of expected future cash flow or the expected amount to be collected from collaterals and guarantees. Since the fair value of these items approximates the carrying amount net of the currently expected credit loss amount, such carrying amount is presented as the fair value.

(7) Foreign exchange

Foreign exchanges consist of foreign currency deposits with other banks (due from other foreign banks), short-term loans involving foreign currencies (due from other foreign banks), export bills etc. (purchased foreign bills), and loans on notes using import bills (foreign bills receivables). For these items, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because most of these items are deposits without maturity or have short contract term (within 1 year)

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(8) Head office and branch accounts

For Head office and branch accounts without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. For Head office and branch accounts with maturity, fair value is determined as present value of total future cash flows, discounted by interest rate that would be applied to new transactions. For Head office and branch accounts with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(Liabilities)

(1) Deposits

For demand deposits, the amount payable on demand as of balance sheet date is considered to be the fair value. Time deposits are grouped by certain maturity lengths. The fair value of such deposits is the present value discounted by expected future cash flow. The discount rate is the risk free rates adjusted with funding spread of Citibank, N.A., Tokyo Branch as of balance sheet date. For deposits with short remaining period (within 6 months), the carrying amount is presented as the fair value as the fair value approximates such carrying amount.

(2) Call Money

The carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(3) Payables under repurchase agreements

For Payables under repurchase agreements with remaining period exceeding 1 year, fair value is determined as present future cash flows, discounted by interest rate that would be applied to new acceptance. Total future cash flows are contractual payment of principal and interest.

For Payables under repurchase agreements with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(4) Borrowed money
The carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(5) Foreign exchange
Among foreign exchange contracts, foreign currency deposits accepted from other banks and non-resident yen deposits are deposits without maturity. Furthermore, foreign currency short-term borrowing have no maturity. Thus, for the foreign exchanges, the carrying amount is presented as the fair value as the fair value approximates such carrying amount.

(6) Head office and branch accounts
For Head office and branch accounts without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. For Head office and branch accounts with maturity, fair value is determined as present value of total future cash flows, discounted by interest rate that would be applied to new transactions. For Head office and branch accounts with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(Derivative transactions)

Derivatives include interest rate related instruments (interest rate futures, interest rate options, interest rate swaps, etc.), currency related instruments (forward foreign exchange, currency options, currency swaps, etc.) and bond related instruments (bond futures, bonds future options, etc.). Fair value of these derivatives are based on market prices at exchanges, discounted present values, or amount calculated under the option pricing model. Derivative for hedge accounting is interest rate swap with exceptional treatment and the fair value of this hedging swap is included in the hedged loan.

(Others)

For overdraft facilities and commitment line, fair value is the present value discounted by the difference between the expected future cash flow calculated by contractual rate and fee rate that would be applied to newly acceptance at the balance sheet date for the contract with remaining period exceeding 1 year.

Notes related to Securities

AFS securities with market value are as follows: （as of September 30, 2017）

(Unit: Millions of Yen)

	Type	Balance sheet amount	Acquisition cost	Valuations gains/(losses)
Balance sheet amount exceeding acquisition cost	Bonds	57,203	56,630	572
	Japanese Government Bonds	53,303	53,010	293
	Corporate Bonds	3,899	3,620	279
	Sub Total	57,203	56,630	572
Balance sheet amount equal or less than acquisition cost	Bonds	5,037	5,055	(18)
	Japanese Government Bonds	5,037	5,055	(18)
	Sub total	5,037	5,055	(18)
Total		62,240	61,686	553

Notes related to Deferred tax accounting

The main causes for the deferred tax assets and deferred tax liabilities are as follows:

	(Millions of Yen)
Deferred tax assets	
Accrued expense	612
Fixed Assets	365
Allowance for loan losses	275
Unearned Commission	243
Other securities	228
Provision for bonuses	224
Accrued Enterprise Tax	132
Valuation difference on AFS securities	57
Other	138
Deferred tax assets total	2,274
Deferred tax liabilities	
Adjusted net liability account	3,178
Deferred tax liabilities total	3,178
Net deferred tax liabilities	904