



The Norinchukin Bank
農林中央金庫

Presentation of Capital Position and Others
the First Quarter Ended June 30, 2008
August 26, 2008



Financial Highlights for the First Quarter Ended June 30, 2008 (Non-consolidated)

農林中央金庫

■ Capital adequacy ratio of 11.94% and Tier I ratio of 8.84%

- Maintained stable capital adequacy ratio and the Tier I ratio

■ Unrealized losses on the securitization exposures decreased by JPY 12.1bn from the end of March 2008

- Unrealized losses on the securitization exposures dropped to JPY 432.9bn (down by JPY 12.1bn from the end of March 2008) and write-off amount on those products was JPY 4.9bn, including JPY 4.4bn of write-off on sub-prime related products.

■ JPY 4.4bn of write-off for sub-prime related products

- Exposures of sub-prime related products fell to JPY 281.3bn (down by JPY 6.0bn from the end of March 2008) and total write-off amount on those products was JPY 4.4bn.

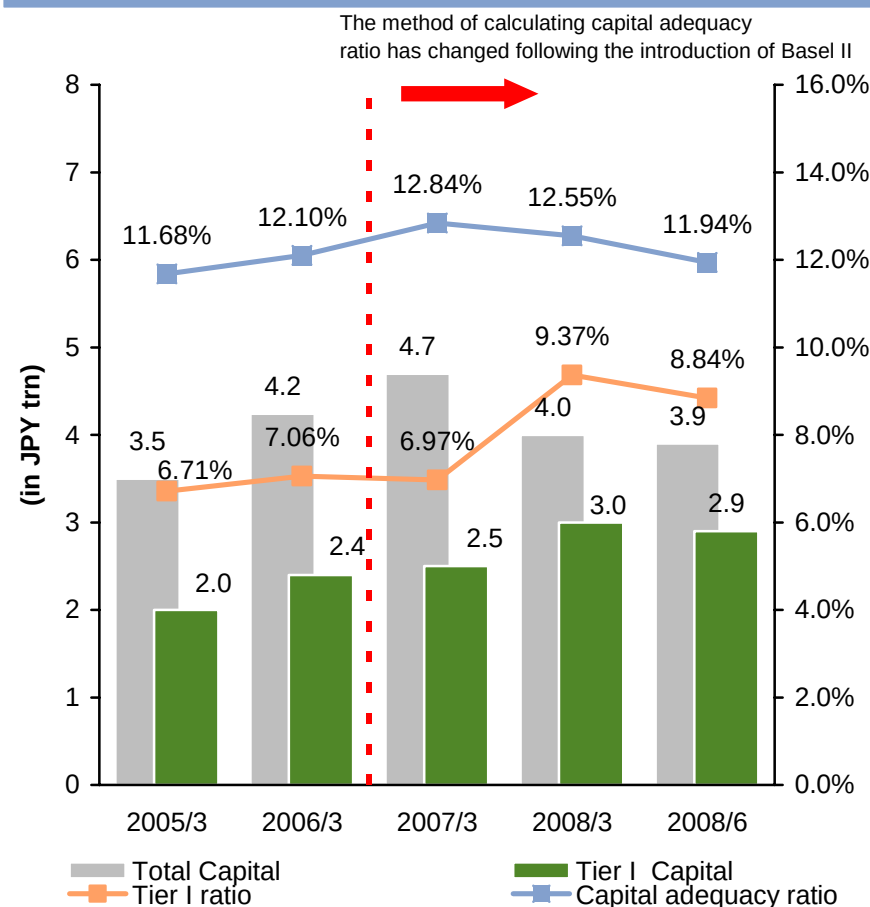
~ Stable capital adequacy ratio and increased Tier I ratio ~

- Risk Weighted Assets increased by JPY 678.8bn from the end of March 2008 mainly due to depreciation of Yen
- Maintained the level of Tier I ratio which was substantially increased in the last fiscal year

Capital adequacy ratio (in JPY 100mm)

	2008/3	2008/6	Change
Tier I Capital	30,198	29,072	-1,126
Tier II Capital	13,255	13,432	177
Deductions	3,045	3,233	188
Total Capital	40,409	39,271	-1,138
Risk Weighted Assets	321,979	328,767	6,788
BIS Capital Adequacy Ratio	12.55%	11.94%	-0.61%
Tier I Ratio	9.37%	8.84%	-0.53%

Changes in capital adequacy ratio



Note: As of the end of June 2008, non-consolidated basis.
Source: The Norinchukin Bank

~ Securitization Exposures (Note1) ~

- Unrealized losses on the securitized products decreased (down JPY 12.1bn from March end) and write-off amount on those products was limited (JPY 4.9bn), while securitization exposures increased (up JPY 1.1trn from March end)

1. Exposures by product (Note2)

(JPY in 100mm)

	AAA,AA	A,BBB	Below BB+	Total	Change from March end
ABS	26,042	1,510	0	27,553	9,137
RMBS (Note3)	7,421	666	66	8,154	-323
CMBS	5,779	1,904	0	7,683	189
CDO	22,368	4,749	51	27,170	2,011
CLO	17,914	4,006	0	21,920	1,941
Resecuritized Products (Note4)	3,601	481	51	4,134	10
CBO and Others	853	261	0	1,115	58
Others	0	501	396	898	38
Total	61,612	9,332	515	71,460	11,053

2. Unrealized Gains/Loss and Total Loss by product

(JPY in 100mm)

	AAA, AA	A, BBB	Below BB+	Total	Change from March end	Loss (Note5)
ABS	-225	-53	0	-279	256	0
RMBS (Note3)	-426	-127	-21	-575	-34	-22
CMBS	-342	-198	0	-541	-13	0
CDO	-1,933	-950	-5	-2,889	-73	-26
CLO	-1,123	-794	0	-1,917	18	0
Resecuritized Products (Note4)	-775	-130	-5	-911	-105	-26
CBO and Others	-35	-24	0	-60	14	0
Others	0	-43	0	-43	-13	0
Total	-2,928	-1,374	-26	-4,329	121	-49

3. Exposures by currency

(JPY in 100mm)

	Exposures	Change from March end	Revaluation Gain/Loss	Change from March end	Loss (Note5)
USD	47,959	10,553	-2,980	167	-49
Euro	11,351	996	-1,209	-6	0
GBP	677	35	-50	-6	0
JPY	11,471	-532	-89	-33	0
Total	71,460	11,053	-4,329	121	-49

[Reference] Fair Value of Securitization Exposure

Securitization exposure includes investment securities, monetary claims bought, outstanding loans, accrued income and undrawn amount for commitment lines.

almost all of investment securities among securitization exposure have a fair value on an outstanding basis. Loans and monetary claims bought do not have a fair value. Fair value assessment is performed based on "Accounting Standards for Financial Instruments" and "Practical Guidelines on Accounting for Financial Instruments" at quoted prices provided by security firms or other third-parties. Our independent middle office comprehensively verifies the appropriateness of quoted prices.

If fair values have declined relative to acquisition costs by 50% or more, the Bank records revaluation losses pursuant to the above accounting standards and practical guidelines.

Note 1: Securitized Products are "Securitization Exposure" as defined in Basel II (Notification No 6, 2007 of the Financial Services Agency and the Ministry of Agriculture, Forestry and Fisheries). Securitization exposures which have an internal rating are displayed in an external rating that is derived by converting the internal rating.

Note 2: The amount of securitization exposure is net exposure after write-off and revaluation. For some CMBS, the amount of exposure JPY 153.9bn (Revaluation Loss JPY 1.4bn), which should be included in Specialized Lending (SL) under Basel II, is not included here.

Note 3: Includes Sub-prime RMBS. Not include mortgage-backed securities related with US Government sponsored entities.

Note 4: Re-securitized Products such as ABS-CDO, CDO of CDO's. Includes ABS-CDO and CDO of CDO's that contain Sub-prime RMBS as underlying assets.

Note 5: Total value of revaluation losses and realized loss of financial instruments with embedded derivatives in the 2008/6.

Note: As of the end of June 2008, non-consolidated basis.

Source: The Norinchukin Bank

Investments on Sub-prime Loan Related Products and Other Products (Non-consolidated)

~ Sub-prime loans, monoline, leveraged loans, and US housing-related GSEs

- Net exposure of sub-prime loan related products is JPY 281.3bn, decreased by JPY 6.0bn from the end of March, 2008 (after JPY 4.4bn write-off and JPY 79.4bn revaluation loss)

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

(1) Sub-prime loan related products (Sub-prime RMBS: primary Instruments) (Note2)

Exposures			Unrealized Gain/Loss	Change from March end	Loss (Note3)
		Change from March end			
AAA, AA	1,246	15	-398	-46	-2
A, BBB	318	-81	-125	45	-19
below BB+	66	35	-21	-21	0
Total	1.632	-30	-545	-23	-22

(2) ABS-CDO including sub-prime RMBS (squared instruments) (Note4)

Exposures		Change from March end	Unrealized Gain/Loss	Change from March end	Loss (Note3)
AAA, AA	645	-68	-101	-12	0
A, BBB	70	1	-13	-3	0
below BB+	25	10	-2	-2	-21
Total	741	-56	-117	-19	-21

(3) CDO of CDO's including sub-prime RMBS (cubic instruments) (Note5)

Exposures			Unrealized Gain/Loss	Change from March end	Loss (Note3)
		Change from March end			
AAA, AA	439	25	-131	-8	0
A, BBB	0	0	0	0	0
below BB+	0	0	0	0	0
Total	439	25	-131	-8	0

Note 1: The Bank has not loaned in pure Sub-prime loans.

Note 2: Ratios by vintage (Issuance year) are 97%, 3%, and 0% for 2004 and before, 2005-2006, and after 2007, respectively.

Note 3: Total value of impaired loss and unrealized loss of compound instruments in FY2008/3.

Note 4: Capital note issued by SIV is JPY 0.53mm (After JPY 26mm write-off and non revaluation loss).

Ratios by vintage (Issuance year) are 52%, 34% and 14% for 2004 and before, 2005-2006, and after 2007, respectively.

Note 5: CDO of CDO's contains RMBS even if only slightly. Include only a few sub-prime RMBS included.

Ratios by vintage (Issuance year) are 51%, 49% and 0% for 2004 and before, 2005-2006, and after 2007, respectively.

Note 6: Non-guaranteed grade for nonrecourse loan and CLO is above investment grades.

No sub-prime related loan products for guaranteed products. The Bank has CDO including monoline-CDS in addition to monoline guaranteed products. Exposure of monoline-CDS calculated based on monoline-CDS ratio to securitized product amount is JPY 7.8bn.

Note 7: Internal definition of loans mainly targets LBOs. The reserve for individual possible loan losses is JPY 5.1bn.

Note 8: Agency Bonds are corporate bonds issued by US housing-related GSEs including Fannie Mae, Freddie Mac and the Federal Home Loan Banks. Agency Mortgage Bonds are mortgage-backed security bonds issued and guaranteed by those companies. The amount of the Banks' equity investment in those companies is small. Besides, The Bank has JPY 688.4bn of mortgaged-backed security bonds issued and guaranteed by Ginnie Mae, a US government-owned corporation.

Note: As of the end of June 2008, non-consolidated basis.

Source: The Norinchukin Bank

2. Investment on Monoline Products (in JPY 100mm)

	Exposures	Change from	Unrealized	Change from	Loss ^(Note3)
		March end	Gain/Loss	March end	
Financial Products with Monoline Guarantee ^(Note6)	1,992	55	-315	-61	0
Monoline Products in Securitization Business	0	0	0	0	0
Total	1,992	55	-315	-61	0

3. Investment on Leveraged Loans (Note7) (in JPY 100mm)

		Exposures	Change from March end
Domestic		535	-22
Overseas		2,099	194
Total		2,635	173

4. Trading of Sub-prime Loan Related Products

The Bank has not originated, underwritten traded ABCP, SIV, and leveraged loans. We do not own any Sub-prime loan related products in our trading account and are not involved in any unconsolidated off-balance transactions. We are only involved in sponsoring 1 SPC to provide liquidity to our domestic client's account receivables (Exposures : JPY 122.2bn)

5. Investment on Bonds Issued by US Housing-related GSEs (Note8) (in JPY 100mm)

	Exposures	Change from	Unrealized	Change from
		March end		Gain/Loss
Agency Mortgage Bonds	34,550	-1,094	-146	-949
Agency Bonds	18,477	-2,205	428	-292
Total	53,027	-3,299	282	-1,241

[Reference] Sub-prime Loan Related Products within Fund Investment (Note)

The Bank doesn't own any fund mainly investing in sub-prime loan related products but some funds of which the bank commissions the management, include sub-prime RMBS (primary instruments). The total exposure of sub-prime RMBS is JPY 229.7bn (down by JPY 18.7bn from the end of March, 2008) and revaluation loss is JPY 78.1bn (down by JPY 9.2bn from the end of March, 2008) within these funds.

In addition, the Bank has sub-prime related derivatives exposure of JPY 2.1bn on purchase basis (unrealized loss is JPY 1.1bn).

Note: Internal research basis for funds which the bank can look through the individual assets within each fund.

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