

The Norinchukin Bank

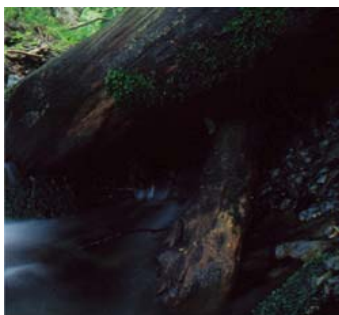
農林中央金庫

Bank Presentation

Capital and Financial Position

as of December 31, 2009

February 23, 2010



~ *Capital and Financial Positions as of December 31, 2009* ~

- **The Norinchukin Bank began releasing quarterly financial summaries from June 30, 2009 in order to provide a better understanding of the Bank's operations, in addition to the Bank's previously disclosed capital position based on Basel II standards**
- **Quarterly financial figures presented within have not been audited by an auditing firm**
- **Your understanding of the above would be greatly appreciated as you read through this presentation**

- **Capital Adequacy Ratio: 18.29%, Tier I Ratio: 13.00% (Preliminary Figures)**

- **The Bank maintains a solid capital position, with a capital adequacy ratio of over 18%**

- **Unrealized losses on securities were JPY 996.3bn (improved by JPY 1,096.5bn from the end of March 2009)**

- **The Bank has seen a steady improvement in the status of its losses from the revaluation of securities by virtue of improvements in both the equity and credit markets**

- **Ordinary Profits for the third quarter of fiscal year 2009 (YTD) stood at JPY 132.6 bn**

- **The Bank has secured stable profits through conservative financial management**

Capital Position (Non-consolidated: Preliminary Figures)

~ A Sound Level of Capital Adequacy ~

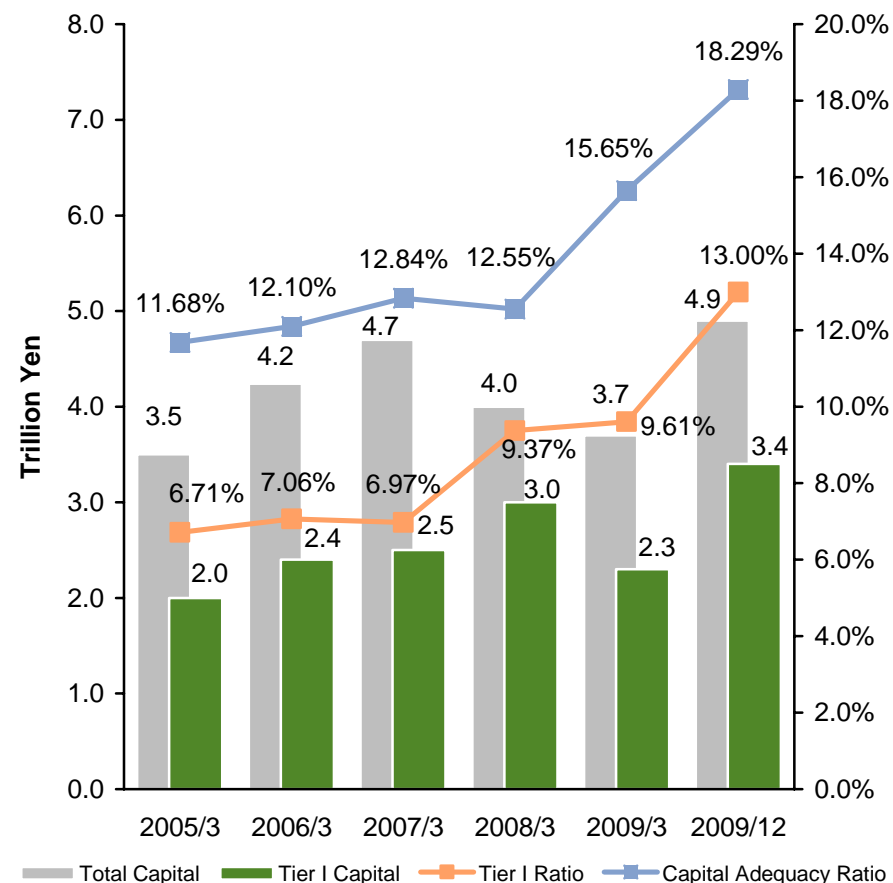
- The Bank's capital adequacy increased, owing mainly to a decline in unrealized losses on securities
- Both the Bank's capital adequacy ratio and its Tier I ratio are maintained at high levels of 18.29% (up 2.64% from March 2009) and 13.00% (up 3.39% from March 2009), respectively

Capital Breakdown (in JPY 100mn)

	March 31 2009	Dec. 31 2009	Change
1 Tier I capital	23,006	34,883	11,877
2 Capital stock and capital surplus	34,463	34,509	45
3 Earned surplus	7,886	8,490	604
4 Unrealized losses on other securities	-18,718	-7,431	11,286
5 Tier II capital	17,700	17,858	157
6 Perpetual subordinated bonds and loans	14,760	14,860	99
7 Dated subordinated bonds, loans, and preferred stock	2,707	2,768	60
8 Deductions	3,271	3,645	374
9 Total Capital	37,435	49,095	11,660
10 Risk-weighted assets	239,171	268,330	29,159
11 BIS Capital Adequacy Ratio	15.65%	18.29%	2.64%
12 Tier I Ratio	9.61%	13.00%	3.39%

Note : Non-consolidated results as of December 31, 2009
Source: The Norinchukin Bank

Capital Adequacy Ratio Trend



Income Statement Summary (Non-consolidated)

~Ordinary profits for the third quarter of fiscal year 2009 (YTD) stood at JPY132.6bn ~

■ The Bank has secured stable profits through prudent financial management

	(in JPY 100mn)	April to Dec. 2009
1	Ordinary Income	10,368
2	Interest Income	5,751
3	Other Operating Income	2,130
4	Other Ordinary Income	2,393
5	Ordinary Expenses	9,042
6	Interest Expenses	5,060
7	Other Operating Expenses	1,138
8	General and Administrative Expenses	819
9	Other Ordinary Expenses	1,930
10	Ordinary Profits	1,326
11	Extraordinary Profits	15
12	Extraordinary Losses	20
13	Income Before Income Taxes	1,321
14	Net Income	597

■ Gains on Sales of Bonds: JPY161.5bn

■ Gains on Money Held in Trust: JPY224.4bn

■ Losses on Sales of Bonds: JPY 38.9bn

■ Losses on Revaluation of Bonds: JPY37.2bn

■ Credit-related Costs: JPY 145.3bn

Note : Non-consolidated results as of December 31, 2009
Source: The Norinchukin Bank

Balance Sheet Summary (Non-consolidated)

~ Prudent Portfolio Management ~

■ Total assets grew by around JPY6.0 trillion due mainly to increased short and medium term fixed income investments

(in JPY 100mn)	March 31 2009	Dec. 31 2009	Change	Change (%)
(Asset)				
1 Loans and Bills Discounted	109,478	119,807	10,329	9.4%
2 Securities	395,588	450,300	54,712	13.8%
3 Money Held in Trust	56,539	70,204	13,664	24.1%
4 Cash and Due from Banks	27,633	13,985	-13,647	-49.3%
5 Others	35,753	31,999	-3,753	-10.4%
6 Total Assets	624,992	686,297	61,305	9.8%
(Liabilities)				
7 Deposits	375,015	393,541	18,525	4.9%
8 Negotiable Cert. of Deposit	3,212	6,890	3,678	114.5%
9 Debentures	52,550	55,302	2,752	5.2%
10 Borrowed Money	58,736	22,439	-36,296	-61.7%
11 Others	110,755	171,743	60,988	55.0%
12 Total Liabilities	600,269	649,918	49,648	8.2%
(Net Assets)				
13 Paid-in Capital	34,213	34,259	45	0.1%
14 Capital Surplus	250	250	-	-
15 Retained Earnings	7,881	8,482	601	7.6%
16 Others	-17,621	-6,611	11,009	-
17 Total Net Assets	24,723	36,379	11,656	47.1%

■ Invested assets increased, particularly short and medium term Japanese and foreign government bonds

■ The majority of funding is covered by deposits from the Bank's members

■ The main factor was the growth in foreign currency funding such as repos

■ Net assets grew mainly due to a decrease in unrealized losses on securities

~Decrease in unrealized losses on securities~

- Unrealized losses on securities were JPY 996.3bn (an improvement of JPY1,096.5bn from March 2009)
- Unrealized losses on securities have decreased due to the appreciation of stock prices and tightening of credit spreads

	Net Unrealized Gains/Losses (in JPY 100mn)	March 31 2009	Dec. 31 2009	Change
【Fair Value of Other Securities】				
1	Stocks	234	634	399
2	Bonds	474	-17	-492
3	Japanese Government Bonds	469	-0	-469
4	Municipal Government Bonds	1	0	-1
5	Corporate Bonds	3	-17	-21
6	Others	-18,081	-9,122	8,959
7	Foreign Bonds	307	-1,088	-1,395
8	Foreign Stocks	-140	-41	99
9	Others	-18,248	-7,992	10,255
10	Investment Trusts	-18,196	-7,966	10,229
11	Subtotal ①	-17,373	-8,505	8,867
【Fair Value of Money Held in Trust】				
12	Other Money Held in Trust ②	-464	627	1,092
【Securities reclassified into other holding purpose classification】				
13	"Other Securities" reclassified into "Held-to-Maturity Debt Securities" ③	-3,090	-2,085	1,004
14	Total (①+②+③)	-20,929	-9,963	10,965

- Recovery of both domestic and overseas stock markets as well as tightened credit spreads pared down unrealized losses in the Bank's investment portfolio

Note: The difference in the amount of Held-to-Maturity Debt Securities indicated on the balance sheet and the fair value of such securities is JPY 501.7bn

Non-consolidated figures as of December 31, 2009
Source: The Norinchukin Bank

Investments in Securitized Products (Non-consolidated: Preliminary Figures)

~ Securitization exposures (Note1) (Note2) ~

- The Bank's securitized product portfolio mainly comprises 1) highly-rated, and 2) primary securitized products (ABS)

1 Exposures by product

(JPY in 100mn)

	AAA	AA	A	BBB	Below BBB	Total	Change From March End
1 ABS	24,835	24	570	107	11	25,548	-945
2 RMBS (Note 3)	4,767	339	155	115	371	5,749	-776
3 CMBS	1,302	1,626	1,126	729	623	5,409	-619
4 CDO	4,486	7,181	3,911	1,585	2,634	19,800	-2,147
5 CLO	3,832	6,465	3,767	1,230	1,930	17,226	-1,854
6 Resecuritized Products (Note 4)	613	564	94	323	675	2,272	99
7 CBO and Others	41	151	49	31	28	302	-391
8 Others	-	-	-	10	592	602	-100
9 Total	35,392	9,172	5,763	2,548	4,233	57,110	-4,589

2. Unrealized Gains/Losses and Total Losses by product

(JPY in 100mn)

	AAA	AA	A	BBB	Below BBB	Total	Change From March End	Losses (Note 5)
10 ABS	-355	-2	-26	-1	-2	-388	299	-
11 RMBS (Note 3)	3	-14	15	-20	12	-4	355	-167
12 CMBS	-158	-55	-82	-58	-49	-405	35	-26
13 CDO	-126	-482	-441	-161	-26	-1,238	847	33
14 CLO	-98	-339	-451	-122	-83	-1,094	436	-47
15 Resecuritized Products (Note 4)	-26	-120	-8	-58	57	-156	280	62
16 CBO and Others	-1	-22	18	19	-	12	130	19
17 Others	-	-	-	3	-	3	3	-6
18 Total	-638	-554	-535	-238	-65	-2,032	1,542	-167

3. Exposures by currency

(JPY in 100mn)

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End	Losses (Note 5)
1 USD	40,427	-3,265	-1,331	1,215	-218
2 Euro	8,033	-46	-599	203	56
3 GBP	466	23	-17	5	-2
4 JPY	8,183	-1,301	-84	118	-3
5 Total	57,110	-4,589	-2,032	1,542	-167

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 net exposure after write-off and revaluation. For some CMBS, the amount of exposure JPY 126.9bn (Revaluation Losses JPY 1.2bn), 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 unrealized losses of financial instruments with embedded derivatives as of FY 2009/12.

Note: As of the end of December 2009, non-consolidated basis. (Financials above have not been audited by auditors.)

Source: The Norinchukin Bank

Investments in Subprime-related Products and Other Products (Non-consolidated: Preliminary Figures)

~ Subprime-related products, Credit to Monoline Insurers, Leveraged Loans, etc. ~

■ Exposure to subprime-related products stood at JPY 124.1bn (After JPY18.2bn revaluation losses and JPY5.1bn unrealized losses)

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 March End	Unrealized Gains/Losses	Change From March End	Losses
1 AAA	292	16	31	56	-
2 AA	107	-199	-14	155	-
3 A	40	-137	14	76	-3
4 BBB	36	-62	-17	22	-
5 below BBB	371	328	12	12	-164
6 Total	849	-53	26	323	-167

(2) ABS-CDO including sub-prime RMBS (resecuritized instruments) (Note3)(Note 4)

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End	Losses
7 AAA	-	-22	-	19	-
8 AA	-	-	-	-	-
9 A	-	-3	-	-	-
10 BBB	23	-32	-2	5	-
11 below BBB	204	7	44	44	-11
12 Total	228	-50	41	68	-11

(3) CDO of CDO's including sub-prime RMBS (cubic instruments) (Note5)(Note6)

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End	Losses
13 AAA	-	-163	-	39	-
14 AA	-	-	-	-	-
15 A	-	-3	-	-	-
16 BBB	-	-	-	-	-
17 below BBB	164	118	-17	-17	-2
18 Total	164	-49	-17	22	-2

(4) Total of sub-prime loan related products (Total of (1) to (3))

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End	Losses
19 AAA	292	-169	31	115	-
20 AA	107	-199	-14	155	-
21 A	40	-144	14	76	-3
22 BBB	60	-94	-19	27	-
23 below BBB	739	454	38	39	-178
24 Total	1,241	-153	51	414	-182

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

Note 2: Ratios by vintage (Issuance year) is 99%, 0%, and 0% for 2004 and before, 2005-2006, and after 2007, respectively.

Note 3: Ratios by vintage (Issuance year) is 46%, 42%, and 10% for 2004 and before, 2005-2006, and after 2007, respectively.

Note 4: Capital Note issued by SIV is JPY276 (After non-write-off and non-revaluation losses).

Note 5: Ratios by (Issuance year) is 100%, 0%, and 0% for 2004 and before, 2005-2006, and after 2007, respectively.

Note 6: CDO of CDO's contains RMBS even if only slightly. Include only a few sub-prime RMBS.

2. Investment in Monoline Products (in JPY 100mn) (Note 7)

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End	Losses
1 Monoline Wrapped Financial Instruments (Note 8)	1,604	-50	-321	113	-
2 Monoline usage in Securitization business	-	-	-	-	-
3 Total	1,604	-50	-321	113	-

3. Investment in Leveraged Loans (Note9) (in JPY 100mn)

	Exposures	Change From March End
4 Domestic	404	-24
5 Overseas	1,195	-363
6 Total	1,600	-387

4. Trading of Sub-prime loan related products

The Bank has not originated, underwritten nor traded ABCP, SIV, and 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 transactions. The Bank is only involved in sponsoring 1 SPC to provide liquidity to its domestic customers' account receivables (Exposures : JPY76.8bn)

5. Investment in Bonds Issued by US Housing-related GSEs (Note 10) (in JPY 100mn)

	Exposures	Change From March End	Unrealized Gains/Losses	Change From March End	Losses
7 Agency Mortgage Bonds	27,337	7,280	693	-324	-
8 Agency Bonds	19,162	6,313	-59	-719	-
9 Total	46,499	13,594	633	-1,044	-

[Reference]

•Subprime-related products within fund investments

The Bank does not hold any funds that invest mainly in subprime-related products, but some of the funds managed by an external company to which the Bank entrusts its management do include subprime RMBS (primary securitized products). (note)
Outstanding balances of subprime RMBS and its unrealized losses within these funds were JPY 67.4bn and JPY17.1bn, respectively.

Note: Based on internal research on funds whose assets are identifiable.

Note 7: Exposure of monoline-CDS calculated based on monoline-CDS ratio to securitized product amounts is JPY4.8bn.

Note 8: Non-guaranteed grades for nonrecourse loan and CLO is above investment grades. No sub-prime related loan products for guaranteed products.

Note 9: Internal definition of loans mainly targets LBOs. The reserve for individual possible loan losses is JPY 6.6bn.

Note 10: The Bank has JPY 1,414.8bn of mortgage-backed security bonds issued and guaranteed by Ginnie Mae, a US government-owned corporation.

Note: As of the end of December 2009, non-consolidated basis. (Financials above have not been audited by auditors.)

Source: The Norinchukin Bank

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