

# Financial Statements for the Third Quarter of Fiscal 2010

Name : **The Norinchukin Bank**

(URL <http://www.nochubank.or.jp/> )

Name of the President: Yoshio Kono, President & Chief Executive Officer

The Person Responsible for Inquiries : Noritsugu Sato, General Manager of Financial Planning & Control Division

(Note) Amounts less than one million yen are rounded down.

Non-consolidated Financial Results for the Third Quarter of Fiscal 2010 (for the nine months ended December 31, 2010)

## 1 Non-consolidated Results of Operations(Accumulated Period)

(Percentage represents change from the previous period)

	Ordinary Income		Ordinary Profits		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3Q Fiscal 2010	867,957	( 16.3 )	184,713	39.3	187,126	213.1
3Q Fiscal 2009	1,036,872	( 17.2 )	132,605	-	59,759	-

## 2 Non-consolidated Financial Conditions

	Total Assets	Total Net Assets	Net Assets Ratio (Note 1)
	Millions of Yen	Millions of Yen	%
3Q Fiscal 2010	71,045,094	4,222,519	5.9
Fiscal 2009	68,470,391	3,931,677	5.7

(Ref) Net Assets for 3Q Fiscal 2010 4,222,519 millions of Yen for Fiscal 2009 3,931,677 millions of Yen

(Note 1) Net Assets Ratio is computed by dividing the Net Assets by the Total Assets.

(Note 2) Non-Consolidated BIS Capital Adequacy Ratio will be disclosed separately in late February of 2011.

## 3 Others (Please refer to page 2 "Qualitative Information and Financial Statements" 2 "Other information" for details.)

### (1) Adoption of Simplified Accounting Methods and Specified Accounting Methods for the Preparation of Quarterly Non-consolidated Financial Statements : Yes

(Note) This item shows whether there is adoption of simplified accounting methods and specified accounting methods for the preparation of quarterly non-consolidated financial statements or not.

### (2) Changes in Accounting Principles and Methods, and Presentations of Quarterly Non-consolidated Financial Statements

Changes due to revisions of Accounting Standards : None

Changes other than above : None

(Note) This item shows whether there are changes in accounting principle and methods, and presentations for the preparation of quarterly non-consolidated financial statements or not.

### Note on the implementation status of the Quarterly Review Procedure

This report is disclosed on the non-consolidated basis only. The procedure of the quarterly review which has been implemented on a voluntary basis from this fiscal year on the consolidated financial statements for the period was not completed yet, as of the disclosure date.

## Qualitative Information and Financial Statements

### 1 Qualitative information related to the Financial Results for the Third Quarter of Fiscal 2010

#### (1) Qualitative information related to the Non-consolidated Results of Operations

The Norinchukin Bank (“the Bank”) has accumulated interest income steadily despite the volatile market environment, and interest income of the Bank summed up to ¥147.0 billion, up ¥28.7 billion on a year-over-year basis.

The results of total credit cost were ¥32.5 billion in net earnings mainly from the reversal of the reserve due to the stable business environment.

As for the results of securities investments, net profit/loss on securities sales was net loss of ¥8.9 billion, down ¥142.6 billion on a year-over-year basis, and expenses for holding securities in the preparation for the decline of securities prices and other decreased by ¥28.3 billion to ¥42.2 billion on a year-over-year basis.

As a result, with all of the factors mentioned above, the Bank recorded ¥184.7 billion in Ordinary Profits, up ¥52.1 billion on a year-over-year basis and ¥187.1 billion in Net Income, up ¥127.3 billion on a year-over-year basis respectively. The Bank's net operating profits stood at ¥50.3 billion.

#### (2) Qualitative information related to the Non-consolidated Financial Conditions

Total Assets of the Bank at the end of the period increased by ¥2,574.7 billion to ¥71,045.0 billion from the previous fiscal year-end. Total Net Assets at the end of the period increased by ¥290.8 billion to ¥4,222.5 billion from the previous fiscal year-end.

As to the balances of the major accounts on the asset side, Loans and Bills Discounted at the end of the period increased by ¥689.7 billion to ¥13,727.8 billion from the previous fiscal year-end; Securities at the end of the period increased by ¥674.5 billion to ¥44,688.2 billion from the previous fiscal year-end. For those on the liability side, Deposits at the end of the period increased by ¥1,424.5 billion to ¥40,533.2 billion from the previous fiscal year-end and Debentures at the end of the period decreased by ¥146.3 billion to ¥5,465.4 billion from the previous fiscal year-end respectively.

### 2 Other information

#### (1) Adoption of Simplified Accounting Methods and Specified Accounting Methods for the Preparation of Quarterly Non-consolidated Financial Statements

##### (Simplified Accounting Methods)

###### Depreciation

As for the Tangible Fixed Assets that are depreciated by the declining-balance method, depreciation is calculated by the attributing share of estimated annual depreciation cost for the period.

###### Reserve for Possible Loan Losses

Except for the claims on “Debtors in bankruptcy” and “Debtors in default”, and claims on “Doubtful debtors” for which reserve is provided on an individual borrower basis, Reserve for Possible Loan Losses is provided based on the expected default ratio used for the first half of fiscal 2010.

###### Income Taxes

Income taxes are calculated based on the same method as the year-end. However, immaterial adjustment items and immaterial tax-deducted items are excluded.

###### Collectability of Deferred Tax Assets

The collectability of deferred tax assets is determined based on the earnings estimates and tax planning used in the first half of fiscal 2010 because significant changes of temporary differences were not recognized since the end of the first half of fiscal 2010.

##### (Specified Accounting Methods for the Preparation of Quarterly Non-consolidated Financial Statements)

None

#### (2) Changes in Accounting Principles and Methods, and Presentations of Quarterly Non-consolidated Financial Statements

None

### 3 Quarterly Non-Consolidated Financial Statements

#### (1) Non-consolidated Balance Sheets

(Millions of Yen)

	As of December 31, 2010	As of March 31, 2010 (Condensed)
<b>(Assets)</b>		
Loans and Bills Discounted	13,727,862	13,038,081
Foreign Exchange Assets	44,292	12,925
Securities	44,688,221	44,013,720
Money Held in Trust	8,253,928	6,555,624
Trading Assets	26,454	13,054
Monetary Claims Bought	318,845	490,182
Call Loans	1,476,429	1,336,137
Receivables under Resale Agreements	47,552	-
Receivables under Securities Borrowing Transactions	537,261	-
Cash and Due from Banks	855,710	2,180,393
Other Assets	671,246	381,057
Tangible Fixed Assets	126,089	141,131
Intangible Fixed Assets	52,080	53,191
Deferred Tax Assets	161,007	202,355
Customers' Liabilities for Acceptances and Guarantees	322,884	354,512
Reserve for Possible Loan Losses	(255,777)	(295,778)
Reserve for Possible Investment Losses	(8,995)	(6,199)
<b>Total Assets</b>	<b>71,045,094</b>	<b>68,470,391</b>
<b>(Liabilities)</b>		
Deposits	40,533,287	39,108,744
Negotiable Certificates of Deposit	613,211	702,799
Debentures	5,465,437	5,611,743
Trading Liabilities	12,908	12,576
Borrowed Money	1,745,989	2,284,402
Call Money	439,782	948,151
Payables under Repurchase Agreements	9,790,073	9,667,031
Payables under Securities Lending Transactions	545,197	98,543
Foreign Exchange Liabilities	24	1
Short-term Entrusted Funds	5,378,248	4,277,171
Other Liabilities	1,955,237	1,449,309
Reserve for Bonus Payments	1,821	3,621
Reserve for Retirement Benefits	1,955	899
Reserve for Directors' Retirement Benefits	704	764
Deferred Tax Liabilities for Land Revaluation	15,810	18,439
Acceptances and Guarantees	322,884	354,512
<b>Total Liabilities</b>	<b>66,822,574</b>	<b>64,538,714</b>
<b>(Net Assets)</b>		
Paid-in Capital	3,425,909	3,425,909
Capital Surplus	25,020	25,020
Retained Earnings	1,011,437	818,500
<b>Total Owners' Equity</b>	<b>4,462,367</b>	<b>4,269,430</b>
Net Unrealized Losses on Other Securities, net of taxes	(309,936)	(406,661)
Net Deferred Gains on Hedging Instruments, net of taxes	43,930	36,940
Revaluation Reserve for Land, net of taxes	26,158	31,968
<b>Total Valuation and Translation Adjustments</b>	<b>(239,847)</b>	<b>(337,752)</b>
<b>Total Net Assets</b>	<b>4,222,519</b>	<b>3,931,677</b>
<b>Total Liabilities and Net Assets</b>	<b>71,045,094</b>	<b>68,470,391</b>

## (2) Non-consolidated Statements of Operations

(Millions of Yen)

	For the nine months ended December 31, 2009	For the nine months ended December 31, 2010
<b>Ordinary Income</b>	<b>1,036,872</b>	<b>867,957</b>
Interest Income	575,166	532,088
Interest on Loans and Bills Discounted	74,472	65,192
Interest and Dividends on Securities	465,191	452,576
Fees and Commissions	9,223	11,103
Trading Income	84	125
Other Operating Income	213,028	127,793
Other Ordinary Income	239,369	196,846
<b>Ordinary Expenses</b>	<b>904,266</b>	<b>683,243</b>
Interest Expenses	506,007	423,002
Interest on Deposits	92,573	42,040
Fees and Commissions	8,635	7,875
Trading Expenses	719	129
Other Operating Expenses	113,814	151,956
General and Administrative Expenses	81,992	75,768
Other Ordinary Expenses	193,096	24,512
<b>Ordinary Profits</b>	<b>132,605</b>	<b>184,713</b>
<b>Extraordinary Profits</b>	<b>1,543</b>	<b>36,301</b>
<b>Extraordinary Losses</b>	<b>2,045</b>	<b>7,560</b>
<b>Income before Income Taxes</b>	<b>132,103</b>	<b>213,454</b>
<b>Income Taxes - Current</b>	<b>31,051</b>	<b>31,549</b>
<b>Income Taxes - Deferred</b>	<b>41,292</b>	<b>(5,221)</b>
<b>Total Income Taxes</b>	<b>72,343</b>	<b>26,327</b>
<b>Net Income</b>	<b>59,759</b>	<b>187,126</b>