



Summary :

Financial Results for the First Quarter of Fiscal 2016 (Japanese GAAP) August 4, 2016

Company Name: **Hokuhoku Financial Group, Inc.**  
 Stock Code Number (Japan): 8377  
 Stock Exchanges (Japan): Tokyo Stock Exchange (First Section), Sapporo Securities Exchange  
 URL: <http://www.hokuhoku-fg.co.jp/>  
 Address: 1-2-26 Tsutsumicho-dori, Toyama-city, Toyama Pref., 930-8637, Japan  
 Representative: Name: Eishin Ihori  
 Title: President & CEO

Amounts less than one million yen and one decimal place are rounded down.

**1. Financial Highlights for the First Quarter of Fiscal 2016 (for the three months ended June 30, 2016)**  
**(1) Consolidated Results of Operations** (%: Changes from corresponding period of previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income Attributable to Owners of the Parent	
	¥ million	%	¥ million	%	¥ million	%
1Q F2016	45,883	(10.5)	10,369	(40.3)	6,920	(39.6)
1Q F2015	51,272	12.4	17,362	79.8	11,452	78.5

Note: Comprehensive income: 1Q F2016: ¥1,070 million [(93.7)]% ; 1Q F2015: ¥16,946 million [31.8]%

	Net Income	Diluted Net Income
	per Share of Common Stock	per Share of Common Stock
	¥	¥
1Q F2016	5.16	5.15
1Q F2015	8.54	8.53

**(2) Consolidated Financial Conditions**

	Total Assets	Total Net Assets	Own Capital Ratio
	¥ million	¥ million	%
1Q F2016	11,780,466	560,820	4.7
Fiscal 2015	11,630,328	566,251	4.9

Reference: Own Capital: as of June 30, 2016: ¥559,168 million; as of March 31, 2016: ¥564,553 million

Note: Own Capital Ratio was calculated as follows: (Total Net Assets — Stock Acquisition Rights — Non-controlling Interests) / Total Assets × 100

**2. Cash Dividends for Shareholders of Common Stock**

(Record Date)	Cash Dividends for Share				
	The end of 1 <sup>st</sup> Qtr	The end of 2 <sup>nd</sup> Qtr	The end of 3 <sup>rd</sup> Qtr	Fiscal year-end	Annual
	¥	¥	¥	¥	¥
Fiscal 2015	—	0.00	—	4.25	4.25
Fiscal 2016	—	—	—	—	—
Fiscal 2016 (forecast)	—	0.00	—	4.25	4.25

Note: Revision of estimates for cash dividends for shareholders of common stock during this quarter: No

Hokuhoku Financial Group, Inc. is planning to implement a common stock consolidation at a ratio of ten stocks to one stock, as we announced on May 11, 2016. The above dividend forecast for Fiscal 2016 is calculated without taking this stock consolidation into account. The dividend forecast for Fiscal 2016 would be calculated as ¥42.50 per share in consideration of this stock consolidation.

**3. Earnings Estimates for Fiscal 2016 (for the fiscal year ending March 31, 2017)**

(%: Changes from corresponding period of previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income		Net Income
	¥ million	%	¥ million	%	¥ million	%	per Share of Common Stock
2Q Fiscal 2016 (Accumulated period)	90,000	(9.2)	19,000	(27.4)	12,000	(28.0)	¥ 8.35
Fiscal 2016	180,000	(6.5)	35,000	(24.6)	23,000	(20.2)	¥ 15.95

Note: Revision of the earnings estimates during this quarter: Yes

Hokuhoku Financial Group, Inc. is planning to implement a common stock consolidation at a ratio of ten stocks to one stock, as we announced on May 11, 2016. The above net income per share of common stock for 2Q Fiscal 2016 and Fiscal 2106 are calculated without taking this stock consolidation into account. The net income per share of common stock for 2Q Fiscal 2016 and Fiscal 2106 would be calculated as ¥83.52 and ¥159.59 in consideration of this stock consolidation.

#### 4. Others

(1) Changes in Significant Subsidiaries during the First Quarter: No

(Note) Changes in specified subsidiaries accompanying changes in scope of consolidation during the first Quarter

(2) Adoption of Specified Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements: Yes

(3) Changes in Accounting Policies and Accounting Estimates / Restatements

(a) Changes in accounting policies due to revisions of accounting standards, etc.: No

(b) Changes in accounting policies other than (a) above: No

(c) Changes in accounting estimates: No

(d) Restatements: No

(4) Issued Shares (Common Stock)

(a) Number of Common Stock outstanding at the end of fiscal year and the First Quarter (including Treasury Stock)

As of June 30, 2016	1,351,630,146	As of March 31, 2016	1,351,630,146
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(b) Number of Treasury Stock at the end of fiscal year and the First Quarter

As of June 30, 2016	11,295,385	As of March 31, 2016	11,607,137
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(c) Average outstanding shares for the three months ended

As of June 30, 2016	1,340,034,751	As of June 30, 2015	1,399,744,681
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Notes for using forecasts information etc.

1. This quarterly earnings report is out of the scope of the external auditors' review procedure which is required by "Financial Instruments and Exchange Act". Therefore, the audit process of quarterly consolidated financial statement has not been completed as of the disclosure of this quarterly earnings report.

2. The above estimates are based on information that is available at this moment and assumptions of factors that have an influence on future results of operations. Actual results may differ materially from these estimates, depending on future events.

(Reference)

#### Cash Dividends for Shareholders of Preferred Stock (Type 5)

(Record Date)	Cash Dividends for Share				
	The end of 1 <sup>st</sup> Qtr	The end of 2 <sup>nd</sup> Qtr	The end of 3 <sup>rd</sup> Qtr	Fiscal year-end	Annual
Fiscal 2015	¥ —	¥ 7.50	¥ —	¥ 7.50	¥ 15.00
Fiscal 2016	—				
Fiscal 2016 (forecast)		7.50	—	7.50	15.00

## 5. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheet

Millions of yen

		As of March 31, 2016	As of June 30, 2016
<b>Assets</b>	<b>資産の部</b>		
Cash and due from banks	現金預け金	1,235,499	1,344,562
Call loans and bills bought	コールローン及び買入手形	65,016	67,200
Monetary claims bought	買入金銭債権	62,034	59,802
Trading assets	特定取引資産	4,631	4,710
Money held in trust	金銭の信託	8,344	8,839
Securities	有価証券	2,406,589	2,431,267
Loans and bills discounted	貸出金	7,582,954	7,578,588
Foreign exchanges	外国為替	14,771	21,089
Other assets	その他資産	108,066	120,855
Tangible fixed assets	有形固定資産	101,080	100,438
Intangible fixed assets	無形固定資産	23,974	22,961
Deferred tax assets	繰延税金資産	7,244	7,047
Customers' liabilities for acceptances and guarantees	支払承諾見返	65,044	67,078
Allowance for loan losses	貸倒引当金	(54,925)	(53,974)
Total assets	資産の部合計	11,630,328	11,780,466
<b>Liabilities</b>	<b>負債の部</b>		
Deposits	預金	10,231,408	10,356,465
Negotiable certificates of deposit	譲渡性預金	244,008	238,459
Call money and bills sold	コールマネー及び売渡手形	20,845	25,145
Payables under securities lending transactions	債券貸借取引受入担保金	92,954	112,113
Trading liabilities	特定取引負債	1,129	1,163
Borrowed money	借入金	207,252	213,289
Foreign exchanges	外国為替	226	78
Bonds payable	社債	33,000	33,000
Other liabilities	その他負債	126,529	134,088
Liability for retirement benefits	退職給付に係る負債	20,459	19,078
Provision for director's retirement benefits	役員退職慰労引当金	230	209
Reserve for contingent losses	偶発損失引当金	1,957	1,867
Reserve for reimbursement of deposits	睡眠預金払戻損失引当金	1,419	1,419
Deferred tax liabilities	繰延税金負債	11,883	10,464
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	5,724	5,724
Acceptances and guarantees	支払承諾	65,044	67,078
Total liabilities	負債の部合計	11,064,076	11,219,645
<b>Net assets</b>	<b>純資産の部</b>		
Capital stock	資本金	70,895	70,895
Capital surplus	資本剰余金	148,211	148,231
Retained earnings	利益剰余金	263,959	264,378
Treasury stock	自己株式	(1,489)	(1,450)
Shareholders' equity	株主資本合計	481,576	482,054
Valuation difference on available-for-sale securities	その他有価証券評価差額金	83,834	77,656
Deferred gains or losses on hedges	繰延ヘッジ損益	(1,596)	(1,854)
Revaluation reserve for land	土地再評価差額金	9,079	9,079
Defined retirement benefit plans	退職給付に係る調整累計額	(8,340)	(7,767)
Accumulated other comprehensive income	その他の包括利益累計額合計	82,976	77,113
Stock acquisition rights	新株予約権	319	260
Non-controlling interests	非支配株主持分	1,378	1,391
Total net assets	純資産の部合計	566,251	560,820
Total liabilities and net assets	負債及び純資産の部合計	11,630,328	11,780,466

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**For the three months ended June 30, 2016**

**【Consolidated Statement of Income】**

*Millions of yen*

		For the three months ended June 30, 2015	For the three months ended June 30, 2016
Ordinary income	経常収益	51,272	45,883
Interest income	資金運用収益	32,761	30,622
(Interest on loans and discounts)	(うち貸出金利息)	24,576	23,330
(Interest and dividends on securities)	(うち有価証券利息配当金)	7,573	6,685
Fees and commissions	役員取引等収益	9,805	9,303
Trading income	特定取引収益	73	37
Other ordinary income	その他業務収益	3,677	3,188
Other income	その他経常収益	4,953	2,732
Ordinary expenses	経常費用	33,909	35,514
Interest expenses	資金調達費用	1,711	1,318
(Interest on deposits)	(うち預金利息)	888	490
Fees and commissions payments	役員取引等費用	3,521	3,429
Other ordinary expenses	その他業務費用	2,330	2,458
General and administrative expenses	営業経費	25,082	24,714
Other expenses	その他経常費用	1,264	3,594
Ordinary profits	経常利益	17,362	10,369
Extraordinary income	特別利益	2	31
Extraordinary loss	特別損失	156	44
Loss on disposal of fixed assets	固定資産処分損	156	44
Income before income taxes and minority interests	税金等調整前四半期純利益	17,208	10,356
Income taxes-current	法人税、住民税及び事業税	5,263	3,943
Income taxes-deferred	法人税等調整額	449	(530)
Total income taxes	法人税等合計	5,712	3,413
Net income	四半期純利益	11,496	6,943
Net income attributable to non-controlling interests	非支配株主に帰属する四半期純利益	43	22
Net income attributable to owners of the parent	親会社株主に帰属する四半期純利益	11,452	6,920

**【Consolidated Statement of Comprehensive Income】**

*Millions of yen*

		For the three months ended June 30, 2015	For the three months ended June 30, 2016
Net income	四半期純利益	11,496	6,943
Other comprehensive income	その他の包括利益	5,449	(5,872)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	5,017	(6,172)
Deferred gains or losses on hedges	繰延ヘッジ損益	(96)	(257)
Defined retirement benefit plans	退職給付に係る調整額	514	573
Investor's share in other comprehensive income of associates that are accounted for using the equity method	持分法適用会社に対する持分相当額	14	(15)
Total comprehensive income	四半期包括利益	16,946	1,070
Breakdown	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る四半期包括利益	16,895	1,057
Comprehensive income attributable to non-controlling interest	非支配株主に係る四半期包括利益	50	13

# Financial Highlights For the First Quarter of Fiscal 2016

## 1. Income Analysis

### FG [Consolidated]

(Millions of yen)

	Forecasts		1st Qtr of FY 2016 (3 months)	Changes from 1st Qtr of FY 2015	1st Qtr of FY 2015 (3 months)	Fiscal Year 2015 results (reference)
	Full year	Interim				
Ordinary income	180,000	90,000	45,883	(5,388)	51,272	192,584
Ordinary profits	35,000	19,000	10,369	(6,993)	17,362	46,425
Net income attributable to owners of the parent	23,000	12,000	6,920	(4,532)	11,452	28,837

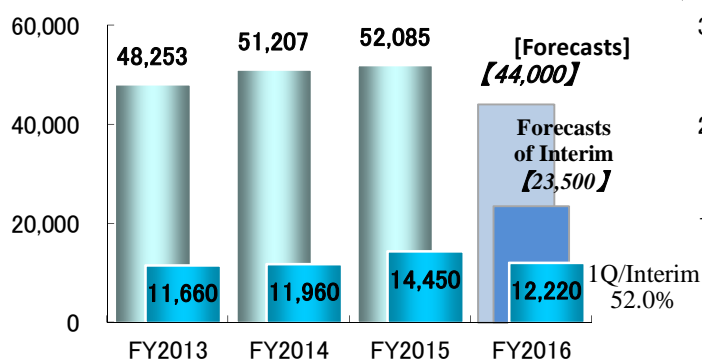
### [Total of two banks]

(Millions of yen)

	Forecasts		1st Qtr of FY 2016 (3 months)	Changes from 1st Qtr of FY 2015	1st Qtr of FY 2015 (3 months)	Fiscal Year 2015 results (reference)
	Full year	Interim				
Ordinary income	164,500	83,000	42,717	(5,391)	48,109	178,917
Core gross business profits	136,000	69,500	34,503	(2,607)	37,110	143,009
Net interest income			29,936	(1,720)	31,656	120,973
Net fees and commissions			4,423	(445)	4,868	20,000
Net trading income			14	(32)	47	166
Net other income			129	(408)	538	1,869
Gains on foreign exchange transactions			119	(151)	270	1,045
Net income on derivatives			4	(264)	269	808
General and administrative expenses	92,000	46,000	22,283	(377)	22,660	90,923
Personnel			10,925	(87)	11,012	43,866
Non-personnel			9,783	(448)	10,232	41,370
Core net business profits	44,000	23,500	12,220	(2,229)	14,450	52,085
Net gains (losses) related to bonds			96	(193)	289	824
Net business profits (before reversal (provision) of general allowance for loan losses)			12,316	(2,422)	14,739	52,909
Total credit costs	6,000	3,000	(997)	7	(1,004)	3,702
Net gains (losses) related to stocks			(1,303)	(4,387)	3,083	(567)
Ordinary profits	35,500	19,500	10,810	(6,949)	17,760	46,765
Net extraordinary gains (losses)			(12)	104	(117)	(461)
Income before income taxes			10,798	(6,844)	17,643	46,303
Income taxes			3,167	(2,293)	5,460	16,358
Income taxes deferred			(506)	(963)	457	6,559
Net income	24,000	13,500	7,631	(4,550)	12,182	29,945

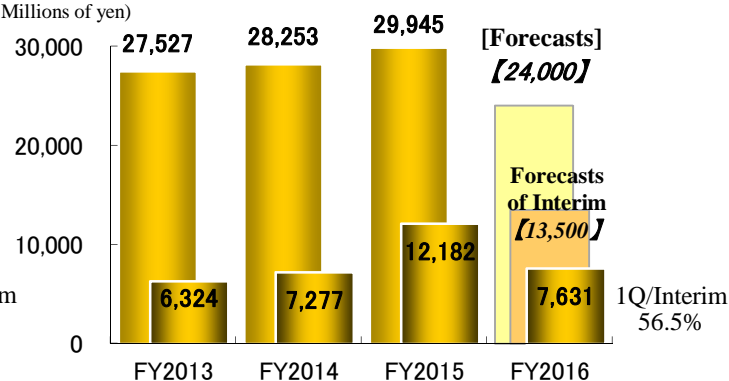
### « Core net business profits »

(Millions of yen)



### « Net income »

(Millions of yen)

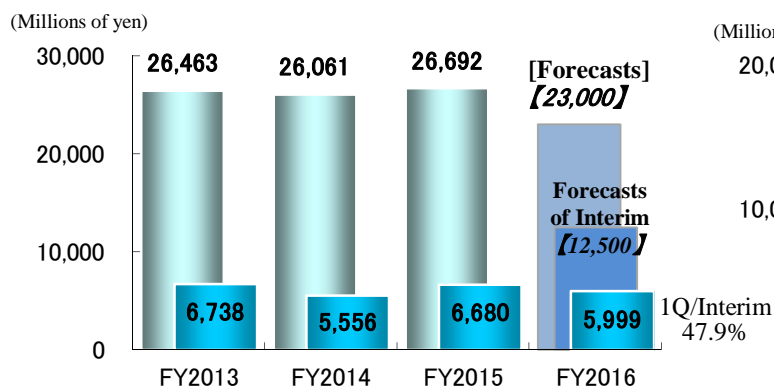


## 【Non-Consolidated】Hokuriku Bank

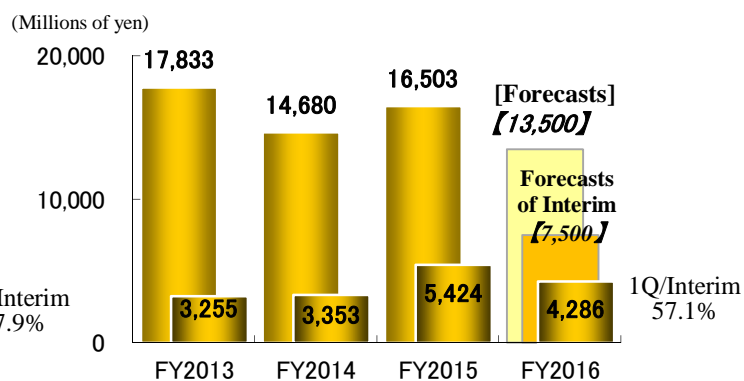
- Core net business profits were JPY5,999 million, JPY680 million decrease compared to the corresponding period of the previous fiscal year mainly due to a decrease in net interest income, and net fees and commissions.
- Ordinary profits decreased by JPY1,710 million to JPY6,273 million, due to an increase in total credit costs, and a decrease in net gains related to stocks.
- Accordingly, net income decreased by JPY1,138 million to JPY4,286 million.

	Forecasts		1st Qtr of FY 2016 (3 months)	Changes from 1st Qtr of FY 2015	1st Qtr of FY 2015 (3 months)	Fiscal Year 2015 results (reference)
	Full year /	Interim				
Ordinary income	88,000 /	44,500	22,136	(1,914)	24,050	93,387
<b>Core gross business profits</b>	<b>72,000 /</b>	<b>37,000</b>	<b>17,934</b>	<b>(927)</b>	<b>18,862</b>	<b>75,342</b>
Net interest income			15,384	(370)	15,754	63,474
Net fees and commissions			2,292	(417)	2,709	10,625
Net trading income			14	(32)	47	166
Net other income			242	(107)	350	1,075
Gains on foreign exchange transactions			241	(12)	254	907
Net income on derivatives			1	(94)	96	167
<b>General and administrative expenses</b>	<b>49,000 /</b>	<b>24,500</b>	<b>11,934</b>	<b>(246)</b>	<b>12,181</b>	<b>48,650</b>
Personnel			6,286	(23)	6,309	24,926
Non-personnel			4,805	(293)	5,099	20,790
<b>Core net business profits</b>	<b>23,000 /</b>	<b>12,500</b>	<b>5,999</b>	<b>(680)</b>	<b>6,680</b>	<b>26,692</b>
Net gains (losses) related to bonds			90	(158)	249	425
<b>Net business profits (before reversal (provision) of general allowance for loan losses)</b>			<b>6,090</b>	<b>(839)</b>	<b>6,930</b>	<b>27,118</b>
Total credit costs	3,000 /	1,500	(456)	615	(1,071)	(1,109)
Net gains (losses) related to stocks			136	(425)	561	(22)
<b>Ordinary profits</b>	<b>20,000 /</b>	<b>11,000</b>	<b>6,273</b>	<b>(1,710)</b>	<b>7,984</b>	<b>26,761</b>
Net extraordinary gains (losses)			(11)	33	(44)	(857)
Income before income taxes			6,261	(1,677)	7,939	25,903
Income taxes			1,975	(539)	2,515	9,400
Income taxes deferred			(967)	(833)	(133)	4,799
<b>Net income</b>	<b>13,500 /</b>	<b>7,500</b>	<b>4,286</b>	<b>(1,138)</b>	<b>5,424</b>	<b>16,503</b>

### 《 Core net business profits 》



### 《 Net income 》



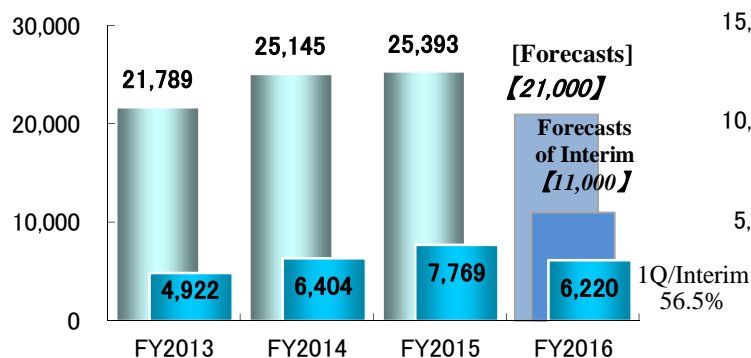
**【Non-consolidated】 Hokkaido Bank**

- Core net business profits were JPY6,220 million, JPY1,548 million decrease compared to the corresponding period of the previous fiscal year mainly due to a decrease in net interest income.
- Ordinary profits decreased by JPY5,238 million to JPY4,537 million, due to a decrease in net gains related to stocks.
- Accordingly, net income decreased by JPY3,412 million to JPY3,345 million.

	Forecasts		1st Qtr of FY 2016 (3 months)	Changes from 1st Qtr of FY 2015	1st Qtr of FY 2015 (3 months)	Fiscal Year 2015 results (reference)
	Full year /	Interim				
Ordinary income	76,500 /	38,500	20,581	(3,476)	24,058	85,530
<b>Core gross business profits</b>	<b>64,000 /</b>	<b>32,500</b>	<b>16,569</b>	<b>(1,679)</b>	<b>18,248</b>	<b>67,666</b>
Net interest income			14,551	(1,350)	15,901	57,498
Net fees and commissions			2,130	(28)	2,158	9,374
Net trading income			—	—	—	—
Net other income			(112)	(300)	187	793
Gains on foreign exchange transactions			(122)	(138)	16	137
Net income on derivatives			3	(169)	173	641
General and administrative expenses	43,000 /	21,500	10,348	(130)	10,479	42,273
Personnel			4,639	(63)	4,703	18,939
Non-personnel			4,977	(154)	5,132	20,580
<b>Core net business profits</b>	<b>21,000 /</b>	<b>11,000</b>	<b>6,220</b>	<b>(1,548)</b>	<b>7,769</b>	<b>25,393</b>
Net gains (losses) related to bonds			5	(34)	39	398
Net business profits (before reversal (provision) of general allowance for loan losses)			6,226	(1,582)	7,809	25,791
Total credit costs	3,000 /	1,500	(540)	(607)	67	4,811
Net gains (losses) related to stocks			(1,439)	(3,961)	2,522	(545)
<b>Ordinary profits</b>	<b>15,500 /</b>	<b>8,500</b>	<b>4,537</b>	<b>(5,238)</b>	<b>9,776</b>	<b>20,003</b>
Net extraordinary gains (losses)			(0)	71	(72)	396
Income before income taxes			4,536	(5,167)	9,704	20,400
Income taxes			1,191	(1,754)	2,945	6,958
Income taxes deferred			460	(130)	591	1,760
<b>Net income</b>	<b>10,500 /</b>	<b>6,000</b>	<b>3,345</b>	<b>(3,412)</b>	<b>6,758</b>	<b>13,442</b>

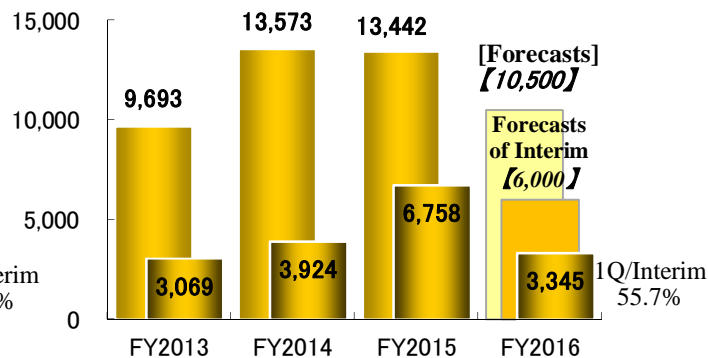
《 Core net business profits 》

(Millions of yen)



《 Net income 》

(Millions of yen)



## 2. Loans and Deposits

### (1) Loans

(Millions of yen)

	As of June 30, 2016			As of June 30, 2015	As of Mar. 31, 2016 (reference)
	(A)	(C)=(A)-(B)	(C)/(B)	(B)	
<b>Total of two banks</b>	7,597,730	79,415	1.05%	7,518,314	7,599,627
Loans to small and medium-sized enterprises("SMEs") and individuals	4,789,881	72,518	1.53%	4,717,363	4,845,031
Housing and consumer loans	2,159,977	6,322	0.29%	2,153,655	2,156,068
<b>Hokuriku bank</b>	4,381,605	47,708	1.10%	4,333,897	4,383,442
Loans to small and medium-sized enterprises("SMEs") and individuals	2,865,154	39,835	1.41%	2,825,319	2,918,145
Housing and consumer loans	1,165,178	(10,020)	(0.85%)	1,175,199	1,167,641
<b>Hokkaido bank</b>	3,216,124	31,707	0.99%	3,184,416	3,216,184
Loans to small and medium-sized enterprises("SMEs") and individuals	1,924,727	32,683	1.72%	1,892,044	1,926,886
Housing and consumer loans	994,799	16,343	1.67%	978,455	988,427

### (2) Deposits and Investment products

(Millions of yen)

	As of June 30, 2016			As of June 30, 2015	As of Mar. 31, 2016 (reference)
	(A)	(C)=(A)-(B)	(C)/(B)	(B)	
<b>Total of two banks</b>					
Deposits*	10,617,924	(42,099)	(0.39%)	10,660,023	10,502,600
Individual deposits*	7,244,717	(3,157)	(0.04%)	7,247,875	7,149,685
<b>Total individual assets</b>	7,806,701	(75,134)	(0.95%)	7,881,836	7,747,746
Individual deposits* (deposits in yen)	7,221,121	(4,626)	(0.06%)	7,225,747	7,125,931
Investment products (for individuals)	585,579	(70,508)	(10.74%)	656,088	621,814
Foreign currency deposits	23,596	1,468	6.63%	22,127	23,753
Public bonds	224,850	(28,689)	(11.31%)	253,539	235,219
Investment trusts	337,133	(43,288)	(11.37%)	380,421	362,841
<b>Hokuriku bank [Non-consolidated]</b>					
Deposits*	6,159,118	37,672	0.61%	6,121,446	6,117,671
Individual deposits*	4,012,174	6,347	0.15%	4,005,827	3,964,350
<b>Total individual assets</b>	4,304,015	(29,754)	(0.68%)	4,333,770	4,274,780
Individual deposits* (deposits in yen)	3,999,048	4,807	0.12%	3,994,241	3,951,915
Investment products (for individuals)	304,966	(34,561)	(10.17%)	339,528	322,865
Foreign currency deposits	13,125	1,540	13.29%	11,585	12,435
Public bonds	114,521	(8,343)	(6.79%)	122,865	117,499
Investment trusts	177,318	(27,758)	(13.53%)	205,077	192,930
<b>Hokkaido bank [Non-consolidated]</b>					
Deposits*	4,458,805	(79,771)	(1.75%)	4,538,576	4,384,929
Individual deposits*	3,232,543	(9,504)	(0.29%)	3,242,047	3,185,334
<b>Total individual assets</b>	3,502,685	(45,380)	(1.27%)	3,548,066	3,472,965
Individual deposits* (deposits in yen)	3,222,072	(9,433)	(0.29%)	3,231,505	3,174,016
Investment products (for individuals)	280,613	(35,946)	(11.35%)	316,560	298,949
Foreign currency deposits	10,470	(71)	(0.67%)	10,542	11,318
Public bonds	110,328	(20,345)	(15.56%)	130,674	117,720
Investment trusts	159,814	(15,529)	(8.85%)	175,344	169,910

\*including NCD



### 3. Non-Performing Loan (“NPL”) based on the Financial Reconstruction Law (the“FRL”)

(Millions of yen)

(Millions of yen)

		As of June 30, 2016	As of June 30, 2015	As of March 31, 2016
Total of two banks	Bankrupt and substantially bankrupt	21,832	23,535	22,820
	Doubtful	124,449	131,704	125,668
	Substandard	20,189	29,639	20,108
	Non Performing Loan (A)	166,471	184,879	168,598
	Total (B)	7,815,758	7,715,129	7,808,305
	NPL ratio (A)/(B)	2.12%	2.39%	2.15%
Hokuriku bank 【Non-consolidated】	Bankrupt and substantially bankrupt	15,777	17,086	16,295
	Doubtful	69,985	73,470	70,305
	Substandard	10,885	13,977	11,062
	Non Performing Loan (A)	96,647	104,534	97,663
	Total (B)	4,464,009	4,412,960	4,459,860
	NPL ratio (A)/(B)	2.16%	2.36%	2.18%
Hokkaido bank 【Non-consolidated】	Bankrupt and substantially bankrupt	6,055	6,449	6,524
	Doubtful	54,464	58,233	55,363
	Substandard	9,303	15,662	9,046
	Non Performing Loan (A)	69,823	80,345	70,934
	Total (B)	3,351,748	3,302,168	3,348,445
	NPL ratio (A)/(B)	2.08%	2.43%	2.11%

### 4. Capital Adequacy Ratio (Domestic Standard)

		As of June 30, 2016	As of June 30, 2015	As of March 31, 2016
FG (Consolidated)	Capital adequacy ratio	10.44%	11.39%	10.30%
Hokuriku bank (Non-consolidated)	Capital adequacy ratio	9.90%	10.88%	9.78%
Hokkaido bank (Non-consolidated)	Capital adequacy ratio	10.31%	11.03%	10.23%

### 5. Valuation Difference on Securities

(Millions of yen)

(Millions of yen)

		As of June 30, 2016				As of March 31, 2016				
		Market value	Valuation difference		Market value	Valuation difference		Market value	Valuation difference	
			Gains	Losses		Gains	Losses		Gains	Losses
FG(Consolidated)	Available-for-sale securities	2,277,262	104,128	126,986	22,857	2,255,419	111,131	127,111	15,979	
	Stocks	199,121	59,427	67,769	8,342	207,653	66,808	73,792	6,983	
	Bonds	1,550,246	40,344	40,437	93	1,635,742	39,601	39,718	117	
	Other	527,895	4,356	18,778	14,421	412,023	4,721	13,600	8,879	
Total of two banks	Available-for-sale securities	2,280,477	109,818	130,226	20,408	2,258,438	116,634	130,674	14,040	
	Stocks	198,589	66,201	72,154	5,953	207,116	73,577	78,690	5,112	
	Bonds	1,555,393	40,562	40,595	33	1,640,879	39,817	39,866	49	
	Other	526,494	3,054	17,476	14,421	410,441	3,238	12,117	8,879	
Hokuriku bank (Non-consolidated)	Available-for-sale securities	1,384,913	85,174	90,112	4,938	1,380,387	90,609	93,639	3,029	
	Stocks	116,413	43,085	45,324	2,239	121,760	50,732	52,463	1,730	
	Bonds	952,303	31,626	31,635	9	970,290	31,080	31,094	14	
	Other	316,196	10,462	13,152	2,690	288,337	8,796	10,080	1,284	
Hokkaido bank (Non-consolidated)	Available-for-sale securities	895,564	24,644	40,114	15,469	878,050	26,024	37,035	11,011	
	Stocks	82,175	23,115	26,829	3,714	85,356	22,844	26,226	3,381	
	Bonds	603,090	8,936	8,960	23	670,589	8,737	8,771	34	
	Other	210,298	Δ7,407	4,324	11,731	122,104	Δ5,557	2,037	7,594	

## 6. Net Gains and Losses on Securities

(Millions of yen)

		1st Qtr of FY 2016 (3 months)		1st Qtr of FY 2015 (3 months)	FY 2015 (reference)
		(A)	(A)-(B)	(B)	
		FG (Consolidated)	Net gains (losses) related to bonds	96	
Gains on sales	134		(119)	253	928
Gains on redemption	—		(66)	66	108
Losses on sales	37		37	—	213
Losses on redemption	—		—	—	—
Losses on devaluation	—		(30)	30	—
Net gains (losses) related to stocks and others	(1,374)		(4,458)	3,084	(594)
Gains on sales	1,456		(2,158)	3,614	7,373
Losses on sales	2,705		2,187	518	6,576
Losses on devaluation	124	113	11	1,390	

(Millions of yen)

		1st Qtr of FY 2016 (3 months)		1st Qtr of FY 2015 (3 months)	FY 2015 (reference)
		(A)	(A)-(B)	(B)	
		Total of two banks	Net gains (losses) related to bonds	96	
Gains on sales	134		(119)	253	928
Gains on redemption	—		(66)	66	108
Losses on sales	37		37	—	213
Losses on redemption	—		—	—	—
Losses on devaluation	—		(30)	30	—
Net gains (losses) related to stocks and others	(1,303)		(4,387)	3,083	(567)
Gains on sales	1,456		(2,157)	3,613	7,375
Losses on sales	2,635		2,116	518	6,576
Losses on devaluation	124	113	11	1,366	

(Millions of yen)

		1st Qtr of FY 2016 (3 months)		1st Qtr of FY 2015 (3 months)	FY 2015 (reference)
		(A)	(A)-(B)	(B)	
		Hokuriku bank (Non-consolidated)	Net gains (losses) related to bonds	90	
Gains on sales	90		(158)	249	441
Gains on redemption	—		—	—	—
Losses on sales	—		—	—	15
Losses on redemption	—		—	—	—
Losses on devaluation	—		—	—	—
Net gains (losses) related to stocks and others	136		(425)	561	(22)
Gains on sales	699		122	577	2,349
Losses on sales	439		426	13	1,036
Losses on devaluation	124	122	2	1,335	

(Millions of yen)

		1st Qtr of FY 2016 (3 months)		1st Qtr of FY 2015 (3 months)	FY 2015 (reference)
		(A)	(A)-(B)	(B)	
		Hokkaido bank (Non-consolidated)	Net gains (losses) related to bonds	5	
Gains on sales	43		39	3	487
Gains on redemption	—		(66)	66	108
Losses on sales	37		37	—	197
Losses on redemption	—		—	—	—
Losses on devaluation	—		(30)	30	—
Net gains (losses) related to stocks and others	(1,439)		(3,961)	2,522	(545)
Gains on sales	756		(2,280)	3,036	5,025
Losses on sales	2,195		1,690	505	5,540
Losses on devaluation	—	(9)	9	30	