



Summary :

August 3, 2017

Financial Results for the First Quarter of Fiscal 2017 (Japanese GAAP)

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 2017 (for the three months ended June 30, 2017)
 (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 F2017 | 46,660 | 1.7 | 10,955 | 5.7 | 7,346 | 6.2 |
| 1Q F2016 | 45,883 | (10.5) | 10,369 | (40.3) | 6,920 | (39.6) |

Note: Comprehensive income: 1Q FY2017: ¥13,660 million [-]%; 1Q FY2016: ¥1,070 million [(93.7)]%

| | Net Income | Diluted Net Income |
|----------|---------------------------|---------------------------|
| | per Share of Common Stock | per Share of Common Stock |
| | ¥ | ¥ |
| 1Q F2017 | 56.06 | 55.96 |
| 1Q F2016 | 51.64 | 51.57 |

Note: Hokuhoku Financial Group, Inc. implemented a common stock consolidation at a ratio of ten stocks to one stock on October 1, 2016. The above net income per share of common stock and diluted net income per share of common stock are calculated on the assumption that this stock consolidation took place at the beginning of the previous year.

(2) Consolidated Financial Conditions

| | Total Assets | Total Net Assets | Own Capital Ratio |
|-------------|--------------|------------------|-------------------|
| | ¥ million | ¥ million | % |
| 1Q F2017 | 12,330,571 | 592,324 | 4.8 |
| Fiscal 2016 | 12,429,425 | 585,237 | 4.7 |

Reference: Own Capital: as of June 30, 2017: ¥589,464 million; as of March 31, 2017: ¥582,397 million

Note: Own Capital Ratio is 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 st Qtr | The end of 2 nd Qtr | The end of 3 rd Qtr | Fiscal year-end | Annual |
| | ¥ | ¥ | ¥ | ¥ | ¥ |
| Fiscal 2016 | — | 0.00 | — | 44.00 | 44.00 |
| Fiscal 2017 | — | | | | |
| Fiscal 2017 (forecast) | | 0.00 | — | 44.00 | 44.00 |

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

3. Earnings Estimates for Fiscal 2017 (for the fiscal year ending March 31, 2018)

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

| | Ordinary Profits | | Net Income Attributable to Owners of the Parent | | Net Income per Share of Common Stock |
|-------------------------------------|------------------|--------|---|--------|--------------------------------------|
| | ¥ million | % | ¥ million | % | ¥ |
| 2Q Fiscal 2017 (Accumulated period) | 18,000 | (24.1) | 12,000 | (28.4) | 78.80 |
| Fiscal 2017 | 35,500 | (10.1) | 23,500 | (16.5) | 166.03 |

Note: Revision of the earnings estimates during this quarter: No

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, 2017 | 132,163,014 | As of March 31, 2017 | 132,163,014 |
|---------------------|-------------|----------------------|-------------|

(b) Number of Treasury Stock at the end of fiscal year and the First Quarter

| | | | |
|---------------------|-----------|----------------------|-----------|
| As of June 30, 2017 | 1,104,366 | As of March 31, 2017 | 1,131,632 |
|---------------------|-----------|----------------------|-----------|

(c) Average outstanding shares for the three months ended

| | | | |
|---------------------|-------------|---------------------|-------------|
| As of June 30, 2017 | 131,031,846 | As of June 30, 2016 | 134,003,475 |
|---------------------|-------------|---------------------|-------------|

Note: Hokuhoku Financial Group, Inc. implemented a common stock consolidation at a ratio of ten stocks to one stock on October 1, 2016. The above number of common stock outstanding, number of treasury stock and average number of common stock are calculated on the assumption that this stock consolidation took place at the beginning of the previous year.

(Implementation status of audit procedures)

This report is not subject to audit procedures.

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 st Qtr | The end of 2 nd Qtr | The end of 3 rd Qtr | Fiscal year-end | Annual |
| | ¥ | ¥ | ¥ | ¥ | ¥ |
| Fiscal 2016 | — | 7.50 | — | 7.50 | 15.00 |
| Fiscal 2017 | — | | | | |
| Fiscal 2017 (forecast) | | 7.50 | — | 7.50 | 15.00 |

5. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheet

Millions of yen

| | | As of March 31, 2017 | As of June 30, 2017 |
|---|--------------------|----------------------|---------------------|
| Assets | 資産の部 | | |
| Cash and due from banks | 現金預け金 | 1,753,743 | 1,729,848 |
| Call loans and bills bought | コールローン及び買入手形 | 89,415 | 56,560 |
| Monetary claims bought | 買入金銭債権 | 62,585 | 59,674 |
| Trading assets | 特定取引資産 | 4,646 | 4,614 |
| Money held in trust | 金銭の信託 | 10,001 | 10,028 |
| Securities | 有価証券 | 2,449,455 | 2,341,744 |
| Loans and bills discounted | 貸出金 | 7,771,338 | 7,799,696 |
| Foreign exchanges | 外国為替 | 16,260 | 16,739 |
| Other assets | その他資産 | 132,969 | 172,136 |
| Tangible fixed assets | 有形固定資産 | 101,192 | 100,962 |
| Intangible fixed assets | 無形固定資産 | 24,358 | 24,300 |
| Deferred tax assets | 繰延税金資産 | 4,632 | 2,311 |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返 | 60,551 | 62,349 |
| Allowance for loan losses | 貸倒引当金 | (51,725) | (50,395) |
| Total assets | 資産の部合計 | 12,429,425 | 12,330,571 |
| Liabilities | 負債の部 | | |
| Deposits | 預金 | 10,560,772 | 10,740,855 |
| Negotiable certificates of deposit | 譲渡性預金 | 140,499 | 203,256 |
| Call money and bills sold | コールマネー及び売渡手形 | 36,267 | 10,000 |
| Payables under securities lending transactions | 債券貸借取引受入担保金 | 534,362 | 217,360 |
| Trading liabilities | 特定取引負債 | 861 | 818 |
| Borrowed money | 借入金 | 325,331 | 321,179 |
| Foreign exchanges | 外国為替 | 103 | 158 |
| Bonds payable | 社債 | 25,000 | 25,000 |
| Other liabilities | その他負債 | 123,335 | 120,466 |
| Liability for retirement benefits | 退職給付に係る負債 | 15,026 | 13,753 |
| Provision for director's retirement benefits | 役員退職慰労引当金 | 204 | 179 |
| Reserve for contingent losses | 偶発損失引当金 | 1,492 | 1,444 |
| Reserve for reimbursement of deposits | 睡眠預金払戻損失引当金 | 1,590 | 1,590 |
| Reserves under the special laws | 特別法上の引当金 | 0 | 0 |
| Deferred tax liabilities | 繰延税金負債 | 13,102 | 14,148 |
| Deferred tax liabilities for land revaluation | 再評価に係る繰延税金負債 | 5,686 | 5,686 |
| Acceptances and guarantees | 支払承諾 | 60,551 | 62,349 |
| Total liabilities | 負債の部合計 | 11,844,188 | 11,738,246 |
| Net assets | 純資産の部 | | |
| Capital stock | 資本金 | 70,895 | 70,895 |
| Capital surplus | 資本剰余金 | 144,587 | 144,597 |
| Retained earnings | 利益剰余金 | 284,896 | 285,671 |
| Treasury stock | 自己株式 | (1,398) | (1,365) |
| Shareholders' equity | 株主資本合計 | 498,979 | 499,797 |
| Valuation difference on available-for-sale securities | その他有価証券評価差額金 | 81,406 | 87,330 |
| Deferred gains or losses on hedges | 繰延ヘッジ損益 | (1,208) | (1,144) |
| Revaluation reserve for land | 土地再評価差額金 | 8,993 | 8,993 |
| Defined retirement benefit plans | 退職給付に係る調整累計額 | (5,773) | (5,512) |
| Accumulated other comprehensive income | その他の包括利益累計額合計 | 83,417 | 89,666 |
| Stock acquisition rights | 新株予約権 | 367 | 323 |
| Non-controlling interests | 非支配株主持分 | 2,472 | 2,536 |
| Total net assets | 純資産の部合計 | 585,237 | 592,324 |
| Total liabilities and net assets | 負債及び純資産の部合計 | 12,429,425 | 12,330,571 |

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
For the three months ended June 30, 2017

【Consolidated Statement of Income】

Millions of yen

| | | For the three months ended June 30, 2016 | For the three months ended June 30, 2017 |
|--|------------------|---|---|
| Ordinary income | 経常収益 | 45,883 | 46,660 |
| Interest income | 資金運用収益 | 30,622 | 29,710 |
| (Interest on loans and discounts) | (うち貸出金利息) | 23,330 | 22,454 |
| (Interest and dividends on securities) | (うち有価証券利息配当金) | 6,685 | 6,590 |
| Fees and commissions | 役員取引等収益 | 9,303 | 9,276 |
| Trading income | 特定取引収益 | 37 | 213 |
| Other ordinary income | その他業務収益 | 3,188 | 3,196 |
| Other income | その他経常収益 | 2,732 | 4,264 |
| Ordinary expenses | 経常費用 | 35,514 | 35,705 |
| Interest expenses | 資金調達費用 | 1,318 | 1,641 |
| (Interest on deposits) | (うち預金利息) | 490 | 384 |
| Fees and commissions payments | 役員取引等費用 | 3,429 | 3,716 |
| Other ordinary expenses | その他業務費用 | 2,458 | 4,360 |
| General and administrative expenses | 営業経費 | 24,714 | 24,507 |
| Other expenses | その他経常費用 | 3,594 | 1,480 |
| Ordinary profits | 経常利益 | 10,369 | 10,955 |
| Extraordinary income | 特別利益 | 31 | 41 |
| Gain on disposal of fixed assets | 固定資産処分益 | 31 | 41 |
| Extraordinary loss | 特別損失 | 44 | 17 |
| Loss on disposal of fixed assets | 固定資産処分損 | 44 | 17 |
| Income before income taxes | 税金等調整前四半期純利益 | 10,356 | 10,980 |
| Income taxes-current | 法人税、住民税及び事業税 | 3,943 | 3,169 |
| Income taxes-deferred | 法人税等調整額 | (530) | 408 |
| Total income taxes | 法人税等合計 | 3,413 | 3,577 |
| Net income | 四半期純利益 | 6,943 | 7,402 |
| Net income attributable to non-controlling interests | 非支配株主に帰属する四半期純利益 | 22 | 55 |
| Net income attributable to owners of the parent | 親会社株主に帰属する四半期純利益 | 6,920 | 7,346 |

【Consolidated Statement of Comprehensive Income】

Millions of yen

| | | For the three months ended June 30, 2016 | For the three months ended June 30, 2017 |
|---|------------------|---|---|
| Net income | 四半期純利益 | 6,943 | 7,402 |
| Other comprehensive income | その他の包括利益 | (5,872) | 6,258 |
| Valuation difference on available-for-sale securities | その他有価証券評価差額金 | (6,172) | 5,932 |
| Deferred gains or losses on hedges | 繰延ヘッジ損益 | (257) | 63 |
| Defined retirement benefit plans | 退職給付に係る調整額 | 573 | 261 |
| Share of other comprehensive income of associates accounted for using equity method | 持分法適用会社に対する持分相当額 | (15) | 1 |
| Total comprehensive income | 四半期包括利益 | 1,070 | 13,660 |
| 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 | 1,057 | 13,596 |
| Comprehensive income attributable to non-controlling interest | 非支配株主に係る四半期包括利益 | 13 | 64 |

Financial Highlights For the First Quarter of Fiscal 2017

1. Income Analysis

FG [Consolidated]

| | Forecasts | | 1st Qtr of FY 2017 (3 months) | Changes from 1st Qtr of FY 2016 | 1st Qtr of FY 2016 (3 months) | Fiscal Year 2016 results (reference) |
|---|-----------|---------|-------------------------------------|---------------------------------------|-------------------------------------|--|
| | Full year | Interim | | | | |
| Ordinary income | | | 46,660 | 777 | 45,883 | 187,420 |
| Ordinary profits | 35,500 | 18,000 | 10,955 | 586 | 10,369 | 39,477 |
| Net income attributable to owners of the parent | 23,500 | 12,000 | 7,346 | 426 | 6,920 | 28,157 |

(Millions of yen)

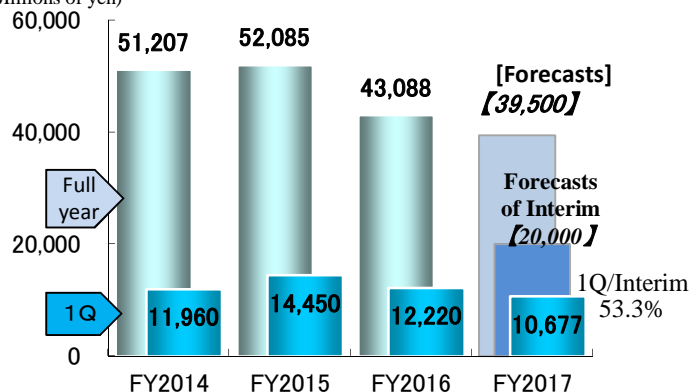
【Total of two banks】

| | Forecasts | | 1st Qtr of FY 2017 (3 months) | Changes from 1st Qtr of FY 2016 | 1st Qtr of FY 2016 (3 months) | Fiscal Year 2016 results (reference) |
|---|-----------|---------|-------------------------------------|---------------------------------------|-------------------------------------|--|
| | Full year | Interim | | | | |
| Ordinary income | | | 43,402 | 684 | 42,717 | 171,077 |
| Core gross business profits | 132,000 | 66,500 | 32,852 | (1,651) | 34,503 | 132,915 |
| Net interest income | | | 29,088 | (847) | 29,936 | 115,296 |
| Net fees and commissions | | | 3,860 | (562) | 4,423 | 17,826 |
| Net trading income | | | 6 | (8) | 14 | 71 |
| Net other income | | | (103) | (233) | 129 | (278) |
| Net gains (losses) on foreign exchange transactions | | | (96) | (215) | 119 | (259) |
| Net income on derivatives | | | (0) | (5) | 4 | (15) |
| General and administrative expenses | 92,500 | 46,500 | 22,174 | (108) | 22,283 | 89,827 |
| Personnel | | | 10,823 | (102) | 10,925 | 43,344 |
| Non-personnel | | | 9,682 | (101) | 9,783 | 39,936 |
| Core net business profits | 39,500 | 20,000 | 10,677 | (1,543) | 12,220 | 43,088 |
| Net gains (losses) related to bonds | | | (1,607) | (1,703) | 96 | (3,836) |
| Net business profits (before reversal (provision) of general allowance for loan losses) | | | 9,069 | (3,246) | 12,316 | 39,251 |
| Total credit costs | 4,000 | 2,000 | (1,280) | (283) | (997) | (654) |
| Net gains (losses) related to stocks | | | 2,368 | 3,671 | (1,303) | 3,112 |
| Ordinary profits | 36,000 | 18,500 | 12,107 | 1,296 | 10,810 | 40,233 |
| Net extraordinary gains (losses) | | | 24 | 37 | (12) | (925) |
| Income before income taxes | | | 12,132 | 1,333 | 10,798 | 39,308 |
| Income taxes | | | 3,469 | 302 | 3,167 | 9,632 |
| Income taxes deferred | | | 544 | 1,051 | (506) | 3,079 |
| Net income | 24,500 | 13,000 | 8,662 | 1,031 | 7,631 | 29,675 |

(Millions of yen)

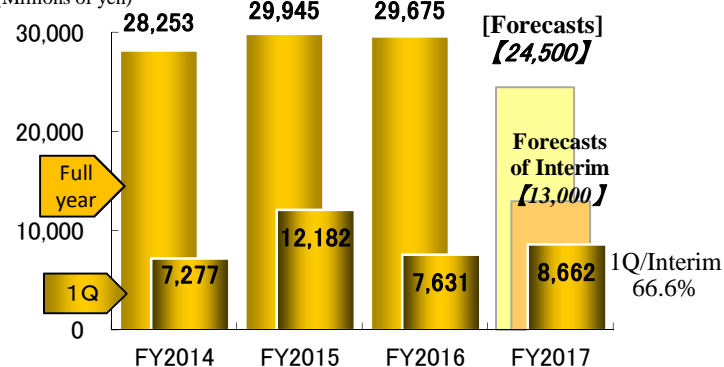
《Core net business profits》

(Millions of yen)



《Net income》

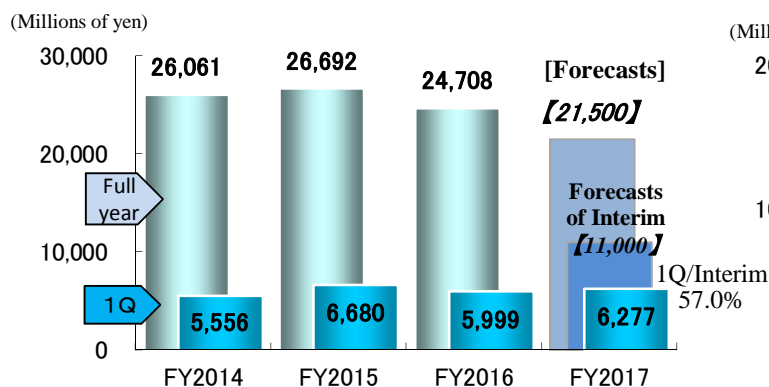
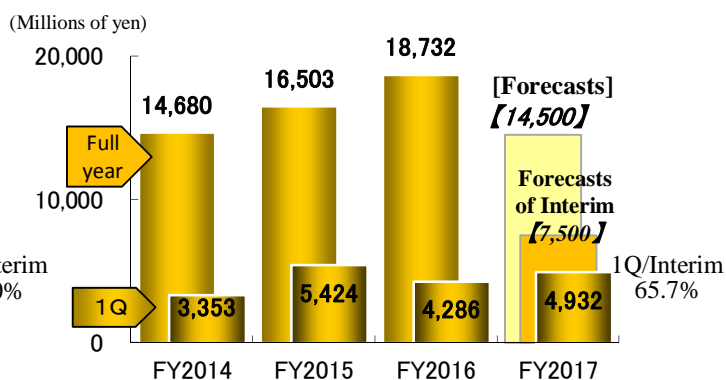
(Millions of yen)



【Non-Consolidated】 Hokuriku Bank

- Core net business profits were JPY6,277 million, JPY277 million increase compared to the corresponding period of the previous fiscal year mainly due to an increase in net interest income.
- Ordinary profits increased by JPY1,072 million to JPY7,345 million, due to an increase in net gains related to stocks, and a decrease in total credit costs.
- Accordingly, net income increased by JPY646 million to JPY4,932 million.

| Forecasts Full year / Interim | | 1st Qtr of FY 2017 (3 months) | | Changes from 1st Qtr of FY 2016 | | 1st Qtr of FY 2016 (3 months) | | (Millions of yen) Fiscal Year 2016 results (reference) | |
|---|--|-------------------------------------|--|---------------------------------------|--|-------------------------------------|--|---|--|
| | | | | | | | | | |
| Ordinary income | | | | 1,953 | | 22,136 | | 92,995 | |
| Core gross business profits | | 70,500 / 35,500 | | 279 | | 17,934 | | 72,943 | |
| Net interest income | | | | 388 | | 15,384 | | 62,803 | |
| Net fees and commissions | | | | (74) | | 2,292 | | 9,028 | |
| Net trading income | | | | (8) | | 14 | | 71 | |
| Net other income | | | | (25) | | 242 | | 1,039 | |
| Net gains (losses) on foreign exchange transactions | | | | (24) | | 241 | | 1,036 | |
| Net income on derivatives | | | | (1) | | 1 | | 3 | |
| General and administrative expenses | | 49,000 / 24,500 | | 2 | | 11,934 | | 48,234 | |
| Personnel | | | | (124) | | 6,286 | | 24,551 | |
| Non-personnel | | | | 77 | | 4,805 | | 20,174 | |
| Core net business profits | | 21,500 / 11,000 | | 277 | | 5,999 | | 24,708 | |
| Net gains (losses) related to bonds | | | | (1,214) | | 90 | | (3,236) | |
| Net business profits (before reversal (provision) of general allowance for loan losses) | | | | (937) | | 6,090 | | 21,472 | |
| Total credit costs | | 2,000 / 1,000 | | (107) | | (456) | | (650) | |
| Net gains (losses) related to stocks | | | | 1,564 | | 136 | | 3,542 | |
| Ordinary profits | | 21,500 / 11,000 | | 1,072 | | 6,273 | | 24,852 | |
| Net extraordinary gains (losses) | | | | 37 | | (11) | | (717) | |
| Income before income taxes | | | | 1,110 | | 6,261 | | 24,135 | |
| Income taxes | | | | 463 | | 1,975 | | 5,403 | |
| Income taxes deferred | | | | 1,000 | | (967) | | 1,455 | |
| Net income | | 14,500 / 7,500 | | 646 | | 4,286 | | 18,732 | |

《 Core net business profits 》**《 Net income 》**

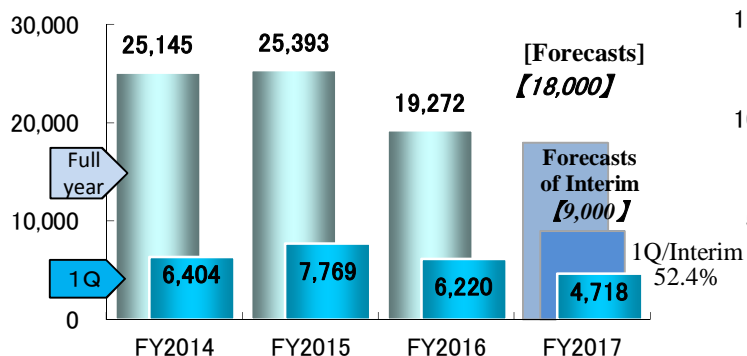
【Non-consolidated】 Hokkaido Bank

- Core net business profits were JPY4,718 million, JPY1,502 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 increased by JPY223 million to JPY4,761 million, due to an increase in net gains related to stocks, and a decrease in total credit costs.
- Accordingly, net income increased by JPY384 million to JPY3,730 million.

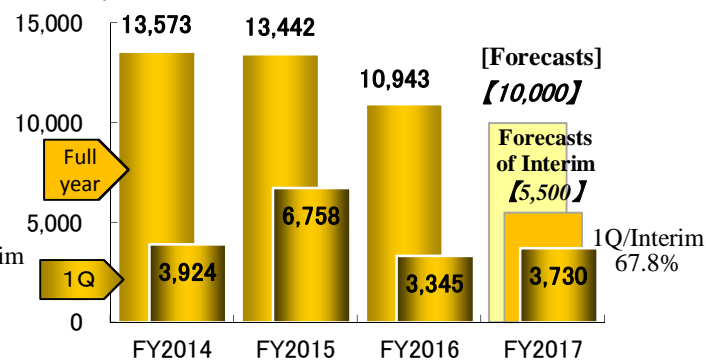
| | | Forecasts | | 1st Qtr of | | 1st Qtr of | | (Millions of yen) | |
|---|--|-----------|---------|-----------------------|---------------------------------------|-----------------------|--|-------------------|--|
| | | Full year | Interim | FY 2017 (3 months) | Changes from 1st Qtr of FY 2016 | FY 2016 (3 months) | Fiscal Year 2016 results (reference) | | |
| Ordinary income | | | | 19,847 | (733) | 20,581 | | 78,974 | |
| Core gross business profits | | 61,500 | 31,000 | 14,956 | (1,613) | 16,569 | | 60,864 | |
| Net interest income | | | | 13,633 | (917) | 14,551 | | 53,385 | |
| Net fees and commissions | | | | 1,642 | (487) | 2,130 | | 8,797 | |
| Net trading income | | | | — | — | — | | — | |
| Net other income | | | | (320) | (207) | (112) | | (1,317) | |
| Net gains (losses) on foreign exchange transactions | | | | (313) | (191) | (122) | | (1,296) | |
| Net income on derivatives | | | | (0) | (3) | 3 | | (18) | |
| General and administrative expenses | | 43,500 | 22,000 | 10,238 | (110) | 10,348 | | 41,592 | |
| Personnel | | | | 4,661 | 21 | 4,639 | | 18,792 | |
| Non-personnel | | | | 4,799 | (178) | 4,977 | | 19,762 | |
| Core net business profits | | 18,000 | 9,000 | 4,718 | (1,502) | 6,220 | | 19,272 | |
| Net gains (losses) related to bonds | | | | (801) | (806) | 5 | | (1,493) | |
| Net business profits (before reversal (provision) of general allowance for loan losses) | | | | 3,916 | (2,309) | 6,226 | | 17,778 | |
| Total credit costs | | 2,000 | 1,000 | (717) | (176) | (540) | | (4) | |
| Net gains (losses) related to stocks | | | | 668 | 2,107 | (1,439) | | (429) | |
| Ordinary profits | | 14,500 | 7,500 | 4,761 | 223 | 4,537 | | 15,381 | |
| Net extraordinary gains (losses) | | | | (1) | (0) | (0) | | (207) | |
| Income before income taxes | | | | 4,760 | 223 | 4,536 | | 15,173 | |
| Income taxes | | | | 1,030 | (161) | 1,191 | | 4,229 | |
| Income taxes deferred | | | | 511 | 50 | 460 | | 1,623 | |
| Net income | | 10,000 | 5,500 | 3,730 | 384 | 3,345 | | 10,943 | |

《 Core net business profits 》

(Millions of yen)

**《 Net income 》**

(Millions of yen)



2. Loans and Deposits

(1) Loans

| | As of June 30, 2017 | | | As of June 30, 2016 | (Millions of yen) As of Mar. 31, 2017 (reference) |
|---|------------------------|-------------|---------|------------------------|--|
| | (A) | (C)=(A)-(B) | (C)/(B) | (B) | |
| Total of two banks | 7,815,390 | 217,660 | 2.86% | 7,597,730 | 7,788,358 |
| Loans to small and medium-sized enterprises("SMEs") and individuals | 4,947,484 | 157,603 | 3.29% | 4,789,881 | 4,972,248 |
| Housing and consumer loans | 2,268,972 | 108,995 | 5.04% | 2,159,977 | 2,250,260 |
| Hokuriku bank | 4,474,098 | 92,492 | 2.11% | 4,381,605 | 4,467,623 |
| Loans to small and medium-sized enterprises("SMEs") and individuals | 2,934,643 | 69,489 | 2.42% | 2,865,154 | 2,969,746 |
| Housing and consumer loans | 1,206,839 | 41,660 | 3.57% | 1,165,178 | 1,199,871 |
| Hokkaido bank | 3,341,291 | 125,167 | 3.89% | 3,216,124 | 3,320,734 |
| Loans to small and medium-sized enterprises("SMEs") and individuals | 2,012,841 | 88,114 | 4.57% | 1,924,727 | 2,002,502 |
| Housing and consumer loans | 1,062,133 | 67,334 | 6.76% | 994,799 | 1,050,388 |

(2) Deposits and Investment products

| | As of June 30, 2017 | | | As of June 30, 2016 | (Millions of yen) As of Mar. 31, 2017 (reference) |
|---|------------------------|-------------|----------|------------------------|--|
| | (A) | (C)=(A)-(B) | (C)/(B) | (B) | |
| Total of two banks | | | | | |
| Deposits* | 10,965,120 | 347,195 | 3.26% | 10,617,924 | 10,731,064 |
| Individual deposits* | 7,453,416 | 208,698 | 2.88% | 7,244,717 | 7,325,627 |
| Total individual assets | 7,972,310 | 165,609 | 2.12% | 7,806,701 | 7,851,540 |
| Individual deposits* (deposits in yen) | 7,429,277 | 208,155 | 2.88% | 7,221,121 | 7,302,947 |
| Investment products (for individuals) | 543,033 | (42,546) | (7.26%) | 585,579 | 548,592 |
| Foreign currency deposits | 24,139 | 543 | 2.30% | 23,596 | 22,679 |
| Public bonds | 194,744 | (30,105) | (13.38%) | 224,850 | 195,757 |
| Investment trusts | 324,149 | (12,983) | (3.85%) | 337,133 | 330,155 |
| Hokuriku bank [Non-consolidated] | | | | | |
| Deposits* | 6,360,476 | 201,358 | 3.26% | 6,159,118 | 6,243,398 |
| Individual deposits* | 4,134,265 | 122,091 | 3.04% | 4,012,174 | 4,071,172 |
| Total individual assets | 4,404,776 | 100,761 | 2.34% | 4,304,015 | 4,347,757 |
| Individual deposits* (deposits in yen) | 4,120,952 | 121,903 | 3.04% | 3,999,048 | 4,058,505 |
| Investment products (for individuals) | 283,823 | (21,142) | (6.93%) | 304,966 | 289,252 |
| Foreign currency deposits | 13,313 | 187 | 1.42% | 13,125 | 12,667 |
| Public bonds | 105,579 | (8,942) | (7.80%) | 114,521 | 106,349 |
| Investment trusts | 164,930 | (12,387) | (6.98%) | 177,318 | 170,235 |
| Hokkaido bank [Non-consolidated] | | | | | |
| Deposits* | 4,604,643 | 145,837 | 3.27% | 4,458,805 | 4,487,666 |
| Individual deposits* | 3,319,151 | 86,607 | 2.67% | 3,232,543 | 3,254,455 |
| Total individual assets | 3,567,534 | 64,848 | 1.85% | 3,502,685 | 3,503,782 |
| Individual deposits* (deposits in yen) | 3,308,324 | 86,252 | 2.67% | 3,222,072 | 3,244,442 |
| Investment products (for individuals) | 259,209 | (21,403) | (7.62%) | 280,613 | 259,339 |
| Foreign currency deposits | 10,826 | 355 | 3.39% | 10,470 | 10,012 |
| Public bonds | 89,164 | (21,163) | (19.18%) | 110,328 | 89,407 |
| Investment trusts | 159,218 | (596) | (0.37%) | 159,814 | 159,919 |

*including NCD

[Group Total (Two banks and Hokuhoku Tokai Tokyo Securities Co.,Ltd. Combined)]

| | As of June 30, 2017 | | | As of June 30, 2016 | (Millions of yen) As of Mar. 31, 2017 (reference) |
|---|------------------------|-------------|---------|------------------------|--|
| | (A) | (C)=(A)-(B) | (C)/(B) | (B) | |
| Total balance of investment products for individuals | 605,108 | 19,528 | 3.33% | 585,579 | 606,323 |
| Total balance of investment products for individuals (Total of two banks) | 543,033 | (42,546) | (7.26%) | 585,579 | 548,592 |
| Investment products for individuals at Hokuhoku Tokai Tokyo Securities Co.,Ltd. | 62,074 | 62,074 | - | - | 57,730 |

※Hokuhoku Tokai Tokyo Securities Co.,Ltd started business on Jan. 2017.

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

(Millions of yen)

(Millions of yen)

| | | As of June 30, 2017 | As of June 30, 2016 | As of March 31, 2017 |
|-------------------------------------|-------------------------------------|---------------------|---------------------|----------------------|
| Total of two banks | Bankrupt and substantially bankrupt | 17,876 | 21,832 | 17,739 |
| | Doubtful | 115,823 | 124,449 | 119,806 |
| | Substandard | 19,422 | 20,189 | 18,611 |
| | Non Performing Loan (A) | 153,122 | 166,471 | 156,157 |
| | Total (B) | 8,043,696 | 7,815,758 | 8,015,423 |
| | NPL ratio (A)/(B) | 1.90% | 2.12% | 1.94% |
| Hokuriku bank 【Non-consolidated】 | Bankrupt and substantially bankrupt | 12,815 | 15,777 | 12,612 |
| | Doubtful | 63,766 | 69,985 | 66,296 |
| | Substandard | 10,843 | 10,885 | 10,176 |
| | Non Performing Loan (A) | 87,424 | 96,647 | 89,086 |
| | Total (B) | 4,545,503 | 4,464,009 | 4,539,728 |
| | NPL ratio (A)/(B) | 1.92% | 2.16% | 1.96% |
| Hokkaido bank 【Non-consolidated】 | Bankrupt and substantially bankrupt | 5,061 | 6,055 | 5,126 |
| | Doubtful | 52,057 | 54,464 | 53,510 |
| | Substandard | 8,579 | 9,303 | 8,435 |
| | Non Performing Loan (A) | 65,698 | 69,823 | 67,071 |
| | Total (B) | 3,498,192 | 3,351,748 | 3,475,694 |
| | NPL ratio (A)/(B) | 1.87% | 2.08% | 1.92% |

4. Capital Adequacy Ratio (Domestic Standard)

| | | As of June 30, 2017 | As of June 30, 2016 | As of March 31, 2017 |
|----------------------------------|------------------------|---------------------|---------------------|----------------------|
| FG (Consolidated) | Capital adequacy ratio | 9.65% | 10.44% | 9.43% |
| Hokuriku bank (Non-consolidated) | Capital adequacy ratio | 8.97% | 9.90% | 8.74% |
| Hokkaido bank (Non-consolidated) | Capital adequacy ratio | 9.61% | 10.31% | 9.34% |

5. Valuation Difference on Securities

(Millions of yen)

(Millions of yen)

| | | As of June 30, 2017 | | | | As of March 31, 2017 | | | | |
|-------------------------------------|-------------------------------|---------------------|----------------------|---------|--------------|----------------------|----------|--------------|----------------------|--------|
| | | Market value | Valuation difference | | Market value | Valuation difference | | Market value | Valuation difference | |
| | | | Gains | Losses | | Gains | Losses | | Gains | Losses |
| FG(Consolidated) | Available-for-sale securities | 2,169,380 | 116,866 | 130,378 | 13,512 | 2,278,206 | 108,118 | 129,591 | 21,473 | |
| | Stocks | 207,512 | 95,679 | 97,706 | 2,026 | 216,510 | 90,384 | 92,519 | 2,134 | |
| | Bonds | 1,307,595 | 24,024 | 24,443 | 419 | 1,345,506 | 27,538 | 27,974 | 435 | |
| | Other | 654,272 | (2,837) | 8,228 | 11,066 | 716,189 | (9,805) | 9,097 | 18,903 | |
| Total of two banks | Available-for-sale securities | 2,171,833 | 121,390 | 133,879 | 12,488 | 2,280,832 | 113,094 | 133,474 | 20,379 | |
| | Stocks | 206,812 | 102,014 | 103,020 | 1,006 | 215,885 | 97,065 | 98,118 | 1,053 | |
| | Bonds | 1,312,676 | 24,141 | 24,557 | 415 | 1,350,587 | 27,664 | 28,087 | 422 | |
| | Other | 652,344 | (4,765) | 6,301 | 11,066 | 714,359 | (11,635) | 7,267 | 18,903 | |
| Hokuriku bank (Non-consolidated) | Available-for-sale securities | 1,454,364 | 89,602 | 93,186 | 3,584 | 1,495,031 | 87,046 | 92,901 | 5,855 | |
| | Stocks | 139,369 | 66,697 | 67,379 | 681 | 137,754 | 62,910 | 63,314 | 403 | |
| | Bonds | 924,564 | 19,535 | 19,811 | 275 | 934,456 | 22,070 | 22,387 | 317 | |
| | Other | 390,430 | 3,369 | 5,996 | 2,627 | 422,820 | 2,065 | 7,199 | 5,134 | |
| Hokkaido bank (Non-consolidated) | Available-for-sale securities | 717,469 | 31,788 | 40,692 | 8,904 | 785,801 | 26,048 | 40,573 | 14,524 | |
| | Stocks | 67,443 | 35,316 | 35,641 | 325 | 78,131 | 34,154 | 34,804 | 649 | |
| | Bonds | 388,111 | 4,606 | 4,746 | 139 | 416,131 | 5,594 | 5,700 | 105 | |
| | Other | 261,914 | (8,134) | 304 | 8,439 | 291,539 | (13,700) | 68 | 13,769 | |

6. Net Gains and Losses on Securities

(Millions of yen)

| | | 1st Qtr of FY 2017 (3 months) | | 1st Qtr of FY 2016 (3 months) | FY 2016 (reference) |
|--|---|----------------------------------|-------------------------------------|----------------------------------|------------------------|
| | | (A) | (A)-(B) | (B) | |
| | | FG (Consolidated) | Net gains (losses) related to bonds | (1,607) | |
| | Gains on sales | 76 | (57) | 134 | 2,427 |
| | Gains on redemption | — | — | — | 41 |
| | Losses on sales | 1,684 | 1,646 | 37 | 6,399 |
| | Losses on redemption | — | — | — | 4 |
| | Losses on devaluation | — | — | — | — |
| | Net gains (losses) related to stocks and others | 1,945 | 3,319 | (1,374) | 3,055 |
| | Gains on sales | 2,650 | 1,194 | 1,456 | 8,065 |
| | Losses on sales | 671 | (2,034) | 2,705 | 4,807 |
| | Losses on devaluation | 33 | (90) | 124 | 202 |

(Millions of yen)

| | | 1st Qtr of FY 2017 (3 months) | | 1st Qtr of FY 2016 (3 months) | FY 2016 (reference) |
|--|---|----------------------------------|-------------------------------------|----------------------------------|------------------------|
| | | (A) | (A)-(B) | (B) | |
| | | Total of two banks | Net gains (losses) related to bonds | (1,607) | |
| | Gains on sales | 76 | (57) | 134 | 2,525 |
| | Gains on redemption | — | — | — | 41 |
| | Losses on sales | 1,684 | 1,646 | 37 | 6,399 |
| | Losses on redemption | — | — | — | 4 |
| | Losses on devaluation | — | — | — | — |
| | Net gains (losses) related to stocks and others | 2,368 | 3,671 | (1,303) | 3,112 |
| | Gains on sales | 2,844 | 1,388 | 1,456 | 8,048 |
| | Losses on sales | 442 | (2,192) | 2,635 | 4,736 |
| | Losses on devaluation | 33 | (90) | 124 | 199 |

(Millions of yen)

| | | 1st Qtr of FY 2017 (3 months) | | 1st Qtr of FY 2016 (3 months) | FY 2016 (reference) |
|--|---|-------------------------------------|-------------------------------------|----------------------------------|------------------------|
| | | (A) | (A)-(B) | (B) | |
| | | Hokuriku bank (Non-consolidated) | Net gains (losses) related to bonds | (1,123) | |
| | Gains on sales | 76 | (14) | 90 | 839 |
| | Gains on redemption | — | — | — | — |
| | Losses on sales | 1,200 | 1,200 | — | 4,075 |
| | Losses on redemption | — | — | — | — |
| | Losses on devaluation | — | — | — | — |
| | Net gains (losses) related to stocks and others | 1,700 | 1,564 | 136 | 3,542 |
| | Gains on sales | 1,753 | 1,054 | 699 | 4,340 |
| | Losses on sales | 19 | (419) | 439 | 629 |
| | Losses on devaluation | 33 | (90) | 124 | 168 |

(Millions of yen)

| | | 1st Qtr of FY 2017 (3 months) | | 1st Qtr of FY 2016 (3 months) | FY 2016 (reference) |
|--|---|-------------------------------------|-------------------------------------|----------------------------------|------------------------|
| | | (A) | (A)-(B) | (B) | |
| | | Hokkaido bank (Non-consolidated) | Net gains (losses) related to bonds | (801) | |
| | Gains on sales | — | (43) | 43 | 1,685 |
| | Gains on redemption | — | — | — | 41 |
| | Losses on sales | 483 | 445 | 37 | 2,323 |
| | Losses on redemption | 318 | 318 | — | 897 |
| | Losses on devaluation | — | — | — | — |
| | Net gains (losses) related to stocks and others | 668 | 2,107 | (1,439) | (429) |
| | Gains on sales | 1,090 | 334 | 756 | 3,707 |
| | Losses on sales | 422 | (1,773) | 2,195 | 4,106 |
| | Losses on devaluation | — | — | — | 31 |