

*Summary of financial results  
for the 1st Quarter of FY2008  
(From April 2008 to June 2008)*



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Hokuhoku Financial Group, Inc.

# Summary of Financial Results I-①

<P/L : Consolidated and Total of Two Banks >

〈Consolidated〉 (JPY Bn)	[Forecasts]	FY2008 1Q	change	FY2007 1Q
Ordinary income	[250.0]	<b>59.9</b>	(0.5)	60.4
Ordinary profits	[65.0]	<b>10.9</b>	(2.7)	13.6
Net income	[38.5]	<b>6.7</b>	(1.1)	7.9
〈Total of two banks〉 (JPY Bn)				
Core gross business profits	[180.0]	<b>42.1</b>	(1.3)	43.4
Net interest income		<b>32.7</b>	(1.0)	33.8
Net fees & commissions		<b>6.4</b>	(1.8)	8.2
Net trading income		<b>0.2</b>	0.2	(0.0)
Net other income (excluding gains (losses) related to bonds)		<b>2.6</b>	1.2	1.4
General & administrative expenses	[92.0]	<b>(22.7)</b>	(0.2)	(22.5)
Core net business profits	[88.0]	<b>19.3</b>	(1.5)	20.8
Net gains (losses) related to bonds		<b>0.0</b>	(0.0)	0.0
Net business profits before credit costs		<b>19.4</b>	(1.5)	20.9
Total credit costs	[21.0]	<b>(5.7)</b>	1.1	(6.9)
Net gains (losses) related to stocks		<b>(2.0)</b>	(1.4)	(0.6)
Ordinary profits	[66.0]	<b>10.9</b>	(2.3)	13.2
Net extraordinary gains (losses)		<b>(0.0)</b>	(0.0)	0.0
Income taxes		<b>(3.6)</b>	1.7	(5.3)
Net Income	[41.0]	<b>7.3</b>	(0.6)	7.9

## 〈Consolidated〉

### Net income:

-¥1.1Bn compared to FY07 1Q

## 〈Total of two banks〉

### Core net business profits:

-¥1.5Bn compared to FY07 1Q

・・・Decrease in gross business profits  
and increase in G&A expenses

### Ordinary profits:

-¥2.3Bn compared to FY07 1Q

・・・Losses related to stocks

### Net income:

-¥0.6Bn compared to FY07 1Q

・・・Decrease in income taxes-deferred

# Summary of Financial Results I - ②

<P/L : Non-Consolidated, each bank>

(JPY Bn)	〈Hokuriku Bank〉			〈Hokkaido Bank〉		
	FY2008 1Q	change	FY2007 1Q	FY2008 1Q	change	FY2007 1Q
Core gross business profits	23.2	(2.0)	25.2	18.9	0.7	18.2
Net interest income	18.5	(0.7)	19.3	14.2	(0.2)	14.4
Net fees & commissions	3.8	(1.2)	5.1	2.5	(0.5)	3.1
Net trading income	0.2	0.2	(0.0)	-	-	-
Net other income (excluding gains (losses) related to bonds)	0.5	(0.2)	0.7	2.1	1.5	0.6
General & administrative expenses	(12.9)	(0.0)	(12.9)	(9.8)	(0.1)	(9.6)
Core net business profits	10.2	(2.0)	12.3	9.0	0.5	8.5
Net gains (losses) related to bonds	0.2	0.1	0.0	(0.1)	(0.1)	0.0
Net business profits before credit costs	10.4	(1.8)	12.3	8.9	0.3	8.6
Total credit costs	(2.7)	0.7	(3.4)	(3.0)	0.4	(3.4)
Net gains (losses) related to stocks	(1.9)	(1.9)	(0.0)	(0.0)	0.5	(0.5)
Ordinary profits	5.4	(3.4)	8.9	5.4	1.1	4.3
Net extraordinary gains (losses)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0
Income taxes	(1.8)	1.7	(3.5)	(1.7)	0.0	(1.7)
Net Income	3.6	(1.7)	5.3	3.7	1.1	2.6

# Summary of Financial Results II-①

<B/S : Consolidated and Total of two Banks>

〈Total of two banks〉 (JPY Bn)	Jun-08	change	Jun-07
Loans	6,793.4	76.3	6,717.1
Loans to SMEs & individuals	4,824.1	(59.8)	4,884.0
Housing & consumer Loans	1,843.9	78.0	1,765.8
Deposits	8,548.3	84.8	8,463.4
Individual deposits	6,084.2	193.1	5,891.0
Total individual assets	6,958.7	191.0	6,767.7
Individual deposits (deposits in yen)	6,062.1	184.4	5,877.6
Investment products (for individuals)	896.6	6.6	890.0
Foreign currency deposits	22.0	8.7	13.3
Public bonds	320.9	(1.5)	322.5
Investment trusts	553.5	(0.5)	554.1
〈Total of two banks〉 (JPY Bn)	Jun-08	change	Mar-08
Balance of NPLs	263.2	2.5	260.7
NPL ratio	3.73%	0.09%	3.64%
〈Consolidated〉 (JPY Bn)	Jun-08	change	Mar-08
Valuation difference on available- for-sale securities	(8.2)	0.7	(9.0)

## 〈Total of two banks〉

### Loans:

**+¥76.3Bn compared to Jun-07**

・・・Mainly due to the increase of housing loans

### Deposits:

**+¥84.8Bn compared to Jun-07**

### Total individual assets:

**+¥191.0Bn compared to Jun-07**

・・・Mainly due to the increase of individual deposits

**Balance of NPLs: ¥263.2Bn**

**NPL ratio: 3.73%**

## 〈Consolidated〉

**Valuation difference on available-for-sale securities:  
-¥8.2Bn**

・・・No Sub-Prime loan related asset contained within our portfolio

# Summary of Financial Results II-②

<B/S : Non-Consolidated, each bank>

(JPY Bn)	〈Hokuriku Bank〉			〈Hokkaido Bank〉		
	Jun-08	change	Jun-07	Jun-08	change	Jun-07
Loans	4,131.0	29.5	4,101.4	2,662.4	46.7	2,615.6
Loans to SMEs & individuals	2,867.3	(62.4)	2,929.8	1,956.8	2.5	1,954.2
Housing & consumer Loans	934.0	60.1	873.9	909.8	17.9	891.9
Deposits	4,940.5	39.4	4,901.1	3,607.8	45.4	3,562.3
Individual deposits	3,384.2	99.2	3,284.9	2,699.9	93.8	2,606.1
Total individual assets	3,954.8	85.0	3,869.8	3,003.8	105.9	2,897.9
Individual deposits (deposits in yen)	3,367.7	92.5	3,275.2	2,694.3	91.8	2,602.4
Investment products (for individuals)	587.0	(7.5)	594.5	309.5	14.1	295.4
Foreign currency deposits	16.4	6.7	9.7	5.6	2.0	3.6
Public bonds	212.1	(13.4)	225.5	108.8	11.9	96.9
Investment trusts	358.4	(0.8)	359.3	195.0	0.2	194.8
	Jun-08	change	Mar-08	Jun-08	change	Mar-08
Balance of NPLs	165.9	2.3	163.5	97.3	0.1	97.2
NPL ratio	3.84%	0.12%	3.72%	3.56%	0.04%	3.52%
Valuation difference on available- for-sale securities	5.6	2.9	2.7	(4.0)	(2.3)	(1.7)

## 【Earnings Forecasts】

### 〈Consolidated〉

(JPY Bn)	Interim	Full year	Change from FY2007
Ordinary income	124.5	<b>250.0</b>	(11.2)
Ordinary profits	30.0	<b>65.0</b>	(1.3)
Net income	18.0	<b>38.5</b>	(0.1)

## 【Dividend Forecasts】

### 〈Non-consolidated〉

	Interim	Year-end	Annual	Change from FY2007
Dividend per common share	-	¥3.00	¥3.00	¥0.50
Dividend per preferred share (Type1)	¥3.85	¥3.85	¥7.70	-
Dividend per preferred share (Type4)	¥3.31	¥3.31	¥6.62	-
Dividend per preferred share (Type5)	¥7.50	¥7.50	¥15.00	-

### 〈Total of two banks〉

(JPY Bn)	Interim	Full year	Change from FY2007
Ordinary income	112.5	<b>228.0</b>	(9.6)
Core gross business profits	89.0	<b>180.0</b>	1.1
G&A expenses	(46.0)	<b>(92.0)</b>	(2.1)
Core net business profits	43.0	<b>88.0</b>	(0.9)
Total credit costs	(11.5)	<b>(21.0)</b>	3.7
Ordinary profits	31.0	<b>66.0</b>	(0.2)
Net income	19.5	<b>41.0</b>	0.8

### 〈Hokuriku bank〉

	Interim	Full year	Change from FY2007
Ordinary income	66.5	<b>134.0</b>	(7.5)
Core gross business profits	52.0	<b>105.0</b>	(0.6)
G&A expenses	(26.0)	<b>(52.0)</b>	(0.9)
Core net business profits	26.0	<b>53.0</b>	(1.5)
Total credit costs	(7.5)	<b>(15.0)</b>	4.6
Ordinary profits	18.5	<b>38.0</b>	1.3
Net income	11.0	<b>23.0</b>	0.7

### 〈Hokkaido bank〉

	Interim	Full year	Change from FY2007
Ordinary income	46.0	<b>94.0</b>	(2.0)
Core gross business profits	37.0	<b>75.0</b>	1.8
G&A expenses	(20.0)	<b>(40.0)</b>	(1.2)
Core net business profits	17.0	<b>35.0</b>	0.6
Total credit costs	(4.0)	<b>(6.0)</b>	(0.9)
Ordinary profits	12.5	<b>28.0</b>	(1.4)
Net income	8.5	<b>18.0</b>	0.2

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