

Investors Meeting

*~ Financial Results for Interim FY 2005 ~
(ended September 30, 2005)*

Hokuhoku Financial Group

December, 2005

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*Summary of Interim Results
for FY 2005*

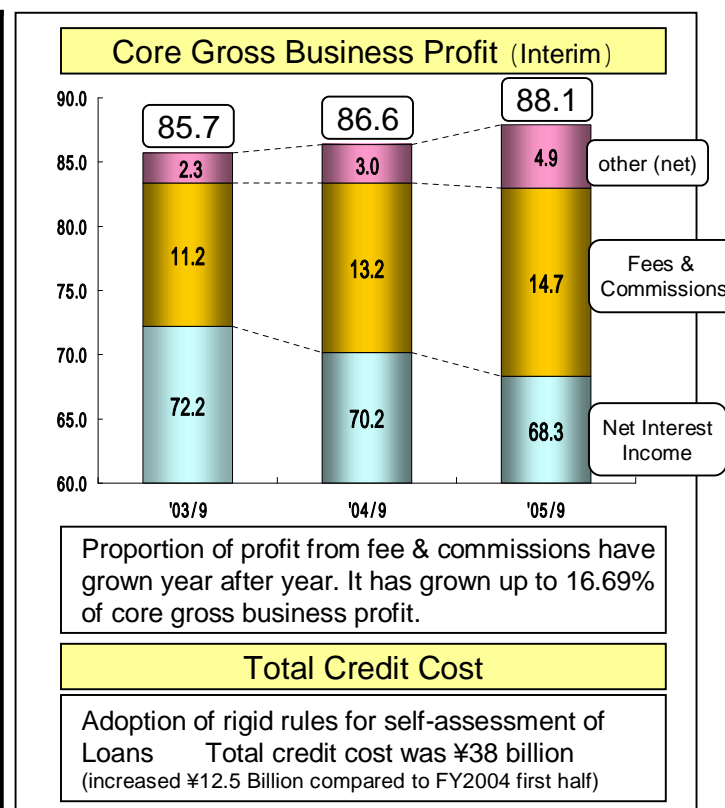
Summary of Interim Results

< P/L : Consolidated and Total of two banks >

(¥ Billion)

- Core Gross Business Profit (total of two banks): ¥88.1 Billion (+¥1.4 Billion compared to FY2004 first half)
- Core Business Profit (total of two banks): ¥43.3 Billion (Both banks recorded the highest profit ever)
- Net Income (total of two banks): ¥7.3 Billion (slightly decreased from FY2004 first half)

| (¥ Billion) | FG Consolidated ('05/9) (note 6) | Total of two banks ('05/9) (a) (note 7) | | |
|---|----------------------------------|---|-------------|--------------|
| | | | ('04/9) | (a-b) |
| Core Gross Business Profit | 91.0 | 88.1 | 86.6 | 1.4 |
| Net Interest Income | 68.1 | 68.3 | 70.2 | (1.9) |
| Fees and Commissions | 16.0 | 14.7 | 13.2 | 1.4 |
| Net Trading Income | 0.6 | 0.6 | 1.2 | (0.5) |
| Other Income (net)(note 1) | 6.1 | 4.3 | 1.8 | 2.4 |
| Expenses (note 2) | (45.9) | (44.7) | (44.9) | 0.2 |
| Core Business Profit (note 3) | 45.0 | 43.3 | 41.6 | 1.7 |
| Net Business Profit (note 4) | 46.2 | 44.6 | 41.8 | 2.8 |
| Total Credit Cost (note 5) | (39.3) | (38.0) | (25.4) | (12.5) |
| Gains/losses Related to Stocks | 5.1 | 5.7 | 1.2 | 4.5 |
| Ordinary Income | 10.9 | 12.5 | 18.4 | (5.8) |
| Extraordinary Gains/losses | (1.8) | (1.6) | (0.9) | (0.6) |
| Income Taxes (including Taxes-deferred) | (3.1) | (3.6) | (9.8) | 6.2 |
| Net Income | 5.8 | 7.3 | 7.5 | (0.2) |



(Note 1) Excludes gains/losses on bonds

(Note 2) Excludes disposal of non-performing loans.

(Note 3) Core business profit = Net business profit (excluding provision for general reserve for possible loan losses) – gains/losses on bonds

(Note 4) Excludes provision for general reserve for possible loan losses.

(Note 5) Includes transfer to general reserve for possible loan losses.

(Note 6) Hokuhoku FG (consolidated) refers to the total of Hokuhoku Financial Group, Hokuriku Bank, Hokkaido Bank, 12 subsidiaries and 2 associated companies.

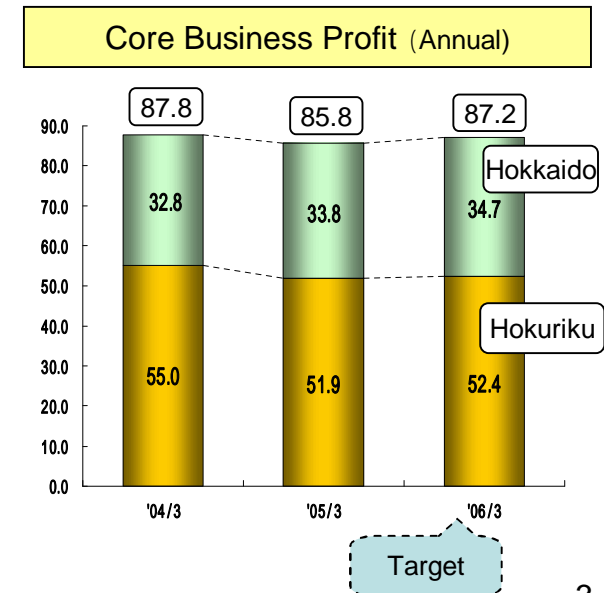
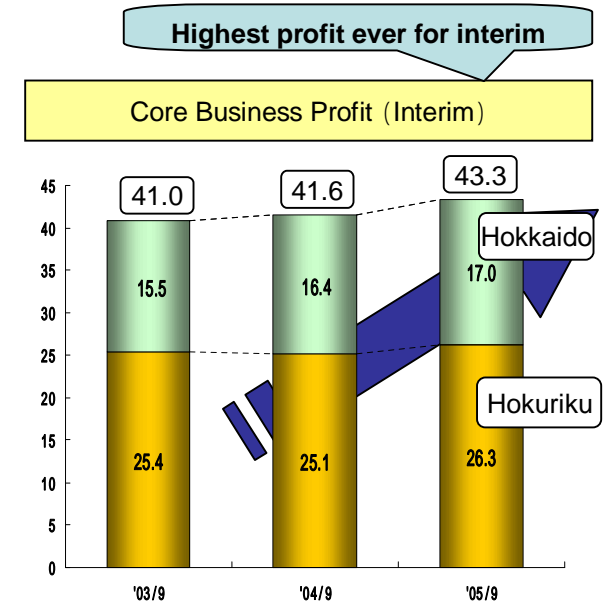
(Note 7) Total of two banks = Hokuriku Bank (non-consolidated) + Hokkaido Bank (non-consolidated) + Hokuin Corporate.

Summary of Interim Results

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

(¥ Billion)

| (¥ Billion) | Hokuriku Bank ('05/9) a | | | Hokkaido Bank ('05/9) c | | |
|---|-------------------------|-------------|--------------|-------------------------|-------------|--------------|
| | | '04/9 b | a-b | | '04/9 d | c-d |
| Core Gross Business Profit | 51.9 | 51.1 | 0.8 | 36.1 | 35.4 | 0.6 |
| Net Interest Income | 39.1 | 40.9 | (1.8) | 29.2 | 29.3 | (0.0) |
| Fees and Commissions | 8.8 | 7.7 | 1.0 | 5.9 | 5.5 | 0.4 |
| Net Trading Income | 0.6 | 1.2 | (0.5) | - | - | - |
| Other Income (net) | 3.4 | 1.1 | 2.2 | 0.8 | 0.6 | 0.2 |
| Expenses | (25.6) | (25.9) | 0.3 | (19.0) | (19.0) | 0.0 |
| Core Business Profit | 26.3 | 25.1 | 1.1 | 17.0 | 16.4 | 0.5 |
| Net Business Profit | 26.5 | 25.4 | 1.1 | 18.1 | 16.4 | 1.6 |
| Total Credit Cost | (25.3) | (16.9) | (8.4) | (12.7) | (8.5) | (4.1) |
| Gains/losses Related to Stocks | 4.7 | 0.8 | 3.9 | 1.0 | 0.4 | 0.6 |
| Ordinary Income | 5.9 | 10.1 | (4.1) | 6.6 | 8.2 | (1.6) |
| Extraordinary Gains/losses | (0.8) | (0.9) | 0.1 | (0.7) | 0.0 | (0.8) |
| Income Taxes (including Taxes-deferred) | (1.1) | (6.0) | 4.9 | (2.4) | (3.7) | 1.2 |
| Net Income | 3.9 | 3.0 | 0.9 | 3.3 | 4.5 | (1.2) |



(note) Hokuriku Bank includes Hokugin Corporate

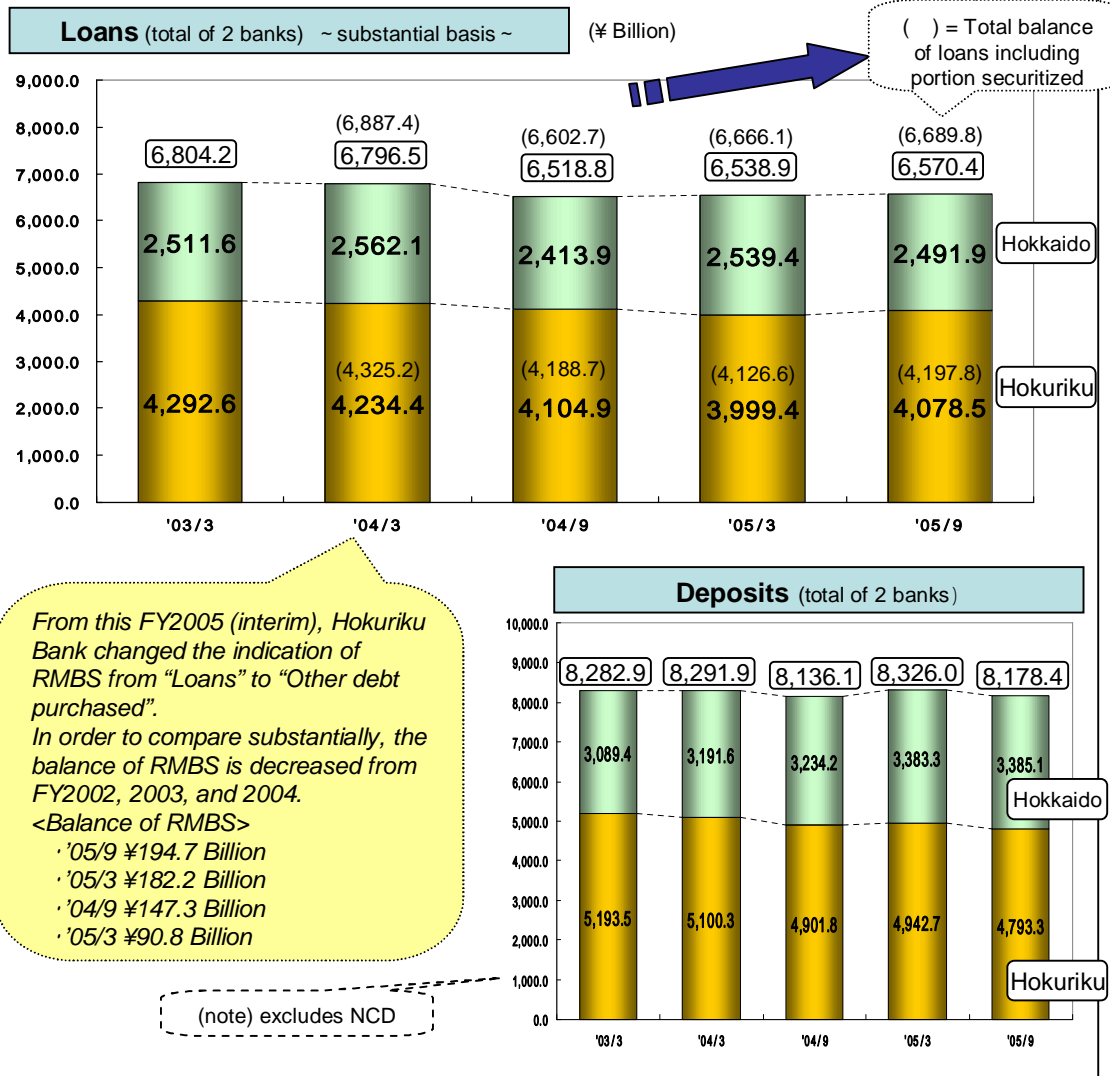
Summary of Interim Results

< B/S: Each bank >

- **Loans** (Total of two banks)・・・ + ¥31.5 Billion (compared to the balance of FY 2004 ended March 31, 2005)
- **Deposits** (Total of two banks)・・・ - ¥ 147.5 Billion (compared to the balance of FY 2004 ended March 31, 2005)

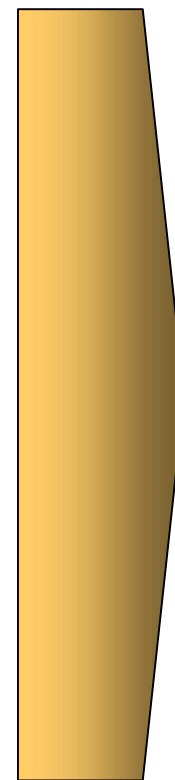
| (¥ Billion) | Hokuriku ('05/9) | Hokkaido ('05/9) |
|---|------------------|------------------|
| Assets | 5,566.2 | 3,763.2 |
| Cash & Due from Banks | 148.9 | 286.9 |
| Other Debt Purchased | 215.2 | 0.0 |
| Loans & Bills Discounted | 4,078.5 | 2,491.9 |
| Securities | 853.4 | 881.8 |
| Deferred Tax Assets | 77.9 | 43.5 |
| Liabilities | 5,368.2 | 3,629.5 |
| Deposits | 4,790.1 | 3,385.1 |
| NCD | 68.8 | 32.9 |
| Stockholders' Equity | 198.0 | 133.6 |
| Capital Stocks | 140.4 | 93.5 |
| Capital Surplus | 14.9 | 16.7 |
| Retained Earnings | 24.9 | 13.5 |
| Net Unrealized gains on available-for-sale securities | 17.6 | 9.8 |

(note) Hokuriku bank=consolidated base with Hokuigin Corporate



Financial Target ~ Plan for Sound Management ~

| (Total of two banks) +Hokugin Corporate | Results | | Projection and Target | |
|---|---------|--------|-----------------------|--------|
| | '04/9 | '05/9 | '06/3 | '08/3 |
| Gross Business Profit | 86.8 | 89.3 | 176.7 | 187.9 |
| Expenses | 44.9 | 44.7 | 88.7 | 87.3 |
| OHR (Expenses/Gross Business Profit) | 51.80% | 50.18% | 50.19% | 46.48% |
| Net Business Profit (excluding provision for general reserve for possible loan losses) | 41.8 | 44.6 | 88.0 | 100.5 |
| Core Business Profit | 41.6 | 43.3 | 87.2 | 98.9 |
| Total Credit Cost | 25.4 | 38.0 | 39.0 | 31.0 |
| Ordinary Income | 18.4 | 12.5 | 47.6 | 67.3 |
| Net Income | 7.5 | 7.3 | 25.9 | 42.1 |
| Balance of Retained Earnings (including Hokuhoku FG) | 40.3 | 48.4 | 64.7 | 129.9 |
| Capital Ratio (consolidated) | 8.00% | 8.78% | 8.12% | 9.18% |
| Tier1 Ratio | 6.01% | 6.19% | 6.34% | 7.57% |



2008/3: Target
Disclosed Claims Ratio
 Reduce the Proportion of Non-performing Loans up to 5.99%

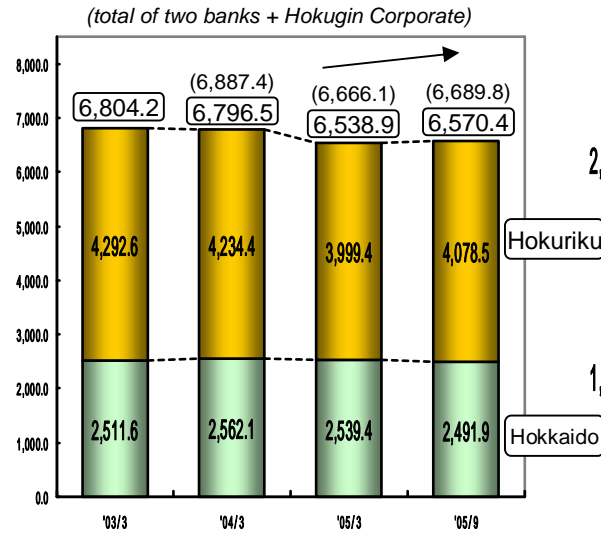
2008/3: Target
 Reduce the Proportion of Deferred Tax Assets
 as Tier 1 Capital to 20%

***Operating Performance
for Interim FY 2005***

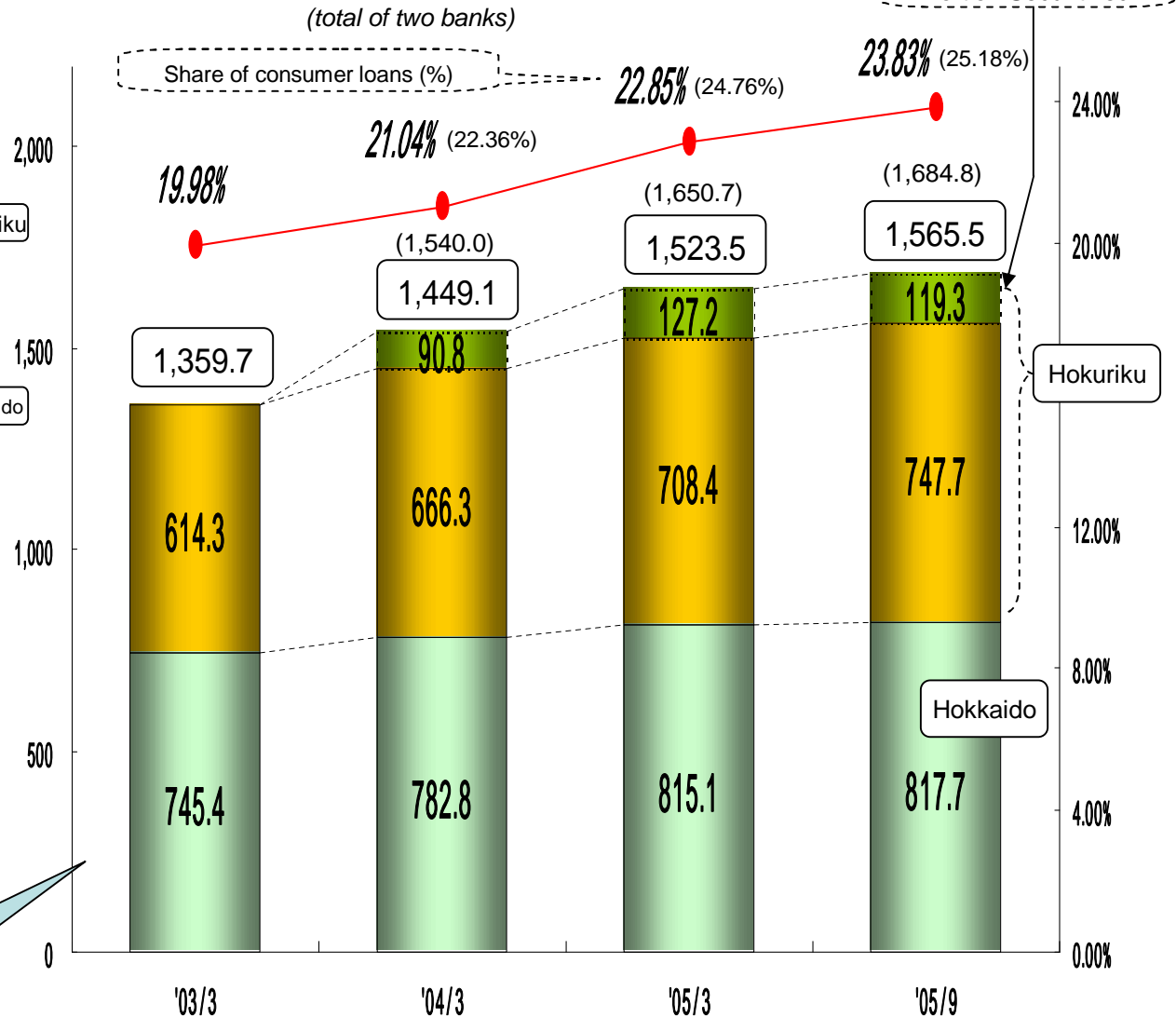
Growth of Consumer Loans

(¥ Billion)

Loans (term-ended balance) ~ substantial base ~



Consumer Loans (term-ended balance)



From this FY2005 (interim), Hokuriku Bank changed the indication of RMBS from "Loans" to "Other debt purchased". In order to compare substantially, the balance of RMBS is decreased from FY2002, 2003, and 2004.

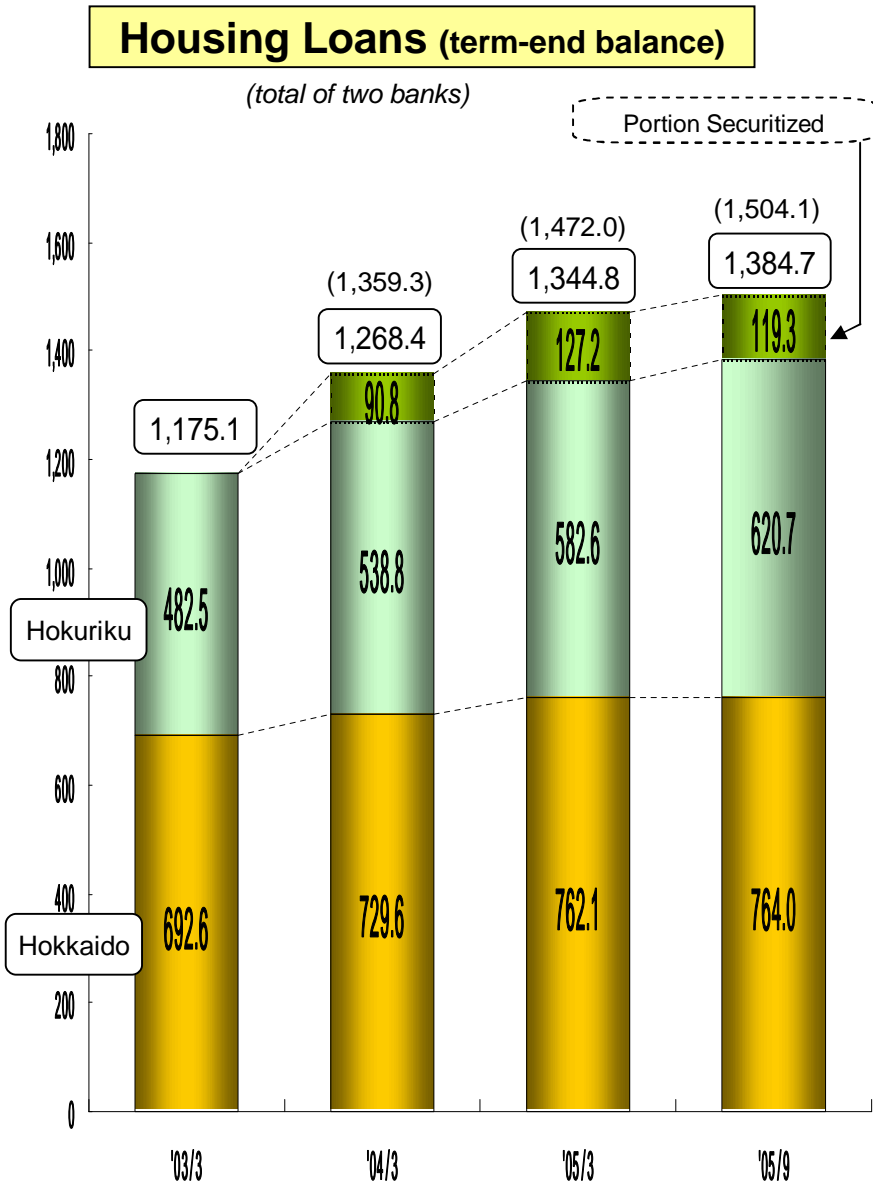
+ ¥325.1 Billion compared to '03/3

(note) () = Total Balance of Consumer Loans including Portion Securitized

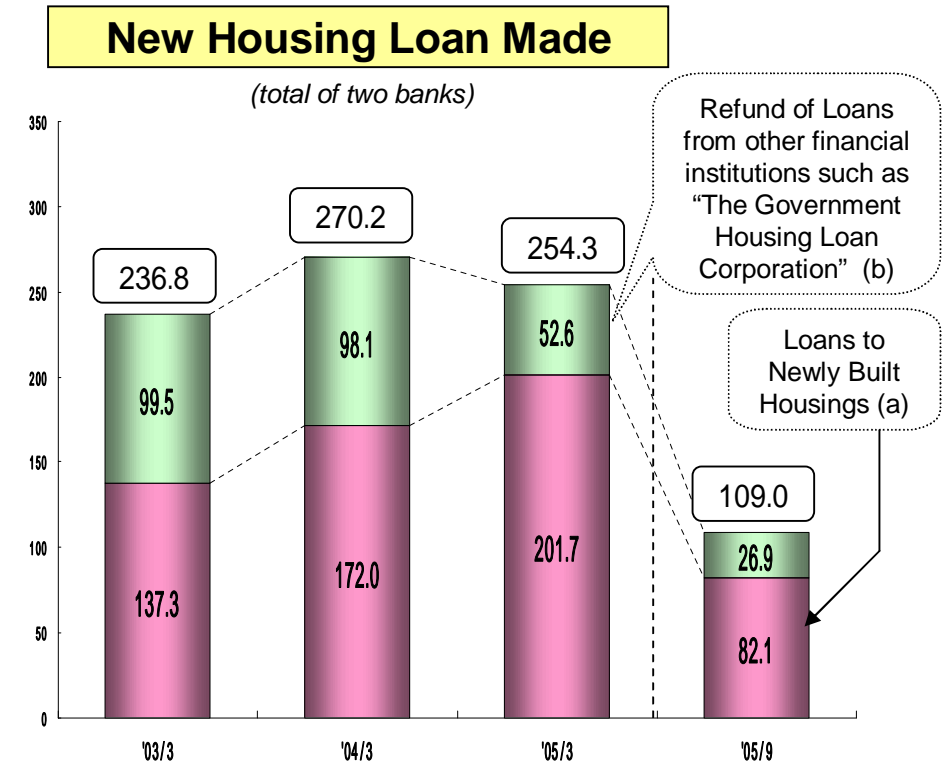
(note) share of consumer loans = (consumer loans + portion securitized) / (loans and Bills discounted + portion securitized)

Growth of Consumer Loans

(¥ Billion)



(note) ()=Total Balance of Consumer Loans including Portion Securitized



Loans to Newly Built Housings Increasing year after year

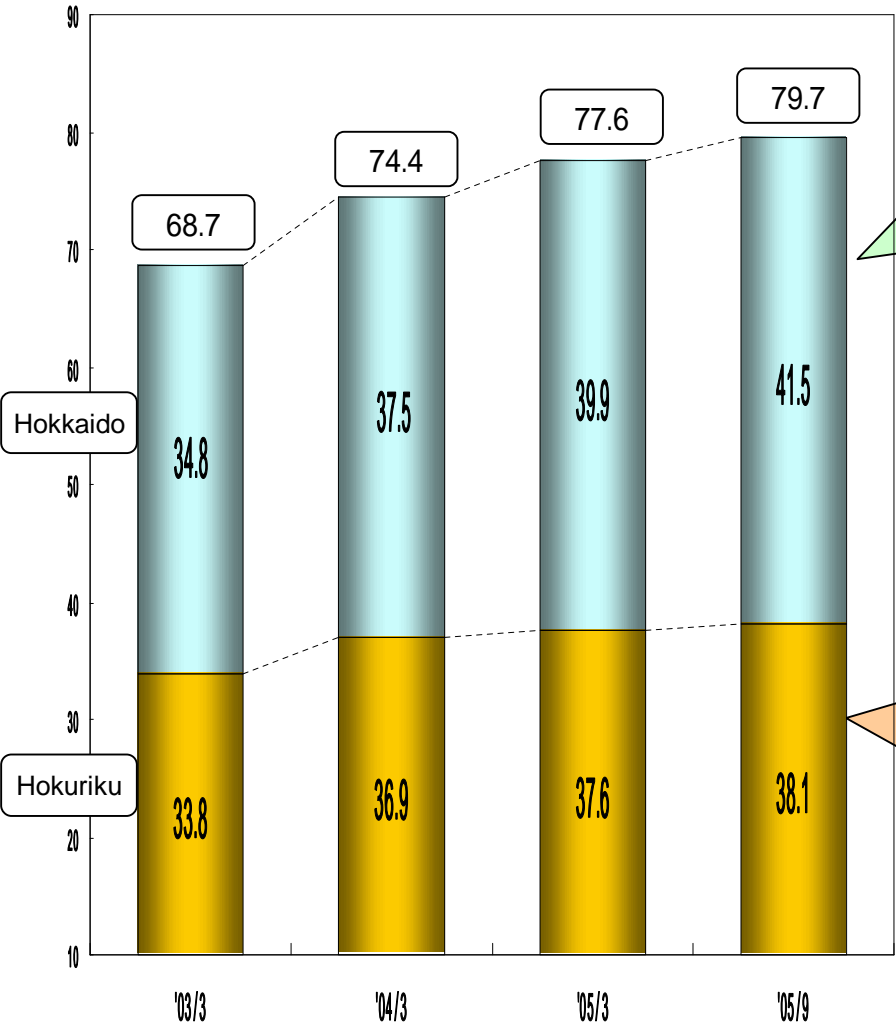
| | | '03/3 | '04/3 | '05/3 | '05/9 |
|----------|---|-------|-------|-------|-------------|
| Hokuriku | a | 76.7 | 107.3 | 122.2 | 53.9 |
| | b | 55.5 | 57.5 | 28.1 | 16.3 |
| Hokkaido | a | 60.5 | 64.6 | 79.4 | 28.1 |
| | b | 44.0 | 40.5 | 24.4 | 10.5 |

Growth of Consumer Loans

(¥ Billion)

Card Loans (term-ended balance)

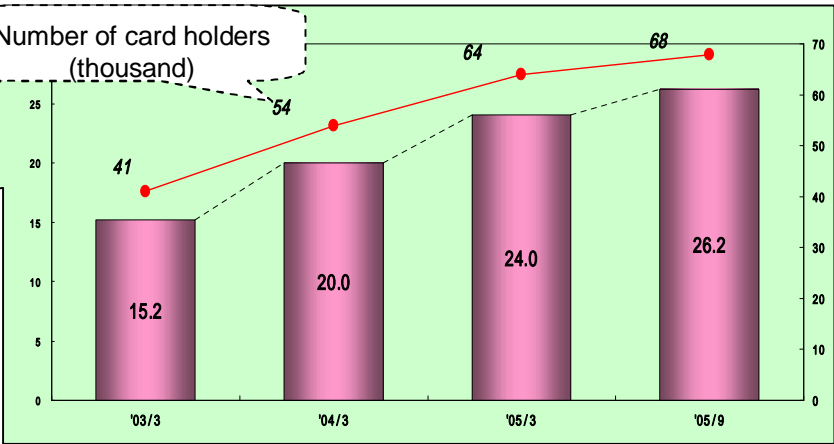
(total of two banks)



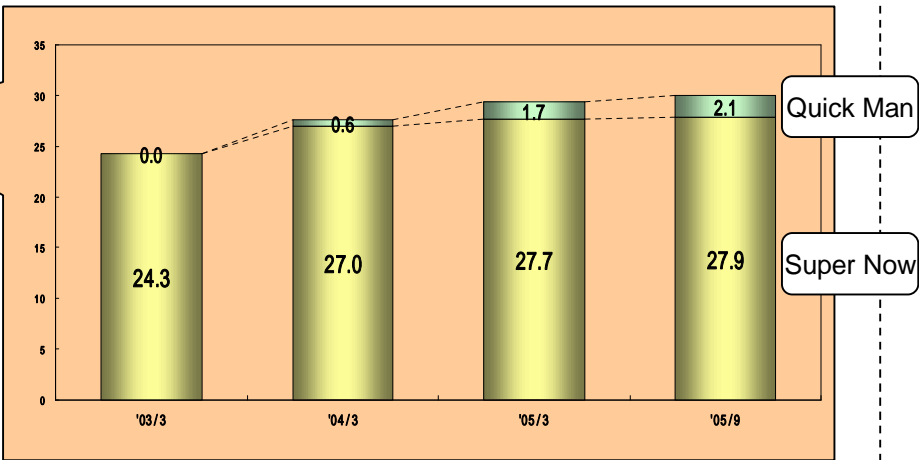
Balance of Main Card Loan Products (term-ended balance)

Hokkaido Bank: Balance of "RAPID"

Number of card holders (thousand)



Hokuriku Bank: Balance of "SUPER NOW" & "QUICK MAN"

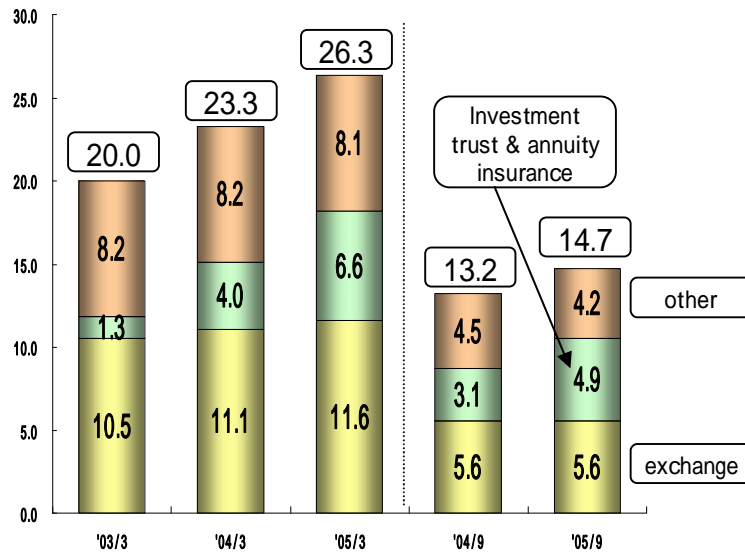


Rapid Increase in Fee-based Business

(¥ Billion)

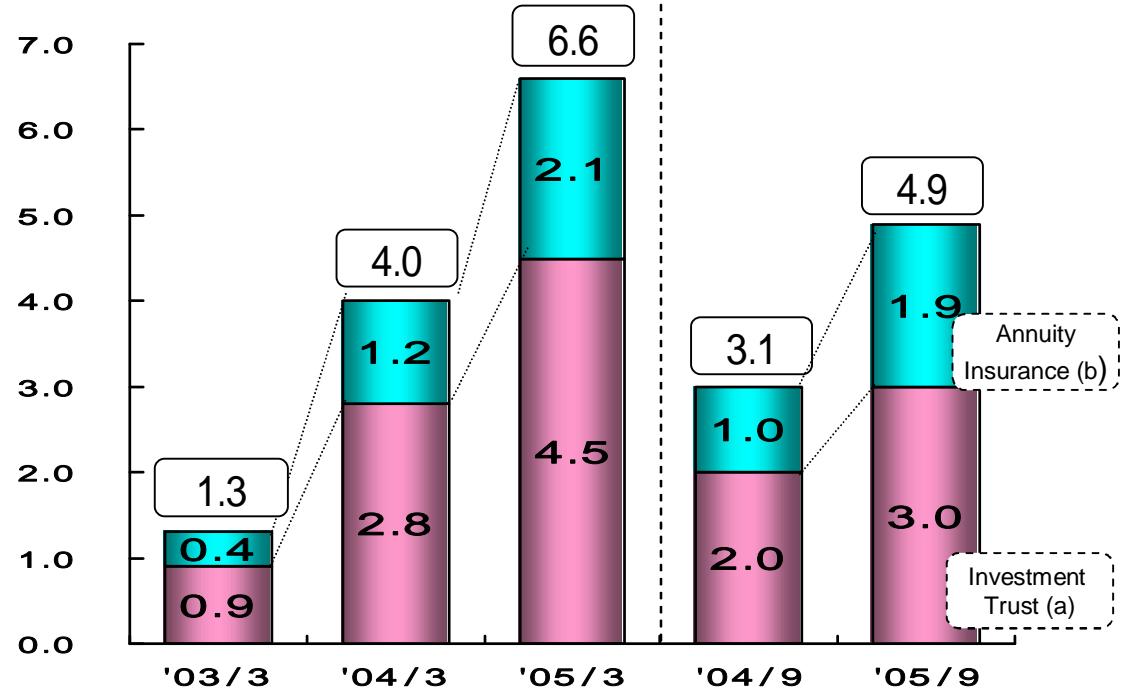
Fees & Commissions (total)

(total of two banks)



Fee Income from Investment Trust & Annuity Insurance

(total of two banks)



Fee income from exchange is also increasing

Rapid increase in fee income from investment trust and annuity insurance

| | | 03/3 | 04/3 | 04/9 | 05/3 | 05/9 |
|---------------|-------|------|------|------|------|------|
| Hokuriku Bank | a | 0.3 | 2.0 | 1.4 | 3.2 | 2.0 |
| | b | 0.3 | 0.8 | 0.8 | 1.5 | 1.4 |
| | Total | 0.7 | 2.8 | 2.2 | 4.7 | 3.5 |
| Hokkaido Bank | a | 0.5 | 0.8 | 0.5 | 1.2 | 0.9 |
| | b | 0.1 | 0.3 | 0.2 | 0.6 | 0.4 |
| | Total | 0.6 | 1.1 | 0.8 | 1.8 | 1.3 |

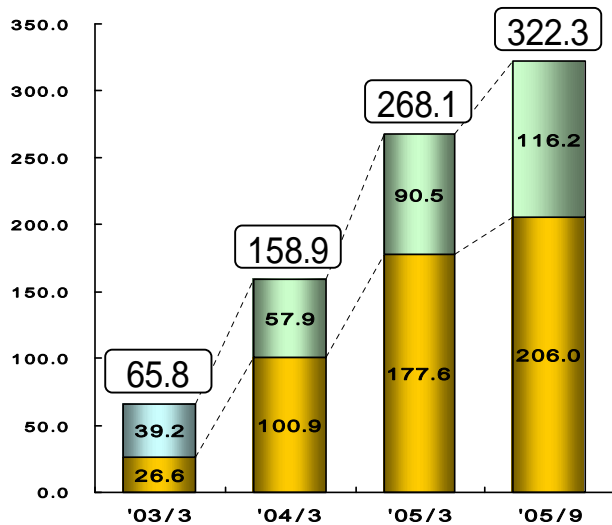
Rapid Increase in Fee-based Business

~ Balance of Non-deposit Products (Individual) ~ (total of two banks)

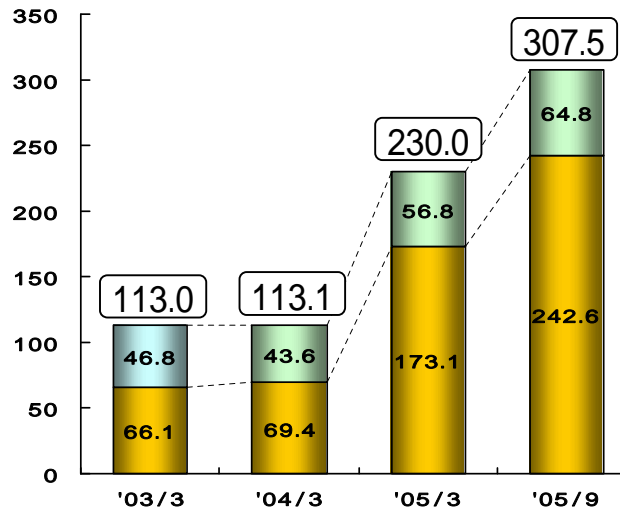
Upper: Hokkaido Bank, Lower: Hokuriku Bank

(¥ Billion)

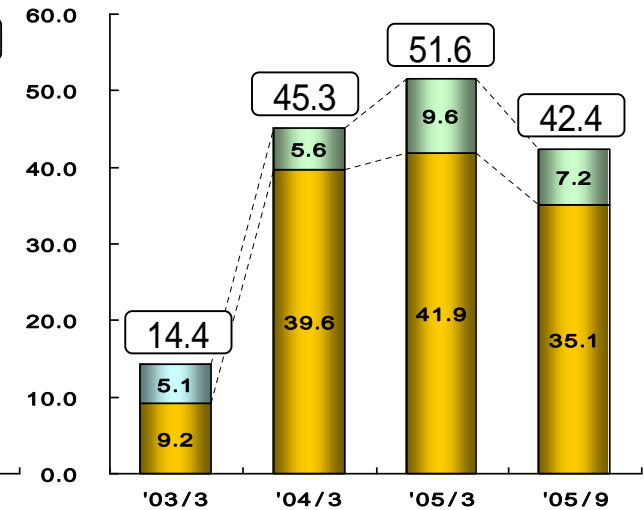
Balance of Investment Trust



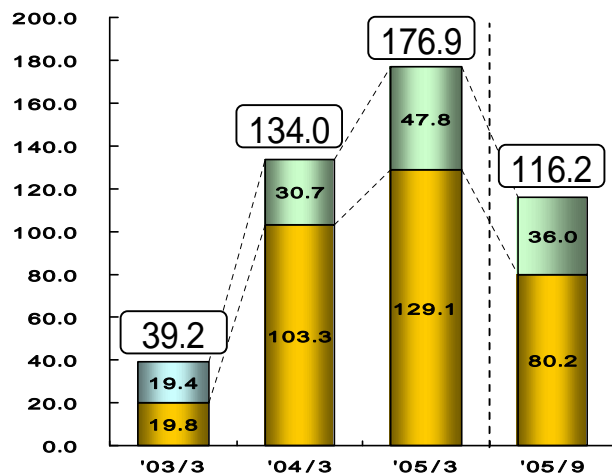
Balance of Public Bonds



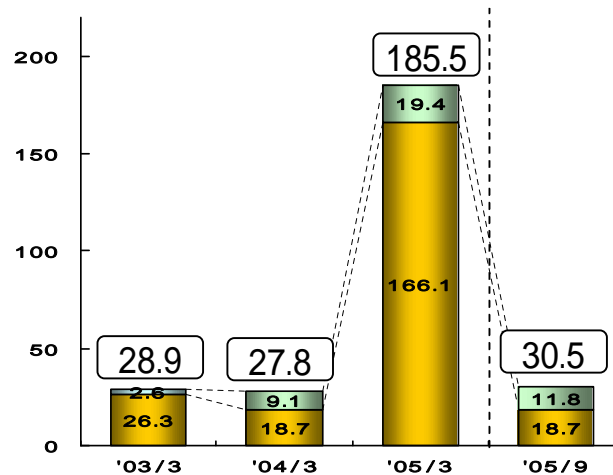
Balance of Foreign Currency Deposit



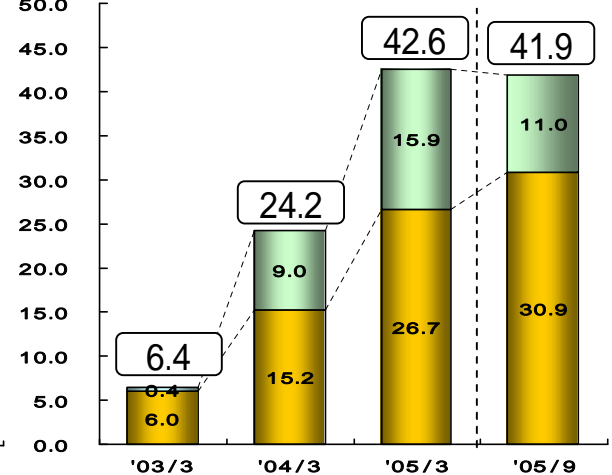
Sales Amount of Investment Trust



Sales Amount of Public Bonds



Sales Amount of Annuity Insurance

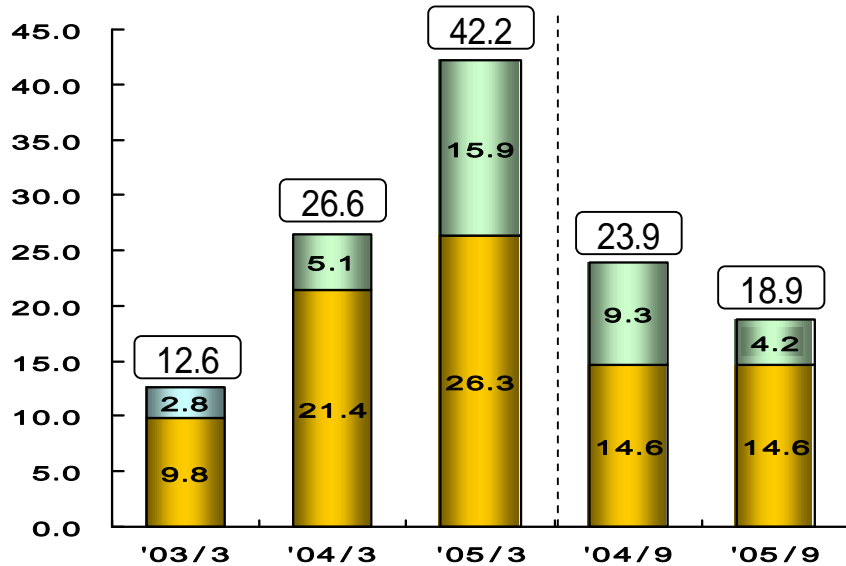


Rapid Increase in Fee-based Business

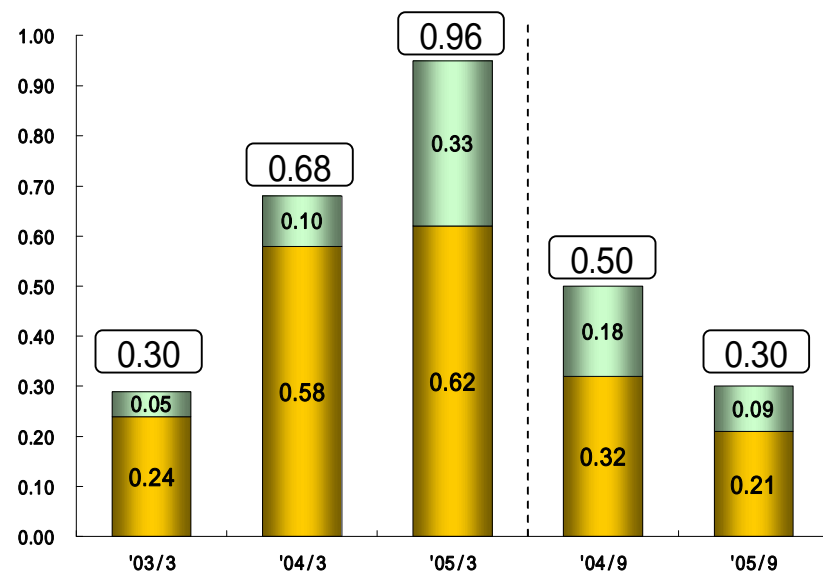
(total of two banks)

¥ Billion

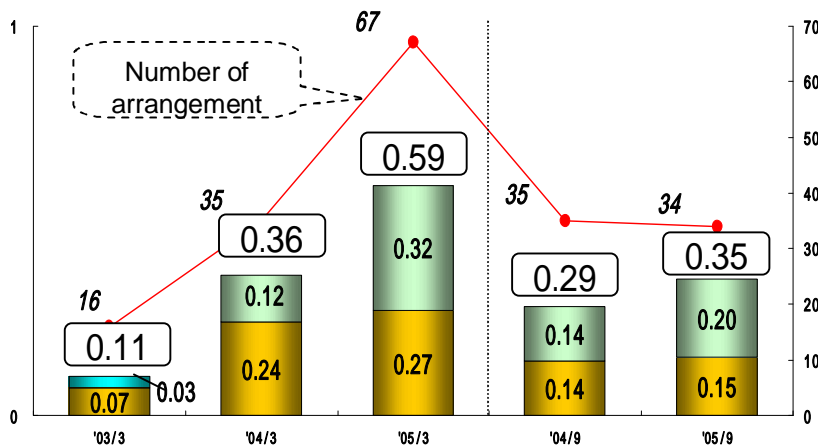
Private Placement Bonds (Sales Amount)



Fees from underwriting Private Placement Bonds



Syndicated Loans (Fees of arrangement)

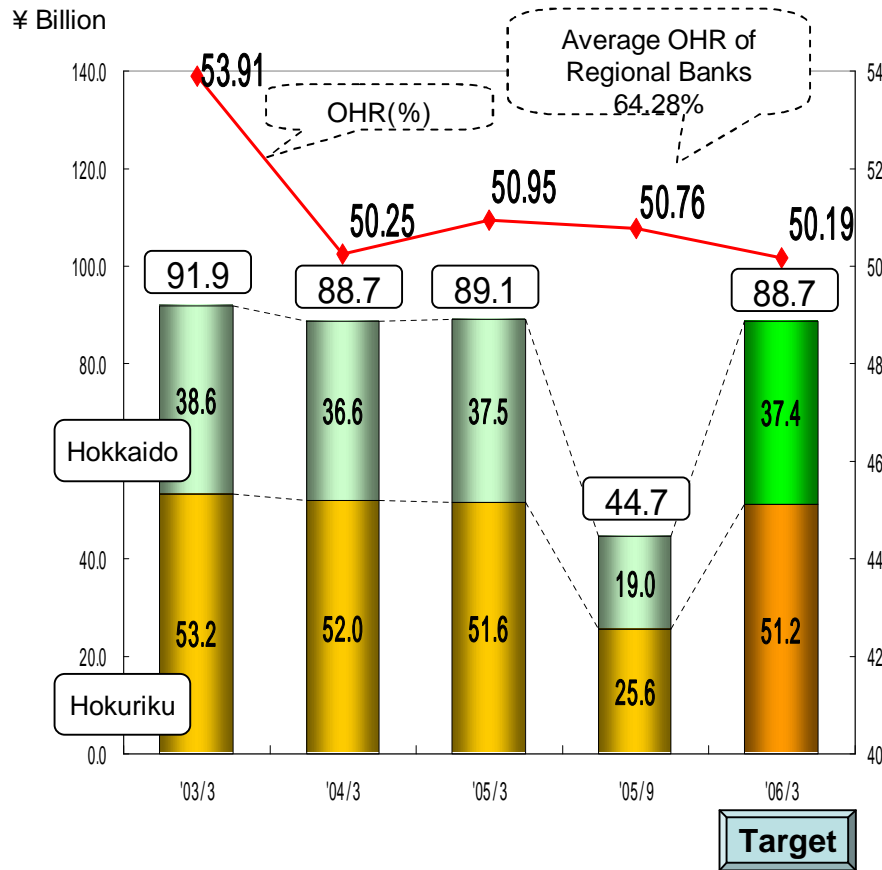


Upper: Hokkaido Bank, Lower: Hokuriku Bank

Increasing income by expanding profitable resources such as syndicated loans and private placement bonds sales

Increasing Management Efficiency

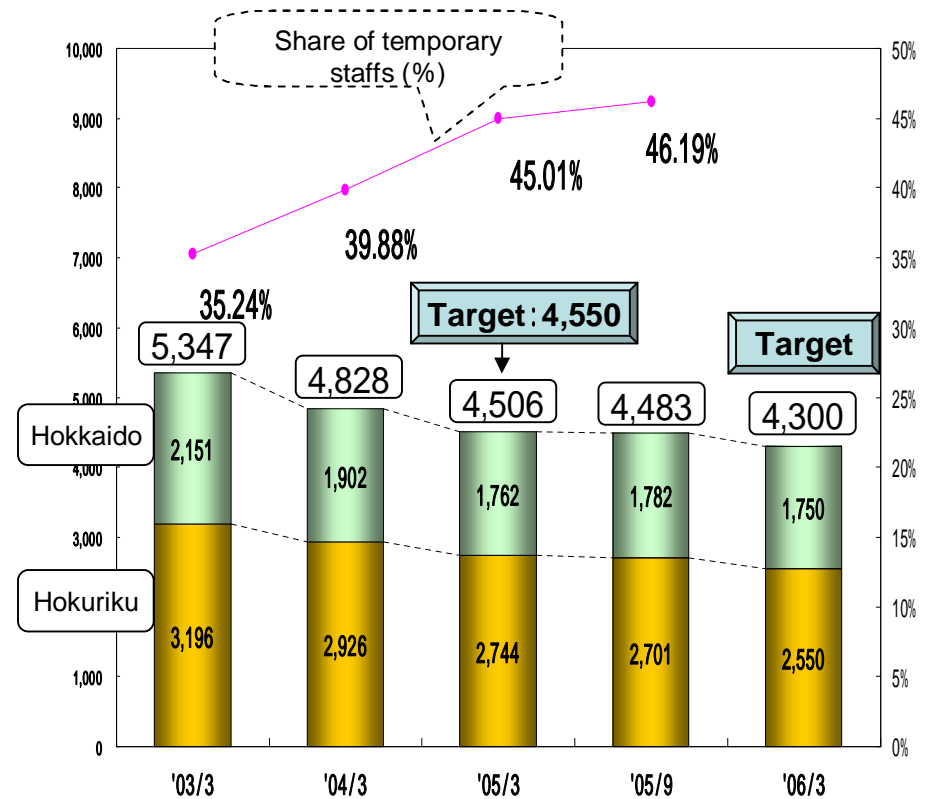
Expenses and Overhead Ratio



Overhead Ratio decreased to 50.76% which is more than 13% below the average OHR of regional banks

OHR = (Expenses / Core Gross Business Profit) × 100 (Target: Gross Business Profit Basis)

Number of Employees



Establishing and enhancing further "Low-cost Operation"

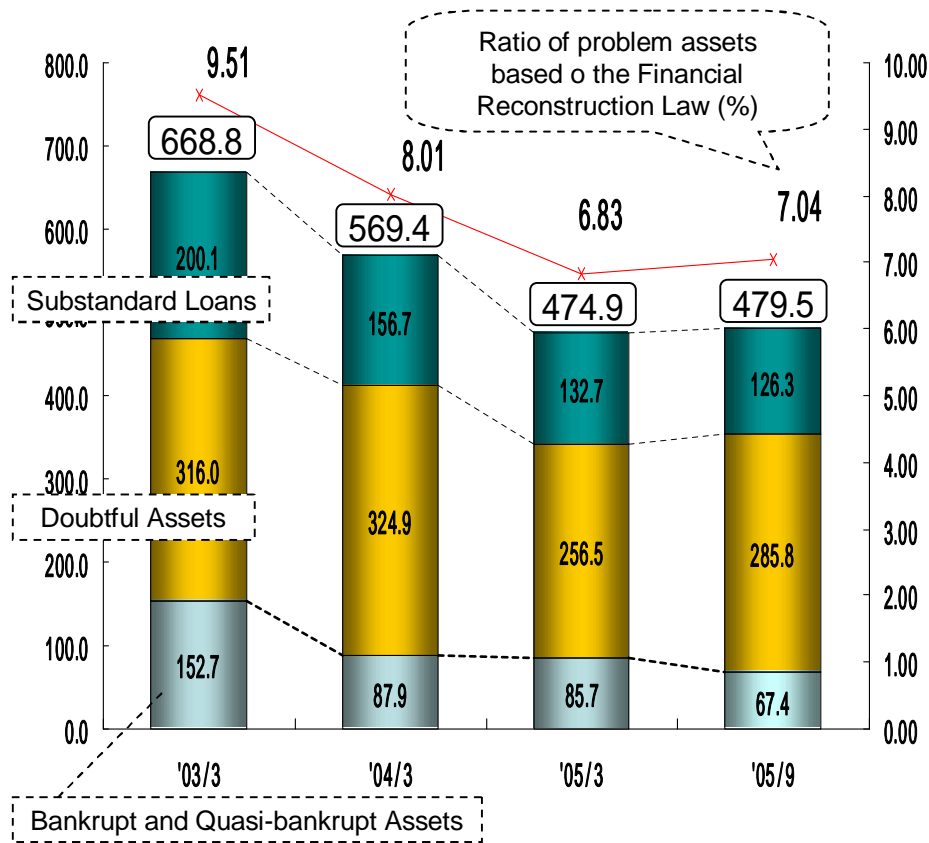
(Note) Share of temporary staffs = (number of temporary staffs + part-time employees) / (number of employees + temporary staffs + part time employees)

Strengthening Balance Sheet

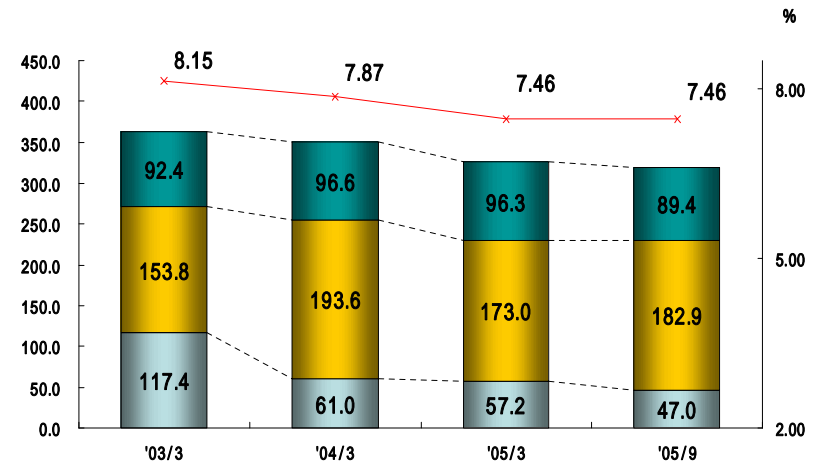
Disclosed Claims under the Financial Reconstruction Law

¥ Billion

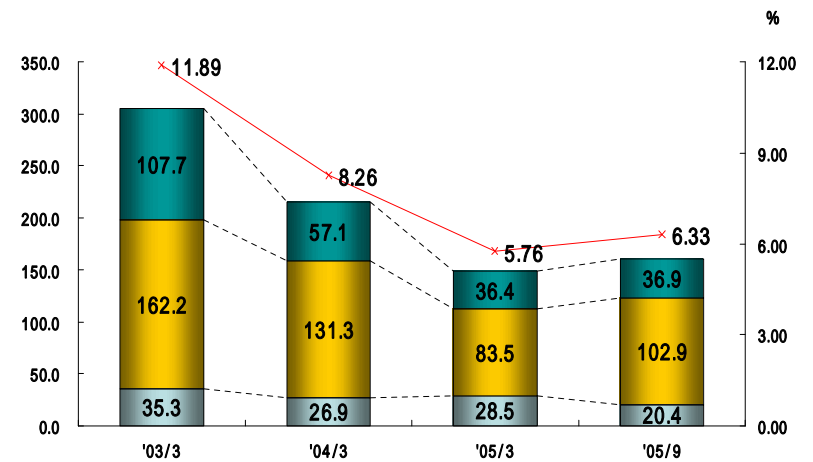
Total of Two Banks + Hokugin Corporate



Hokuriku Bank (+Hokugin Corporate)



Hokkaido Bank (non-consolidated)

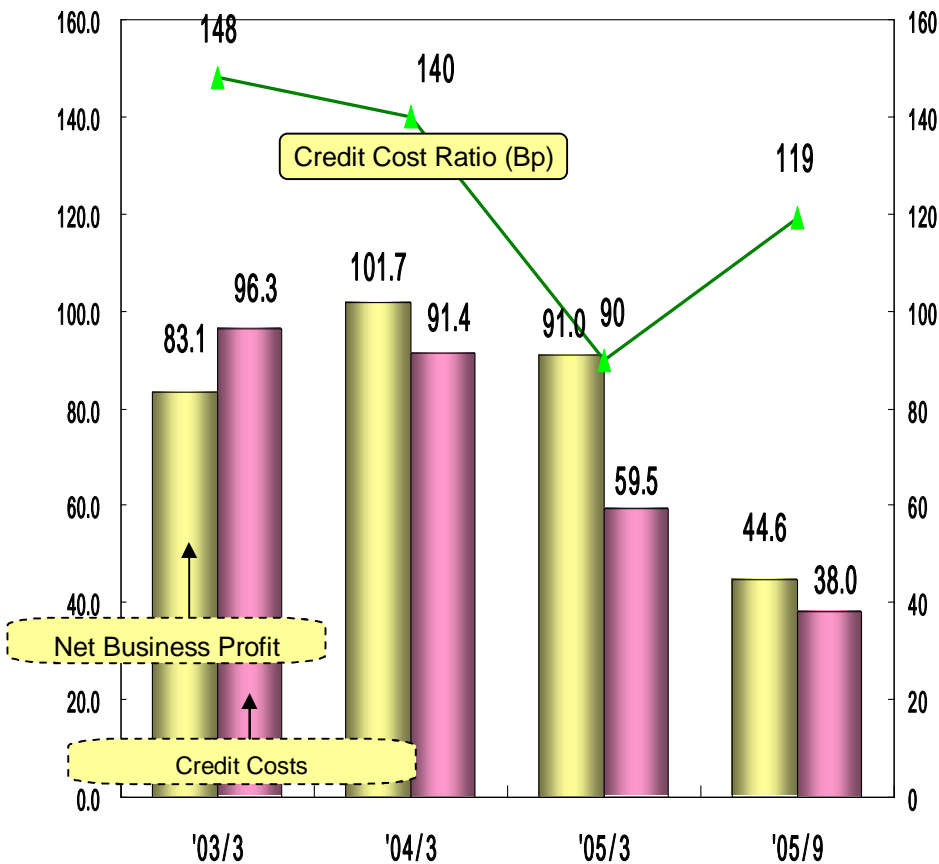


Target (by March 2008)
Reduce the Proportion of Non-Performing Loans up to 5.99%

Credit Costs less than Net Business Profit

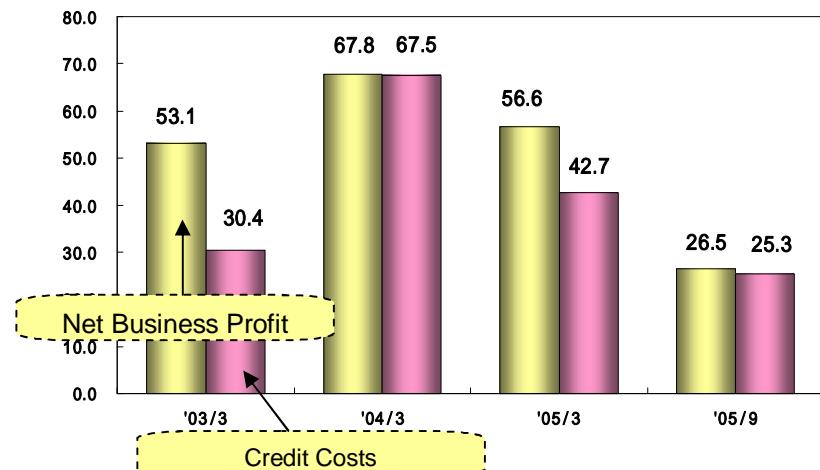
¥ Billion

Total of Two Banks (+ Hokugin Corporate)

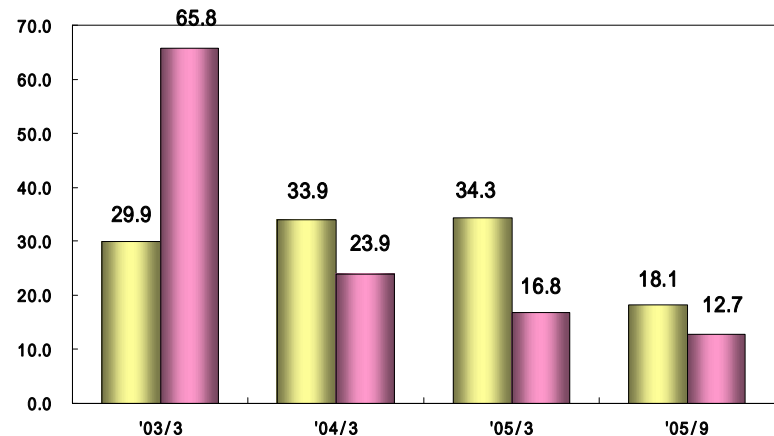


Adoption of Rigid Rule for Self-Assessment Resulted in Higher Credit Cost Ratio. Credit Cost Ratio will decline from next FY.

Hokuriku Bank (+ Hokugin Corporate)



Hokkaido Bank (non-consolidated)



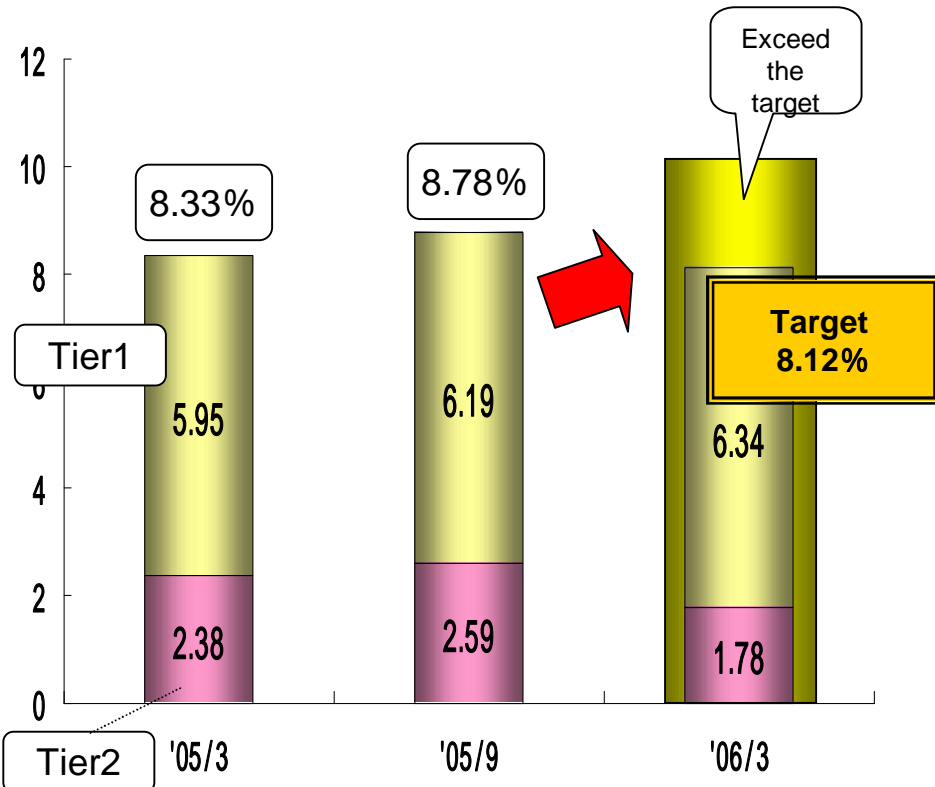
(note) Credit Costs Ratio = Credit costs (including transfer to general reserve for possible loan losses) / Average loans and bills discounted

(note) Net Business Profit = excluding provision for general reserve for possible loan losses

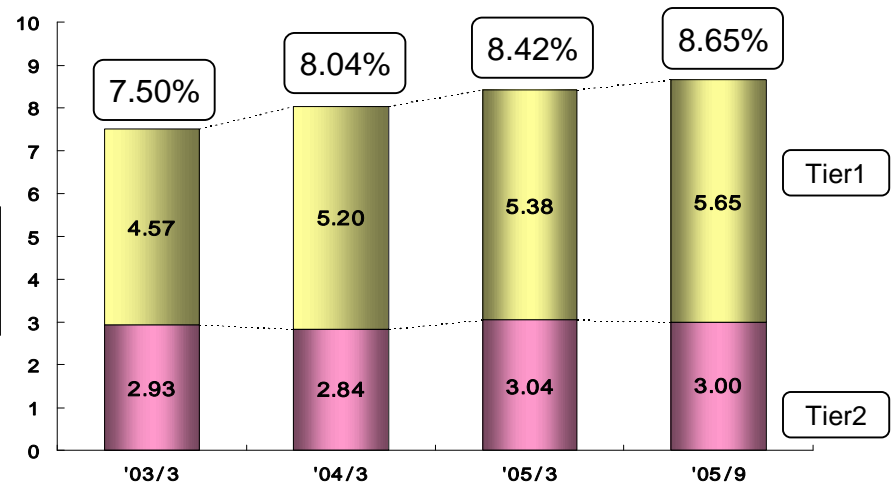
Capital Ratio and Tier 1 Ratio

(%)

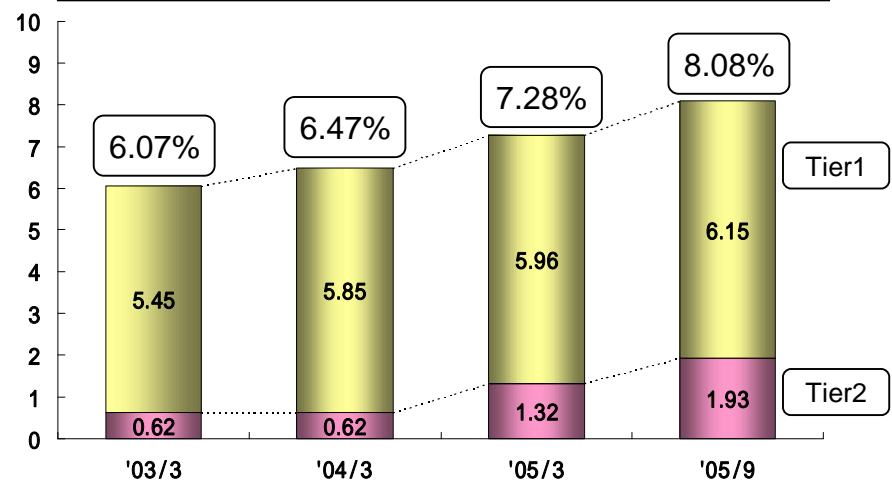
Hokuhoku FG (consolidated)



Hokuriku Bank (non-consolidated)



Hokkaido Bank (non-consolidated)

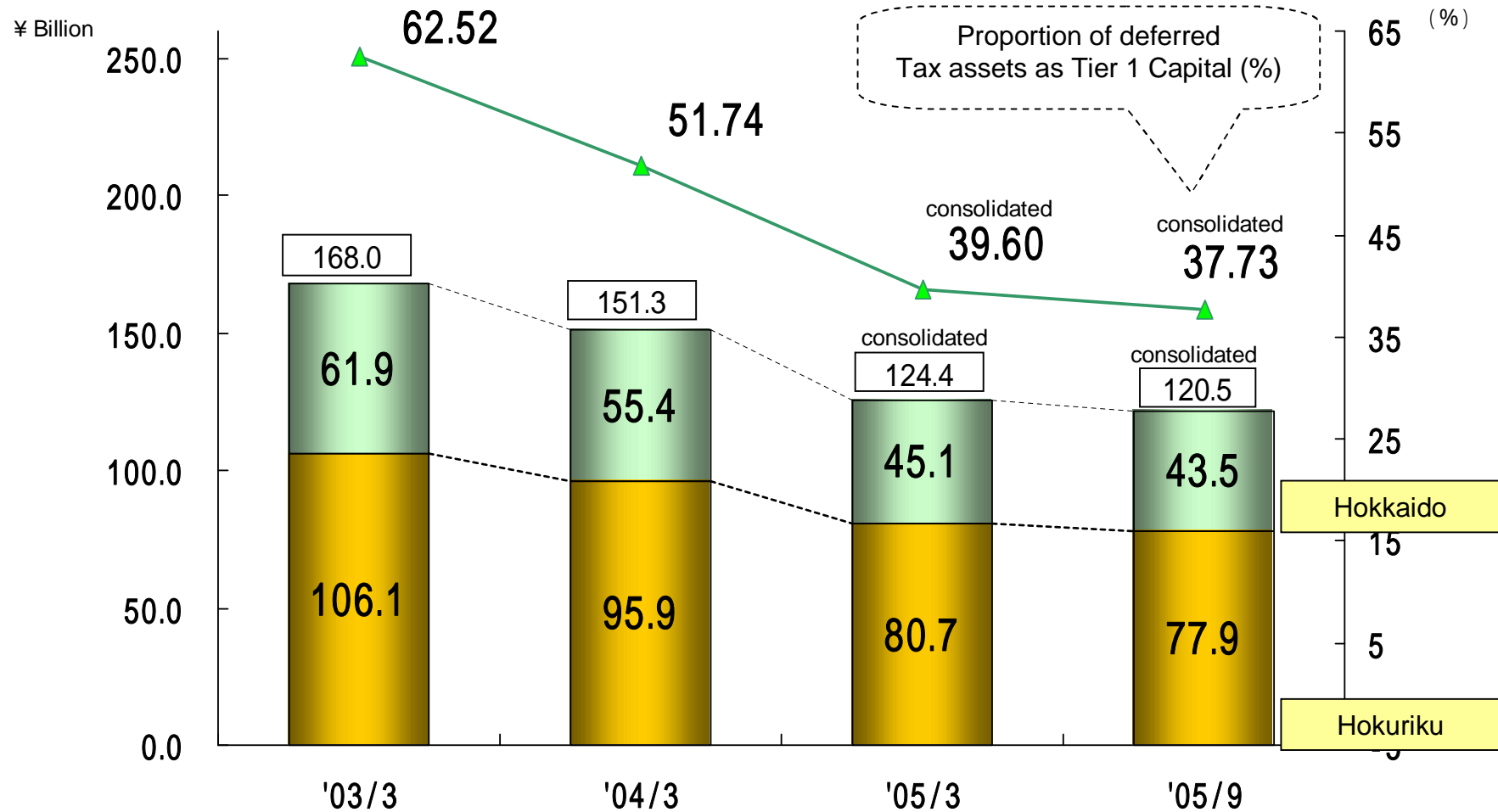


Sep. 2005 Repayment of Perpetual Subordinated Loans: ¥10.0 Billion

- ◆ March 2005 Issuing Subordinated Bonds: ¥20.0 Bn
- ◆ Sep. 2005 Issuing Subordinated Bonds: ¥20.0 Bn

Deferred Tax Assets ~ Total of Two Banks/Consolidated

●Target (by March 2008): Reduce the Proportion of Deferred Tax Assets as Tier 1 Capital to 20%

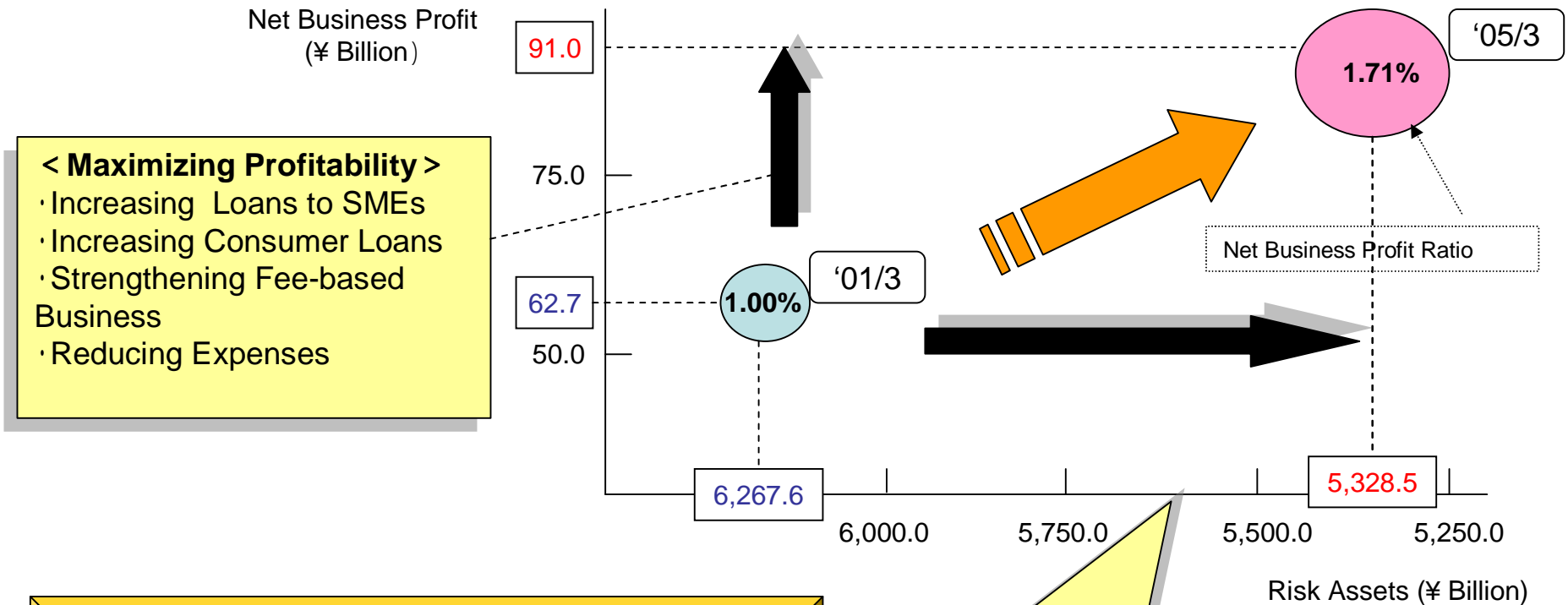


(note) Total sum of 05/3 and 05/9 are indicated by Hokuhoku FG consolidated basis.

Business Strategy

Strengthening Retail Banking

Risk Assets and Net Business Profit -Total of Two Banks-



< Maximizing Profitability >

- Increasing Loans to SMEs
- Increasing Consumer Loans
- Strengthening Fee-based Business
- Reducing Expenses

Continue to Focus on Retail Banking

< Minimizing Risk Assets >

- Changing Loan Portfolio
(Shifting to Low Risk Weight Assets)
- Reducing Equity Securities Held
- Disposing Non-performing Loans

Net Business profit Ratio = Net Business Profit ÷ Average Balance of Risk Assets of two periods

Effects from Integration

Effects from Branch Restructuring in Hokkaido

| (Number of Branches) | | '04/3 | '05/3 | '05/9 |
|----------------------|------------------------|-------|-------|-------|
| Hokuriku | Branches | 22 | 20 | 19 |
| | Integration (Scrapped) | | -1 | -1 |
| | Changed to Loan Center | | -1 | |
| Hokkaido | Branches | 126 | 125 | 123 |
| | Integration (Scrapped) | | -1 | -2 |
| | Changed to Loan Center | | | |
| Total | | 148 | 145 | 142 |

Integration of Branches between Hokuriku Bank and Hokkaido Bank

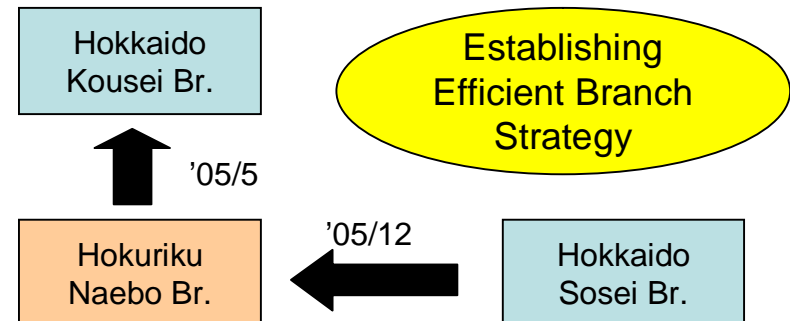
< Target >
Reducing Branches in Hokkaido from 148 (as of '04/3) to 138 (as of '08/3)

Effects from Branch Restructuring Cost Reduction

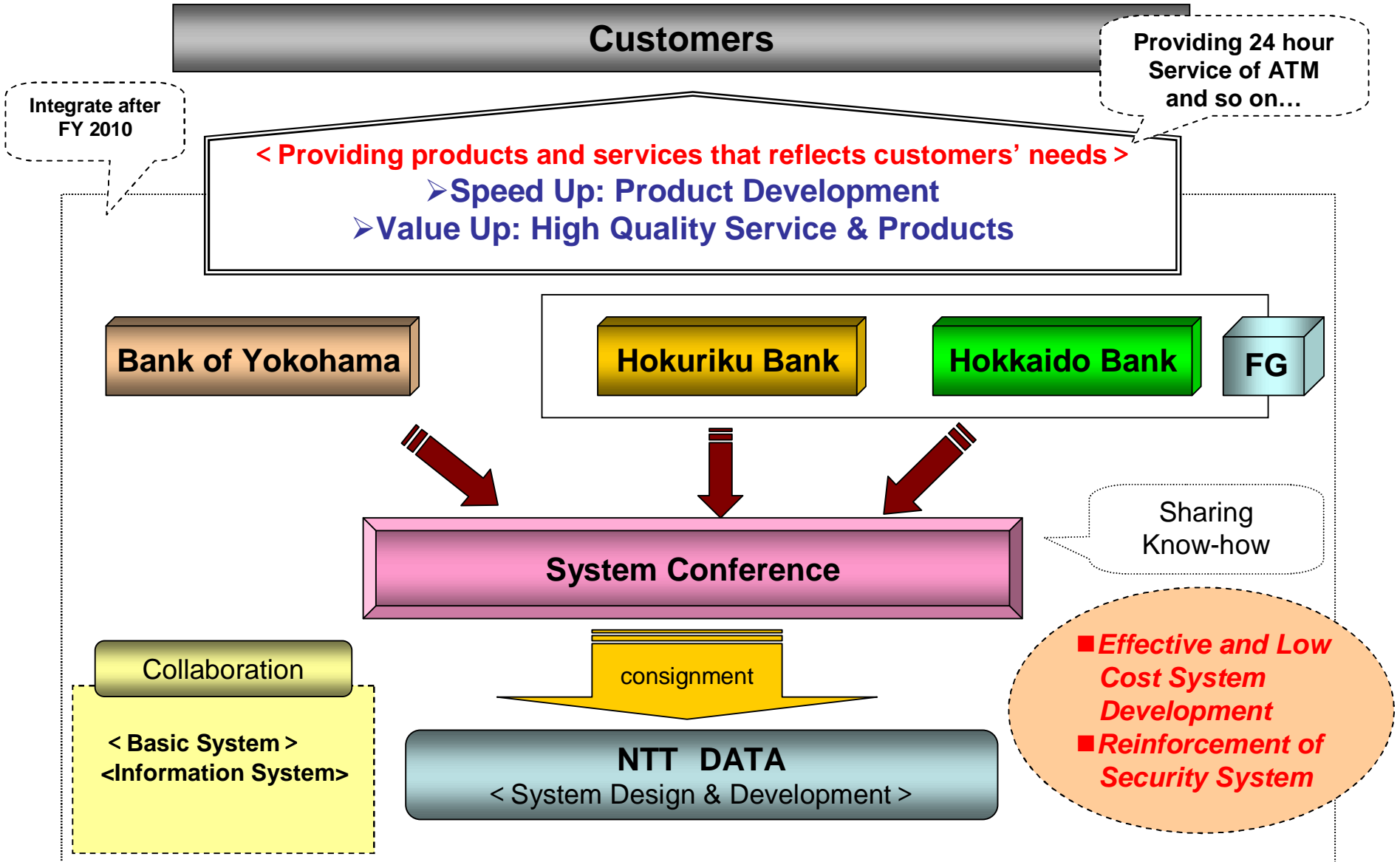
Effects from the Reallocation of Branches

Moved Hokkaido Bank's Tokyo Branch into Hokuriku Bank's Tokyo Branch (Feb. 2005)

Cost Reduction



~ System Integration ~

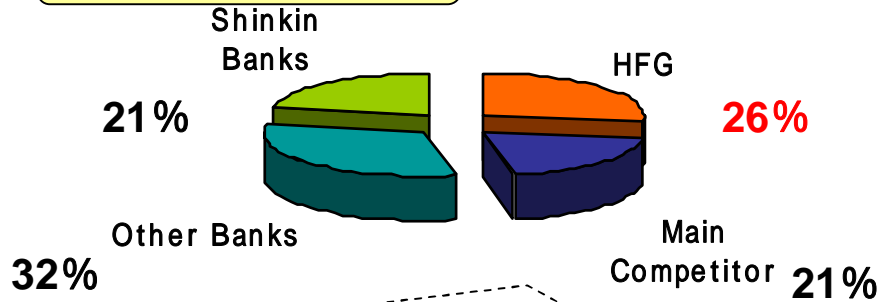


Appendix

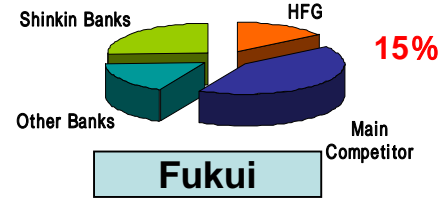
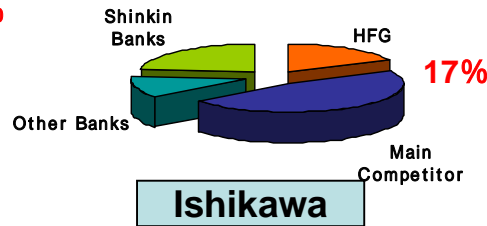
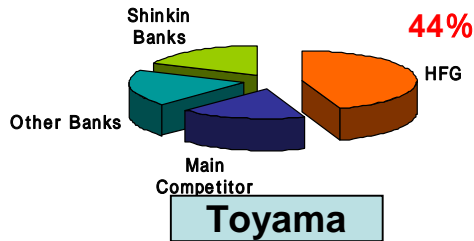
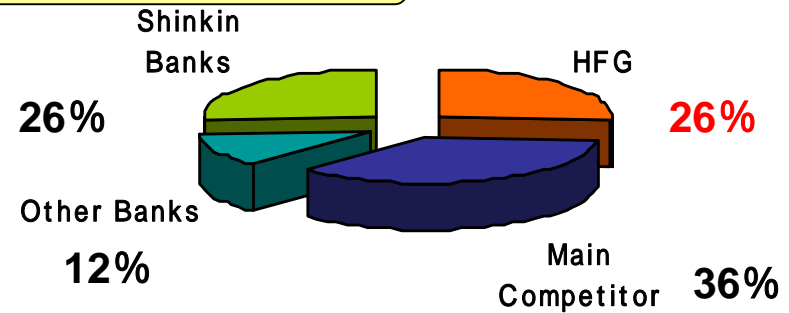
Market Share in Our Home Market (Loans, '05/3)

¥ Billion, %

Hokuriku Region



Hokkaido Region

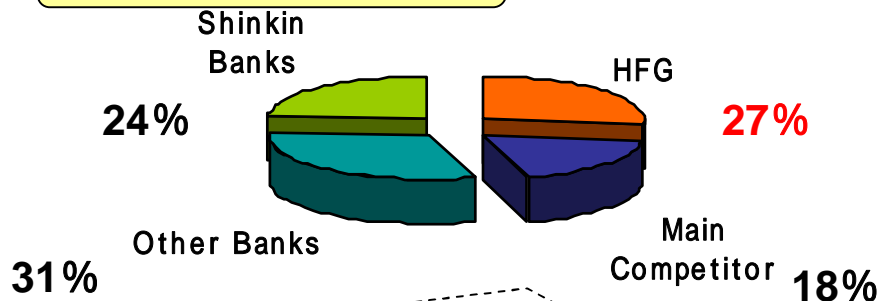


| | Hokuriku Region | | | | Hokkaido Region |
|-----------------|-----------------|----------------|----------------|----------------|-----------------|
| | Hokuriku Region | Toyama Pref. | Ishikawa Pref. | Fukui Pref. | |
| Banks | 6,959.5(78.8%) | 2,658.3(83.5%) | 2,623.9(77.0%) | 1,677.2(75.2%) | 8,622.4(74.2%) |
| HFG | 2,329.3(26.4%) | 1,397.3(43.9%) | 590.3(17.3%) | 341.7(15.3%) | 2,976.7(25.6%) |
| Hokuriku Bank | 2,329.3(26.4%) | 1,397.3(43.9%) | 590.3(17.3%) | 341.7(15.3%) | 563.9(4.9%) |
| Hokkaido Bank | 0.0(0.0%) | 0.0(0.0%) | 0.0(0.0%) | 0.0(0.0%) | 2,412.8(20.8%) |
| Main Competitor | 1,844.2(20.9%) | 563.0(17.7%) | 1,662.3(48.8%) | 946.6(42.4%) | 4,203.7(36.2%) |
| Shinkin Banks | 1,867.0(21.2%) | 527.2(16.5%) | 785.9(23.0%) | 553.8(24.8%) | 2,999.9(25.8%) |
| Total | 8,826.5(100%) | 3,185.5(100%) | 3,409.8(100%) | 2,231.0(100%) | 11,622.3(100%) |

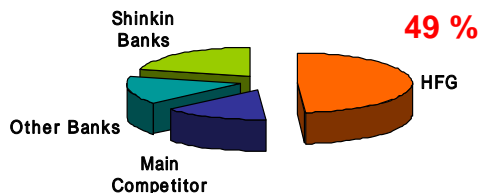
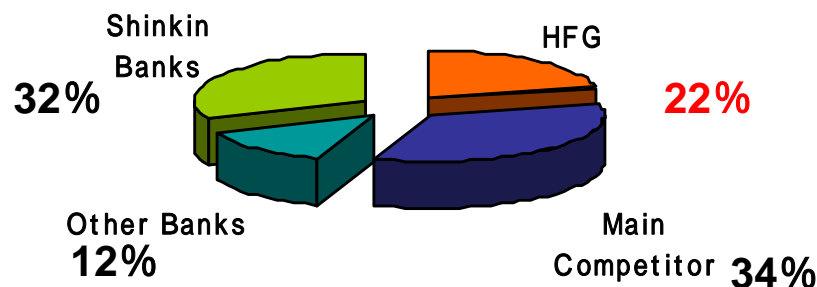
Market Share in Our Home Market (Deposits, '05/3)

¥ Billion, %

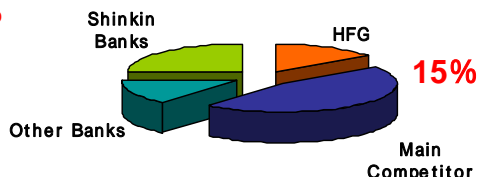
Hokuriku Region



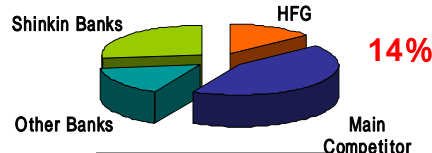
Hokkaido Region



Toyama



Ishikawa



Fukui

| | Hokuriku Region | | | | Hokkaido Region |
|-----------------|-----------------|----------------|----------------|----------------|------------------|
| | | Toyama Pref. | Ishikawa Pref. | Fukui Pref. | |
| Banks | 10,410.3(75.9%) | 4,014.1(79.0%) | 3,775.2(74.6%) | 2,621.0(73.2%) | 12,417.3 (68.5%) |
| HFG | 3,732.9(27.2%) | 2,482.9(48.9%) | 760.3(15.0%) | 489.7(13.7%) | 3,918.5(21.6%) |
| Hokuriku Bank | 3,732.9(27.2%) | 2,482.9(48.9%) | 760.3(15.0%) | 489.7(13.7%) | 560.8(3.1%) |
| Hokkaido Bank | 0.0(0.0%) | 0.0(0.0%) | 0.0(0.0%) | 0.0(0.0%) | 3,357.7(18.5%) |
| Main Competitor | 2,488.2(18.1%) | 770.6(15.2%) | 2,330.5(46.1%) | 1,570.2(43.9%) | 6,154.2(33.9%) |
| Shinkin Banks | 3,306.4(24.1%) | 1,065.3(21.0%) | 1,282.1(25.4%) | 958.8(26.8%) | 5,718.6(31.5%) |
| Total | 13,716.7(100%) | 5,079.4(100%) | 5,057.3(100%) | 3,579.8(100%) | 18,135.9(100%) |

Inquiries related to this presentation should be addressed to

Hokuhoku Financial Group, Inc.
Planning Group

TEL:(81) 7 6 - 4 2 3 - 7 3 3 1

FAX:(81) 7 6 - 4 2 3 - 9 5 4 5

E-MAIL : honsha2@hokuhoku-fg.co.jp

<http://www.hokuhoku-fg.co.jp>

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