

Investors' Meeting
~Financial Results for Interim FY 2006~
(ended September 30, 2006)



株式会社 ほくほくフィナンシャルグループ
Hokuhoku Financial Group, Inc.

December, 2006

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Hokuhoku Financial Group, Inc.

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*Summary Financial Results
for Interim FY 2006*

Summary Financial Results I-①

Hokuhoku Financial Group, Inc.

<P/L Consolidated and Total of Two Banks >

- Both banks recorded the highest profit ever (for interim financial results)
- Core Business Profit (total of two banks) : ¥46.4 Billion (+ ¥3.0 Billion compared to the previous year)
- Decrease in Credit Costs ⇒ Ordinary Income ¥28.6Bn, Net Income ¥15.8Bn

(¥ Bn)	FG Consolidated			Total of two banks + Hokugin Corp.		
	(06/9)		(05/9)	(06/9)		(05/9)
	a	a-b	b	a	a-b	b
Core Gross Business Profit	95.1	4.1	91.0	90.4	2.3	88.1
Net Interest Income	68.5	0.3	68.1	68.4	0.0	68.3
Fees & Commissions	17.5	1.4	16.0	15.0	0.2	14.7
Net Trading Income	0.7	0.0	0.6	0.6	0.0	0.6
Other Income (net)#1	8.3	2.2	6.1	6.2	1.9	4.3
Expenses	(45.9)	0.0	(45.9)	(44.0)	0.7	(44.7)
Core Business Profit	49.2	4.1	45.0	46.4	3.0	43.3
Net Business Profit #2	47.3	0.1	46.2	45.0	0.3	44.6
Total Credit Cost	(18.3)	20.9	(39.3)	(16.7)	21.2	(38.0)
Gains Related to Stocks	(0.0)	(5.2)	5.1	(0.0)	(5.8)	5.7
Ordinary Income	28.2	17.2	10.9	28.6	16.1	12.5
Extraordinary Gains/Losses	(0.0)	1.8	(1.8)	(0.0)	1.5	(1.6)
Income Taxes	(12.9)	(9.8)	(3.1)	(12.7)	(9.1)	(3.6)
Deferred	(12.2)	(9.6)	(2.5)	(12.6)	(9.1)	(3.5)
Net Income	15.1	9.3	5.8	15.8	8.5	7.3

	06/9		05/9
	a	a-b	b
Net Interest Income	68.4	0.7	67.7
Loans & Discounts	63.1	0.1	62.9
Dividends on Securities	7.8	1.0	6.7
Deposits with other	(2.2)	(0.4)	(1.8)
N.I.I (Foreign)	(0.0)	(0.7)	0.6

	06/9		05/9
	a	a-b	b
Fees & Commissions	15.0	0.2	14.7
Exchange	5.7	(0.1)	5.9
Investment Trust	3.9	1.1	2.8
Annuity Insurance	1.5	(0.3)	1.9

	06/9		05/9
	a	a-b	b
Provision for General	(1.9)	(3.2)	1.2
Total Credit Cost	18.7	(18.0)	36.7
Rank Down	18.1	(14.2)	32.3
Change on valuation for security	3.3	(11.4)	14.7
Other Reasons	(2.7)	7.6	(10.3)

Based on Internal Data

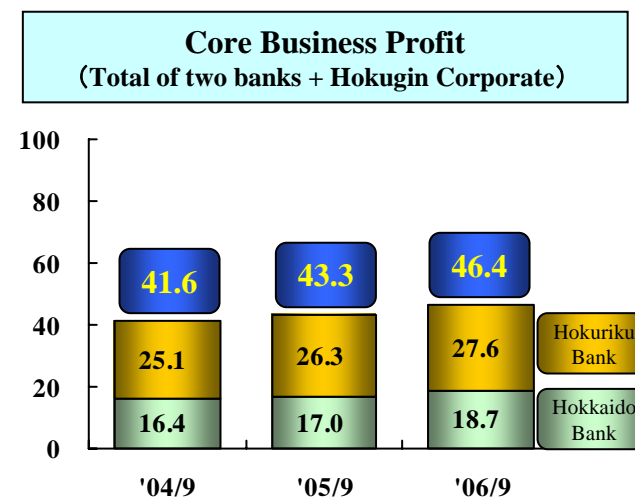
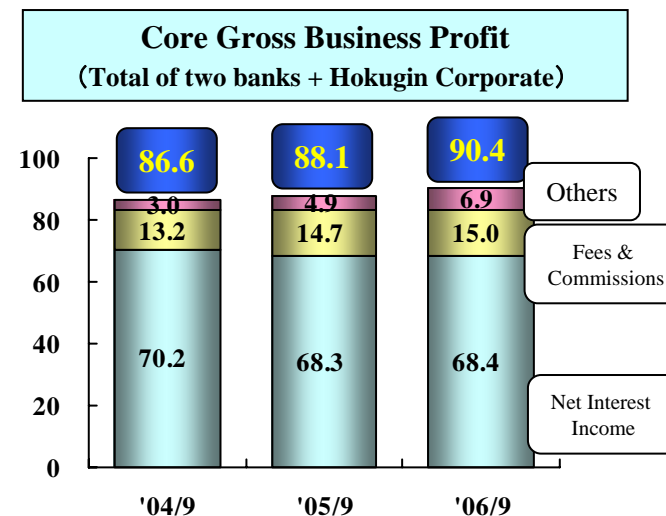
(note #1) Excludes gains/losses on bonds (note #2) Excludes provision for general reserve or possible loan losses

Summary Financial Results I-②

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

Hokuhoku Financial Group, Inc.

(¥ Bn)	Hokuriku Bank + Hokugin Corp.			Hokkaido Bank		
	(06/9)		(05/9)	(06/9)		(05/9)
	a	a-b	b	a	a-b	b
Core Gross Business Profit	53.0	1.0	51.9	37.3	1.2	36.1
Net Interest Income	38.6	(0.4)	39.1	29.7	0.5	29.2
Fees & Commissions	8.9	0.0	8.8	6.1	0.1	5.9
Net Trading Income	0.6	0.0	0.6	—	—	—
Other Income (net)#1	4.8	1.4	3.4	1.4	0.5	0.8
Expenses	(25.3)	0.2	(25.6)	(18.6)	0.4	(19.0)
Core Business Profit	27.6	1.3	26.3	18.7	1.6	17.0
Net Business Profit #2	27.7	1.2	26.5	17.2	(0.8)	18.1
Total Credit Cost	(12.7)	12.5	(25.3)	(4.0)	8.6	(12.7)
Gains Related to Stocks	0.2	(4.5)	4.7	(0.2)	(1.2)	1.0
Ordinary Income	16.1	10.1	5.9	12.5	5.9	6.6
Extraordinary Gains/Losses	0.1	0.9	(0.8)	(0.1)	0.6	(0.7)
Income Taxes	(7.7)	(6.6)	(1.1)	(5.0)	(2.5)	(2.4)
Deferred	(7.6)	(6.6)	(1.0)	(5.0)	(2.5)	(2.4)
Net Income	8.5	4.5	3.9	7.3	4.0	3.3



(note #1) Excludes gains/losses on bonds (note #2) Excludes provision for general reserve or possible loan losses

Summary Financial Results II-①

Hokuhoku Financial Group, Inc.

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

- **Loans** (Total of two banks and Hokugin Corporate) ... + ¥129.5 Billion (compared to the balance of '05/9)
- **Securities** (Total of two banks) ... - ¥ 33.4 Billion (compared to the balance of '05/9)
- **Deposits** (Total of two banks) ... + ¥104.1 Billion (compared to the balance of '05/9)

(¥ Bn)	FG Consolidated			Total of two banks + Hokugin Corp.		
	(06/9)		(05/9)	(06/9)		(05/9)
	a	a-b	b	a	a-b	b
Assets	9,450.2	20.5	9,429.6	9,371.1	38.3	9,332.7
Cash & Due from Banks	243.8	(192.5)	436.4	242.5	(193.3)	435.9
Call Loans	70.0	70.0	-	70.0	70.0	-
Other Debt Purchased	211.6	(3.6)	215.2	211.5	(3.6)	215.2
Loans & Bills Discounted	6,675.9	137.3	6,538.5	6,676.1	142.2	6,533.8
(+Hokugin Corp.)				6,699.9	129.5	6,570.4
Securities	1,673.7	(35.6)	1,709.4	1,727.5	(33.4)	1,761.0
Deferred Tax Assets	90.6	(29.9)	120.5	91.2	(30.2)	121.4
Liabilities	9,033.8	(12.3)	9,046.2	9,002.5	1.5	9,000.9
Deposits	8,229.5	86.8	8,142.6	8,282.6	104.1	8,178.4
NCDs	82.7	(14.0)	96.8	86.5	(15.2)	101.8
Stockholders' Equity	416.3	33.3	382.9	368.5	36.8	331.7
Capital Stocks	50.0	-	50.0	233.9	-	233.9
Capital Surplus	272.5	0.1	272.4	31.7	-	31.7
Retained Earnings	69.1	31.0	38.0	73.8	35.2	38.5

	(+Hokugin Corp)		(06/9)	(05/9)
	a	a-b	b	b
Loans & Bills Discounted	6,699.9	129.5	6,570.4	
SME's	5,016.2	103.0	4,913.1	
Consumers' Loans	1,701.1	135.6	1,565.5	
	(06/9)		(05/9)	
	a	a-b	b	
Securities	1,727.5	(33.4)	1,761.0	
Government Bonds	708.1	(9.0)	717.2	
Local Bonds	144.0	(13.1)	157.1	
Corporate Bonds	441.7	8.8	432.8	
Stocks	261.1	19.7	241.3	
	(06/9)		(05/9)	
	a	a-b	b	
Deposits	8,282.6	104.1	8,178.4	
Consumers' Deposits	5,618.4	165.5	5,452.8	
	(06/9)		(05/9)	
	a	a-b	b	
Deposits/Non-deposits	6,377.0	294.4	6,082.6	
Deposits (\ base)	5,591.3	180.8	5,410.4	
Non-deposit Products	785.7	113.5	672.2	
Foreign Currency Deposits	27.1	(15.3)	42.4	
Public Bonds	332.3	24.8	307.5	
Investment Trust	426.3	104.0	322.3	

Summary Financial Results II-②

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

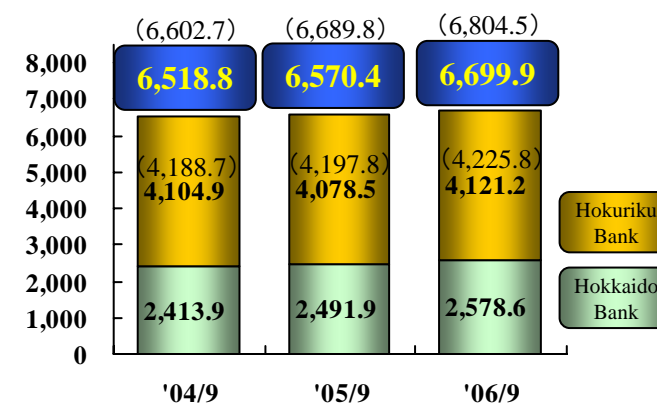
Hokuhoku Financial Group, Inc.

(From FY 2005, Hokuriku Bank changed the allocation of RMBS from "Loans" to "Other debt purchased". In order to compare on an equal basis, the balance of RMBS has been deducted. <Balance of RMBS > '04/9: ¥147.3 Billion

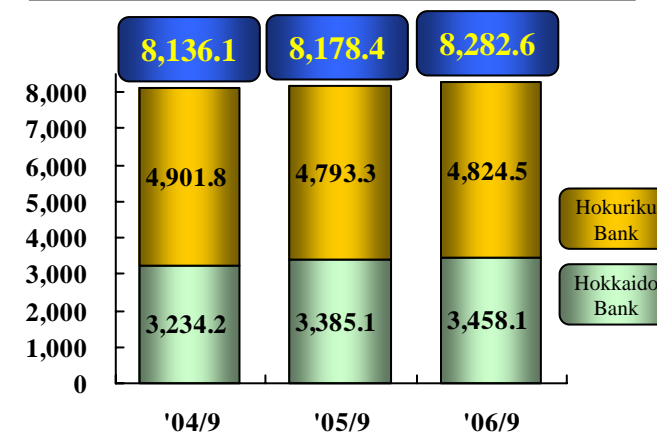
(¥ Bn)	Hokuriku Bank + Hokugin Corp.			Hokkaido Bank		
	(06/9)		(05/9)	(06/9)		(05/9)
	a	a-b	b	a	a-b	b
Assets	5,639.6	70.2	5,569.4	3,731.4	(31.8)	3,763.2
Cash & Due from Banks	150.1	1.1	148.9	92.4	(194.5)	286.9
Call Loans	-	-	-	70.0	70.0	-
Other Debt Purchased	211.5	(3.6)	215.2	0.0	(0.0)	0.0
Loans & Bills Discounted	4,097.4	55.4	4,041.9	2,578.6	86.7	2,491.9
(+Hokugin Corp.)	4,121.2	42.7	4,078.5			
Securities	859.9	(19.1)	879.1	867.6	(14.2)	881.8
Deferred Tax Assets	58.1	(19.7)	77.9	33.1	(10.4)	43.5
Liabilities	5,418.2	46.8	5,371.4	3,584.2	(45.3)	3,629.5
Deposits	4,824.5	31.1	4,793.3	3,458.1	73.0	3,385.1
NCDs	54.7	(14.0)	68.8	31.7	(1.2)	32.9
Stockholders' Equity	221.4	23.3	198.0	147.1	13.5	133.6
Capital Stocks	140.4	-	140.4	93.5	-	93.5
Capital Surplus	14.9	-	14.9	16.7	-	16.7
Retained Earnings	44.2	19.2	24.9	29.5	16.0	13.5

Loans (Total of two banks + Hokugin Corporate) ~(RMBS deducted basis)~

() = Total balance of loans including portion securitized



Deposits (Total of two banks)



Projection for FY 2006

Hokuhoku Financial Group, Inc.

(¥ Bn)

	Hokuhoku FG (consolidated) (Projection for FY 2006)		
	06/09 Results	07/03 Projection	Difference against FY 2005
Ordinary Revenue	117.5	233.0	(7.9)
Ordinary Income	28.2	60.0	11.8
Net Income	15.1	35.0	8.2

Core Business Profit : Retain the same Level of the Previous Fiscal Year

Net Income : Mainly due to decline in total credit costs, Hokuhoku FG plans to mark the highest net income ever

**Ordinary Dividend : 2.0 yen per share (Annual)
(+0.5 yen per share compared to FY 2005)**

(¥ Bn)

	Total of two banks + Hokugin Corporate (Projection for FY 2006)								
				Hokuriku Bank + Hokugin Corp.			Hokkaido Bank		
	06/09 Results	07/03 Projection	Difference against FY 2005	06/09 Results	07/03 Projection	Difference against FY 2005	06/09 Results	07/03 Projection	Difference against FY 2005
Ordinary Revenue	105.8	208.0	(12.8)	62.9	123.0	(9.6)	42.8	85.0	(3.2)
Core Business Profit	46.4	92.0	(0.2)	27.6	55.0	(0.2)	18.7	37.0	0.0
Total Credit Cost	16.7	29.0	(18.7)	12.7	21.0	(13.7)	4.0	8.0	(4.9)
Ordinary Income	28.6	60.0	9.5	16.1	33.0	6.3	12.5	27.0	3.2
Net Income	15.8	36.0	7.0	8.5	18.0	2.4	7.3	18.0	4.6

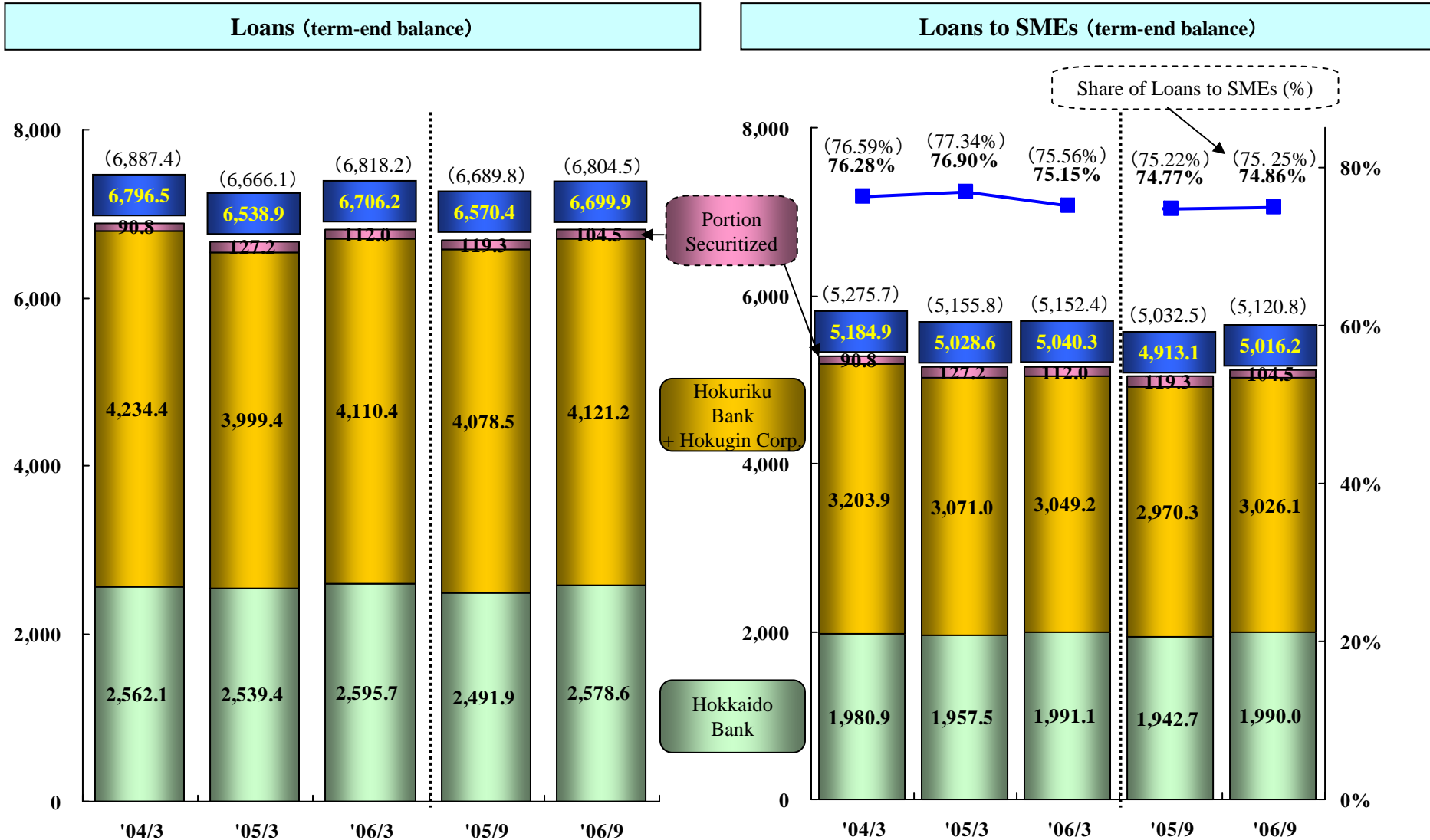
Operating Performance

Operating Performance I

<Balance of Loans, SME's>

Hokuhoku Financial Group, Inc.

(total of two banks + Hokugin Corp.) (¥ Bn)



(note) () = Total balance of consumer loans including portion securitized

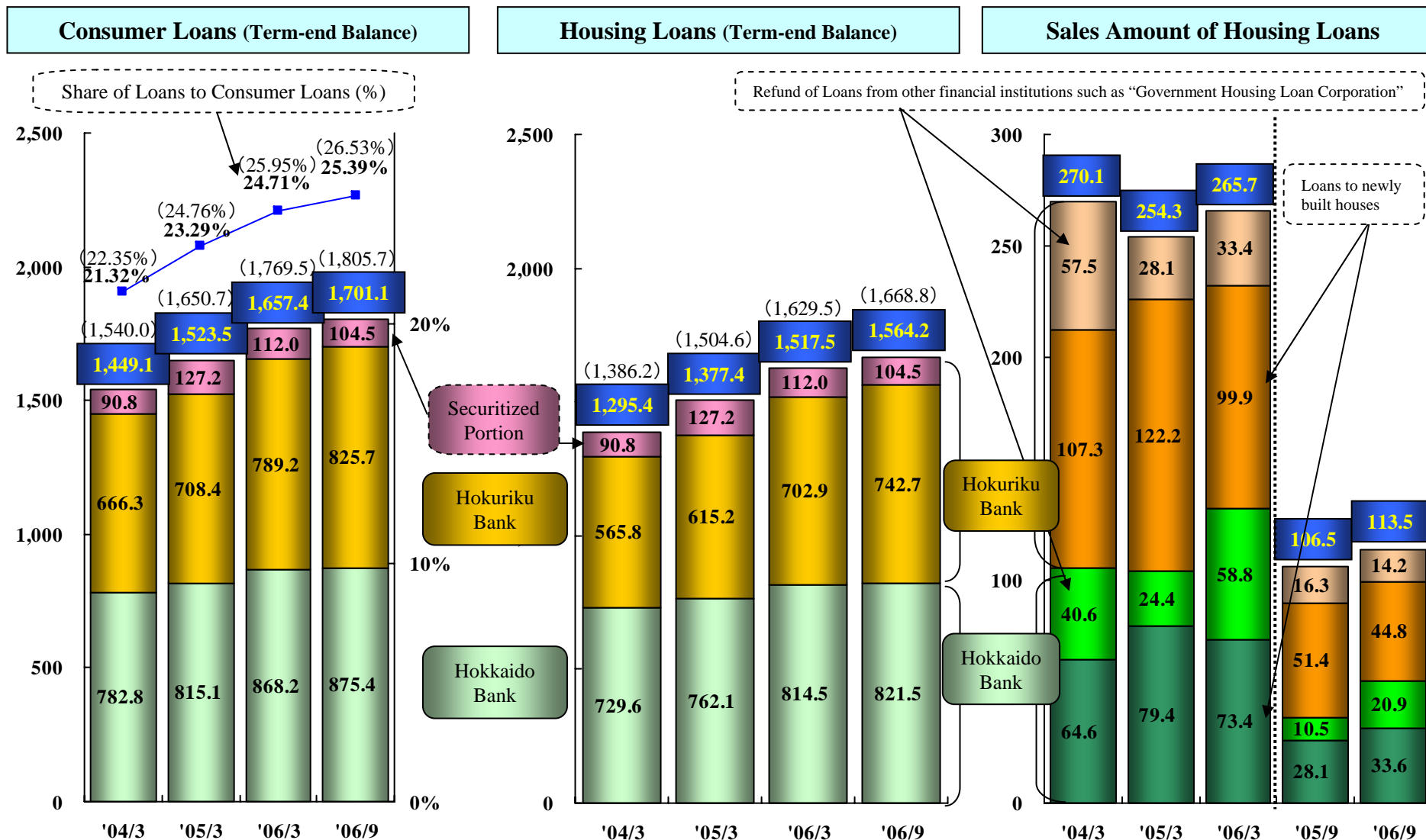
(note) Share of consumer loans = (consumer loans + portion securitized) / (loans and bills discounted + portion securitized)

Operating Performance II

Hokuhoku Financial Group, Inc.

<Balance of Loans, Consumer Loans, Housing Loans –Term-ended Balance->

(total of two banks) (¥ Bn)



(note) () = Total balance of consumer loans including portion securitized

(note) Share of consumer loans = (consumer loans + portion securitized) / (loans and bills discounted + portion securitized)

Operating Performance III

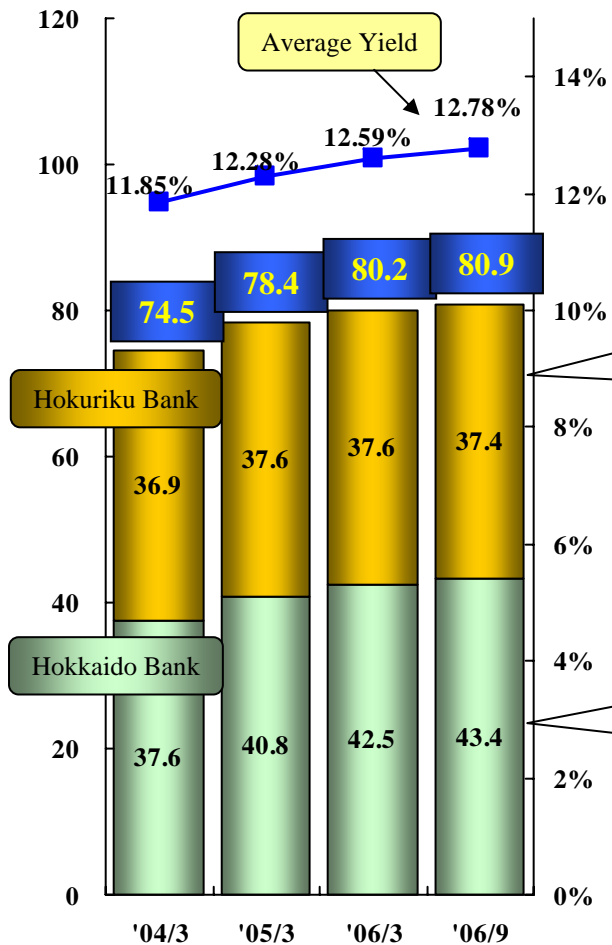
<Balance of Card Loans>

Hokuhoku Financial Group, Inc.

(total of two banks)

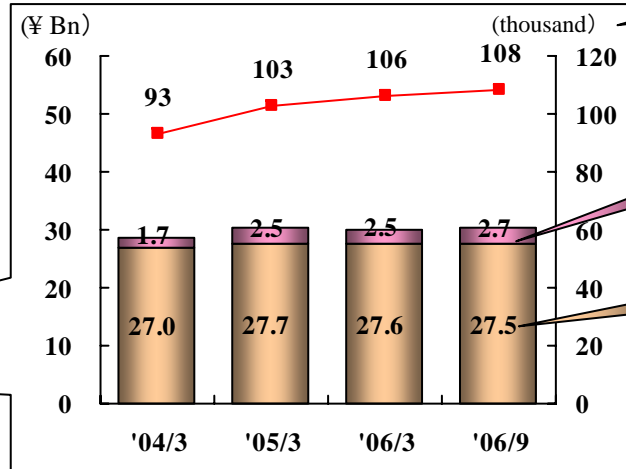
Card Loans (term-ended balance)

(term-end balance) (¥ Bn)



Balance of Main Card Loan Products

Hokuriku Bank

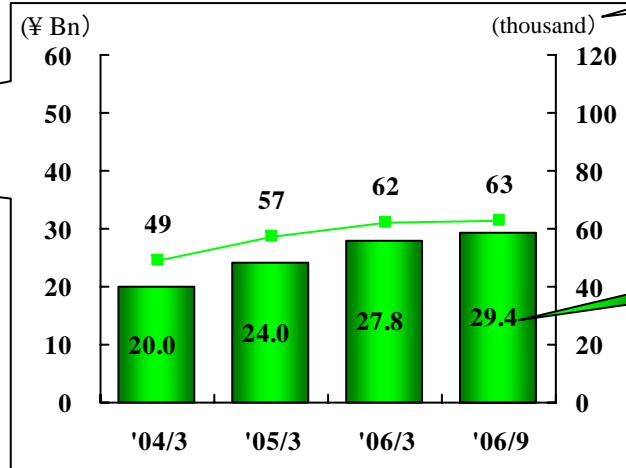


Number of card users

“Quick Man”

“Super Now”

Hokkaido Bank



Number of card users

“RAPID”

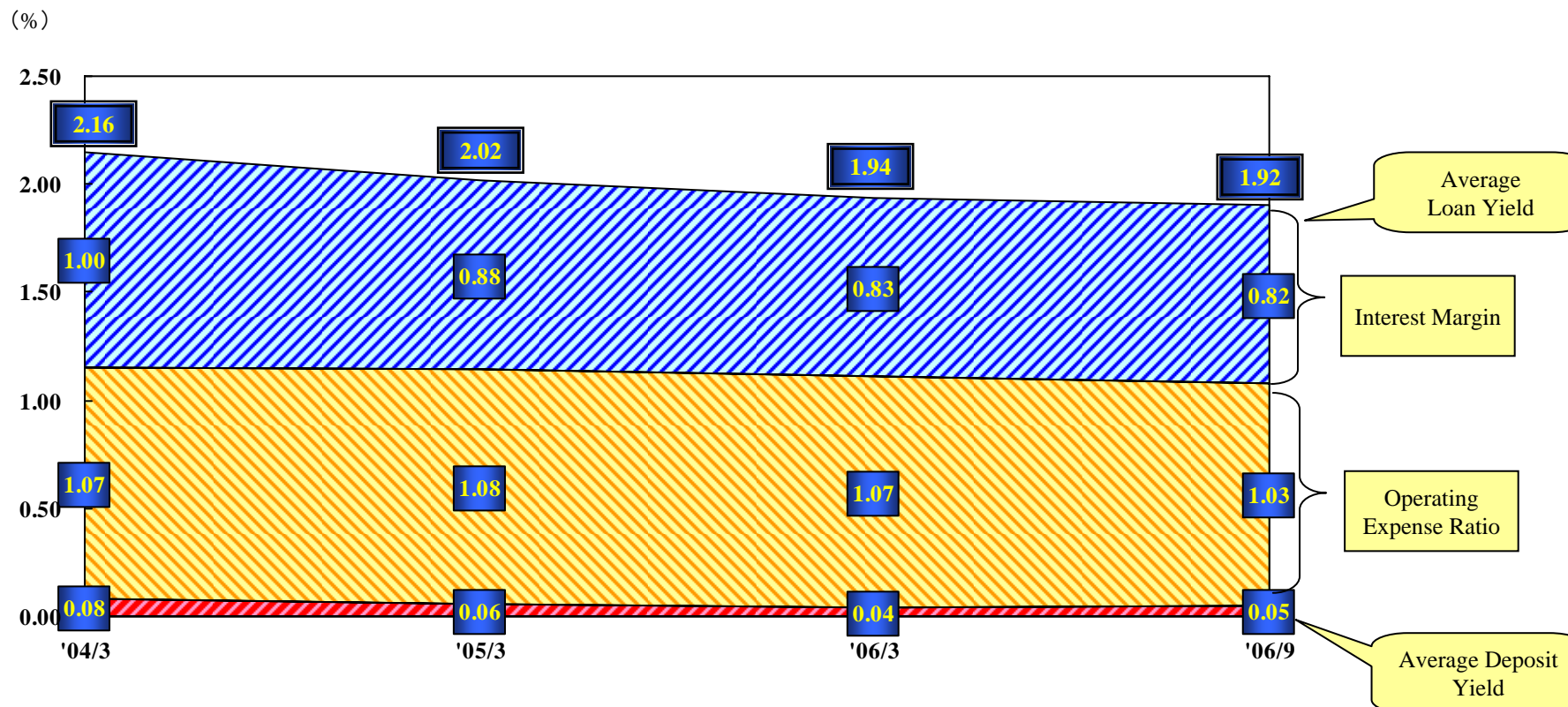
Operating Performance IV

<Interest Margins>

Hokuhoku Financial Group, Inc.

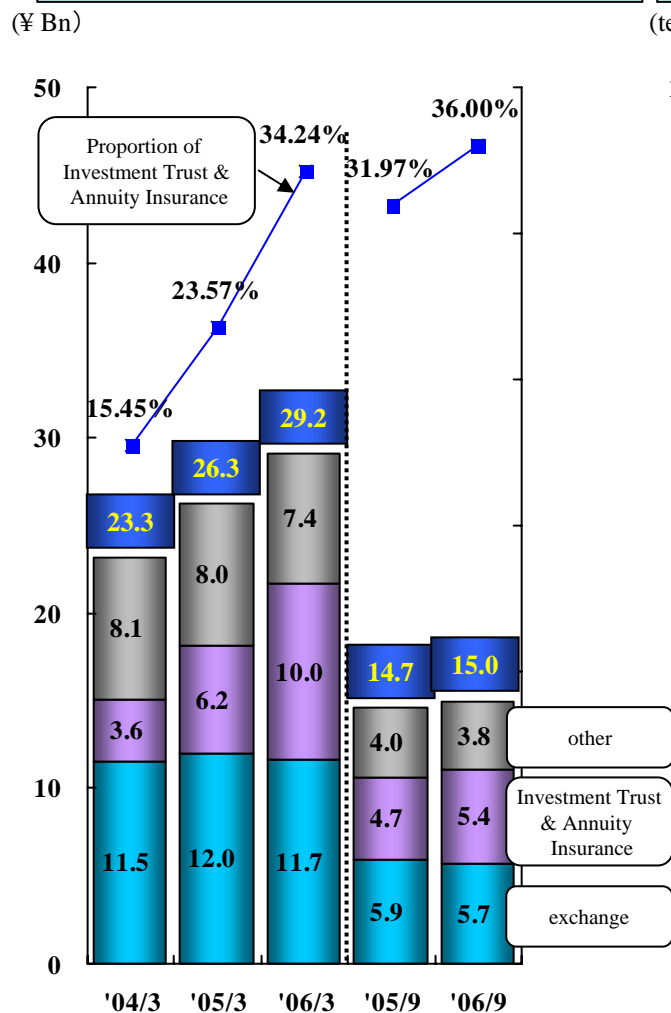
Interest Margin between Loans and Deposits (Domestic Operations)

(total of two banks)

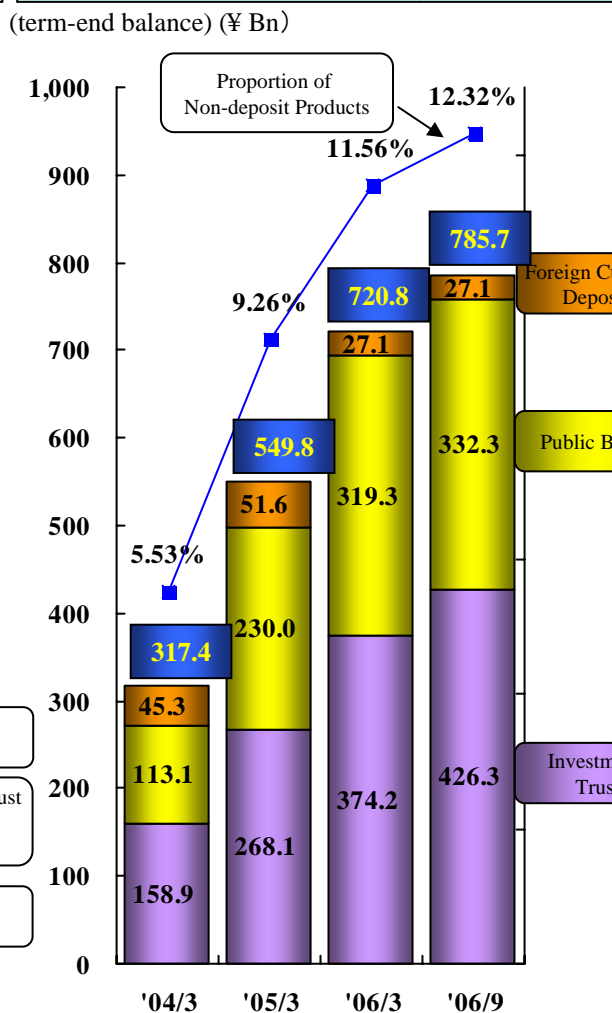


	Total of two banks				Hokuriku Bank				Hokkaido Bank			
	04/3	05/3	06/3	06/9	04/3	05/3	06/3	06/9	04/3	05/3	06/3	06/9
Average Loan Yield	2.16	2.02	1.94	1.92	2.12	1.94	1.85	1.84	2.23	2.16	2.09	2.04
Average Deposit Yield	0.08	0.06	0.04	0.05	0.10	0.08	0.05	0.05	0.05	0.04	0.03	0.05
Operating Expense Ratio	1.07	1.08	1.07	1.03	1.02	1.04	1.04	1.02	1.16	1.13	1.10	1.05
Interest Margin	1.00	0.88	0.83	0.82	0.99	0.82	0.75	0.76	1.01	0.98	0.95	0.93

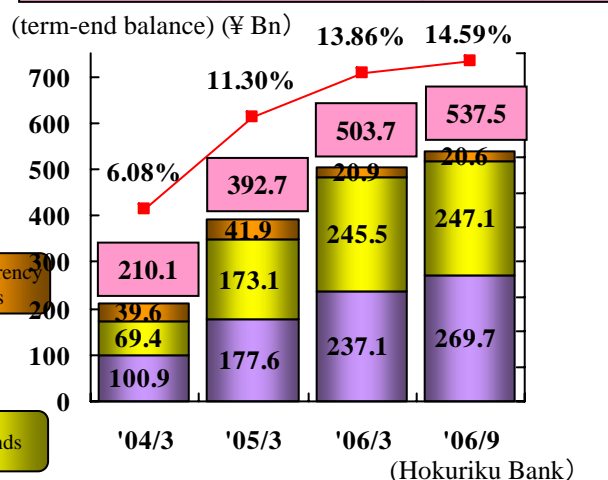
(total of two banks)
Fees & Commissions



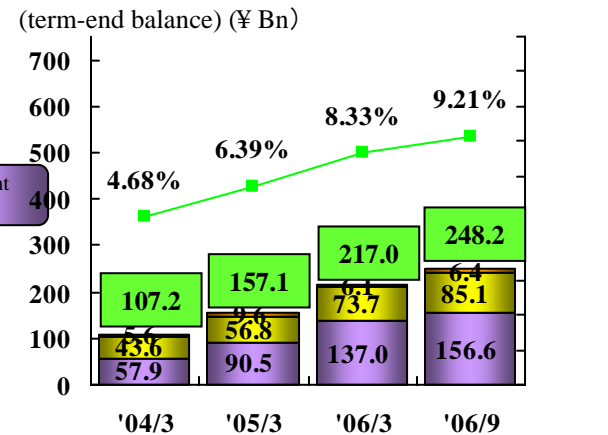
(total of two banks)
Balance of Non-deposit Products (for individuals)



(Hokuriku Bank)
Balance of Non-deposit Products (for individuals)



(Hokuriku Bank)
Balance of Non-deposit Products (for individuals)



(Note) Proportion of Non-deposit Products = Non-deposit Products / (Deposits + Non-deposit Products)

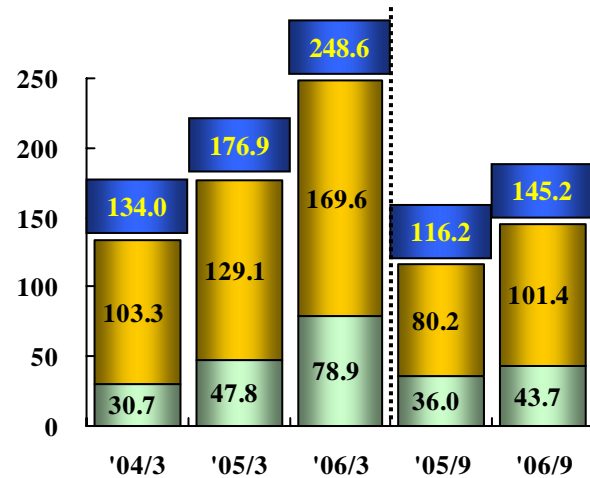
Fee-Based Business II

Hokuhoku Financial Group, Inc.

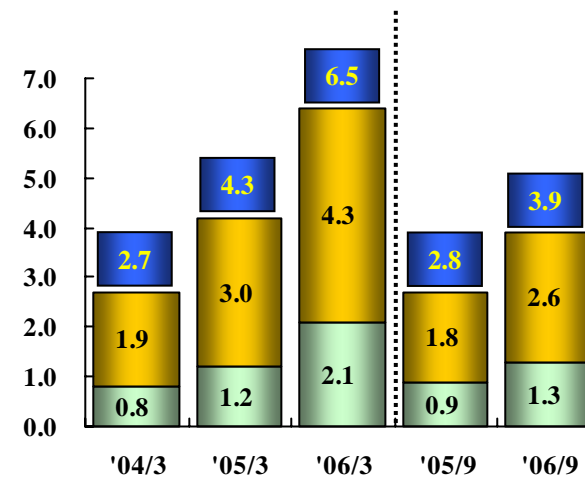
(note) upper: Hokuriku Bank, lower: Hokkaido Bank

(total of two banks) (¥ Bn)

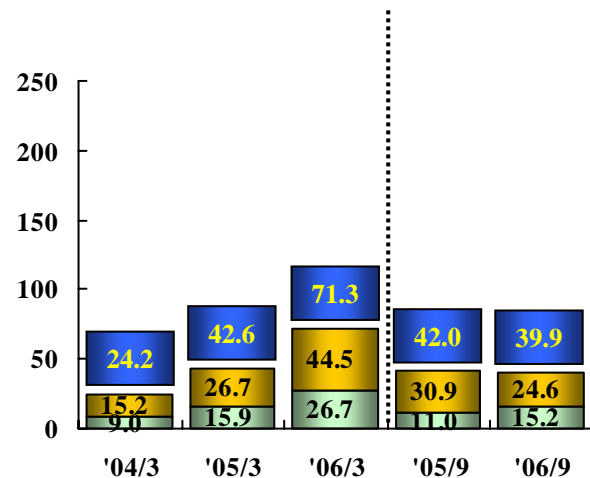
Sales Amount of Investment Trust



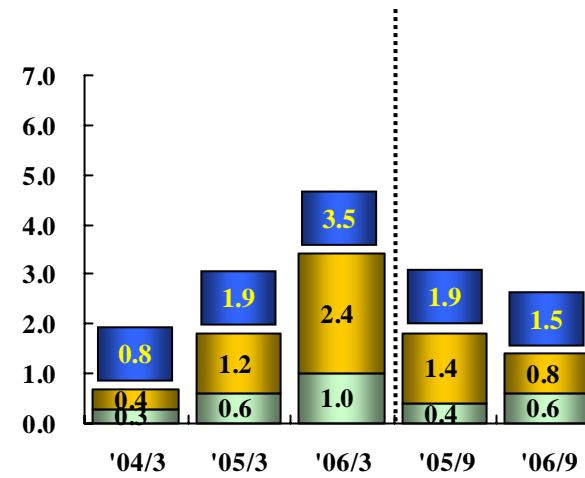
Fees from Investment



Sales Amount of Annuity Insurance



Fees from Annuity



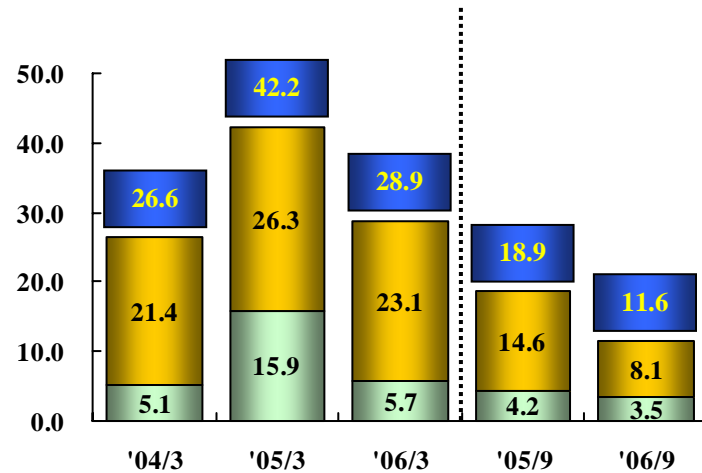
Fee-Based Business III

Hokuhoku Financial Group, Inc.

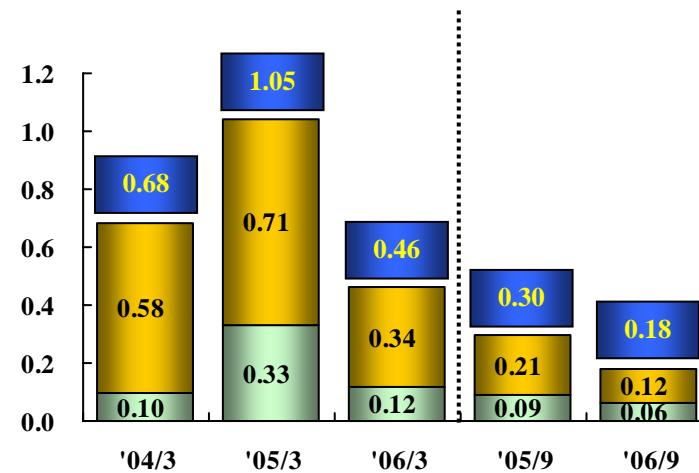
(note) upper: Hokuriku Bank, lower: Hokkaido Bank

(total of two banks) (¥ Bn)

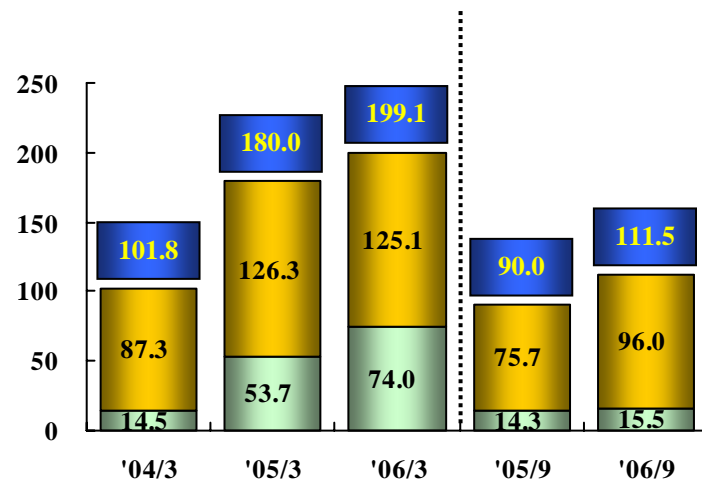
Private Placement Bonds (Amount of underwriting)



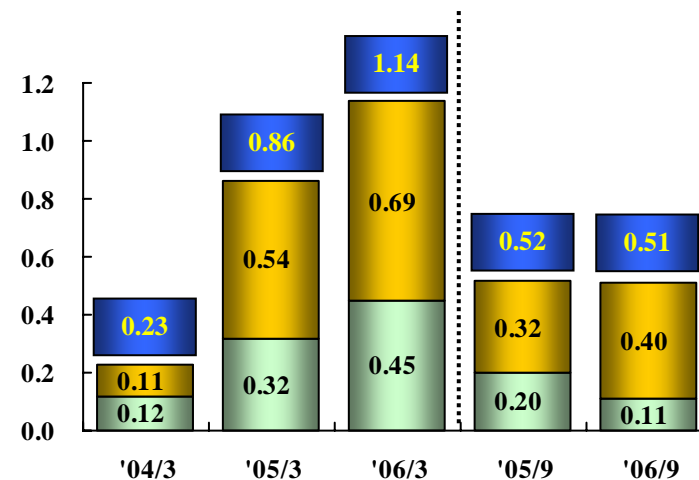
Fees from Underwriting Private Placement Bonds



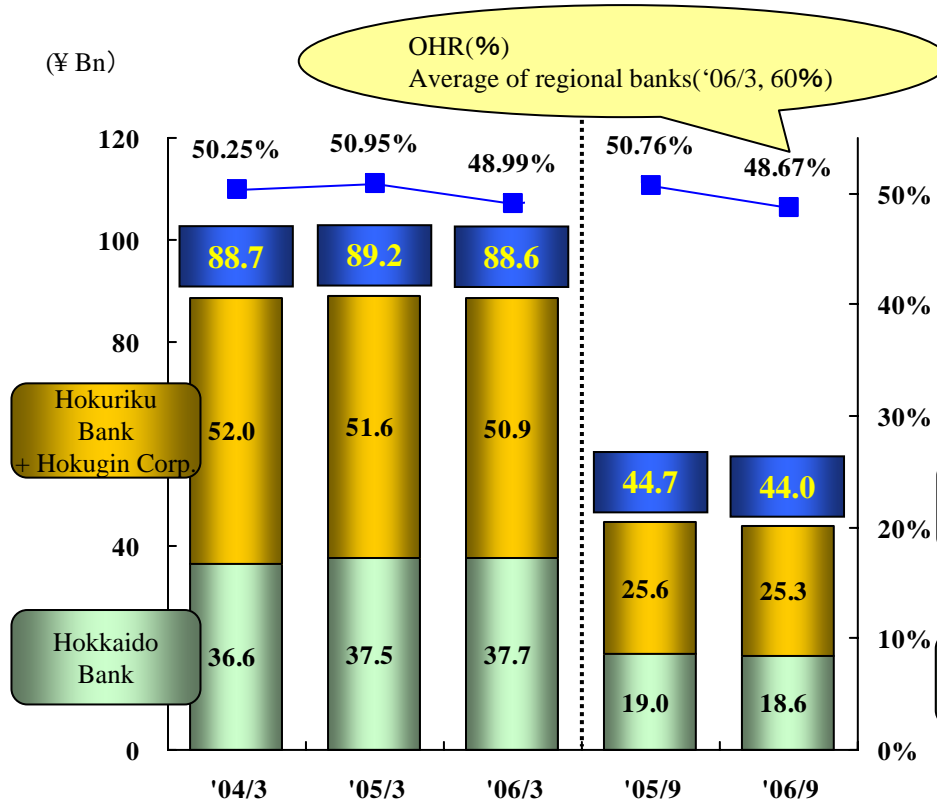
Syndicated Loans (Amount of Arrangement)



Fees from Underwriting Syndicated Loans

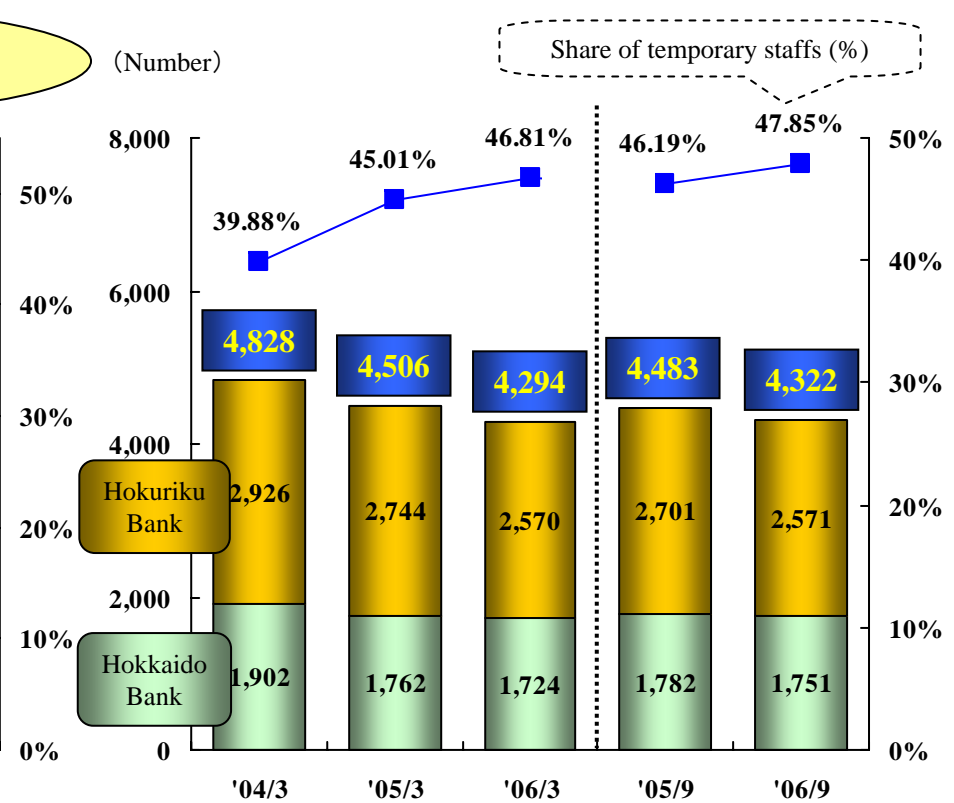


Expenses and Overhead Ratio



**More than 11% below the average OHR
Of regional banks (Avg.60%)**

Number of Employees



**Establishing and enhancing further
“Low-cost Operations”**

(note) OHR=Expenses/Core Gross Business Profit

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

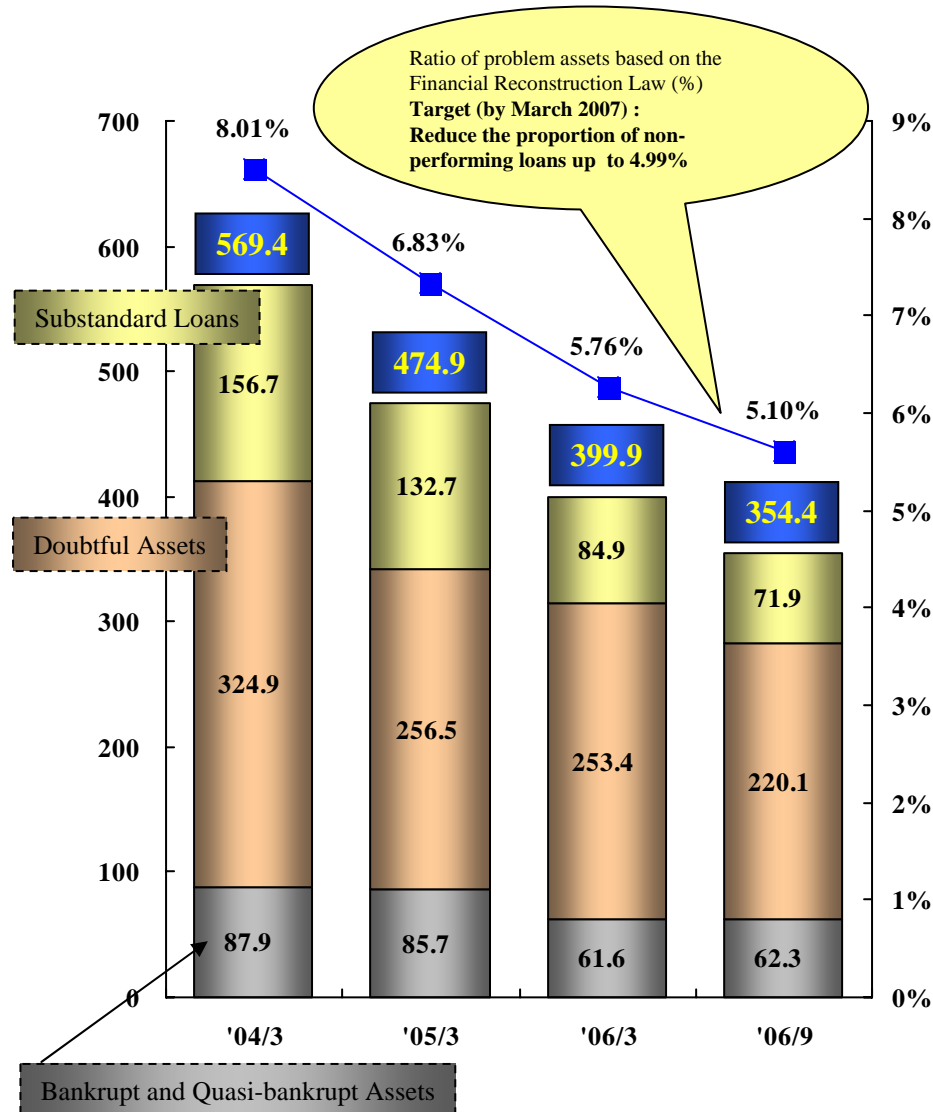
Strengthening Balance Sheet

Disclosed Claims under the Financial Reconstruction Law

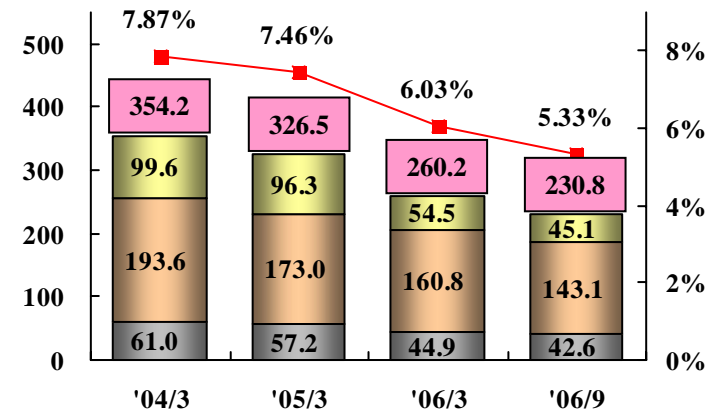
Hokuhoku Financial Group, Inc.

(¥ Bn)

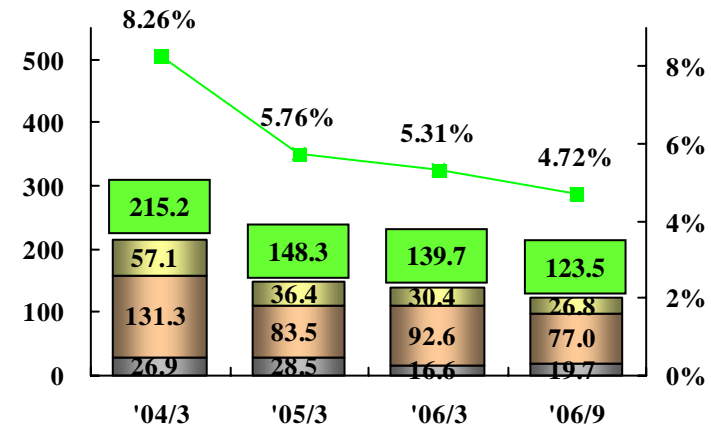
Total of Two Banks (+ Hokugin Corporate)



Hokuriku Bank (+Hokugin Corporate)



Hokkaido Bank

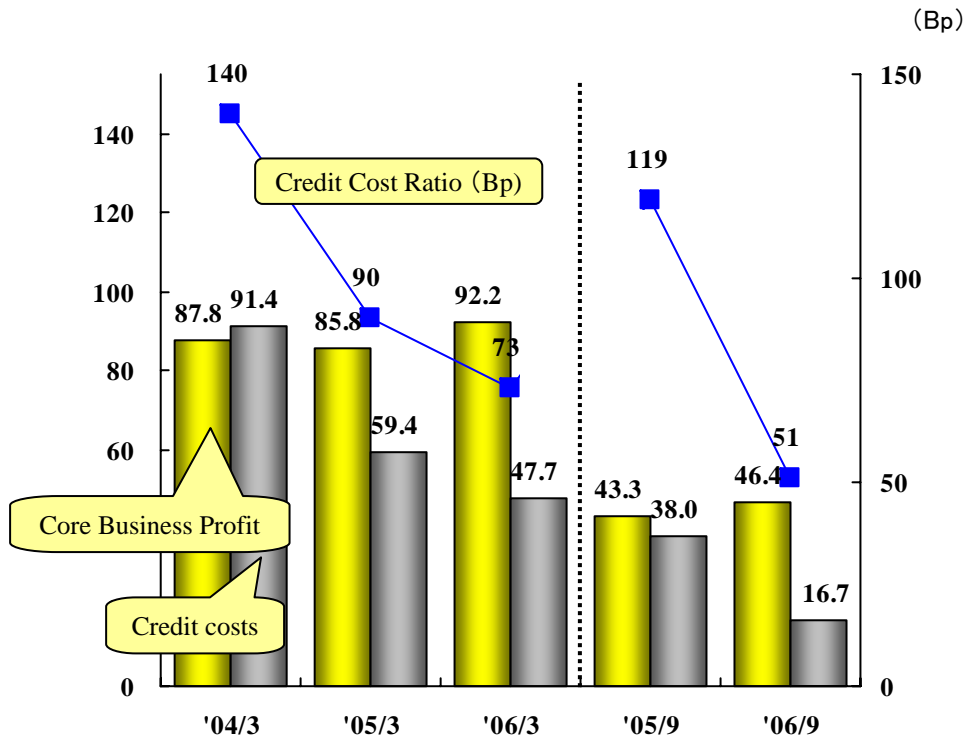


Credit Costs Below Net Business Profit

Hokuhoku Financial Group, Inc.

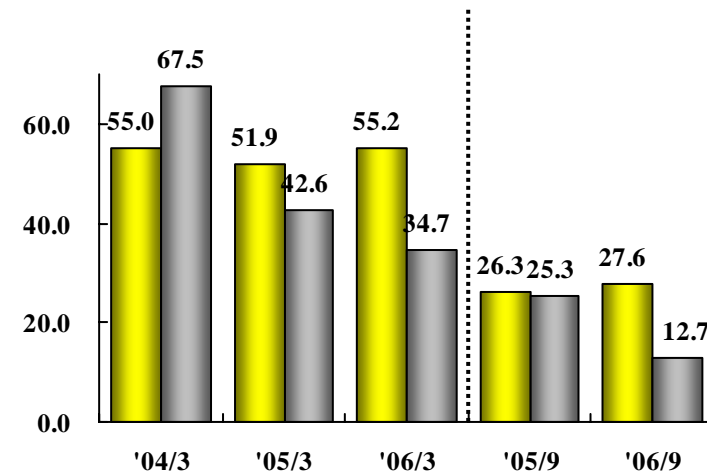
(¥ Bn)

Total of Two Banks (+ Hokugin Corporate)

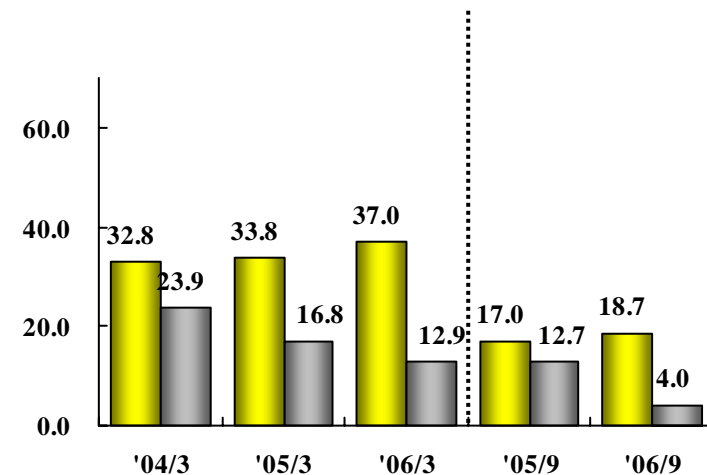


Credit Costs decreased to ¥16.7 Billion.
 (-¥21.2 Billion from previous Interim FY)
 Credit costs will decline to less than
 ¥29.0 Billion in FY 2006.

Hokuriku Bank (+Hokugin Corporate)



Hokkaido Bank



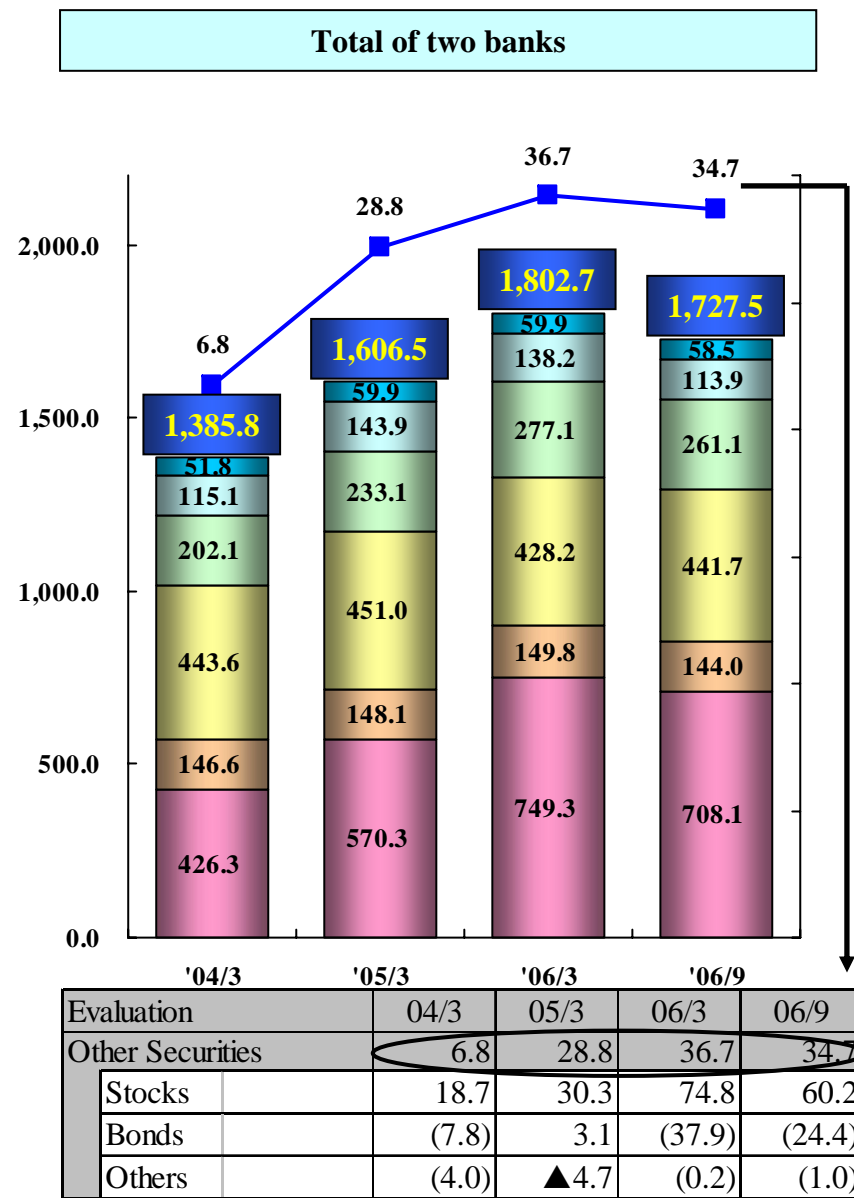
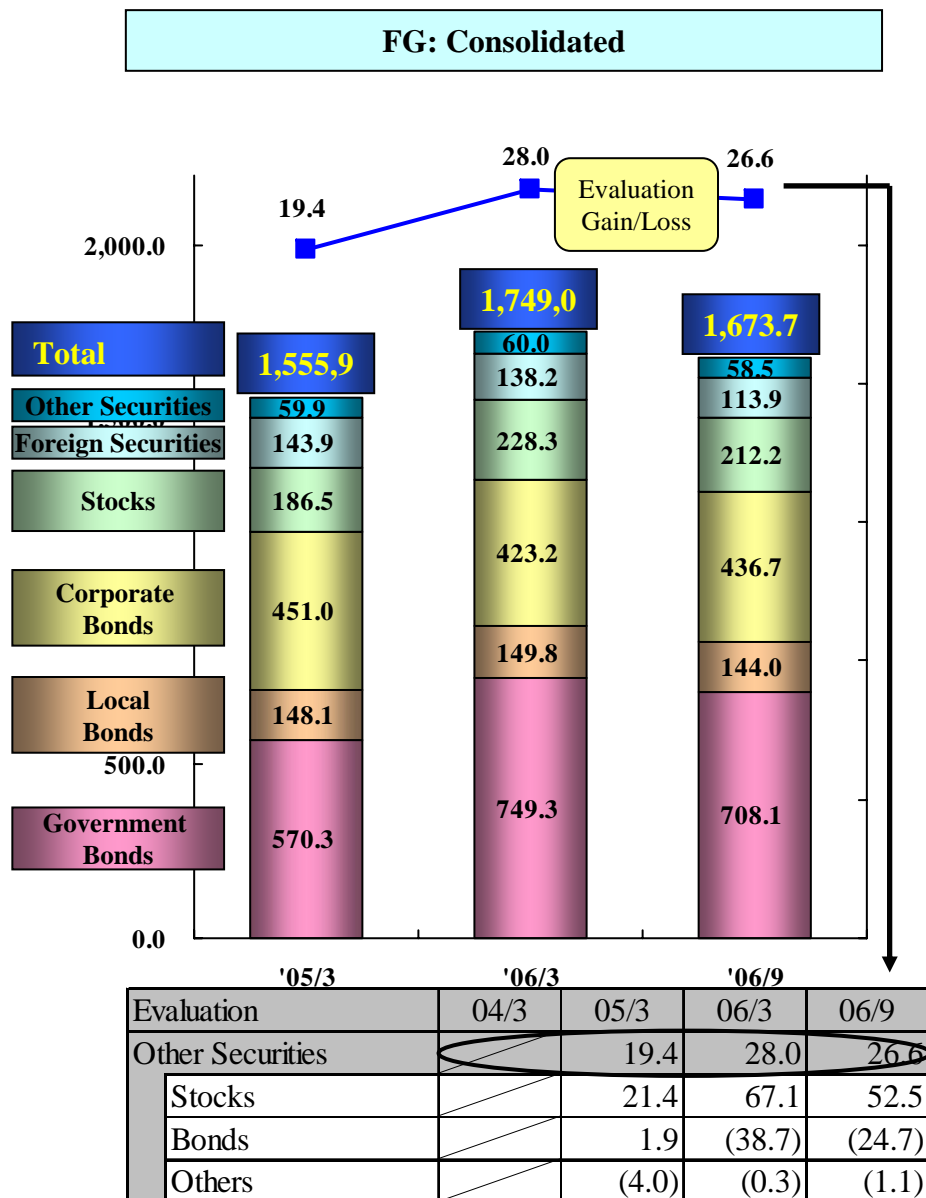
(note) Credit Costs Ratio

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

Balance of Securities (FG: Consolidated, Total of two banks)

Hokuhoku Financial Group, Inc.

(¥ Bn)

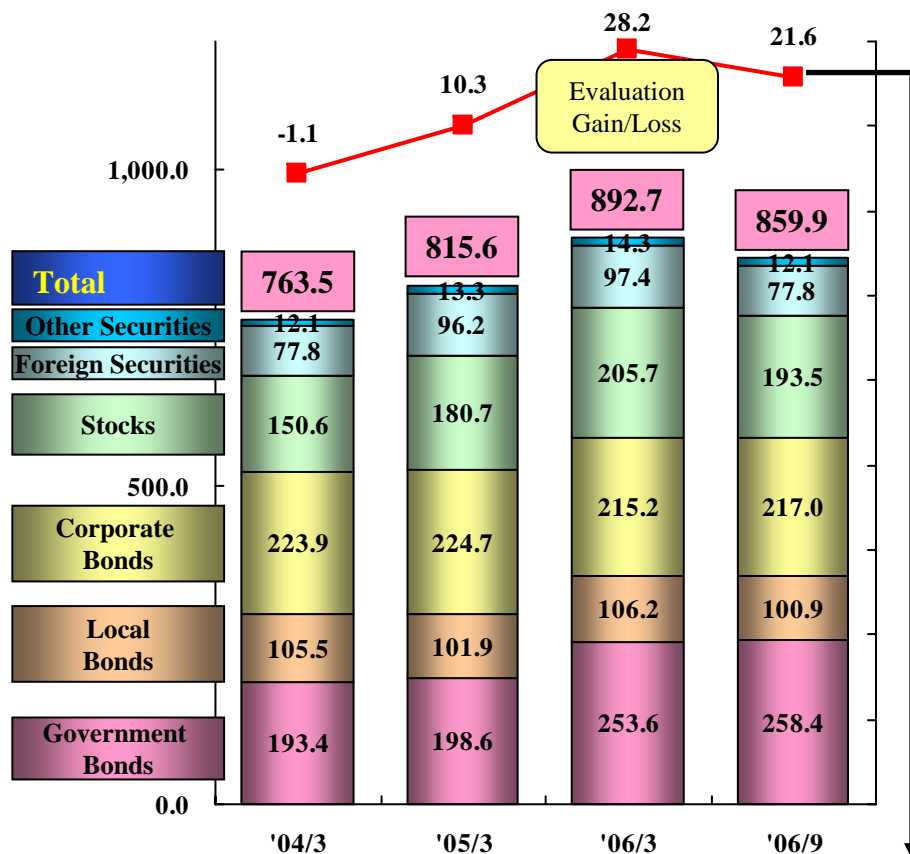


Balance of Securities (each bank)

Hokuhoku Financial Group, Inc.

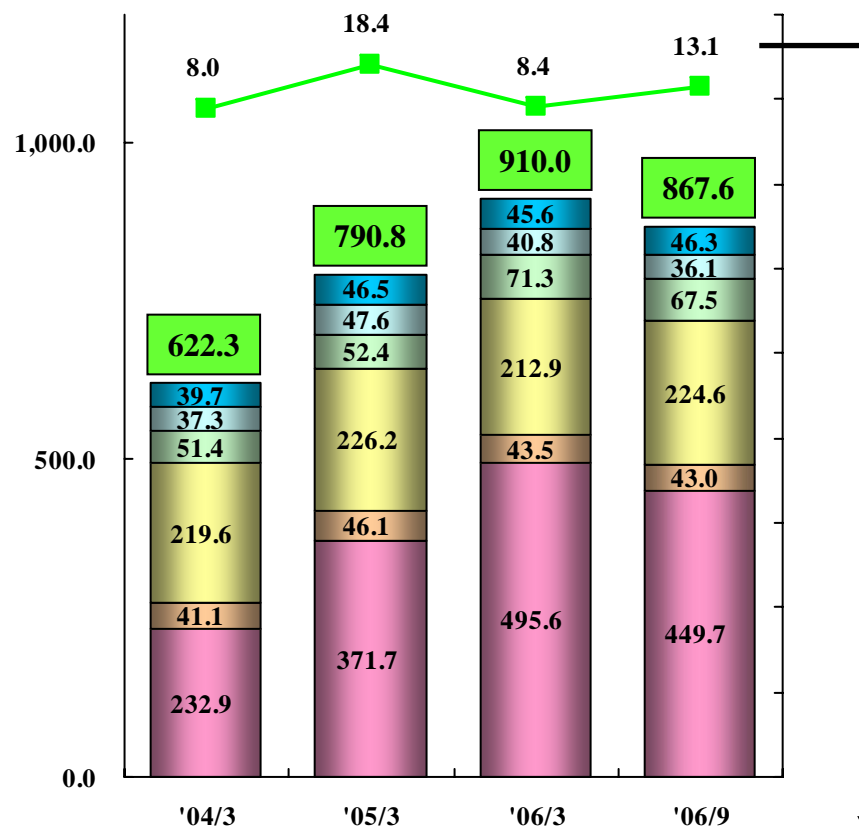
(¥ Bn)

Hokuriku Bank (+Hokugin Corporate)



Evaluation	04/3	05/3	06/3	06/9
Other Securities	(1.1)	10.3	28.2	21.6
Stocks	9.3	16.9	45.4	33.9
Bonds	(7.2)	(2.0)	(16.3)	(11.3)
Others	(3.2)	(4.5)	(0.8)	(0.9)

Hokkaido Bank

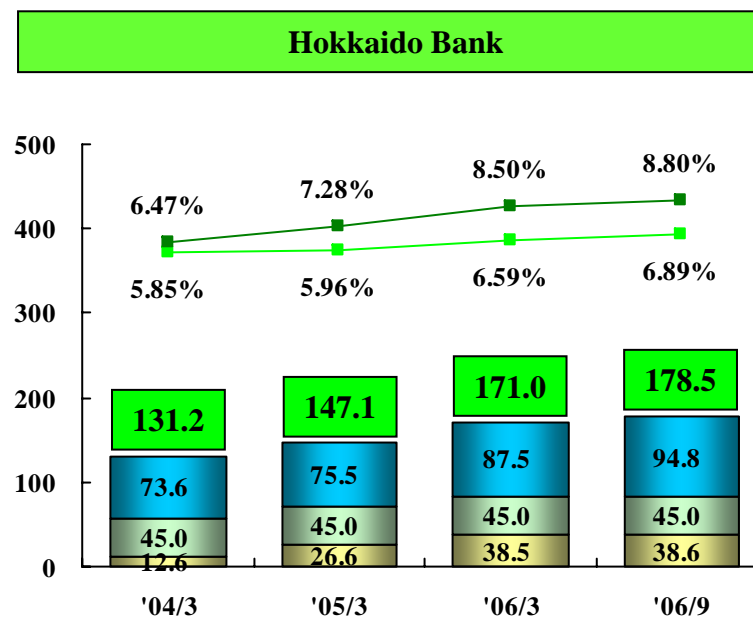
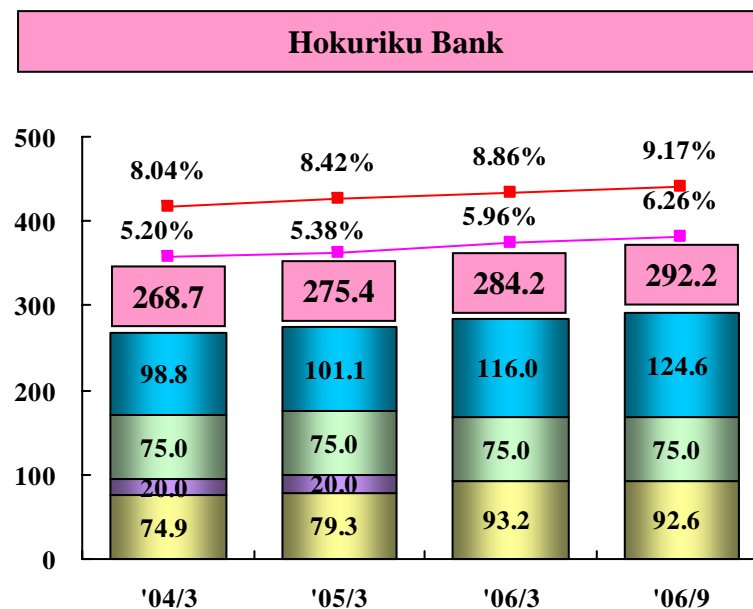
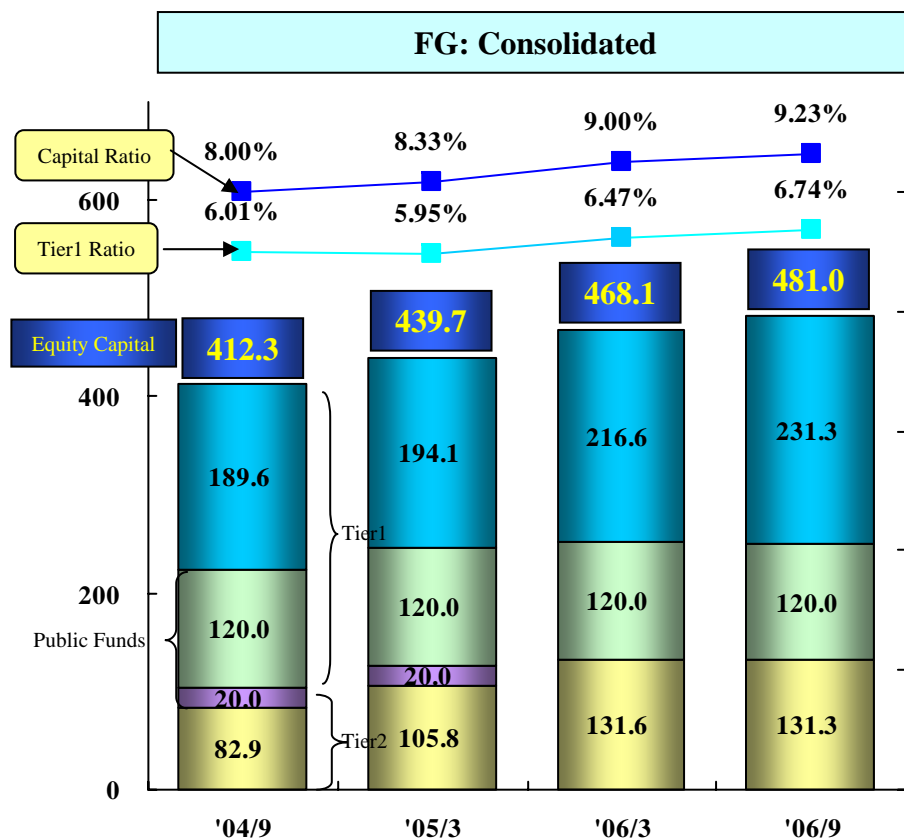


Evaluation	04/3	05/3	06/3	06/9
Other Securities	8.0	18.4	8.4	13.1
Stocks	9.4	13.4	29.4	26.3
Bonds	(0.5)	5.2	(21.5)	(13.0)
Others	(0.7)	(0.2)	0.5	(0.1)

Capital Ratio and Tier 1 Ratio

Hokuhoku Financial Group, Inc.

(¥ Bn)



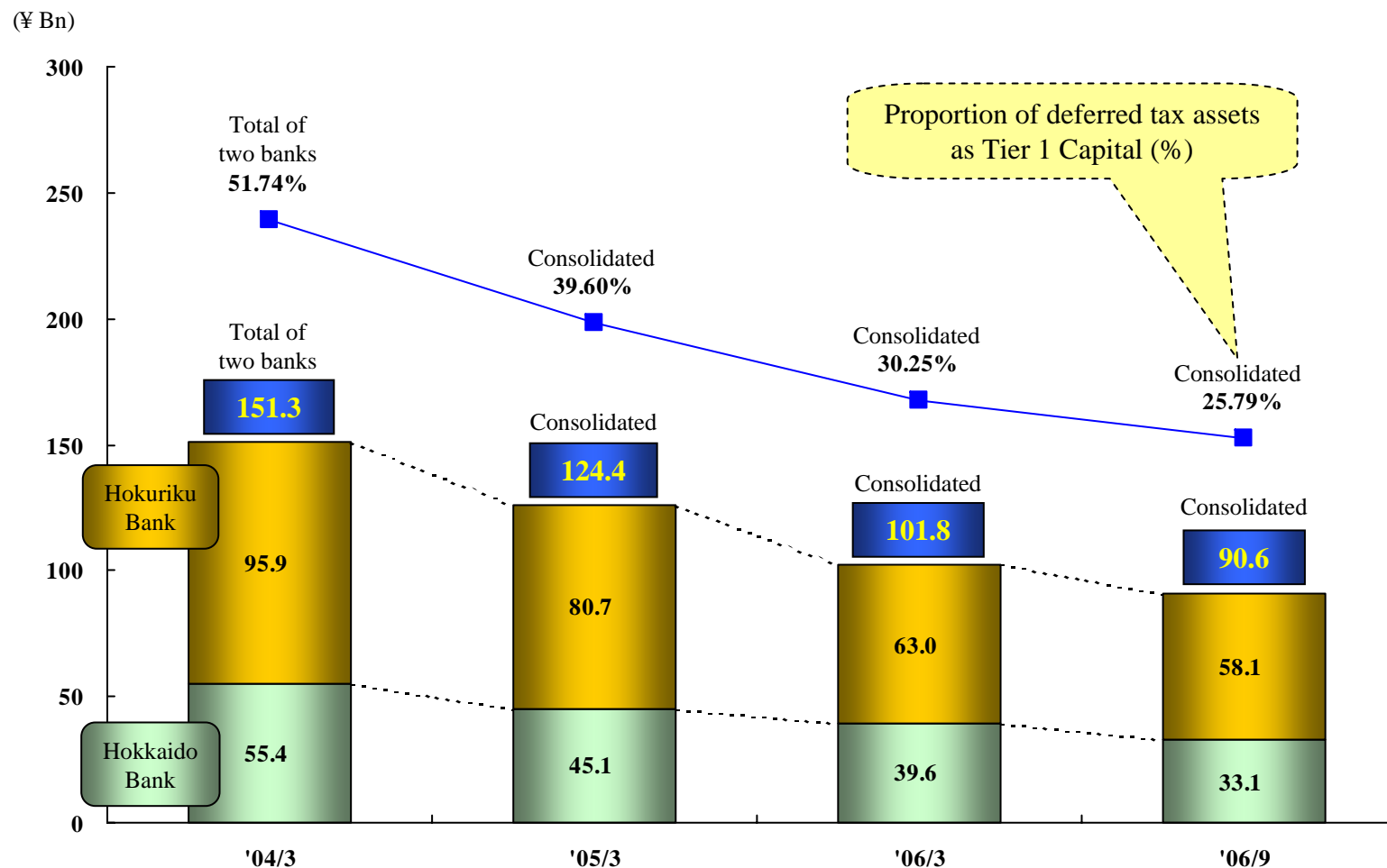
- March 2005 Issued Subordinated Bonds: ¥20.0 Bn
- Sep. 2005 Issued Subordinated Bonds: ¥20.0 Bn

FY2005

Repayment of Subordinated Loans: ¥20.0 Billion
 → Balance of Public Funds ¥120.0 Billion
 First-issue class 1 preferred shares: ¥75.0 Bn
 (Convert date: July 30, 2010)
 First-issue class 4 preferred shares: ¥45.0 Bn
 (Convert date: August 1, 2010)

Deferred Tax Assets

●Deferred Tax Assets: ¥90.6Billion (-¥11.2 Bn compared to Sept. 2005)
 ●Target (by March 2008): Reduce the Proportion of Deferred Tax Assets as Tier 1 Capital to 20%



Business Strategy

Public Offering I

Hokuhoku Financial Group, Inc.

Offering Summary

Issuer:	Hokuhoku Financial Group, Inc		
Offering Type:	Domestic Offering of newly issued shares		
Total Offering # shares:	105 million shares, or 8.16% of issued common shares		¥ 41.5842 billion
Newly issued shares:	95 million shares, or 7.38% of issued common shares		¥ 37.6238 billion
Over-allotment:	10 million shares, or 0.77% of issued common shares		¥ 3.9604 billion
Lock-up:	180 days with the issuer		
Lead Manager:	Nomura Securities		
Launch date:	29-Sep-2006 (Fri)	Share Closing Price	¥ 445 per share
Pricing date:	11-Oct-2006 (Wed)	Share Closing Price	¥ 424 per share
		Offer Price	¥ 413 per share
		(Discount Rate)	2.59 %
		Purchase Price	¥ 396.04 per share
		(Underwriting Fee)	4.00 %
Listing date:	20-Oct-2006 (Fri)	Opening Price of the Share	¥ 425 per share
Use of Proceeds:	<p>General corporate purposes ⇒ Loans for subsidiary banks (Hokuriku Bank, Hokkaido Bank) Subsidiary banks intend to use for general corporate purposes</p> <p>“This offering will strengthen Hokuhoku Financial Group’s capital base, facilitating an accelerated repayment of public funds, which will increase its managerial flexibility in strategic investments and its profit distribution policy.”</p>		

Significance of Public Offering

① Heightening competitiveness by improving of both capital base and quality of capital

→ Target Consolidated Tier I ratio : 6% (After repayment of public funds)

→ Target Credit Rating : Single A area.

② Aiming to accelerate repayment of public funds, by improving of both capital base and quality of capital

→ Allowing increasing profit distribution to shareholders

(Currently : For repayment of public funds → After repayment : For profit distribution and strategic investments etc.)

③ Controlling further dilution

→ Enough to repurchase all of the public funds by an accumulation of capital surplus

Capital Policy

1st Step Aiming to repay all public funds by the end of FY2008(Mar 2009)

→ Target Consolidated Tier I ratio : 6% (After repayment of public funds)

→ Target Consolidated capital ratio : 9% (After repayment of public funds)

2nd Step Considering to increase common share dividends after repayment of public funds

→ Increasing dividend to level before injection of public funds

3rd Step Aiming to achieve consolidated Tier I ratio, 8%,
considering repurchase of preferred stock owned by private sector shareholders

→ Cover the required capital for risk assets by Tier I capital

4th Step Enhancing profit distribution to shareholders

(Increasing dividend, repurchasing common shares, strategic investments etc.)

Business Matching

Business Matching = Matching the needs and demands of our customers in different types of business and regions.

Hokuhoku FG Business Forums in Toyama

- Sep. 2004 : Participated Companies 81
(including 7 clients of Hokkaido Bank)
- Sep. 2005 : Participated Companies 86
(including 7 clients of Hokkaido Bank)

Business Summit in Takaoka

- Sep. 2006 : Participated Companies 143
(including 3 clients of Hokkaido Bank)
- ⇒ Anticipating broader trade between Tokai and Hokuriku region after completion of the Highway between both regions in 2007

Medical & Biotechnology Conference in Kanazawa

- May 2006 : Participated Companies 72
Attendees 3,200
- Research Institute 10
- Governmental Financial Institute 3
- Companies 57
(From China)
Dalian Biotechnology and Medical Park

Hokkaido Business Forum in Sapporo

- Oct. 2004 : Participated Companies 70
(including 7 clients of Hokuriku Bank)
- Oct. 2005 : Participated Companies 69
(including 8 clients of Hokuriku Bank)
- Oct. 2006 : Participated Companies 76 (including 10 clients of Hokuriku)

Hokkaido's Food Business Forum in Sapporo

- May. 2005 : Participated Companies 32
Attended Buyers 12
- Sep. 2005 : Participated Companies 27
Attended Buyers 117
- Sep. 2006 : Participated Companies 33
Attended Buyers 200

Foreign Business Support for Customers

First attempt for Regional Banks



【Our Office in Asia】

- Hokuriku … Shanghai, Dalian, Singapore
- Hokkaido … Shengyang, Beijing, Sakhalin

Business Matching Fair in Shanghai 2005

Hokuriku, Hokkaido, Shizuoka, Chiba, Hachijuni Bank

- Dec. 2005 : Participated companies 81, Attendees 1,500
3,000 negotiations a day

Business Matching Fair in Shanghai 2006

Hokuriku, Hokkaido, Yokohama, 77, Joyo, Ogaki-Kyoritsu, Kyoto, Chugoku Bank

- July 2006 : Participated Companies 86

Established “Hokuhoku ASEAN Association”

- Feb. 2006 : 40 Companies

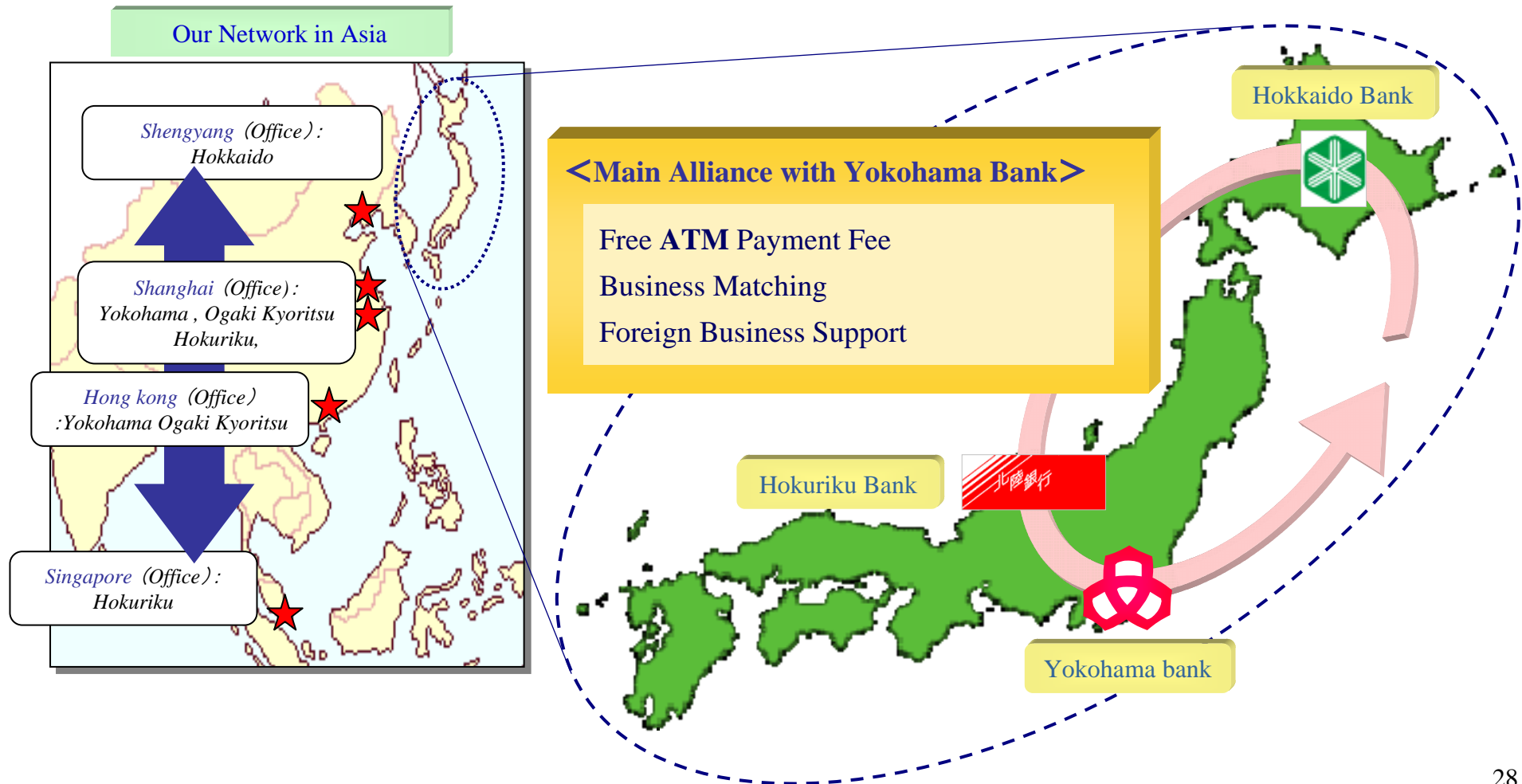
Concluded Economic Exchange Notation with Shanghai City
(April 2006)

Association for Foreign Advanced Companies

- Hokuriku Choujou Association … 502 companies (06/9)
- Hokkaido Choujou Association … 239 companies (06/9)
- Shanghai Choujou Association … 170 companies (06/9)
- Hokuhoku ASEAN Association … 110 companies (06/9)

First attempt for Regional Banks

- **March 2006 : Made an Alliance between Yokohama Bank and our two banks**
- **November 2006 : Made an Alliance between Ogaki Kyoritsu Bank and Hokuriku Bank on Business Activities**



Management Plan

Hokuhoku Financial Group, Inc.

Financial Target	'06/03 Results	'09/03 Plan
Net Income	JPY 29.1 Bn	Above JPY 40 Bn
ROA (Core Business Profit Base*1)	1.01 %	Above 1 %
OHR (Core Gross Business Profit Base *2)	49.12 %	Below 50 %
Capital Ratio	9.00 %	Above 9 %
Proportion of Non-performing Loans	5.76 %	3.00 ~ 3.99 %

(Note)

- *1 ROA (Core Business Profit Base) = Core Business Profit / average balance of assets throughout the fiscal period
- *2 OHR (Core Gross Business Profit Base) = Expenses / Core Gross Business Profit
- *3 OHR = Expenses / Gross Business Profit
- *4 Core Business Profit = Net Business income + Provision on general reserve for possible loans – gains/losses on bonds and loans
- *5 Disposal of non-performing loans includes general reserve for possible loan losses
- *6 Balance of Retained Earnings excludes legal earned reserve

Financial Target ~Plan for Restoring Sound Management~

【Income Statement】(Total of two banks)		(JPY Bn)				
	06/03 Results	07/03 Plan	08/03 Plan	09/03 Plan	10/03 Plan	Comparison to FY'10(Plan)& FY06(Results)
Gross Business Profit	180.0	175.6	182.2	186.2	188.8	8.8
Expenses	88.5	89.5	91.3	92.4	92.8	4.3
OHR(*3)	49.16%	50.99%	50.13%	49.66%	49.16%	0.00%
Net Business Income	105.1	86.0	90.8	93.7	96.0	(9.1)
Core Business Profit(*4)	91.7	88.0	90.8	93.7	96.0	4.3
Disposal of Non-performing Loans(*5)	46.6	26.5	25.5	24.5	24.5	(22.1)
Ordinary Profit	50.6	60.3	64.8	68.2	70.5	19.9
Net Income	29.1	34.4	37.6	40.8	42.6	13.5

【Balance of Retained Earnings】(Hokuhoku FG + Hokuriku Bank + Hokkaido Bank) (*6)		(JPY Bn)				
	06/03 Results	07/03 Plan	08/03 Plan	09/03 Plan	10/03 Plan	Comparison to FY'10(Plan)& FY06(Results)
Balance of Retained Earnings	68.1	97.4	127.2	159.4	192.8	124.7

【Capital Ratio】(Hokuhoku FG consolidated base)		(JPY Bn)				
	06/03 Results	07/03 Plan	08/03 Plan	09/03 Plan	10/03 Plan	Comparison to FY'10(Plan)& FY06(Results)
Capital Ratio	9.00%	10.14%	10.64%	11.12%	11.57%	2.57%
Tier1 Ratio	6.47%	7.72%	8.26%	8.78%	9.32%	2.85%

Further strengthening our top-level profitability among regional banks
 ['10/03 Plan] Net Business Income JPY 96.0Bn
 Net Income JPY 42.6Bn

Pursuing both efficiency and investment for sales promotion, customers' convenience and security
 ['10/03 Plan] OHR 49.16%

Stabilization and control of Non-performing loans
 ['10/03 Plan] Disposal of Non-performing loans 3.00~3.99%

Sufficient accumulation of retained earnings for earlier repayment of public funds
 ['10/03 Plan] Retained earnings JPY192.8Bn (Compulsory Conversion July&Aug' 10, Preferred Stock JPY120.0Bn)

Establishing a stable financial foundation
 [After repaying public funds] Capital Ratio Around 9%
 (Tier1 ratio Below 20%)

Inquiries related to this presentation should be addressed to

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Planning Group

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Investors' Meeting Appendix

*~Financial Results for Interim FY 2006~
(ended September 30, 2006)*



株式会社 ほくほくフィナンシャルグループ

Hokuhoku Financial Group, Inc.

December, 2006

About Japanese Regional Banks

- | | |
|---|---|
| ▪ Financial Institutions in Japan | 2 |
| ▪ Current Situation and Characteristics of Regional Banks | 3 |

About Hokuhoku Financial Group

- | | |
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| ▪ Our Domestic Service Network (Branches and sub-branches) | 6 |
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| ▪ Market Share in Our Home Market (Loans, '06/03) | 8 |
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The Present Condition of the Regional Economy

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| ▪ Economic Conditions of Hokuriku and Hokkaido | 13 |
| ▪ Big Projects in the Hokuriku and Hokkaido Area | 14 |

About Japanese Regional Banks

Source: Home page of Bank of Japan

1

Central Bank - Bank of Japan

2

Private Financial Institutions

Hokuhoku Financial Group, Inc.
(Hokuriku Bank, Hokkaido Bank)

Institutions that accept deposits

Banks – City banks, **Regional banks**, Tier II regional banks
Trust banks, Foreign bank branches, Other banks

Cooperative Financial Institutions – Shinkin banks, Credit cooperatives, Labour banks, Agricultural cooperatives, Fishery cooperatives

Federations of Cooperative Financial Institutions
– Shinkin Central Bank, The Shinkumi Federation Bank (credit cooperatives), The Rokinren Bank (National association of Labour Banks), The Norinchukin Bank (the central bank for the Japanese agricultural, forestry, and fishery cooperatives), Credit federation of agricultural cooperatives, Credit federation of fishery cooperatives
The Shoko Chukin Bank (the Central Bank for Commerce and Industry)

Other private Financial Institutions

Securities related companies – Securities companies, Securities finance companies etc
Insurance – Life insurance companies, Non-life insurance companies etc
Others – Consumer credit companies, Business loan companies, Leasing companies etc

3

Public Financial Institutions

Japan Post, Development Bank of Japan, Japan Bank for International Cooperation, National Life Finance Corporation, Japan Finance Corporation for Small and Medium Enterprise

Current Situation and Characteristics of Regional Banks

Hokuhoku Financial Group, Inc.

*Source: Home page of Regional Bank
Association of Japan*

Current Situation of Regional Banks

As of March 31, 2006, there are 64 regional banks. Headquarters for regional banks are located in major and mid-size cities throughout the country, around which they have built major business bases. The majority of their loan customers, more than 80 percent, are local small and medium-sized companies and consumers. As for deposits, individual deposits account for approximately 70 percent of all deposits.

Characteristics of Regional Banks

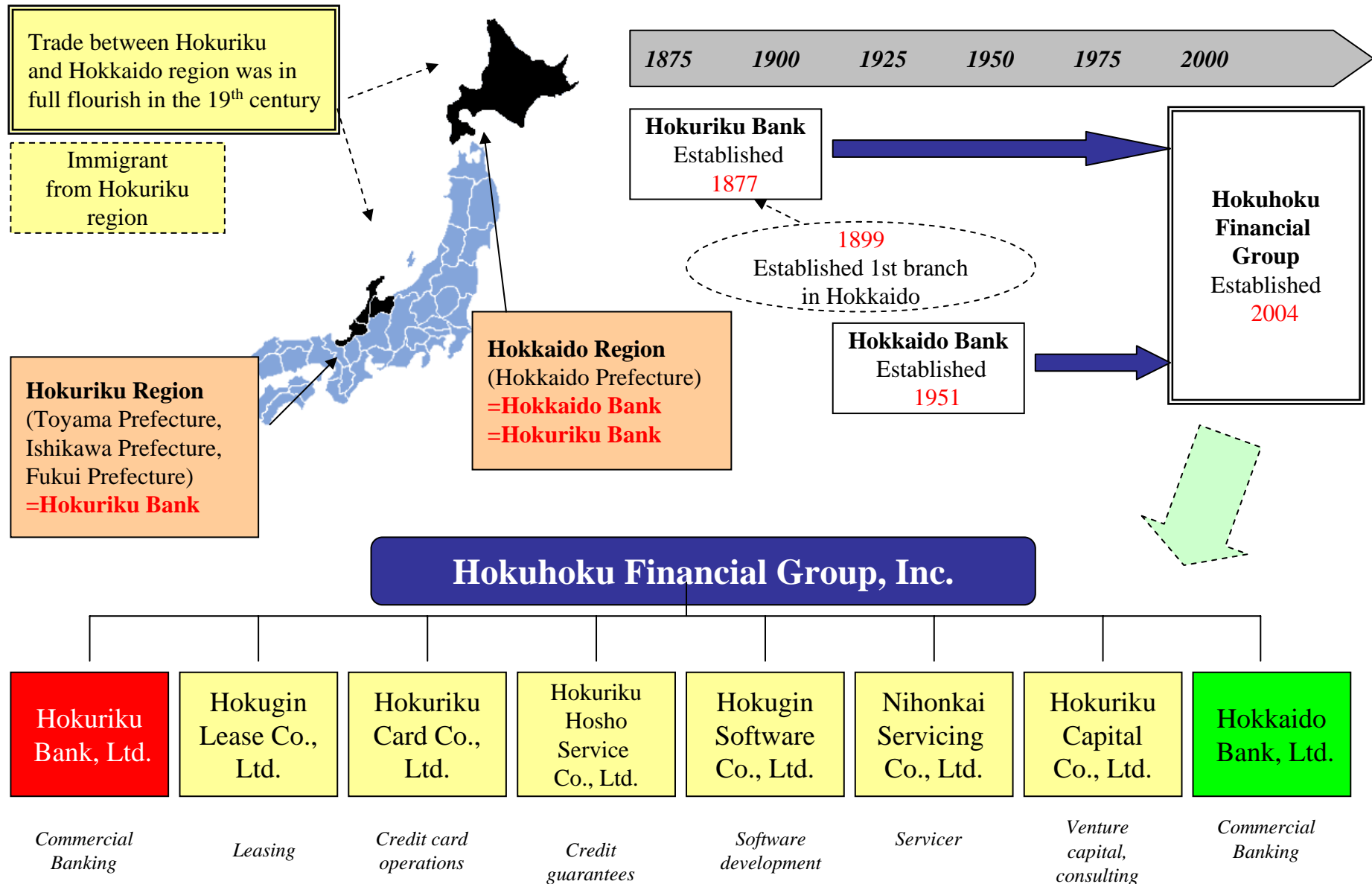
The regional banks have branch networks mainly in the prefectures where their headquarters are located, totaling approximately 7,500 branches and approximately 35,000 ATMs all over the country. Through these networks, the regional banks have fulfilled various financial needs of their customers, mainly consisting of individuals and small and medium-sized enterprises in the regions. They have also been playing main roles in contributing to promotion and development of the regional communities.

About Hokuhoku Financial Group

History of Hokuhoku Financial Group

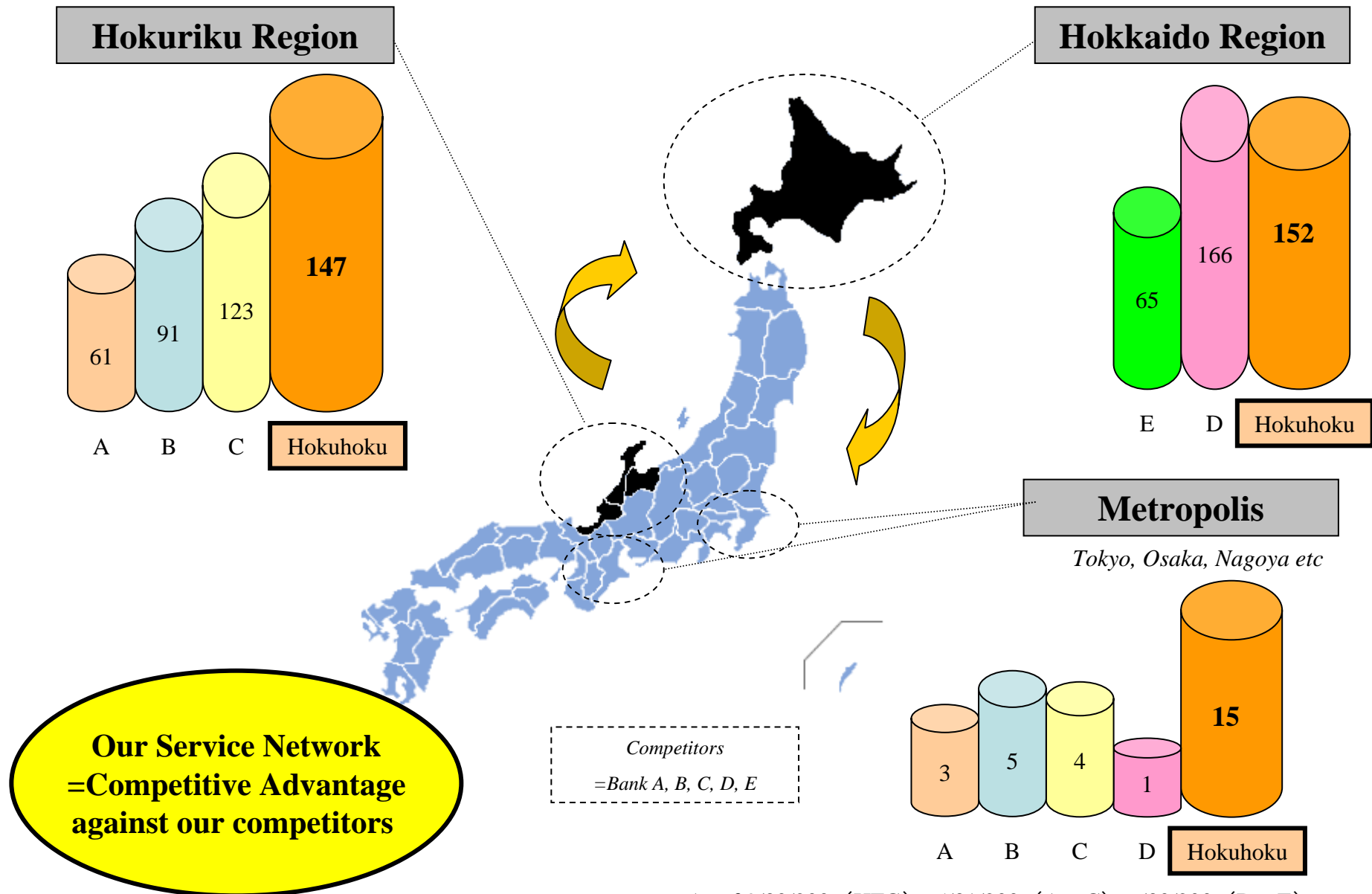
(Hokuriku Bank and Hokkaido Bank)

Hokuhoku Financial Group, Inc.



Our Domestic Service Network (Branches and sub-branches)

Hokuhoku Financial Group, Inc.

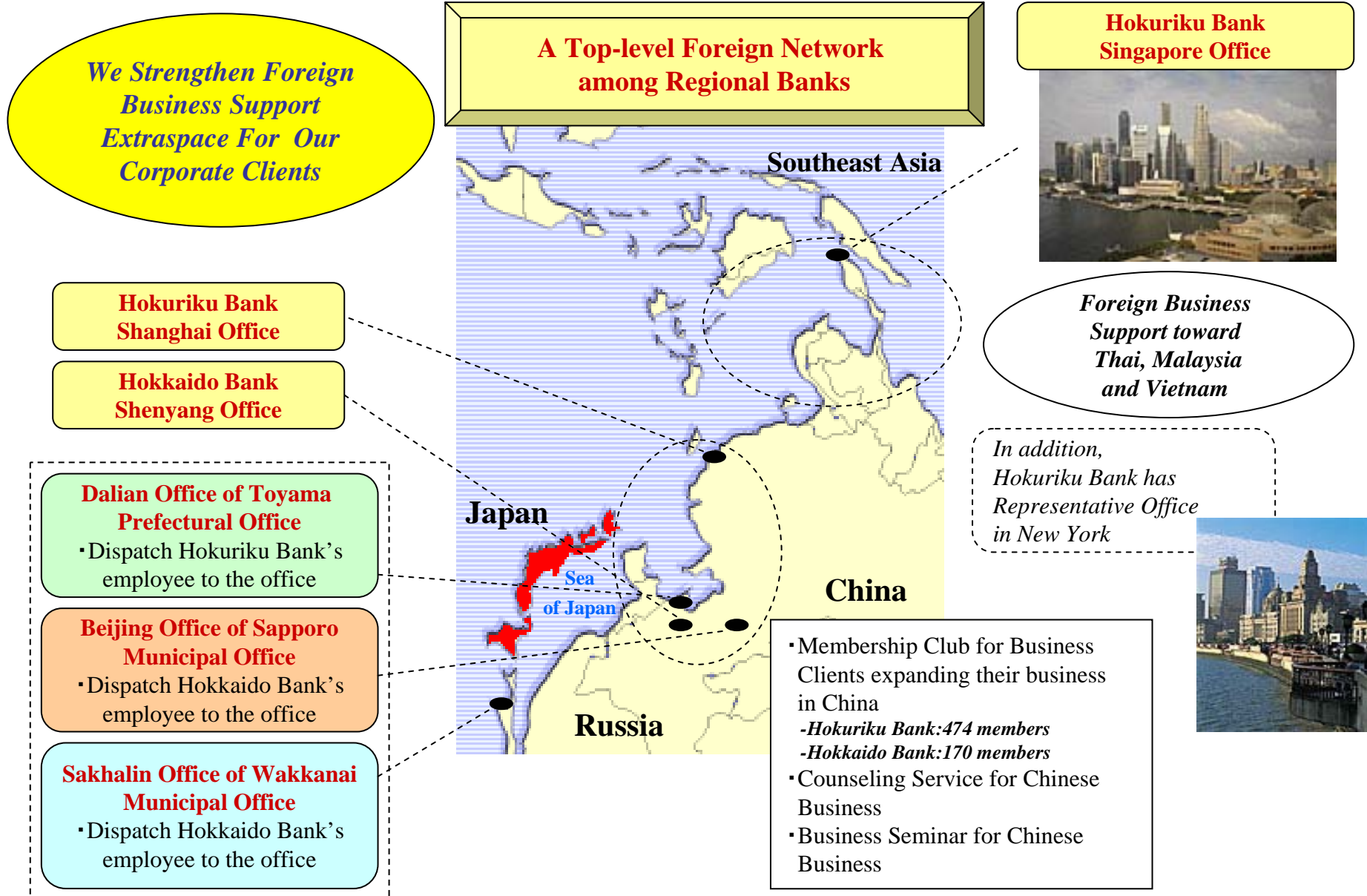


As of 9/30/2006(HFG), 5/31/2006(A~C), 6/30/2006(D~E)

Our Foreign Service Network

Hokuhoku Financial Group, Inc.

~Around the Sea of Japan extraspace and Southeast Asia~

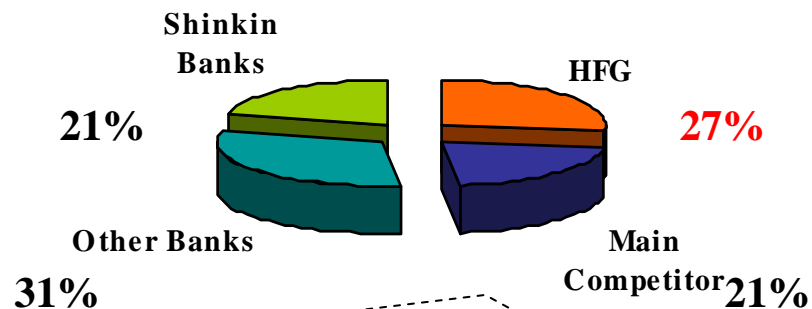


Market Share in Our Home Market

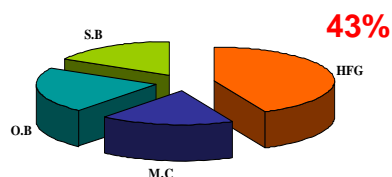
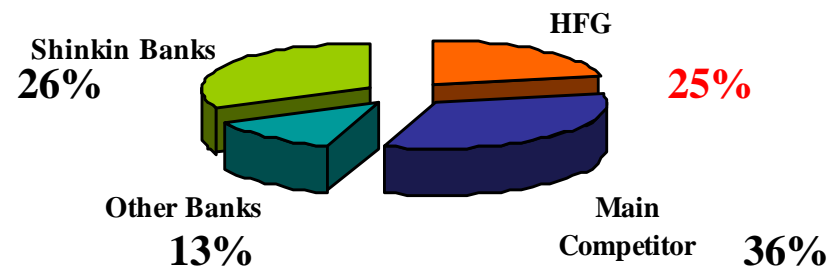
(Loans, '06/03)

Hokuhoku Financial Group, Inc.

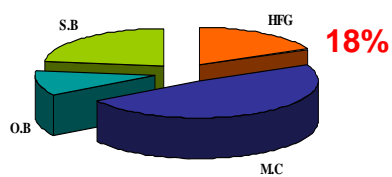
Hokuriku Area



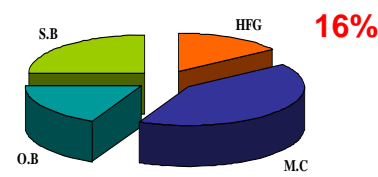
Hokkaido Area



Toyama



Ishikawa



Fukui

※Figures of the Main Competitor and Other banks are estimated figures

(¥ Bn)

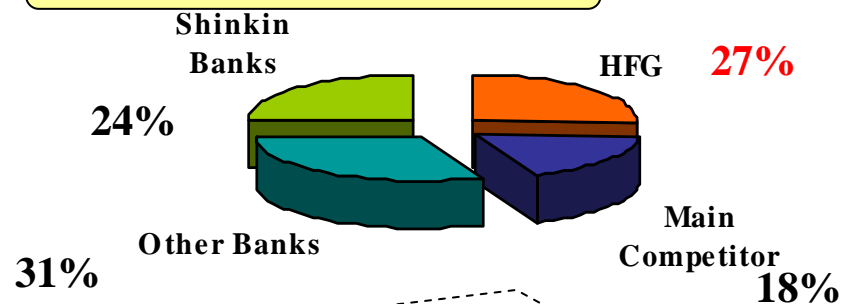
	Hokuriku Area				Hokkaido Area
		Toyama Pref.	Ishikawa Pref.	Fukui Pref.	
Banks	6,950.2(78.9%)	2,670.2(83.9%)	2,589.0(76.6%)	1,690.8(75.3%)	8,889.8(74.4%)
HFG	2,351.8(26.7%)	1,397.1(43.9%)	595.6(17.6%)	359.1(16.0%)	3,035.0(25.4%)
Hokuriku Bank	2,351.8(26.7%)	1,397.1(43.9%)	595.6(17.6%)	359.1(16.0%)	574.9(4.8%)
Hokkaido Bank	0(0.0%)	0(0.0%)	0(0.0%)	0(0.0%)	2,460.1(20.6%)
Main Competitor	1,813.3(20.6%)	574.1(18.0%)	1,624.0(48.1%)	970.4(43.2%)	4,358.5(36.5%)
Shinkin Banks	1,857.5(21.1%)	512.1(16.1%)	789.5(23.4%)	555.7(24.7%)	3,065.2(25.6%)
Total	8,807.7(100%)	3,182.3(100%)	3,378.5(100%)	2,246.5(100%)	11,955.0(100%)

Market Share in Our Home Market

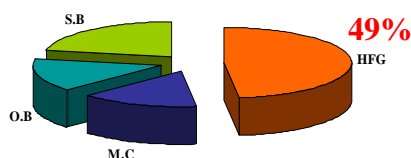
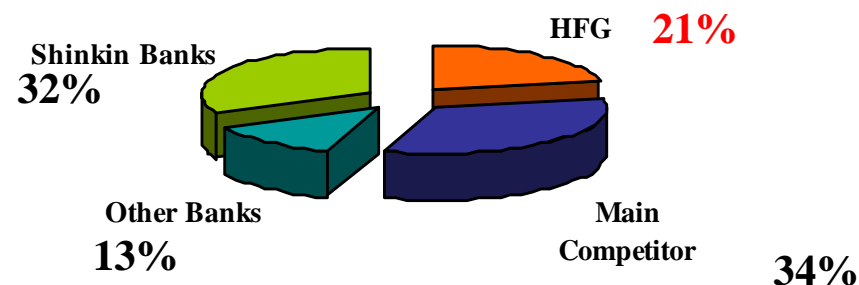
(Deposits, '06/03)

Hokuhoku Financial Group, Inc.

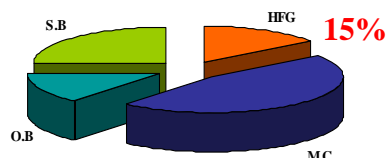
Hokuriku Area



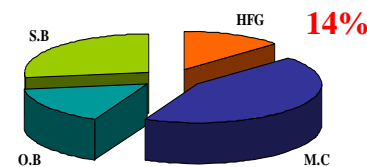
Hokkaido Area



Toyama



Ishikawa



Fukui

※Figures of the Main Competitor and Other banks are estimated figures

(¥ Bn)

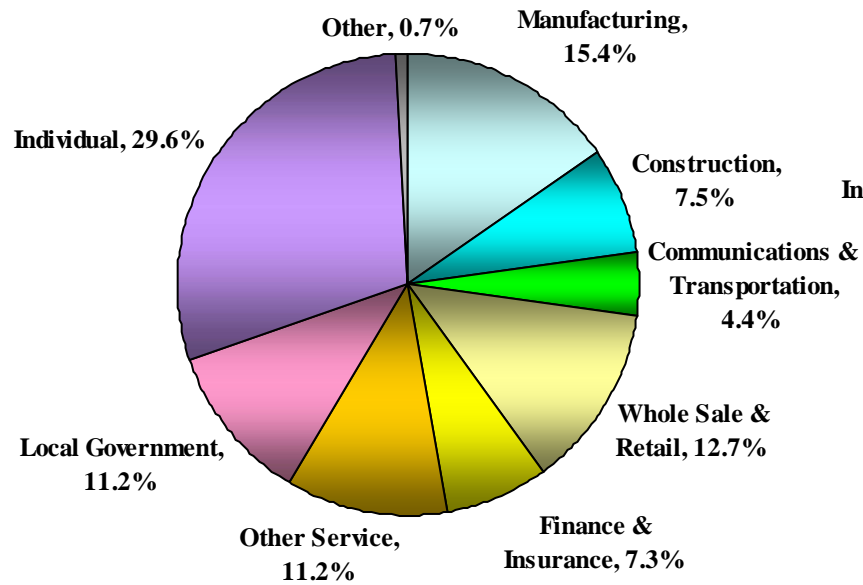
	Hokuriku Area				Hokkaido Area
		Toyama Pref.	Ishikawa Pref.	Fukui Pref.	
Banks	10,346.7(75.6%)	3,960.6(78.6%)	3,776.8(74.6%)	2,609.2(72.8%)	12,315.9 (68.0%)
HFG	3,669.6(26.8%)	2,444.6(48.5%)	739.4(14.6%)	485.6(13.6%)	3,880.3(21.4%)
Hokuriku Bank	3,669.6(26.8%)	2,444.6(48.5%)	739.4(14.6%)	485.6(13.6%)	519.0(2.9%)
Hokkaido Bank	0(0%)	0(0%)	0(0%)	0(0%)	3,361.3(18.5%)
Main Competitor	2,512.2(18.4%)	753.3(15.0%)	2,353.7(46.5%)	1,576.6(44.0%)	6,118.3(33.8%)
Shinkin Banks	3,334.7(24.4%)	1,077.1(21.4%)	1,284.9(25.4%)	972.6(27.2%)	5,805.0(32.0%)
Total	13,681.4(100%)	5,037.7(100%)	5,061.7(100%)	3,581.8(100%)	18,020.9(100%)

Lending in the Region by Industry

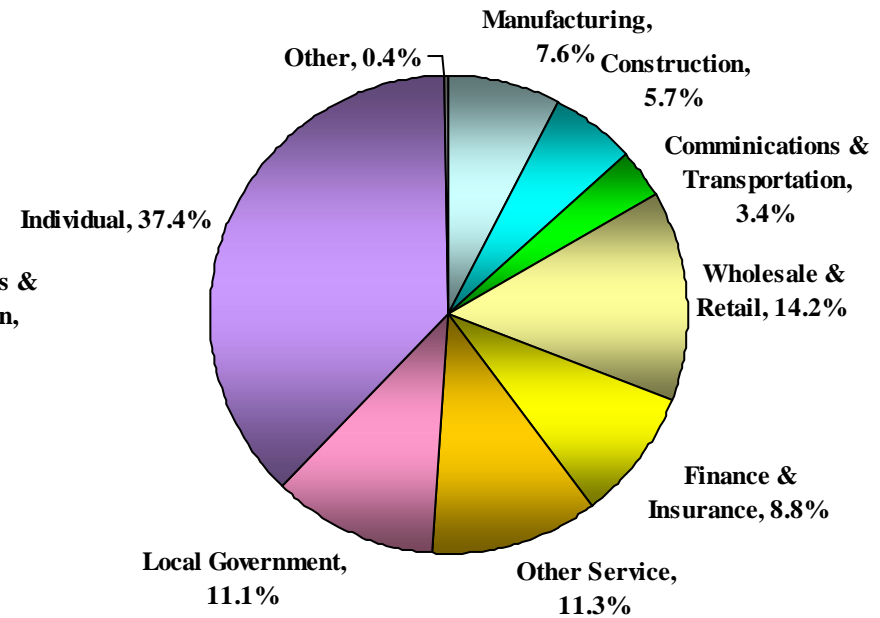
(2006/09)

Hokuhoku Financial Group, Inc.

Hokuriku Bank



Hokkaido Bank



*The Present Condition
of the Regional Economy*

Characteristics of Our Main Business Area

~Hokuriku and Hokkaido Area~

Hokuhoku Financial Group, Inc.

Population and Square Measure

Data from Ministry of Public Management, Home Affairs, Posts and Telecommunications

	Toyama Prefecture a	Ishikawa Prefecture b	Fukui Prefecture c	Total a+b+c	Hokkaido Prefecture	Total
Population (Ranking)	1.12Mn (38th)	1.18Mn (35th)	0.82Mn (43rd)	3.12Mn	5.64Mn (7th)	8.76Mn
Density of Population (Ranking)	262.9pt (25th)	281.6pt (23rd)	196.8pt (32th)	—	72.0pt (47th)	—
Square Measure (Ranking) km ²	4,247 (33rd)	4,185 (35th)	4,189 (34th)	—	83,455 (1st)	—

Same as Osaka,
Kanagawa!

1 st	Tokyo
2 nd	Osaka (8.81Mn)
3 rd	Kanagawa (8.73Mn)

Gross Prefectural Product

(¥ Bn)

	Toyama a	Ishikawa b	Fukui c	Total a+b+c	Hokkaido	Total
GPP (Proportion) (Ranking)	4,566.7 (0.92%) (28th)	4,459.9 (0.90%) (30th)	3,288.2 (0.66%) (41st)	12,314.9 (2.48%)	19,504.3 (3.93%) (6th)	31,819.3 (6.42%)

Above Kanagawa!

1 st	Tokyo
2 nd	Osaka
3 rd	Aichi
4 th	Kanagawa (30,762.4)

Industrial Structure

(%)

	Toyama a	Ishikawa b	Fukui c	Total a+b+c	Hokkaido	Total
Primary	1.2	1.1	1.2	1.2	3.4	1.7
Secondary	38.0	28.2	27.8	31.7	19.1	27.8
Third	64.6	74.6	75.1	71.0	81.2	75.3

Same as Austria
(Europe No11) !

1 st	Germany
2 nd	England
11 th	Austria (29,584.4)

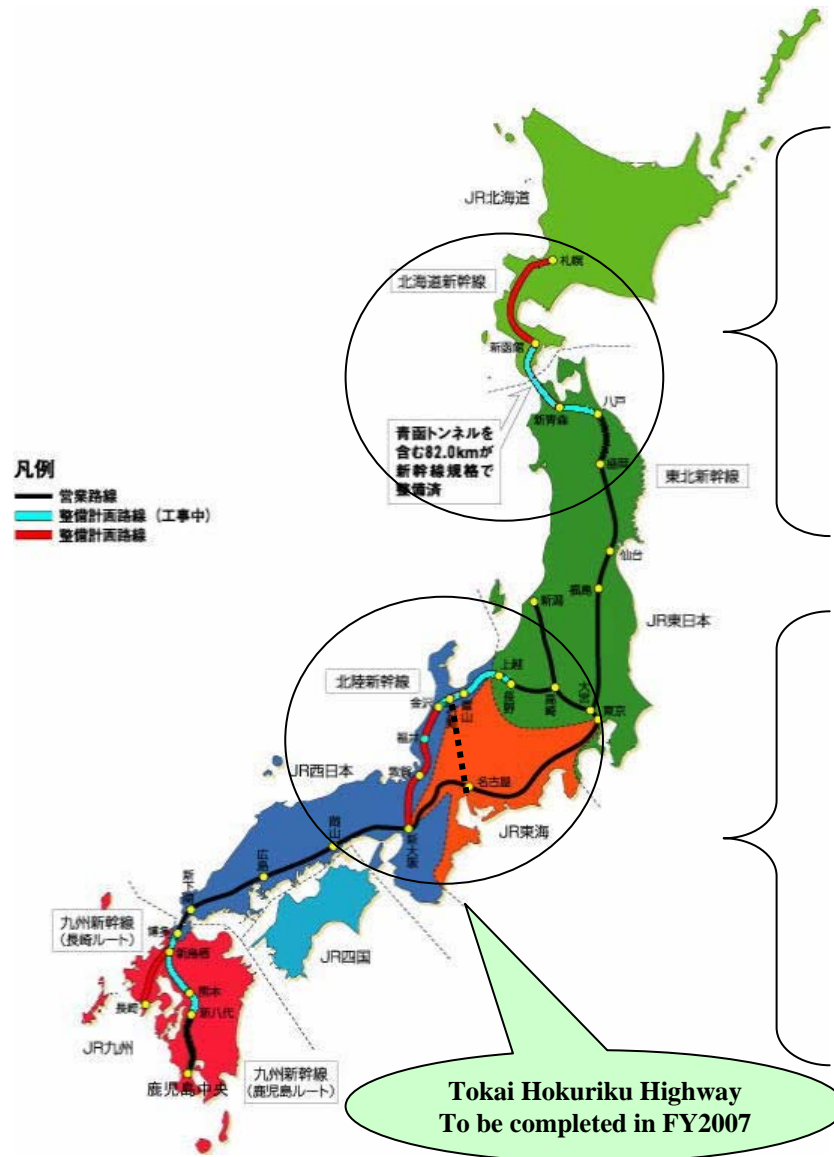
Economic Conditions of Hokuriku and Hokkaido

Hokuhoku Financial Group, Inc.

	Monthly Economic Report (By the Cabinet Office)		Monthly Economic Report (By Bank of Japan)		Monthly Economic Report (By Bank of Japan)	
	All Japan		Hokuriku Area		Hokkaido Area	
	2005/11	2006/11	2005/10	2006/10	2005/10	2006/10
Economic Trend	Mild Recovery	Recovery	Mild Recovery	Steady Recovery	Flatten	Mild Increase
Personal Consumption	Mild Increase	Flatten	Improving Trend	Improving	Flatten	Flatten
P & E Investment	Increase	Increase	Increasing more than last year	Increasing more than last year	Increasing	Flatten
Production	Flatten	Mild Increase	Increasing Trend	Increasing	Decreasing	Mild Increase
Employment & Income	Weak but improving	Weak but improving	Improving	Improving	Weak but improving	Flatten

Big Projects in the Hokuriku and Hokkaido Area

Hokuhoku Financial Group, Inc.



Construction of the Hokkaido Bullet Train

- Constructing a 360 KM line from Shin-Aomori Station to Sapporo Station
- Completion expected in FY 2015 (Shin-Aomori Station to Shin-Hakodate Station)

2002/12	(Tohoku Bullet Train) Morioka to Hachinohe	Opened
2005/5	(Hokkaido Bullet Train) Shin-Aomori to Shin-Hakodate	in Construction

Construction of the Hokuriku Bullet Train

- Constructing a 700 KM line from Tokyo to Osaka via Nagano, Toyama, Kanazawa, Fukui
- Completion expected in FY 2014

2001/5	Joetsu to Toyama	in Construction
2005/6	Toyama to Fukui	in Construction

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