

Investor Meeting

*~Interim Results for FY 2010~
(ended September 30, 2010)*



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

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Hokuhoku Financial Group, Inc.

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*Summary of Interim Results
for FY 2010*

Summary of Interim Results I-①

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

Hokuhoku Financial Group, Inc.

<Consolidated> (JPY Bn)	Released on 05/14/2010		change	FY09 1H
	['10/09 Forecasts]	FY10 1H		
Ordinary income	[105.0]	109.2	(5.0)	114.3
Ordinary profits	[14.0]	18.0	4.7	13.3
Net income	[8.0]	10.0	4.3	5.7 ^A
<Total of two banks> (JPY Bn)				
Core gross business profits	[78.5]	76.0	(3.5)	79.6
Net interest income		64.9	(0.4)	65.3
Domestic		64.8	(0.0)	64.9
Net fees & commissions		10.8	(0.5)	11.3
Net trading income		0.5	(0.2)	0.8
Net other income (excluding gains (losses) related to bonds)		<u>(21)</u> (0.3)	(2.4)	<u>(8)</u> 2.0
General & administrative expenses	[48.0]	(48.4)	(1.2)	(47.1)
Core net business profits	[30.5]	27.6	(4.8)	32.4
Net gains (losses) related to bonds		<u>+21</u> 3.0	1.2	<u>+8</u> 1.8
Net business profits before credit costs		30.6	(3.6)	34.3
Net non-recurring gains(losses)		(10.7)	5.4	(16.2)
Total credit costs	[13.0]	(8.3)	8.4	(16.8)
Net gains (losses) related to stocks		(2.1)	(1.2)	(0.9)
Ordinary profits	[15.0]	18.8	4.6	14.2
Net extraordinary gains (losses)		(0.5)	(4.3)	3.7
Income taxes		(7.0)	(0.5)	(6.5)
Net Income	[9.0]	11.1	(0.2)	11.4 ^B

<Consolidated>

Net income: ¥10.0Bn

+¥4.3Bn compared to FY09 1H

<Total of two banks>

Core net business profits: ¥27.6Bn

-¥4.8Bn compared to FY09 1H

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

Ordinary profits: ¥18.8Bn

+¥4.6Bn compared to FY09 1H

... Improvement in gains related bonds,
a substantial decrease in total credit costs

Net income: ¥11.1Bn

-¥0.2Bn compared to FY09 1H

... Net extraordinary gains included subsidiary
liquidation profit ¥3.0Bn in FY09 1H.

(JPY Bn)	FY10 1H	change	FY09 1H
A - B	(1.1)	4.5	(5.6)
Other Subsidiaries	0.5	0.7	(0.1)
Amortization of goodwill	(1.2)	0.0	(1.2)
Elimination	(0.4)	0.6	(1.1)
Liquidation subsidiaries	—	3.0	(3.0)

Underlined figures: Include net gains (losses) on bond option transactions

Summary of Interim Results I-②
<P/L : Non-Consolidated, each bank>

Hokuhoku Financial Group, Inc.

(JPY Bn)	〈Hokuriku Bank〉			〈Hokkaido Bank〉		
	FY10 1H	change	FY09 1H	FY10 1H	change	FY09 1H
Core gross business profits	44.1	(1.2)	45.3	31.9	(2.3)	34.2
Net interest income	36.1	(0.3)	36.5	28.7	(0.0)	28.7
Domestic	36.3	(0.0)	36.3	28.5	0.0	28.5
Net fees & commissions	6.6	(0.2)	6.9	4.1	(0.2)	4.4
Net trading income	0.5	(0.2)	0.8	-	-	-
Net other income (excluding gains (losses) related to bonds)	0.6	(0.3)	0.9	<u>(21)</u> (0.9)	(2.1)	<u>(8)</u> 1.1
General & administrative expenses	(26.5)	(0.7)	(25.8)	(21.8)	(0.5)	(21.3)
Core net business profits	17.5	(1.9)	19.5	10.0	(2.9)	12.9
Net gains (losses) related to bonds	(0.6)	(0.1)	(0.4)	<u>+21</u> 3.7	1.3	<u>+8</u> 2.3
Net business profits before credit costs	16.8	(2.1)	19.0	13.7	(1.5)	15.2
Net non-recurring gains(losses)	(5.5)	2.3	(7.8)	(5.2)	3.1	(8.3)
Total credit costs	(2.9)	4.0	(7.0)	(5.3)	4.4	(9.7)
Net gains (losses) related to stocks	(1.3)	(0.6)	(0.7)	(0.8)	(0.6)	(0.2)
Ordinary profits	12.1	2.3	9.8	6.6	2.3	4.3
Net extraordinary gains (losses)	(0.4)	(2.8)	2.4	(0.1)	(1.4)	1.3
Income taxes	(4.4)	0.2	(4.7)	(2.6)	(0.7)	(1.8)
Net Income	7.2	(0.3)	7.5	3.9	0.1	3.8

Underlined figures: Include net gains (losses) on bond option transactions

Summary of Interim Results II-①
<B/S : Consolidated and Total of two Banks>

Hokuhoku Financial Group, Inc.

〈Total of two banks〉 (JPY Bn)	Sep-10	change	Sep-09
Loans	6,966.7	(34.8)	7,001.5
Loans to SMEs & individuals	4,714.2	(229.8)	4,944.0
Housing & consumer loans	1,974.3	40.9	1,933.3
Securities	2,204.1	416.5	1,787.6
Deposits	9,223.9	293.6	8,930.2
Individual deposits*	6,470.9	185.6	6,285.3
Total individual assets	7,186.2	154.5	7,031.6
Individual deposits (deposits in yen)*	6,443.1	183.1	6,260.0
Investment products (for individuals)	743.1	(28.5)	771.6
Foreign currency deposits	27.8	2.5	25.2
Public bonds	292.0	(20.0)	312.1
Investment trusts	423.2	(11.0)	434.2
Balance of NPLs	214.4	(0.2)	214.6
NPL ratio	2.98%	0.02%	2.96%
〈Consolidated〉 (JPY Bn)			
Capital adequacy ratio	11.39%	0.48%	10.91%
Tier1 ratio	7.49%	0.79%	6.70%
Net deferred tax assets / Tier1 capital	16.94%	(5.22%)	22.16%
Valuation difference on available- for-sale securities	32.1	19.0	13.0

*Individual deposits include NCD

〈Total of two banks〉

Loans: -¥34.8Bn compared to Sep-09

...Decreased in loans to enterprises and increased in loans to individual, government and local governments.

Securities: +¥416.5Bn compared to Sep-09

...Increase in JGBs

Deposits: +¥293.6Bn compared to Sep-09

...Increase in individual deposits

Total individual assets:

+¥154.5Bn compared to Sep-09

...Individual deposits steadily increased

Balance of NPLs: -¥0.2Bn compared to Sep-09

NPL ratio: 2.98%

〈Consolidated〉

Capital adequacy ratio: 11.39%

Valuation difference on available-for-sale securities:

+¥32.1Bn

Summary of Interim Results II-②
<B/S : Non-Consolidated, each bank>

Hokuhoku Financial Group, Inc.

(JPY Bn)	〈Hokuriku Bank〉			〈Hokkaido Bank〉		
	Sep-10	change	Sep-09	Sep-10	change	Sep-09
Loans	4,109.2	(63.4)	4,172.6	2,857.4	28.5	2,828.9
Loans to SMEs & individuals	2,801.8	(118.8)	2,920.6	1,912.4	(111.0)	2,023.4
Housing & consumer loans	1,033.5	35.0	998.5	940.7	5.8	934.8
Securities	1,088.4	229.9	858.4	1,115.7	186.5	929.1
Deposits	5,292.6	136.7	5,155.8	3,931.3	156.8	3,774.4
Individual deposits*	3,561.7	72.0	3,489.7	2,909.1	113.6	2,795.5
Total individual assets	4,020.7	55.3	3,965.4	3,165.4	99.2	3,066.2
Individual deposits (deposits in yen)*	3,541.8	70.5	3,471.3	2,901.2	112.5	2,788.6
Investment products (for individuals)	478.8	(15.1)	494.0	264.2	(13.3)	277.5
Foreign currency deposits	19.9	1.4	18.4	7.9	1.0	6.8
Public bonds	193.4	(8.1)	201.5	98.6	(11.9)	110.5
Investment trusts	265.5	(8.5)	274.1	157.6	(2.4)	160.1
Balance of NPLs	146.1	6.0	140.1	68.3	(6.2)	74.5
NPL ratio	3.43%	0.20%	3.23%	2.33%	(0.24%)	2.57%
Capital adequacy ratio	11.27%	0.71%	10.56%	10.68%	0.38%	10.30%
Tier1 ratio	7.11%	0.87%	6.24%	7.07%	0.62%	6.45%
Net deferred tax assets / Tier1 capital	21.54%	(7.31%)	28.85%	13.31%	(3.22%)	16.53%
Valuation difference on available- for-sale securities	22.4	11.2	11.1	16.8	6.9	9.8

*Individual deposits include NCD

Breakdown of Business Profits ①

<Net interest income>

Hokuhoku Financial Group, Inc.

➤ Demand for funding remained weak and competition continued to intensify
 ⇒ Net income on loans declined and profit margin shrank

【Breakdown of net interest income (domestic)】

(JPY Bn, %)	FY2009 1H			FY2010 1H			change			breakdown		FY2009			FY2010 (Projection) (Domestic)		
	Average balance	Rate	Interest	Average balance	Rate	Interest	Average balance	Rate	Interest	Average balance	Rate	Average balance	Rate	Interest		balance	Rate
< Total of two banks >															Total of two banks		
Net interest income			64.9			64.8			(0.0)					129.8			
Loans	6,952.4	1.89%	66.2	6,890.8	1.78%	61.6	(61.6)	(0.11%)	(4.5)	(0.5)	(3.9)	6,964.9	1.87%	130.6	Loans	+20.0	-0.10%
Securities	1,795.2	0.98%	8.8	2,059.2	1.03%	10.7	264.0	0.05%	1.8	1.3	0.5	1,830.3	1.00%	18.3	Securities	+310.0	+0.01%
Deposits & NCDs	8,842.2	0.22%	10.1	9,190.5	0.15%	7.2	348.2	(0.07%)	(2.8)	0.3	(3.1)	8,881.2	0.21%	18.6	Deposits	+300.0	-0.06%
< Hokuriku bank >															Hokuriku bank		
Net interest income			36.3			36.3			(0.0)					72.3			
Loans	4,118.2	1.82%	37.6	4,045.8	1.71%	34.7	(72.3)	(0.11%)	(2.8)	(0.6)	(2.2)	4,108.1	1.80%	73.9	Loans	+8.0	-0.11%
Securities	851.5	1.03%	4.4	1,010.2	1.15%	5.8	158.7	0.12%	1.4	0.8	0.5	873.2	1.05%	9.2	Securities	+170.0	+0.07%
Deposits & NCDs	5,105.5	0.24%	6.2	5,283.8	0.17%	4.5	178.2	(0.07%)	(1.6)	0.1	(1.8)	5,117.2	0.22%	11.5	Deposits	+150.0	-0.06%
< Hokkaido bank >															Hokkaido bank		
Net interest income			28.5			28.5			(0.0)					57.4			
Loans	2,834.2	2.00%	28.5	2,844.9	1.88%	26.9	10.7	(0.12%)	(1.6)	0.1	(1.7)	2,856.8	1.98%	56.6	Loans	+12.0	-0.09%
Securities	943.7	0.94%	4.4	1,048.9	0.92%	4.8	185.7	(0.02%)	0.4	0.4	(0.0)	957.0	0.95%	9.1	Securities	+140.0	-0.04%
Deposits & NCDs	3,736.7	0.20%	3.8	3,906.7	0.14%	2.7	153.1	(0.06%)	(1.1)	0.1	(1.2)	3,764.0	0.19%	7.1	Deposits	+150.0	-0.05%

Breakdown of Business Profits ②

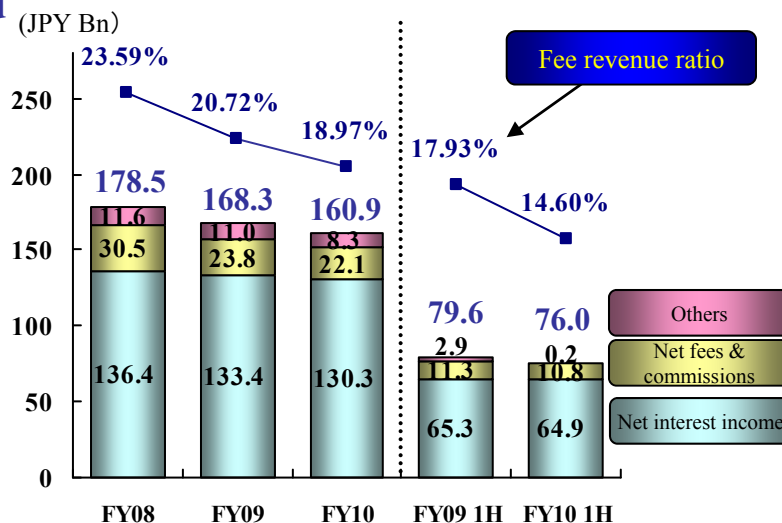
<Fee revenue>

- Remittance fees / commissions decreased
- Income from foreign exchange transactions and derivatives declined

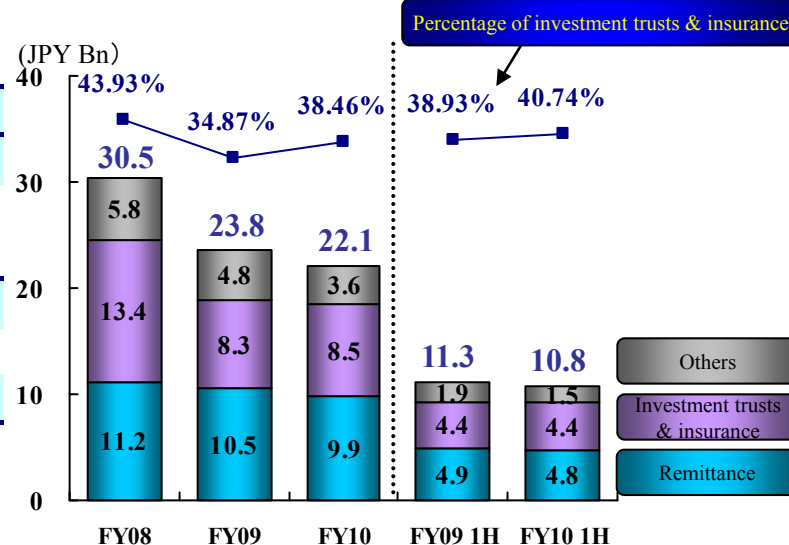
【Breakdown of fee revenue】

〈Total of two banks〉 (JPY Bn)	FY10 1H	change	FY09 1H
(1) Net fees & commissions	10.8	(0.5)	11.3
Fees and commissions	17.8	(0.2)	18.1
Remittance	5.8	(0.1)	5.9
Investment trusts	2.4	(0.0)	2.4
Insurance	1.9	(0.0)	2.0
Fees and commissions payments	7.0	0.2	6.7
Remittance	0.9	(0.0)	0.9
ATM (alliance with convenience stores)	1.1	0.1	1.0
Loan related expenses	4.5	0.1	4.3
(2) Net trading income	0.5	(0.2)	0.8
(3) Net other income (excluding gains(losses) related to bonds)	(0.3)	(2.4)	2.0
gains on foreign exchange transactions	0.8	(1.4)	2.2
Net income (expenses) on derivatives	(1.1)	(0.9)	(0.1)
(4) Fee revenue (1)+(2)+(3)	11.1	(3.1)	14.2
(5) Core gross business profits	76.0	(3.5)	79.6
(6) Fee revenue ratio (4)/(5)	14.60%	(3.33%)	17.93%

【Core gross business profits】 〈Total of two banks〉



【Net fees and commissions】〈Total of two banks〉



Breakdown of Business Profits ③

<General and administrative expenses>

Hokuhoku Financial Group, Inc.

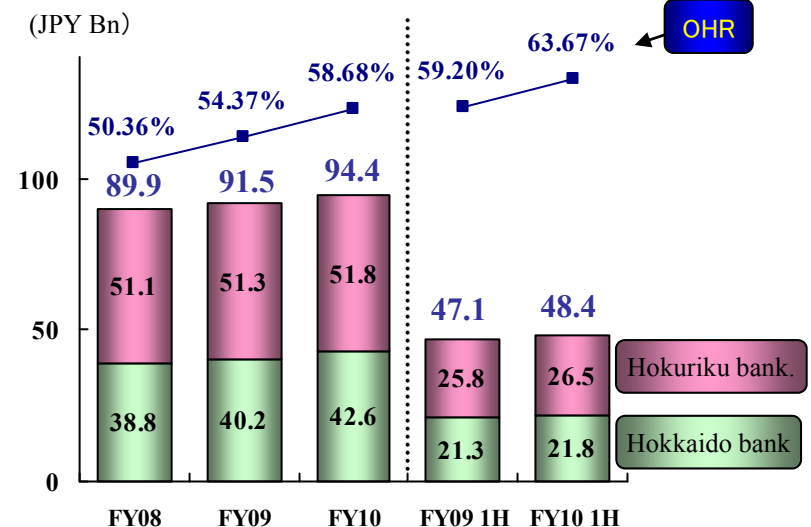
- General and administrative expenses increased due to an increase in personnel and investment in IT system.

【Breakdown of G&A expenses】

< Total of two banks > (JPY Bn)	FY10 H1	change	FY09 H1
General and administrative expenses	48.4	1.2	47.1
Personnel	22.0	0.4	21.5
Non-personnel	23.6	0.6	22.9
Taxes	2.7	0.1	2.5
OHR	63.67%	4.47%	59.20%
Number of employees (excluding temporary staffs) (A)	505.7	53.2	452.5
Temporary staffs (B)	358.4	(64.8)	423.2
Percentage of temporary staffs (B)/{(A)+(B)}	41.47%	(6.85%)	48.32%

※OHR = (G&A expenses / core gross business profits)

【G&A expenses · OHR】 〈Total of two banks〉



Personnel expenses: +¥0.4Bn

- Increase in the number of staff to strengthen marketing capabilities, and switch of the dispatch labor to the direct employment

Non-personnel expenses: +¥0.6Bn

- Increase in depreciation due to shift to new IT system

Net Gains (Losses) related to Securities

Hokuhoku Financial Group, Inc.

- Net gains (losses) related to bonds: +¥3.0Bn (+1.2Bn compared to FY09 1H)
- Net gains (losses) related to stocks: -¥2.1Bn (-1.2Bn compared to FY09 1H)

【Net gains (losses) related to securities】

(JPY Bn)	〈Total of two banks〉			〈Hokuriku bank〉			〈Hokkaido bank〉		
	FY10 1H	change	FY09 1H	FY10 1H	change	FY09 1H	FY10 1H	change	FY09 1H
Net Gains (losses) on bonds	3.0	1.2	1.8	(0.6)	(0.1)	(0.4)	3.7	1.3	2.3
Gains on sales	3.8	0.3	3.4	0.0	(0.0)	0.0	3.8	0.4	3.3
Losses on sales	0.6	(0.1)	0.8	0.6	0.4	0.2	0.0	(0.6)	0.6
Losses on redemption	0.0	(0.2)	0.2	—	—	—	0.0	(0.2)	0.2
Losses on devaluation	0.0	(0.4)	0.5	0.0	(0.3)	0.3	—	(0.1)	0.1
Net Gains (losses) on stocks	(2.1)	(1.2)	(0.9)	(1.3)	(0.6)	(0.7)	(0.8)	(0.6)	(0.2)
Gains on sales	0.4	(0.0)	0.5	0.4	0.1	0.3	0.0	(0.1)	0.1
Losses on sales	0.4	0.4	0.0	0.3	0.3	0.0	0.0	0.0	0.0
Losses on devaluation	2.2	0.8	1.4	1.4	0.4	1.0	0.7	0.4	0.3

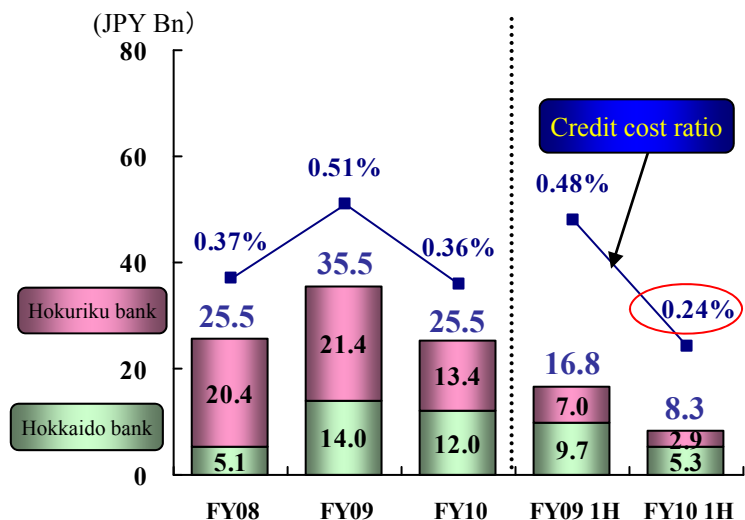
Impairment loss	Assets requiring caution	“Market value has fallen below its acquisition cost”
	Normal Assets	“Market value has fallen 50% or more from its acquisition cost, or market value has fallen more than 30% to less than 50% and market price has been below the certain level”

Credit Costs and Non-Performing Loan

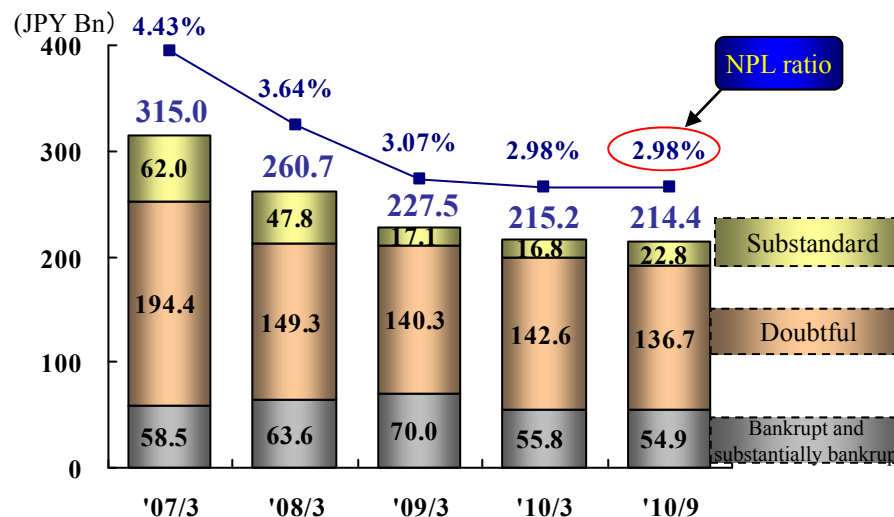
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- Total credit costs were ¥8.3Bn (-¥8.4Bn compared to FY09 1H), Credit cost ratio was 0.24% (-0.24% compared to FY09 1H)
- NPL ratio was 2.98% (+0.00% compared to Mar-10)

【Total credit costs】〈Total of two banks〉



【Non-performing loan based on the FRA】
〈Total of two banks + Hokugin Corp.〉



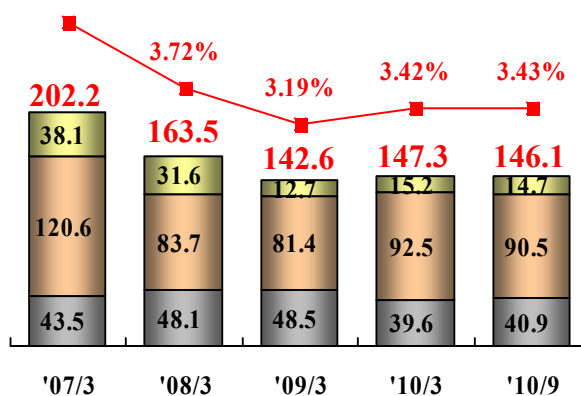
※ Total credit costs

= Credit related costs + Provision of general allowance for loan losses

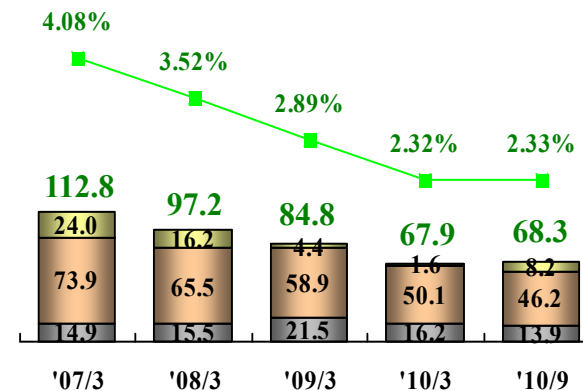
※ Credit cost ratio

= Total credit costs ÷ Average balance of Loans

〈Hokuriku bank + Hokugin Corp.〉



〈Hokkaido bank〉



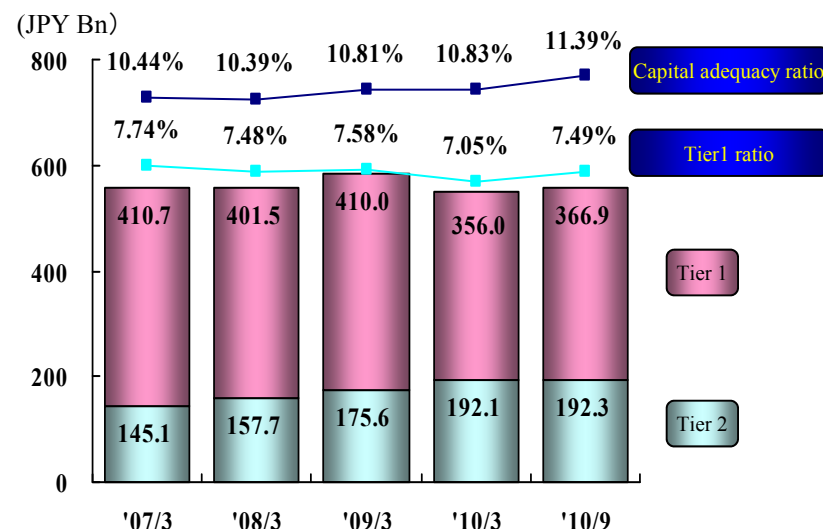
Capital Adequacy Ratio

- Capital adequacy ratio was 11.39% (+0.56% from Mar-10)
- Tier 1 ratio was 7.49%(+0.44% from Mar-10)

【Capital adequacy ratio】

(JPY Bn)	Sep-10	change	Mar-09
Capital adequacy ratio	11.39%	0.56%	10.83%
Tier1 ratio	7.49%	0.44%	7.05%
Tier1 capital	366.9	10.9	356.0
Preferred shares (Private sector)	53.7	-	53.7
Tier2 capital	192.3	0.1	192.1
Total capital	557.9	11.1	546.7
Risk-weighted assets	4,897.3	(148.9)	5,046.2
Credit risk portion	4,581.3	(139.1)	4,720.4
Operational risk portion	315.9	(9.8)	325.8

【Capital adequacy ratio and public funds】



〈Hokuriku bank〉

(JPY Bn)	Sep-10	change	Mar-10
Capital adequacy ratio	11.27%	0.47%	10.80%
Tier1 ratio	7.11%	0.35%	6.76%
Tier1 capital	199.7	3.3	196.3
Tier2 capital	117.0	(0.5)	117.6
Total Capital	316.7	2.7	313.9
Risk-weighted assets	2,808.6	(96.0)	2,904.6
Total interest rate risk (99 percentile)	42.9	(11.8)	54.8
Outlier ratio	13.57%	(3.90%)	17.48%

〈Hokkaido bank〉

(JPY Bn)	Sep-10	change	Mar-10
Capital adequacy ratio	10.68%	0.49%	10.19%
Tier1 ratio	7.07%	0.26%	6.81%
Tier1 capital	145.6	1.7	143.8
Tier2 capital	74.1	2.8	71.2
Total Capital	219.7	4.5	215.1
Risk-weighted assets	2,056.5	(54.0)	2,110.5
Total interest rate risk (99 percentile)	15.6	(18.4)	34.1
Outlier ratio	7.12%	(8.73%)	15.85%

Adopted the internal core deposit model as of 30 Sep.10

Deferred Tax Assets

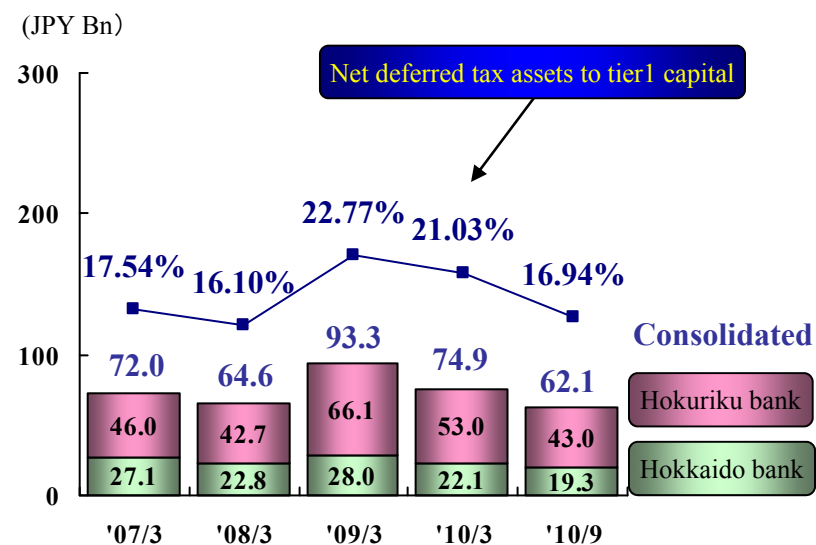
Hokuhoku Financial Group, Inc.

- Net deferred tax assets : ¥62.1Bn (-¥12.7Bn compared to Mar-10)
- Net deferred tax assets to tier1 capital : 16.94% (-4.09% compared to Mar-10)

【Breakdown of deferred tax assets】

〈Consolidated〉 (JPY Bn)	Sep-10	change	Mar-10
Allowance for loan losses	66.7	(1.8)	68.6
Depreciation	1.8	0.0	1.7
Provision for retirement benefits	17.4	0.1	17.2
Loss on valuation of securities	14.1	0.4	13.6
Valuation difference on available-for-sale securities	-	-	-
Other	5.4	(0.1)	5.5
Operating loss carryforwards	24.3	(3.1)	27.4
(1) Deferred tax assets	129.8	(4.5)	134.3
(2) Valuation allowance	43.5	1.1	42.3
(3) Total deferred tax assets (1)-(2)	86.2	(5.7)	92.0
(4) Deferred tax liabilities	24.1	7.0	17.0
(5) Net deferred tax assets (3)-(4)	62.1	(12.7)	74.9

【Deferred tax assets】



(JPY Bn)	〈Hokuriku bank〉		
	Sep-10	change	Mar-10
(1) Deferred tax assets	94.6	(4.6)	99.3
(2) Valuation allowance	38.2	0.9	37.3
(3) Total deferred tax assets (1)-(2)	56.4	(5.5)	62.0
(4) Deferred tax liabilities	13.4	4.4	8.9
(5) Net deferred tax assets (3)-(4)	43.0	(10.0)	53.0

(JPY Bn)	〈Hokkaido bank〉		
	Sep-10	change	Mar-10
(1) Deferred tax assets	30.4	0.1	30.2
(2) Valuation allowance	2.3	0.2	2.1
(3) Total deferred tax assets (1)-(2)	28.0	(0.0)	28.1
(4) Deferred tax liabilities	8.6	2.6	6.0
(5) Net deferred tax assets (3)-(4)	19.3	(2.7)	22.1

【Earnings Forecasts for FY 2010】

〈Consolidated〉

(JPY Bn)	Previous Forecast	Revised Forecast	Change
Ordinary income	210.0	215.0	4.0
Ordinary profits	32.0	32.0	—
Net income	17.5	17.5	—

【Dividend Forecasts for FY 2010】

〈Non-consolidated〉

	Interim	Year-end	Annual	Change from FY2009
Dividend per common share	—	¥3.50	¥3.50	—
Dividend per preferred share (Type5)	¥7.50	¥7.50	¥15.00	—

〈Total of two banks〉

(JPY Bn)	Previous Forecast	Revised Forecast	Change
Ordinary income	194.0	197.0	3.0
Core gross business profits	158.5	156.5	(2.0)
G&A expenses	96.0	97.0	1.0
Core net business profits	62.5	59.5	(3.0)
Total credit costs	24.0	22.0	(2.0)
Ordinary profits	33.5	33.5	—
Net income	20.0	20.0	—

〈Hokuriku bank〉

	Previous Forecast	Revised Forecast	Change
Ordinary income	110.0	110.0	—
Core gross business profits	90.0	90.0	—
G&A expenses	53.0	53.0	—
Core net business profits	37.0	37.0	—
Total credit costs	14.0	12.0	(2.0)
Ordinary profits	21.0	21.0	—
Net income	12.5	12.5	—

〈Hokkaido bank〉

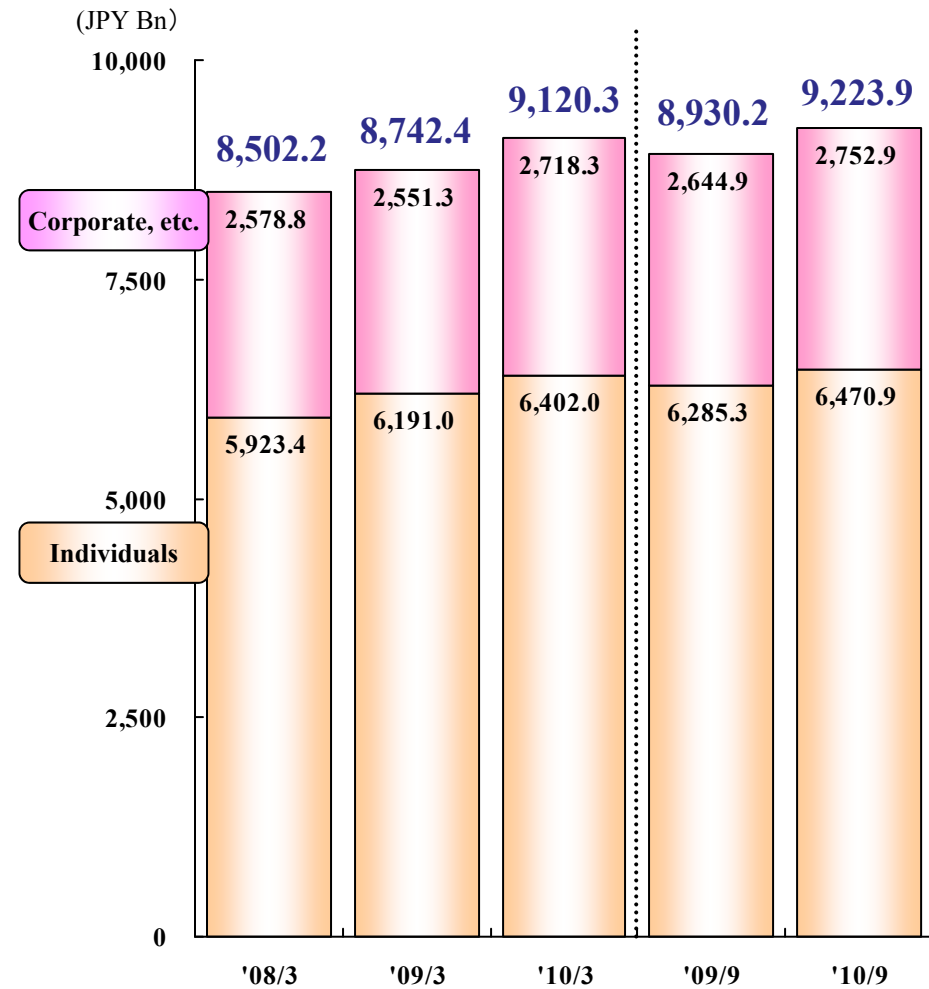
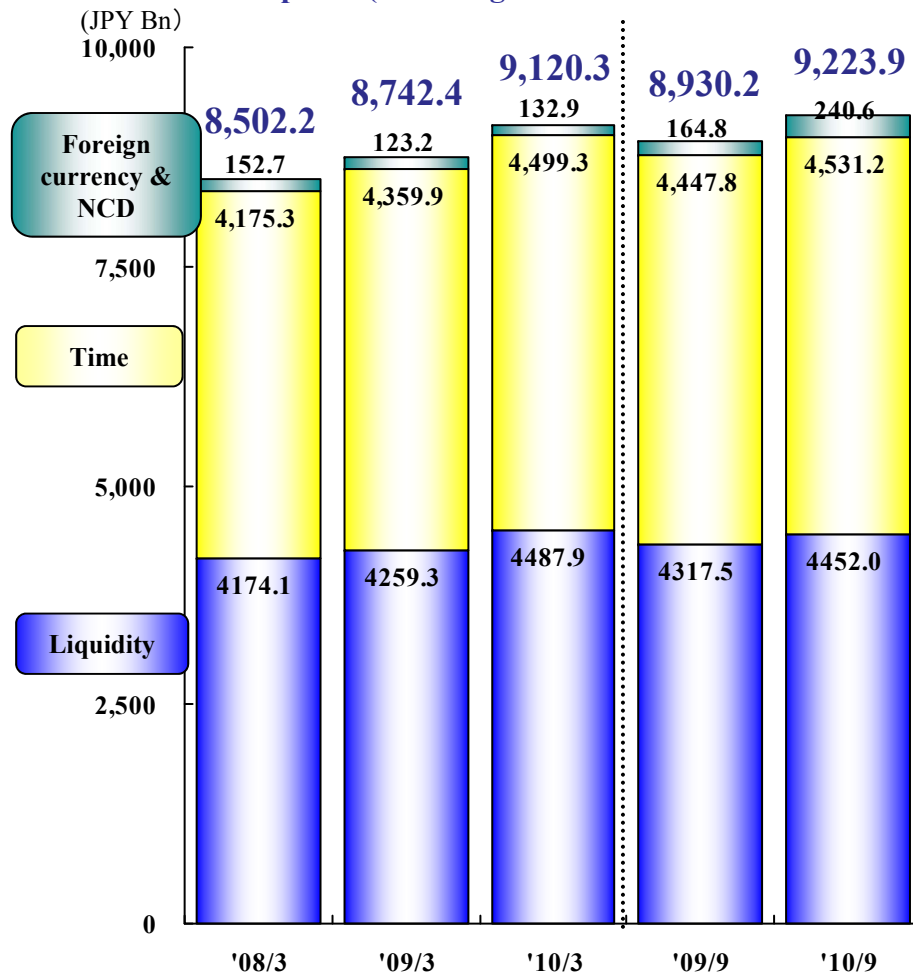
	Previous Forecast	Revised Forecast	Change
Ordinary income	84.0	87.0	3.0
Core gross business profits	68.5	66.5	(2.0)
G&A expenses	(43.0)	44.0	1.0
Core net business profits	25.5	22.5	(3.0)
Total credit costs	(10.0)	10.0	—
Ordinary profits	12.5	12.5	—
Net income	7.5	7.5	—

Deposits

Hokuhoku Financial Group, Inc.

- Deposits +¥293.6Bn(+3.28%) compared to Sep-09
- Liquidity +¥134.5Bn(+3.11%) compared to Sep-09
- Individuals +¥185.6Bn(+2.95%) compared to Sep-09

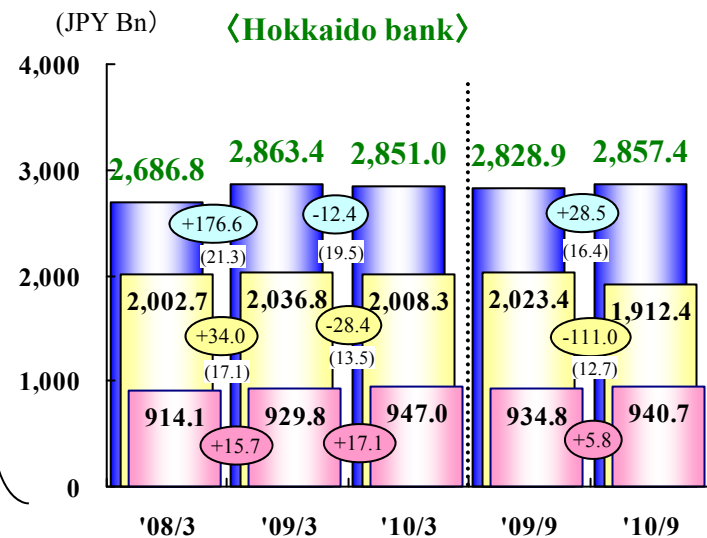
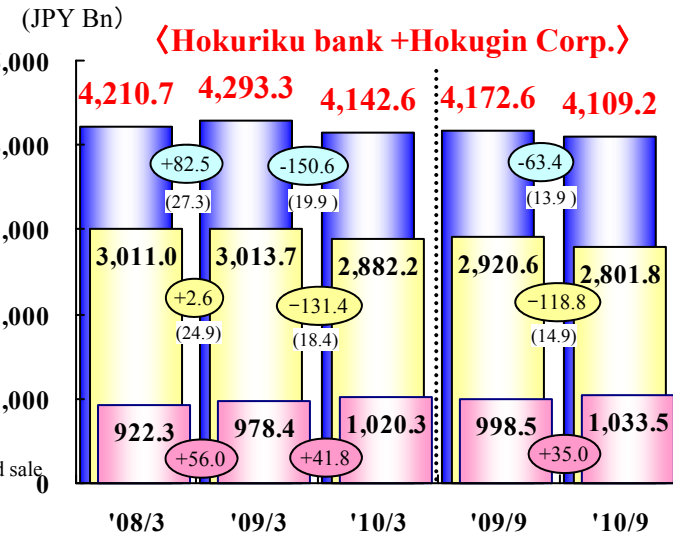
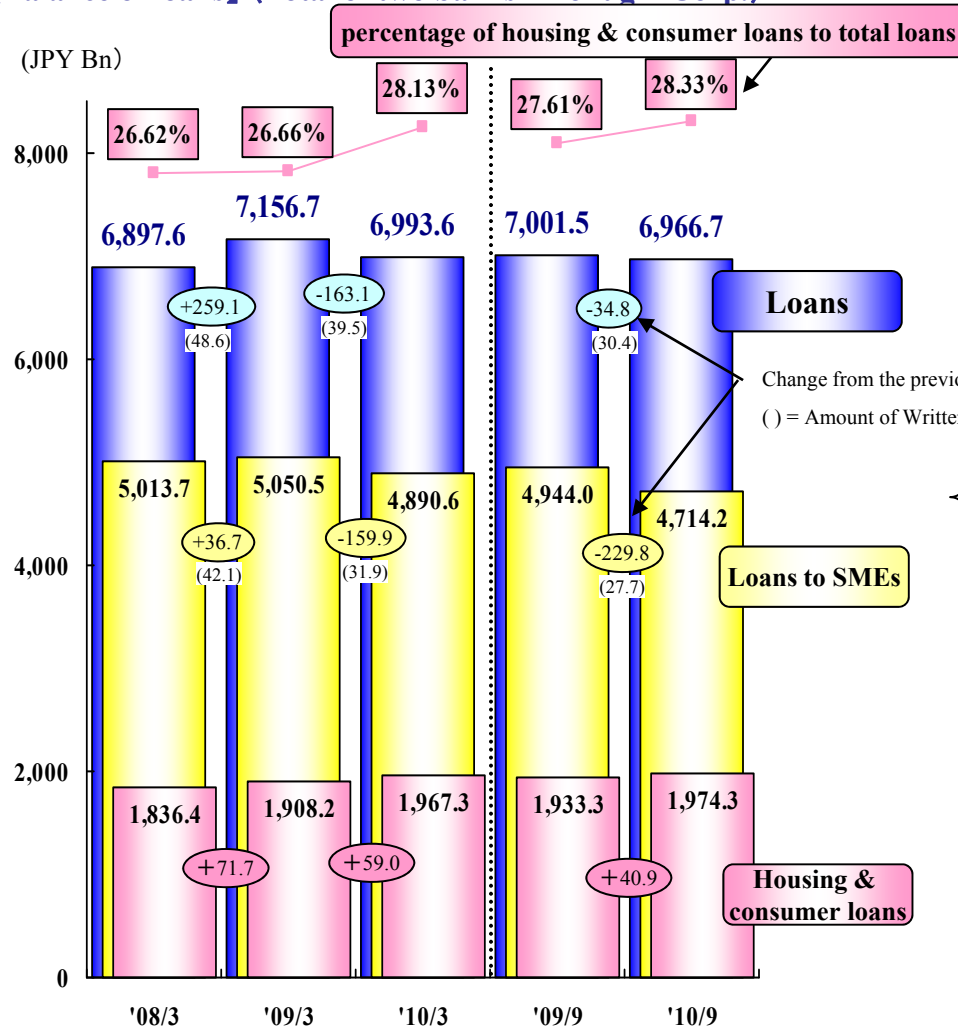
【 Balance of deposits (including NCD) 】 < Total of two banks >



Loans

- Loans -¥34.8Bn(-0.49%) compared to Sep-09
- Loans to SMEs and individuals -¥229.8Bn(-4.64%) compared to Sep-09
- Housing and consumer loans +¥40.9Bn(+2.11%) compared to Sep-09

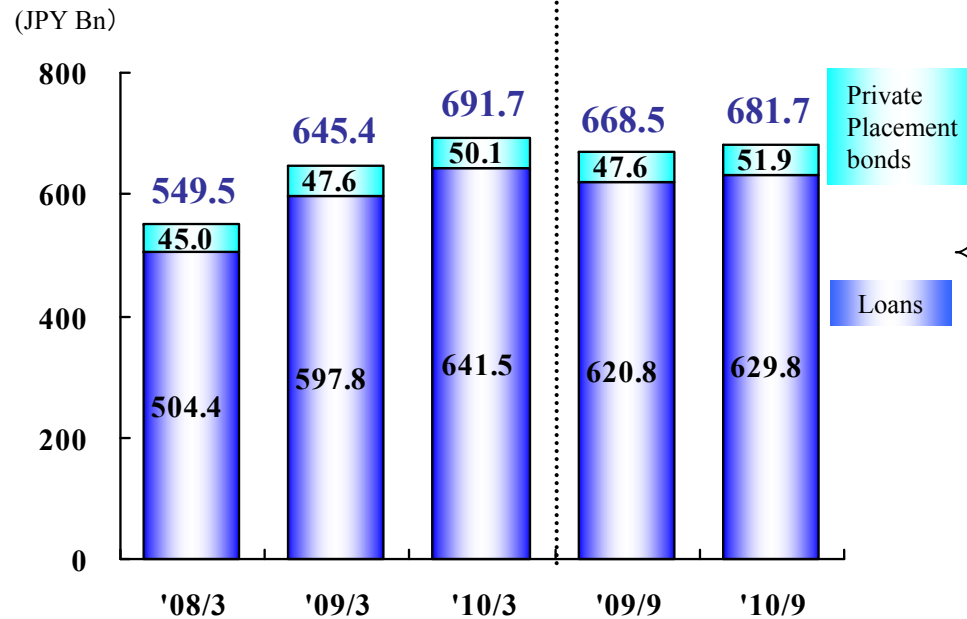
[Balance of loans] <Total of two banks +Hokugin Corp.>



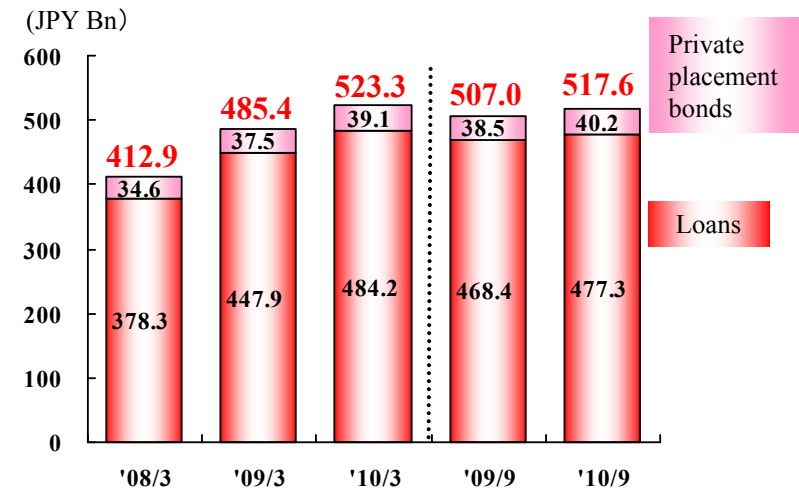
Loan guaranteed by Credit Guarantee Corporations (CGCs) Hokuhoku Financial Group, Inc.
(Maruho Loan)

➤ **Balance of loan guaranteed by CGCs : +¥13.2Bn(+1.9%) compared to Sep-09.**

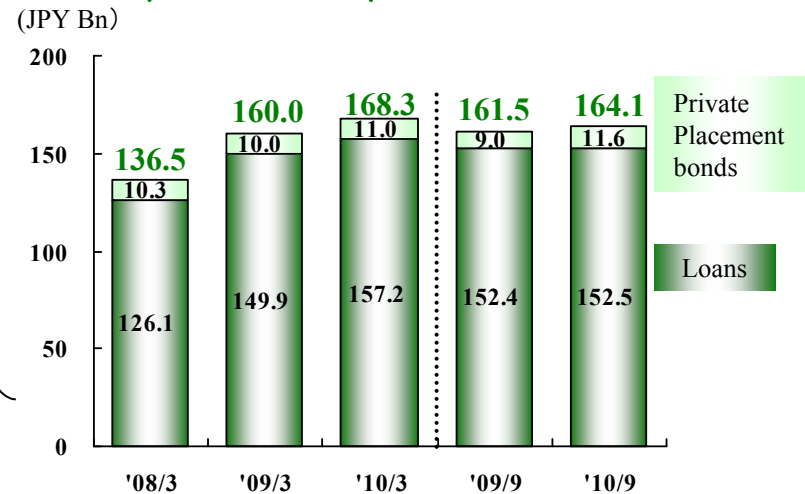
【Balance of loans guaranteed by CGCs】
〈Total of two banks〉



〈Hokuriku bank〉



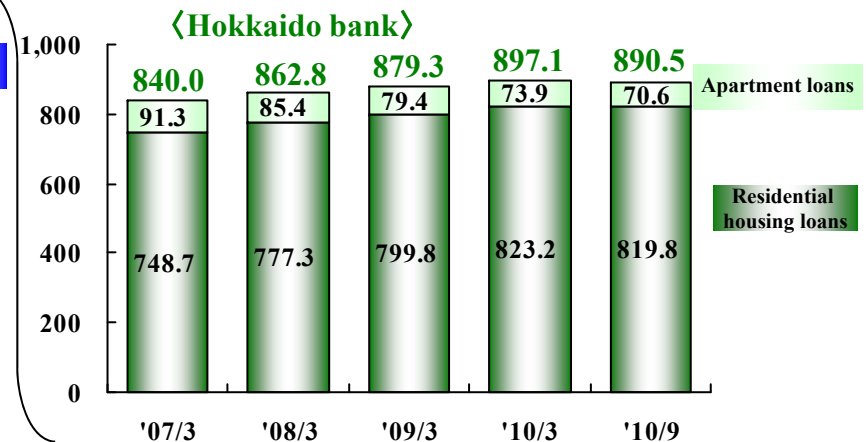
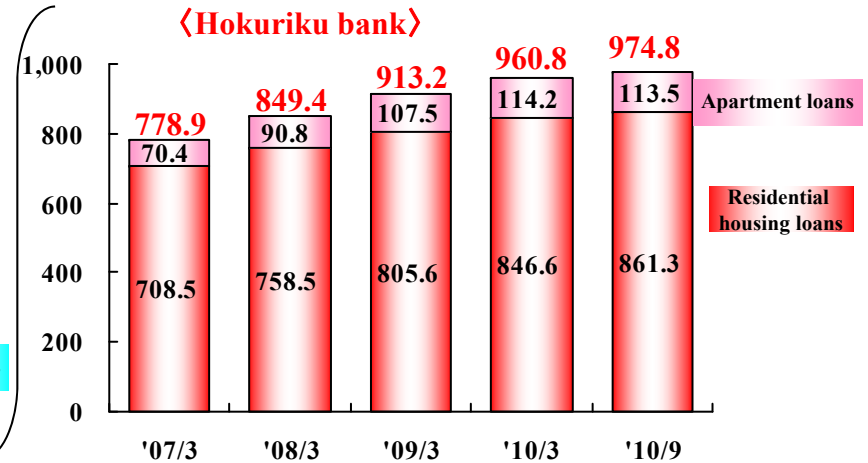
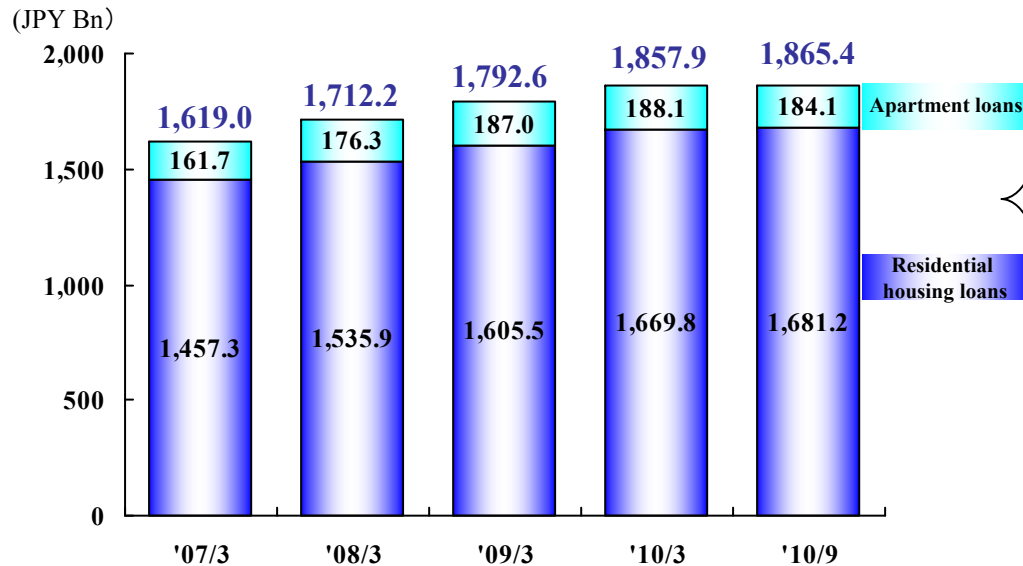
〈Hokkaido bank〉



Housing Loans

- Balance of housing loans increased by ¥7.4Bn compared to Mar-10.
- Sales amount of new housing loans grew at a sluggish pace due to competition.

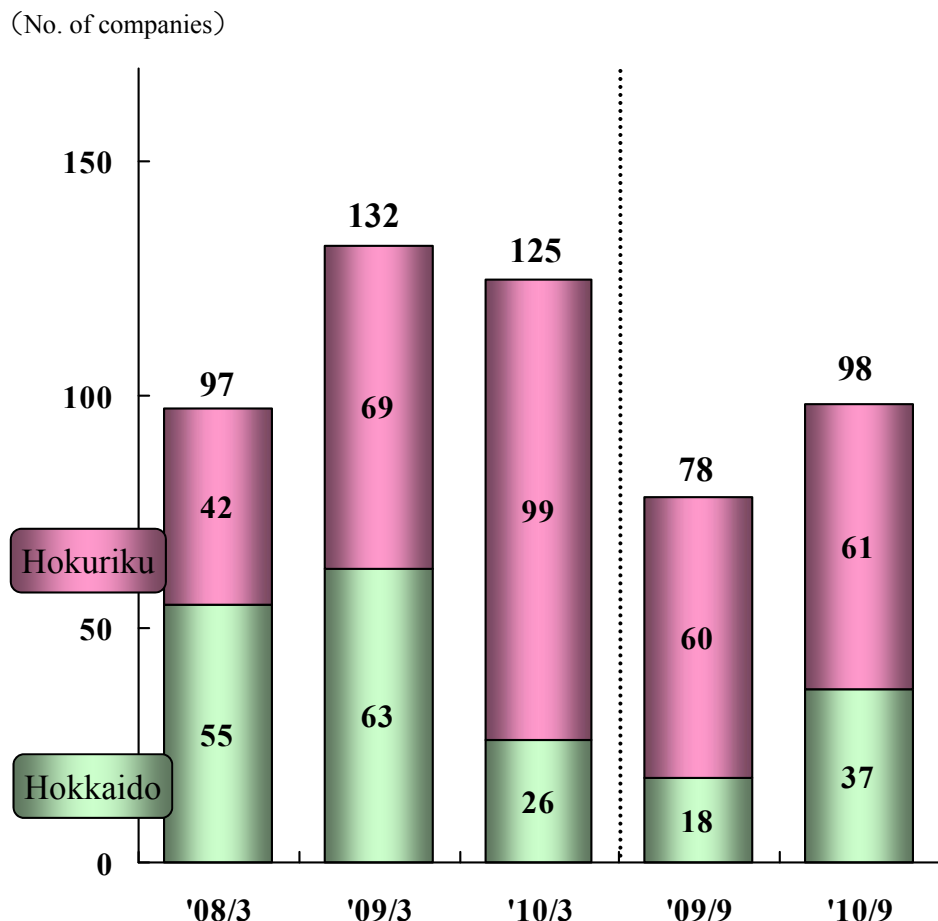
【Balance of residential housing loans】 〈Total of two banks〉



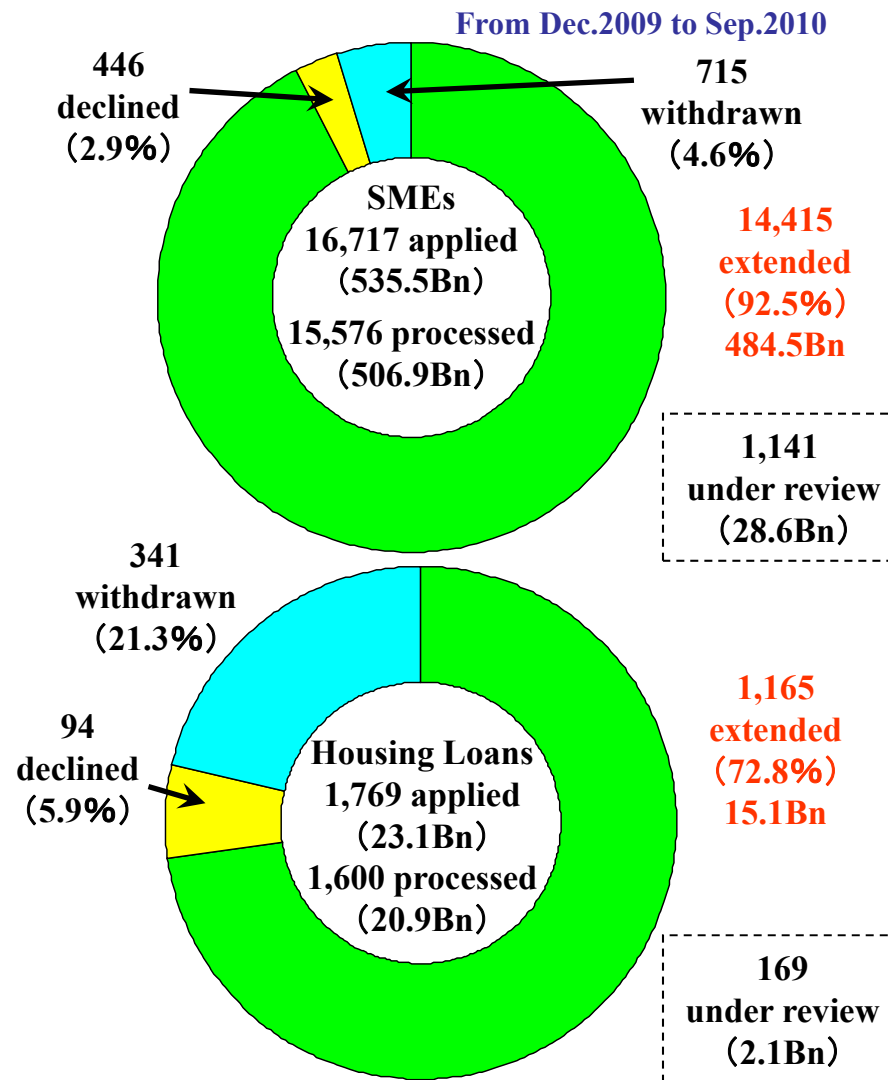
【Sales amount of housing loans】

(JPY Bn)	〈Total of two banks〉					〈Hokuriku bank〉					〈Hokkaido bank〉				
	FY07	FY08	FY09	FY09 1H	FY10 1H	FY07	FY08	FY09	FY09 1H	FY10 1H	FY07	FY08	FY09	FY09 1H	FY10 1H
Sales amount of residential housing loans	227.5	218.6	209.5	99.7	89.8	113.5	110.8	104.7	50.2	49.3	113.9	107.7	104.8	49.4	40.5
New lones	177.2	176.5	141.3	68.5	56.8	93.7	90.8	71.9	37.9	30.5	83.5	85.6	69.4	30.6	26.3
Refinanced lones	50.2	42.1	68.2	31.2	32.9	19.8	20.0	32.7	12.3	18.7	30.4	22.0	35.4	18.8	14.2

【The number of clients that could improve borrower category by our support】



【Support through the public SME package <Total of two banks>】

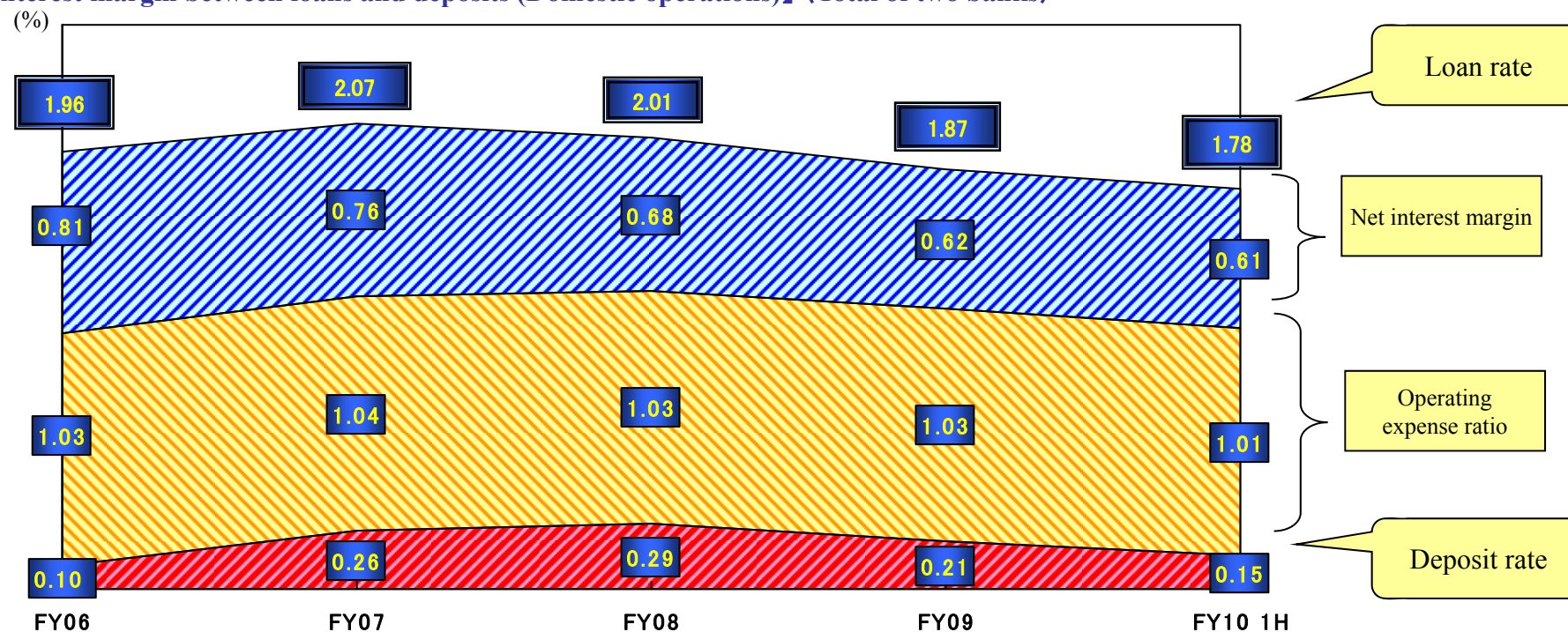


* “Declined” includes cases pending for more than 3 months since applied.

Interest Margins ①

- Loan rate -0.09% compared to FY2009
- Deposit rate -0.06% compared to FY2009
- Net interest margin -0.01% compared to FY2009

【Interest margin between loans and deposits (Domestic operations)] <Total of two banks>

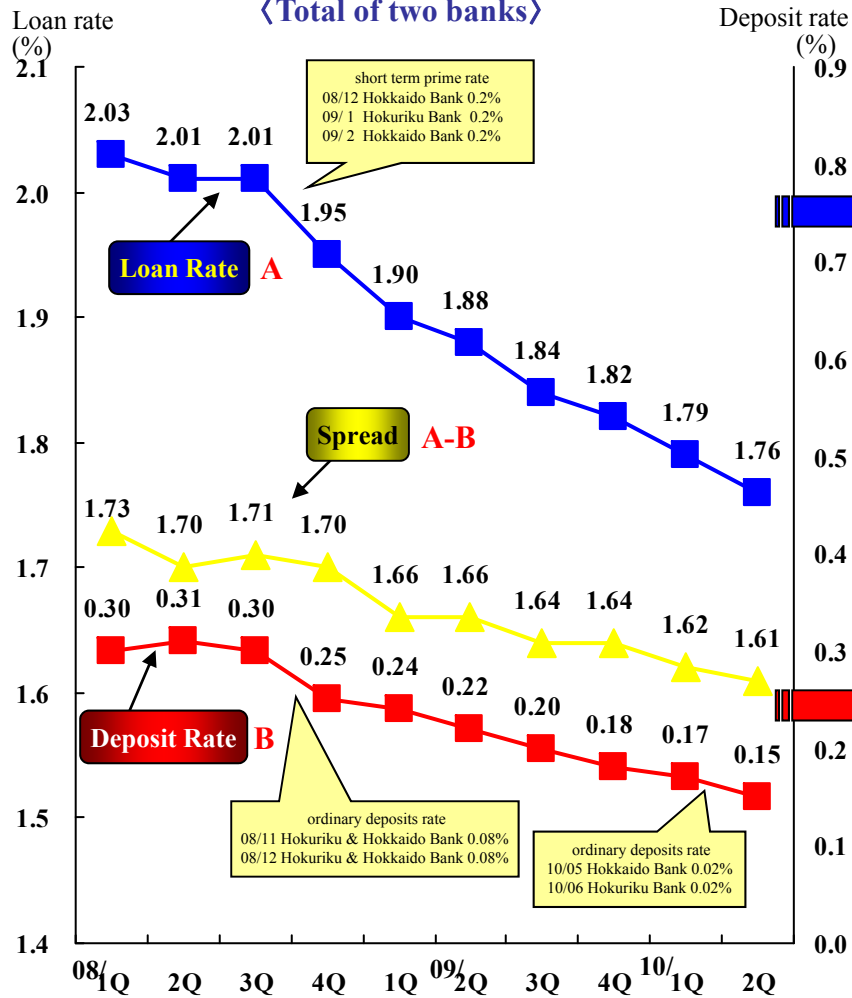


($\%$)	<Total of two banks>					<Hokuriku bank>					<Hokkaido bank>				
	FY06	FY07	FY08	FY09	FY10 1H	FY06	FY07	FY08	FY09	FY10 1H	FY06	FY07	FY08	FY09	FY10 1H
Loan rate	1.96	2.07	2.01	1.87	1.78	1.88	2.00	1.93	1.80	1.71	2.07	2.17	2.14	1.98	1.88
Net interest margin	0.81	0.76	0.68	0.62	0.61	0.75	0.70	0.62	0.59	0.56	0.92	0.85	0.78	0.68	0.67
Operating expense ratio	1.03	1.04	1.03	1.03	1.01	1.02	1.01	1.00	0.98	0.97	1.05	1.06	1.08	1.10	1.07
Deposit rate	0.10	0.26	0.29	0.21	0.15	0.10	0.27	0.30	0.22	0.17	0.09	0.25	0.27	0.19	0.14

Interest Margins ②

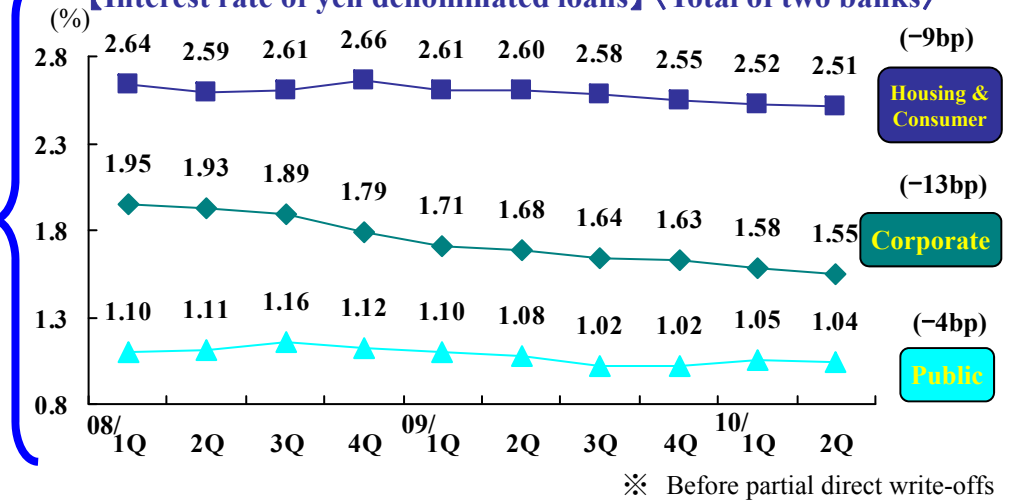
- '10/2Q Loan rate : 1.76% (-0.12% compared to '09/2Q)
- '10/2Q Deposit rate : 0.15% (-0.07% compared to '09/2Q)

【Interest rate of yen denominated loans and deposits】
〈Total of two banks〉

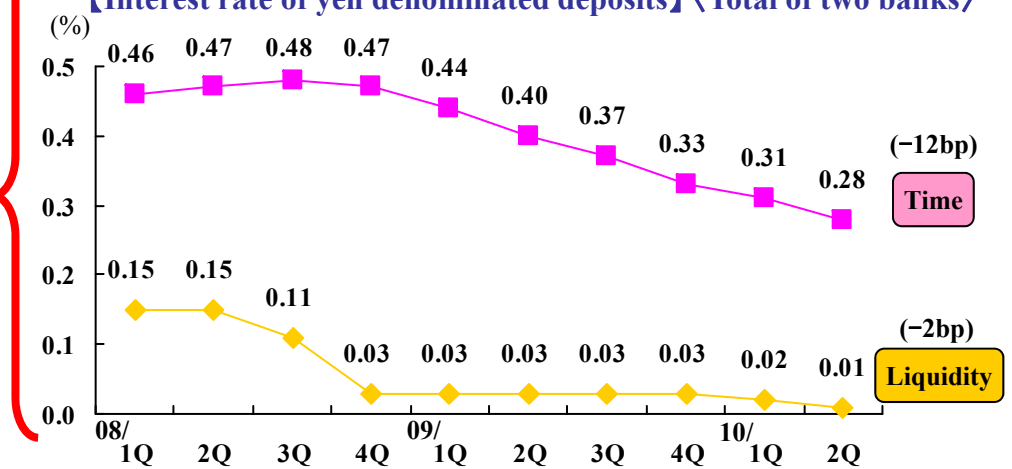


※ Internal management base

【Interest rate of yen denominated loans】 〈Total of two banks〉



【Interest rate of yen denominated deposits】 〈Total of two banks〉



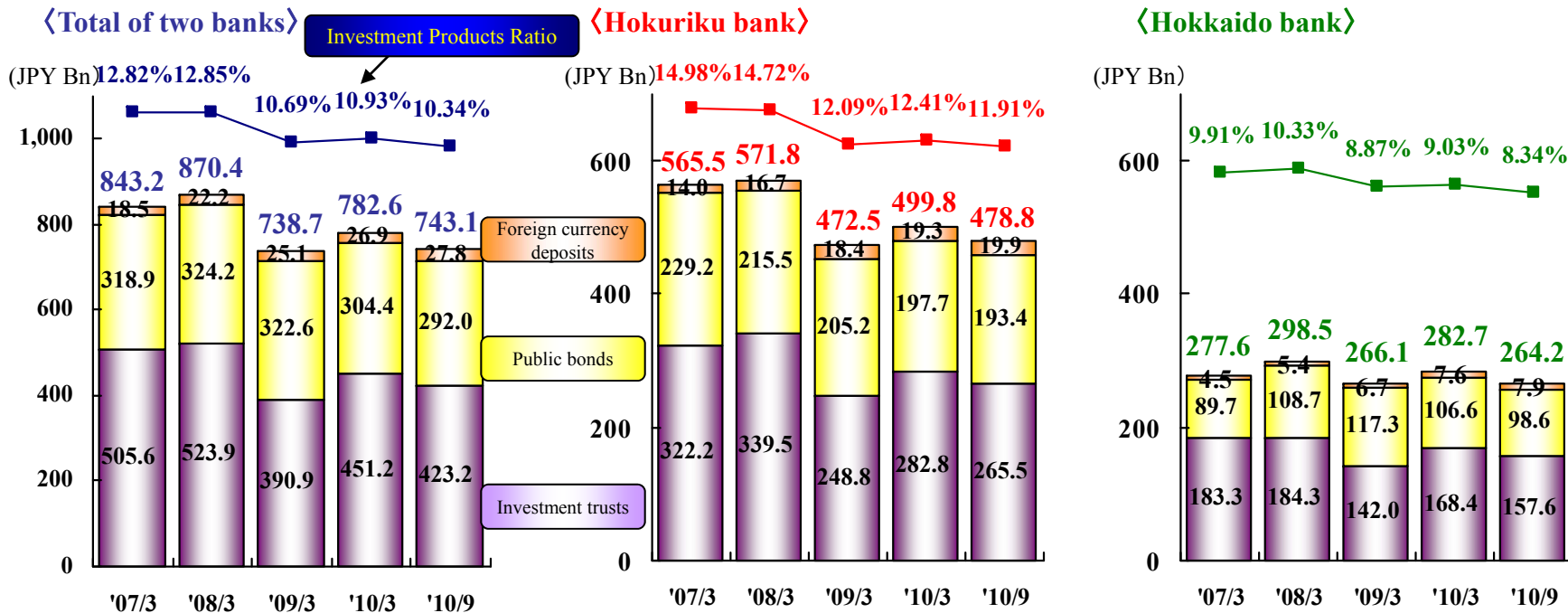
※ () = change from 08/1Q 20

Investment Products

Hokuhoku Financial Group, Inc.

- Investment products ¥743.1Bn -¥39.5Bn compared to Mar-10
- Insurance products was strong

【Balance of investment products】



【Sales amount of investment products and Fees】

(JPY Bn)	〈Total of two banks〉				〈Hokuriku bank〉				〈Hokkaido bank〉			
	FY08 2H	FY09 1H	FY09 2H	FY10 1H	FY08 2H	FY09 1H	FY09 2H	FY10 1H	FY08 2H	FY09 1H	FY09 2H	FY10 1H
Sales amount of investment trusts	24.9	61.2	77.1	59.5	11.0	43.5	61.1	43.4	13.8	17.7	15.9	16.1
Sales amount of insurance	32.3	56.0	38.3	67.8	20.0	34.1	17.3	40.3	12.2	21.9	21.0	27.4
Fees from investment trusts	1.6	2.4	2.8	2.4	0.9	1.7	2.0	1.6	0.6	0.7	0.8	0.7
Fees from insurance	1.4	2.0	1.2	1.9	1.0	1.4	0.7	1.3	0.4	0.5	0.5	0.6

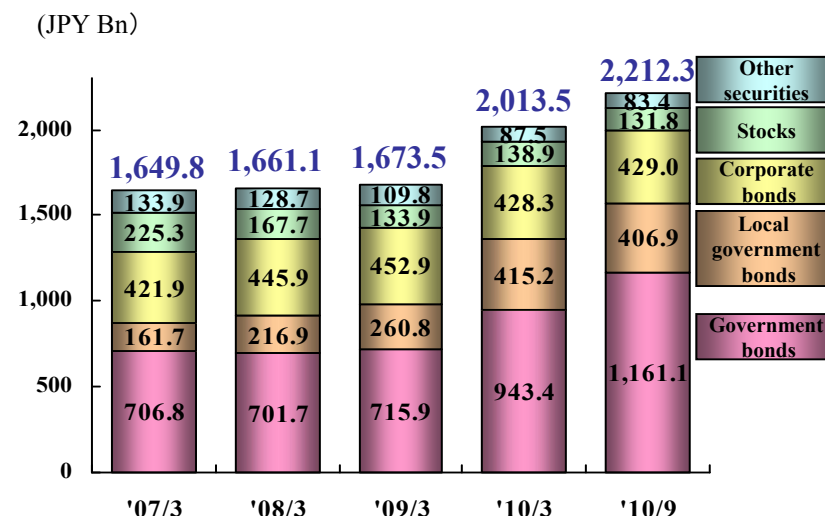
Securities Portfolio

Hokuhoku Financial Group, Inc.

- Total balance of securities grew owing to increases in JGBs
 - Unrealized gains on available-for-sale securities substantially increased
- 【Balance of securities】**

【Balance of securities】

〈Consolidated〉 (JPY Bn)	Sep-10	change	Mar-10
Securities	2,212.3	198.8	2,013.5
Government bonds	1,161.1	217.7	943.4
Local government bonds	406.9	(8.2)	415.2
Corporate bonds	429.0	0.7	428.3
Stocks	131.8	(7.1)	138.9
Other Securities	83.4	(4.1)	87.5



【Valuation difference】

〈Consolidated〉 (JPY Bn)	Acquisition cost (1)			Balance sheet amount (2)			Valuation difference (2)-(1)		
	Sep-10	change	Mar-10	Sep-10	change	Mar-10	Sep-10	change	Mar-10
Available-for-sale securities	2,165.2	165.9	1,999.3	2,197.4	184.0	2,013.3	32.1	18.1	14.0
Stocks	105.8	(2.8)	108.6	100.8	(6.8)	107.6	(5.0)	(4.0)	(0.9)
Bonds	1,885.6	184.5	1,701.0	1,926.1	206.2	1,719.8	40.4	21.6	18.7
Other	173.8	(15.7)	189.6	170.5	(15.2)	185.7	(3.3)	0.4	(3.8)

【Valuation difference of floating rate government bonds】(JPY Bn)

<Reference>	Valuation difference	Total of two banks	Hokuriku Bank	Hokkaido Bank
Theoretical price		6.4	1.6	4.8
Market price		(3.4)	1.6	(5.0)

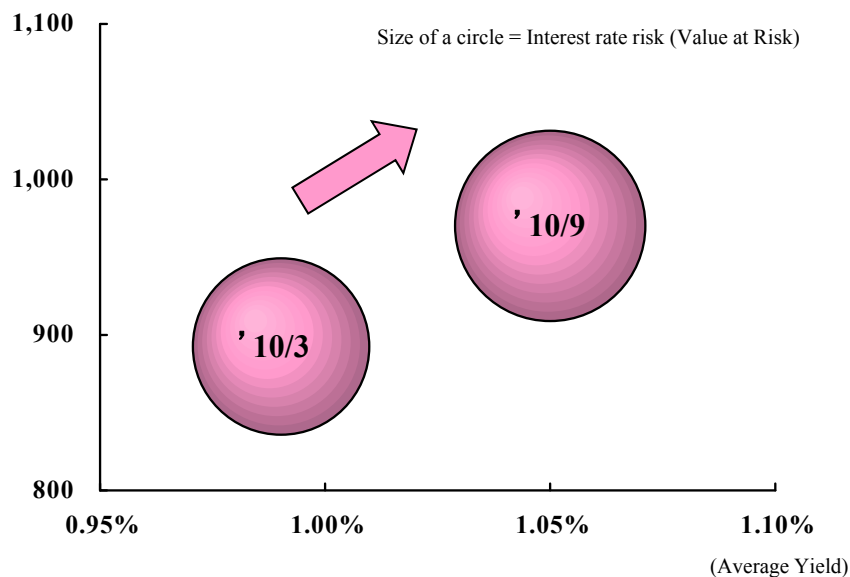
Bond Portfolio (yen denominated bonds)

Hokuhoku Financial Group, Inc.

【Bond portfolio; balance, yield, and Value at risk】 ※ Internal management base

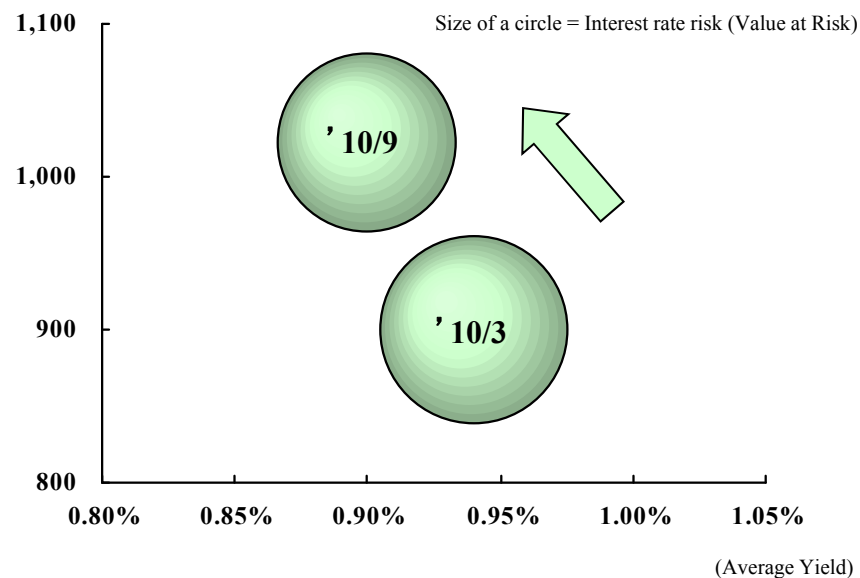
(term-end balance)
(JPY Bn)

〈Hokuriku bank〉



(term-end balance)
(JPY Bn)

〈Hokkaido bank〉



	'10/3	'10/9
Hokuriku Bank		
Term-end Balance (¥Bn)	892.2	969.8
Floating rate government bonds (measurement on interest period basis)	191.6	207.1
Average Yield (%)	0.99%	1.05%
Duration (year)	3.38	3.88
Value at Risk (¥Bn)	9.2	10.2

	'10/3	'10/9
Hokkaido Bank		
Term-end Balance (¥Bn)	900.3	1,022.8
Floating rate government bonds (GPS)	234.1	233.7
Average Yield (%)	0.94%	0.90%
Duration (year)	2.81	3.51
Value at Risk (¥Bn)	9.6	9.2

Co-prosperity with the region

Co-prosperity with the region ~ Close relationship with community

Hokuhoku Financial Group, Inc.

Following corporate philosophy, “Co-prosperity with the region”, we aspire growth with our local community by responding to their needs.

Revitalization of central shopping areas in local cities



Toyama Hokuho Street
(Reproducing atmosphere of EDO period)

Contribution through local sports



Newly formed Sapporo-based women's curling team

Participation in local events for closer relationship



Kanazawa Hyakuman-goku Festival

Promotion of sports events



Family Futsal School

Co-prosperity with the region

Hokuhoku Financial Group, Inc.

~ Financial Education and Alliance with academic institutions

Following corporate philosophy, “Co-prosperity with the region”, we aspire growth with our local community by responding to their needs.

Offering occupation experience of banking operations



Kodomo-Machi Mini-Sapporo
(For elementary school students)

Providing our financial expertise to local community



Citizen MBA Course
(Graduate School of Toyama Univ.)

Support of academic research



Hokuriku Bank's academic fellowship for young researchers in Toyama Univ.

Familiarizing with banking business



Kids' Summer Banking School
(Experience of calculation and safe room tour)

Co-prosperity with the region ~ Environmental protection

Hokuhoku Financial Group, Inc.

Following corporate philosophy, “Co-prosperity with the region”, we aspire growth with our local community by responding to their needs.

Eco-friendly Branch equipment



Kanazawa Tonya-machi Branch (Hokuriku bank)
(Relocated and newly opened in Oct. 2010, with solar power equipment on the roof and LED signboard in front)

Afforestation for next generation



Dogin Forest Campaign
(Started in 2009 and 10,000 trees to be planted in 5 years)

Accessible contribution to environment



Cleanup Activity in Sapporo Odori Park
Hokkaido Bank's volunteer employees

Greened rooftop



Greened rooftop at headquarter of Hokuriku Bank

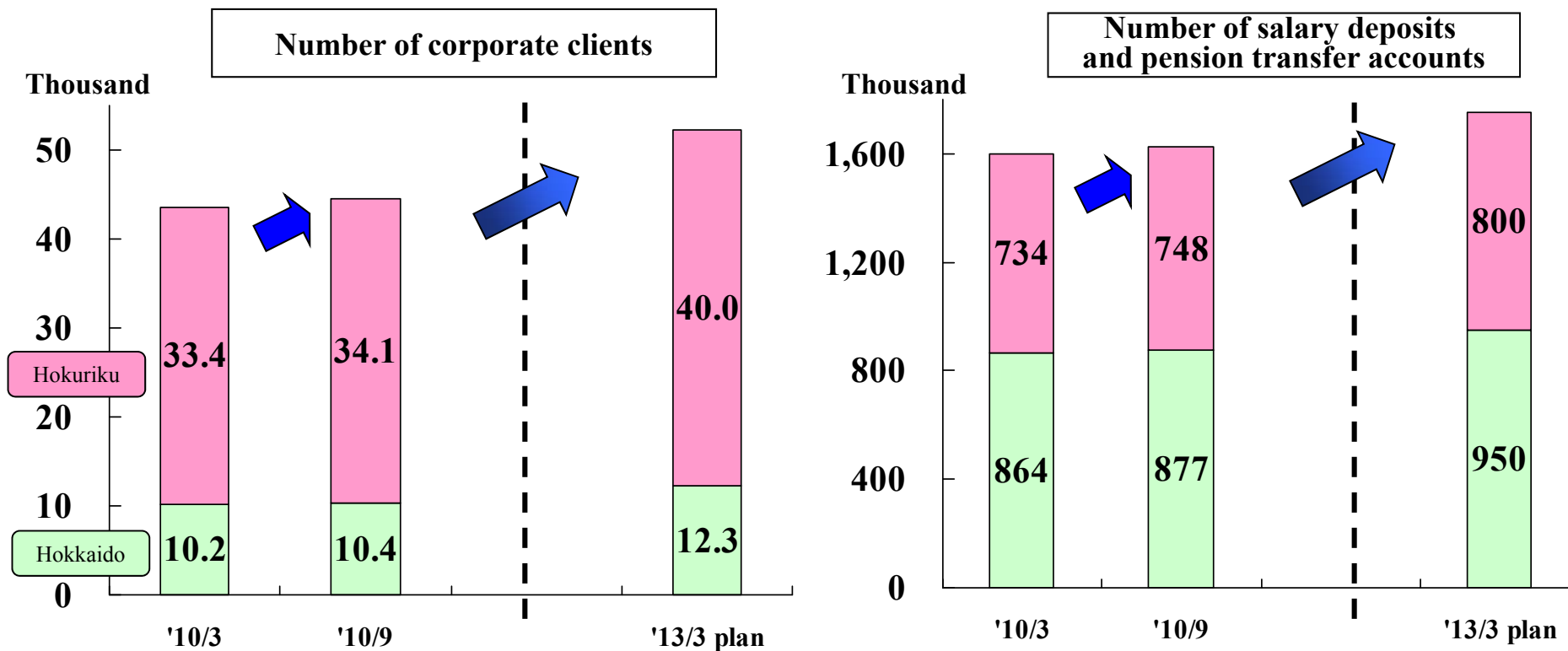
Management Strategy

Strengthening Marketing Capabilities

~Building a solid customer base

Hokuhoku Financial Group, Inc.

- Expanding a customer base to establish a stable loan portfolio for a long term
- Building up mechanism which enables to increase deposits and large-account clients



- ◆ Enhancing communication with customers to find out their needs for more effective proposals
- ◆ Concentrating of transaction (settlement and remittance) and preventing of cancellation by use of “Retention Funds”

- ◆ Proposing to use housing loan accounts for salary deposit and utility bills (Concentration of household transaction)
- ◆ Enhancing consultation capabilities (consulting events and pension staffs)

Strengthening Market Capabilities

Hokuhoku Financial Group, Inc.

~Overseas Business Support

➤ Revitalizing regional economy by taking advantage of growth in Asia and Far East
Russia

Fully capitalizing on the geographic advantage and a top-level extensive network among regional banks

Bolstering Information offering Services

Business partnership for overseas business with foreign financial institutions

Bank of China
Bank of Communications
FISC (Taiwan)
KASIKORNBANK
Vietcombank
Standard Chartered Bank
State Bank of India
Vneshtorgbank
Deutsche Bank

Agreement with overseas governments



Strengthening overseas services

Provide Remittance Service in Yuan (Renminbi) and Russian Ruble

International cash card services for Taiwanese in ATMs of Hokkaido Bank

Holding seminars and business matching conferences

Strengthening Market Capabilities

~Expanding business with growing industries

Hokuhoku Financial Group, Inc.

➤ Aggressive approach to industries related to agriculture, medicine and environment

Products

- “Agri-challenge” (Max. 20Years)
- Funds Provision to Help Strengthening the Foundations for Economic Growth (BOJ)
- Private Placement Bond for eco-friendly corporate
- Environment Assessment Loans
- Loans guaranteed by Agriculture Credit Guarantee Fund Association

Revitalizing the region including other related industries

Number of Employees certified as an Agriculture Management Advisor

Hokkaido bank:15

Hokuriku bank:14

(Ranked No. 1 and 2 among financial institutions)

Alliance and Collaboration

- **Academic Institution**
Obihiro University of Agriculture and Veterinary Medicine
- **Financial Institution**
Comprehensive Cooperation in environment and agriculture
- **Collaboration with external consulting firms**
Start-up support of hospitals
Agricultural production management
- **Holding seminars and business matching conferences**

Organization Structure

- **Enhancing consulting capabilities**
Certified Agriculture Management Advisor :
29 employees
- **Setting up Special Sections**
Regional Business Department
New Market Team
Agriculture Business Promotion Office
- **Training Program**
“Master Course “ focusing on specific industry

Strengthening Marketing Capabilities

~Branches & Human Resources

Hokuhoku Financial Group, Inc.

- Reconsidering branch network focusing on market
- Establishing employee training programs fit for the career stage

Strategic reorganization of branch network

◆ Redefining the role of branches and converting sub-branches to branches with full-banking service

⇒ Seeking to increase accounts of SMEs and private small businesses

◆ Personal branches

Allocation of employees trained in private banking and dedicated consulting booths

⇒ Targeting wealthy clients

◆ Strategic allocation of sales force

Conversion from sub-branches

Hokuriku 5 spots

Hokkaido 1 spot (plan of FY 2010)



Minami Toyama Branch
(Hokuriku)



Yamahana Branch
(Hokkaido)

Enhancement of Human Resources

◆ Intensive employee training to raise young staffs as workforce

- Enlargement of training programs
- Focusing on accumulation of basic skills
- Disclosure of required skills in personnel evaluation

- Dispatching employees temporarily to other companies and industries as trainees

◆ Development of consultation skills and expertise

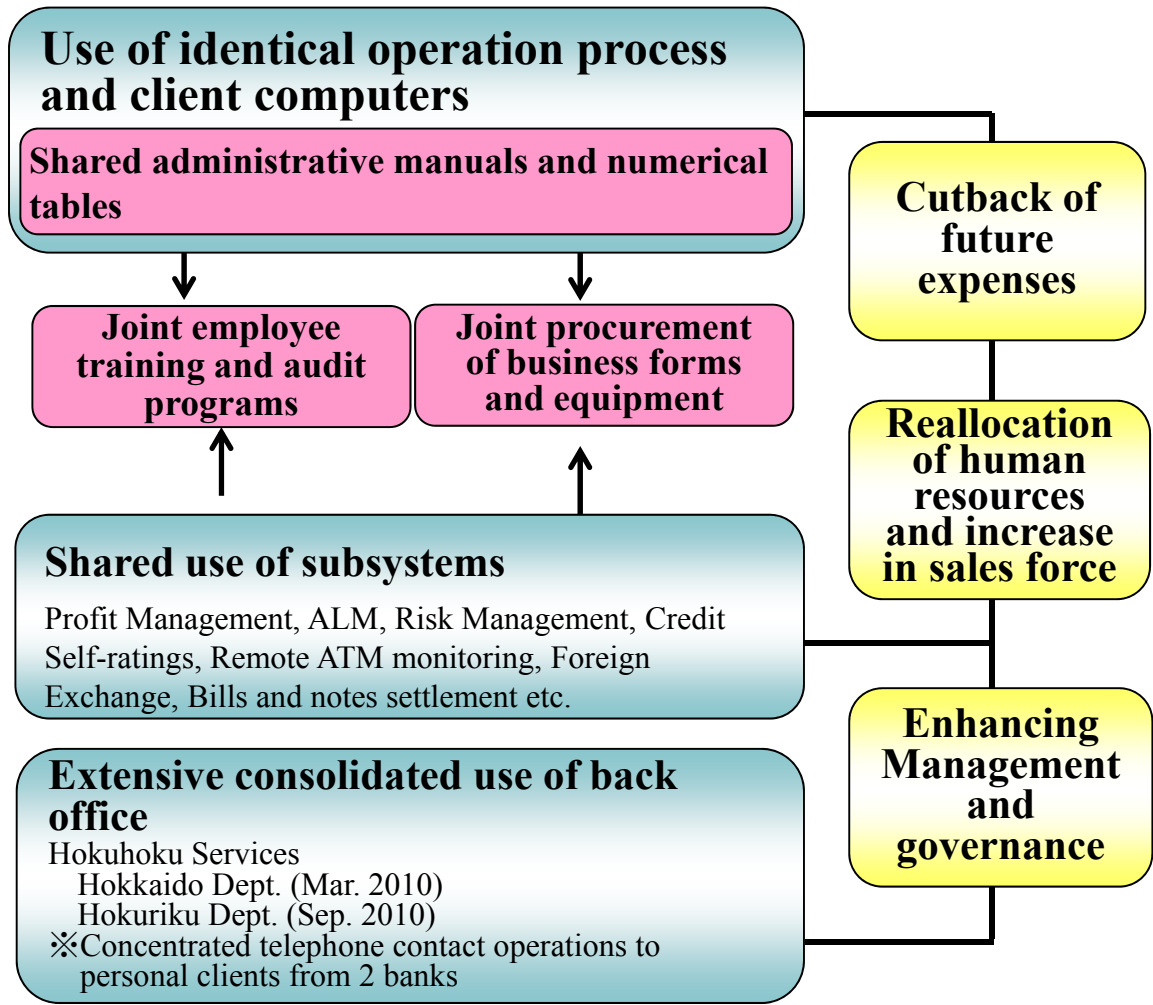
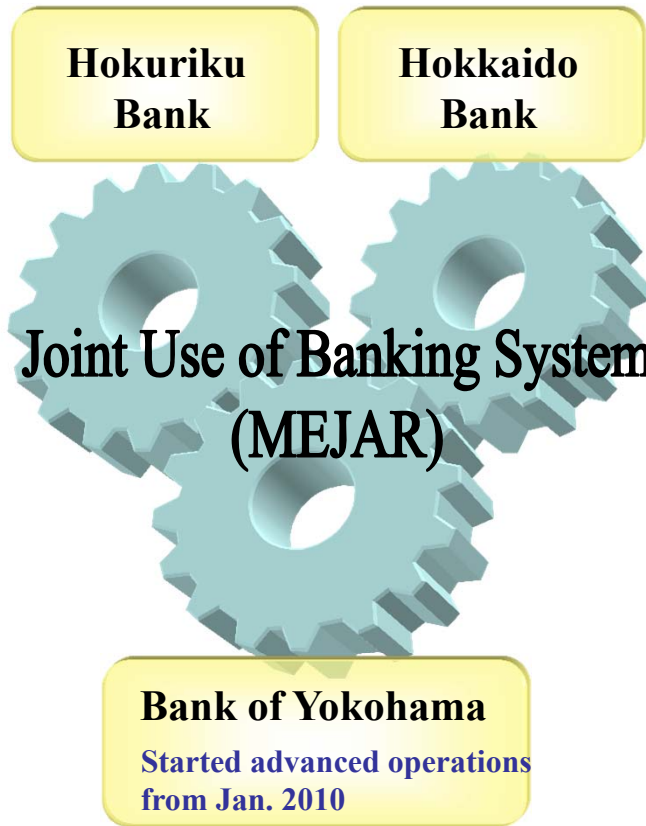
- Fostering M&A specialists
- Trainee to loan department
- Encouragement of taking Certified Agricultural Management Advisor

◆ Expanding career opportunities of senior workers

- Responding diversified needs in life plans and work styles
- Career Support Office

➤ Smooth migration and strategic utilization of joint banking system

Migration to start in May 2011
~ Migration Test started in Nov. 2010 in workplace



Consideration of return to stockholders

Hokuhoku Financial Group, Inc.

- Dividends per common stock have been increased step by step.
- We will adopt optimal capital policy flexibly, taking Basel III and IFRS under consideration.

	FY 2006	FY 2007	FY 2008	FY 2009	FY2010 Forecast
Net profits (FG consolidated)	¥40.6Bn	¥ 38.6Bn	¥ 37.0Bn	¥ 19.2Bn	¥ 17.5Bn
Dividends per common stock	¥2.0	¥ 2.5	¥ 3.0	¥ 3.5	¥ 3.5
Payout Ratio	6.8%	9.0%	11.2%	25.3%	27.8%
ROE*	9.0%	8.1%	8.2%	4.5%	4.1%*
Total net assets per share of common stock	¥ 227.57	¥ 225.62	¥ 234.56	¥ 256.94	¥ 304*

*ROE : Consolidated net profits / { (term-beginning consolidated total net assets + term-end consolidated total net assets) / 2 }

*Mid-term Management Plan

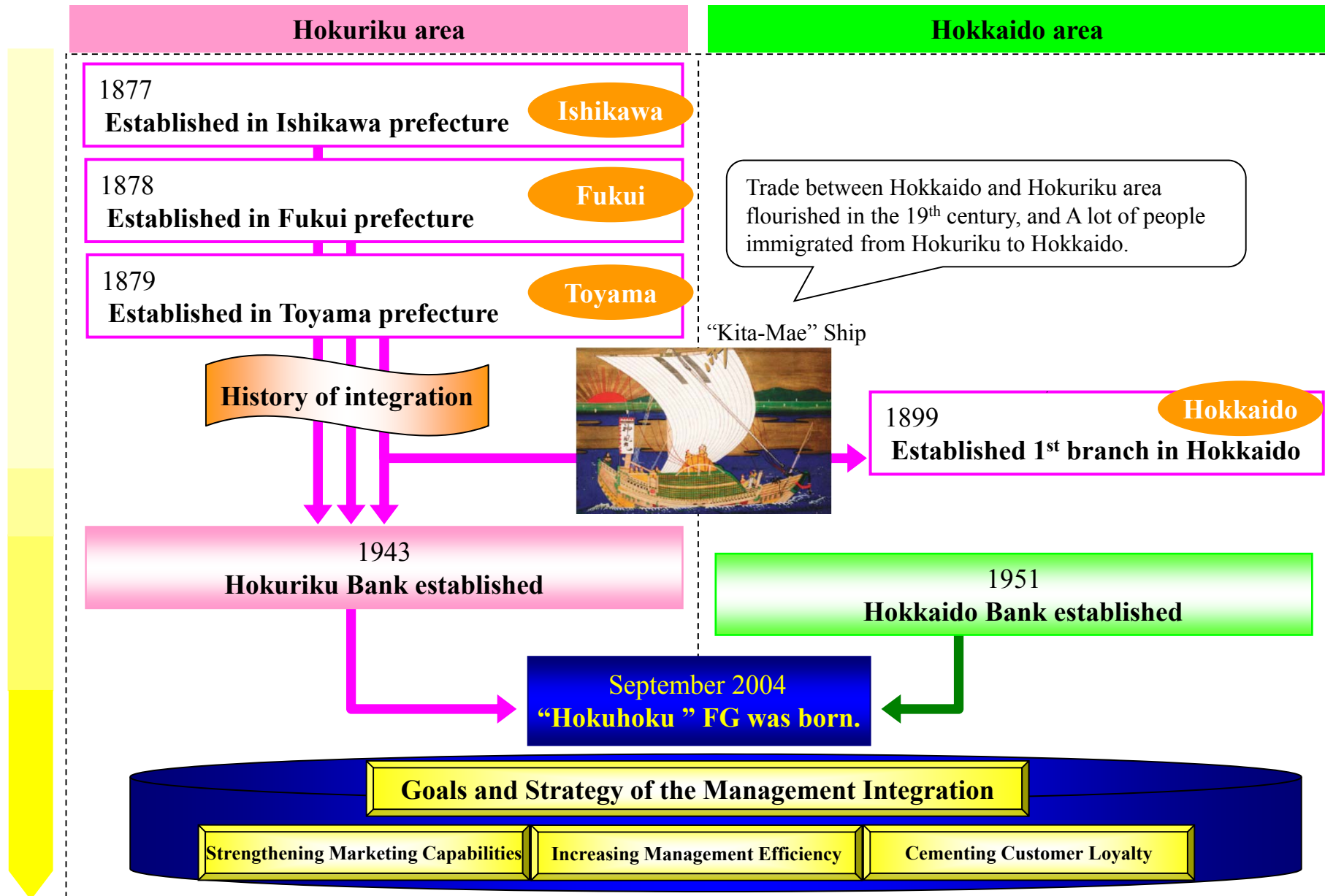
Appendix

About Hokuhoku FG ①
Outline of Hokuhoku FG and Two Banks

Hokuhoku Financial Group, Inc.

(As of September 30, 2010)

	Hokuhoku FG	Hokuriku Bank	Hokkaido Bank
Date of establishment	September 26, 2003	July 31, 1943 (Started business in 1877)	March 5, 1951
Location of headoffice	1-2-26 Tsutsumicho-dori, Toyama City	1-2-26 Tsutsumicho-dori, Toyama City	4-1 Odori Nishi, Chuo-ku, Sapporo City
Capital	¥ 70,895 million	¥ 140,409.52 million	¥ 93,524.01 million
Shares issued and outstanding	Common stock 1,391,630,146 Preferred stock(Type5) 107,432,000	Common stock 1,047,542,335	Common stock 486,634,512 Preferred stock(Type2) 107,432,000
Total assets	(consolidated) ¥ 10,241.7 billion	¥ 5,906.6 billion	¥ 4,280.1 billion
Deposits & NCD	(consolidated) ¥ 9,223.9 billion	¥ 5,292.6 billion	¥ 3,931.3 billion
Loans	(consolidated) ¥ 6,953.9 billion	¥ 4,109.2 billion	¥ 2,857.4 billion
Capital ratio	(consolidated) 11.39%	(non-consolidated) 11.27%	(non-consolidated) 10.68%
Employees	55 (12 fulltime workers)	2,791	2,266
Ratings	A(R&I)、A(JCR)	A(R&I)、A(JCR)	A(R&I)、A(JCR)
Branches(Domestic) (Overseas)		133 branches, 54 sub-branches 4 representative offices	130 branches, 8 sub-branches 2 representative offices



Three key strategies for management integration

Strengthening Marketing Capabilities

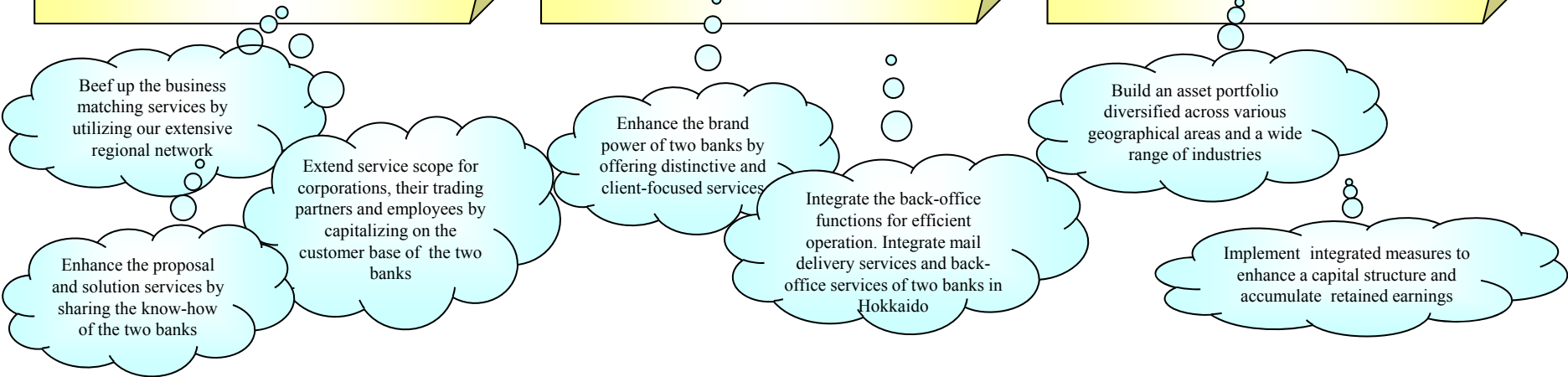
Capitalizing our extensive network in Japan's three major metropolises, in addition to our main operational bases, Hokkaido and Hokuriku, we aim to differentiate ourselves from other regional banks and strengthen our marketing capability further.

Increasing Management Efficiency

We will establish a highly profitable and efficient operating platform by integrating redundant infrastructure in Hokkaido and leveraging management resources more efficiently, while continuing to focus on maintaining and developing solid relationships with customers of the both two banks.

Cementing Customer Loyalty

We will create a more stable asset portfolio and become a highly-trusted and widely-supported regional financial group through extending services in two geographical areas with different economic environment.



About Hokuhoku FG ④

Historical Data (Hokuhoku FG)

Hokuhoku Financial Group, Inc.

(JPY Bn)

<Consolidated>	FY2005 Full year	FY2006 Interim	FY2006 Full year	FY2007 Interim	FY2007 Full year	FY2008 Interim	FY2008 Full year	FY2009 Interim	FY2009 Full year	FY2010 Interim
Ordinary income	240.9	117.5	242.2	125.7	261.2	123.8	239.6	114.3	226.7	109.2
Ordinary profits	48.2	28.2	70.0	32.7	66.3	19.6	21.3	13.3	35.4	18.0
Net income	26.8	15.1	40.6	16.4	38.6	37.5	37.0	5.7	19.2	10.0
Capital adequacy ratio	9.00%	9.23%	10.44%	9.97%	10.39%	10.39%	10.81%	10.91%	10.83%	11.39%

<Total of two banks> * Total of two banks + Hokugin Corp.

Core gross business profits	180.2	90.1	181.3	90.1	178.5	87.3	168.3	79.6	160.9	76.0
General & administrative expenses	88.5	43.9	87.9	44.8	89.9	45.6	91.5	47.1	94.4	48.4
Core net business profits	91.7	46.2	93.4	45.2	88.6	41.7	76.8	32.4	66.4	27.6
Net gains(losses) related to securities	6.9	(1.4)	(1.5)	(0.6)	(0.6)	(5.2)	(17.6)	0.8	0.2	0.8
Credit costs	46.6	16.9	26.2	13.7	25.5	16.1	35.5	16.8	25.5	8.3
Ordinary profits	50.6	28.6	70.1	30.9	65.0	19.4	21.3	14.2	36.8	18.8
Net income	29.1	15.8	39.3	15.1	39.0	37.8	37.9	11.4	26.0	11.1
ROA	1.01%	1.01%	1.03%	0.97%	0.95%	0.88%	0.80%	0.66%	0.68%	0.54%
OHR	49.12%	48.77%	48.49%	49.78%	50.36%	52.19%	54.37%	59.20%	58.68%	63.67%
Loans *	6,706.2	6,699.9	6,839.7	6,895.0	6,897.6	7,006.3	7,156.7	7,001.5	6,993.6	6,966.7
Deposits (including NCD)	8,262.1	8,369.2	8,517.6	8,549.6	8,502.2	8,650.3	8,742.4	8,930.2	9,120.3	9,223.9
Securities	1,802.7	1,727.5	1,703.8	1,698.3	1,714.8	1,745.8	1,725.0	1,787.6	2,015.0	2,204.1
Non performing loan *	399.9	354.4	315.0	291.6	260.7	253.1	227.5	214.6	215.2	214.4
NPL ratio *	5.76%	5.10%	4.43%	4.07%	3.64%	3.48%	3.07%	2.96%	2.98%	2.98%

About Hokuhoku FG ⑤
Historical Data (Hokuriku Bank)

Hokuhoku Financial Group, Inc.

(JPY Bn)

	FY2005 Full year	FY2006 Interim	FY2006 Full year	FY2007 Interim	FY2007 Full year	FY2008 Interim	FY2008 Full year	FY2009 Interim	FY2009 Full year	FY2010 Interim
Ordinary income	132.0	62.7	130.1	66.8	141.2	65.3	124.2	57.5	113.7	55.0
Core gross business profits	105.4	52.8	106.6	53.1	105.2	49.8	94.7	45.3	90.1	44.1
General & administrative expenses	50.8	25.3	50.5	25.6	51.1	25.7	51.3	25.8	51.8	26.5
Core net business profits	54.6	27.4	56.1	27.5	54.1	24.1	43.4	19.5	38.3	17.5
Net gains(losses) related to securities	6.4	0.3	0.6	(0.1)	(0.7)	(3.8)	(12.6)	(1.2)	(2.4)	(2.0)
Credit costs	33.6	12.9	22.5	9.7	20.4	10.5	21.4	7.0	13.4	2.9
Ordinary profits	26.7	16.1	38.1	17.8	35.6	9.6	8.8	9.8	19.9	12.1
Net income	15.6	8.5	18.6	8.2	21.2	30.1	26.4	7.5	15.6	7.2
Capital adequacy ratio	8.86%	9.17%	9.16%	9.41%	10.10%	10.26%	10.23%	10.56%	10.80%	11.27%
ROA	1.02%	1.03%	1.05%	1.01%	0.99%	0.86%	0.77%	0.69%	0.68%	0.60%
OHR	48.18%	47.95%	47.37%	48.17%	48.53%	51.58%	54.18%	56.95%	57.48%	60.16%
Loans *	4,110.4	4,121.2	4,146.7	4,191.3	4,210.7	4,245.9	4,293.3	4,172.6	4,142.6	4,109.2
Deposits (including NCD)	4,864.8	4,879.3	4,976.3	4,973.7	4,955.7	5,016.1	5,092.5	5,155.8	5,306.7	5,292.6
Securities	892.7	859.9	853.2	840.0	820.9	833.7	858.8	858.4	1,015.9	1,088.4
Non performing loan *	260.2	230.8	202.2	187.1	163.5	159.7	142.6	140.1	147.3	146.1
NPL ratio *	6.03%	5.33%	4.65%	4.26%	3.72%	3.60%	3.19%	3.23%	3.42%	3.43%

* Hokuriku Bank + Hokugin Corp.

About Hokuhoku FG ⑥
Historical Data (Hokkaido Bank)

Hokuhoku Financial Group, Inc.

(JPY Bn)

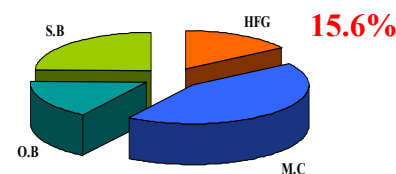
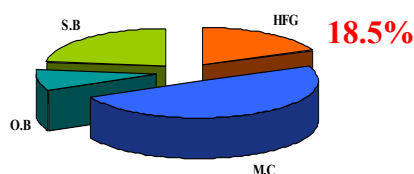
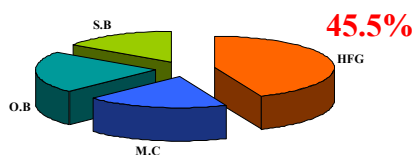
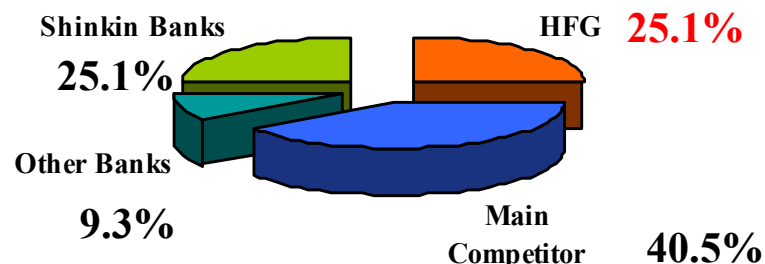
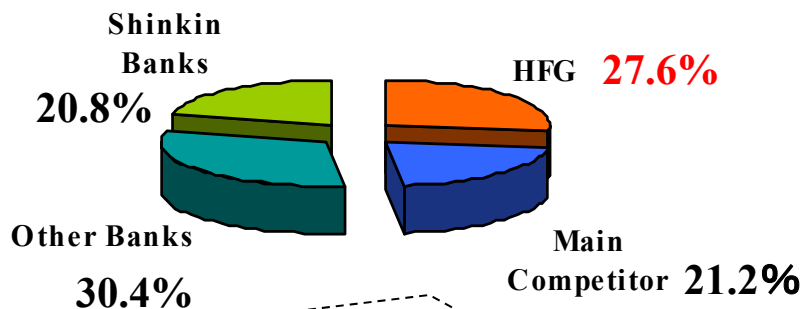
	FY2005 Full year	FY2006 Interim	FY2006 Full year	FY2007 Interim	FY2007 Full year	FY2008 Interim	FY2008 Full year	FY2009 Interim	FY2009 Full year	FY2009 Interim
Ordinary income	88.2	42.8	88.4	46.6	96.0	47.7	94.3	46.9	93.7	44.8
Core gross business profits	74.7	37.3	74.7	37.0	73.2	37.5	73.5	34.2	70.8	31.9
General & administrative expenses	37.7	18.6	37.4	19.2	38.8	19.8	40.2	21.3	42.6	21.8
Core net business profits	37.0	18.7	37.2	17.7	34.4	17.6	33.3	12.9	28.1	10.0
Net gains(losses) related to securities	0.4	(1.7)	(2.1)	(0.4)	0.1	(1.3)	(4.9)	2.1	2.7	2.9
Credit costs	12.9	4.0	3.6	3.9	5.1	5.6	14.0	9.7	12.0	5.3
Ordinary profits	23.8	12.5	31.9	13.0	29.4	9.8	12.5	4.3	16.9	6.6
Net income	13.4	7.3	20.7	6.9	17.8	7.7	11.4	3.8	10.3	3.9
Capital adequacy ratio	8.50%	8.80%	9.91%	9.92%	10.13%	9.68%	10.45%	10.30%	10.19%	10.68%
ROA	1.00%	1.00%	1.00%	0.92%	0.90%	0.90%	0.85%	0.63%	0.68%	0.47%
OHR	50.44%	49.91%	50.08%	52.08%	52.98%	53.00%	54.62%	62.17%	60.21%	68.53%
Loans	2,595.7	2,578.6	2,692.9	2,703.6	2,686.8	2,760.3	2,863.4	2,828.9	2,851.0	2,857.4
Deposits (including NCD)	3,397.3	3,489.9	3,541.3	3,575.9	3,546.5	3,634.1	3,649.9	3,774.4	3,813.6	3,931.3
Securities	910.0	867.6	850.6	858.2	893.8	912.0	866.2	929.1	999.1	1,115.7
Non performing loan	139.7	123.5	112.8	104.5	97.2	93.5	84.8	74.5	67.9	68.3
NPL ratio	5.31%	4.72%	4.08%	3.77%	3.52%	3.29%	2.89%	2.57%	2.32%	2.33%

About Hokuhoku FG ⑦
Market Share in Our Home Market (Loans, Mar-10)

Hokuhoku Financial Group, Inc.

Hokuriku Area

Hokkaido Area



Toyama

Ishikawa

Fukui

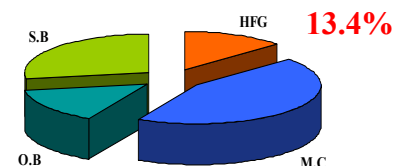
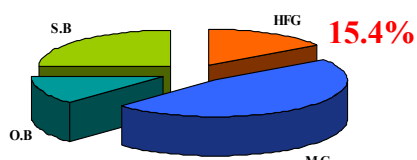
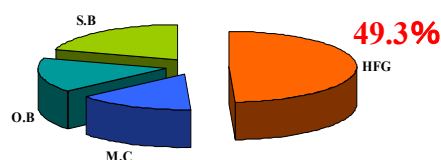
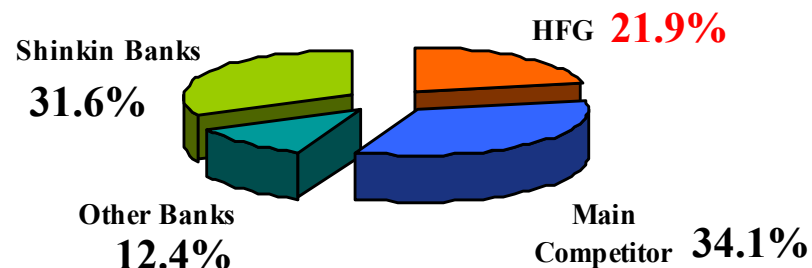
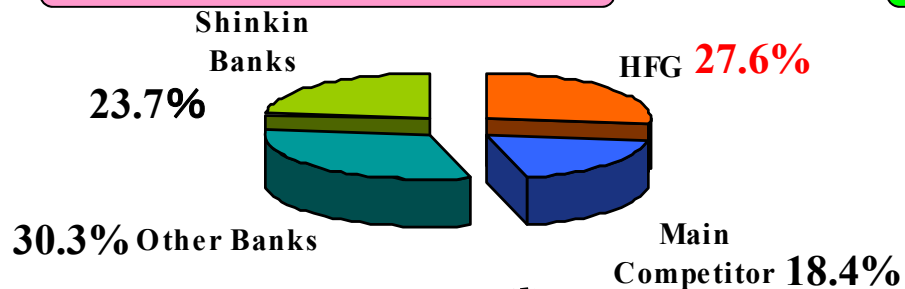
※Figures of the Main Competitor and Other banks are estimated figures

(JPY Bn)

	Hokuriku Area				Hokkaido Area
		Toyama Pref.	Ishikawa Pref.	Fukui Pref.	
Banks	6,977.2(79.2%)	2,724.7(84.6%)	2,538.6(76.6%)	1,713.9(75.4%)	9,274.6(74.9%)
Hokuhoku FG	2,433.6(27.6%)	1,464.1(45.5%)	614.4(18.5%)	355.1(15.6%)	3,112.1(25.1%)
Hokuriku Bank	2,433.6(27.6%)	1,464.1(45.5%)	614.4(18.5%)	355.1(15.6%)	525.7(4.2%)
Hokkaido Bank	0(0.0%)	0(0.0%)	0(0.0%)	0(0.0%)	2,586.4(20.9%)
Main Competitor	1,864.5(21.2%)	620.4(19.3%)	1,630.0(49.2%)	987.7(43.4%)	5,016.0(40.5%)
Shinkin Banks	1,831.2(20.8%)	495.1(15.4%)	776.6(23.4%)	559.4(24.6%)	3,100.2(25.1%)
Total	8,808.4(100 %)	3,219.8(100 %)	3,315.2(100%)	2,273.3(100%)	12,374.8(100%)

Hokuriku Area

Hokkaido Area



Toyama

Ishikawa

Fukui

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

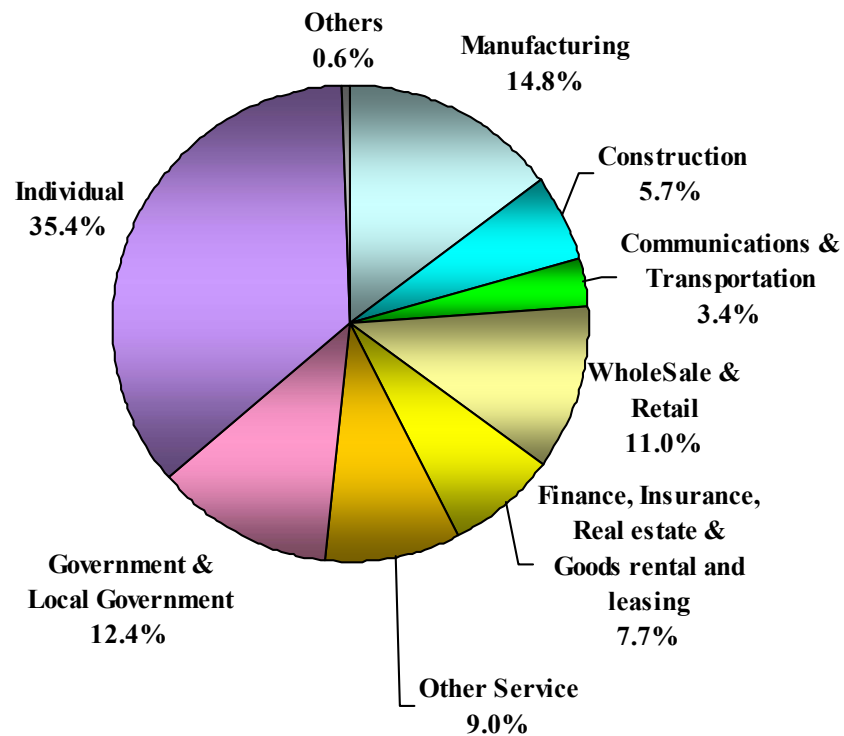
(JPY Bn)

	Hokuriku Area				Hokkaido Area
		Toyama Pref.	Ishikawa Pref.	Fukui Pref.	
Banks	11,416.8(76.3%)	4,463.6(79.6%)	4,122.1(75.4%)	2,831.1(72.6%)	13,497.0(68.4%)
HFG	4,128.1(27.6%)	2,764.8(49.3%)	840.0(15.4%)	523.3(13.4%)	4,314.6(21.9%)
Hokuriku Bank	4,128.1(27.6%)	2,764.8(49.3%)	840.0(15.4%)	523.3(13.4%)	530.9 (2.7%)
Hokkaido Bank	0(0.0%)	0(0.0%)	0(0.0%)	0(0.0%)	3,783.7(19.2%)
Main Competitor	2,754.6(18.4%)	826.1(14.7%)	2,581.2(47.2%)	1,731.0(44.4%)	6,716.5(34.1%)
Shinkin Banks	3,554.8(23.7%)	1,141.9(20.4%)	1,343.6(24.6%)	1,069.2(27.4%)	6,224.9(31.6%)
Total	14,971.6(100%)	5,605.5(100%)	5,465.7(100%)	3,900.3(100%)	19,721.9(100%)

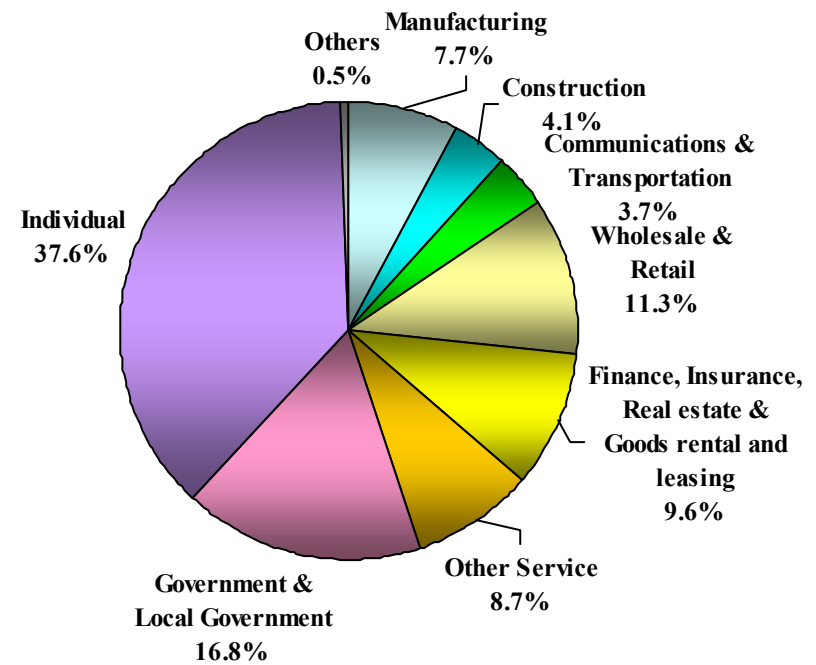
About Hokuhoku FG ⑨
Lending in the Region by Industry (Sep-10)

Hokuhoku Financial Group, Inc.

Hokuriku Bank



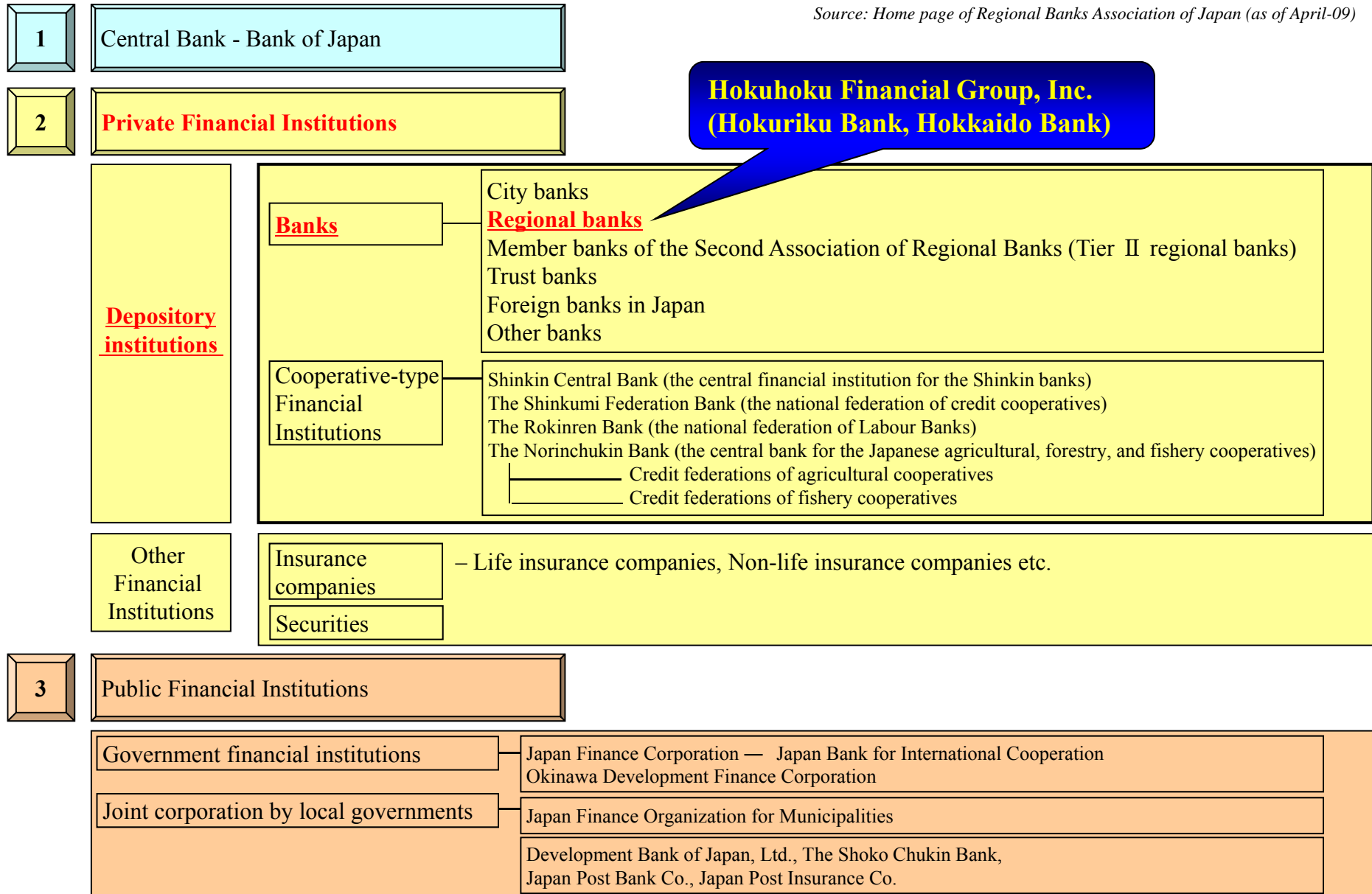
Hokkaido Bank



About Japanese Regional Banks ①

Financial Institutions in Japan

Source: Home page of Regional Banks Association of Japan (as of April-09)



About Japanese Regional Banks ②

Overview of Regional Banks

Hokuhoku Financial Group, Inc.

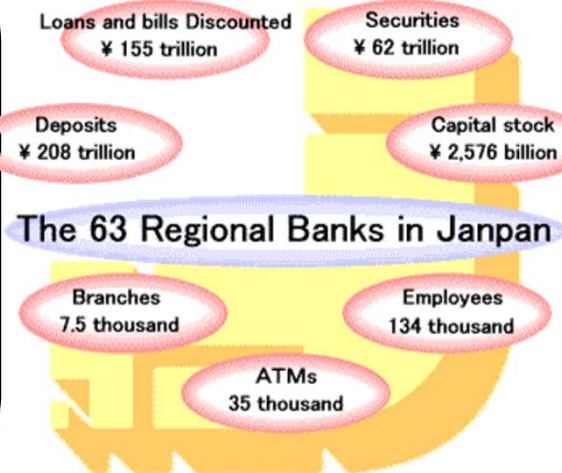
Overview of Regional Banks

The 63 regional banks in Japan consistently enjoy wide patronage as banks that develop in step with the region.

In our ongoing quest to be financial institutions trusted by customers, the regional banks will strive to maintain soundness of management, as well as continuously be devoted to enhancing convenience for customers and to realizing vibrant regional communities.

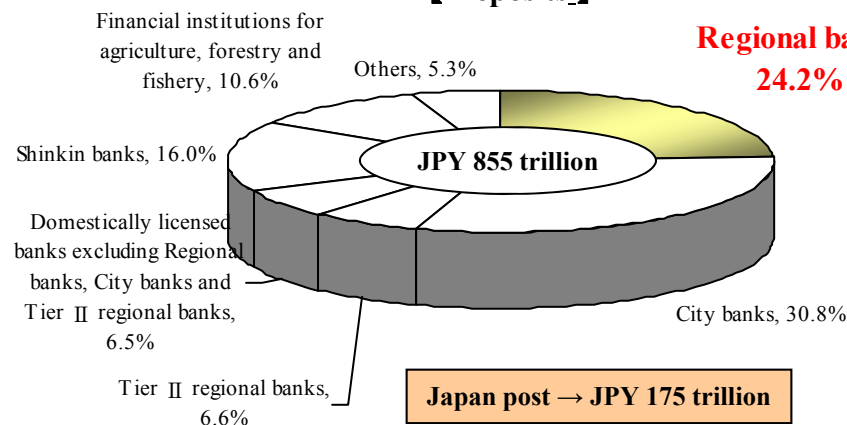
Leading Banks in the Regions

The regional banks have formed a dense branch network in the regions, mainly in the prefectures where their head offices are located, with some 7,500 branches and some 35,000 ATMs set up all over the country. Through this branch network, the regional banks cater to the diversified financial needs of individual customers as well as medium-sized and small- and medium-sized corporate clients in the regions, and also play a leading role in regional finance for the promotion and development of regional communities.

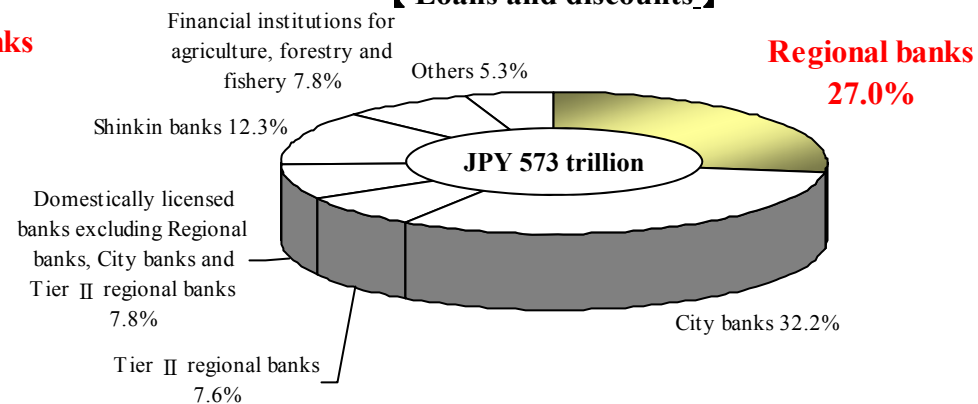


Shares of Deposits and Loans of Private Financial Institutions (Mar-10)

【 Deposits 】



【 Loans and discounts 】



Source: Home page of Regional Banks Association of Japan

The Present Condition of the Regional Economy ①

Characteristics of Our Main Business Area

Hokuhoku Financial Group, Inc.

Population and Square Measure

Data from Ministry of Internal Affairs and Communications

	Toyama Prefecture a	Ishikawa Prefecture b	Fukui Prefecture c	Total a+b+c	Hokkaido	Total
Population (Ranking)	1.10Mn (38th)	1.17Mn (35th)	0.81Mn (43rd)	3.08Mn	5.54Mn (8th)	8.62Mn
Density of Population (Ranking)	259.3pt (25th)	279.0pt (23rd)	193.9pt (32nd)	—	70.6pt (47th)	—
Square Measure (Ranking) km ²	4,248 (33rd)	4,186 (35th)	4,190 (34th)	—	83,457 (1st)	—

Same as Osaka,
Kanagawa!

1 st	Tokyo
2 nd	Kanagawa (8.92Mn)
3 rd	Osaka (8.81Mn)

Gross Prefectural Product

Data from Ministry of Internal Affairs and Communications and Cabinet Office

(JPY Bn)

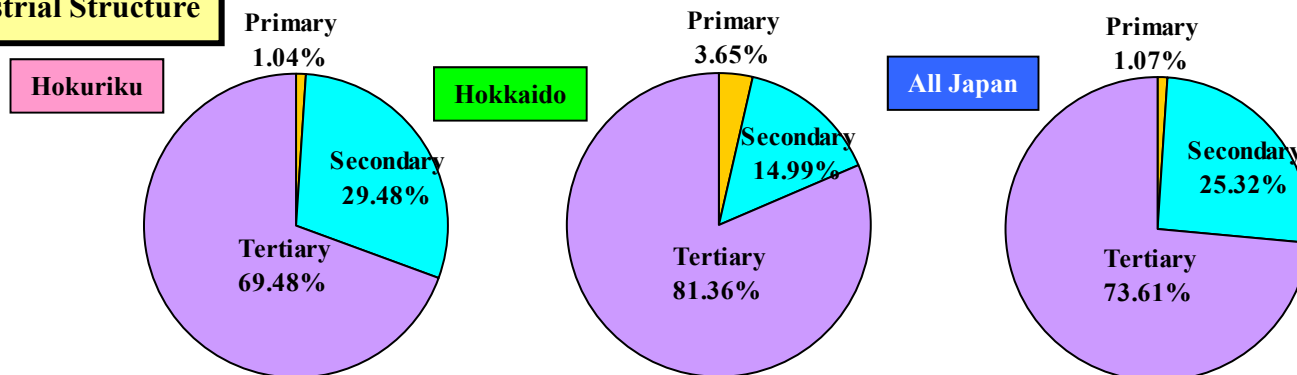
	Toyama a	Ishikawa b	Fukui c	Total a + b + c	Hokkaido	Total
GPP (Proportion) (Ranking)	4,654.3 (0.89%) (29th)	4,709.1 (0.91%) (28th)	3,308.0 (0.64%) (41st)	12,671.5 (2.44%)	18,458.4 (3.55%) (9th)	31,129.9 (5.98%)

Almost equal
Kanagawa!

1 st	Tokyo
2 nd	Osaka
3 rd	Aichi
4 th	Kanagawa (31,960.3)

Industrial Structure

Data from Cabinet Office



Ranked
next to Denmark
(Europe No15)!

1 st	Germany
2 nd	France
15 th	Denmark (35,271.3)

	Monthly Economic Report (By the Cabinet Office)	Regional Economic Report (By Bank of Japan)	
	All Japan	Hokuriku Area	Hokkaido Area
	October-10	October-10	October-10
Economic Trend	Appear to be pausing and in a difficult situation	Has continued picking up as a whole	Has continued picking up
Public Investment	Generally sluggish	Declining	Declining significantly
Business Investment	Picking up	Stopped declining	Increasing, although remaining at a low level
Private consumption	Picking up	The decline has been coming to a halt	Continues to show signs of picking up
Housing construction	Picking up	Stopped declining	Picking up steadily
Production	In a weak tone	Increasing	The pace of the pick-up has slowed
Employment & Income	Showing signs of picking up	Severe but continued to show signs of a moderate improvement	Improved moderately
Prices	Declined moderately	Below the previous year's level	Below the previous year's level
The number of bankrupt companies	Almost flat	Below the previous year's level	Almost flat

The Present Condition of the Regional Economy ③

Big Projects in Hokuriku and Hokkaido Area

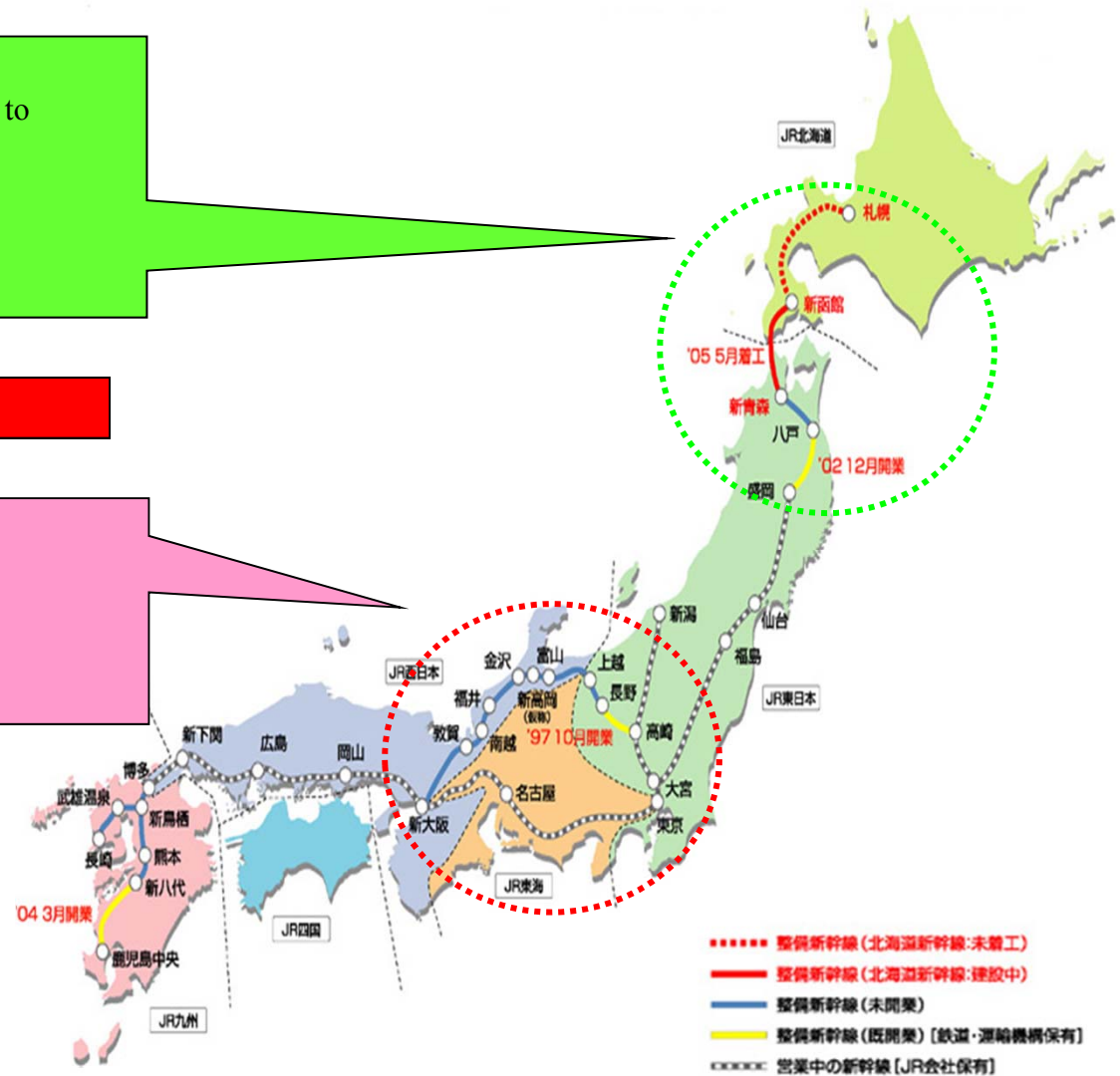
Hokuhoku Financial Group, Inc.

Hokkaido

◎Construction of the Hokkaido Bullet Train
 Constructing a 360 KM line from Shin-Aomori Station to Sapporo Station.
 Expected to be completed in FY 2015
 (Shin-Aomori Station to Shin-Hakodate Station)
 Planned to be completed to Sapporo in FY 2020

Hokuriku

◎Construction of the Hokuriku Bullet Train
 Constructing a 700 KM line from Tokyo to Osaka via Nagano, Toyama, Kanazawa, Fukui.
 Expected to be completed in FY 2014
 (Tokyo Station to Knazawa Station)



Inquiries related to this presentation should be addressed to

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