



# Summary : Financial Results for the Third Quarter of Fiscal 2016 (Japanese GAAP) February 1, 2017

Company Name: **Hokuhoku Financial Group, Inc.**  
 Stock Code Number (Japan): 8377  
 Stock Exchanges (Japan): Tokyo Stock Exchange (First Section), Sapporo Securities Exchange  
 URL: <http://www.hokuhoku-fg.co.jp/>  
 Address: 1-2-26 Tsutsumicho-dori, Toyama-city, Toyama Pref., 930-8637, Japan  
 Representative: Name: Eishin Ihori  
 Title: President & CEO  
 Trading Accounts: Established

Amounts less than one million yen and one decimal place are rounded down.

## 1. Financial Highlights for the Third Quarter of Fiscal 2016 (for the nine months ended Dec. 31, 2016)

### (1) Consolidated Results of Operations(Accumulated Period) (%: Changes from corresponding period of previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income Attributable to Owners of the Parent	
	¥ million	%	¥ million	%	¥ million	%
3Q F2016	142,797	(1.6)	35,645	(1.0)	24,759	6.4
3Q F2015	145,178	(0.7)	36,016	5.6	23,279	7.7

Note: Comprehensive income: 3Q F2016: ¥19,242 million [29.2%]; 3Q F2015: ¥14,895 million [(70.2)%]

	Net Income	Diluted Net Income
	per Share of Common Stock	per Share of Common Stock
	¥	¥
3Q F2016	181.33	181.05
3Q F2015	167.72	167.51

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

### (2) Consolidated Financial Conditions

	Total Assets	Total Net Assets	Own Capital Ratio
	¥ million	¥ million	%
3Q F2016	12,229,646	574,712	4.7
Fiscal 2015	11,630,328	566,251	4.9

Reference: Own Capital: as of December 31, 2016: ¥572,874 million; as of March 31, 2016: ¥564,553 million

Note: Own Capital Ratio is calculated as follows: (Total Net Assets – Stock Acquisition Rights – Non-controlling Interests)/ Total Assets × 100

## 2. Cash Dividends for Shareholders of Common Stock

(Record Date)	Cash Dividends for Share				
	The end of 1 <sup>st</sup> Qtr	The end of 2 <sup>nd</sup> Qtr	The end of 3 <sup>rd</sup> Qtr	Fiscal year-end	Annual
	¥	¥	¥	¥	¥
Fiscal 2015	—	0.00	—	4.25	4.25
Fiscal 2016	—	0.00	—		
Fiscal 2016 (forecast)				42.50	42.50

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

Hokuhoku Financial Group, Inc. implemented a common stock consolidation at a ratio of ten stocks to one stock on October 1, 2016. The above dividend forecast for Fiscal 2016 is calculated taking this stock consolidation into account.

## 3. Earnings Estimates for Fiscal 2016 (for the fiscal year ending March 31, 2017)

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

	Ordinary Income		Ordinary Profits		Net Income		Net Income
	¥ million	%	¥ million	%	¥ million	%	per Share of Common Stock
Fiscal 2016	182,000	(5.5)	39,500	(14.9)	27,000	(6.4)	¥ 191.42

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

Hokuhoku Financial Group, Inc. implemented a common stock consolidation at a ratio of ten stocks to one stock on October 1, as we announced on May 11, 2016. The above net income per share of common stock for Fiscal 2016 is calculated taking this stock consolidation into account.

#### 4. Others

(1) Changes in Significant Subsidiaries during the Third Quarter: No

(Note) Changes in specified subsidiaries accompanying changes in scope of consolidation during the Third Quarter

(2) Adoption of Specified Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements: Yes

(3) Changes in Accounting Policies and Accounting Estimates / Restatements

(a) Changes in accounting policies due to revisions of accounting standards, etc.: No

(b) Changes in accounting policies other than (a) above: No

(c) Changes in accounting estimates: No

(d) Restatements: No

(4) Issued Shares (Common Stock)

(a) Number of Common Stock outstanding at the end of fiscal year and the Third Quarter (including Treasury Stock)

As of Dec. 31, 2016	132,163,014	As of March 31, 2016	135,163,014
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(b) Number of Treasury Stock at the end of fiscal year and the Third Quarter

As of Dec. 31, 2016	1,124,460	As of March 31, 2016	1,160,713
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(c) Average outstanding shares for the nine months ended

As of Dec. 31, 2016	132,092,553	As of Dec. 31, 2015	133,994,756
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Note: Hokuhoku Financial Group, Inc. implemented a common stock consolidation at a ratio of ten stocks to one stock on October 1, 2016. The above number of common stock outstanding, number of treasury stock and average outstanding shares for the nine months ended are calculated on the assumption that this stock consolidation took place at the beginning of the previous year.

Notes for using forecasts information etc.

1. This quarterly earnings report is out of the scope of the external auditors' review procedure which is required by "Financial Instruments and Exchange Act". Therefore, the audit process of quarterly consolidated financial statement has not been completed as of the disclosure of this quarterly earnings report.
2. The above estimates are based on information that is available at this moment and assumptions of factors that have an influence on future results of operations. Actual results may differ materially from these estimates, depending on future events.

(Reference)

#### Cash Dividends for Shareholders of Preferred Stock (Type 5)

(Record Date)	Cash Dividends for Share				
	The end of 1 <sup>st</sup> Qtr	The end of 2 <sup>nd</sup> Qtr	The end of 3 <sup>rd</sup> Qtr	Fiscal year-end	Annual
Fiscal 2015	¥ —	¥ 7.50	¥ —	¥ 7.50	¥ 15.00
Fiscal 2016	—	7.50	—		
Fiscal 2016 (forecast)				7.50	15.00

## 5. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheet

Millions of yen

		As of March 31, 2016	As of Dec. 31, 2016
<b>Assets</b>	<b>資産の部</b>		
Cash and due from banks	現金預け金	1,235,499	1,478,436
Call loans and bills bought	コールローン及び買入手形	65,016	92,609
Monetary claims bought	買入金銭債権	62,034	56,829
Trading assets	特定取引資産	4,631	4,775
Money held in trust	金銭の信託	8,344	9,383
Securities	有価証券	2,406,589	2,502,464
Loans and bills discounted	貸出金	7,582,954	7,782,644
Foreign exchanges	外国為替	14,771	16,956
Other assets	その他資産	108,066	144,032
Tangible fixed assets	有形固定資産	101,080	100,666
Intangible fixed assets	無形固定資産	23,974	22,227
Deferred tax assets	繰延税金資産	7,244	6,462
Customers' liabilities for acceptances and guarantees	支払承諾見返	65,044	64,666
Allowance for loan losses	貸倒引当金	(54,925)	(52,509)
Total assets	資産の部合計	11,630,328	12,229,646
<b>Liabilities</b>	<b>負債の部</b>		
Deposits	預金	10,231,408	10,597,389
Negotiable certificates of deposit	譲渡性預金	244,008	227,716
Call money and bills sold	コールマネー及び売渡手形	20,845	31,066
Payables under repurchase agreements	債券貸借取引受入担保金	92,954	362,699
Trading liabilities	特定取引負債	1,129	941
Borrowed money	借入金	207,252	217,825
Foreign exchanges	外国為替	226	520
Bonds payable	社債	33,000	25,000
Other liabilities	その他負債	126,529	91,568
Liability for retirement benefits	退職給付に係る負債	20,459	16,592
Reserve for directors' retirement benefits	役員退職慰労引当金	230	200
Reserve for contingent loss	偶発損失引当金	1,957	1,488
Reserve for reimbursement of deposits	睡眠預金払戻損失引当金	1,419	1,485
Deferred tax liabilities	繰延税金負債	11,883	10,082
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	5,724	5,692
Acceptances and guarantees	支払承諾	65,044	64,666
Total liabilities	負債の部合計	11,064,076	11,654,934
<b>Net assets</b>	<b>純資産の部</b>		
Capital stock	資本金	70,895	70,895
Capital surplus	資本剰余金	148,211	144,587
Retained earnings	利益剰余金	263,959	281,484
Treasury stock	自己株式	(1,489)	(1,386)
Total shareholders' equity	株主資本合計	481,576	495,579
Valuation difference on available-for-sale securities	その他有価証券評価差額金	83,834	75,925
Deferred gains or losses on hedges	繰延ヘッジ損益	(1,596)	(1,014)
Revaluation reserve for land	土地再評価差額金	9,079	9,006
Defined retirement benefit plans	退職給付に係る調整累計額	(8,340)	(6,621)
Accumulated other comprehensive income	その他の包括利益累計額合計	82,976	77,295
Stock acquisition rights	新株予約権	319	367
Non-controlling interests	非支配株主持分	1,378	1,469
Total net assets	純資産の部合計	566,251	574,712
Total liabilities and net assets	負債及び純資産の部合計	11,630,328	12,229,646

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
For the nine months ended Dec. 31, 2016

【 Consolidated Statement of Income 】

Millions of yen

		For the nine months ended Dec. 31, 2015	For the nine months ended Dec. 31, 2016
Ordinary income	経常収益	145,178	142,797
Interest income	資金運用収益	95,424	92,971
(Interest on loans and discounts)	(うち貸出金利息)	73,919	70,135
(Interest and dividends on securities)	(うち有価証券利息配当金)	19,529	20,891
Fees and commissions	役務取引等収益	29,364	28,370
Trading income	特定取引収益	226	112
Other ordinary income	その他業務収益	10,635	11,857
Other income	その他経常収益	9,527	9,485
Ordinary expenses	経常費用	109,161	107,152
Interest expenses	資金調達費用	5,271	4,517
(Interest on deposits)	(うち預金利息)	2,522	1,382
Fees and commissions payments	役務取引等費用	10,438	10,562
Other ordinary expenses	その他業務費用	7,015	10,723
General and administrative expenses	営業経費	75,456	74,589
Other expenses	その他経常費用	10,979	6,759
Ordinary profits	経常利益	36,016	35,645
Extraordinary income	特別利益	66	101
Gain on disposal of fixed assets	固定資産処分益	4	101
Gain on contribution of securities to retirement benefit trust	退職給付信託設定益	62	—
Extraordinary loss	特別損失	916	433
Loss on disposal of fixed assets	固定資産処分損	354	190
Impairment loss	減損損失	561	243
Income before income taxes	税金等調整前四半期純利益	35,166	35,312
Income taxes-current	法人税、住民税及び事業税	10,262	8,722
Income taxes-deferred	法人税等調整額	1,519	1,749
Total income taxes	法人税等合計	11,782	10,472
Net income	四半期純利益	23,384	24,839
Net income attributable to non-controlling interests	非支配株主に帰属する四半期純利益	105	80
Net income attributable to owners of the parent	親会社株主に帰属する四半期純利益	23,279	24,759

【 Consolidated Statement of Comprehensive Income 】

Millions of yen

		For the nine months ended Dec. 31, 2015	For the nine months ended Dec. 31, 2016
Net income	四半期純利益	23,384	24,839
Other comprehensive income	その他の包括利益	(8,489)	(5,597)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(9,464)	(7,935)
Deferred gains or losses on hedges	繰延ヘッジ損益	(581)	581
Defined retirement benefit plans	退職給付に係る調整額	1,542	1,719
Share of other comprehensive income of associates accounted for using equity method	持分法適用会社に対する持分相当額	14	36
Total comprehensive income	四半期包括利益	14,895	19,242
Breakdown	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る四半期包括利益	14,787	19,150
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	107	91

## Financial Highlights For the Third Quarter of Fiscal 2016

## 1. Income Analysis

## FG 【Consolidated】

		3rd Qtr of FY 2016 (9 months)		3rd Qtr of FY 2015 (9 months)	Fiscal Year 2015 results (reference)
Forecasts Full year		Changes from 3rd Qtr of FY 2015			
Ordinary income	182,000	142,797	(2,380)	145,178	192,584
Ordinary profits	39,500	35,645	(371)	36,016	46,425
Net income attributable to owners of parents	27,000	24,759	1,479	23,279	28,837

(Millions of yen)

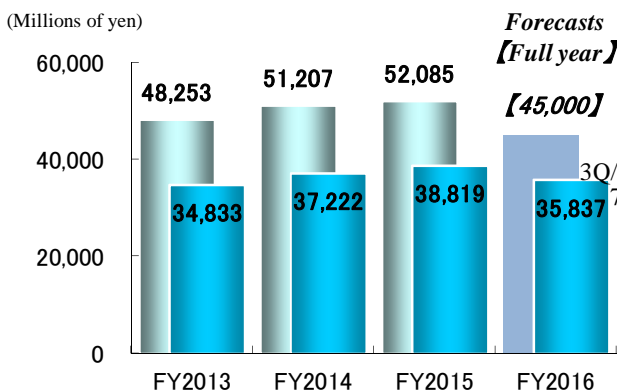
## 【Total of two banks】

		3rd Qtr of FY 2016 (9 months)		3rd Qtr of FY 2015 (9 months)	Fiscal Year 2015 results (reference)
Forecasts Full year		Changes from 3rd Qtr of FY 2015			
Ordinary income	167,000	131,891	(1,970)	133,862	178,917
Core gross business profits	136,500	103,002	(3,903)	106,906	143,009
Net interest income		89,166	(1,671)	90,838	120,973
Net fees and commissions		13,569	(1,044)	14,613	20,000
Net trading income		60	(86)	146	166
Net other income		205	(1,101)	1,307	1,869
Gains on foreign exchange transactions		216	(562)	779	1,045
Net income on derivatives		(13)	(539)	526	808
General and administrative expenses	91,500	67,164	(922)	68,087	90,923
Personnel		32,610	(331)	32,941	43,866
Non-personnel		29,586	(1,194)	30,781	41,370
Core net business profits	45,000	35,837	(2,981)	38,819	52,085
Net gains (losses) related to bonds		(538)	(1,286)	747	824
Net business profits(before provision (reversal) of general allowance for loan losses)		35,298	(4,267)	39,566	52,909
Total credit costs	2,000	(968)	(3,637)	2,668	3,702
Net gains (losses) related to stocks		1,689	62	1,627	(567)
Ordinary profits	39,500	35,763	(964)	36,727	46,765
Net extraordinary gains (losses)		(332)	468	(801)	(461)
Income before income taxes		35,430	(496)	35,926	46,303
Income taxes		9,868	(1,564)	11,432	16,358
Income taxes deferred		1,838	264	1,574	6,559
Net income	28,000	25,561	1,067	24,493	29,945

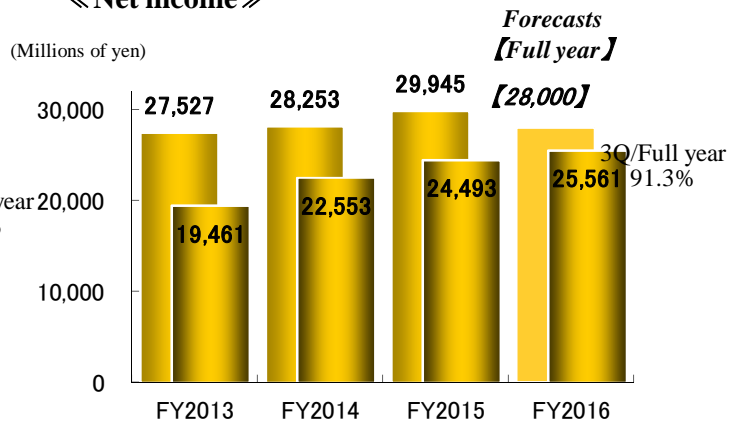
(Millions of yen)

## Full year / 3rd Quarter

## 《Core net business profits》



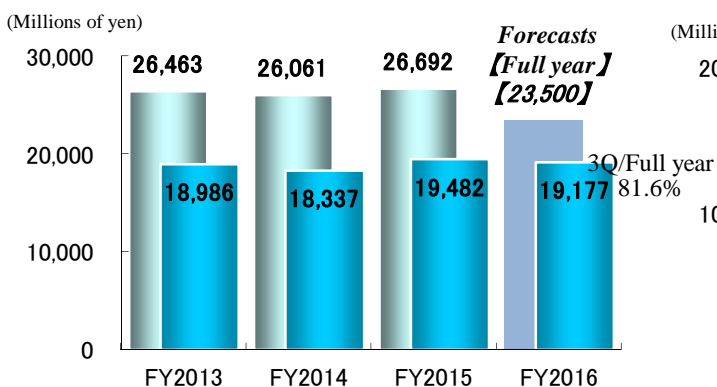
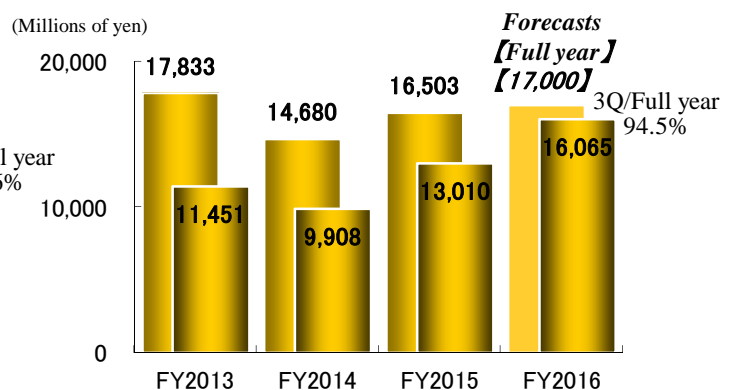
## 《Net income》



**【Non-Consolidated】 Hokuriku Bank**

- Core net business profits were JPY19,177 million, JPY304 million decrease compared to the corresponding period of the previous fiscal year mainly due to a decrease in net fees and commissions.
- Ordinary profits increased by JPY2,521 million to JPY22,315 million, due to a decrease in total credit costs, and an increase in net gains related to stocks.
- Accordingly, net income increased by JPY3,054 million to JPY16,065 million.

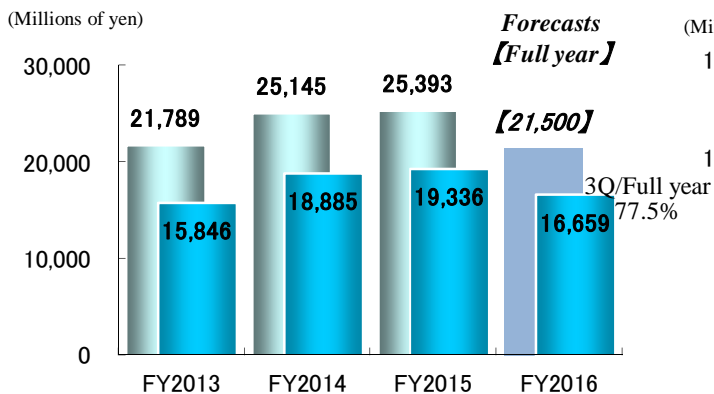
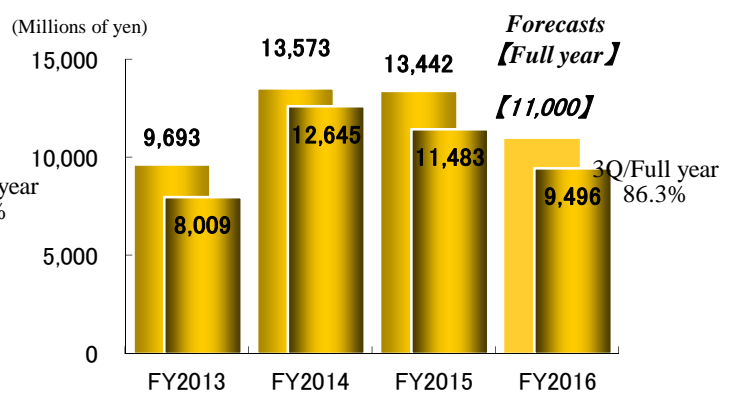
	Forecasts Full year	3rd Qtr of	Changes from	3rd Qtr of	Fiscal Year 2015 results (reference)
		FY 2016 (9 months)	3rd Qtr of FY 2015	FY 2015 (9 months)	
Ordinary income	89,000	71,031	2,058	68,973	93,387
<b>Core gross business profits</b>	<b>72,500</b>	<b>55,289</b>	<b>(631)</b>	<b>55,920</b>	<b>75,342</b>
Net interest income		47,363	222	47,140	63,474
Net fees and commissions		7,097	(705)	7,803	10,625
Net trading income		60	(86)	146	166
Net other income		768	(61)	830	1,075
Gains on foreign exchange transactions		760	100	660	907
Net income on derivatives		7	(162)	169	167
<b>General and administrative expenses</b>	<b>49,000</b>	<b>36,111</b>	<b>(327)</b>	<b>36,438</b>	<b>48,650</b>
Personnel		18,526	(210)	18,737	24,926
Non-personnel		14,926	(514)	15,440	20,790
<b>Core net business profits</b>	<b>23,500</b>	<b>19,177</b>	<b>(304)</b>	<b>19,482</b>	<b>26,692</b>
Net gains (losses) related to bonds		103	(291)	394	425
Net business profits (before provision (reversal) of general allowance for loan losses)		19,281	(596)	19,877	27,118
Total credit costs	500	(574)	(1,180)	605	(1,109)
Net gains (losses) related to stocks		3,021	1,407	1,614	(22)
<b>Ordinary profits</b>	<b>23,500</b>	<b>22,315</b>	<b>2,521</b>	<b>19,793</b>	<b>26,761</b>
Net extraordinary gains (losses)		(169)	425	(594)	(857)
Income before income taxes		22,146	2,947	19,198	25,903
Income taxes		6,080	(106)	6,187	9,400
Income taxes deferred		260	(24)	285	4,799
<b>Net income</b>	<b>17,000</b>	<b>16,065</b>	<b>3,054</b>	<b>13,010</b>	<b>16,503</b>

**Full year / 3rd Quarter****《Core net business profits》****《Net income》**

**【Non-consolidated】 Hokkaido Bank**

- Core net business profits were JPY16,659 million, JPY2,677 million decrease compared to the corresponding period of the previous fiscal year mainly due to a decrease in net interest income.
- Ordinary profits decreased by JPY3,486 million to JPY13,448 million, due to losses on sales of securities held.
- Accordingly, net income decreased by JPY1,986 million to JPY9,496 million.

	Forecasts Full year	3rd Qtr of FY 2016 (9 months)	Changes from 3rd Qtr of FY 2015	3rd Qtr of FY 2015 (9 months)	Fiscal Year 2015 results (reference)
Ordinary income	78,000	60,860	(4,028)	64,888	85,530
<b>Core gross business profits</b>	<b>64,000</b>	<b>47,713</b>	<b>(3,272)</b>	<b>50,985</b>	<b>67,666</b>
Net interest income		41,803	(1,894)	43,698	57,498
Net fees and commissions		6,471	(338)	6,810	9,374
Net trading income		—	—	—	—
Net other income		(562)	(1,039)	477	793
Gains on foreign exchange transactions		(543)	(662)	118	137
Net income on derivatives		(21)	(377)	356	641
<b>General and administrative expenses</b>	<b>42,500</b>	<b>31,053</b>	<b>(595)</b>	<b>31,648</b>	<b>42,273</b>
Personnel		14,083	(120)	14,204	18,939
Non-personnel		14,660	(680)	15,341	20,580
<b>Core net business profits</b>	<b>21,500</b>	<b>16,659</b>	<b>(2,677)</b>	<b>19,336</b>	<b>25,393</b>
Net gains (losses) related to bonds		(641)	(994)	352	398
<b>Net business profits (before provision (reversal) of general allowance for loan losses)</b>		<b>16,017</b>	<b>(3,671)</b>	<b>19,689</b>	<b>25,791</b>
Total credit costs	1,500	(393)	(2,456)	2,062	4,811
Net gains (losses) related to stocks		(1,332)	(1,345)	12	(545)
<b>Ordinary profits</b>	<b>16,000</b>	<b>13,448</b>	<b>(3,486)</b>	<b>16,934</b>	<b>20,003</b>
Net extraordinary gains (losses)		(163)	42	(206)	396
Income before income taxes		13,284	(3,443)	16,728	20,400
Income taxes		3,787	(1,457)	5,245	6,958
Income taxes deferred		1,578	289	1,288	1,760
<b>Net income</b>	<b>11,000</b>	<b>9,496</b>	<b>(1,986)</b>	<b>11,483</b>	<b>13,442</b>

**Full year / 3rd Quarter****《 Core net business profits 》****《 Net income 》**

## 2. Loans and Deposits

### (1) Loans

	As of Dec. 31,2016			As of Dec. 31, 2015	(Millions of yen) As of Sep.30, 2016
	(A)	(C)=(A)-(B)	(C)/(B)	(B)	(reference)
<b>Total of two banks</b>	7,798,893	150,390	1.96%	7,648,503	7,700,418
Loans to small and medium-sized enterprises("SMEs") and individuals	4,988,071	126,776	2.60%	4,861,295	4,898,846
Housing and consumer loans	2,223,045	63,211	2.92%	2,159,833	2,188,276
<b>Hokuriku bank</b>	4,474,881	65,064	1.47%	4,409,817	4,446,042
Loans to small and medium-sized enterprises("SMEs") and individuals	2,967,700	45,249	1.54%	2,922,451	2,938,037
Housing and consumer loans	1,191,326	18,124	1.54%	1,173,202	1,177,047
<b>Hokkaido bank</b>	3,324,012	85,325	2.63%	3,238,686	3,254,376
Loans to small and medium-sized enterprises("SMEs") and individuals	2,020,371	81,527	4.20%	1,938,844	1,960,809
Housing and consumer loans	1,031,718	45,087	4.56%	986,631	1,011,228

### (2) Deposits and Investment products

	As of Dec. 31,2016			As of Dec. 31, 2015	(Millions of yen) As of Sep.30, 2016
	(A)	(C)=(A)-(B)	(C)/(B)	(B)	(reference)
<b>Total of two banks</b>					
Deposits*	10,854,447	92,422	0.85%	10,762,024	10,526,686
Individual deposits*	7,379,670	127,220	1.75%	7,252,449	7,192,302
<b>Total individual assets</b>	7,919,997	55,729	0.70%	7,864,267	7,739,288
Individual deposits* (deposits in yen)	7,356,854	127,415	1.76%	7,229,438	7,167,471
Investment products (for individuals)	563,143	(71,685)	(11.29%)	634,828	571,817
Foreign currency deposits	22,816	(194)	(0.84%)	23,010	24,831
Public bonds	198,826	(43,566)	(17.97%)	242,392	210,664
Investment trusts	341,500	(27,924)	(7.55%)	369,425	336,321
<b>Hokuriku bank (Non-consolidated)</b>					
Deposits*	6,284,041	106,105	1.71%	6,177,936	6,106,653
Individual deposits*	4,095,469	78,025	1.94%	4,017,443	3,991,945
<b>Total individual assets</b>	4,381,914	47,444	1.09%	4,334,469	4,279,938
Individual deposits* (deposits in yen)	4,082,547	76,793	1.91%	4,005,754	3,977,216
Investment products (for individuals)	299,366	(29,348)	(8.92%)	328,715	302,722
Foreign currency deposits	12,921	1,232	10.54%	11,689	14,728
Public bonds	107,138	(12,012)	(10.08%)	119,151	111,028
Investment trusts	179,306	(18,568)	(9.38%)	197,874	176,964
<b>Hokkaido bank (Non-consolidated)</b>					
Deposits*	4,570,405	(13,682)	(0.29%)	4,584,088	4,420,033
Individual deposits*	3,284,201	49,195	1.52%	3,235,005	3,200,357
<b>Total individual assets</b>	3,538,083	8,285	0.23%	3,529,797	3,459,350
Individual deposits* (deposits in yen)	3,274,306	50,622	1.57%	3,223,684	3,190,255
Investment products (for individuals)	263,776	(42,336)	(13.83%)	306,113	269,095
Foreign currency deposits	9,894	(1,426)	(12.60%)	11,320	10,102
Public bonds	91,687	(31,554)	(25.60%)	123,241	99,635
Investment trusts	162,194	(9,356)	(5.45%)	171,550	159,356

\*including NCD



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

(Millions of yen)

(Millions of yen)

		As of Dec.31,2016	As of Dec.31,2015	As of Sep.30,2016
Total of two banks	Bankrupt and substantially bankrupt	19,506	23,281	20,275
	Doubtful	120,868	126,788	120,904
	Substandard	18,870	21,893	19,436
	Non Performing Loan (A)	159,245	171,963	160,616
	Total (B)	8,022,463	7,853,955	7,921,022
	NPL ratio (A)/(B)	1.98%	2.18%	2.02%
Hokuriku bank (Non-consolidated)	Bankrupt and substantially bankrupt	14,047	16,803	14,511
	Doubtful	67,158	70,236	65,943
	Substandard	10,103	12,438	10,826
	Non Performing Loan (A)	91,309	99,478	91,281
	Total (B)	4,550,042	4,488,529	4,520,252
	NPL ratio (A)/(B)	2.00%	2.21%	2.01%
Hokkaido bank (Non-consolidated)	Bankrupt and substantially bankrupt	5,459	6,478	5,764
	Doubtful	53,710	56,551	54,960
	Substandard	8,766	9,455	8,610
	Non Performing Loan (A)	67,935	72,485	69,334
	Total (B)	3,472,421	3,365,425	3,400,770
	NPL ratio (A)/(B)	1.95%	2.15%	2.03%

**4. Capital Adequacy Ratio (Domestic Standard)**

		As of Dec.31,2016	As of Dec.31,2015	As of Sep.30,2016
FG (Consolidated)	Capital adequacy ratio	9.59%	10.74%	10.28%
Hokuriku bank (Non-consolidated)	Capital adequacy ratio	8.79%	10.24%	9.48%
Hokkaido bank (Non-consolidated)	Capital adequacy ratio	9.39%	10.20%	10.05%

**5. Valuation Difference on Securities**

(Millions of yen)

(Millions of yen)

		As of Dec.31,2016				As of Sep.30,2016				
		Market value	Valuation difference		Market value	Valuation difference		Market value	Valuation difference	
			Gains	Losses		Gains	Losses		Gains	Losses
FG(Consolidated)	Available-for-sale securities	2,336,006	99,387	129,297	29,910	2,297,119	105,140	123,220	18,080	
	Japanese Stocks	203,741	86,370	88,461	2,091	206,434	63,927	70,328	6,401	
	Japanese Bonds	1,369,404	29,662	30,094	432	1,449,122	36,221	36,339	117	
	Others	762,860	Δ16,644	10,741	27,386	641,562	4,991	16,552	11,561	
Total of two banks	Available-for-sale securities	2,338,841	104,580	133,523	28,942	2,300,173	110,658	126,435	15,777	
	Japanese Stocks	203,143	93,076	94,223	1,147	205,891	70,688	74,820	4,132	
	Japanese Bonds	1,374,506	29,817	30,226	409	1,454,253	36,414	36,498	83	
	Others	761,192	Δ18,312	9,073	27,386	640,027	3,555	15,116	11,561	
Hokuriku bank (Non-consolidated)	Available-for-sale securities	1,498,661	82,207	92,390	10,183	1,417,239	85,302	88,293	2,991	
	Japanese Stocks	131,504	59,151	59,488	337	121,958	46,180	47,617	1,436	
	Japanese Bonds	939,372	23,605	23,924	319	933,081	28,433	28,496	63	
	Others	427,785	Δ549	8,977	9,526	362,199	10,689	12,179	1,490	
Hokkaido bank (Non-consolidated)	Available-for-sale securities	840,179	22,373	41,132	18,759	882,933	25,355	38,141	12,785	
	Japanese Stocks	71,639	33,924	34,735	810	83,933	24,508	27,203	2,695	
	Japanese Bonds	435,133	6,212	6,301	89	521,171	7,981	8,001	20	
	Others	333,407	Δ17,763	95	17,859	277,827	Δ7,133	2,936	10,070	

## 6. Net Gains and Losses on Securities

(Millions of yen)

		3rd Qtr of FY 2016 (9 months)		3rd Qtr of FY 2015 (9 months)	Fiscal Year 2015 results (reference)
		(A)	(A)-(B)	(B)	
		FG (Consolidated)	Net gains (losses) related to bonds	(637)	
Gains on sales	2,235		1,544	691	928
Gains on redemption	20		(67)	88	108
Losses on sales	2,893		2,861	32	213
Losses on redemption	—		—	—	—
Losses on devaluation	—		—	—	—
Net gains (losses) related to stocks and others	1,620		(4)	1,625	(594)
Gains on sales	6,191		(614)	6,805	7,373
Losses on sales	4,361		(590)	4,952	6,576
Losses on devaluation	208		(19)	228	1,390

(Millions of yen)

		3rd Qtr of FY 2016 (9 months)		3rd Qtr of FY 2015 (9 months)	Fiscal Year 2015 results (reference)
		(A)	(A)-(B)	(B)	
		Total of two banks	Net gains (losses) related to bonds	(538)	
Gains on sales	2,334		1,643	691	928
Gains on redemption	20		(67)	88	108
Losses on sales	2,893		2,861	32	213
Losses on redemption	—		—	—	—
Losses on devaluation	—		—	—	—
Net gains (losses) related to stocks and others	1,689		62	1,627	(567)
Gains on sales	6,186		(621)	6,807	7,375
Losses on sales	4,290		(661)	4,952	6,576
Losses on devaluation	205		(22)	228	1,366

(Millions of yen)

		3rd Qtr of FY 2016 (9 months)		3rd Qtr of FY 2015 (9 months)	Fiscal Year 2015 results (reference)
		(A)	(A)-(B)	(B)	
		Hokuriku bank (Non-consolidated)	Net gains (losses) related to bonds	103	
Gains on sales	747		347	399	441
Gains on redemption	—		—	—	—
Losses on sales	644		639	4	15
Losses on redemption	—		—	—	—
Losses on devaluation	—		—	—	—
Net gains (losses) related to stocks and others	3,021		1,407	1,614	(22)
Gains on sales	3,820		1,572	2,247	2,349
Losses on sales	624		208	415	1,036
Losses on devaluation	174		(43)	217	1,335

(Millions of yen)

		3rd Qtr of FY 2016 (9 months)		3rd Qtr of FY 2015 (9 months)	Fiscal Year 2015 results (reference)
		(A)	(A)-(B)	(B)	
		Hokkaido bank (Non-consolidated)	Net gains (losses) related to bonds	(641)	
Gains on sales	1,587		1,295	292	487
Gains on redemption	20		(67)	88	108
Losses on sales	2,249		2,221	27	197
Losses on redemption	—		—	—	—
Losses on devaluation	—		—	—	—
Net gains (losses) related to stocks and others	(1,332)		(1,345)	12	(545)
Gains on sales	2,365		(2,194)	4,559	5,025
Losses on sales	3,666		(870)	4,536	5,540
Losses on devaluation	31		20	10	30