

*Summary of financial results  
for the 3rd Quarter of FY2008  
(From April 2008 to December 2008)*



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

# Revision of Earnings Forecasts

Hokuhoku Financial Group, Inc.

Based on recent earnings trends, Hokuhoku Financial Group, Inc. announces a revision of its previous earnings forecasts for the fiscal year ending March 31, 2009, which was released on November 14, 2008. The forecast of annual dividends per share of common share for the fiscal year ending March 31, 2009 remains unchanged.

## Revision of Earnings Forecasts (Consolidated) For the fiscal year ending March 31, 2009

(JPY Bn)	Ordinary Income	Ordinary Profits	Net Income
Previous Forecasts (A)	246.0	43.0	46.5
Revised Forecasts (B)	242.0	26.0	38.0
Difference (B)-(A)	(4.0)	(17.0)	(8.5)
Percentage Change (%)	(1.6)	(39.5)	(18.3)
(Ref.) Fiscal year ended March 31, 2008	261.2	66.3	38.6

## [Reference]

## 【Dividend Forecasts】

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

(JPY Bn)	〈Total of two banks〉			〈Hokuriku bank〉			〈Hokkaido bank〉		
	Previous forecasts	Revised Forecasts	Difference	Previous forecasts	Revised Forecasts	Difference	Previous forecasts	Revised Forecasts	Difference
Ordinary income	224.0	221.0	(3.0)	130.0	127.0	(3.0)	94.0	94.0	0.0
Core gross business profits	174.0	169.0	(5.0)	100.0	96.5	(3.5)	74.0	72.5	(1.5)
G&A expenses	(93.0)	(93.0)	0.0	(52.0)	(52.0)	0.0	(41.0)	(41.0)	0.0
Core net business profits	81.0	76.0	(5.0)	48.0	44.5	(3.5)	33.0	31.5	(1.5)
Total credit costs	(28.0)	(31.5)	(3.5)	(20.0)	(20.0)	0.0	(8.0)	(11.5)	(3.5)
Ordinary profits	44.0	27.5	(16.5)	20.0	12.5	(7.5)	24.0	15.0	(9.0)
Net income	49.0	42.0	(7.0)	33.0	30.0	(3.0)	16.0	12.0	(4.0)

### <Background to the revision>

As a result of the dislocation in the global financial markets stemming from U.S. subprime issues, Hokuhoku Financial Group, Inc. revises downward estimates of consolidated ordinary income compared to the previous announcement on 14 Nov. 2008. The main reason is that its subsidiary commercial banks, the Hokuriku Bank and the Hokkaido Bank, facing the slowdown in sales of the investment financial products, expect the decrease in fees and commissions.

In addition, Hokuhoku Financial Group, Inc. forecasts downward its consolidated ordinary profits and net income, mainly due to the losses on securities and credit-related costs, resulting from the deteriorating business conditions of corporate customers and the lasting market slump.

# Summary of Financial Results I-①

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

Hokuhoku Financial Group, Inc.

<Consolidated> (JPY Bn)	Full year Forecasts	FY2008 3Q	change	FY2007 3Q
Ordinary income	[242.0]	<b>181.0</b>	(6.7)	187.7
Ordinary profits	[26.0]	<b>14.4</b>	(33.2)	47.7
Net income	[38.0]	<b>31.0</b>	6.3	24.7
<b>&lt;Total of two banks&gt; (JPY Bn)</b>				
Core gross business profits	[169.0]	<b>127.0</b>	(6.5)	133.6
Net interest income		<b>99.8</b>	(3.1)	102.9
Net fees & commissions		<b>18.4</b>	(4.6)	23.0
Net trading income		<b>1.0</b>	0.4	0.6
Net other income (excluding gains (losses) related to bonds)		<b>7.7</b>	0.7	6.9
General & administrative expenses	[93.0]	<b>(68.8)</b>	(1.4)	(67.4)
Core net business profits	[76.0]	<b>58.2</b>	(7.9)	66.1
Net gains (losses) related to bonds		<b>(2.3)</b>	(3.4)	1.0
Net business profits before credit costs		<b>55.8</b>	(11.4)	67.2
Total credit costs	[31.5]	<b>(27.1)</b>	(8.6)	(18.4)
Net gains (losses) related to stocks		<b>(11.3)</b>	(9.1)	(2.1)
Ordinary profits	[27.5]	<b>15.5</b>	(31.3)	46.8
Net extraordinary gains (losses)		<b>(0.2)</b>	2.5	(2.8)
Income taxes		<b>18.4</b>	37.4	(18.9)
Net Income	[42.0]	<b>33.7</b>	8.6	25.0

## <Consolidated>

### Net income:

+¥6.3Bn compared to FY07 3Q

## <Total of two banks>

### Core net business profits:

-¥7.9Bn compared to FY07 3Q

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

### Ordinary profits:

-¥31.3Bn compared to FY07 3Q

•••Increase in Total credit cost  
and Losses related to stocks

### Net income:

+¥8.6Bn compared to FY07 3Q

•••Decrease in income taxes-deferred

# Summary of Financial Results I - ②

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

Hokuhoku Financial Group, Inc.

(JPY Bn)	〈Hokuriku Bank〉			〈Hokkaido Bank〉		
	FY2008 3Q	change	FY2007 3Q	FY2008 3Q	change	FY2007 3Q
Core gross business profits	<b>72.3</b>	(6.3)	78.6	<b>54.7</b>	(0.1)	54.9
Net interest income	<b>56.2</b>	(2.2)	58.4	<b>43.5</b>	(0.8)	44.4
Net fees & commissions	<b>11.0</b>	(2.8)	13.9	<b>7.3</b>	(1.7)	9.1
Net trading income	<b>1.0</b>	0.4	0.6	-	-	-
Net other income (excluding gains (losses) related to bonds)	<b>3.8</b>	(1.7)	5.5	<b>3.8</b>	2.4	1.3
General & administrative expenses	<b>(38.5)</b>	(0.2)	(38.2)	<b>(30.3)</b>	(1.1)	(29.1)
Core net business profits	<b>33.7</b>	(6.6)	40.3	<b>24.4</b>	(1.3)	25.7
Net gains (losses) related to bonds	<b>(0.9)</b>	(1.1)	0.2	<b>(1.4)</b>	(2.3)	0.8
Net business profits before credit costs	<b>32.8</b>	(7.7)	40.5	<b>23.0</b>	(3.6)	26.6
Total credit costs	<b>(16.1)</b>	(2.9)	(13.1)	<b>(11.0)</b>	(5.7)	(5.3)
Net gains (losses) related to stocks	<b>(9.2)</b>	(8.3)	(0.9)	<b>(2.0)</b>	(0.8)	(1.2)
Ordinary profits	<b>6.9</b>	(20.3)	27.3	<b>8.5</b>	(10.9)	19.5
Net extraordinary gains (losses)	<b>(0.1)</b>	1.8	(1.9)	<b>(0.1)</b>	0.7	(0.8)
Income taxes	<b>19.9</b>	31.0	(11.0)	<b>(1.5)</b>	6.3	(7.8)
Net Income	<b>26.8</b>	12.5	14.3	<b>6.8</b>	(3.8)	10.7

# Summary of Financial Results II-①

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

Hokuhoku Financial Group, Inc.

〈Total of two banks〉 (JPY Bn)	Dec-08	change	Dec-07
Loans	7,162.3	294.9	6,867.3
Loans to SMEs & individuals	5,049.8	45.0	5,004.8
Housing & consumer Loans	1,890.7	73.9	1,816.8
Deposits	8,709.1	231.4	8,477.7
Individual deposits	6,232.1	283.8	5,948.2
Total individual assets	6,944.7	84.0	6,860.7
Individual deposits (deposits in yen)	6,206.9	278.4	5,928.5
Investment products (for individuals)	737.7	(194.4)	932.1
Foreign currency deposits	25.1	5.4	19.6
Public bonds	322.3	(6.7)	329.1
Investment trusts	390.3	(193.0)	583.3
〈Total of two banks〉 (JPY Bn)	Dec-08	change	Sep-08
Balance of NPLs	257.3	4.1	253.1
NPL ratio	3.46%	(0.02%)	3.48%
〈Consolidated〉 (JPY Bn)	Dec-08	change	Sep-08
Valuation difference on available- for-sale securities	(19.4)	5.5	(24.9)

## 〈Total of two banks〉

### Loans:

**+¥294.9Bn compared to Dec-07**

••• Mainly due to the increase of housing & consumer Loans and public Loans

### Deposits:

**+¥231.4Bn compared to Dec-07**

### Total individual assets:

**+¥84.0Bn compared to Dec-07**

••• Mainly due to the increase of individual deposits

**Balance of NPLs: ¥257.3Bn**

**NPL ratio: 3.46%**

## 〈Consolidated〉

### Valuation difference on available-for-sale securities:

**-¥19.4Bn (+5.5Bn compared to Sep-07)**

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

## Summary of Financial Results II-②

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

Hokuhoku Financial Group, Inc.

(JPY Bn)	〈Hokuriku Bank〉			〈Hokkaido Bank〉		
	Dec-08	change	Dec-07	Dec-08	change	Dec-07
Loans	<b>4,309.0</b>	165.5	4,143.4	<b>2,853.3</b>	129.4	2,723.8
Loans to SMEs & individuals	<b>2,980.8</b>	(2.6)	2,983.4	<b>2,069.0</b>	47.6	2,021.3
Housing & consumer Loans	<b>966.8</b>	62.1	904.7	<b>923.8</b>	11.8	912.0
Deposits	<b>5,040.8</b>	114.7	4,926.1	<b>3,668.2</b>	116.6	3,551.5
Individual deposits	<b>3,474.2</b>	147.6	3,326.6	<b>2,757.8</b>	136.1	2,621.6
Total individual assets	<b>3,929.6</b>	4.0	3,925.6	<b>3,015.0</b>	79.9	2,935.1
Individual deposits (deposits in yen)	<b>3,455.9</b>	143.8	3,312.0	<b>2,751.0</b>	134.5	2,616.4
Investment products (for individuals)	<b>473.7</b>	(139.8)	613.5	<b>264.0</b>	(54.5)	318.6
Foreign currency deposits	<b>18.3</b>	3.8	14.5	<b>6.7</b>	1.6	5.1
Public bonds	<b>206.9</b>	(14.6)	221.5	<b>115.4</b>	7.8	107.5
Investment trusts	<b>248.4</b>	(129.0)	377.4	<b>141.8</b>	(64.0)	205.9
	Dec-08	change	Sep-08	Dec-08	change	Sep-08
Balance of NPLs	<b>159.6</b>	(0.0)	159.7	<b>97.7</b>	4.2	93.5
NPL ratio	<b>3.55%</b>	(0.05%)	3.60%	<b>3.33%</b>	0.04%	3.29%
Valuation difference on available- for-sale securities	<b>(8.0)</b>	(4.0)	(3.9)	<b>(1.8)</b>	9.0	(10.9)

**Inquiries related to this presentation should be addressed to**

**Hokuhoku Financial Group, Inc.**

**Planning Group**

**TEL(81)76-423-7331**

**FAX(81)76-423-9545**

**E-MAIL:[honsha2@hokuhoku-fg.co.jp](mailto:honsha2@hokuhoku-fg.co.jp)**

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

This document may not be reproduced or distributed to any third party without prior approval of Hokuhoku Financial Group, Inc. This document has been prepared for information purpose only and does not form part of a solicitation to sell or purchase any securities. Information contained herein may be changed or revised without prior notice. This document may contain forecasting statements as to future results of operations. No forecast statement can be guaranteed and actual results of operations may differ from those projected.