

Investor Meeting

*~Interim Results for FY 2011 ~
(ended September 30, 2011)*



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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Summary of Interim Results I-①

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

Hokuhoku Financial Group, Inc.

<Consolidated> (JPY Bn)	Released on 11/4/ 2011	['11/09 Forecasts]		
		FY11 1H	change	FY10 1H
Ordinary income	[105.7]	105.7	(3.5)	109.2
Ordinary profits	[18.9]	18.9	0.9	18.0
Net income	[8.9]	8.9	(1.1)	10.0

<Total of two banks> (JPY Bn) Released on 5/12/ 2011

Core gross business profits	[78.0]	77.3	1.3	76.0
Net interest income		64.7	(0.1)	64.9
Domestic		64.4	(0.4)	64.8
Net fees & commissions		9.6	(1.1)	10.8
Net trading income		0.4	(0.0)	0.5
Net other income (excluding gains (losses) related to bonds)		2.4	2.7	(0.3)
General & administrative expenses	[51.0]	(51.4)	(3.0)	(48.4)
Core net business profits	[27.0]	25.9	(1.6)	27.6
Net gains (losses) related to bonds		2.7	(0.3)	3.0
Net business profits before credit costs		28.6	(1.9)	30.6
Net non-recurring gains(losses)		(9.1)	1.6	(10.7)
Total credit costs	[11.0]	(6.4)	1.9	(8.3)
Net gains (losses) related to stocks		(1.4)	0.7	(2.1)
Ordinary profits	[13.5]	19.3	0.5	18.8
Net extraordinary gains (losses)		(1.1)	(0.5)	(0.5)
Income taxes		(8.3)	(1.2)	(7.0)
Net Income	[8.0]	9.8	(1.3)	11.1

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

<Consolidated>
Net income: ¥8.9Bn
-¥1.1Bn compared to FY10 1H

<Total of two banks>
Core net business profits: ¥25.9Bn
-¥1.6Bn compared to FY10 1H
 ...Decrease in fees & commissions
 and increase in G&A expenses

Ordinary profits: ¥19.3Bn
+¥0.5Bn compared to FY10 1H
 ...Decrease in total credit costs

Net income: ¥9.8Bn
-¥1.3Bn compared to FY10 1H
 ...Increase in impairment loss.

(JPY Bn)	FY11 1H	change	FY10 1H
A - B	(0.9)	0.2	(1.1)
Other Subsidiaries	0.4	(0.1)	0.5
Amortization of goodwill	(1.0)	0.1	(1.2)
Elimination	(0.1)	0.1	(0.3)

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

Hokuhoku Financial Group, Inc.

(JPY Bn)	〈Hokuriku Bank〉			〈Hokkaido Bank〉		
	FY11 1H	change	FY10 1H	FY11 1H	change	FY10 1H
Core gross business profits	45.2	1.0	44.1	32.1	0.2	31.9
Net interest income	36.6	0.4	36.1	28.0	(0.6)	28.7
Domestic	36.5	0.2	36.3	27.8	(0.6)	28.5
Net fees & commissions	5.9	(0.7)	6.6	3.7	(0.4)	4.1
Net trading income	0.4	(0.0)	0.5	—	—	—
Net other income (excluding gains (losses) related to bonds)	2.0	1.4	0.6	<u>(0.9)</u>	1.3	<u>(2.1)</u> (0.9)
General & administrative expenses	(27.7)	(1.1)	(26.5)	(23.7)	(1.8)	(21.8)
Core net business profits	17.4	(0.0)	17.5	8.4	(1.5)	10.0
Net gains (losses) related to bonds	0.0	0.6	(0.6)	<u>+0.9</u>	(1.0)	<u>+2.1</u> 3.7
Net business profits before credit costs	17.5	0.6	16.8	11.1	(2.5)	13.7
Net non-recurring gains(losses)	(5.3)	0.2	(5.5)	(3.8)	1.3	(5.2)
Total credit costs	(1.9)	1.0	(2.9)	(4.4)	0.9	(5.3)
Net gains (losses) related to stocks	(1.0)	0.3	(1.3)	(0.4)	0.3	(0.8)
Ordinary profits	13.8	1.7	12.1	5.4	(1.2)	6.6
Net extraordinary gains (losses)	(1.0)	(0.6)	(0.4)	(0.0)	0.0	(0.1)
Income taxes	(5.8)	(1.3)	(4.4)	(2.5)	0.0	(2.6)
Net Income	6.9	(0.2)	7.2	2.9	(1.0)	3.9

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-11	change	Sep-10
Loans	7,236.1	269.4	6,966.7
Loans to SMEs & individuals	4,794.0	79.8	4,714.2
Housing & consumer loans	1,995.3	21.0	1,974.3
Securities	2,465.8	261.7	2,204.1
Deposits*	9,534.7	310.7	9,223.9
Individual deposits*	6,666.4	195.4	6,470.9
Total individual assets	7,290.8	104.6	7,186.2
Individual deposits (deposits in yen)*	6,638.5	195.4	6,443.1
Investment products (for individuals)	652.3	(90.7)	743.1
Foreign currency deposits	27.8	0.0	27.8
Public bonds	263.2	(28.8)	292.0
Investment trusts	361.2	(61.9)	423.2
Balance of NPLs	229.8	15.4	214.4
NPL ratio	3.08%	0.10%	2.98%

< Consolidated > (JPY Bn)			
Capital adequacy ratio	11.57%	0.18%	11.39%
Tier1 ratio	7.72%	0.23%	7.49%
Net deferred tax assets / Tier1 capital	14.85%	(2.09%)	16.94%
Valuation difference on available- for-sale securities	19.2	(12.8)	32.1

*Deposits and Individual deposits include NCDs

<Total of two banks>

Loans: +¥269.4Bn compared to Sep-10

- Steady increase in loans to enterprises and individual.
- Substantial increase in loans to government & local governments.

Securities: +¥261.7Bn compared to Sep-10

- Increase in JGBs

Deposits: +¥310.7Bn compared to Sep-10

- Increase in individual deposits

Total individual assets:

+¥104.6Bn compared to Sep-10

- Individual deposits steadily increased

Balance of NPLs: +¥15.4Bn compared to Sep-10

NPL ratio: +0.10% compared to Sep-10

<Consolidated>

Capital adequacy ratio: 11.57%

Valuation difference on available-for-sale securities: +¥19.2Bn

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

Hokuhoku Financial Group, Inc.

(JPY Bn)	〈Hokuriku Bank〉			〈Hokkaido Bank〉		
	Sep-11	change	Sep-10	Sep-11	change	Sep-10
Loans	4,205.7	96.4	4,109.2	3,030.4	172.9	2,857.4
Loans to SMEs & individuals	2,871.9	70.1	2,801.8	1,922.1	9.6	1,912.4
Housing & consumer loans	1,050.7	17.1	1,033.5	944.6	3.8	940.7
Securities	1,285.7	197.3	1,088.4	1,180.1	64.3	1,115.7
Deposits*	5,416.5	123.9	5,292.6	4,118.2	186.8	3,931.3
Individual deposits*	3,632.9	71.1	3,561.7	3,033.5	124.3	2,909.1
Total individual assets	4,033.2	12.4	4,020.7	3,257.6	92.1	3,165.4
Individual deposits (deposits in yen)*	3,612.0	70.2	3,541.8	3,026.4	125.2	2,901.2
Investment products (for individuals)	421.1	(57.7)	478.8	231.1	(33.0)	264.2
Foreign currency deposits	20.8	0.9	19.9	7.0	(0.8)	7.9
Public bonds	172.3	(21.0)	193.4	90.8	(7.8)	98.6
Investment trusts	227.9	(37.6)	265.5	133.2	(24.3)	157.6
Balance of NPLs	153.1	6.9	146.1	76.7	8.4	68.3
NPL ratio	3.52%	0.09%	3.43%	2.47%	0.14%	2.33%
Capital adequacy ratio	11.62%	0.35%	11.27%	10.57%	(0.11%)	10.68%
Tier1 ratio	7.50%	0.39%	7.11%	7.03%	(0.04%)	7.07%
Net deferred tax assets / Tier1 capital	16.38%	(5.16%)	21.54%	15.31%	2.00%	13.31%
Valuation difference on available- for-sale securities	19.3	(3.0)	22.4	7.1	(9.7)	16.8

*Deposits and Individual deposits include NCDs

Breakdown of Business Profits ①

<Net interest income>

Hokuhoku Financial Group, Inc.

➤ Competition continued to intensify and interest rate lowered

⇒ Increase in average balance of loans, securities and deposits didn't offset the effect of declined rate. As a result, net interest income of total of two banks decreased compared to 1H of FY2010.

【Breakdown of net interest income (domestic)】

(JPY Bn, %)	FY2010 1H			FY2011 1H			change			breakdown		FY2010			FY2011 (Projection) (Domestic)		
	Average balance	Rate	Interest	Average balance	Rate	Interest	Average balance	Rate	Interest	Average balance	Rate	Average balance	Rate	Interest			
< Total of two banks >																	
Net interest income			64.8			64.4			(0.4)					130.6	Total of two banks		
Loans	6,890.8	1.78%	61.6	7,111.8	1.65%	59.1	221.0	(0.13%)	(2.5)	1.9	(4.4)	6,983.4	1.75%	122.3	Loans	+174.0	-0.11%
Securities	2,059.2	1.03%	10.7	2,302.9	0.97%	11.2	243.6	(0.06%)	0.5	1.2	(0.6)	2,136.9	1.04%	22.2	Securities	+234.0	0.00%
Deposits & NCDs	9,190.5	0.15%	7.2	9,507.9	0.11%	5.3	317.3	(0.04%)	(1.9)	0.2	(2.1)	9,217.2	0.14%	13.2	Deposits & NCDs	+278.0	-0.04%
< Hokuriku bank >																	
Net interest income			36.3			36.5			0.2					73.2	Hokuriku bank		
Loans	4,045.8	1.71%	34.7	4,149.0	1.58%	33.0	103.2	(0.13%)	(1.7)	0.8	(2.5)	4,096.9	1.68%	69.0	Loans	+88.0	-0.11%
Securities	1,010.2	1.15%	5.8	1,195.9	1.14%	6.8	185.6	(0.01%)	0.9	1.0	(0.0)	1,063.0	1.13%	12.0	Securities	+156.0	-0.01%
Deposits & NCDs	5,283.8	0.17%	4.5	5,421.1	0.11%	3.2	137.2	(0.06%)	(1.3)	0.0	(1.4)	5,283.6	0.15%	8.1	Deposits & NCDs	+124.5	-0.05%
< Hokkaido bank >																	
Net interest income			28.5			27.8			(0.6)					57.3	Hokkaido bank		
Loans	2,844.9	1.88%	26.9	2,962.7	1.75%	26.0	117.7	(0.13%)	(0.8)	1.0	(1.9)	2,886.4	1.84%	53.3	Loans	+86.0	-0.11%
Securities	1,048.9	0.92%	4.8	1,106.9	0.79%	4.4	58.0	(0.13%)	(0.4)	0.2	(0.7)	1,073.8	0.94%	10.1	Securities	+78.0	0.00%
Deposits & NCDs	3,906.7	0.14%	2.7	4,086.8	0.10%	2.0	180.1	(0.04%)	(0.6)	0.1	(0.7)	3,933.5	0.12%	5.0	Deposits & NCDs	+153.5	-0.03%

Breakdown of Business Profits ②

<Fee revenue>

Hokuhoku Financial Group, Inc.

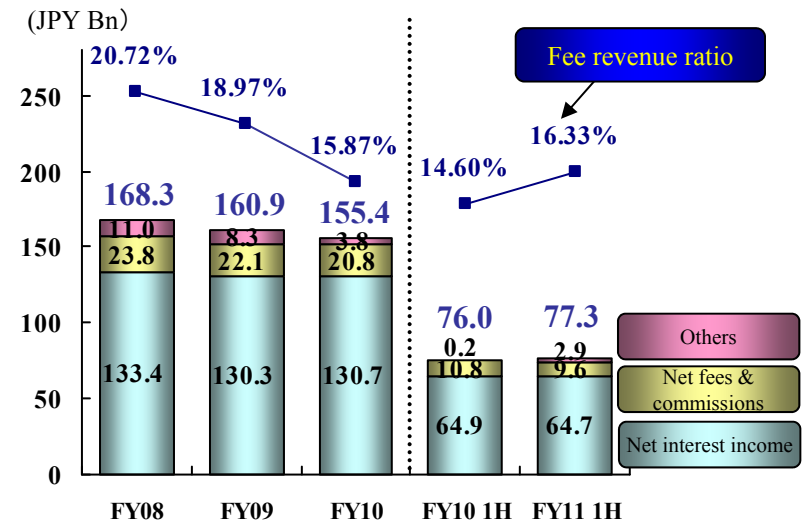
- Fees from insurance sales decreased
- Income from derivatives increased

【Breakdown of fee revenue】

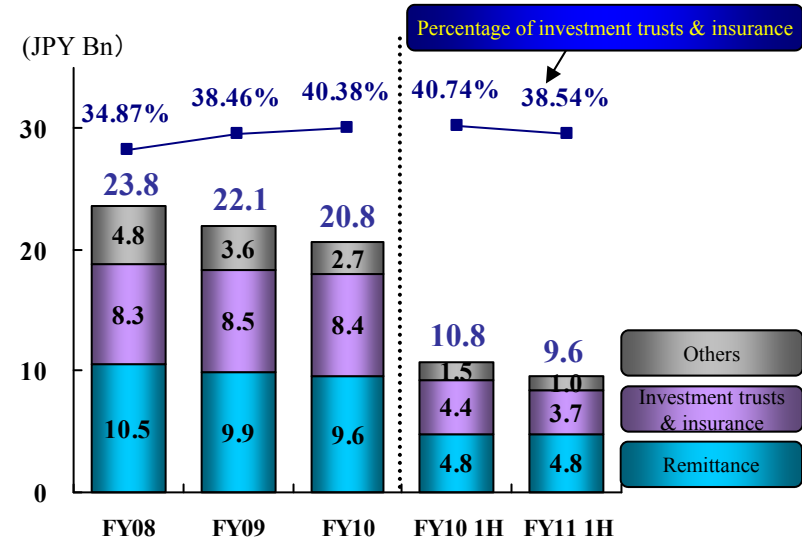
〈Total of two banks〉 (JPY Bn)	FY11 1H	change	FY10 1H
(1) Net fees & commissions	9.6	(1.1)	10.8
Fees and commissions	16.8	(1.0)	17.8
Remittance	5.8	(0.0)	5.8
Investment trusts	2.4	(0.0)	2.4
Insurance	1.3	(0.6)	1.9
Fees and commissions payments	7.1	0.1	7.0
Remittance	0.9	(0.0)	0.9
ATM (alliance with convenience stores)	1.2	0.0	1.1
Loan related expenses	4.6	0.0	4.5
(2) Net trading income	0.4	(0.0)	0.5
(3) Net other income (excluding gains(losses) related to bonds)	2.4	2.7	(0.3)
Gains on foreign exchange transactions	0.8	(0.0)	0.8
Net income (expenses) on derivatives	<u>(0.9)</u> 1.6	2.8	<u>(2.1)</u> (1.1)
(4) Fee revenue (1)+(2)+(3)	12.6	1.5	11.1
(5) Core gross business profits	77.3	1.3	76.0
(6) Fee revenue ratio (4)/(5)	16.33%	1.73%	14.60%

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

【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.

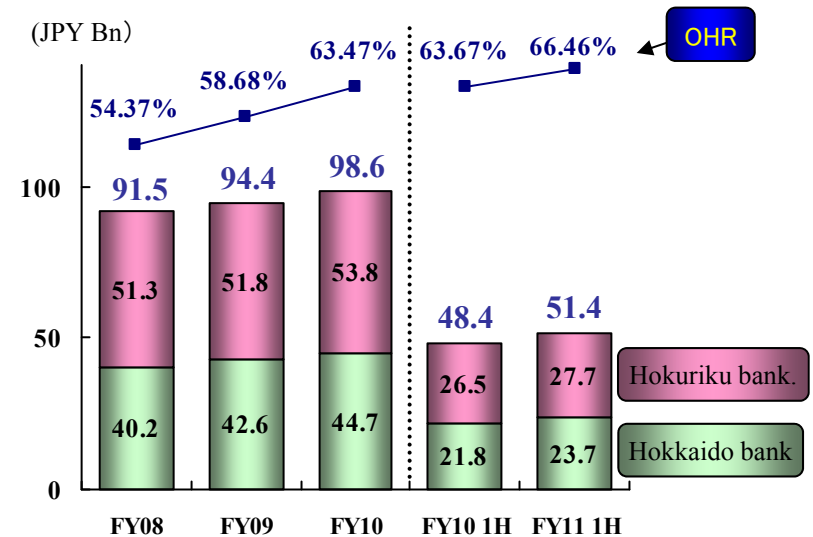
- General and administrative expenses increased due to the increase in personnel and investment in IT system.

【Breakdown of G&A expenses】

〈Total of two banks〉 (JPY Bn)	FY11 H1	change	FY10 H1
General and administrative expenses	51.4	3.0	48.4
Personnel	22.9	0.9	22.0
Non-personnel	25.3	1.6	23.6
Taxes	3.1	0.4	2.7
OHR	66.46%	2.79%	63.67%
Number of employees (excluding temporary staffs) (A)	526.6	20.9	505.7
Temporary staffs (B)	332.9	(25.5)	358.4
Percentage of temporary staffs (B)/{(A)+(B)}	38.73%	(2.74%)	41.47%

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

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



Personnel expenses: +¥0.9Bn

- Overtime pay owing to preparation for introduction of new IT system.

Non-personnel expenses: +¥1.6Bn

- Increase in depreciation and temporary expense due to shift to new IT system

Net Gains (Losses) related to Securities

Hokuhoku Financial Group, Inc.

- Net gains (losses) related to bonds: +¥2.7Bn (-0.3Bn compared to FY10 1H)
- Net gains (losses) related to stocks: -¥1.4Bn (+0.7Bn compared to FY10 1H)

【Net gains (losses) related to securities】

(JPY Bn)	〈Total of two banks〉			〈Hokuriku bank〉			〈Hokkaido bank〉		
	FY11 1H	change	FY10 1H	FY11 1H	change	FY10 1H	FY11 1H	change	FY10 1H
Net Gains (losses) on bonds	2.7	(0.3)	3.0	0.0	0.6	(0.6)	2.7	(1.0)	3.7
Gains on sales	3.6	(0.2)	3.8	0.0	0.0	0.0	3.5	(0.2)	3.8
Losses on sales	0.3	(0.3)	0.6	-	(0.6)	0.6	0.3	0.3	0.0
Losses on redemption	0.4	0.4	0.0	-	-	-	0.4	0.4	0.0
Losses on devaluation	0.0	(0.0)	0.0	-	(0.0)	0.0	0.0	0.0	-
Net Gains (losses) on stocks	(1.4)	0.7	(2.1)	(1.0)	0.3	(1.3)	(0.4)	0.3	(0.8)
Gains on sales	0.1	(0.3)	0.4	0.0	(0.4)	0.4	0.0	0.0	0.0
Losses on sales	0.0	(0.3)	0.4	0.0	(0.3)	0.3	0.0	0.0	0.0
Losses on devaluation	1.4	(0.7)	2.2	1.1	(0.3)	1.4	0.3	(0.4)	0.7

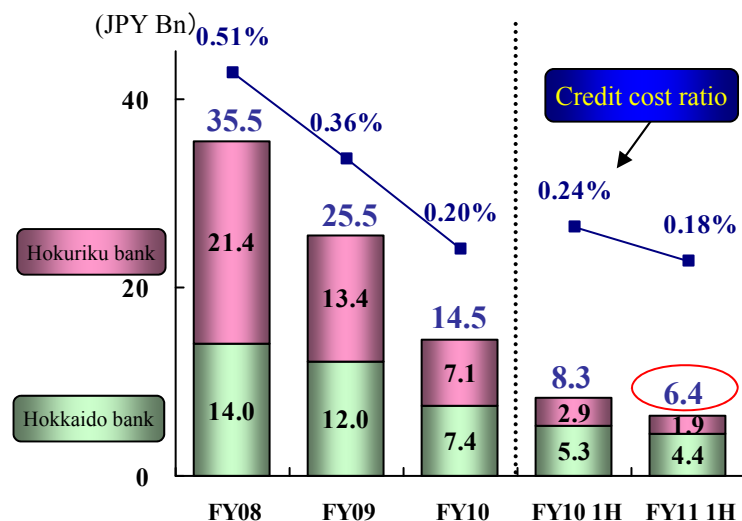
Impairment loss	Assets requiring caution	“Market value has fallen below its acquisition cost”
	Normal Assets	“Market value has fallen 50% or more from its acquisition cost, or market value has fallen more than 30% to less than 50% and market price has been below the certain level”

Credit Costs and Non-Performing Loans

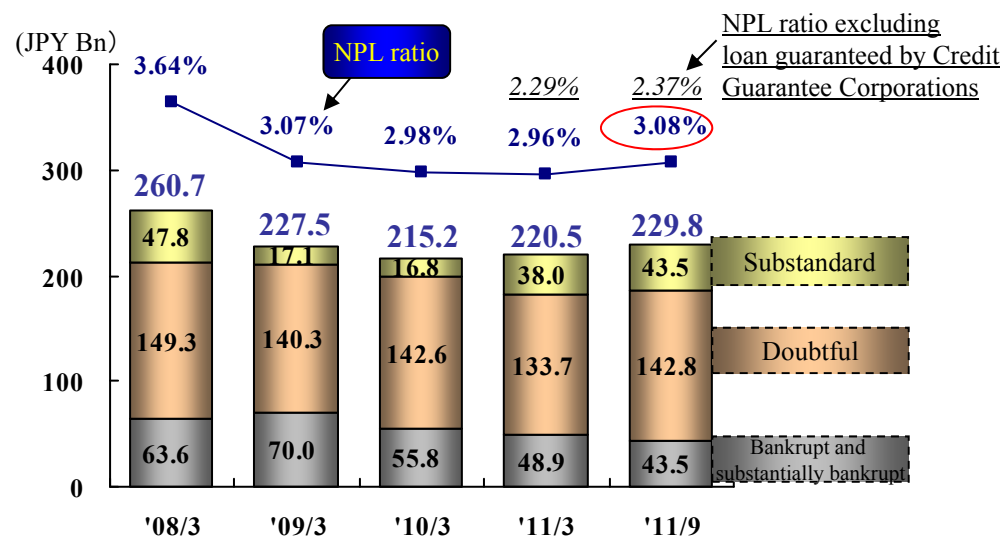
Hokuhoku Financial Group, Inc.

- Total credit costs were ¥6.4Bn(¥1.9Bn compared to FY10 1H),Credit cost ratio was 0.18%(-0.06% compared to FY10 1H)
- NPL ratio was 3.08% (+0.12% compared to Mar-11)

【Total credit costs】〈Total of two banks〉



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



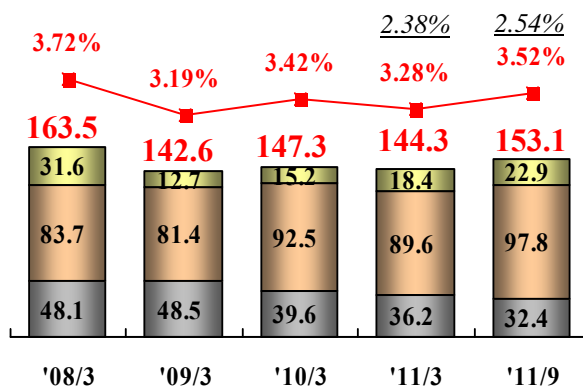
※ Total credit costs

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

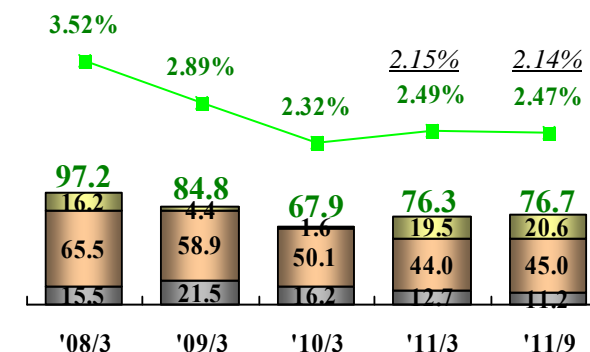
※ Credit cost ratio

= Total credit costs ÷ Average balance of Loans

〈Hokuriku bank +Hokugin Corp.〉



〈Hokkaido bank〉



Capital Adequacy Ratio

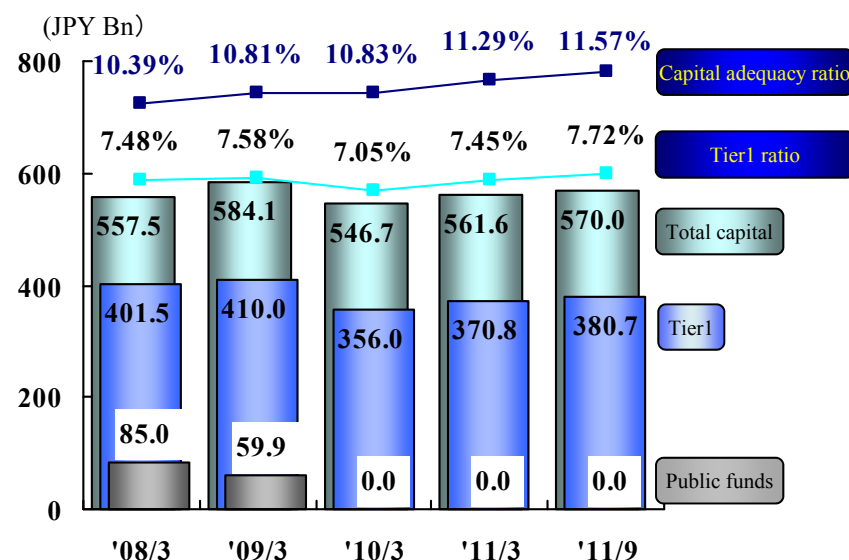
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➤ Capital adequacy ratio: 11.57% (+0.28% from Mar-11)

【Capital adequacy ratio】

〈Consolidated〉 (JPY Bn)	Sep-11	change	Mar-11
Capital adequacy ratio	11.57%	0.28%	11.29%
Tier1 ratio	7.72%	0.27%	7.45%
Tier1 capital	380.7	9.9	370.8
Preferred shares (Private sector)	53.7	–	53.7
Tier2 capital	190.3	(1.6)	191.9
Total capital	570.0	8.4	561.6
Risk-weighted assets	4,926.9	(45.2)	4,972.1
Credit risk portion	4,623.9	(38.0)	4,662.0
Operational risk portion	302.9	(7.2)	310.1

【Capital adequacy ratio and public funds】



〈Hokuriku bank〉

(JPY Bn)	Sep-11	change	Mar-11
Capital adequacy ratio	11.62%	0.30%	11.32%
Tier1 ratio	7.50%	0.29%	7.21%
Tier1 capital	208.0	3.3	204.6
Tier2 capital	114.3	(2.3)	116.6
Total capital	322.3	1.0	321.2
Risk-weighted assets	2,773.0	(63.3)	2,836.4

〈Hokkaido bank〉

(JPY Bn)	Sep-11	change	Mar-11
Capital adequacy ratio	10.57%	(0.02%)	10.59%
Tier1 ratio	7.03%	(0.02%)	7.05%
Tier1 capital	149.2	0.6	148.5
Tier2 capital	75.2	0.5	74.7
Total capital	224.4	1.2	223.2
Risk-weighted assets	2,122.7	15.5	2,107.1

Deferred Tax Assets

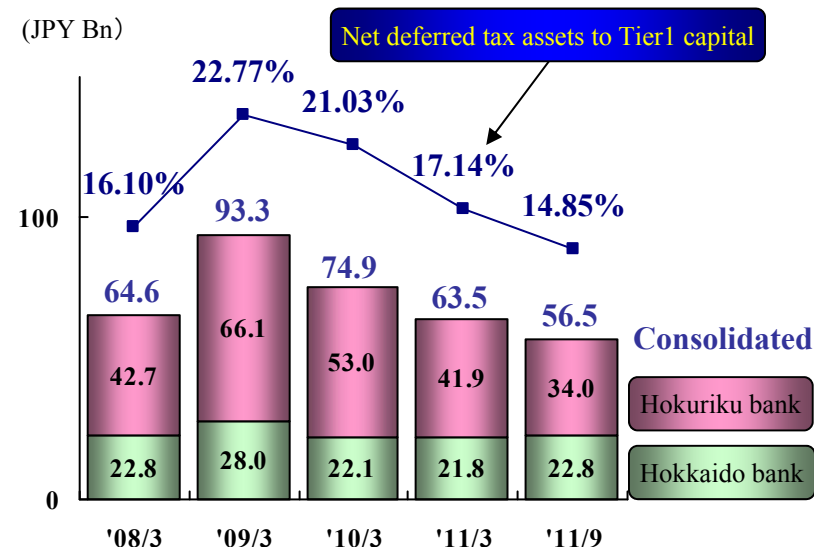
Hokuhoku Financial Group, Inc.

- Net deferred tax assets : ¥56.5Bn (-¥6.9Bn compared to Mar-11)
- Net deferred tax assets to Tier1 capital : 14.85% (-2.28% compared to Mar-11)

【Breakdown of deferred tax assets】

〈Consolidated〉 (JPY Bn)	Sep-11	change	Mar-11
Allowance for loan losses	65.4	0.9	64.4
Depreciation	1.6	(0.2)	1.8
Provision for retirement benefits	17.5	0.1	17.4
Loss on valuation of securities	15.1	0.6	14.5
Other	6.1	(0.2)	6.4
Operating loss carryforwards	15.4	(5.1)	20.6
(1) Deferred tax assets	121.5	(3.8)	125.3
(2) Valuation allowance	45.9	2.6	43.3
(3) Total deferred tax assets (1)-(2)	75.6	(6.4)	82.0
(4) Deferred tax liabilities	19.0	0.5	18.5
(5) Net deferred tax assets (3)-(4)	56.5	(6.9)	63.5

【Deferred tax assets】



(JPY Bn)

	Sep-11	change	Mar-11
(1) Deferred tax assets	85.7	(5.1)	90.9
(2) Valuation allowance	39.5	2.0	37.4
(3) Total deferred tax assets (1)-(2)	46.2	(7.1)	53.4
(4) Deferred tax liabilities	12.1	0.6	11.4
(5) Net deferred tax assets (3)-(4)	34.0	(7.8)	41.9

〈Hokuriku bank〉

〈Hokkaido bank〉

	Sep-11	change	Mar-11
(1) Deferred tax assets	30.8	1.1	29.6
(2) Valuation allowance	3.3	0.4	2.9
(3) Total deferred tax assets (1)-(2)	27.5	0.7	26.7
(4) Deferred tax liabilities	4.6	(0.1)	4.8
(5) Net deferred tax assets (3)-(4)	22.8	0.9	21.8

Forecasts

Hokuhoku Financial Group, Inc.

【Earnings Forecasts for FY 2011】

〈Consolidated〉

(JPY Bn)	Interim Results	Full year Forecast	Change
Ordinary income	105.7	203.0	(11.6)
Ordinary profits	18.9	31.0	(6.2)
Net income	8.9	17.0	(1.4)

【Dividend Forecasts for FY 2011】

〈Non-consolidated〉

	Interim	Year-end	Annual	Change from FY2010
Dividend per common share	–	¥3.75	¥3.75	–
Dividend per preferred share (Type5)	¥7.50	¥7.50	¥15.00	–

〈Total of two banks〉

(JPY Bn)	Interim Results	Full year Forecast	Change
Ordinary income	97.3	188.0	(7.8)
Core gross business profits	77.3	157.0	1.5
G&A expenses	51.4	101.0	2.3
Core net business profits	25.9	56.0	(0.7)
Total credit costs	6.4	20.0	5.4
Ordinary profits	19.3	33.0	(4.0)
Net income	9.8	19.5	(0.1)

〈Hokuriku bank〉

	Interim Results	Full year Forecast	Change
Ordinary income	54.0	107.0	(1.8)
Core gross business profits	45.2	90.0	1.4
G&A expenses	27.7	55.0	1.1
Core net business profits	17.4	35.0	0.3
Total credit costs	1.9	12.0	4.8
Ordinary profits	13.8	22.0	(0.9)
Net income	6.9	13.0	1.0

〈Hokkaido bank〉

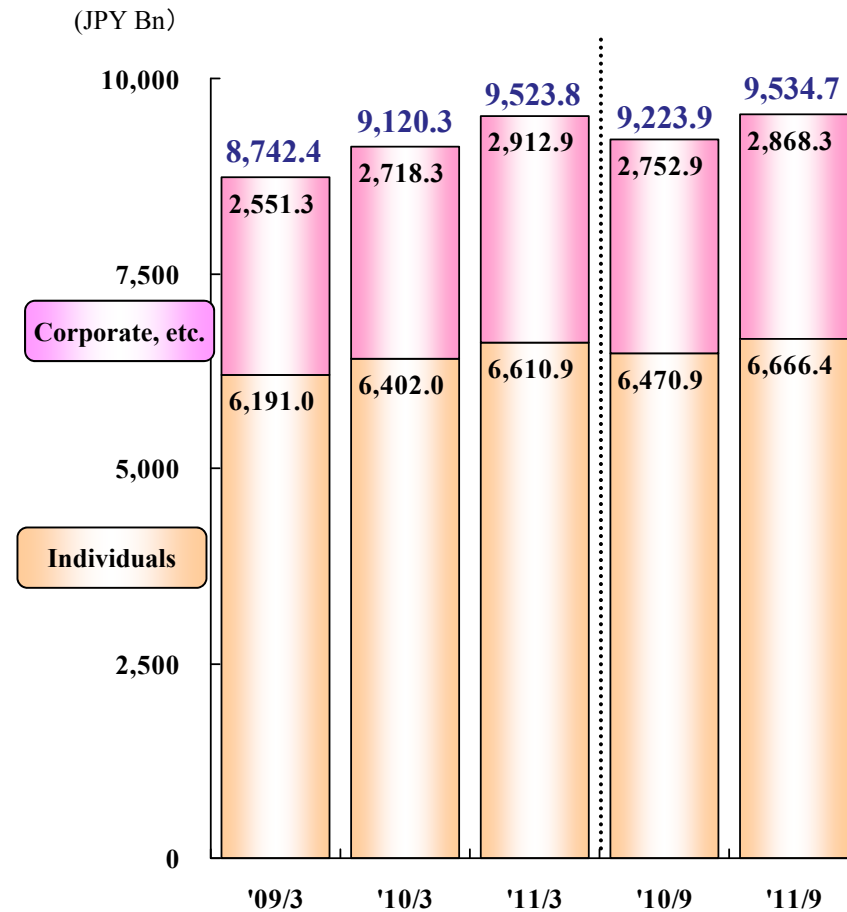
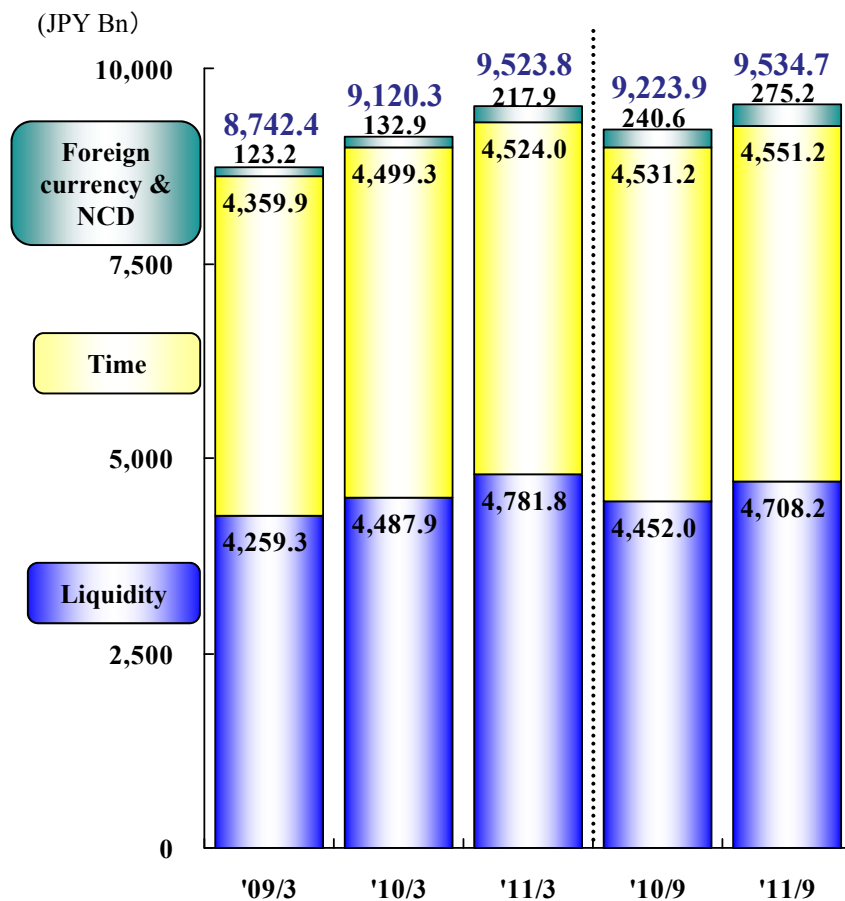
	Interim Results	Full year Forecast	Change
Ordinary income	43.2	81.0	(6.0)
Core gross business profits	32.1	67.0	0.1
G&A expenses	23.7	46.0	1.2
Core net business profits	8.4	21.0	(1.1)
Total credit costs	4.4	8.0	0.5
Ordinary profits	5.4	11.0	(3.1)
Net income	2.9	6.5	(1.2)

Deposits

Hokuhoku Financial Group, Inc.

- **Deposits** +¥310.7Bn(+3.36%) compared to Sep-10
- **Liquidity** +¥256.2Bn(+5.75%) compared to Sep-10
- **Individuals** +¥195.4Bn(+3.02%) compared to Sep-10

【 Balance of deposits (including NCD) 】 〈 Total of two banks 〉

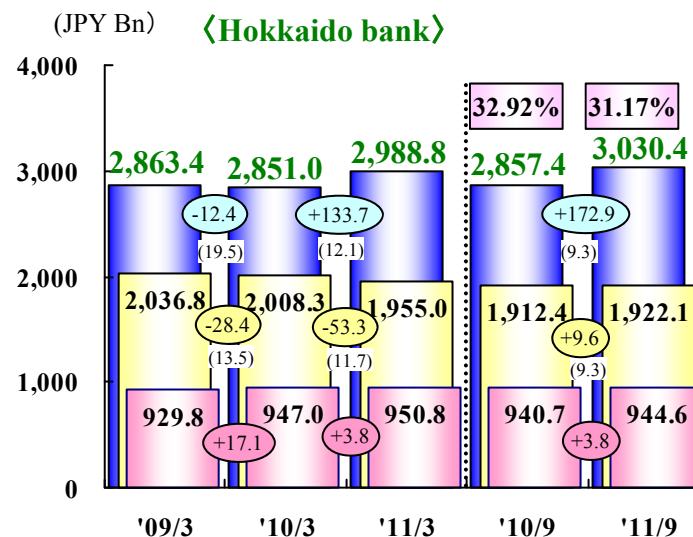
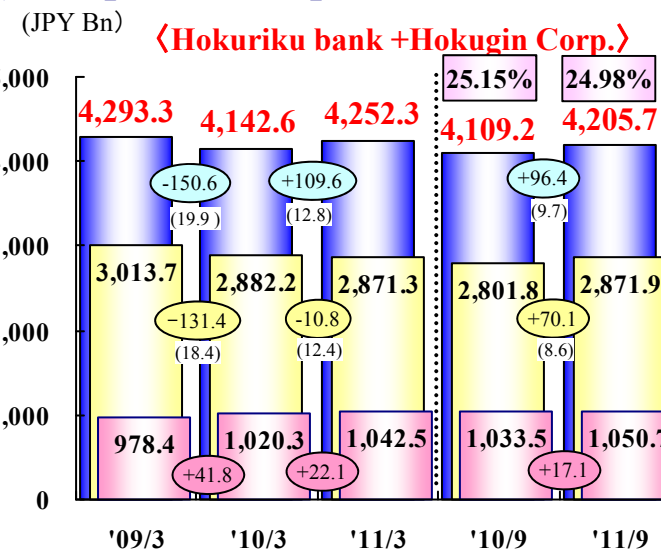
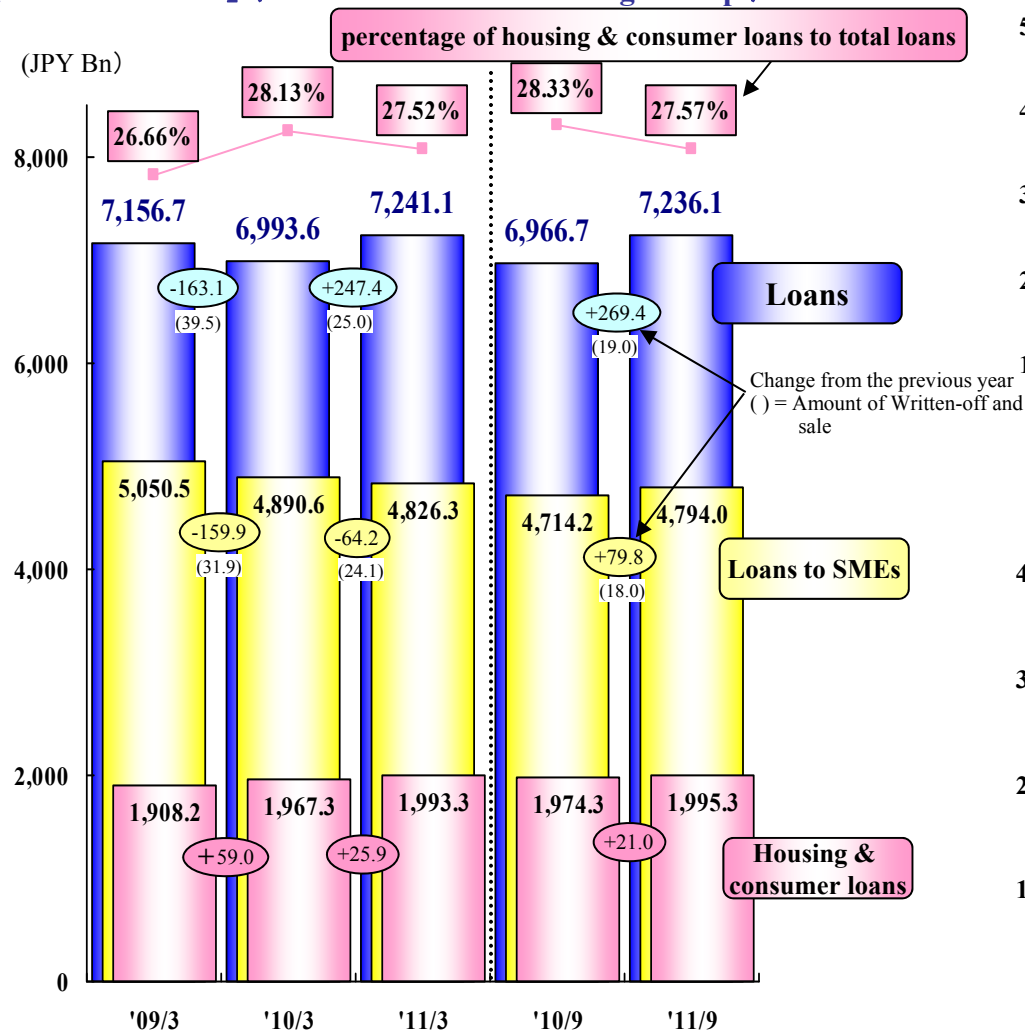


Loans

Hokuhoku Financial Group, Inc.

- Loans +¥269.4Bn(+3.86%) compared to Sep-10
- Loans to SMEs and individuals +¥79.8Bn(+1.69%) compared to Sep-10
- Housing and consumer loans +¥21.0Bn(+1.06%) compared to Sep-10

〔Balance of loans〕 〈Total of two banks +Hokugin Corp.〉

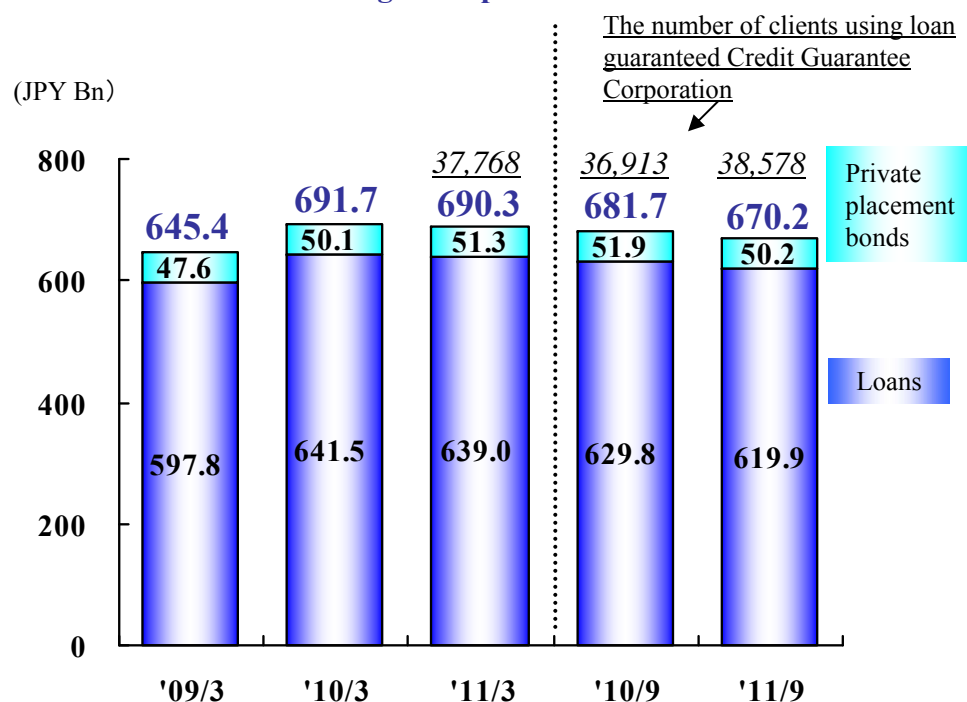


Loans guaranteed by Credit Guarantee Corporations (CGCs) (Maruho Loan)

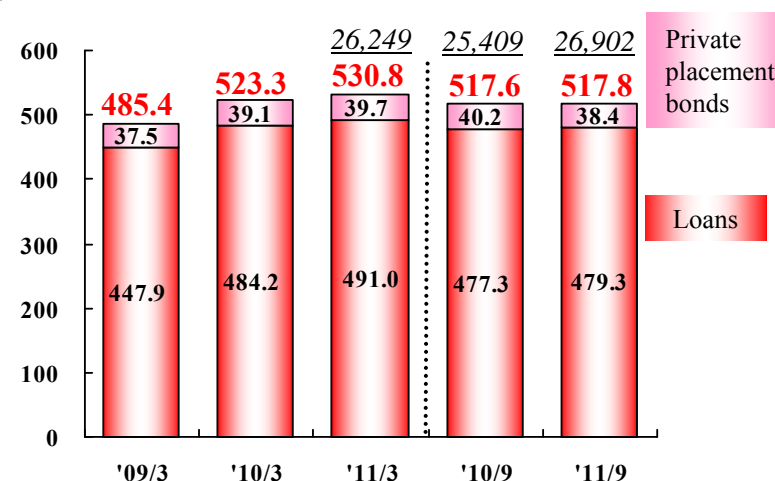
Hokuhoku Financial Group, Inc.

➤ Balance of loan guaranteed by CGCs : -¥11.5Bn(-1.69%) compared to Sep-10.

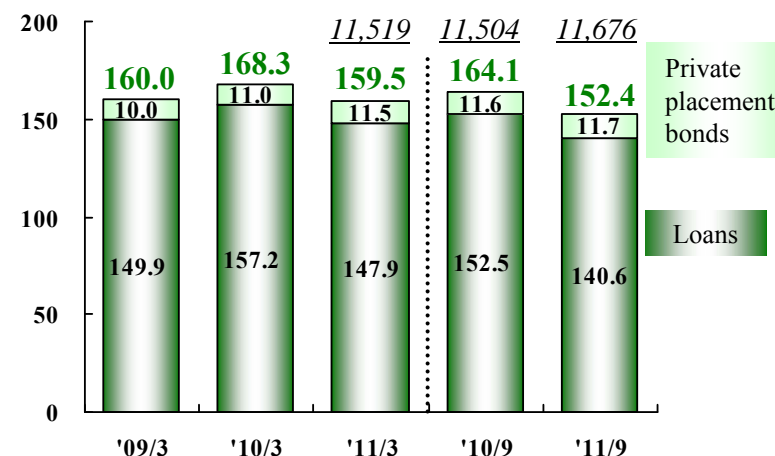
【Balance of loans guaranteed by CGCs】
〈Total of two banks + Hokugin Corp.〉



(JPY Bn) 〈Hokuriku bank + Hokugin Corp.〉



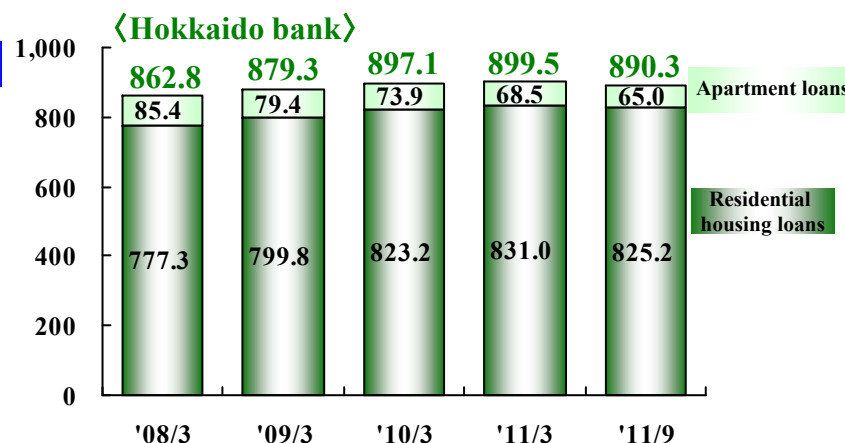
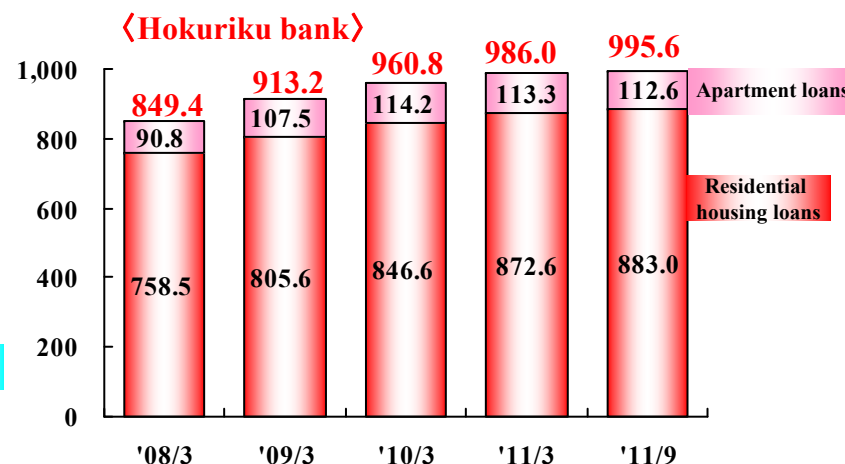
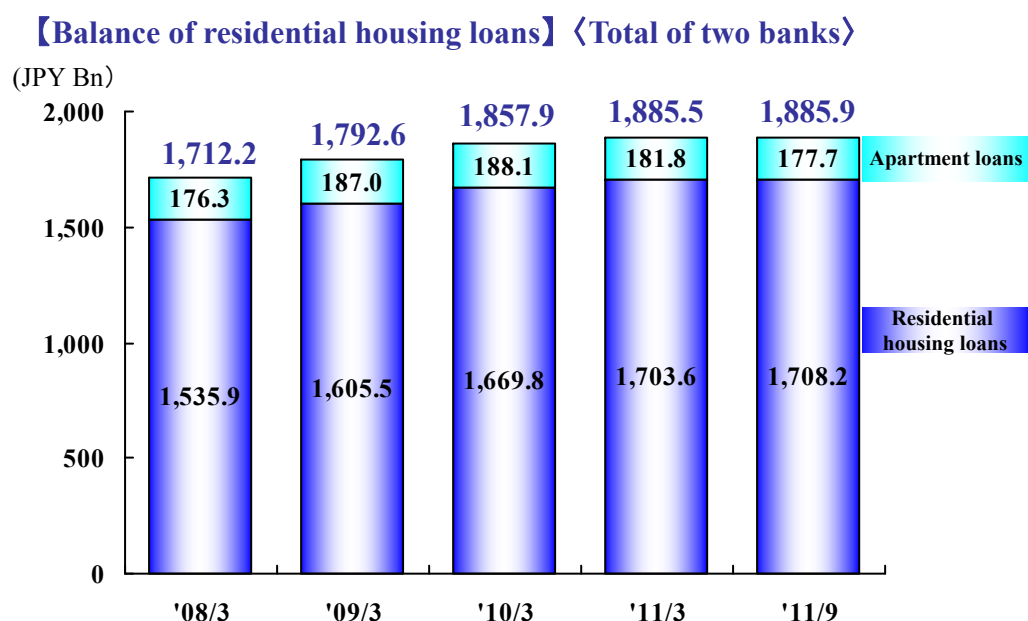
(JPY Bn) 〈Hokkaido bank〉



Housing Loans

Hokuhoku Financial Group, Inc.

- Balance of housing loans increased by ¥0.4Bn (+0.02%) compared to Mar-11.

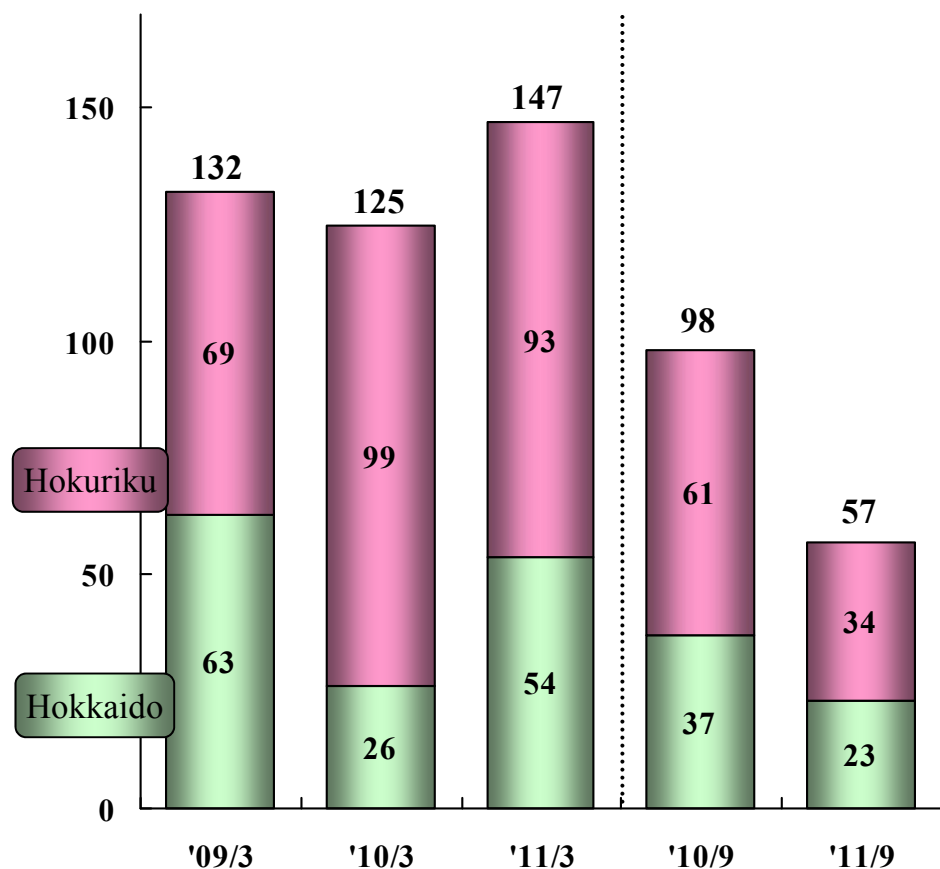


【Sales amount of housing loans】

(JPY Bn)	〈Total of two banks〉					〈Hokuriku bank〉					〈Hokkaido bank〉				
	FY08	FY09	FY10	FY10 1H	FY11 1H	FY08	FY09	FY10	FY10 1H	FY11 1H	FY08	FY09	FY10	FY10 1H	FY11 1H
Sales amount of residential housing loans	218.6	209.5	189.4	89.8	81.7	110.8	104.7	96.1	49.3	47.4	107.7	104.8	93.2	40.5	34.2
New loans	176.5	141.3	125.7	56.8	57.4	90.8	71.9	59.5	30.5	32.3	85.6	69.4	66.1	26.3	25.1
Refinanced loans	42.1	68.2	63.7	32.9	24.2	20.0	32.7	36.6	18.7	15.0	22.0	35.4	27.0	14.2	9.1

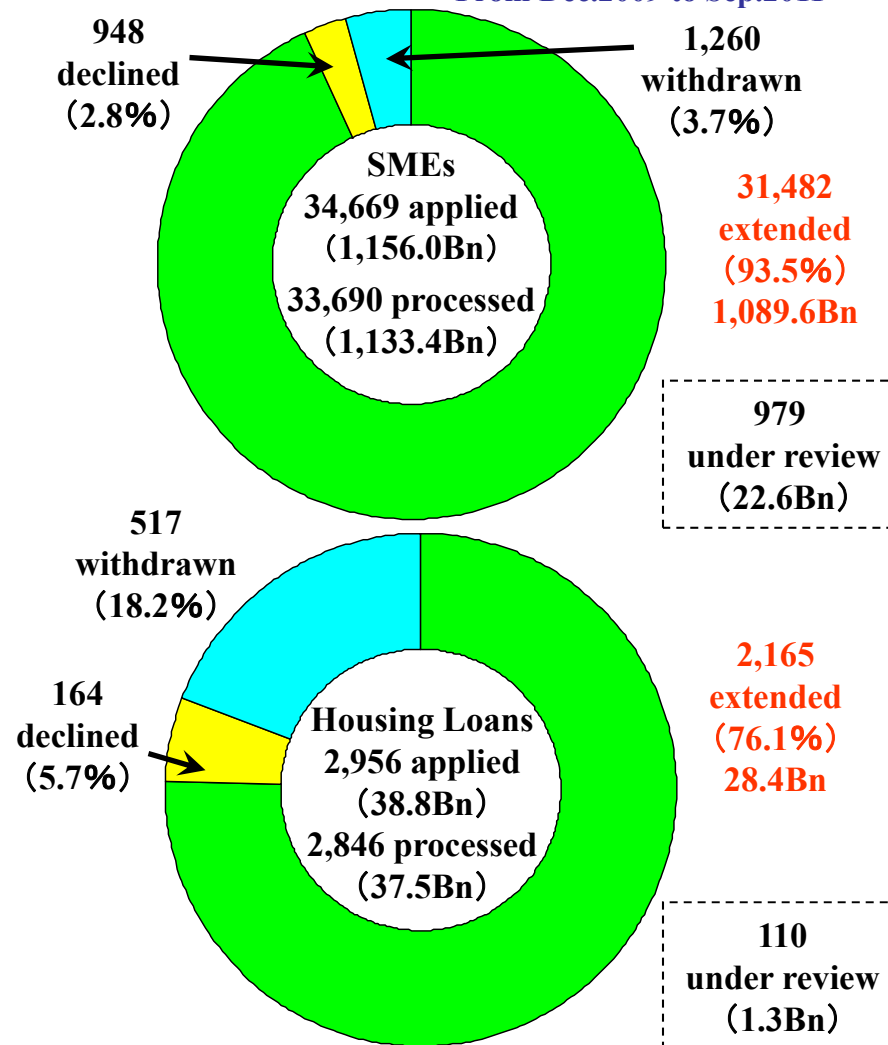
【The number of clients
that could improve borrower category by our support】

(No. of companies)



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

From Dec.2009 to Sep.2011



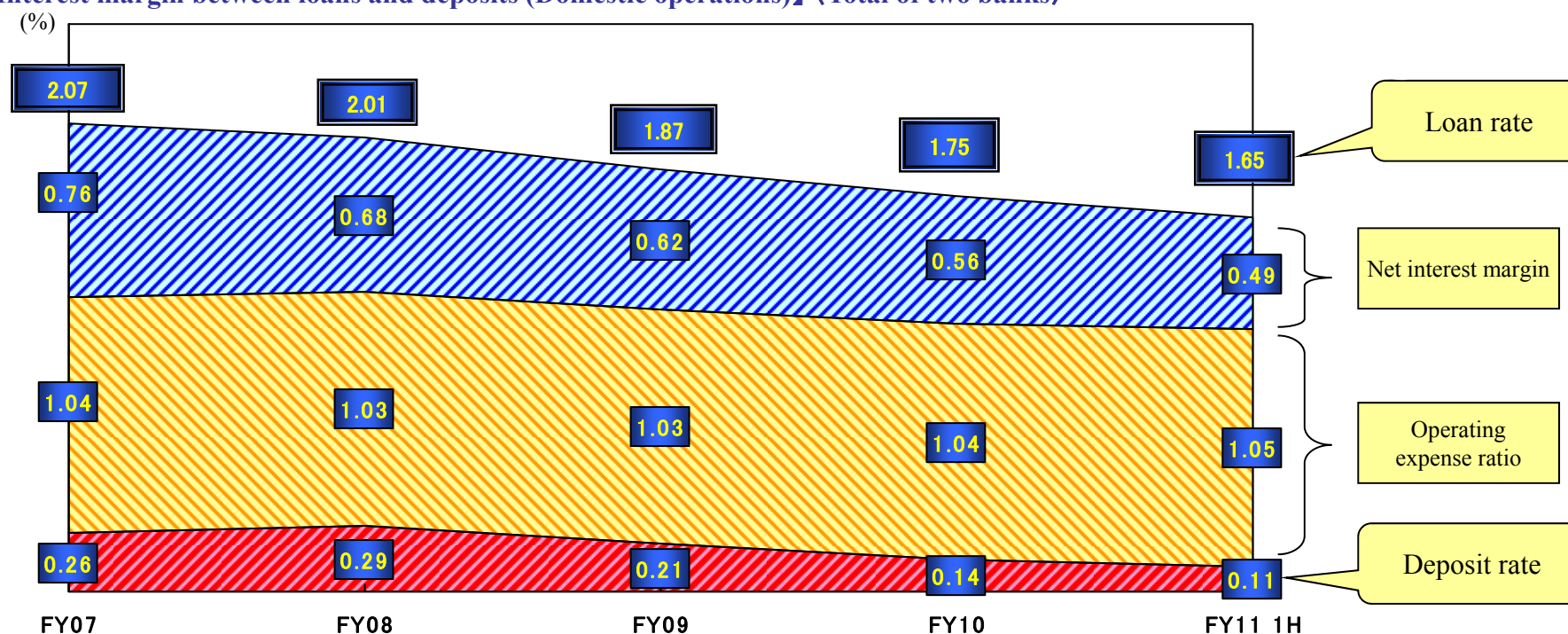
* “Declined” includes cases pending for more than 3 months since applied.

Interest Margins①

Hokuhoku Financial Group, Inc.

- Loan rate -0.10% compared to FY2010
- Deposit rate -0.03% compared to FY2010
- Net interest margin -0.07% compared to FY2010

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



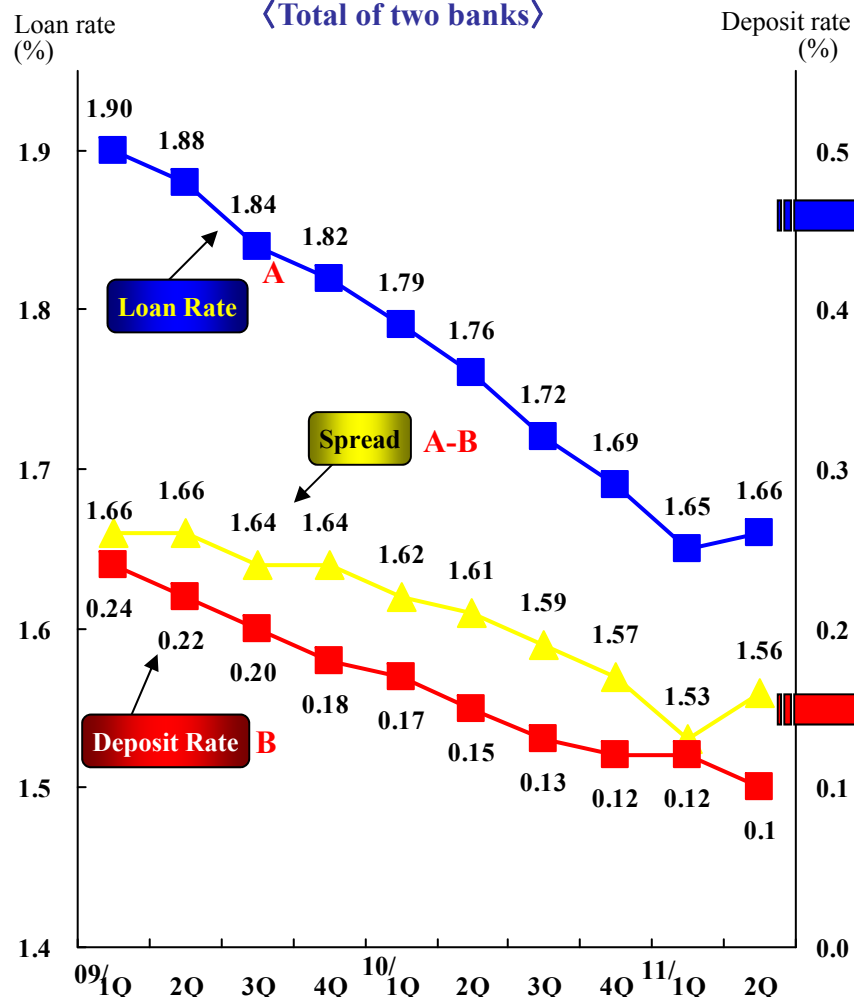
	〈Total of two banks〉					〈Hokuriku bank〉					〈Hokkaido bank〉				
(%)	FY07	FY08	FY09	FY10	FY11 1H	FY07	FY08	FY09	FY10	FY11 1H	FY07	FY08	FY09	FY10	FY11 1H
Loan rate	2.07	2.01	1.87	1.75	1.65	2.00	1.93	1.80	1.68	1.58	2.17	2.14	1.98	1.84	1.75
Net interest margin	0.76	0.68	0.62	0.56	0.49	0.70	0.62	0.59	0.54	0.47	0.85	0.78	0.68	0.60	0.51
Operating expense ratio	1.04	1.03	1.03	1.04	1.05	1.01	1.00	0.98	0.99	0.99	1.06	1.08	1.10	1.11	1.13
Deposit rate	0.26	0.29	0.21	0.14	0.11	0.27	0.30	0.22	0.15	0.11	0.25	0.27	0.19	0.12	0.10

Interest Margins②

Hokuhoku Financial Group, Inc.

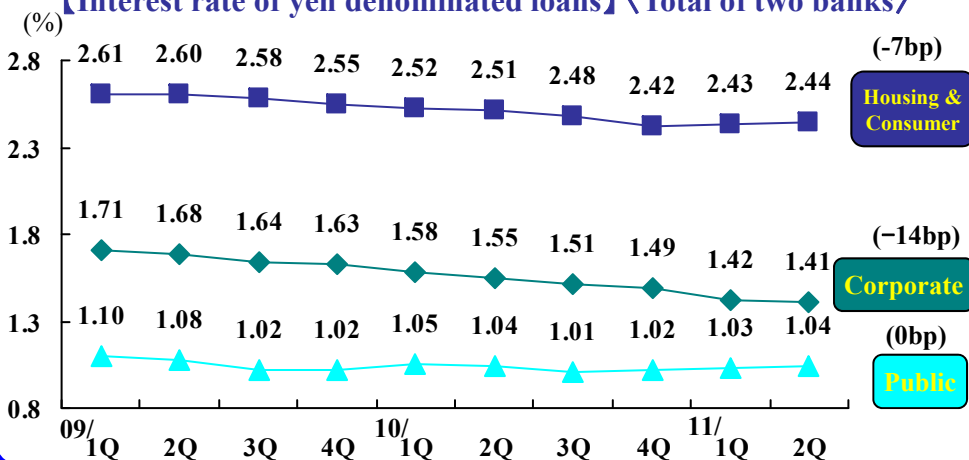
- '11/2Q Loan rate : 1.66% (-0.10% compared to '10/2Q)
- '11/2Q Deposit rate : 0.10% (-0.05% compared to '10/2Q)

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



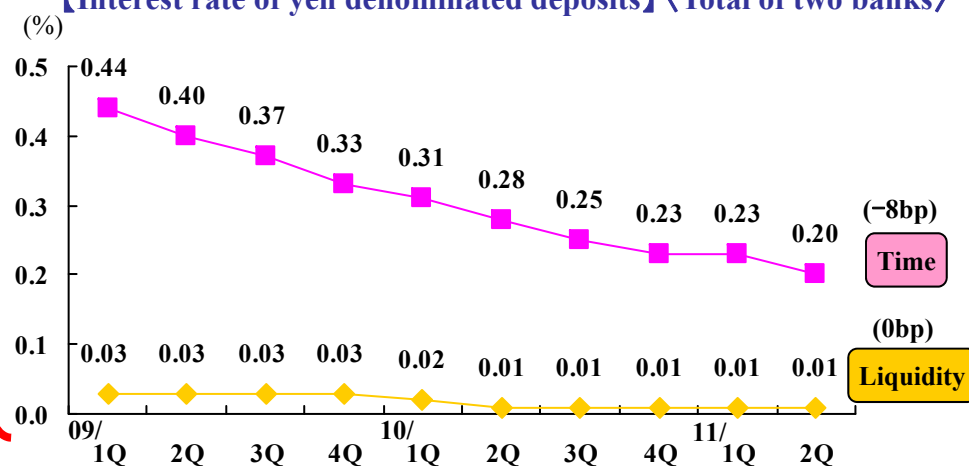
※ Internal management base

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



※ Before partial direct write-offs

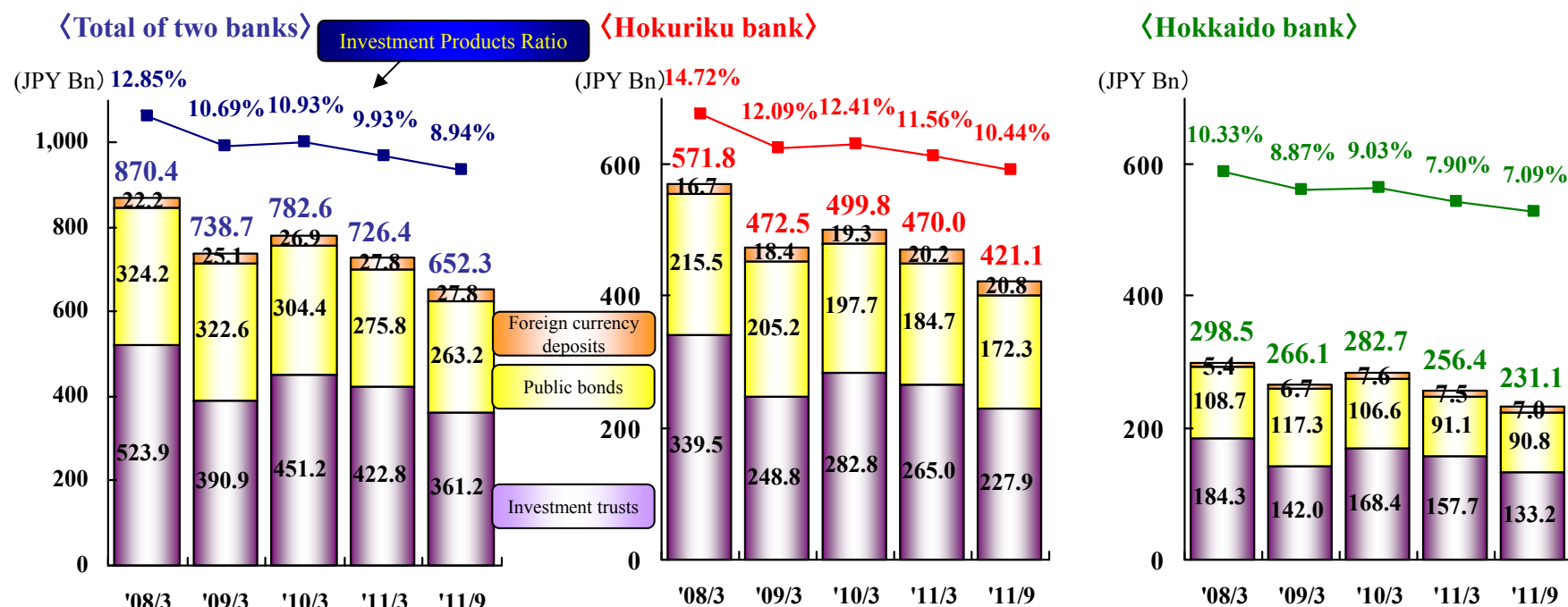
【Interest rate of yen denominated deposits】〈Total of two banks〉



※ () = change from 10/2Q

➤ Sales of investment trusts continued to increase while sales of insurance decreased.

【Balance of investment products】



【Sales amount of investment products and Fees】

	〈Total of two banks〉				〈Hokuriku bank〉				〈Hokkaido bank〉			
(JPY Bn)	FY09 2H	FY10 1H	FY10 2H	FY11 1H	FY09 2H	FY10 1H	FY10 2H	FY11 1H	FY09 2H	FY10 1H	FY10 2H	FY11 1H
Sales amount of investment trusts	77.1	59.5	61.7	65.8	61.1	43.4	46.0	47.2	15.9	16.1	15.7	18.5
Sales amount of insurance	38.3	67.8	48.9	42.5	17.3	40.3	34.4	23.9	21.0	27.4	14.5	18.5
Fees from investment trusts	2.8	2.4	2.3	2.4	2.0	1.6	1.5	1.6	0.8	0.7	0.7	0.7
Fees from insurance	1.2	1.9	1.6	1.3	0.7	1.3	1.2	0.8	0.5	0.6	0.4	0.5

Securities Portfolio

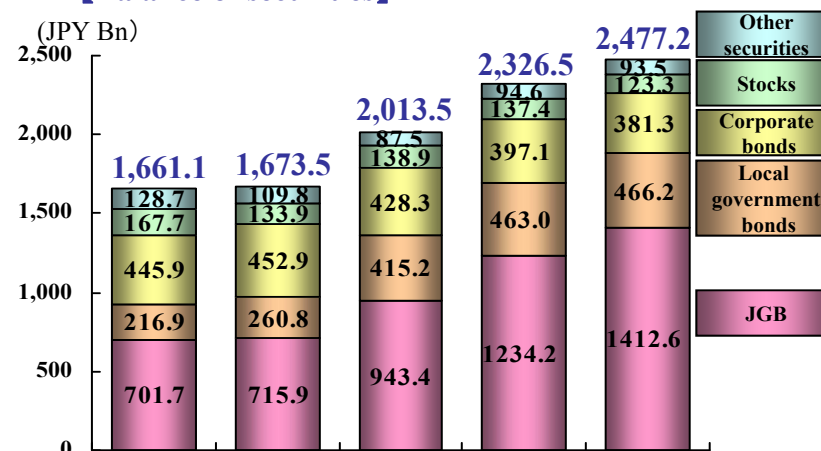
Hokuhoku Financial Group, Inc.

- Total balance of securities grew owing to increases in JGBs
- Unrealized gains on available-for-sale securities increased

【Balance of securities】

〈Consolidated〉 (JPY Bn)	Sep-11	change	Mar-11
Securities	2,477.2	150.6	2,326.5
Japanese Government bonds	1,412.6	178.4	1,234.2
Japanese local government bonds	466.2	3.2	463.0
Japanese corporate bonds	381.3	(15.7)	397.1
Japanese stocks	123.3	(14.0)	137.4
Other Securities	93.5	(1.0)	94.6

【Balance of securities】



【Valuation difference】

〈Consolidated〉 (JPY Bn)	Acquisition cost (1)			Balance sheet amount (2)			Valuation difference (2)-(1)		
	Sep-11	change	Mar-11	Sep-11	change	Mar-11	Sep-11	change	Mar-11
Available-for-sale securities	2,436.9	151.1	2,285.7	2,456.2	153.1	2,303.1	19.2	1.9	17.3
Japanese stocks	106.6	(0.9)	107.6	93.2	(13.8)	107.1	(13.4)	(12.9)	(0.4)
Japanese Bonds	2,154.0	154.7	1,999.3	2,190.0	170.1	2,019.9	36.0	15.4	20.5
Other	176.1	(2.6)	178.8	172.9	(3.1)	176.0	(3.2)	(0.4)	(2.8)

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

<Reference>	Total of two banks	Hokuriku Bank	Hokkaido Bank
Theoretical price	6.2	4.0	2.1
Market price	2.8	4.0	(1.1)

【Interest rate risk in banking book】(JPY Bn)

	Hokuriku Bank	Hokkaido Bank
Total interest rate risk	17.8	13.2
Outlier ratio	5.54%	5.92%

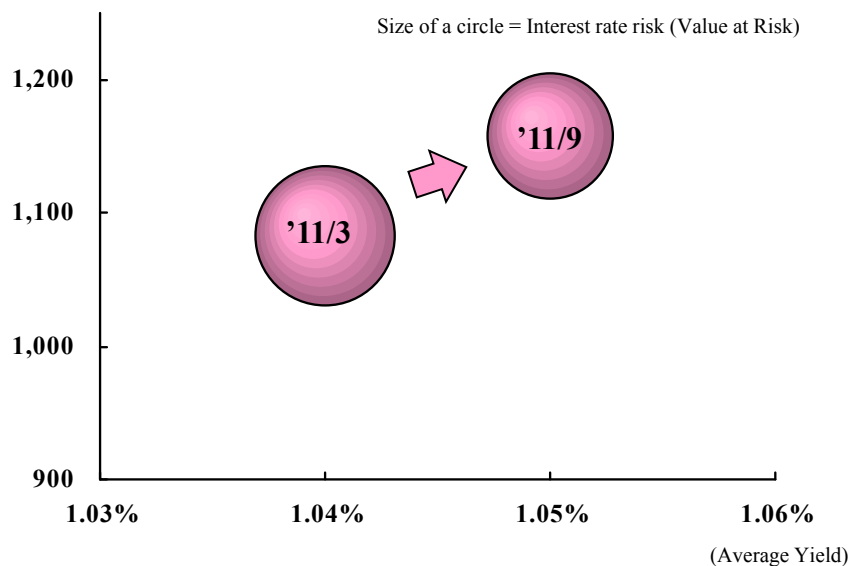
99 percentile

Bond Portfolio *(yen denominated bonds)*

Hokuhoku Financial Group, Inc.

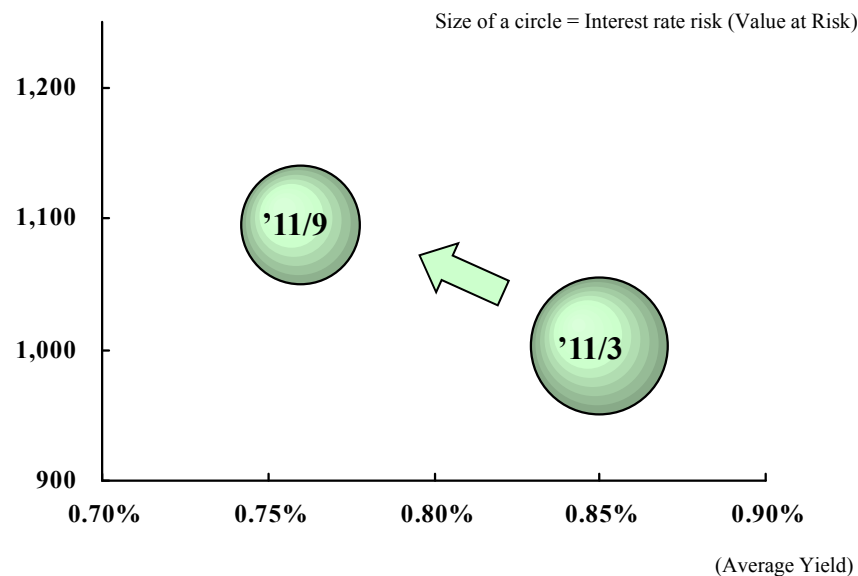
【Bond portfolio; balance, yield, and Value at risk】 ※ Internal management base

(term-end balance) **〈Hokuriku bank〉**
(JPY Bn)



	'11/3	'11/9
Hokuriku Bank		
Term-end Balance (¥Bn)	1,083.5	1,157.6
Floating rate JGB	221.6	225.7
Average Yield (%)	1.04%	1.05%
Duration (year)	4.24	4.42
VaR (¥Bn)	24.6	19.0

(term-end balance) **〈Hokkaido bank〉**
(JPY Bn)



	'11/3	'11/9
Hokkaido Bank		
Term-end Balance (¥Bn)	1,003.3	1,095.0
Floating rate JGB	160.0	144.8
Average Yield (%)	0.85%	0.76%
Duration (year)	3.49	4.03
VaR (¥Bn)	18.7	16.1

VaR : 99 percentile (Measurement method is changed from variance covariance method to historical method)

Strengthening Marketing Capabilities ①

Corporate customers

Hokuhoku Financial Group, Inc.

- Expand sales base by increasing account of corporate loan
- Ensure continuous business relationship through comprehensive service and consultation
- Build up solid earnings base in fees and commissions

Increase account of corporate loans

Increase new account and retention

- ◆ Exhaustive Sales Marketing in specific areas
- ◆ Request our clients to introduce their business partners as our new customers
- ◆ Increase contact with customers
- ◆ Utilize our customer network

Business Loan Plaza

Expand sales force for efficient contact with customers

Promotion of comprehensive services

Delivering full service

- ◆ Electric Banking
- ◆ Undertaking salary deposits, comprehensive transfer and remittance
- ◆ Foreign exchange & derivative transactions
- ◆ Personal accounts of corporate owners and employees

Collateralized loans

- ◆ Cross sales of proper loans and Maruho loans
- ◆ Respond to loan demand stemming from the Great East Japan Earthquake
- ◆ Active use of loan program

Offering best solutions to customer needs

Provide proposals to solve problems in customers' business

- ◆ Business Matching
- ◆ M&A, Business Succession
- ◆ Support of overseas developments
- ◆ Advisory for corporate revitalization
- ◆ Establish Division of industry investigation

Division of industry investigation

Expand loans for corporate customers by enhancing ability of analysis

Management School for corporate clients

Support of training customers' employees as future management

Number of corporate customers using our loans (Thousands)

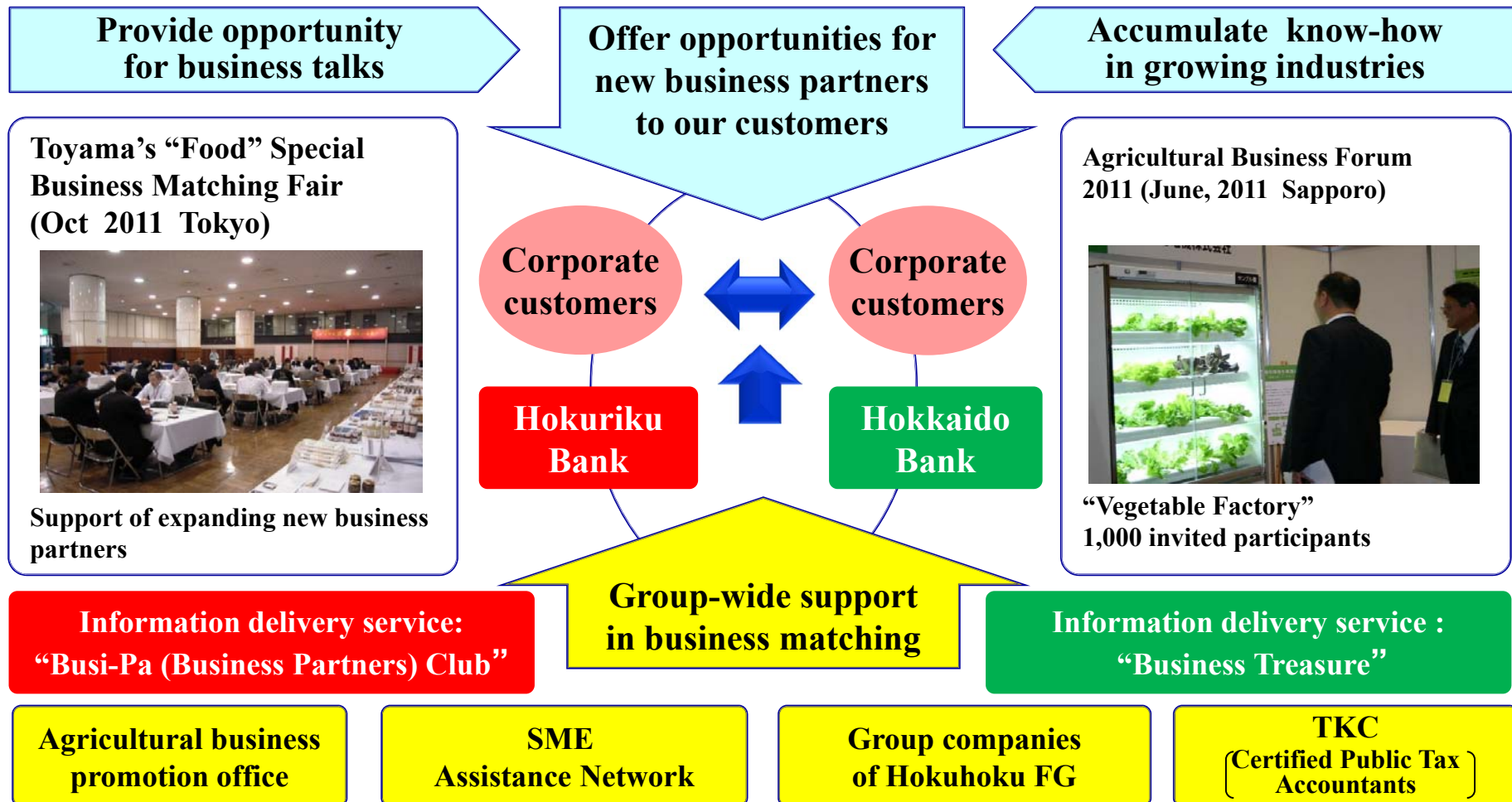
	10/3 result	11/3 result	11/9 result	13/3 plan
Hokuriku BK	33.3	34.7	35.1	40.0
Hokkaido BK	10.1	10.8	11.0	12.3

Strengthening Marketing Capabilities ②

Business matching

Hokuhoku Financial Group, Inc.

- Support clients' business by arranging business talks
- Provide information offering services regarding growing industries and help clients to dig out new market



Strengthening Marketing Capabilities ③

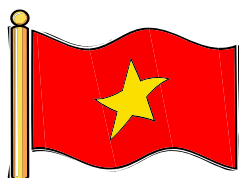
Support of overseas development

Hokuhoku Financial Group, Inc.

- Support corporate clients to develop their business internationally through information offering service and our extensive network
- Activate regional economy by absorbing vitality of Asia and Far East Russia

Information offering service

Vietnam Seminar (Jul 2011)



Our clients interest in Vietnam as “one more option other than China”

Business partnership agreement with Tokio Marine & Nichido Fire Insurance (1st in regional banks)

Overseas Business Seminar (Russia and China) & Consulting Fair of Export and Investment Insurance (Oct 2011)



Start sales of Export and Investment Insurance as an agent of NEXI (1st in regional banks)

Our overseas network



Far East Russia



Business partnership agreement with Gazprom bank
 Newly open correspondent account for settlement by Ruble (1st in Japanese banks)

Support regional economy

Hokkaido “Tourism” Special Business Matching Fair (October 2011)



Invited 25 Chinese companies of tourism and 70 regional clients exhibited from 10 industries

Strengthening Marketing Capabilities ④

Individual customers

Hokuhoku Financial Group, Inc.

- Form future earnings base by becoming the main bank to provide comprehensive service
- Increase sales of housing loan by refinancing loans to customers using other banks
- Provide senior customers with constructive solutions in line with their life stage

Concentration of household transactions

Salary deposit
Pension transfer account
Payment of utilities

● Mileage program



● Better convenience of ATMs

ATMs in convenience stores
operate 24 hours a day
(Hokkaido Bank)

Consultation Car
ATM equipped in case of
natural disaster
(Hokuriku Bank)

● Pension consultation event

Skilled employees advise and help
to apply for pensions

Housing loans

Sales promotion for new
construction and reform

Building closer relationship
with regional house makers

Targeting refinance needs of
clients of other banks

Intensive consultation meeting
Retention of customers holding
refinance needs

After-sales consultation

Extension network of loan plaza
Expand special team in head office

Financial products

Suggestion in succession

Smooth migration of clients'
fortune to next generation

Asset Management Seminar

Offer information and follow-up

Retirement Seminar

Suggest products according to
clients' life plan

“Long Value”

“Wonderful One”

High-yield time deposit with terms
which permits extension of maturity by
bank's option

Time deposit with lottery

Number of clients with salary deposit and pension transfer accounts

(Thousands)

	10/3 result	11/3 result	11/9 result	13/3 plan
Hokuriku BK	734.3	746.4	774.3	800
Hokkaido BK	864.4	873.1	902.8	950

Strengthening Marketing Capabilities ⑤

Branch strategy and employee training

Hokuhoku Financial Group, Inc.

- Develop branch network to enhance service and convenience
- Train young employees as workforce in a short period and foster workers who manage business in response to globalization

Branch Network

● Consultation car



Complement
branch
network

Open at events

Preparation
for disaster

● Upgrade of Sub-branch to Branch

Yonematsu (Oct 2011)

Fujinoki, Izumino (Nov 2011)

Hiraoka Park (Nov 2011)

● ATM network

Hokuriku
193 spots

Hokkaido
324 spots

ATMs
in convenience
stores
about 76,000 spots

Raise convenience and quality of service

Employee Training

Foster young employees as workforce

Organized training menu prescribed for young workers

Enhance skills in corporate finance

Employ workers holding specialty

CPA, Attorney ⇒ Strengthen consultation ability

Support female workers

Upgrade fringe benefit for female workers

Raise specialty / negotiation skills of female workers

Overseas Trainee

Trainee in Rep. offices and
foreign banks :

China, Thailand, NY, LDN

Dispatch employees to
JETRO etc.

Enhance language efficiency

Language Training
Liaoning University

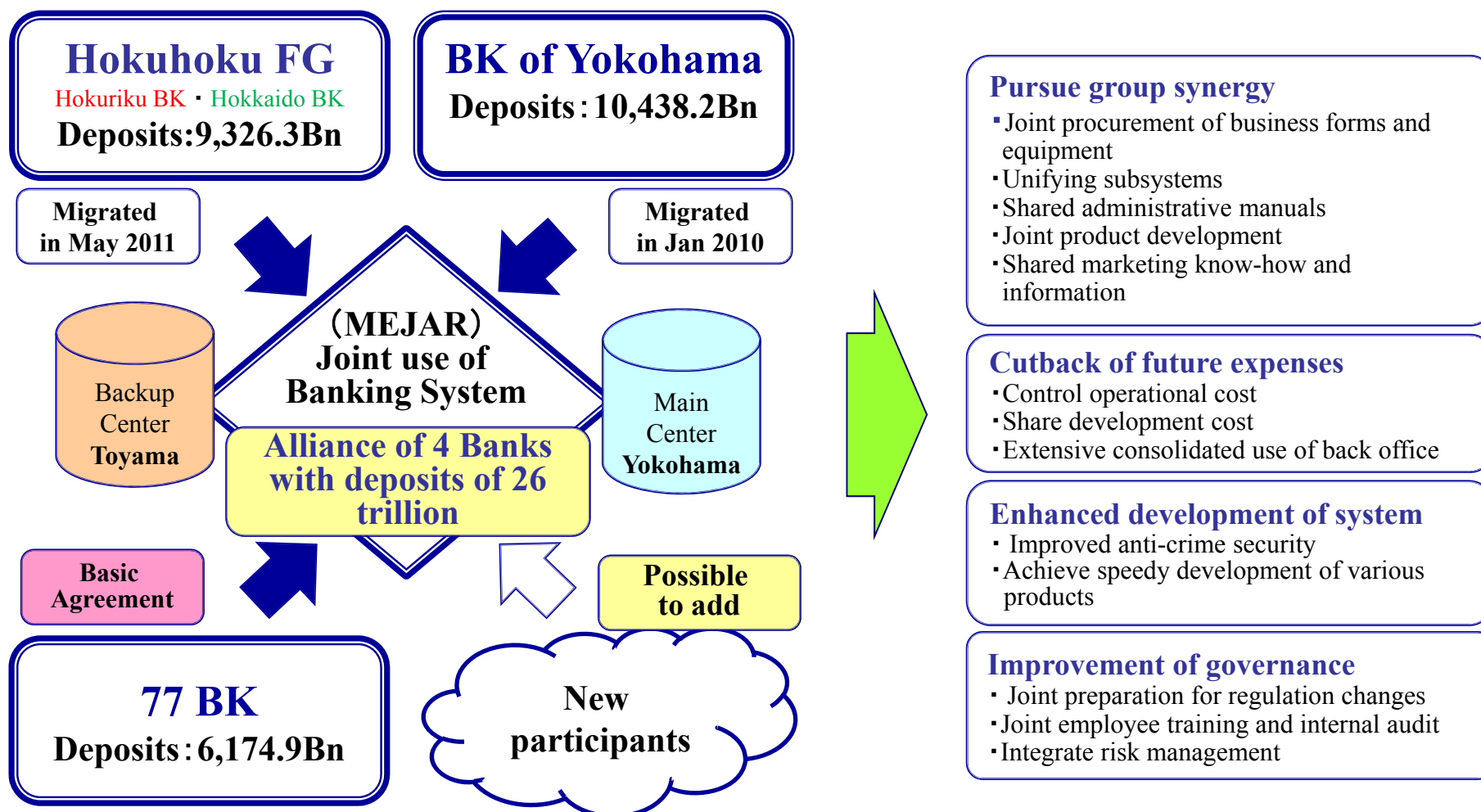
Financial aid for employees
going to language schools
(English, Chinese, Russian)

Enhancing Management Efficiency ①

Strategic utilization of new system

Hokuhoku Financial Group, Inc.

- Accelerate shared use of banking system and pursue advantage
- Squeeze financial capacity by cutback of expenses related to systems and invest for more aggressive purpose



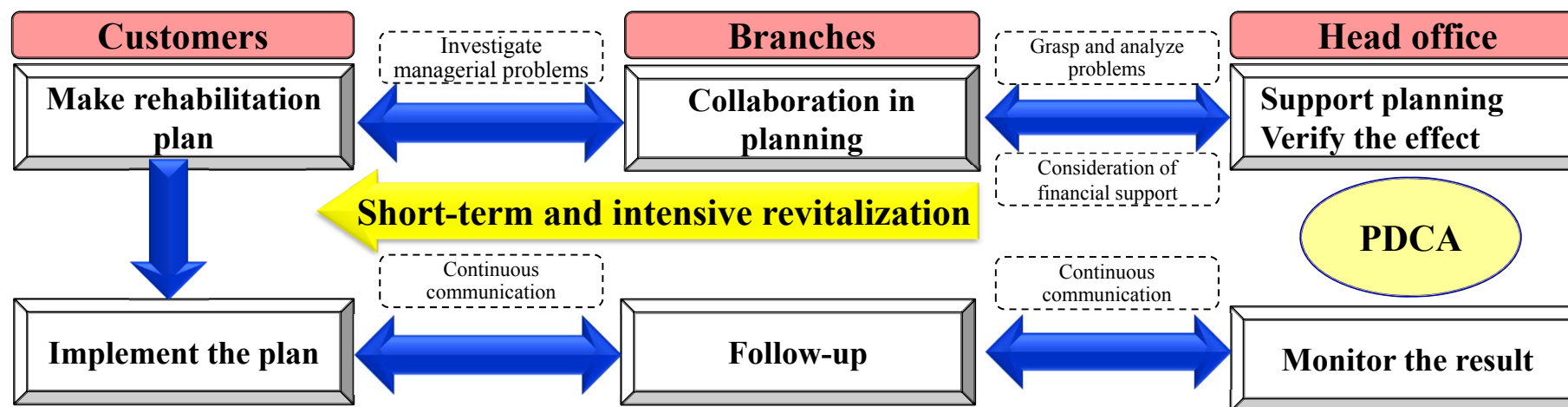
* Deposits : The balance as of Sep 30, 2011 excluding NCD

Stabilizing Financial Base ①

Proactive support for corporate clients

Hokuhoku Financial Group, Inc.

- Prevent increase of non-performing loans by management support for corporate clients
- Make a sincere effort for financial facilitation



Result of management support for corporate clients (1H of FY2011)

Hokuriku BK			
Number of corporate clients using loans at the beginning of 1H of FY2011* (a)	16,740	Ratio of clients specified as target for management support (b/a) *	3.92%
Number of clients specified as target for management support (b)	657	Ratio of clients making revitalization plan (c/b)	91.78%
Number of clients making revitalization plan (c)	603	Ratio of clients that improved borrower category (d/c)	5.18%
Number of clients that improved borrower category (d)	34		

Hokkaido BK			
Number of corporate clients using loans at the beginning of 1H of FY2011 *	4,755	Ratio of clients specified as target for management support*	6.35%
Number of clients specified as target for management support	302	Ratio of clients making revitalization plan	97.02%
Number of clients making revitalization plan	293	Ratio of clients that improved borrower category	7.62%
Number of clients that improved borrower category	23		

* Clients categorized as normal borrower are excluded in number of clients and percentage

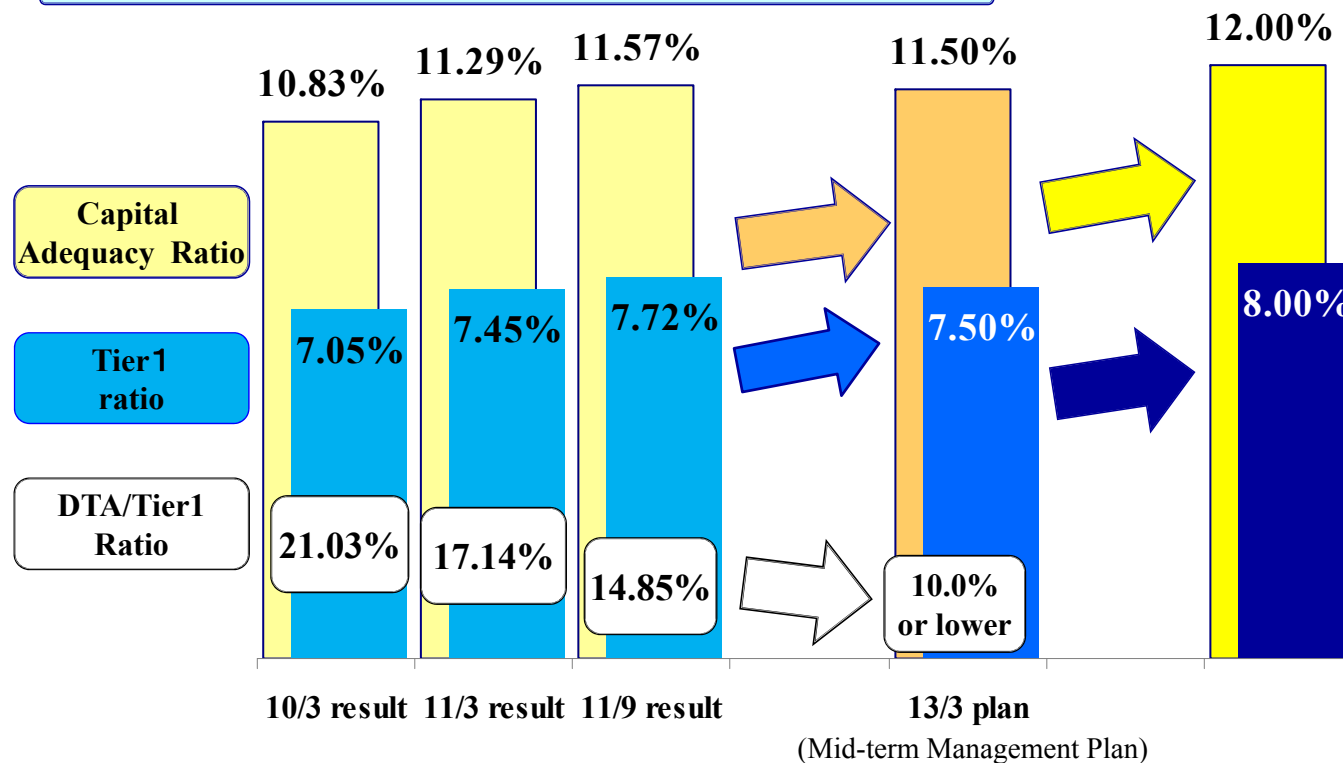
Stabilizing Financial Base ②

Capital policy

Hokuhoku Financial Group, Inc.

- Improve quality of capital by accumulation of internal reserve
- Raise capital adequacy ratio considering BASELIII etc.

Capital Adequacy Ratio / Tier1 ratio (FG consolidated)



Basic Policy

Achieve capital adequacy ratio of 12% and Tier I ratio of 8%

Accumulate internal reserve and ensure stable dividends

	10/3 Result	11/3 result	12/3 forecast
Dividend per common share	JPY3.50	JPY3.75	JPY3.75

Building close relationship with region

Hokuhoku Financial Group, Inc.

We aim for growth and development with local community by responding to customer needs in line with our management mission “Co-prosperity with region”



Eco-friendly Branch (Hokuriku Bank)

Solar power generation equipment and LED advertising boards are used.

Dogin Forest Campaign

Hokkaido Bank sponsors tree-planting activities. 10,000 trees are to be planted over five years.



Hokugin Art Galleries

Artworks are exhibited on outside walls of branches



Sponsor regional cultural event

Lilac concert

Dispatch lecturer to local universities

“Theory of financial Institution”
(Kanazawa University)



Educational support to next generation

Donate Japanese map to students
in local elementary schools



Charitable donation of money and supplies

Supporting recovery of areas
affected by the Great East Japan
Earthquake

Hokkaido Bank Fortius

Hokkaido Bank sponsors
local women's curling team.



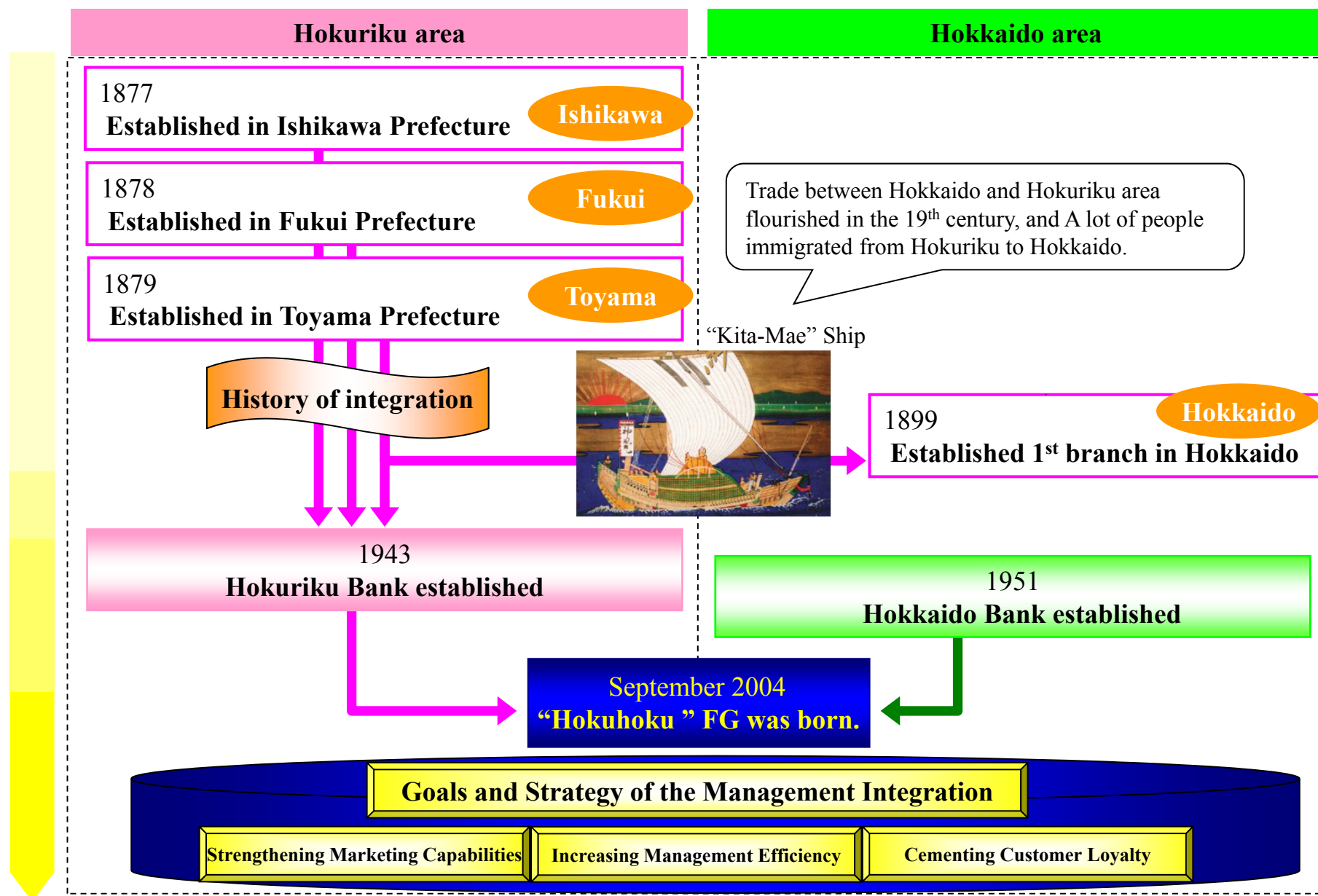
Appendix

(As of September 30, 2011)

	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	¥ 93,524.01million
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) ¥ 10,650.8 billion	¥ 6,027.9 billion	¥ 4,569.6 billion
Deposits & NCD	(consolidated) ¥ 9,509.3 billion	¥ 5,416.5 billion	¥ 4,118.2 billion
Loans	(consolidated) ¥ 7,223.1 billion	¥ 4,205.7 billion	¥ 3,030.4 billion
Capital ratio	(consolidated) 11.57%	(non-consolidated) 11.62%	(non-consolidated) 10.57%
Employees	53 (12 fulltime workers)	2,834	2,432
Ratings	A(R&I)、A(JCR)	A(R&I)、A(JCR)	A(R&I)、A(JCR)
Branches(Domestic) (Overseas)		137 branches, 51 sub-branches 5 representative offices	131 branches, 8 sub-branches 2 representative offices

History of Hokuhoku FG

Hokuhoku Financial Group, Inc.



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.

Beef up the business matching services by utilizing our extensive regional network

Enhance the proposal and solution services by sharing the know-how of the two banks

Extend service scope for corporations, their trading partners and employees by capitalizing on the customer base of the two banks

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.

Enhance the brand power of two banks by offering distinctive and client-focused services

Shared use of joint banking system. Integrate the back-office functions for efficient operation. Integrate mail delivery services and back-office services of two banks in Hokkaido

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.

Build an asset portfolio diversified across various geographical areas and a wide range of industries

Implement integrated measures to enhance a capital structure and accumulate steadily retained earnings

About Hokuhoku FG ④

Historical Data (Hokuhoku FG)

Hokuhoku Financial Group, Inc.

(JPY Bn)

	FY2006	FY2007	FY2007	FY2008	FY2008	FY2009	FY2009	FY2010	FY2010	FY2011
	Full year	Interim	Full year	Interim	Full year	Interim	Full year	Interim	Full year	Interim
<Consolidated>										
Ordinary income	242.2	125.7	261.2	123.8	239.6	114.3	226.7	109.2	214.6	105.7
Ordinary profits	70.0	32.7	66.3	19.6	21.3	13.3	35.4	18.0	37.2	18.9
Net income	40.6	16.4	38.6	37.5	37.0	5.7	19.2	10.0	18.4	8.9
Capital adequacy ratio	10.44%	9.97%	10.39%	10.39%	10.81%	10.91%	10.83%	11.39%	11.29%	11.57%

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

Core gross business profits	181.3	90.1	178.5	87.3	168.3	79.6	160.9	76.0	155.4	77.3
General & administrative expenses	87.9	44.8	89.9	45.6	91.5	47.1	94.4	48.4	98.6	51.4
Core net business profits	93.4	45.2	88.6	41.7	76.8	32.4	66.4	27.6	56.7	25.9
Net gains(losses) related to securities	(1.5)	(0.6)	(0.6)	(5.2)	(17.6)	0.8	0.2	0.8	(1.0)	1.2
Credit costs	26.2	13.7	25.5	16.1	35.5	16.8	25.5	8.3	14.5	6.4
Ordinary profits	70.1	30.9	65.0	19.4	21.3	14.2	36.8	18.8	37.0	19.3
Net income	39.3	15.1	39.0	37.8	37.9	11.4	26.0	11.1	19.6	9.8
ROA	1.03%	0.97%	0.95%	0.88%	0.80%	0.66%	0.68%	0.54%	0.56%	0.49%
OHR	48.49%	49.78%	50.36%	52.19%	54.37%	59.20%	58.68%	63.67%	63.47%	66.46%
Loans *	6,839.7	6,895.0	6,897.6	7,006.3	7,156.7	7,001.5	6,993.6	6,966.7	7,241.1	7,236.1
Deposits (including NCD)	8,517.6	8,549.6	8,502.2	8,650.3	8,742.4	8,930.2	9,120.3	9,223.9	9,523.8	9,534.7
Securities	1,703.8	1,698.3	1,714.8	1,745.8	1,725.0	1,787.6	2,015.0	2,204.1	2,315.1	2,465.8
Non performing loan *	315.0	291.6	260.7	253.1	227.5	214.6	215.2	214.4	220.5	229.8
NPL ratio *	4.43%	4.07%	3.64%	3.48%	3.07%	2.96%	2.98%	2.98%	2.96%	3.08%

About Hokuhoku FG ⑤
Historical Data (Hokuriku Bank)

Hokuhoku Financial Group, Inc.

(JPY Bn)

	FY2006 Full year	FY2007 Interim	FY2007 Full year	FY2008 Interim	FY2008 Full year	FY2009 Interim	FY2009 Full year	FY2010 Interim	FY2010 Full year	FY2011 Interim
Ordinary income	130.1	66.8	141.2	65.3	124.2	57.5	113.7	55.0	108.8	54.0
Core gross business profits	106.6	53.1	105.2	49.8	94.7	45.3	90.1	44.1	88.5	45.2
General & administrative expenses	50.5	25.6	51.1	25.7	51.3	25.8	51.8	26.5	53.8	27.7
Core net business profits	56.1	27.5	54.1	24.1	43.4	19.5	38.3	17.5	34.6	17.4
Net gains(losses) related to securities	0.6	(0.1)	(0.7)	(3.8)	(12.6)	(1.2)	(2.4)	(2.0)	(2.8)	(1.0)
Credit costs	22.5	9.7	20.4	10.5	21.4	7.0	13.4	2.9	7.1	1.9
Ordinary profits	38.1	17.8	35.6	9.6	8.8	9.8	19.9	12.1	22.9	13.8
Net income	18.6	8.2	21.2	30.1	26.4	7.5	15.6	7.2	11.9	6.9
Capital adequacy ratio	9.16%	9.41%	10.10%	10.26%	10.23%	10.56%	10.80%	11.27%	11.32%	11.62%
ROA	1.05%	1.01%	0.99%	0.86%	0.77%	0.69%	0.68%	0.60%	0.59%	0.58%
OHR	47.37%	48.17%	48.53%	51.58%	54.18%	56.95%	57.48%	60.16%	60.85%	61.32%
Loans *	4,146.7	4,191.3	4,210.7	4,245.9	4,293.3	4,172.6	4,142.6	4,109.2	4,252.3	4,205.7
Deposits (including NCD)	4,976.3	4,973.7	4,955.7	5,016.1	5,092.5	5,155.8	5,306.7	5,292.6	5,439.9	5,416.5
Securities	853.2	840.0	820.9	833.7	858.8	858.4	1,015.9	1,088.4	1,217.5	1,285.7
Non performing loan *	202.2	187.1	163.5	159.7	142.6	140.1	147.3	146.1	144.3	153.1
NPL ratio *	4.65%	4.26%	3.72%	3.60%	3.19%	3.23%	3.42%	3.43%	3.28%	3.52%

* Hokuriku Bank + Hokugin Corp.

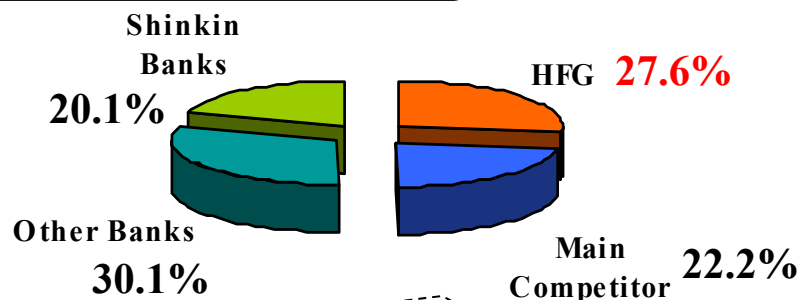
About Hokuhoku FG ⑥
Historical Data (Hokkaido Bank)

Hokuhoku Financial Group, Inc.

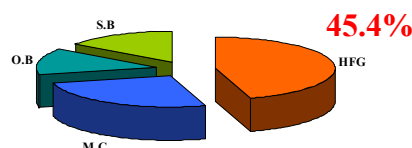
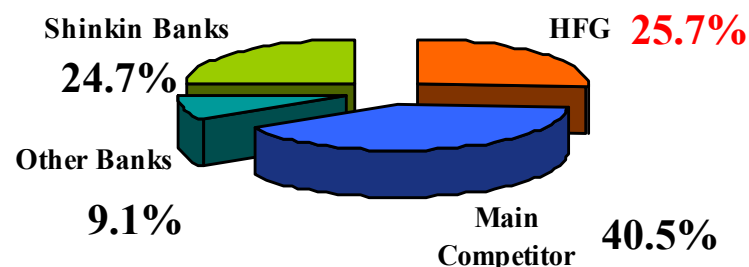
(JPY Bn)

	FY2006 Full year	FY2007 Interim	FY2007 Full year	FY2008 Interim	FY2008 Full year	FY2009 Interim	FY2009 Full year	FY2010 Interim	FY2010 Full year	FY2011 Interim
Ordinary income	88.4	46.6	96.0	47.7	94.3	46.9	93.7	44.8	87.0	43.2
Core gross business profits	74.7	37.0	73.2	37.5	73.5	34.2	70.8	31.9	66.8	32.1
General & administrative expenses	37.4	19.2	38.8	19.8	40.2	21.3	42.6	21.8	44.7	23.7
Core net business profits	37.2	17.7	34.4	17.6	33.3	12.9	28.1	10.0	22.1	8.4
Net gains(losses) related to securities	(2.1)	(0.4)	0.1	(1.3)	(4.9)	2.1	2.7	2.9	1.7	2.2
Credit costs	3.6	3.9	5.1	5.6	14.0	9.7	12.0	5.3	7.4	4.4
Ordinary profits	31.9	13.0	29.4	9.8	12.5	4.3	16.9	6.6	14.1	5.4
Net income	20.7	6.9	17.8	7.7	11.4	3.8	10.3	3.9	7.7	2.9
Capital adequacy ratio	9.91%	9.92%	10.13%	9.68%	10.45%	10.30%	10.19%	10.68%	10.59%	10.57%
ROA	1.00%	0.92%	0.90%	0.90%	0.85%	0.63%	0.68%	0.47%	0.51%	0.37%
OHR	50.08%	52.08%	52.98%	53.00%	54.62%	62.17%	60.21%	68.53%	66.93%	73.69%
Loans	2,692.9	2,703.6	2,686.8	2,760.3	2,863.4	2,828.9	2,851.0	2,857.4	2,988.8	3,030.4
Deposits (including NCD)	3,541.3	3,575.9	3,546.5	3,634.1	3,649.9	3,774.4	3,813.6	3,931.3	4,083.9	4,118.2
Securities	850.6	858.2	893.8	912.0	866.2	929.1	999.1	1,115.7	1,097.6	1,180.1
Non performing loan	112.8	104.5	97.2	93.5	84.8	74.5	67.9	68.3	76.3	76.7
NPL ratio	4.08%	3.77%	3.52%	3.29%	2.89%	2.57%	2.32%	2.33%	2.49%	2.47%

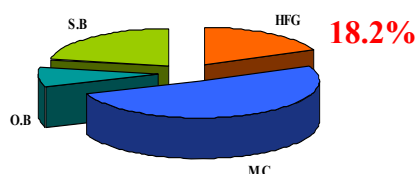
Hokuriku Area



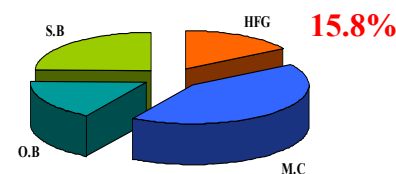
Hokkaido Area



Toyama



Ishikawa



Fukui

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

(JPY Bn)

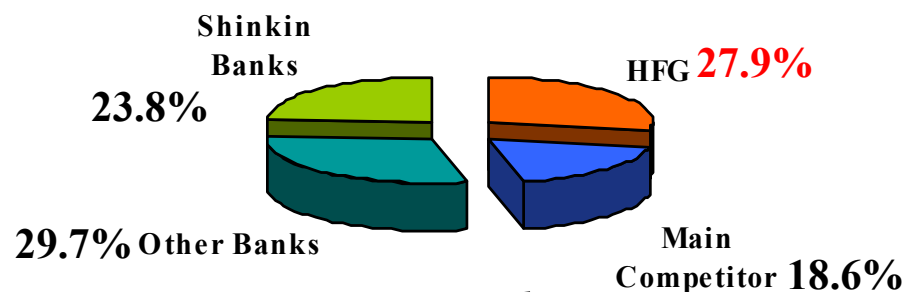
		Hokuriku				Hokkaido
		Area	Toyama Pref.	Ishikawa Pref.	Fukui Pref.	
Banks		6,994.0(79.9%)	2,742.8(85.1%)	2,579.4(77.9%)	1,671.8(75.3%)	9,298.6(75.3%)
	Hokuhoku FG(HFG)	2,416.4(27.6%)	1,462.7(45.4%)	602.7(18.2%)	350.9(15.8%)	3,177.2(25.7%)
	Hokuriku Bank	2,416.4(27.6%)	1,462.7(45.4%)	602.7(18.2%)	350.9(15.8%)	526.1(4.3%)
	Hokkaido Bank	0(0.0%)	0(0.0%)	0(0.0%)	0(0.0%)	2,651.1(21.5%)
	Main Competitor	1,945.4(22.2%)	842.7(26.1%)	1,699.0(51.3%)	949.6(42.8%)	5,006.2(40.5%)
Shinkin Banks		1,764.0(20.1%)	481.7(14.9%)	733.4(22.1%)	548.8(24.7%)	3,057.2(24.7%)
Total		8,758.0(100 %)	3,224.5(100 %)	3,312.8(100%)	2,220.6(100%)	12,355.8(100%)

About Hokuhoku FG ⑧

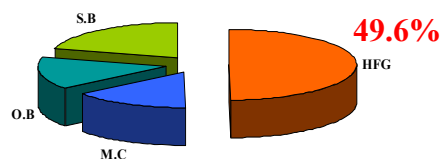
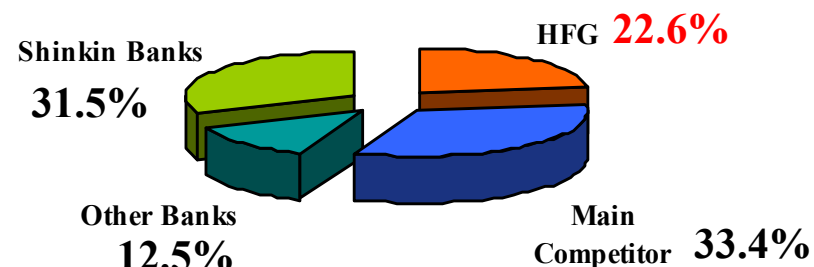
Market Share in Our Home Market (Deposits, Mar-11)

Hokuhoku Financial Group, Inc.

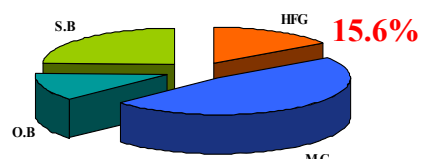
Hokuriku Area



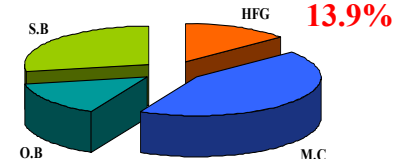
Hokkaido Area



Toyama



Ishikawa



Fukui

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

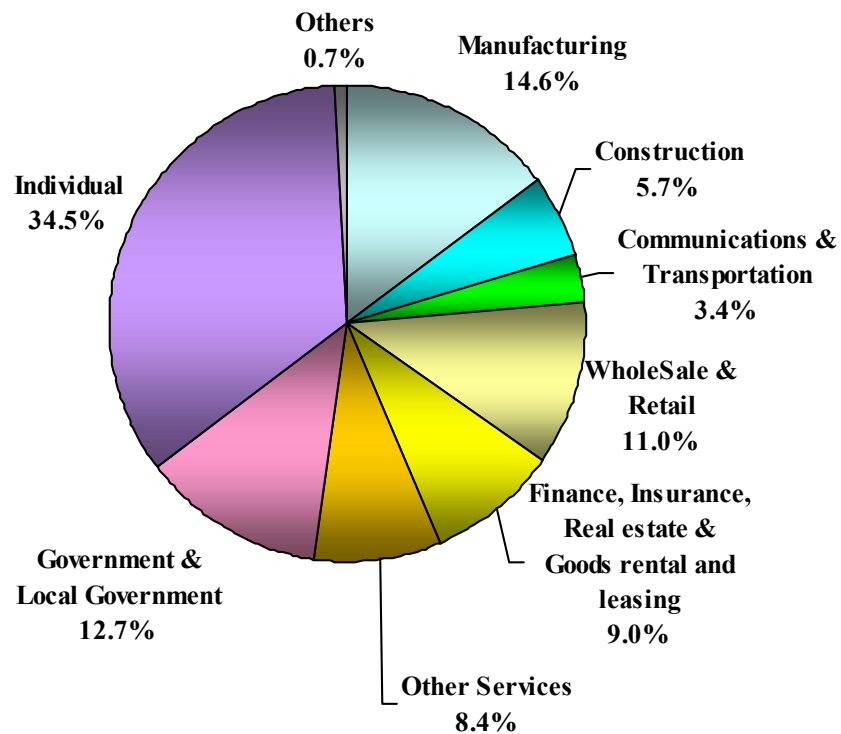
(JPY Bn)

		Hokuriku				Hokkaido
		Area	Toyama Pref.	Ishikawa Pref.	Fukui Pref.	
Banks		11,512.9(76.2%)	4,493.0(79.5%)	4,195.0(75.9%)	2,824.9(72.1%)	1,3801.4(68.5%)
Hokuhoku FG(HFG)		4,213.9(27.9%)	2,805.7(49.6%)	862.8(15.6%)	545.3(13.9%)	4,561.3(22.6%)
Hokuriku Bank		4,213.9(27.9%)	2,805.7(49.6%)	862.8(15.6%)	545.3(13.9%)	540.7 (2.7%)
Hokkaido Bank		0(0.0%)	0(0.0%)	0(0.0%)	0(0.0%)	4,020.6(19.9%)
Main Competitor		2,807.4(18.6%)	836.9(14.8%)	2,629.7(47.6%)	1,706.5(43.5%)	6,724.3(33.4%)
Shinkin Banks		3,588.5(23.8%)	1,161.7(20.5%)	1,332.3(24.1%)	1,094.5(27.9%)	6,360.9(31.5%)
Total		15,101.4(100%)	5,654.7(100%)	5,527.3(100%)	3,919.4(100%)	20,162.3(100%)

About Hokuhoku FG ⑨
Loans in the Region by Industry (Sep-11)

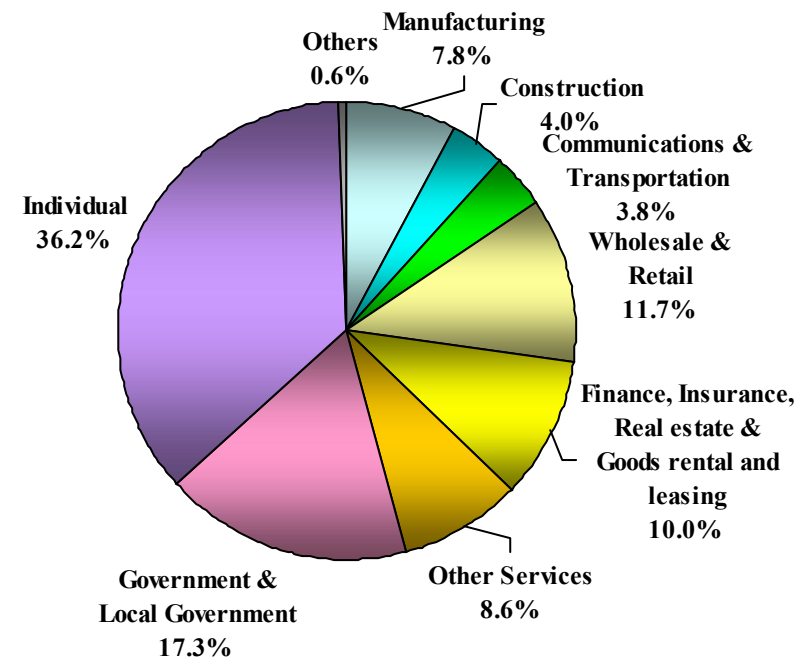
Hokuhoku Financial Group, Inc.

Hokuriku Bank



Region: Toyama, Ishikawa, Fukui, Hokkaido

Hokkaido Bank



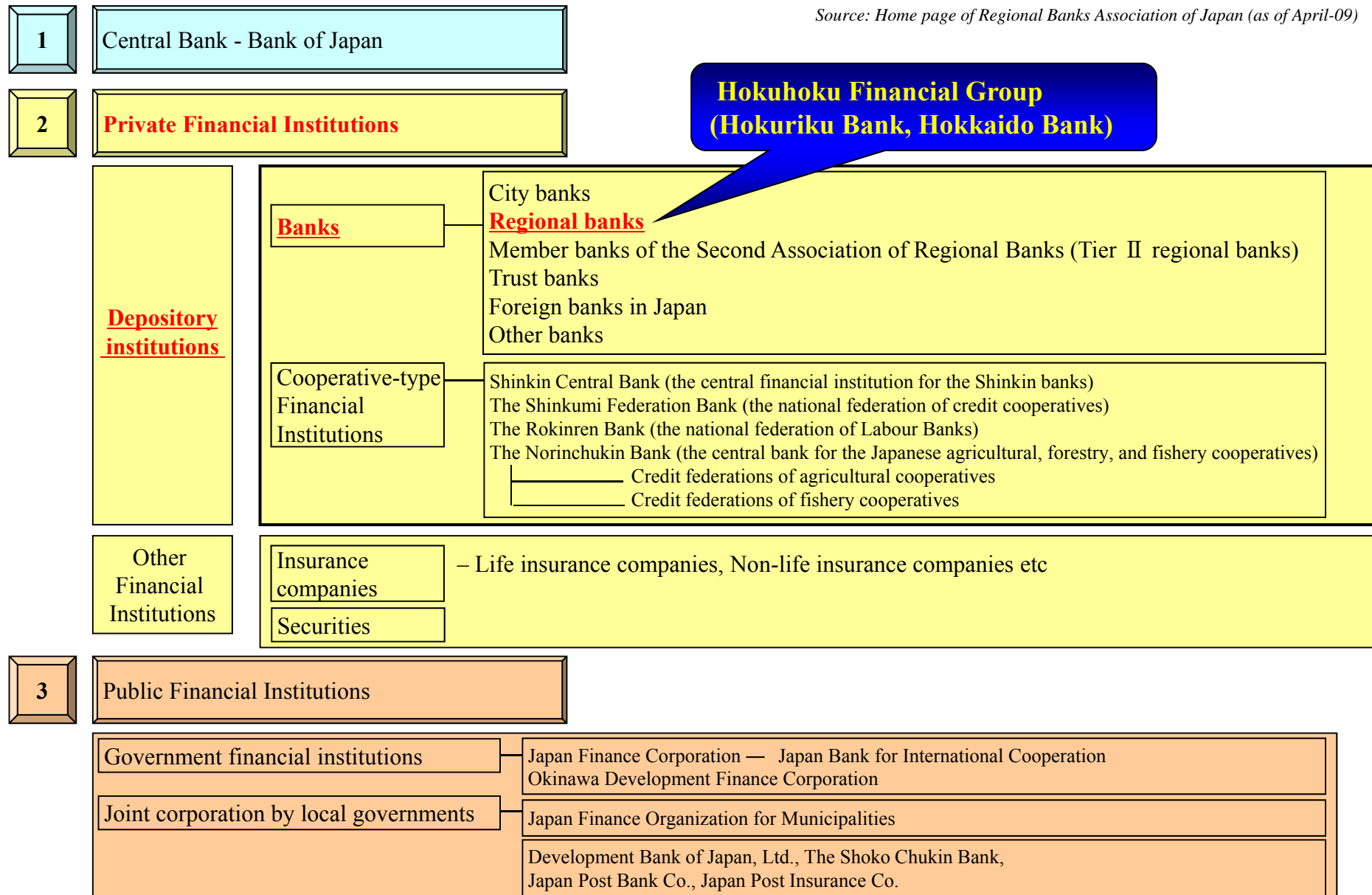
Region: Hokkaido

About Japanese Regional Banks ①

Financial Institutions in Japan

Hokuhoku Financial Group, Inc.

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 64 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.



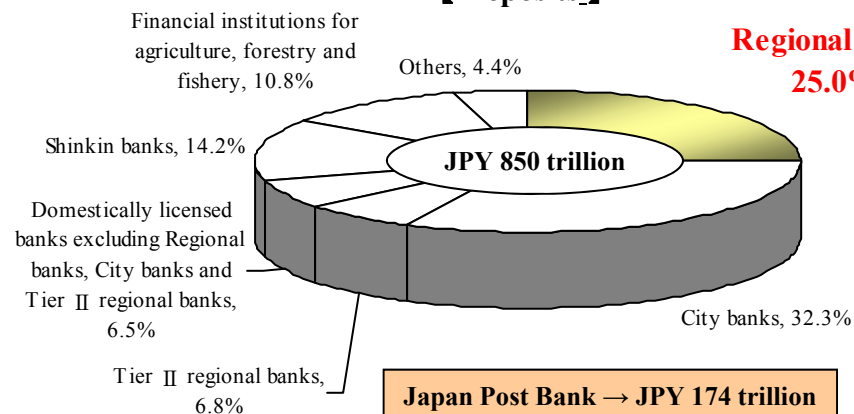
Leading Banks in the Regions

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.

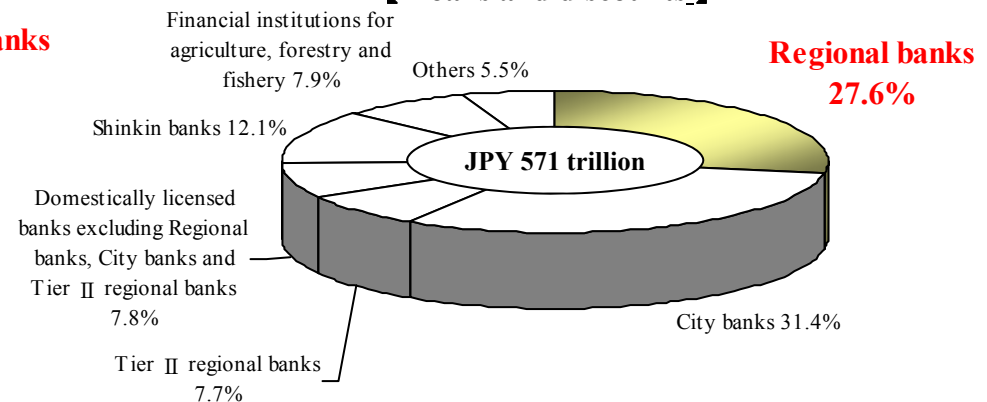
Through this branch network, the regional banks cater to the diversified financial needs of individual customers as well as medium-sized and small- and medium-sized corporate clients in the regions, and also play a leading role in regional finance for the promotion and development of regional communities.

Shares of Deposits and Loans of Private Financial Institutions (Mar-11)

【 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)	1.16Mn (35th)	0.81Mn (43rd)	3.07Mn	5.51Mn (8th)	8.58Mn
Density of Population (Ranking)	257.9pt (25th)	278.3pt (23rd)	192.8pt (32nd)	—	70.2pt (47th)	—
Square Measure (Ranking) km ²	4,248 (33rd)	4,186 (35th)	4,190 (34th)	—	83,457 (1st)	—

Scale matching
for Osaka!

1 st	Tokyo
2 nd	Kanagawa (8.94Mn)
3 rd	Osaka (8.80Mn)

Gross Prefectural Product

Data from Ministry of Internal Affairs and Communications and Cabinet Office

(JPY Bn)

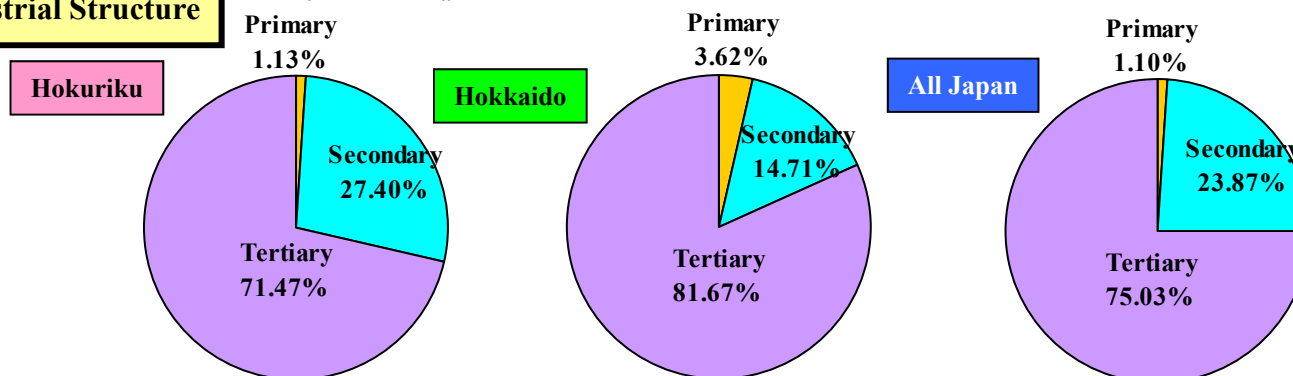
	Toyama a	Ishikawa b	Fukui c	Total a + b + c	Hokkaido	Total
GPP (Proportion) (Ranking)	4,496.4 (0.89%) (29th)	4,611.4 (0.91%) (28th)	3,173.5 (0.63%) (41st)	12,281.3 (2.43%)	18,359.5 (3.64%) (8th)	30,640.8 (6.07%)

Almost equal to
Kanagawa!

1 st	Tokyo
2 nd	Osaka
3 rd	Aichi
4 th	Kanagawa (30,898.7)

Industrial Structure

Data from Cabinet Office



Ranked next to
Norway in Europe
(Europe No13) !

1 st	Germany
2 nd	France
13 th	Norway (35,424.9)

The Present Condition of the Regional Economy ②

Economic Conditions

Hokuhoku Financial Group, Inc.

Monthly Economic Report (By the Cabinet Office)		Regional Economic Report (By Bank of Japan)	
All Japan		Hokuriku Area	Hokkaido Area
October-11		October-11	October-11
Economic Trend	Still picking up although the pace decelerates	Continues to pick up as a whole	Picking up as a whole
Public Investment	Steady undertone	Declining	On a declining trend
Business Investment	Leveling off after the weakness	Picking up moderately	Picking up as a whole
Private consumption	Almost leveling off	Stopped declining as a whole	Signs of a pick-up
Housing construction	Movements of picking up	Stopped declining	Picking up
Production	Still picking up although the pace decelerates	Recovering as a whole	Signs of a pick-up
Employment & Income	Still remains severe	Has improved moderately	Has improved moderately
Prices	In a mild deflationary phase	Below the previous year's level	Above the previous year's level
The number of bankrupt companies	Almost flat	Below the previous year's level	Increase a little

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

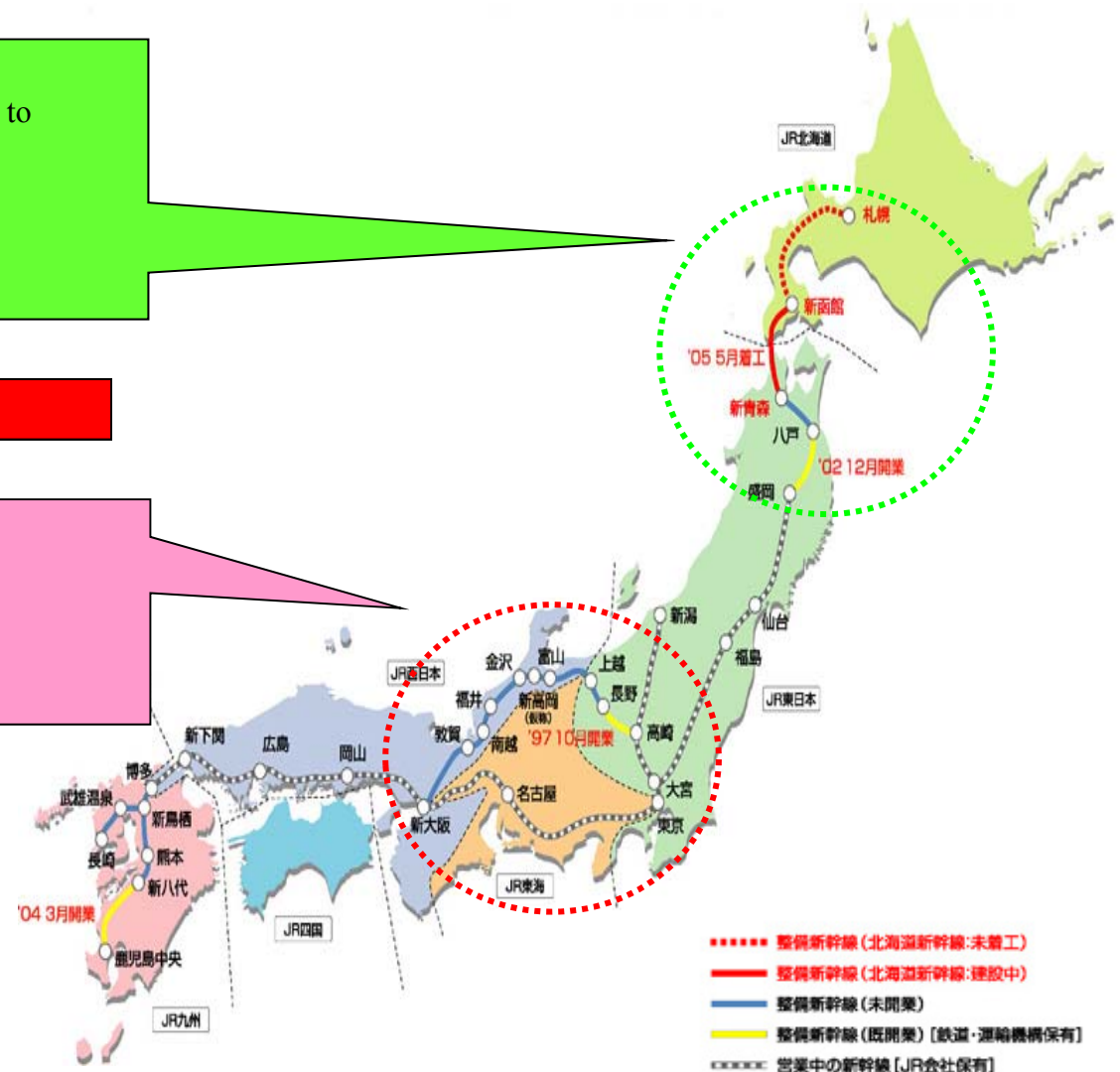
Constructing a 700 KM line from Tokyo to Osaka via Nagano, Toyama, Kanazawa, Fukui.

Expected to be completed in FY 2014

(Tokyo Station to Kanazawa Station)



Design plan of Toyama Station



Inquiries related to this presentation should be addressed to

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Planning Group

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

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