

Financial Highlights
For the First Quarter of FY 2016

(April 1, 2016 through June 30, 2016)



THE HOKKOKU BANK, LTD.

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(Note)

All numbers and ratios less down unit have been rounded down.

The amounts, ratios or any other information presented herein have not been audited.

The Hokkoku Bank, Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Cash and due from banks	467,351	564,214
Call loans and bills bought	—	60,000
Monetary claims bought	3,783	3,795
Trading account securities	157	130
Money held in trusts	15,024	13,068
Securities	1,018,148	960,655
Loans and bills discounted	2,328,285	2,269,406
Foreign exchanges	11,044	9,136
Lease receivables and investment in leased assets	21,741	22,095
Other assets	16,084	23,096
Tangible fixed assets	36,923	36,641
Intangible fixed assets	8,866	8,729
Deferred tax assets	212	1,214
Customers' liabilities for acceptances and guarantees	16,661	16,844
Reserve for possible loan losses	△40,265	△39,295
Total assets	3,904,020	3,949,731
Liabilities		
Deposits	3,086,299	3,117,538
Negotiable certificates of deposit	89,817	81,148
Call money and bills sold	67,916	113,407
Guarantee deposit under securities lending transactions	337,572	313,056
Borrowed money	6,865	6,541
Foreign exchanges	22	8
Other liabilities	41,772	49,008
Reserve for bonuses	805	—
Net defined benefit liability	17,058	16,873
Reserve for directors' retirement benefits	56	48
Reserve for reimbursement of deposits	265	249
Reserve for loss on interest repayment	95	95
Reserve for customer service points	294	239
Deferred tax liabilities	1,383	208
Deferred tax liability arising from revaluation of land	2,113	2,113
Acceptances and guarantees	16,661	16,844

Total liabilities	3,669,000	3,717,384
Net Assets		
Common stock	26,673	26,673
Capital surplus	11,366	11,884
Retained earnings	150,502	154,959
Treasury shares	△188	△189
Total shareholders' equity	188,353	193,329
Net unrealized gains on available-for-sale securities	39,436	32,198
Net deferred losses on hedging instruments	△181	△233
Land revaluation surplus	3,260	3,260
Remeasurements of defined benefit plans	△5,623	△5,363
Total accumulated other comprehensive income	36,891	29,861
Subscription rights to shares	262	280
Non-controlling interests	9,512	8,876
Total net assets	235,020	232,347
Total liabilities and net assets	3,904,020	3,949,731

Consolidated Statements of Income

(Millions of yen)

	For the three Months ended June 30, 2015	For the three Months ended June 30, 2016
Ordinary income	22,485	19,186
Interest income	12,275	10,545
Interest on loans and discounts	7,346	7,215
Interest and dividends on securities	4,825	3,219
Fees and commissions	2,377	2,297
Other operating income	5,163	4,119
Other income	2,668	2,223
Ordinary expenses	13,019	11,274
Interest expense	459	451
Interest on deposits	182	180
Fees and commissions	718	727
Other operating expenses	4,111	2,316
General and administrative expenses	7,596	7,727
Other expenses	133	51
Ordinary profit	9,466	7,911

Extraordinary income	0	—
Extraordinary losses	234	40
Income before income taxes	9,231	7,871
Income taxes	3,059	2,065
Current	2,929	1,237
Deferred	130	827
Profits	6,171	5,806
Profits attributable to non-controlling interests	157	151
Net income(Profit attributable to owners of parent)	6,014	5,654

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the three Months ended June 30, 2015	For the three Months ended June 30, 2016
Profits	6,171	5,806
Other comprehensive income	△2,482	△7,018
Net unrealized gains on available-for-sale securities	△2,674	△7,225
Net deferred gains or losses on hedging instruments	66	△52
Remeasurements of defined benefit plans	125	259
Comprehensive income	3,689	△1,211
Owners of the parent	3,446	△1,375
Non-controlling interests	242	163

Financial Highlights (consolidated)

Consolidated Operating Results

(Millions of yen)

	For the three Months ended June 30, 2015 (B)	For the three Months ended June 30, 2016 (A)	(A) – (B)
Ordinary income	22,485	19,186	△3,298
Ordinary profit	9,466	7,911	△1,554
Profits attributable to owners of parent	6,014	5,654	△359
Earnings per share-basic (yen)	19.76	18.88	△0.88
Earnings per share-diluted(yen)	19.71	18.83	△0.88

(%)

	As of March 31, 2016 (B)	As of June 30, 2016 (A)	(A) – (B)
Net assets(except for subscription right to share and minority interests) ratio	5.7	5.6	△0.1

Projections for the year ending March 31, 2017

(Millions of yen)

	For the three Months ended June 30, 2016	For the six months ending September 30, 2016	For the year ending March 31, 2017
Ordinary profit	7,911	8,000	15,000
Net income	5,654	5,300	9,500
Earnings per share-basic (yen)	18.88	17.70	31.73

Soundness of Assets (non-consolidated)

Disclosed Assets Based on the Financial Reconstruction Law (non-consolidated)

(Billions of yen)

	As of June 30, 2015 (B)	As of June 30, 2016 (A)	(A) – (B)
Bankrupt or De facto Bankrupt	26	15	△11
Doubtful	61	55	△5
Special Attention	1	1	△0
Subtotal (C)	89	72	△17
Normal assets	2,354	2,305	△48
Total (D)	2,443	2,378	△65

(C) / (D) (%)	3.67	3.05	△0.62
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