

**Financial Highlights**  
**For the Second Quarter of FY 2016**

(April 1, 2016 through September 30, 2016)



THE HOKKOKU BANK, LTD.

## Table of Contents

Consolidated Balance Sheets -----	1
Consolidated Statements of Income -----	3
Consolidated Statements of Comprehensive Income -----	4
Financial Highlights(consolidated) -----	5
Soundness of Assets(non-consolidated) -----	6

(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 September 30, 2016
<b>Assets</b>		
Cash and due from banks	467,351	538,855
Call loans and bills bought	—	50,000
Monetary claims bought	3,783	3,675
Trading account securities	157	145
Money held in trust	15,024	13,105
Securities	1,018,148	1,061,428
Loans and bills discounted	2,328,285	2,289,388
Foreign exchanges	11,044	11,035
Lease receivables and investment in leased assets	21,741	23,067
Other assets	16,084	21,416
Tangible fixed assets	36,923	36,437
Intangible fixed assets	8,866	8,548
Deferred tax assets	212	222
Customers' liabilities for acceptances and guarantees	16,661	16,745
Reserve for possible loan losses	△40,265	△39,064
<b>Total assets</b>	<b>3,904,020</b>	<b>4,035,008</b>

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Liabilities</b>		
Deposits	3,086,299	3,060,409
Negotiable certificates of deposit	89,817	96,722
Call money and bills sold	67,916	169,763
Guarantee deposit under securities lending transactions	337,572	359,219
Borrowed money	6,865	6,107
Foreign exchanges	22	6
Other liabilities	41,772	65,057
Reserve for bonuses	805	827
Net defined benefit liability	17,058	16,604
Reserve for directors' retirement benefits	56	51
Reserve for reimbursement of deposits	265	249
Reserve for loss on interest repayment	95	74
Reserve for customer service points	294	238
Deferred tax liabilities	1,383	939
Deferred tax liability arising from revaluation of land	2,113	2,113
Acceptances and guarantees	16,661	16,745
<b>Total liabilities</b>	<b>3,669,000</b>	<b>3,795,130</b>
<b>Net Assets</b>		
Common stock	26,673	26,673
Capital surplus	11,366	12,745
Retained earnings	150,502	157,892
Treasury shares	△188	△189
<b>Total shareholders' equity</b>	<b>188,353</b>	<b>197,122</b>
Net unrealized gains on available-for-sale securities	39,436	36,694
Net deferred losses on hedging instruments	△181	△143
Land revaluation surplus	3,260	3,260
Remeasurements of defined benefit plans	△5,623	△5,103
<b>Total accumulated other comprehensive income</b>	<b>36,891</b>	<b>34,706</b>
Subscription rights to shares	262	295
Non-controlling interests	9,512	7,753
<b>Total net assets</b>	<b>235,020</b>	<b>239,878</b>
<b>Total liabilities and net assets</b>	<b>3,904,020</b>	<b>4,035,008</b>

## Consolidated Statements of Income

(Millions of yen)

	For the six Months ended September 30, 2015	For the six Months ended September 30, 2016
<b>Ordinary income</b>	40,954	35,370
Interest income	22,238	20,002
Interest on loans and discounts	14,803	14,319
Interest and dividends on securities	7,208	5,468
Fees and commissions	4,825	4,664
Other operating income	9,594	8,502
Other income	4,295	2,201
<b>Ordinary expenses</b>	34,412	23,070
Interest expense	934	891
Interest on deposits	361	363
Fees and commissions	1,416	1,444
Other operating expenses	8,290	4,853
General and administrative expenses	15,072	15,498
Other expenses	8,698	382
<b>Ordinary profit</b>	6,541	12,299
<b>Extraordinary income</b>	0	0
<b>Extraordinary losses</b>	292	43
<b>Income before income taxes</b>	6,248	12,256
<b>Income taxes</b>	2,064	3,433
Current	4,417	2,853
Deferred	△2,352	579
<b>Profits</b>	4,183	8,823
<b>Profits attributable to non-controlling interests</b>	283	235
<b>Net income(Profit attributable to owners of parent)</b>	3,899	8,587

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six Months Ended September 30, 2015	For the six Months Ended September 30, 2016
<b>Profit</b>	4,183	8,823
<b>Other comprehensive income</b>	△17,538	△2,105
Net unrealized gains on available-for-sale securities	△17,841	△2,662
Net deferred gains or losses on hedging instruments	50	37
Remeasurements of defined benefit plans	251	519
<b>Comprehensive income</b>	△13,355	6,717
Owners of the parent	△13,517	6,402
Non-controlling interests	162	314

## Financial Highlights (consolidated)

### Consolidated Operating Results

(Millions of yen)

	For the six Months ended September 30, 2015 (B)	For the six Months ended September 30, 2016 (A)	(A)–(B)
Ordinary income	40,954	35,370	△5,583
Ordinary profit	6,541	12,299	5,758
Profits attributable to owners of parent	3,899	8,587	4,688
Earnings per share-basic(yen)	12.81	28.68	15.87
Earnings per share-diluted(yen)	12.78	28.60	15.82

(%)

	As of March 31, 2016 (B)	As of September 30, 2016 (A)	(A)–(B)
Net assets(except for subscription right to share and non-controlling interests)ratio	5.7	5.7	—

### Projections for the year ending March 31, 2017

(Millions of yen)

	For the six Months ended September 30, 2016	For the year ending March 31, 2017
Ordinary profit	12,299	17,000
Net income	8,587	11,000
Earnings per share-basic(yen)	28.68	36.74

## Soundness of Assets (non-consolidated)

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

(Billions of yen)

	As of September 30, 2015 (B)	As of September 30, 2016(A)	(A)–(B)
Bankrupt or De facto Bankrupt	24	14	△9
Doubtful	59	56	△3
Special Attention	1	1	0
Subtotal (C)	85	72	△13
Normal assets	2,357	2,309	△48
Total (D)	2,442	2,381	△61
(C) / (D) (%)	3.49	3.03	△0.45