

**Financial Highlights**  
**For the Second Quarter of FY 2017**

(April 1, 2017 through September 30, 2017)



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, 2017	As of September 30, 2017
<b>Assets</b>		
Cash and due from banks	748,544	835,165
Call loans and bills bought	30,000	29,509
Monetary claims bought	3,714	3,673
Trading account securities	156	157
Money held in trust	13,531	13,614
Securities	1,104,367	1,047,698
Loans and bills discounted	2,315,444	2,361,227
Foreign exchanges	11,323	12,517
Lease receivables and investment in leased assets	25,160	29,042
Other assets	47,438	76,112
Tangible fixed assets	35,223	34,801
Intangible fixed assets	8,315	8,901
Deferred tax assets	202	165
Customers' liabilities for acceptances and guarantees	16,397	17,673
Reserve for possible loan losses	△39,456	△38,302
<b>Total assets</b>	<b>4,320,364</b>	<b>4,431,957</b>

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
<b>Liabilities</b>		
Deposits	3,185,984	3,246,831
Negotiable certificates of deposit	108,046	107,093
Call money and bills sold	293,334	455,986
Payables under repurchase agreements	—	71,562
Guarantee deposit under securities lending transactions	359,851	205,258
Borrowed money	5,519	4,891
Foreign exchanges	5	21
Other liabilities	72,758	28,314
Reserve for bonuses	814	826
Net defined benefit liability	16,054	15,537
Reserve for directors' retirement benefits	55	23
Reserve for management board incentive plan trust	—	421
Reserve for reimbursement of deposits	254	253
Reserve for loss on interest repayment	65	79
Reserve for customer service points	218	221
Deferred tax liabilities	6,824	11,330
Deferred tax liability arising from revaluation of land	1,819	1,779
Acceptances and guarantees	16,397	17,673
<b>Total liabilities</b>	<b>4,068,006</b>	<b>4,168,107</b>
<b>Net Assets</b>		
Common stock	26,673	26,673
Capital surplus	12,745	12,745
Retained earnings	159,480	165,325
Treasury shares	△193	△5,128
<b>Total shareholders' equity</b>	<b>198,706</b>	<b>199,617</b>
Net unrealized gains on available-for-sale securities	46,953	56,932
Net deferred gains or losses on hedging instruments	△25	△0
Land revaluation surplus	2,589	2,497
Remeasurements of defined benefit plans	△4,580	△4,074
<b>Total accumulated other comprehensive income</b>	<b>44,936</b>	<b>55,355</b>
Subscription rights to shares	326	—
Non-controlling interests	8,389	8,877
<b>Total net assets</b>	<b>252,358</b>	<b>263,850</b>
<b>Total liabilities and net assets</b>	<b>4,320,364</b>	<b>4,431,957</b>

## Consolidated Statements of Income

(Millions of yen)

	For the six Months ended September 30, 2016	For the six Months ended September 30, 2017
<b>Ordinary income</b>	35,370	35,497
Interest income	20,002	21,301
Interest on loans and discounts	14,319	13,432
Interest and dividends on securities	5,468	7,631
Fees and commissions	4,664	4,792
Other operating income	8,502	6,636
Other income	2,201	2,767
<b>Ordinary expenses</b>	23,070	24,782
Interest expense	891	1,291
Interest on deposits	363	211
Fees and commissions	1,444	1,449
Other operating expenses	4,853	5,459
General and administrative expenses	15,498	15,277
Other expenses	382	1,304
<b>Ordinary profit</b>	12,299	10,715
<b>Extraordinary income</b>	0	275
<b>Extraordinary losses</b>	43	681
<b>Income before income taxes</b>	12,256	10,309
<b>Income taxes</b>	3,433	2,928
Current	2,853	3,141
Deferred	579	△212
<b>Profit</b>	8,823	7,381
<b>Profit attributable to non-controlling interests</b>	235	273
<b>Profit attributable to owners of parent</b>	8,587	7,107

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six Months Ended September 30, 2016	For the six Months Ended September 30, 2017
<b>Profit</b>	8,823	7,381
<b>Other comprehensive income</b>	△2,105	10,733
Net unrealized gains on available-for-sale securities	△2,662	10,200
Net deferred gains or losses on hedging instruments	37	25
Remeasurements of defined benefit plans	519	506
<b>Comprehensive income</b>	6,717	18,114
Owners of the parent	6,402	17,618
Non-controlling interests	314	496

## Financial Highlights (consolidated)

### Consolidated Operating Results

(Millions of yen)

	For the six Months ended September 30, 2016 (B)	For the six Months ended September 30, 2017 (A)	(A)–(B)
Ordinary income	35,370	35,497	127
Ordinary profit	12,299	10,715	△1,584
Profits attributable to owners of parent	8,587	7,107	△1,480
Earnings per share-basic(yen)	286.86	238.81	△48.05
Earnings per share-diluted(yen)	286.03	—	△286.03

Note: The Hokkoku Bank,Ltd. implemented a common stock consolidation at a ratio of ten stocks to one stock on October 1,2017.

The above earnings per share-basic(yen) and earnings per share-diluted(yen) are calculated on the assumption that this stock consolidation took place at the beginning of the previous year.

(%)

	As of March 31, 2017 (B)	As of September 30, 2017 (A)	(A)–(B)
Net assets(except for subscription right to share and non-controlling interests)ratio	5.6	5.7	0.1

### Projections for the year ending March 31, 2018

(Millions of yen)

	For the six Months ended September 30, 2017	For the year ending March 31, 2018
Ordinary profit	10,715	14,500
Profits attributable to owners of parent	7,107	9,500
Earnings per share-basic(yen)	238.81	319.21

## Soundness of Assets (non-consolidated)

Disclosed Assets Based on the Financial Reconstruction Law (Before partial direct write-off)

(Billions of yen)

	As of September 30, 2016 (B)	As of September 30, 2017(A)	(A)–(B)
Bankrupt or De facto Bankrupt	14	8	△6
Doubtful	56	51	△5
Special Attention	1	1	0
Subtotal (C)	72	61	△11
Normal assets	2,309	2,386	77
Total (D)	2,381	2,447	66

(C) / (D) (%)	3.03	2.51	△0.52
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Disclosed Assets Based on the Financial Reconstruction Law (After partial direct write-off)

(Billions of yen)

	As of September 30, 2016 (B)	As of September 30, 2017(A)	(A)–(B)
Bankrupt or De facto Bankrupt	8	6	△2
Doubtful	56	51	△5
Special Attention	1	1	0
Subtotal (C)	66	59	△7
Normal assets	2,309	2,386	77
Total (D)	2,375	2,446	71

(C) / (D) (%)	2.78	2.45	△0.33
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