

Financial Highlights

For the Third Quarter of FY 2017

(April 1, 2017 through December 31, 2017)



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, 2017	As of December 31, 2017
Assets		
Cash and due from banks	748,544	759,347
Call loans and bills bought	30,000	332,250
Monetary claims bought	3,714	4,086
Trading account securities	156	178
Money held in trust	13,531	13,653
Securities	1,104,367	1,112,663
Loans and bills discounted	2,315,444	2,380,981
Foreign exchanges	11,323	15,741
Lease receivables and investment in leased assets	25,160	29,263
Other assets	47,438	74,818
Tangible fixed assets	35,223	34,485
Intangible fixed assets	8,315	9,147
Deferred tax assets	202	166
Customers' liabilities for acceptances and guarantees	16,397	17,593
Reserve for possible loan losses	△39,456	△38,889
Total assets	4,320,364	4,745,488

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Deposits	3,185,984	3,311,729
Negotiable certificates of deposit	108,046	80,889
Call money and bills sold	293,334	669,975
Payables under repurchase agreements	—	97,950
Guarantee deposit under securities lending transactions	359,851	217,749
Borrowed money	5,519	4,426
Foreign exchanges	5	3
Other liabilities	72,758	28,288
Reserve for bonuses	814	—
Net defined benefit liability	16,054	15,289
Reserve for directors' retirement benefits	55	24
Reserve for management board incentive plan trust	—	437
Reserve for reimbursement of deposits	254	253
Reserve for loss on interest repayment	65	68
Reserve for customer service points	218	230
Deferred tax liabilities	6,824	17,907
Deferred tax liability arising from revaluation of land	1,819	1,724
Acceptances and guarantees	16,397	17,593
Total liabilities	4,068,006	4,464,541
Net Assets		
Common stock	26,673	26,673
Capital surplus	12,745	12,745
Retained earnings	159,480	167,584
Treasury shares	△193	△5,135
Total shareholders' equity	198,706	201,868
Net unrealized gains on available-for-sale securities	46,953	71,297
Net deferred gains or losses on hedging instruments	△25	△3
Land revaluation surplus	2,589	2,371
Remeasurements of defined benefit plans	△4,580	△3,820
Total accumulated other comprehensive income	44,936	69,844
Subscription rights to shares	326	—
Non-controlling interests	8,389	9,233
Total net assets	252,358	280,946
Total liabilities and net assets	4,320,364	4,745,488

Consolidated Statements of Income

(Millions of yen)

	For the nine Months ended December 31, 2016	For the nine Months ended December 31, 2017
Ordinary income	51,920	53,773
Interest income	30,876	33,086
Interest on loans and discounts	21,391	20,174
Interest and dividends on securities	9,171	12,489
Fees and commissions	6,969	7,215
Other operating income	11,576	9,736
Other income	2,498	3,734
Ordinary expenses	35,449	37,995
Interest expense	1,432	2,140
Interest on deposits	464	305
Fees and commissions	2,190	2,217
Other operating expenses	7,372	8,385
General and administrative expenses	23,292	23,052
Other expenses	1,161	2,198
Ordinary profit	16,471	15,777
Extraordinary income	28	275
Extraordinary losses	291	861
Income before income taxes	16,207	15,191
Income taxes	4,555	4,449
Current	3,857	4,738
Deferred	697	△289
Profits	11,652	10,742
Profits attributable to non-controlling interests	355	338
Profit attributable to owners of parent	11,296	10,403

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the nine Months Ended December 31, 2016	For the nine Months Ended December 31, 2017
Profit	11,652	10,742
Other comprehensive income	4,821	25,639
Net unrealized gains on available-for-sale securities	3,917	24,856
Net deferred gains or losses on hedging instruments	124	22
Remeasurements of defined benefit plans	779	760
Comprehensive income	16,473	36,381
Owners of the parent	15,849	35,530
Non-controlling interests	624	851

Financial Highlights (consolidated)

Consolidated Operating Results

(Millions of yen)

	For the nine Months ended December 31, 2016 (B)	For the nine Months ended December 31, 2017 (A)	(A)–(B)
Ordinary income	51,920	53,773	1,853
Ordinary profit	16,471	15,777	△ 694
Profits attributable to owners of parent	11,296	10,403	△ 893
Earnings per share-basic(yen)	377.36	352.92	△ 24.44
Earnings per share-diluted(yen)	376.21	—	—

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 December 31, 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 nine Months ended December 31, 2017	For the year ending March 31, 2018
Ordinary profit	15,777	14,500
Profits attributable to owners of parent	10,403	9,500
Earnings per share-basic(yen)	352.92	322.26

Soundness of Assets (non-consolidated)

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

(Billions of yen)

	As of December 31, 2016 (B)	As of December 31, 2017(A)	(A)–(B)
Bankrupt or De facto Bankrupt	13	8	△5
Doubtful	55	51	△4
Special Attention	1	2	1
Subtotal (C)	70	61	△9
Normal assets	2,334	2,463	129
Total (D)	2,404	2,525	121

(C) / (D) (%)	2.92	2.43	△0.49
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Disclosed Assets Based on the Financial Reconstruction Law (After partial direct write-off)

(Billions of yen)

	As of December 31, 2016 (B)	As of December 31, 2017(A)	(A)–(B)
Bankrupt or De facto Bankrupt	9	7	△2
Doubtful	55	51	△4
Special Attention	1	2	1
Subtotal (C)	66	60	△6
Normal assets	2,334	2,463	129
Total (D)	2,400	2,523	123

(C) / (D) (%)	2.75	2.38	△0.37
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