

**Financial Highlights**  
**For the First Quarter of FY 2018**

(April 1, 2018 through June 30, 2018)



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)

	March 31, 2018	June 30, 2018
<b>Assets:</b>		
Cash and due from banks	1,094,772	890,103
Call loans and bills bought	54,561	103,264
Monetary claims bought	3,637	3,730
Trading account securities	167	126
Money held in trusts	13,531	13,572
Securities	1,060,597	1,083,622
Loans and bills discounted	2,402,114	2,414,946
Foreign exchanges	11,963	12,987
Lease receivables and investment in leased assets	29,602	31,057
Other assets	77,464	94,849
Tangible fixed assets	34,155	34,027
Intangible fixed assets	9,385	9,553
Deferred tax assets	168	161
Customers' liabilities for acceptances and guarantees	17,544	16,958
Reserve for possible loan losses	△36,774	△37,633
<b>Total assets</b>	<b>4,772,893</b>	<b>4,671,328</b>

(Millions of yen)

	March 31, 2018	June 30, 2018
<b>Liabilities:</b>		
Deposits	3,362,662	3,406,464
Negotiable certificates of deposit	76,821	113,832
Call money and bills sold	696,969	562,480
Payables under repurchase agreements	93,828	68,195
Guarantee deposit received under securities lending transactions	197,918	177,675
Borrowed money	3,977	3,584
Foreign exchanges	7	5
Other liabilities	21,353	20,689
Reserve for bonuses	806	—
Net defined benefit liability	15,239	15,021
Reserve for directors' retirement benefits	26	24
Reserve for management board incentive plan trust	453	472
Reserve for reimbursement of deposits	263	251
Reserve for loss on interest repayment	59	59
Reserve for customer service points	139	122
Deferred tax liabilities	14,320	13,966
Deferred tax liability arising from revaluation of land	1,724	1,724
Acceptances and guarantees	17,544	16,958
<b>Total liabilities</b>	<b>4,504,115</b>	<b>4,401,531</b>
<b>Net Assets:</b>		
Common stock	26,673	26,673
Capital surplus	12,854	12,854
Retained earnings	167,344	169,327
Treasury stock	△5,138	△5,139
<b>Total shareholders' equity</b>	<b>201,734</b>	<b>203,716</b>
Net unrealized gains on available-for-sale securities	60,762	59,565
Net deferred gain or losses on hedging instruments	△2	△2
Land revaluation surplus	2,371	2,371
Remeasurements of defined benefit plans	△3,745	△3,531
<b>Total accumulated other comprehensive income</b>	<b>59,386</b>	<b>58,402</b>
Non-controlling interests	7,656	7,677
<b>Total net assets</b>	<b>268,777</b>	<b>269,796</b>
<b>Total liabilities and net assets</b>	<b>4,772,893</b>	<b>4,671,328</b>

## Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
<b>Ordinary income</b>	19,937	18,387
Interest income	11,725	11,337
Interest on loans and discounts	6,721	6,545
Interest and dividends on securities	4,895	4,607
Fees and commissions	2,444	2,531
Other operating income	3,420	3,320
Other income	2,346	1,199
<b>Ordinary expenses</b>	11,761	13,139
Interest expense	578	1,000
Interest on deposits	107	98
Fees and commissions	724	785
Other operating expenses	2,794	2,516
General and administrative expenses	7,535	7,708
Other expenses	127	1,128
<b>Ordinary profit</b>	8,176	5,248
<b>Extraordinary income</b>	—	—
<b>Extraordinary losses</b>	93	10
<b>Profit before income taxes</b>	8,082	5,237
<b>Income taxes</b>	2,399	1,724
Current	2,221	1,595
Deferred	177	128
<b>Profit</b>	5,683	3,513
<b>Profit attributable to non-controlling interests</b>	130	74
<b>Profit attributable to owners of parent</b>	5,552	3,438

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
<b>Profit</b>	5,683	3,513
<b>Other comprehensive income</b>	4,823	△1,031
Net unrealized gains on available-for-sale securities	4,555	△1,245
Net deferred gains or losses on hedging instruments	14	△0
Remeasurements of defined benefit plans	253	214
<b>Comprehensive income</b>	10,507	2,481
Owners of the parent	10,260	2,454
Non-controlling interests	246	27

## Financial Highlights (consolidated)

### Consolidated Operating Results

(Millions of yen)

	Three months ended June 30, 2017 (B)	Three months ended June 30, 2018 (A)	(A)–(B)
Ordinary income	19,937	18,387	△1,550
Ordinary profit	8,176	5,248	△2,928
Profit attributable to owners of parent	5,552	3,438	△2,114
Earnings per share-basic(yen)	185.48	118.89	△66.59
Earnings per share-diluted(yen)	184.84	—	—

(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.

Earnings per share-diluted(yen) is not indicated as there is no amount of share-diluted at the three Months ended june 30,2018.

(%)

	March 31, 2018 (B)	June 30, 2018 (A)	(A)–(B)
Net assets(except for non-controlling interests)ratio	5.4	5.6	0.2

### Projections for the year ending March 31, 2019

(Millions of yen)

	Six months ending September 30, 2018	Year ending March 31, 2019
Ordinary profit	6,500	12,500
Profit attributable to owners of parent	4,000	7,500
Earnings per share-basic(yen)	138.32	259.35

## Soundness of Assets (non-consolidated)

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

(Billions of yen)

	June 30, 2017 (B)	June 30, 2018 (A)	(A)–(B)
Bankrupt or De facto Bankrupt	8	6	△2
Doubtful	53	49	△4
Special Attention	1	1	0
Subtotal (C)	63	57	△6
Normal assets	2,354	2,453	99
Total (D)	2,417	2,511	94

(C) / (D) (%)	2.63	2.30	△0.33
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Disclosed Assets Based on the Financial Reconstruction Law (After partial direct write-off)

(Billions of yen)

	June 30, 2017 (B)	June 30, 2018(A)	(A)–(B)
Bankrupt or De facto Bankrupt	7	5	△2
Doubtful	53	49	△4
Special Attention	1	1	0
Subtotal (C)	62	56	△6
Normal assets	2,354	2,453	99
Total (D)	2,416	2,510	94

(C) / (D) (%)	2.57	2.25	△0.32
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