

Financial Highlights
For the Year Ended March 31, 2018

(April 1, 2017 through March 31, 2018)



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 March 31, 2018
Assets		
Cash and due from banks	748,544	1,094,772
Call loans and bills bought	30,000	54,561
Monetary claims bought	3,714	3,637
Trading account securities	156	167
Money held in trust	13,531	13,531
Securities	1,104,367	1,060,597
Loans and bills discounted	2,315,444	2,402,114
Foreign exchanges	11,323	11,963
Lease receivables and investment in leased assets	25,160	29,602
Other assets	47,438	77,464
Tangible fixed assets	35,223	34,155
Intangible fixed assets	8,315	9,385
Deferred tax assets	202	168
Customers' liabilities for acceptances and guarantees	16,397	17,544
Reserve for possible loan losses	△39,456	△36,774
Total assets	4,320,364	4,772,893

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Deposits	3,185,984	3,362,662
Negotiable certificates of deposit	108,046	76,821
Call money and bills sold	293,334	696,969
Payables under repurchase agreements	—	93,828
Guarantee deposit under securities lending transactions	359,851	197,918
Borrowed money	5,519	3,977
Foreign exchanges	5	7
Other liabilities	72,758	21,353
Reserve for bonuses	814	806
Net defined benefit liability	16,054	15,239
Reserve for directors' retirement benefits	55	26
Reserve for management board incentive plan trust	—	453
Reserve for reimbursement of deposits	254	263
Reserve for loss on interest repayment	65	59
Reserve for customer service points	218	139
Deferred tax liabilities	6,824	14,320
Deferred tax liability arising from revaluation of land	1,819	1,724
Acceptances and guarantees	16,397	17,544
Total liabilities	4,068,006	4,504,115
Net Assets		
Common stock	26,673	26,673
Capital surplus	12,745	12,854
Retained earnings	159,480	167,344
Treasury shares	△193	△5,138
Total shareholders' equity	198,706	201,734
Net unrealized gains on available-for-sale securities	46,953	60,762
Net deferred gains or losses on hedging instruments	△25	△2
Land revaluation surplus	2,589	2,371
Remeasurements of defined benefit plans	△4,580	△3,745
Total accumulated other comprehensive income	44,936	59,386
Subscription rights to shares	326	—
Non-controlling interests	8,389	7,656
Total net assets	252,358	268,777
Total liabilities and net assets	4,320,364	4,772,893

Consolidated Statements of Income

(Millions of yen)

	For the year ended March 31, 2017	For the year ended March 31, 2018
Ordinary income	67,413	68,633
Interest income	40,565	42,327
Interest on loans and discounts	28,254	26,701
Interest and dividends on securities	11,897	15,033
Fees and commissions	9,272	9,513
Other operating income	14,472	12,356
Other income	3,102	4,436
Ordinary expenses	51,545	52,266
Interest expense	1,982	3,004
Interest on deposits	559	393
Fees and commissions	2,924	2,969
Other operating expenses	13,143	12,206
General and administrative expenses	31,373	30,901
Other expenses	2,121	3,185
Ordinary profit	15,867	16,367
Extraordinary income	30	275
Extraordinary losses	363	904
Income before income taxes	15,534	15,738
Income taxes	4,160	5,129
Current	2,791	4,390
Deferred	1,369	738
Profits	11,374	10,608
Profits attributable to non-controlling interests	522	445
Profit attributable to owners of parent	10,851	10,163

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2017	For the year ended March 31, 2018
Profit	11,374	10,608
Other comprehensive income	9,143	15,019
Net unrealized gains on available-for-sale securities	7,945	14,159
Net deferred gains or losses on hedging instruments	155	23
Remeasurements of defined benefit plans	1,042	835
Comprehensive income	20,517	25,628
Owners of the parent	19,567	24,831
Non-controlling interests	950	796

Financial Highlights (consolidated)

Consolidated Operating Results

(Millions of yen)

	For the year ended March 31, 2017 (B)	For the year ended March 31, 2018 (A)	(A)–(B)
Ordinary income	67,413	68,633	1,220
Ordinary profit	15,867	16,367	499
Profits attributable to owners of parent	10,851	10,163	△687
Earnings per share-basic(yen)	362.47	346.38	△16.09
Earnings per share-diluted(yen)	361.32	—	—

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 March 31, 2018 (A)	(A)–(B)
Net assets(except for subscription right to share and non-controlling interests)ratio	5.6	5.4	△0.2

Projections for the year ending March 31, 2019

(Millions of yen)

	For the year ended March 31, 2018	For the year ending March 31, 2019
Ordinary profit	16,367	12,500
Profits attributable to owners of parent	10,163	7,500
Earnings per share-basic(yen)	346.38	259.35

Securities (consolidated)

Unrealized gains and losses of available-for-sale securities (consolidated)

(Billions of yen)

	As of March 31, 2017				
	Fair value	Acquisition cost	Difference		
				gains	losses
Total	1,100	1,033	67	76	9
Stock	153	89	63	65	1
Debt securities	650	644	6	8	1
Others	296	299	△3	2	5

	As of March 31, 2018				
	Fair value	Acquisition cost	Difference		
				gains	losses
Total	1,056	968	87	99	11
Stock	179	89	90	92	2
Debt securities	623	618	4	5	0
Others	253	260	△6	2	8

Soundness of Assets (non-consolidated)

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

(Billions of yen)

	As of March 31, 2017 (B)	As of March 31, 2018 (A)	(A)–(B)
Bankrupt or De facto Bankrupt	10	5	△5
Doubtful	54	50	△4
Special Attention	1	1	0
Subtotal (C)	66	57	△9
Normal assets	2,326	2,430	104
Total (D)	2,392	2,488	96

(C) / (D) (%)	2.76	2.32	△0.44
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Disclosed Assets Based on the Financial Reconstruction Law (After partial direct write-off)

(Billions of yen)

	As of March 31, 2017 (B)	As of March 31, 2018 (A)	(A)–(B)
Bankrupt or De facto Bankrupt	8	4	△4
Doubtful	54	50	△4
Special Attention	1	1	0
Subtotal (C)	63	56	△7
Normal assets	2,326	2,430	104
Total (D)	2,390	2,486	96

(C) / (D) (%)	2.67	2.26	△0.41
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