

Financial Highlights
For the Second Quarter of FY 2018

(April 1, 2018 through September 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	September 30, 2018
Assets:		
Cash and due from banks	1,094,772	1,103,332
Call loans and bills bought	54,561	—
Monetary claims bought	3,637	3,648
Trading account securities	167	84
Money held in trusts	13,531	13,609
Securities	1,060,597	1,104,885
Loans and bills discounted	2,402,114	2,457,738
Foreign exchanges	11,963	11,617
Lease receivables and investment in leased assets	29,602	32,076
Other assets	77,464	67,220
Tangible fixed assets	34,155	33,801
Intangible fixed assets	9,385	9,744
Deferred tax assets	168	151
Customers' liabilities for acceptances and guarantees	17,544	17,068
Reserve for possible loan losses	△36,774	△37,072
Total assets	4,772,893	4,817,906

(Millions of yen)

	March 31, 2018	September 30, 2018
Liabilities:		
Deposits	3,362,662	3,389,850
Negotiable certificates of deposit	76,821	104,341
Call money and bills sold	696,969	698,951
Payables under repurchase agreements	93,828	114,252
Guarantee deposit under securities lending transactions	197,918	151,529
Borrowed money	3,977	3,161
Foreign exchanges	7	7
Other liabilities	21,353	26,144
Reserve for bonuses	806	804
Net defined benefit liability	15,239	14,713
Reserve for directors' retirement benefits	26	26
Reserve for management board incentive plan trust	453	491
Reserve for reimbursement of deposits	263	251
Reserve for loss on interest repayment	59	38
Reserve for customer service points	139	114
Deferred tax liabilities	14,320	16,503
Deferred tax liability arising from revaluation of land	1,724	1,724
Acceptances and guarantees	17,544	17,068
Total liabilities	4,504,115	4,539,976
Net Assets:		
Common stock	26,673	26,673
Capital surplus	12,854	12,854
Retained earnings	167,344	171,703
Treasury shares	△5,138	△5,141
Total shareholders' equity	201,734	206,090
Net unrealized gains on available-for-sale securities	60,762	64,810
Net deferred gains or losses on hedging instruments	△2	△1
Land revaluation surplus	2,371	2,371
Remeasurements of defined benefit plans	△3,745	△3,317
Total accumulated other comprehensive income	59,386	63,862
Non-controlling interests	7,656	7,976
Total net assets	268,777	277,930
Total liabilities and net assets	4,772,893	4,817,906

Consolidated Statements of Income

(Millions of yen)

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
Ordinary income	35,497	34,544
Interest income	21,301	20,640
Interest on loans and discounts	13,432	13,101
Interest and dividends on securities	7,631	7,206
Fees and commissions	4,792	4,997
Other operating income	6,636	6,335
Other income	2,767	2,569
Ordinary expenses	24,782	25,455
Interest expense	1,291	1,993
Interest on deposits	211	189
Fees and commissions	1,449	1,570
Other operating expenses	5,459	5,013
General and administrative expenses	15,277	15,236
Other expenses	1,304	1,642
Ordinary profit	10,715	9,088
Extraordinary income	275	0
Extraordinary losses	681	85
Profit before income taxes	10,309	9,003
Income taxes	2,928	2,956
Current	3,141	2,781
Deferred	△212	174
Profit	7,381	6,047
Profit attributable to non-controlling interests	273	232
Profit attributable to owners of parent	7,107	5,814

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six Months Ended September 30, 2017	Six Months Ended September 30, 2018
Profit	7,381	6,047
Other comprehensive income	10,733	4,569
Net unrealized gains on available-for-sale securities	10,200	4,141
Net deferred gains or losses on hedging instruments	25	0
Remeasurements of defined benefit plans	506	428
Comprehensive income	18,114	10,617
Owners of the parent	17,618	10,290
Non-controlling interests	496	326

Financial Highlights (consolidated)

Consolidated Operating Results

(Millions of yen)

	Six Months ended September 30, 2017 (B)	Six Months ended September 30, 2018 (A)	(A)–(B)
Ordinary income	35,497	34,544	△953
Ordinary profit	10,715	9,088	△1,627
Profits attributable to owners of parent	7,107	5,814	△1,293
Earnings per share-basic(yen)	238.81	201.08	△37.73
Earnings per share-diluted(yen)	—	—	—

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.

(%)

	March 31, 2018 (B)	September 30, 2018 (A)	(A)–(B)
Net assets ratio	5.4	5.6	0.2

Note: Net assets ratio=(Total Net Assets—Non-controlling Interests)/Total Assets

Forecasts for the year ending March 31, 2019

(Millions of yen)

	Year ending March 31, 2019
Ordinary profit	13,500
Profits attributable to owners of parent	8,500
Earnings per share-basic(yen)	293.93

Note: Revision of earnings forecasts from the latest announcement: Yes

Soundness of Assets (non-consolidated)

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

(Billions of yen)

	September 30, 2017 (B)	September 30, 2018(A)	(A)–(B)
Bankrupt or De facto Bankrupt	8	7	△1
Doubtful	51	48	△3
Special Attention	1	1	0
Subtotal (C)	61	57	△4
Normal assets	2,386	2,484	98
Total (D)	2,447	2,541	94

(C) / (D) (%)	2.51	2.25	△0.26
---------------	------	------	-------

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

(Billions of yen)

	September 30, 2017 (B)	September 30, 2018(A)	(A)–(B)
Bankrupt or De facto Bankrupt	6	6	0
Doubtful	51	48	△3
Special Attention	1	1	0
Subtotal (C)	59	55	△4
Normal assets	2,386	2,484	98
Total (D)	2,446	2,540	94

(C) / (D) (%)	2.45	2.20	△0.25
---------------	------	------	-------