

Affirmed A-/Stable and BBB+ rating on Kita-Nippon Bank

September 6, 2010

JCR has affirmed the A-/Stable, the BBB+ and the preliminary A- rating on senior debts, subordinated bonds and the shelf registration of the issuer, respectively.

<Rationale>

The Kita-Nippon Bank, Ltd. is a second regional bank headquartered in Morioka City in Iwate Prefecture. Its funds total 1.1 trillion yen. The Bank's market share in terms of deposits and loans (excluding Japan Post Bank Co., Ltd.) has been approximately 20 percent and maintains stable presence in the prefecture. Medium- and long-term approaches are necessary for the Bank to raise its core net business income. JCR will watch whether or not it can increase its profit level by continuing its measures such as enhancement of fees and commissions, increase in the balance of loans and the strengthening control over the interest margin. On the other hand, the Bank ensures good capital adequacy commensurate with the rating level and retains a good financial base as indicated by improving NPL ratio. Thus, JCR affirmed both the rating and the rating outlook for the Bank.

Issuer: The Kita-Nippon Bank, Ltd. (8551)

Senior debts: A-/Stable

Issue	Amount(bn)	Issue Date	Due Date	Coupon	Rating
subordinated callable bonds no.2	Y3	June 9, 2010	June 9, 2020	*	BBB+

\*2.20% per annum till June 9, 2015. It will switch to 6M Euroyen LIBOR + 2.97% after that date.

Shelf Registration: preliminary A-

Maximum: Y10 billion

Valid: two years effective from May 11, 2010