



Deposit Insurance Corporation of Japan

9th Fl., Shin Yurakucho Bldg.
12-1, 1 cho-me, Chioda-ku, Tokyo 100-0006
(Website: <http://www.dic.go.jp>)

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MOUs for Business Transfer of the Ishikawa Bank Signed

Today, the memorandums of understandings for the business transfer of the Ishikawa Bank were signed among the Ishikawa Bank, the Bridge Bank of Japan (BBJ) and five assuming financial institutions: the Hokuriku Bank, the Hokkoku Bank, the First Bank of Toyama, the Kanazawa Shinkin Bank and the Noto Shinkin Bank.

The Ishikawa Bank signed business transfer agreement with the BBJ on March 28, 2002. The DICJ, as a financial administrator, has been looking for assuming banks for the Ishikawa Bank in cooperation with other two financial administrators: Mr. Hiroyuki Nakayama, attorney at law, and Mr. Shigezo Katsuki, CPA.

The DICJ will continue to work closely with two financial administrators and the BBJ toward the final agreement of the business transfer as soon as possible.

For further inquiries, please send e-mail to inter-info@dic.go.jp.

1. Process to select assuming banks

- Dec, 28 2001 The Ishikawa Bank was ordered to be placed under management. Financial administrators for the Bank were appointed.
- March 28, 2002 Financial Administrators contacted with broad ranges of prospect assuming institutions mainly in the same region.
- March 28, 2002 Business Transfer Agreement signed between the Ishikawa Bank and the Bridge Bank of Japan.
- July Financial Administrators contacted with financial institutions likely to be assuming institutions.
- Sep. Secrecy Agreement was signed with the institutions which showed interest and detailed information was provided.
- Nov. The prospect transferees conducted due diligence
- November 15 The Hokuriku Bank, the Hokkoku Bank, the First Bank of Toyama, the Kanazawa Shinkin Bank and the Noto Shinkin Bank were approved as assuming institutions. The memorandums of understandings for the business transfer were signed among the assuming institutions, the Bridge Bank of Japan and the Ishikawa Bank.

2. To decide assuming banks

- (1) Protection of the depositors and debtors in good faith and sound finance
- (2) Contribution to maintain the financial stability and financial system in Ishikawa and other areas where the Bank operates its business
- (3) Making decision of transferees mainly among financial institutions in the region to facilitate regional financial service

3. Outlines of MOUs

- (1) Final agreement for business transfer may be signed by the end of December 2002.
- (2) The date of business transfer shall be decided upon discussion.
- (3) The business transfer date between the Ishikawa Bank and the Bridge Bank of Japan, and between the Bridge Bank of Japan and five assuming institutions shall be the same.
- (4) The Hokuriku Bank shall assume head office and 41 branches, the Hokkoku Bank 4 branches, the First Bank of Toyama 2 branches, the Kanazawa Shinkin Bank 11 branches and the Noto Shinkin Bank 6 branches.
- (5) Three assuming institutions shall acquire the assets transferred from the Ishikawa Bank to the Bridge Bank of Japan.
- (6) The transfer cost of the assets shall be decided upon discussion.
- (7) All of financial obligations such as deposits and related operations shall be succeeded.
- (8) Other details shall be decided upon discussion among five assuming institutions, the Bridge Bank of Japan and the Ishikawa Bank.

4. Schedule for final agreement for business transfer

Five assuming institutions, the Bridge Bank of Japan and the Ishikawa Bank shall make best effort to sign final agreement for business transfer by the end of December 2002.