

Financial Summary

Third Quarter (Nine Months) ended December 31, 2020



February 8, 2021
North Pacific Bank, Ltd.

Tokyo Stock Exchange First Section, Sapporo Securities Exchange: 8524

I. Financial Statements

1. Consolidated Balance Sheets

(¥ millions)

		As of Mar. 31, 2020	As of Dec. 31, 2020
Assets	資産の部		
Cash and due from banks	現金預け金	1,652,447	2,457,285
Call loans and bills bought	コールローン及び買入手形	1,101	20,589
Monetary claims bought	買入金銭債権	13,775	14,496
Trading account securities	商品有価証券	4,275	3,968
Securities	有価証券	1,297,414	1,440,338
Loans and bills discounted	貸出金	6,659,161	7,249,739
Foreign exchanges	外国為替	7,682	8,428
Lease receivables and investment assets	リース債権及びリース投資資産	53,128	53,225
Other assets	その他資産	193,230	190,130
Property, plant and equipment	有形固定資産	80,924	78,557
Intangible assets	無形固定資産	6,490	5,535
Deferred tax assets	繰延税金資産	723	572
Customers' liabilities for acceptances and guarantees	支払承諾見返	50,290	57,830
Allowance for loan losses	貸倒引当金	(32,604)	(36,626)
Total assets	資産の部合計	9,988,041	11,544,071
Liabilities	負債の部		
Deposits	預金	8,855,838	9,459,223
Negotiable certificates of deposit	譲渡性預金	75,996	324,061
Payables under repurchase agreements	売現先約定	3,875	12,253
Payables under securities lending transactions	債券貸借取引受入担保金	1,136	124,907
Borrowed money	借入金	484,200	1,029,536
Foreign exchanges	外国為替	142	98
Other liabilities	その他負債	81,105	61,485
Provision for bonuses	賞与引当金	1,604	420
Provision for share-based remuneration	株式給付引当金	93	145
Net defined benefit liability	退職給付に係る負債	636	482
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	2,330	1,997
Provision for point card certificates	ポイント引当金	450	672
Reserves under special laws	特別法上の引当金	19	19
Deferred tax liabilities	繰延税金負債	18,655	29,660
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	2,188	2,159
Acceptances and guarantees	支払承諾	50,290	57,830
Total liabilities	負債の部合計	9,578,564	11,104,953
Net assets	純資産の部		
Capital stock	資本金	121,101	121,101
Capital surplus	資本剰余金	74,741	74,741
Retained earnings	利益剰余金	148,186	153,309
Treasury shares	自己株式	(2,927)	(3,153)
Total shareholders' equity	株主資本合計	341,101	345,998
Valuation difference on available-for-sale securities	その他有価証券評価差額金	60,515	84,205
Revaluation reserve for land	土地再評価差額金	4,395	4,343
Remeasurements of defined benefit plans	退職給付に係る調整累計額	(291)	(72)
Total accumulated other comprehensive income	その他の包括利益累計額合計	64,619	88,475
Share acquisition rights	新株予約権	84	84
Non-controlling interests	非支配株主持分	3,672	4,559
Total net assets	純資産の部合計	409,476	439,118
Total liabilities and net assets	負債及び純資産の部合計	9,988,041	11,544,071

2. Consolidated Statements of Income and Comprehensive Income

(1) Consolidated Statements of Income

(¥ millions)

		Nine months ended Dec. 31,	
		2019	2020
Ordinary income	経常収益	101,732	102,867
Interest income	資金運用収益	51,150	50,428
Of which, interest on loans and discounts	うち貸出金利息	43,519	43,659
Of which, interest and dividends on securities	うち有価証券利息配当金	7,164	6,159
Fees and commissions	役務取引等収益	22,034	20,914
Other ordinary income	その他業務収益	24,859	24,478
Other income	その他経常収益	3,688	7,046
Ordinary expenses	経常費用	90,657	89,017
Interest expenses	資金調達費用	1,562	1,451
Of which, interest on deposits	うち預金利息	275	187
Fees and commissions payments	役務取引等費用	9,018	9,249
Other ordinary expenses	その他業務費用	19,955	21,230
General and administrative expenses	営業経費	53,488	51,534
Other expenses	その他経常費用	6,632	5,551
Ordinary profit	経常利益	11,074	13,850
Extraordinary income	特別利益	1,447	39
Gain on disposal of non-current assets	固定資産処分益	1,447	37
Gain on bargain purchase	負ののれん発生益	—	2
Extraordinary losses	特別損失	438	775
Loss on disposal of non-current assets	固定資産処分損	136	298
Impairment loss	減損損失	301	475
Loss on step acquisitions	段階取得に係る差損	—	1
Profit before income taxes	税金等調整前四半期純利益	12,083	13,114
Income taxes – current	法人税、住民税及び事業税	4,851	3,622
Income taxes – deferred	法人税等調整額	(65)	274
Total income taxes	法人税等合計	4,785	3,896
Profit	四半期純利益	7,297	9,217
Profit attributable to non-controlling interests	非支配株主に帰属する四半期純利益	181	293
Profit attributable to owners of parent	親会社株主に帰属する四半期純利益	7,115	8,924

(2) Consolidated Statements of Comprehensive Income

(¥ millions)

		Nine months ended Dec. 31,	
		2019	2020
Profit	四半期純利益	7,297	9,217
Other comprehensive income	その他の包括利益	14,309	24,505
Valuation difference on available-for-sale securities	その他有価証券評価差額金	14,214	24,286
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	95	218
Comprehensive income	四半期包括利益	21,606	33,723
Comprehensive income attributable to owners of parent	親会社株主に係る四半期包括利益	20,977	32,832
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	629	890

II . Digest of financial results for Nine months ended December 31, 2020

1. Summary (Non-Consolidated)

	Nine months ended Dec.31,		Increase/ (Decrease)	(¥ millions)
	2019	2020		Fiscal year ending Mar.31, 2021 (Forecasts)
Ordinary income	80,024	79,529	(495)	98,700
Core gross profit	61,858	60,228	(1,630)	79,300
Net interest income	50,171	49,701	(470)	
Net fees and commissions	9,850	9,073	(777)	
Net other operating income (excluding gains (losses) on bonds)	1,836	1,454	(382)	
Expenses (excluding non-recurring losses)	51,042	48,887	(2,155)	67,100
Core operating profit	10,815	11,341	526	12,100
Excluding gains (losses) on cancellation of investment trusts	10,795	11,341	546	
Credit cost	551	4,783	4,232	3,000
Gains (losses) on securities	(904)	5,443	6,347	
Bonds, etc	1,679	(96)	(1,775)	
Stocks, etc	(2,583)	5,539	8,122	
Net other non-recurring income (loss)	1,628	863	(765)	
Ordinary profit	10,987	12,865	1,878	12,600
Extraordinary income (losses)	1,009	(734)	(1,743)	
Income before income taxes	11,997	12,130	133	
Income taxes	4,366	3,473	(893)	
Net income	7,631	8,657	1,026	8,500
Net operating profit	12,495	11,245	(1,250)	

Core gross profit = Net interest income + Net fees and commissions + Net other operating income(excluding gains (losses) on bonds)

Core operating profit = Core gross profit - Expenses(excluding non-recurring losses)

Net operating profit = Core operating profit + Gains (losses) on bonds

2. Deposits and NCDs (Non-Consolidated)

【Average Balance】

(¥ billions)

	Nine months ended Dec.31,		Increase/ (Decrease)	Six months ended Sep. 30,2020 (B)	(A)－(B)
	2019	2020(A)			
Deposits and NCDs	8,780.1	9,592.2	812.1	9,481.0	111.2
Corporate	2,419.7	2,731.4	311.7	2,685.6	45.8
Individual	5,739.1	6,087.1	348.0	6,038.7	48.3
Public sectors and financial institutions	621.3	773.6	152.3	756.5	17.1

【Outstanding Balance】

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2020 (B)	(A)－(B)
	2019	2020(A)			
Deposits and NCDs	8,882.2	9,801.4	919.1	9,764.0	37.4
Deposit assets	248.8	234.4	(14.4)	233.3	1.1
Safe custody of public bonds	102.9	100.2	(2.6)	99.3	0.8
Investment trusts	145.9	134.1	(11.7)	133.9	0.2
Total	9,131.1	10,035.8	904.6	9,997.3	38.5

<Reference>

Individual annuity insurance, etc.	717.1	741.6	24.4	736.6	5.0
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Individual annuity insurance, etc. sales reflect cumulative sales amounts.

3. Loans and bills discounted (Non-Consolidated)

【Average Balance】

(¥ billions)

	Nine months ended Dec.31,		Increase/ (Decrease)	Six months ended Sep. 30,2020 (B)	(A)－(B)
	2019	2020(A)			
Loans and bills discounted	6,625.9	7,048.9	423.0	6,957.5	91.3
Enterprises	2,705.8	2,934.3	228.4	2,879.0	55.2
Individuals	1,843.8	1,909.1	65.2	1,899.8	9.2
Public sectors	2,076.2	2,205.4	129.2	2,178.6	26.8

Public sector loans include loans to government and land development public corporations.

【Outstanding Balance】

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2020(B)	(A)－(B)
	2019	2020(A)			
SMEs, etc	3,752.7	4,078.5	325.7	3,989.9	88.5
Loans and bills discounted	6,778.0	7,311.4	533.4	7,161.6	149.7
In Hokkaido	5,428.4	5,748.3	319.9	5,653.7	94.6

4. Securities (Non-Consolidated)**【Outstanding Balance】**

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2020 (B)	(A)–(B)
	2019	2020(A)			
Securities	1,319.5	1,439.5	119.9	1,374.0	65.4

5. Unrealized Gains (Losses) on Securities (Non-Consolidated)

(¥ billions)

	As of Sep.30, 2020			As of Dec.31, 2020			
	Net (B)	Unrealized gains	Unrealized losses	Net (A)	(A)–(B)	Unrealized gains	Unrealized losses
Unrealized gains (losses) on securities	117.3	126.9	9.6	116.8	(0.4)	127.1	10.2
Stocks	115.8	115.9	0.0	115.6	(0.1)	116.3	0.7
Bonds	6.7	9.8	3.1	6.2	(0.4)	9.2	2.9
Others	(5.2)	1.2	6.4	(5.1)	0.1	1.4	6.5
Nikkei stock average (¥)				23,185			
New 10-year Japanese government bond yield (%)				0.015%			
				27,444			
				0.020%			

6. Disclosed claims under the Financial Reconstruction Law (Non-Consolidated)

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2020(B)	(A)–(B)
	2019	2020(A)			
Bankrupt and quasi-bankrupt claims	25.4	28.7	3.2	24.0	4.6
Doubtful claims	33.1	31.1	(1.9)	35.1	(3.9)
Substandard claims	9.9	11.6	1.6	13.3	(1.7)
Total (a)	68.5	71.5	2.9	72.6	(1.0)
After partial direct write-offs (b) *	54.5	55.0	0.5	59.0	(3.9)
Normal claims	6,909.3	7,437.2	527.9	7,289.0	148.2
Total claims (c)	6,977.9	7,508.8	530.8	7,361.6	147.1
After partial direct write-offs (d) *	6,963.8	7,492.3	528.5	7,348.0	144.3
< Percentage of total claims >					(%)
(a) / (c)	0.98	0.95	(0.03)	0.98	(0.03)
(b) / (d) *	0.78	0.73	(0.05)	0.80	(0.07)

*Partial direct write-offs have not been implemented.

The figures as they would appear after partial direct write-offs are shown for reference.

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