

Financial Summary

Third Quarter (Nine Months) ended December 31, 2021



February 8, 2022
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, 2021	As of Dec. 31, 2021
Assets	資産の部		
Cash and due from banks	現金預け金	2,625,082	3,803,159
Call loans and bills bought	コールローン及び買入手形	544	83
Monetary claims bought	買入金銭債権	14,224	11,795
Trading securities	商品有価証券	3,711	2,695
Securities	有価証券	1,505,246	1,370,566
Loans and bills discounted	貸出金	7,367,433	7,424,205
Foreign exchanges	外国為替	8,569	10,631
Lease receivables and investment assets	リース債権及びリース投資資産	53,166	54,697
Other assets	その他資産	178,051	198,489
Property, plant and equipment	有形固定資産	77,252	74,213
Intangible assets	無形固定資産	4,936	3,789
Net defined benefit asset	退職給付に係る資産	814	959
Deferred tax assets	繰延税金資産	290	571
Customers' liabilities for acceptances and guarantees	支払承諾見返	55,942	54,408
Allowance for loan losses	貸倒引当金	(37,704)	(38,484)
Total assets	資産の部合計	11,857,562	12,971,782
Liabilities	負債の部		
Deposits	預金	9,900,963	9,977,057
Negotiable certificates of deposit	譲渡性預金	71,077	228,694
Call money and bills sold	コールマネー及び売渡手形	—	95,000
Securities sold under repurchase agreements	売現先勘定	13,402	16,555
Cash collateral received for securities lent	債券貸借取引受入担保金	251,108	352,960
Borrowed money	借入金	1,030,491	1,711,577
Foreign exchanges	外国為替	51	110
Other liabilities	その他負債	59,699	68,262
Provision for bonuses	賞与引当金	1,670	400
Provision for share awards	株式給付引当金	164	142
Net defined benefit liability	退職給付に係る負債	548	511
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,889	1,671
Provision for point card certificates	ポイント引当金	460	341
Reserves under special laws	特別法上の引当金	19	19
Deferred tax liabilities	繰延税金負債	27,404	24,559
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	2,030	1,907
Acceptances and guarantees	支払承諾	55,942	54,408
Total liabilities	負債の部合計	11,416,926	12,534,178
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	74,750
Retained earnings	利益剰余金	154,102	160,989
Treasury shares	自己株式	(3,153)	(3,053)
Total shareholders' equity	株主資本合計	346,792	353,787
Valuation difference on available-for-sale securities	その他有価証券評価差額金	84,491	75,606
Revaluation reserve for land	土地再評価差額金	4,048	3,767
Remeasurements of defined benefit plans	退職給付に係る調整累計額	639	159
Total accumulated other comprehensive income	その他の包括利益累計額合計	89,179	79,533
Share acquisition rights	新株予約権	84	37
Non-controlling interests	非支配株主持分	4,580	4,244
Total net assets	純資産の部合計	440,636	437,603
Total liabilities and net assets	負債及び純資産の部合計	11,857,562	12,971,782

・ In accordance with the change in accounting policy, some of the figures for the previous consolidated fiscal year do not match those already disclosed.

2. Consolidated Statements of Income and Comprehensive Income

(1) Consolidated Statements of Income

(¥ millions)

		Nine months ended Dec. 31,	
		2020	2021
Ordinary income	経常収益	97,406	93,520
Interest income	資金運用収益	50,428	51,702
Of which, interest on loans and discounts	うち貸出金利息	43,659	43,342
Of which, interest and dividends on securities	うち有価証券利息配当金	6,159	6,329
Fees and commissions	役務取引等収益	20,914	21,093
Other ordinary income	その他業務収益	19,016	18,528
Other income	その他経常収益	7,046	2,195
Ordinary expenses	経常費用	83,556	76,967
Interest expenses	資金調達費用	1,451	663
Of which, interest on deposits	うち預金利息	187	104
Fees and commissions payments	役務取引等費用	9,249	9,395
Other ordinary expenses	その他業務費用	15,769	15,439
General and administrative expenses	営業経費	51,534	48,245
Other expenses	その他経常費用	5,551	3,223
Ordinary profit	経常利益	13,850	16,552
Extraordinary income	特別利益	39	162
Gain on disposal of non-current assets	固定資産処分益	37	131
Gain on bargain purchase	負ののれん発生益	2	—
Other	その他の特別利益	—	31
Extraordinary losses	特別損失	775	780
Loss on disposal of non-current assets	固定資産処分損	298	466
Impairment losses	減損損失	475	304
Loss on step acquisitions	段階取得に係る差損	1	—
Other	その他の特別損失	—	9
Profit before income taxes	税金等調整前四半期純利益	13,114	15,935
Income taxes – current	法人税、住民税及び事業税	3,622	4,215
Income taxes – deferred	法人税等調整額	274	931
Total income taxes	法人税等合計	3,896	5,147
Profit	四半期純利益	9,217	10,787
Profit (loss) attributable to non-controlling interests	非支配株主に帰属する四半期純利益又は 非支配株主に帰属する四半期純損失(△)	293	(51)
Profit attributable to owners of parent	親会社株主に帰属する四半期純利益	8,924	10,839

・ In accordance with the change in accounting policy, some of the figures for the previous consolidated fiscal year do not match those already disclosed.

(2) Consolidated Statements of Comprehensive Income

(¥ millions)

		Nine months ended Dec. 31,	
		2020	2021
Profit	四半期純利益	9,217	10,787
Other comprehensive income	その他の包括利益	24,505	(9,637)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	24,286	(9,158)
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	218	(479)
Comprehensive income	四半期包括利益	33,723	1,150
Comprehensive income attributable to owners of parent	親会社株主に係る四半期包括利益	32,832	1,475
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	890	(324)

II . Digest of financial results for Nine months ended December 31, 2021

1. Summary (Non-Consolidated)

	Nine months ended Dec.31,		Increase/ (Decrease)	(¥ millions)
	2020	2021		Fiscal year ending Mar.31, 2022 (Forecasts)
Ordinary income	79,529	76,208	(3,321)	98,700
Core gross profit	60,228	62,541	2,313	82,600
Net interest income	49,701	52,579	2,878	
Net fees and commissions	9,073	8,615	(458)	
Net other operating income (excluding gains (losses) on bonds)	1,454	1,346	(108)	
Expenses (excluding non-recurring losses)	48,887	46,363	(2,524)	62,500
Core operating profit	11,341	16,177	4,836	20,100
Excluding gains (losses) on cancellation of investment trusts	11,341	16,177	4,836	
Credit cost	4,783	2,061	(2,722)	5,000
Gains (losses) on securities	5,443	220	(5,223)	
Bonds, etc	(96)	(440)	(344)	
Stocks, etc	5,539	660	(4,879)	
Net other non-recurring income (loss)	863	1,625	762	
Ordinary profit	12,865	15,962	3,097	17,300
Extraordinary income (losses)	(734)	(639)	95	
Income before income taxes	12,130	15,322	3,192	
Income taxes	3,473	4,613	1,140	
Net income	8,657	10,709	2,052	11,800
Net operating profit	11,245	15,737	4,492	
Operating profit	9,504	16,254	6,750	

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)

2. Deposits and NCDs (Non-Consolidated)

【Average Balance】

(¥ billions)

	Nine months ended Dec.31,		Increase/ (Decrease)	Six months ended Sep. 30,2021 (B)	(A)－(B)
	2020	2021(A)			
Deposits and NCDs	9,592.2	10,143.9	551.6	10,149.6	(5.7)
Corporate	2,731.4	3,052.8	321.3	3,083.4	(30.6)
Individual	6,087.1	6,421.5	334.4	6,389.7	31.8
Public sectors and financial institutions	773.6	669.5	(104.1)	676.4	(6.9)

【Outstanding Balance】

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2021 (B)	(A)－(B)
	2020	2021(A)			
Deposits and NCDs	9,801.4	10,223.9	422.5	10,023.7	200.2
Deposit assets	234.4	259.0	24.5	252.7	6.2
Safe custody of public bonds	100.2	103.0	2.7	102.5	0.4
Investment trusts	134.1	155.9	21.7	150.2	5.7
Total	10,035.8	10,483.0	447.1	10,276.5	206.4

<Reference>

Individual annuity insurance, etc.	741.6	772.7	31.0	764.6	8.1
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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. 30,2021 (B)	(A)－(B)
	2020	2021(A)			
Loans and bills discounted	7,048.9	7,482.2	433.3	7,482.9	(0.6)
Enterprises	2,934.3	3,065.4	131.0	3,053.0	12.3
Individuals	1,909.1	1,984.1	75.0	1,974.3	9.7
Public sectors	2,205.4	2,432.7	227.2	2,455.5	(22.7)

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, 2021 (B)	(A)－(B)
	2020	2021(A)			
SMEs, etc	4,078.5	4,176.5	98.0	4,092.4	84.1
Loans and bills discounted	7,311.4	7,486.8	175.3	7,406.1	80.6
In Hokkaido	5,748.3	5,840.7	92.3	5,824.1	16.6

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

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2021 (B)	(A)–(B)
	2020	2021(A)			
Securities	1,439.5	1,370.7	(68.7)	1,414.0	(43.2)

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

(¥ billions)

	As of Sep.30, 2021			As of Dec.31, 2021			
	Net (B)	Unrealized gains	Unrealized losses	Net (A)	(A)–(B)	Unrealized gains	Unrealized losses
Unrealized gains (losses) on securities	130.9	136.0	5.0	104.7	(26.2)	111.2	6.5
Stocks	125.5	125.7	0.1	101.4	(24.1)	101.6	0.2
Bonds	4.4	7.4	3.0	2.9	(1.5)	7.0	4.0
Others	0.9	2.8	1.8	0.4	(0.5)	2.5	2.1
Nikkei stock average (¥)				29,452			
New 10-year Japanese government bond yield (%)				0.065%			
				28,791			
				0.070%			

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

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2021(B)	(A)–(B)
	2020	2021(A)			
Bankrupt and quasi-bankrupt claims	28.7	27.9	(0.7)	27.1	0.7
Doubtful claims	31.1	34.6	3.4	35.6	(1.0)
Substandard claims	11.6	12.1	0.5	12.6	(0.5)
Total (a)	71.5	74.7	3.2	75.5	(0.7)
After partial direct write-offs (b) *	55.0	59.7	4.6	60.8	(1.0)
Normal claims	7,437.2	7,589.8	152.5	7,512.3	77.5
Total claims (c)	7,508.8	7,664.6	155.8	7,587.8	76.7
After partial direct write-offs (d) *	7,492.3	7,649.6	157.2	7,573.1	76.4
< Percentage of total claims >					(%)
(a) / (c)	0.95	0.97	0.02	0.99	(0.02)
(b) / (d) *	0.73	0.78	0.05	0.80	(0.02)

*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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