

Financial Summary

First Quarter (Three Months) ended June 30, 2022



August 5, 2022
North Pacific Bank, Ltd.

Tokyo Stock Exchange Prime Market, Sapporo Securities Exchange: 8524

I. Financial Statements

1. Consolidated Balance Sheets

(¥ millions)

		As of Mar. 31, 2022	As of Jun. 30, 2022
Assets	資産の部		
Cash and due from banks	現金預け金	4,338,005	4,049,835
Call loans and bills bought	コールローン及び買入手形	183	281
Monetary claims bought	買入金銭債権	11,853	8,355
Trading securities	商品有価証券	2,576	2,490
Securities	有価証券	1,483,991	1,529,248
Loans and bills discounted	貸出金	7,361,881	7,525,480
Foreign exchanges	外国為替	12,390	6,401
Lease receivables and investment assets	リース債権及びリース投資資産	55,355	55,363
Other assets	その他資産	183,752	200,024
Property, plant and equipment	有形固定資産	73,541	73,126
Intangible assets	無形固定資産	3,390	3,024
Net defined benefit asset	退職給付に係る資産	1,057	1,107
Deferred tax assets	繰延税金資産	812	794
Customers' liabilities for acceptances and guarantees	支払承諾見返	53,468	66,942
Allowance for loan losses	貸倒引当金	(38,438)	(39,977)
Total assets	資産の部合計	13,543,823	13,482,500
Liabilities	負債の部		
Deposits	預金	10,563,784	10,323,957
Negotiable certificates of deposit	譲渡性預金	99,451	297,350
Call money and bills sold	コールマネー及び売渡手形	—	70,000
Securities sold under repurchase agreements	売現先勘定	14,473	16,528
Cash collateral received for securities lent	債券貸借取引受入担保金	303,985	441,434
Borrowed money	借入金	2,003,407	1,777,051
Foreign exchanges	外国為替	163	98
Other liabilities	その他負債	61,502	68,820
Provision for bonuses	賞与引当金	1,588	385
Provision for share awards	株式給付引当金	156	143
Net defined benefit liability	退職給付に係る負債	961	946
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,604	1,485
Provision for point card certificates	ポイント引当金	334	392
Reserves under special laws	特別法上の引当金	19	19
Deferred tax liabilities	繰延税金負債	15,992	9,032
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	1,858	1,852
Acceptances and guarantees	支払承諾	53,468	66,942
Total liabilities	負債の部合計	13,122,751	13,076,441
Net assets	純資産の部		
Capital stock	資本金	121,101	121,101
Capital surplus	資本剰余金	74,750	74,750
Retained earnings	利益剰余金	162,019	165,321
Treasury shares	自己株式	(3,053)	(3,836)
Total shareholders' equity	株主資本合計	354,817	357,336
Valuation difference on available-for-sale securities	その他有価証券評価差額金	58,284	41,487
Revaluation reserve for land	土地再評価差額金	3,654	3,640
Remeasurements of defined benefit plans	退職給付に係る調整累計額	11	8
Total accumulated other comprehensive income	その他の包括利益累計額合計	61,951	45,136
Share acquisition rights	新株予約権	37	37
Non-controlling interests	非支配株主持分	4,266	3,548
Total net assets	純資産の部合計	421,072	406,059
Total liabilities and net assets	負債及び純資産の部合計	13,543,823	13,482,500

2. Consolidated Statements of Income and Comprehensive Income

(1) Consolidated Statements of Income

(¥ millions)

		Three months ended Jun. 30,	
		2021	2022
Ordinary income	経常収益	31,351	33,768
Interest income	資金運用収益	17,290	18,120
Of which, interest on loans and discounts	うち貸出金利息	14,399	14,314
Of which, interest and dividends on securities	うち有価証券利息配当金	2,610	2,890
Fees and commissions	役務取引等収益	7,130	6,755
Other ordinary income	その他業務収益	6,195	6,522
Other income	その他経常収益	734	2,369
Ordinary expenses	経常費用	25,397	26,686
Interest expenses	資金調達費用	225	257
Of which, interest on deposits	うち預金利息	38	28
Fees and commissions payments	役務取引等費用	3,192	3,161
Other ordinary expenses	その他業務費用	5,101	5,391
General and administrative expenses	営業経費	16,352	16,064
Other expenses	その他経常費用	525	1,811
Ordinary profit	経常利益	5,953	7,082
Extraordinary income	特別利益	31	0
Gain on disposal of non-current assets	固定資産処分益	31	0
Extraordinary losses	特別損失	264	138
Loss on disposal of non-current assets	固定資産処分損	217	83
Impairment losses	減損損失	46	55
Profit before income taxes	税金等調整前四半期純利益	5,719	6,944
Income taxes – current	法人税、住民税及び事業税	1,182	1,717
Income taxes – deferred	法人税等調整額	470	546
Total income taxes	法人税等合計	1,652	2,263
Profit	四半期純利益	4,067	4,681
Profit attributable to non-controlling interests	非支配株主に帰属する四半期純利益	(285)	(554)
Profit attributable to owners of parent	親会社株主に帰属する四半期純利益	4,353	5,236

・ 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)

		Three months ended Jun. 30,	
		2021	2022
Profit	四半期純利益	4,067	4,681
Other comprehensive income	その他の包括利益	271	(16,949)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	431	(16,946)
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	(159)	(2)
Comprehensive income	四半期包括利益	4,339	(12,268)
Comprehensive income attributable to owners of parent	親会社株主に係る四半期包括利益	4,680	(11,563)
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	(341)	(704)

II . Digest of financial results for three months ended June 30, 2022

1. Summary (Non-Consolidated)

	Three months ended Jun.30,		Increase/ (Decrease)	(¥ millions)
	2021	2022		Six months ending Sep.30, 2022 (Forecasts)
Ordinary income	26,364	29,113	2,749	49,300
Core gross profit	21,790	22,994	1,204	40,800
Net interest income	18,436	19,811	1,375	
Net fees and commissions	2,965	2,593	(372)	
Net other operating income (excluding gains (losses) on bonds)	389	588	199	
Expenses (excluding non-recurring losses)	15,769	15,166	(603)	30,900
Core operating profit	6,020	7,828	1,808	9,800
Excluding gains (losses) on cancellation of investment trusts	6,020	7,828	1,808	
Credit cost	161	1,116	955	1,500
Gains (losses) on securities	117	1,814	1,697	
Bonds, etc	(14)	(100)	(86)	
Stocks, etc	132	1,915	1,783	
Net other non-recurring income (loss)	609	317	(292)	
Ordinary profit	6,587	8,843	2,256	9,000
Extraordinary income (losses)	(233)	(137)	96	
Income before income taxes	6,353	8,706	2,353	
Income taxes	1,469	2,148	679	
Net income	4,883	6,558	1,675	6,200
Net operating profit	6,006	7,728	1,722	

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)

	Three months ended Jun.30,		Increase/ (Decrease)	Year ended Mar. 31,2022 (B)	(A)–(B)
	2021	2022 (A)			
Deposits and NCDs	10,094.6	10,494.4	399.8	10,142.9	351.4
Corporate	3,131.5	3,074.2	(57.3)	3,026.5	47.6
Individual	6,344.7	6,642.3	297.5	6,459.2	183.0
Public sectors and financial institutions	618.3	777.9	159.6	657.1	120.8

【Outstanding Balance】

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2022 (B)	(A)–(B)
	2021	2022 (A)			
Deposits and NCDs	10,386.8	10,638.4	251.6	10,681.3	(42.8)
Deposit assets	252.3	248.4	(3.8)	256.3	(7.8)
Safe custody of public bonds	103.8	101.2	(2.5)	102.4	(1.1)
Investment trusts	148.5	147.2	(1.2)	153.9	(6.6)
Total	10,639.2	10,886.9	247.7	10,937.6	(50.7)

3. Loans and bills discounted (Non-Consolidated)**【Average Balance】**

(¥ billions)

	Three months ended Jun.30,		Increase/ (Decrease)	Year ended Mar. 31,2022 (B)	(A)–(B)
	2021	2022 (A)			
Loans and bills discounted	7,500.0	7,519.2	19.2	7,480.9	38.2
Enterprises	3,046.6	3,011.0	(35.6)	3,071.9	(60.9)
Individuals	1,969.0	2,044.7	75.7	1,993.0	51.7
Public sectors	2,484.3	2,463.4	(20.8)	2,415.9	47.4

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

【Outstanding Balance】

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2022 (B)	(A)–(B)
	2021	2022 (A)			
SMEs, etc	4,062.2	4,124.6	62.4	4,149.4	(24.7)
Loans and bills discounted	7,463.8	7,582.1	118.3	7,420.5	161.6
In Hokkaido	5,806.8	5,783.2	(23.5)	5,798.5	(15.2)

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

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2022 (B)	(A)–(B)
	2021	2022 (A)			
Securities	1,424.4	1,530.5	106.1	1,484.7	45.7

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

(¥ billions)

	As of Mar.31, 2022			As of Jun.30, 2022			
	Net (B)	Unrealized gains	Unrealized losses	Net (A)	(A)–(B)	Unrealized gains	Unrealized losses
Unrealized gains (losses) on securities	80.2	100.4	20.2	56.3	(23.9)	87.8	31.5
Stocks	93.0	93.2	0.2	81.5	(11.4)	81.7	0.2
Bonds	(10.3)	4.9	15.3	(20.2)	(9.8)	4.3	24.5
Others	(2.3)	2.2	4.6	(4.9)	(2.6)	1.7	6.7
Nikkei stock average (¥)			27,821		26,393		
New 10-year Japanese government bond yield (%)			0.210		0.225		

6. Claims based on the Banking Act and the Act on Emergency Measures for Revitalizing Financial Functions (Non-Consolidated)

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2022 (B)	(A)–(B)
	2021	2022 (A)			
Bankrupt and quasi-bankrupt claims	26.5	30.9	4.4	29.2	1.6
Doubtful claims	35.1	34.8	(0.2)	35.3	(0.4)
Substandard claims	10.6	13.9	3.2	14.0	(0.1)
Loans overdue for more than 3 months	0.5	0.1	(0.4)	0.3	(0.2)
Restructured loans	10.1	13.7	3.6	13.7	0.0
Total (a)	72.3	79.7	7.4	78.6	1.0
After partial direct write-offs (b) *	57.4	63.5	6.0	63.9	(0.3)
Normal claims	7,579.9	7,683.0	103.1	7,509.1	173.9
Total claims (c)	7,652.2	7,762.7	110.5	7,587.7	174.9
After partial direct write-offs (d) *	7,637.3	7,746.5	109.1	7,573.0	173.5
< Percentage of total claims >					(%)
(a) / (c)	0.94	1.02	0.08	1.03	(0.01)
(b) / (d) *	0.75	0.82	0.07	0.84	(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.

Please be cautious this report is an English translation of the Japanese original. Please refer to the Japanese version for more information.