

Financial Summary

First Quarter (Three Months) ended June 30, 2021



August 6, 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, 2021	As of Jun. 30, 2021
Assets	資産の部		
Cash and due from banks	現金預け金	2,625,082	2,841,266
Call loans and bills bought	コールローン及び買入手形	544	40,371
Monetary claims bought	買入金銭債権	14,224	8,346
Trading securities	商品有価証券	3,711	3,413
Securities	有価証券	1,505,246	1,424,891
Loans and bills discounted	貸出金	7,367,433	7,407,454
Foreign exchanges	外国為替	8,569	7,488
Lease receivables and investment assets	リース債権及びリース投資資産	53,166	53,068
Other assets	その他資産	178,695	183,930
Property, plant and equipment	有形固定資産	77,252	75,937
Intangible assets	無形固定資産	4,936	4,585
Net defined benefit asset	退職給付に係る資産	814	865
Deferred tax assets	繰延税金資産	290	316
Customers' liabilities for acceptances and guarantees	支払承諾見返	55,942	57,699
Allowance for loan losses	貸倒引当金	(37,704)	(37,687)
Total assets	資産の部合計	11,858,207	12,071,947
Liabilities	負債の部		
Deposits	預金	9,900,963	10,092,976
Negotiable certificates of deposit	譲渡性預金	71,077	275,832
Securities sold under repurchase agreements	売現先勘定	13,402	15,653
Cash collateral received for securities lent	債券貸借取引受入担保金	251,108	12,569
Borrowed money	借入金	1,030,491	1,082,253
Foreign exchanges	外国為替	51	102
Other liabilities	その他負債	60,344	58,696
Provision for bonuses	賞与引当金	1,670	410
Provision for share awards	株式給付引当金	164	148
Net defined benefit liability	退職給付に係る負債	548	498
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,889	1,819
Provision for point card certificates	ポイント引当金	460	482
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	28,093
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	2,030	1,981
Acceptances and guarantees	支払承諾	55,942	57,699
Total liabilities	負債の部合計	11,417,570	11,629,236
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	74,746
Retained earnings	利益剰余金	154,102	156,283
Treasury shares	自己株式	(3,153)	(3,100)
Total shareholders' equity	株主資本合計	346,792	349,031
Valuation difference on available-for-sale securities	その他有価証券評価差額金	84,491	84,978
Revaluation reserve for land	土地再評価差額金	4,048	3,935
Remeasurements of defined benefit plans	退職給付に係る調整累計額	639	479
Total accumulated other comprehensive income	その他の包括利益累計額合計	89,179	89,393
Share acquisition rights	新株予約権	84	56
Non-controlling interests	非支配株主持分	4,580	4,228
Total net assets	純資産の部合計	440,636	442,710
Total liabilities and net assets	負債及び純資産の部合計	11,858,207	12,071,947

2. Consolidated Statements of Income and Comprehensive Income

(1) Consolidated Statements of Income

(¥ millions)

		Three months ended Jun. 30,	
		2020	2021
Ordinary income	経常収益	35,248	33,151
Interest income	資金運用収益	16,803	17,290
Of which, interest on loans and discounts	うち貸出金利息	14,146	14,399
Of which, interest and dividends on securities	うち有価証券利息配当金	2,507	2,610
Fees and commissions	役務取引等収益	6,787	7,130
Other ordinary income	その他業務収益	8,483	7,995
Other income	その他経常収益	3,174	734
Ordinary expenses	経常費用	30,119	27,197
Interest expenses	資金調達費用	491	225
Of which, interest on deposits	うち預金利息	72	38
Fees and commissions payments	役務取引等費用	3,061	3,192
Other ordinary expenses	その他業務費用	7,795	6,901
General and administrative expenses	営業経費	17,631	16,352
Other expenses	その他経常費用	1,139	525
Ordinary profit	経常利益	5,129	5,953
Extraordinary income	特別利益	21	31
Gain on disposal of non-current assets	固定資産処分益	18	31
Gain on bargain purchase	負ののれん発生益	2	—
Extraordinary losses	特別損失	133	264
Loss on disposal of non-current assets	固定資産処分損	80	217
Impairment losses	減損損失	52	46
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	5,016	5,719
Income taxes – current	法人税、住民税及び事業税	196	1,182
Income taxes – deferred	法人税等調整額	475	470
Total income taxes	法人税等合計	672	1,652
Profit	四半期純利益	4,343	4,067
Profit attributable to non-controlling interests	非支配株主に帰属する四半期純利益	112	(285)
Profit attributable to owners of parent	親会社株主に帰属する四半期純利益	4,231	4,353

(2) Consolidated Statements of Comprehensive Income

(¥ millions)

		Three months ended Jun. 30,	
		2020	2021
Profit	四半期純利益	4,343	4,067
Other comprehensive income	その他の包括利益	19,508	271
Valuation difference on available-for-sale securities	その他有価証券評価差額金	19,435	431
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	72	(159)
Comprehensive income	四半期包括利益	23,852	4,339
Comprehensive income attributable to owners of parent	親会社株主に係る四半期包括利益	23,240	4,680
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	611	(341)

II . Digest of financial results for three months ended June 30, 2021

1. Summary (Non-Consolidated)

	Three months ended Jun.30,		Increase/ (Decrease)	(¥ millions)
	2020	2021		Six months ending Sep.30, 2021 (Forecasts)
Ordinary income	27,898	26,364	(1,534)	49,200
Core gross profit	20,103	21,790	1,687	40,800
Net interest income	16,978	18,436	1,458	
Net fees and commissions	2,657	2,965	308	
Net other operating income (excluding gains (losses) on bonds)	467	389	(78)	
Expenses (excluding non-recurring losses)	16,718	15,769	(949)	32,000
Core operating profit	3,385	6,020	2,635	8,800
Excluding gains (losses) on cancellation of investment trusts	3,385	6,020	2,635	
Credit cost	702	161	(541)	2,500
Gains (losses) on securities	2,364	117	(2,247)	
Bonds, etc	(279)	(14)	265	
Stocks, etc	2,643	132	(2,511)	
Net other non-recurring income (loss)	291	609	318	
Ordinary profit	5,337	6,587	1,250	7,200
Extraordinary income (losses)	(112)	(233)	(121)	
Income before income taxes	5,224	6,353	1,129	
Income taxes	624	1,469	845	
Net income	4,600	4,883	283	4,800
Net operating profit	3,105	6,006	2,901	

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. 31,2021 (B)	(A)–(B)
	2020	2021 (A)			
Deposits and NCDs	9,249.1	10,094.6	845.4	9,620.3	474.2
Corporate	2,607.2	3,131.5	524.3	2,749.3	382.1
Individual	5,938.3	6,344.7	406.3	6,137.2	207.5
Public sectors and financial institutions	703.5	618.3	(85.1)	733.7	(115.4)

【Outstanding Balance】

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2021 (B)	(A)–(B)
	2020	2021 (A)			
Deposits and NCDs	9,678.1	10,386.8	708.6	9,990.7	396.1
Deposit assets	230.0	252.3	22.2	244.4	7.8
Safe custody of public bonds	98.6	103.8	5.2	102.5	1.2
Investment trusts	131.4	148.5	17.0	141.8	6.6
Total	9,908.2	10,639.2	730.9	10,235.2	403.9

<Reference>

Individual annuity insurance, etc.	730.2	757.4	27.2	748.8	8.6
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Individual annuity insurance, etc. sales reflect cumulative sales amounts.

3. Loans and bills discounted (Non-Consolidated)

【Average Balance】

(¥ billions)

	Three months ended Jun.30,		Increase/ (Decrease)	Year ended Mar. 31,2021 (B)	(A)–(B)
	2020	2021 (A)			
Loans and bills discounted	6,778.4	7,500.0	721.6	7,131.5	368.4
Enterprises	2,775.1	3,046.6	271.4	2,967.1	79.4
Individuals	1,896.3	1,969.0	72.6	1,917.8	51.1
Public sectors	2,106.9	2,484.3	377.4	2,246.4	237.8

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, 2021 (B)	(A)–(B)
	2020	2021 (A)			
SMEs, etc	3,872.1	4,062.2	190.1	4,072.6	(10.3)
Loans and bills discounted	7,013.0	7,463.8	450.7	7,424.4	39.4
In Hokkaido	5,574.0	5,806.8	232.8	5,766.5	40.3

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

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2021 (B)	(A)–(B)
	2020	2021 (A)			
Securities	1,394.1	1,424.4	30.2	1,504.5	(80.1)

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

(¥ billions)

	As of Mar.31, 2021			As of Jun.30, 2021			
	Net (B)	Unrealized gains	Unrealized losses	Net (A)	(A)–(B)	Unrealized gains	Unrealized losses
Unrealized gains (losses) on securities	117.0	128.2	11.2	117.8	0.8	123.2	5.4
Stocks	117.8	117.9	0.1	111.6	(6.2)	111.7	0.1
Bonds	1.5	7.9	6.4	4.8	3.3	8.1	3.2
Others	(2.3)	2.3	4.7	1.3	3.7	3.3	2.0
Nikkei stock average (¥)				29,178			
New 10-year Japanese government bond yield (%)				0.120			
				28,791			
				0.050			

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

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2021 (B)	(A)–(B)
	2020	2021 (A)			
Bankrupt and quasi-bankrupt claims	23.9	26.5	2.5	26.4	0.1
Doubtful claims	34.8	35.1	0.2	33.2	1.8
Substandard claims	12.0	10.6	(1.4)	12.6	(1.9)
Total (a)	70.9	72.3	1.4	72.2	0.0
After partial direct write-offs (b) *	57.7	57.4	(0.2)	57.5	(0.1)
Normal claims	7,143.1	7,579.9	436.7	7,539.2	40.6
Total claims (c)	7,214.0	7,652.2	438.1	7,611.4	40.7
After partial direct write-offs (d) *	7,200.9	7,637.3	436.4	7,596.7	40.5
< Percentage of total claims >					(%)
(a) / (c)	0.98	0.94	(0.04)	0.94	(0.00)
(b) / (d) *	0.80	0.75	(0.05)	0.75	(0.00)

*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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