

Financial Summary  
Six Months ended September 30, 2021



November 10, 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 Sep. 30, 2021
<b>Assets</b>	<b>資産の部</b>		
Cash and due from banks	現金預け金	2,625,082	3,474,093
Call loans and bills bought	コールローン及び買入手形	544	241
Monetary claims bought	買入金銭債権	14,224	8,262
Trading securities	商品有価証券	3,711	3,039
Securities	有価証券	1,505,246	1,415,136
Loans and bills discounted	貸出金	7,367,433	7,348,423
Foreign exchanges	外国為替	8,569	7,078
Lease receivables and investment assets	リース債権及びリース投資資産	53,166	54,512
Other assets	その他資産	178,695	179,241
Property, plant and equipment	有形固定資産	77,252	75,094
Intangible assets	無形固定資産	4,936	4,101
Net defined benefit asset	退職給付に係る資産	814	913
Deferred tax assets	繰延税金資産	290	432
Customers' liabilities for acceptances and guarantees	支払承諾見返	55,942	61,355
Allowance for loan losses	貸倒引当金	(37,704)	(38,056)
<b>Total assets</b>	<b>資産の部合計</b>	<b>11,858,207</b>	<b>12,593,870</b>
<b>Liabilities</b>	<b>負債の部</b>		
Deposits	預金	9,900,963	9,786,837
Negotiable certificates of deposit	譲渡性預金	71,077	218,981
Securities sold under repurchase agreements	売現先勘定	13,402	16,467
Cash collateral received for securities lent	債券貸借取引受入担保金	251,108	250,755
Borrowed money	借入金	1,030,491	1,711,424
Foreign exchanges	外国為替	51	102
Other liabilities	その他負債	60,344	55,202
Provision for bonuses	賞与引当金	1,670	1,615
Provision for share awards	株式給付引当金	164	127
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	1,750
Provision for point card certificates	ポイント引当金	460	456
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	32,030
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	2,030	1,951
Acceptances and guarantees	支払承諾	55,942	61,355
<b>Total liabilities</b>	<b>負債の部合計</b>	<b>11,417,570</b>	<b>12,139,576</b>
<b>Net assets</b>	<b>純資産の部</b>		
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	158,222
Treasury shares	自己株式	(3,153)	(3,053)
<b>Total shareholders' equity</b>	<b>株主資本合計</b>	<b>346,792</b>	<b>351,020</b>
Valuation difference on available-for-sale securities	その他有価証券評価差額金	84,491	94,429
Revaluation reserve for land	土地再評価差額金	4,048	3,867
Remeasurements of defined benefit plans	退職給付に係る調整累計額	639	319
<b>Total accumulated other comprehensive income</b>	<b>その他の包括利益累計額合計</b>	<b>89,179</b>	<b>98,617</b>
Share acquisition rights	新株予約権	84	37
Non-controlling interests	非支配株主持分	4,580	4,618
<b>Total net assets</b>	<b>純資産の部合計</b>	<b>440,636</b>	<b>454,293</b>
<b>Total liabilities and net assets</b>	<b>負債及び純資産の部合計</b>	<b>11,858,207</b>	<b>12,593,870</b>

## 2. Consolidated Statements of Income and Comprehensive Income

### (1) Consolidated Statements of Income

(¥ millions)

		Six months ended Sep. 30,	
		2020	2021
Ordinary income	経常収益	68,086	64,839
Interest income	資金運用収益	33,306	33,725
Of which, interest on loans and discounts	うち貸出金利息	28,933	28,910
Of which, interest and dividends on securities	うち有価証券利息配当金	4,013	4,107
Fees and commissions	役務取引等収益	13,846	14,063
Other ordinary income	その他業務収益	16,619	15,768
Other income	その他経常収益	4,314	1,281
Ordinary expenses	経常費用	58,139	55,200
Interest expenses	資金調達費用	975	448
Of which, interest on deposits	うち預金利息	133	73
Fees and commissions payments	役務取引等費用	6,324	6,510
Other ordinary expenses	その他業務費用	14,422	13,914
General and administrative expenses	営業経費	34,684	32,350
Other expenses	その他経常費用	1,733	1,977
Ordinary profit	経常利益	9,946	9,638
Extraordinary income	特別利益	39	70
Gain on disposal of non-current assets	固定資産処分益	37	70
Gain on bargain purchase	負ののれん発生益	2	—
Extraordinary losses	特別損失	520	557
Loss on disposal of non-current assets	固定資産処分損	200	320
Impairment losses	減損損失	318	237
Loss on step acquisitions	段階取得に係る差損	1	—
Profit before income taxes	税金等調整前中間純利益	9,465	9,152
Income taxes – current	法人税、住民税及び事業税	3,425	2,797
Income taxes – deferred	法人税等調整額	(628)	222
Total income taxes	法人税等合計	2,797	3,019
Profit	中間純利益	6,668	6,132
Profit attributable to non-controlling interests	非支配株主に帰属する中間純利益	146	(92)
Profit attributable to owners of parent	親会社株主に帰属する中間純利益	6,522	6,224

## (2) Consolidated Statements of Comprehensive Income

(¥ millions)

		Six months ended Sep. 30,	
		2020	2021
Profit	中間純利益	6,668	6,132
Other comprehensive income	その他の包括利益	24,853	9,758
Valuation difference on available-for-sale securities	その他有価証券評価差額金	24,708	10,078
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	145	(319)
Comprehensive income	中間包括利益	31,522	15,891
Comprehensive income attributable to owners of parent	親会社株主に係る中間包括利益	30,759	15,842
Comprehensive income attributable to non-controlling interests	非支配株主に係る中間包括利益	762	48

## 3. Non-Consolidated Balance Sheets

(¥ millions)

		As of Mar. 31, 2021	As of Sep. 30, 2021
<b>Assets</b>	<b>資産の部</b>		
Cash and due from banks	現金預け金	2,623,534	3,472,777
Call loans	コールローン	544	241
Monetary claims bought	買入金銭債権	14,224	8,262
Trading securities	商品有価証券	3,711	3,039
Securities	有価証券	1,504,582	1,414,054
Loans and bills discounted	貸出金	7,424,406	7,406,180
Foreign exchanges	外国為替	8,569	7,078
Other assets	その他資産	138,457	142,063
Other	その他の資産	138,457	142,063
Property, plant and equipment	有形固定資産	76,128	73,749
Intangible assets	無形固定資産	4,885	4,067
Prepaid pension costs	前払年金費用	—	442
Customers' liabilities for acceptances and guarantees	支払承諾見返	55,942	61,355
Allowance for loan losses	貸倒引当金	(31,137)	(31,939)
Total assets	資産の部合計	11,823,850	12,561,372
<b>Liabilities</b>	<b>負債の部</b>		
Deposits	預金	9,908,304	9,793,425
Negotiable certificates of deposit	譲渡性預金	82,431	230,335
Securities sold under repurchase agreements	売現先勘定	13,402	16,467
Cash collateral received for securities lent	債券貸借取引受入担保金	251,108	250,755
Borrowed money	借入金	1,019,357	1,699,774
Foreign exchanges	外国為替	51	102
Other liabilities	その他負債	38,485	36,304
Income taxes payable	未払法人税等	3,885	2,390
Lease obligations	リース債務	3,765	3,554
Other	その他の負債	30,835	30,359
Provision for bonuses	賞与引当金	1,457	1,444
Provision for share awards	株式給付引当金	164	127
Provision for retirement benefits	退職給付引当金	365	194
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,889	1,750
Provision for point card certificates	ポイント引当金	454	449
Deferred tax liabilities	繰延税金負債	25,921	30,368
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	2,030	1,951
Acceptances and guarantees	支払承諾	55,942	61,355
Total liabilities	負債の部合計	11,401,367	12,124,808
<b>Net assets</b>	<b>純資産の部</b>		
Capital stock	資本金	121,101	121,101
Capital surplus	資本剰余金	50,005	50,014
Legal capital surplus	資本準備金	50,001	50,001
Other capital surplus	その他資本剰余金	4	13
Retained earnings	利益剰余金	167,945	172,361
Legal retained earnings	利益準備金	7,219	7,608
Other retained earnings	その他利益剰余金	160,726	164,752
Reserve for advanced depreciation of non-current assets	固定資産圧縮積立金	1,024	945
Retained earnings brought forward	繰越利益剰余金	159,701	163,807
Treasury shares	自己株式	(3,158)	(3,058)
Total shareholders' equity	株主資本合計	335,893	340,418
Valuation difference on available-for-sale securities	他有価証券評価差額金	82,456	92,240
Revaluation reserve for land	土地再評価差額金	4,048	3,867
Total valuation and translation adjustments	評価・換算差額等合計	86,504	96,108
Share acquisition rights	新株予約権	84	37
Total net assets	純資産の部合計	422,482	436,564
Total liabilities and net assets	負債及び純資産の部合計	11,823,850	12,561,372



## 4. Non-Consolidated Statements of Income

(¥ millions)

		Six months ended Sep. 30,	
		2020	2021
Ordinary income	経常収益	52,939	50,343
Interest income	資金運用収益	34,007	35,215
Of which, interest on loans and discounts	うち貸出金利息	29,054	29,025
Of which, interest and dividends on securities	うち有価証券利息配当金	4,594	5,482
Fees and commissions	役務取引等収益	12,742	12,714
Other ordinary income	その他業務収益	1,862	1,128
Other income	その他経常収益	4,326	1,285
Ordinary expenses	経常費用	43,387	40,666
Interest expenses	資金調達費用	958	431
Of which, interest on deposits	うち預金利息	133	73
Fees and commissions payments	役務取引等費用	6,956	7,134
Other ordinary expenses	その他業務費用	846	682
General and administrative expenses	営業経費	33,168	30,680
Other expenses	その他経常費用	1,457	1,736
Ordinary profit	経常利益	9,551	9,676
Extraordinary income	特別利益	37	70
Extraordinary losses	特別損失	518	557
Income before income taxes	税引前中間純利益	9,070	9,190
Income taxes – current	法人税、住民税及び事業税	3,176	2,495
Income taxes – deferred	法人税等調整額	(765)	188
Total income taxes	法人税等合計	2,411	2,683
Net income	中間純利益	6,659	6,506

## II . Digest of financial results for six months ended September 30, 2021

### 1. Summary (Non-Consolidated)

	Six months ended Sep.30,		Increase/ (Decrease)	Performance Forecast (May 12,2021)	Change from forecast
	2020	2021			
Core gross profit	39.9	<b>41.1</b>	1.1	40.8	0.3
Core operating profit	7.0	<b>10.0</b>	3.0	8.8	1.2
Ordinary profit	9.5	<b>9.6</b>	0.1	7.2	2.4
Net income	6.6	<b>6.5</b>	(0.1)	4.8	1.7
Deposits and NCDs (Average balance)	9,481.0	<b>10,149.6</b>	668.6		
Loans and bills discounted (Average balance)	6,957.5	<b>7,482.9</b>	525.4		
Capital Adequacy Ratio (Domestic) (%)	12.35%	<b>12.11%</b>	(0.24%)		
ROE (%)	3.25%	<b>3.02%</b>	(0.23%)		

\* NCDs = Negotiable certificates of deposit

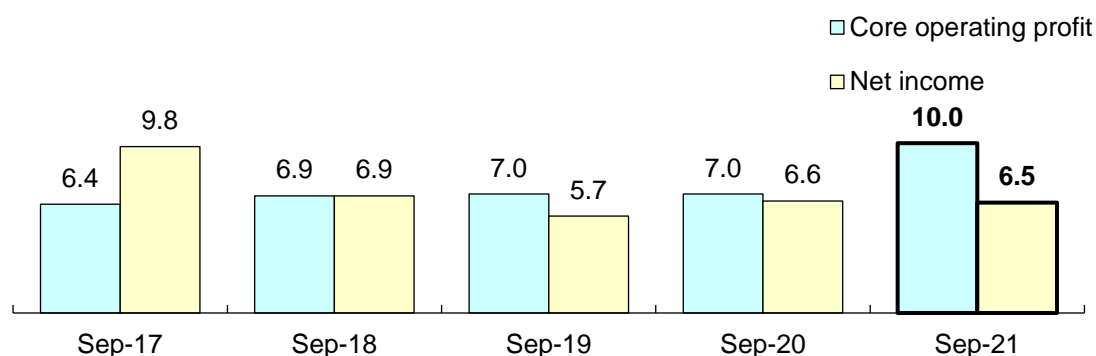
$$\text{ROE} = \frac{\text{Net income} \times 365 / 183}{(\text{Total net assets at beginning of fiscal year} + \text{Total net assets at end of fiscal (interim) year}) / 2}$$

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)

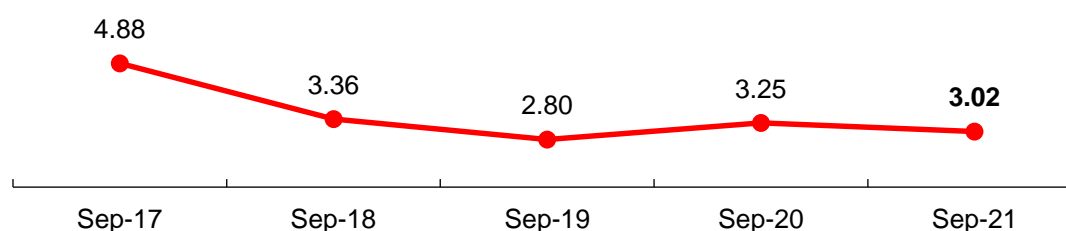
### ○ Core operating profit and Net income

(¥ billions)



### ○ ROE

(%)



## 2. Income Summary

### 【Non-Consolidated】

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)
	2020	2021	
Core gross profit	39.9	<b>41.1</b>	1.1
Net interest income	33.0	<b>34.7</b>	1.7
Net fees and commissions	5.7	<b>5.5</b>	(0.2)
Net other operating income (excluding gains (losses) on bonds)	1.1	<b>0.7</b>	(0.3)
Expenses(excluding non-recurring losses)	32.9	<b>31.1</b>	(1.8)
Core OHR (%)	82.37%	<b>75.57%</b>	(6.80%)
Personnel	13.8	<b>13.6</b>	(0.2)
Facilities	16.6	<b>15.3</b>	(1.3)
Taxes	2.3	<b>2.1</b>	(0.2)
Core operating profit	7.0	<b>10.0</b>	3.0
Excluding gains (losses) on cancellation of investment trusts	7.0	<b>10.0</b>	3.0
Credit cost	1.3	<b>1.5</b>	0.2
Gains (losses) on securities	3.1	<b>(0.0)</b>	(3.2)
Net other non-recurring income (loss)	0.6	<b>1.2</b>	0.6
Ordinary profit	9.5	<b>9.6</b>	0.1
Net income	6.6	<b>6.5</b>	(0.1)
Net operating profit	6.9	<b>9.6</b>	2.7

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

### 【Consolidated】

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)
	2020	2021	
Core gross profit	42.1	<b>43.0</b>	0.8
Ordinary profit	9.9	<b>9.6</b>	(0.3)
Profit attributable to owners of parent	6.5	<b>6.2</b>	(0.2)
Core operating profit	7.7	<b>10.2</b>	2.5
Excluding gains (losses) on cancellation of investment trusts	7.7	<b>10.2</b>	2.5
Net operating profit	7.6	<b>9.9</b>	2.3



### 3. Deposits and NCDs(Non-Consolidated)

#### 【Average Balance】

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)
	2020	2021	
Deposits and NCDs	9,481.0	<b>10,149.6</b>	668.6
Yield on deposits and NCDs (%)	0.00%	<b>0.00%</b>	(0.00%)
Corporate	2,685.6	<b>3,083.4</b>	397.7
Individual	6,038.7	<b>6,389.7</b>	350.9
Public sectors and financial institutions	756.5	<b>676.4</b>	(80.0)

#### 【Outstanding Balance】

(¥ billions)

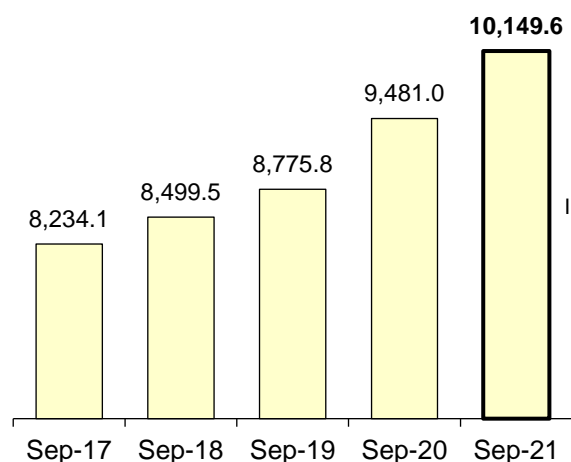
	As of Sep.30,		Increase/ (Decrease)
	2020	2021	
Deposits and NCDs	9,764.0	<b>10,023.7</b>	259.7
Deposit assets	233.3	<b>252.7</b>	19.4
Safe custody of public bonds	99.3	<b>102.5</b>	3.1
Investment trusts	133.9	<b>150.2</b>	16.2
<b>Total</b>	<b>9,997.3</b>	<b>10,276.5</b>	<b>279.2</b>

\* Deposit assets = Safe custody of public bonds + Investment trusts  
Investment trusts are stated at fair value.

#### ○ Deposits and NCDs

(Average Balance)

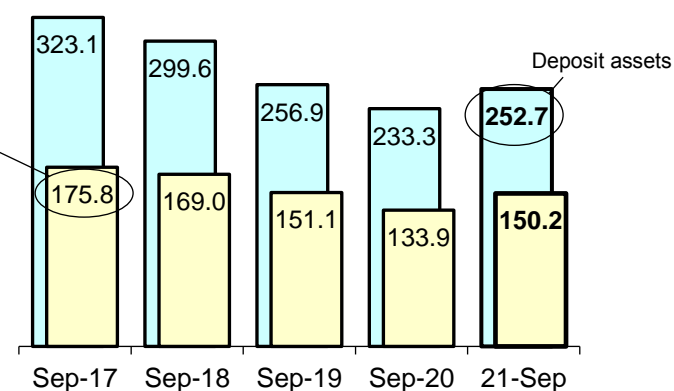
(¥ billions)



#### ○ Deposit assets and Investment trusts

(Outstanding Balance)

(¥ billions)



#### 4. Loans and bills discounted (Non-Consolidated)

##### 【Average Balance】

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)
	2020	2021	
Loans and bills discounted	6,957.5	<b>7,482.9</b>	525.4
Yield on loans and bills discounted (%)	0.83%	<b>0.77%</b>	(0.06%)
Enterprises	2,879.0	<b>3,053.0</b>	173.9
Individuals	1,899.8	<b>1,974.3</b>	74.5
Housing loans	1,765.9	<b>1,843.2</b>	77.2
Consumer loans	133.8	<b>131.1</b>	(2.7)
Public sectors	2,178.6	<b>2,455.5</b>	276.8

\* Consumer loans = Car loans ,card loans ,etc.

##### 【Outstanding Balance】

(¥ billions)

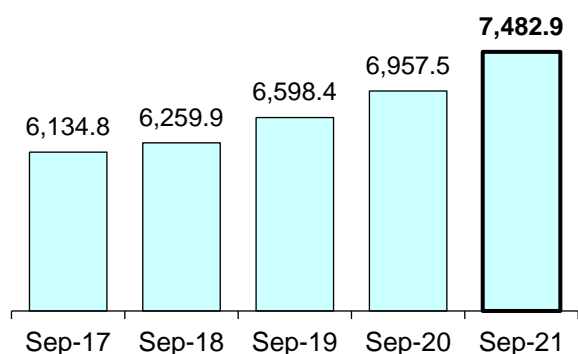
	As of Sep.30,		Increase/ (Decrease)
	2020	2021	
Loans and bills discounted	7,161.6	<b>7,406.1</b>	244.4
Enterprises	3,009.4	<b>3,043.9</b>	34.4
Individuals	1,912.6	<b>1,988.9</b>	76.3
Public sectors	2,239.5	<b>2,373.3</b>	133.7
SMEs, etc	3,989.9	<b>4,092.4</b>	102.4
In Hokkaido	5,653.7	<b>5,824.1</b>	170.3

\* SMEs, etc = SMEs + Individuals

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

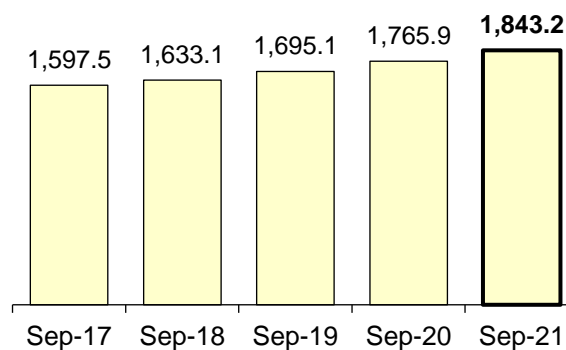
#### ○ Loans and bills discounted (Average Balance)

(¥ billions)



#### ○ Housing loans (Average Balance)

(¥ billions)



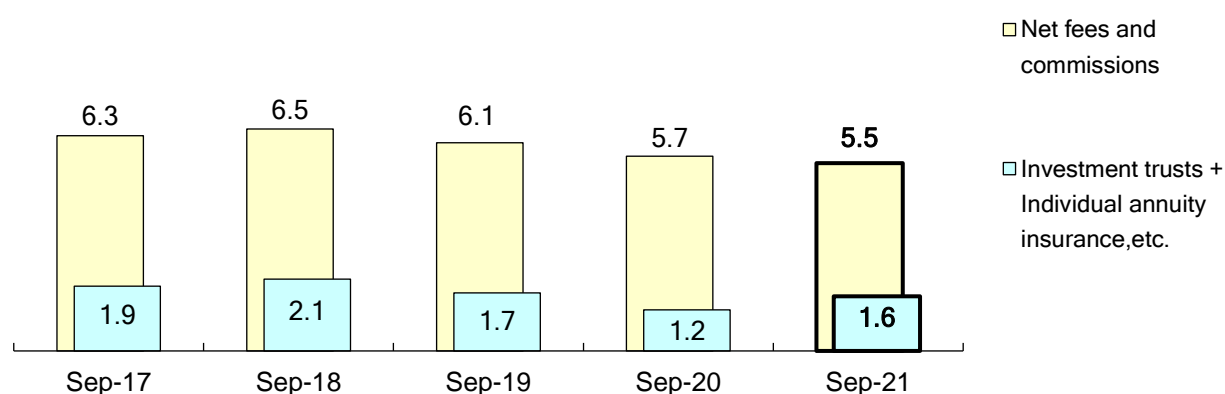
## 5. Fees and commissions (Non-Consolidated)

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)
	2020	2021	
Fees and commissions	12.7	12.7	(0.0)
Of which, domestic and foreign exchanges	4.0	3.7	(0.2)
Of which, investment trusts	0.5	0.7	0.2
Of which, individual annuity insurance, etc.	0.6	0.9	0.2
Fees and commissions payments	6.9	7.1	0.1
Of which, group credit life insurance	3.3	3.5	0.2
Of which, guarantee	1.9	1.8	(0.0)
<b>Net fees and commissions</b>	5.7	5.5	(0.2)

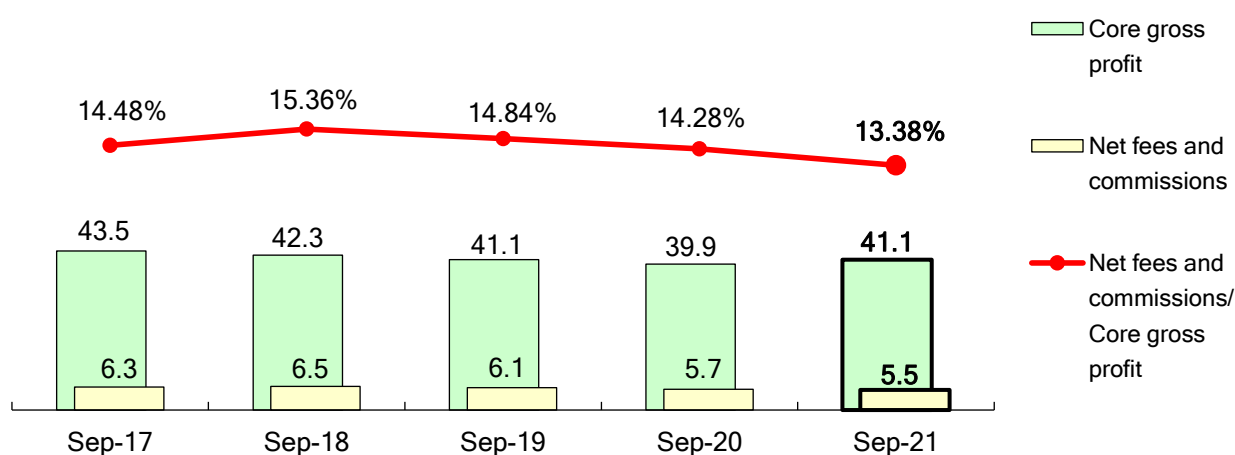
### ○ Net fees and commissions

(¥ billions)



### ○ Core gross profit and Net fees and commissions

(¥ billions)



## 6. Securities (Non-consolidated)

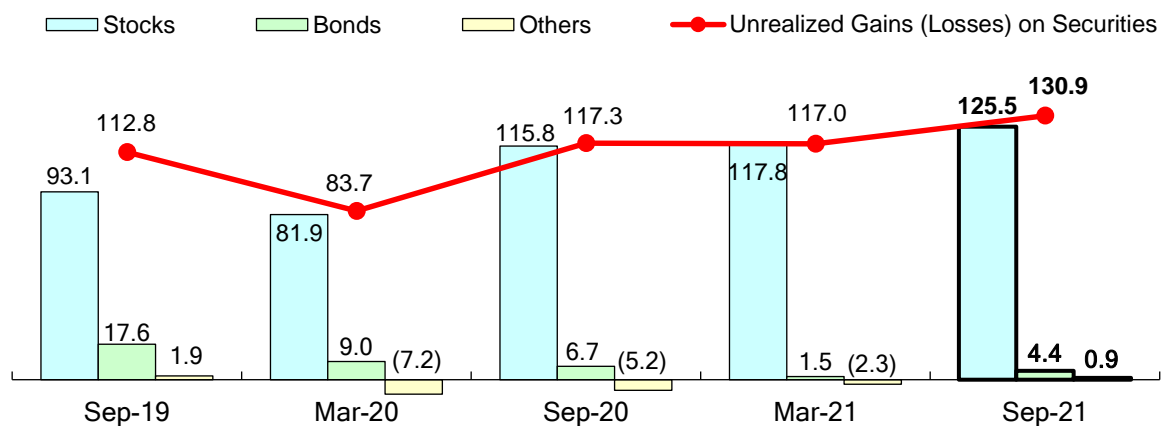
(¥ billions)

	As of Mar.31, 2021		As of Sep.30, 2021		Increase/ (Decrease)	
	Acquisition cost	Unrealized Gains (Losses)	Acquisition cost	Unrealized Gains (Losses)	Acquisition cost	Unrealized Gains (Losses)
Stocks	47.4	117.8	48.2	125.5	0.7	7.7
Bonds	1,237.5	1.5	1,127.8	4.4	(109.6)	2.8
Others	94.6	(2.3)	98.0	0.9	3.3	3.3
<b>Total</b>	1,379.6	117.0	1,274.1	130.9	(105.5)	13.9
Nikkei stock average (¥)	29,178		29,452		274	
New 10-year Japanese government bond (JGB) yield (%)	0.120%		0.065%		(0.055%)	

\* Excluding trading securities, capital investment in Investment Partnership.

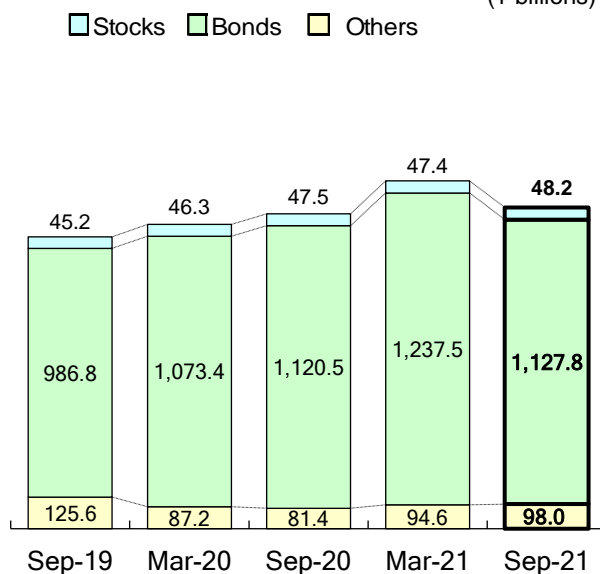
### ○ Unrealized Gains (Losses) on Securities

(¥ billions)



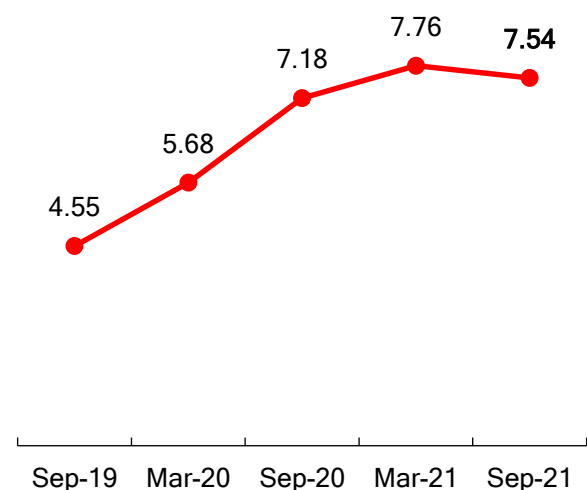
### ○ Acquisition cost on Securities

(¥ billions)



### ○ Average duration to maturity of yen bonds

(years)



\* Including floating-rate JGBs

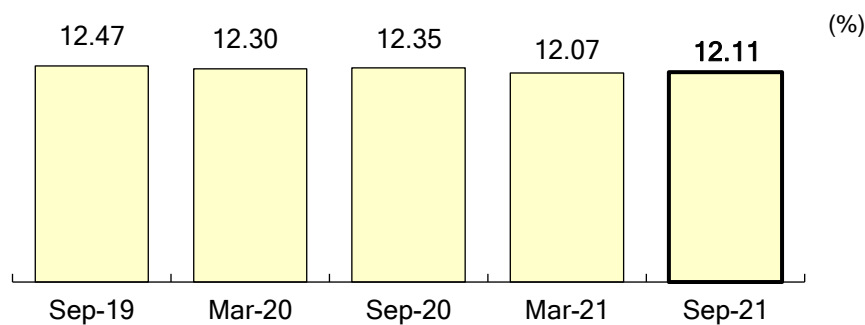
## 7. Capital Adequacy Ratio (Domestic)

(¥ billions)

	Non-Consolidated			Consolidated		
	As of Sep.30, 2020	As of Sep.30, 2021	Increase/ (Decrease)	As of Sep.30, 2020	As of Sep.30, 2021	Increase/ (Decrease)
Capital Adequacy Ratio (%)	12.35%	<b>12.11%</b>	(0.24%)	12.65%	<b>12.45%</b>	(0.20%)
Capital	343.8	<b>338.4</b>	(5.4)	360.1	<b>354.2</b>	(5.8)
Risk-adjusted assets	2,784.0	<b>2,792.4</b>	8.4	2,845.1	<b>2,844.2</b>	(0.9)

\* The figures are calculated using the fundamental internal rating based approach (FIRB).

### ○ Capital Adequacy Ratio(Non-Consolidated)

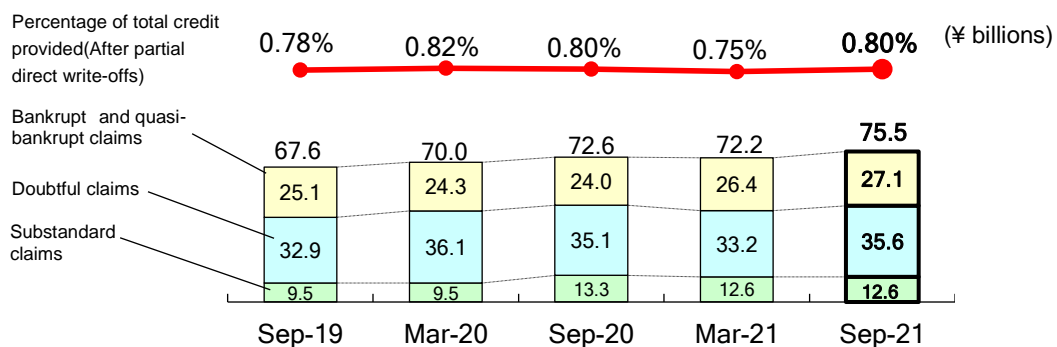


## 8. Disclosed claims under the Financial Reconstruction Law (Non-Consolidated)

(¥ billions)

	As of Sep.30,		Increase/ (Decrease)
	2020	2021	
Bankrupt and quasi-bankrupt claims	24.0	<b>27.1</b>	3.0
Doubtful claims	35.1	<b>35.6</b>	0.5
Substandard claims	13.3	<b>12.6</b>	(0.7)
Disclosed claims under the Financial Reconstruction Law	72.6	<b>75.5</b>	2.9
Percentage of total credit provided (%)	0.98%	<b>0.99%</b>	0.01%
After partial direct write-offs (%) *	0.80%	<b>0.80%</b>	(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.



## 9. Revisions to Performance Forecasts

### 【Non-Consolidated】

(¥ billions)

	Year Ended Mar.31, 2022			Year Ended Mar.31, 2021	
	Revised Forecasts (A)	Previously Announced Forecasts (B)	Increase/ (Decrease) (A-B)	Actual Results (C)	Increase/ (Decrease) (A-C)
Ordinary income	98.7	96.0	2.7	103.9	(5.2)
Core gross profit	82.6	80.7	1.9	80.5	2.0
Expenses (excluding non-recurring losses)	62.5	63.4	(0.9)	64.7	(2.2)
Core operating profit	20.1	17.2	2.9	15.7	4.3
Excluding gains (losses) on cancellation of investment trusts	20.1	17.2	2.9	15.7	4.3
Credit cost	5.0	5.0	0.0	8.0	(3.0)
Ordinary profit	17.3	14.2	3.1	14.1	3.1
Net income	11.8	9.5	2.3	8.8	2.9

### 【Consolidated】

(¥ billions)

	Year Ended Mar.31, 2022			Year Ended Mar.31, 2021	
	Revised Forecasts (A)	Previously Announced Forecasts (B)	Increase/ (Decrease) (A-B)	Actual Results (C)	Increase/ (Decrease) (A-C)
Ordinary income	129.2	126.6	2.6	135.6	(6.4)
Core gross profit	88.0	85.7	2.3	86.0	1.9
Expenses (excluding non-recurring losses)	66.0	66.7	(0.7)	67.8	(1.8)
Credit cost	5.8	6.5	(0.7)	8.5	(2.7)
Ordinary profit	18.0	14.1	3.9	15.7	2.2
Profit attributable to owners of parent	12.1	9.1	3.0	9.4	2.6
Core operating profit	21.9	19.0	2.9	18.1	3.7
Excluding gains (losses) on cancellation of investment trusts	21.9	19.0	2.9	18.1	3.7

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