

Financial Summary

Third Quarter (Nine Months) ended December 31, 2022



February 8, 2023
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 Dec. 31, 2022
Assets	資産の部		
Cash and due from banks	現金預け金	4,338,005	2,207,161
Call loans and bills bought	コールローン及び買入手形	183	493
Monetary claims bought	買入金銭債権	11,853	9,760
Trading securities	商品有価証券	2,576	2,090
Securities	有価証券	1,483,991	1,671,483
Loans and bills discounted	貸出金	7,361,881	7,852,246
Foreign exchanges	外国為替	12,390	13,413
Lease receivables and investment assets	リース債権及びリース投資資産	55,355	56,658
Other assets	その他資産	183,752	224,096
Property, plant and equipment	有形固定資産	73,541	71,831
Intangible assets	無形固定資産	3,390	2,181
Net defined benefit asset	退職給付に係る資産	1,057	1,203
Deferred tax assets	繰延税金資産	812	785
Customers' liabilities for acceptances and guarantees	支払承諾見返	53,468	72,634
Allowance for loan losses	貸倒引当金	(38,438)	(41,273)
Total assets	資産の部合計	13,543,823	12,144,766
Liabilities	負債の部		
Deposits	預金	10,563,784	10,318,935
Negotiable certificates of deposit	譲渡性預金	99,451	303,027
Securities sold under repurchase agreements	売現先勘定	14,473	18,943
Cash collateral received for securities lent	債券貸借取引受入担保金	303,985	204,846
Borrowed money	借入金	2,003,407	735,482
Foreign exchanges	外国為替	163	216
Other liabilities	その他負債	61,502	81,456
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	976
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,604	1,260
Provision for point card certificates	ポイント引当金	334	346
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	5,228
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	1,858	1,834
Acceptances and guarantees	支払承諾	53,468	72,634
Total liabilities	負債の部合計	13,122,751	11,745,736
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	74,751
Retained earnings	利益剰余金	162,019	168,894
Treasury shares	自己株式	(3,053)	(3,800)
Total shareholders' equity	株主資本合計	354,817	360,946
Valuation difference on available-for-sale securities	その他有価証券評価差額金	58,284	30,505
Revaluation reserve for land	土地再評価差額金	3,654	3,608
Remeasurements of defined benefit plans	退職給付に係る調整累計額	11	2
Total accumulated other comprehensive income	その他の包括利益累計額合計	61,951	34,117
Share acquisition rights	新株予約権	37	28
Non-controlling interests	非支配株主持分	4,266	3,937
Total net assets	純資産の部合計	421,072	399,029
Total liabilities and net assets	負債及び純資産の部合計	13,543,823	12,144,766

2. Consolidated Statements of Income and Comprehensive Income

(1) Consolidated Statements of Income

(¥ millions)

		Nine months ended Dec. 31,	
		2021	2022
Ordinary income	経常収益	93,520	95,442
Interest income	資金運用収益	51,702	52,533
Of which, interest on loans and discounts	うち貸出金利息	43,342	43,064
Of which, interest and dividends on securities	うち有価証券利息配当金	6,329	7,282
Fees and commissions	役務取引等収益	21,093	20,650
Other ordinary income	その他業務収益	18,528	18,739
Other income	その他経常収益	2,195	3,519
Ordinary expenses	経常費用	76,967	79,065
Interest expenses	資金調達費用	663	1,110
Of which, interest on deposits	うち預金利息	104	90
Fees and commissions payments	役務取引等費用	9,395	9,617
Other ordinary expenses	その他業務費用	15,439	15,977
General and administrative expenses	営業経費	48,245	48,321
Other expenses	その他経常費用	3,223	4,039
Ordinary profit	経常利益	16,552	16,376
Extraordinary income	特別利益	162	25
Gain on disposal of non-current assets	固定資産処分益	131	25
Other	その他の特別利益	31	—
Extraordinary losses	特別損失	780	232
Loss on disposal of non-current assets	固定資産処分損	466	142
Impairment losses	減損損失	304	90
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	15,935	16,168
Income taxes – current	法人税、住民税及び事業税	4,215	4,739
Income taxes – deferred	法人税等調整額	931	1,205
Total income taxes	法人税等合計	5,147	5,944
Profit	四半期純利益	10,787	10,224
Loss attributable to non-controlling interests	非支配株主に帰属する四半期純損失(△)	(51)	(484)
Profit attributable to owners of parent	親会社株主に帰属する四半期純利益	10,839	10,708

(2) Consolidated Statements of Comprehensive Income

(¥ millions)

		Nine months ended Dec. 31,	
		2021	2022
Profit	四半期純利益	10,787	10,224
Other comprehensive income	その他の包括利益	(9,637)	(27,618)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(9,158)	(27,609)
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	(479)	(8)
Comprehensive income	四半期包括利益	1,150	(17,394)
Comprehensive income attributable to owners of parent	親会社株主に係る四半期包括利益	1,475	(17,079)
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	(324)	(314)

II . Digest of financial results for Nine months ended December 31, 2022

1. Summary (Non-Consolidated)

	Nine months ended Dec.31,		Increase/ (Decrease)	(¥ millions)
	2021	2022		Fiscal year ending Mar.31, 2023 (Forecasts)
Ordinary income	76,208	77,886	1,678	96,000
Core gross profit	62,541	62,527	(14)	80,100
Net interest income	52,579	53,475	896	
Net fees and commissions	8,615	7,710	(905)	
Net other operating income (excluding gains (losses) on bonds)	1,346	1,340	(6)	
Expenses (excluding non-recurring losses)	46,363	45,623	(740)	63,800
Core operating profit	16,177	16,903	726	16,200
Excluding gains (losses) on cancellation of investment trusts	16,177	16,864	687	
Credit cost	2,061	2,419	358	3,000
Gains (losses) on securities	220	1,491	1,271	
Bonds, etc	(440)	(452)	(12)	
Stocks, etc	660	1,943	1,283	
Net other non-recurring income (loss)	1,625	1,161	(464)	
Ordinary profit	15,962	17,137	1,175	14,100
Extraordinary income (losses)	(639)	(207)	432	
Income before income taxes	15,322	16,929	1,607	
Income taxes	4,613	5,393	780	
Net income	10,709	11,536	827	7,900
Net operating profit	15,737	16,451	714	
Operating profit	16,254	16,119	(135)	

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. 30,2022 (B)	(A)－(B)
	2021	2022(A)			
Deposits and NCDs	10,143.9	10,557.5	413.6	10,545.7	11.8
Corporate	3,052.8	3,034.8	(17.9)	3,044.1	(9.2)
Individual	6,421.5	6,709.1	287.5	6,684.7	24.4
Public sectors and financial institutions	669.5	813.6	(144.0)	816.8	(3.2)

【Outstanding Balance】

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2022 (B)	(A)－(B)
	2021	2022(A)			
Deposits and NCDs	10,223.9	10,640.6	416.6	10,414.1	226.4
Deposit assets	259.0	243.0	(15.9)	244.6	(1.5)
Safe custody of public bonds	103.0	102.1	(0.9)	100.9	1.1
Investment trusts	155.9	140.9	(15.0)	143.6	(2.7)
Total	10,483.0	10,883.7	400.7	10,658.8	224.9

3. Loans and bills discounted (Non-Consolidated)

【Average Balance】

(¥ billions)

	Nine months ended Dec.31,		Increase/ (Decrease)	Six months ended Sep. 30,2022 (B)	(A)－(B)
	2021	2022(A)			
Loans and bills discounted	7,482.2	7,693.2	210.9	7,618.8	74.3
Enterprises	3,065.4	3,036.6	(28.7)	3,010.9	25.7
Individuals	1,984.1	2,067.6	83.4	2,054.6	12.9
Public sectors	2,432.7	2,588.8	156.1	2,553.2	35.6

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, 2022 (B)	(A)－(B)
	2021	2022(A)			
SMEs, etc	4,176.5	4,286.0	109.5	4,192.1	93.9
Loans and bills discounted	7,486.8	7,917.3	430.5	7,728.5	188.8
In Hokkaido	5,840.7	5,877.6	36.9	5,756.6	121.0

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

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2022 (B)	(A)–(B)
	2021	2022(A)			
Securities	1,370.7	1,671.7	301.0	1,594.0	77.7

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

(¥ billions)

	As of Sep.30, 2022			As of Dec.31, 2022			
	Net (B)	Unrealized gains	Unrealized losses	Net (A)	(A)–(B)	Unrealized gains	Unrealized losses
Unrealized gains (losses) on securities	43.0	81.4	38.4	40.1	(2.9)	98.5	58.4
Stocks	75.7	76.1	0.3	94.3	18.5	94.6	0.2
Bonds	(25.3)	3.6	29.0	(47.3)	(21.9)	2.2	49.5
Others	(7.3)	1.6	9.0	(6.8)	0.5	1.7	8.6
Nikkei stock average (¥)	25,937			26,094			
New 10-year Japanese government bond yield (%)	0.240%			0.410%			

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

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2022(B)	(A)–(B)
	2021	2022(A)			
Bankrupt and quasi-bankrupt claims	27.9	31.6	3.7	30.6	0.9
Doubtful claims	34.6	36.6	2.0	35.6	1.0
Substandard claims	12.1	18.3	6.1	17.8	0.4
Loans overdue for more than 3 months	0.2	0.2	(0.0)	0.8	(0.6)
Restructured loans	11.9	18.1	6.2	17.0	1.1
Total (a)	74.7	86.7	11.9	84.2	2.4
After partial direct write-offs (b) *	59.7	69.9	10.2	67.9	2.0
Normal claims	7,589.8	8,011.2	421.4	7,825.6	185.6
Total claims (c)	7,664.6	8,097.9	433.3	7,909.8	188.1
After partial direct write-offs (d) *	7,649.6	8,081.2	431.6	7,893.5	187.6
< Percentage of total claims >					(%)
(a) / (c)	0.97	1.07	0.10	1.06	0.01
(b) / (d) *	0.78	0.86	0.08	0.86	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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