

Financial Summary

First Quarter (Three Months) ended June 30, 2023



August 7, 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, 2023	As of Jun. 30, 2023
Assets	資産の部		
Cash and due from banks	現金預け金	2,796,033	2,821,345
Call loans and bills bought	コールローン及び買入手形	492	526
Monetary claims bought	買入金銭債権	8,350	9,474
Trading securities	商品有価証券	1,992	1,954
Securities	有価証券	1,588,951	1,714,293
Loans and bills discounted	貸出金	7,703,573	7,684,823
Foreign exchanges	外国為替	6,991	8,297
Lease receivables and investment assets	リース債権及びリース投資資産	57,203	57,212
Other assets	その他資産	235,340	201,554
Property, plant and equipment	有形固定資産	72,266	71,552
Intangible assets	無形固定資産	21,996	21,181
Net defined benefit asset	退職給付に係る資産	764	805
Deferred tax assets	繰延税金資産	943	891
Customers' liabilities for acceptances and guarantees	支払承諾見返	68,828	72,481
Allowance for loan losses	貸倒引当金	(42,755)	(42,725)
Total assets	資産の部合計	12,520,974	12,623,669
Liabilities	負債の部		
Deposits	預金	10,828,182	10,609,581
Negotiable certificates of deposit	譲渡性預金	174,937	278,260
Securities sold under repurchase agreements	売現先勘定	10,964	2,661
Cash collateral received for securities lent	債券貸借取引受入担保金	9,484	230,647
Borrowed money	借入金	941,784	914,758
Foreign exchanges	外国為替	152	439
Other liabilities	その他負債	64,790	77,519
Provision for bonuses	賞与引当金	1,516	379
Provision for share awards	株式給付引当金	155	145
Net defined benefit liability	退職給付に係る負債	1,366	1,330
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,149	1,087
Provision for point card certificates	ポイント引当金	364	369
Reserves under special laws	特別法上の引当金	19	19
Deferred tax liabilities	繰延税金負債	8,143	12,101
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	1,809	1,800
Acceptances and guarantees	支払承諾	68,828	72,481
Total liabilities	負債の部合計	12,113,649	12,203,585
Net assets	純資産の部		
Capital stock	資本金	121,101	121,101
Capital surplus	資本剰余金	74,751	74,751
Retained earnings	利益剰余金	167,891	169,209
Treasury shares	自己株式	(3,800)	(3,778)
Total shareholders' equity	株主資本合計	359,943	361,283
Valuation difference on available-for-sale securities	その他有価証券評価差額金	40,209	51,564
Revaluation reserve for land	土地再評価差額金	3,550	3,530
Remeasurements of defined benefit plans	退職給付に係る調整累計額	(377)	(283)
Total accumulated other comprehensive income	その他の包括利益累計額合計	43,382	54,811
Share acquisition rights	新株予約権	28	28
Non-controlling interests	非支配株主持分	3,970	3,960
Total net assets	純資産の部合計	407,324	420,083
Total liabilities and net assets	負債及び純資産の部合計	12,520,974	12,623,669

2. Consolidated Statements of Income and Comprehensive Income

(1) Consolidated Statements of Income

(¥ millions)

		Three months ended Jun. 30,	
		2022	2023
Ordinary income	経常収益	33,768	32,767
Interest income	資金運用収益	18,120	17,487
Of which, interest on loans and discounts	うち貸出金利息	14,314	14,080
Of which, interest and dividends on securities	うち有価証券利息配当金	2,890	2,851
Fees and commissions	役務取引等収益	6,755	7,010
Other ordinary income	その他業務収益	6,522	6,199
Other income	その他経常収益	2,369	2,070
Ordinary expenses	経常費用	26,686	27,985
Interest expenses	資金調達費用	257	389
Of which, interest on deposits	うち預金利息	28	40
Fees and commissions payments	役務取引等費用	3,161	3,284
Other ordinary expenses	その他業務費用	5,391	7,127
General and administrative expenses	営業経費	16,064	16,886
Other expenses	その他経常費用	1,811	297
Ordinary profit	経常利益	7,082	4,782
Extraordinary income	特別利益	0	114
Gain on disposal of non-current assets	固定資産処分益	0	114
Extraordinary losses	特別損失	138	31
Loss on disposal of non-current assets	固定資産処分損	83	28
Impairment losses	減損損失	55	3
Profit before income taxes	税金等調整前四半期純利益	6,944	4,865
Income taxes – current	法人税、住民税及び事業税	1,717	1,072
Income taxes – deferred	法人税等調整額	546	665
Total income taxes	法人税等合計	2,263	1,737
Profit	四半期純利益	4,681	3,128
Profit attributable to non-controlling interests	非支配株主に帰属する四半期純利益	(554)	(100)
Profit attributable to owners of parent	親会社株主に帰属する四半期純利益	5,236	3,228

(2) Consolidated Statements of Comprehensive Income

(¥ millions)

		Three months ended Jun. 30,	
		2022	2023
Profit	四半期純利益	4,681	3,128
Other comprehensive income	その他の包括利益	(16,949)	11,543
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(16,946)	11,449
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	(2)	94
Comprehensive income	四半期包括利益	(12,268)	14,671
Comprehensive income attributable to owners of parent	親会社株主に係る四半期包括利益	(11,563)	14,677
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	(704)	(5)

II . Digest of financial results for three months ended June 30, 2023

1. Summary (Non-Consolidated)

	Three months ended Jun.30,		Increase/ (Decrease)	(¥ millions)
	2022	2023		Six months ending Sep.30, 2023 (Forecasts)
Ordinary income	29,113	27,367	(1,746)	50,900
Core gross profit	22,994	20,991	(2,003)	40,700
Net interest income	19,811	18,346	(1,465)	
Net fees and commissions	2,593	2,545	(48)	
Net other operating income (excluding gains (losses) on bonds)	588	99	(489)	
Expenses (excluding non-recurring losses)	15,166	15,768	602	32,500
Core operating profit	7,828	5,222	(2,606)	8,200
Excluding gains (losses) on cancellation of investment trusts	7,828	5,222	(2,606)	
Credit cost	1,116	(14)	(1,130)	2,000
Gains (losses) on securities	1,814	138	(1,676)	
Bonds, etc	(100)	(1,460)	(1,360)	
Stocks, etc	1,915	1,599	(316)	
Net other non-recurring income (loss)	317	298	(19)	
Ordinary profit	8,843	5,674	(3,169)	8,000
Extraordinary income (losses)	(137)	84	221	
Income before income taxes	8,706	5,758	(2,948)	
Income taxes	2,148	1,521	(627)	
Net income	6,558	4,237	(2,321)	5,600
Net operating profit	7,728	3,761	(3,967)	

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. 31,2023 (B)	(A)–(B)
	2022	2023 (A)			
Deposits and NCDs	10,494.4	10,810.3	315.8	10,544.6	265.7
Corporate	3,074.2	3,112.1	37.9	3,019.1	93.0
Individual	6,642.3	6,829.4	187.1	6,734.1	95.2
Public sectors and financial institutions	777.9	868.7	90.7	791.3	77.4

【Outstanding Balance】

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2023 (B)	(A)–(B)
	2022	2023 (A)			
Deposits and NCDs	10,638.4	10,907.0	268.5	11,019.2	(112.2)
Deposit assets	248.4	259.4	10.9	248.3	11.0
Safe custody of public bonds	101.2	108.1	6.9	104.4	3.7
Investment trusts	147.2	151.2	4.0	143.9	7.3
Total	10,886.9	11,166.4	279.4	11,267.6	(101.1)

3. Loans and bills discounted (Non-Consolidated)

【Average Balance】

(¥ billions)

	Three months ended Jun.30,		Increase/ (Decrease)	Year ended Mar. 31,2023 (B)	(A)–(B)
	2022	2023 (A)			
Loans and bills discounted	7,519.2	7,765.0	245.8	7,732.2	32.7
Enterprises	3,011.0	3,008.3	(2.6)	3,056.5	(48.1)
Individuals	2,044.7	2,145.6	100.8	2,079.1	66.5
Public sectors	2,463.4	2,611.0	147.5	2,596.5	14.4

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, 2023 (B)	(A)–(B)
	2022	2023 (A)			
SMEs, etc	4,124.6	4,176.6	51.9	4,252.2	(75.6)
Loans and bills discounted	7,582.1	7,748.1	166.0	7,762.5	(14.4)
In Hokkaido	5,783.2	5,779.6	(3.5)	5,836.9	(57.2)

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

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2023 (B)	(A)–(B)
	2022	2023 (A)			
Securities	1,530.5	1,714.5	184.0	1,589.4	125.1

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

(¥ billions)

	As of Mar.31, 2023			As of Jun.30, 2023			
	Net (B)	Unrealized gains	Unrealized losses	Net (A)	(A)–(B)	Unrealized gains	Unrealized losses
Unrealized gains (losses) on securities	54.1	93.4	39.3	68.6	14.5	102.2	33.6
Stocks	87.7	88.0	0.2	94.2	6.5	94.4	0.1
Bonds	(28.0)	2.8	30.8	(23.5)	4.4	3.5	27.1
Others	(5.5)	2.5	8.1	(2.0)	3.5	4.2	6.3
Nikkei stock average (¥)			28,041		33,189		
New 10-year Japanese government bond yield (%)			0.320		0.395		

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, 2023 (B)	(A)–(B)
	2022	2023 (A)			
Bankrupt and quasi-bankrupt claims	30.9	34.4	3.4	34.6	(0.2)
Doubtful claims	34.8	33.8	(0.9)	33.0	0.8
Substandard claims	13.9	18.0	4.1	17.8	0.2
Loans overdue for more than 3 months	0.1	0.2	0.1	0.5	(0.3)
Restructured loans	13.7	17.8	4.0	17.2	0.5
Total (a)	79.7	86.3	6.5	85.5	0.7
After partial direct write-offs (b) *	63.5	67.6	4.1	66.9	0.7
Normal claims	7,683.0	7,835.0	152.0	7,847.9	(12.8)
Total claims (c)	7,762.7	7,921.3	158.6	7,933.4	(12.0)
After partial direct write-offs (d) *	7,746.5	7,902.7	156.1	7,914.8	(12.1)
< Percentage of total claims >					(%)
(a) / (c)	1.02	1.08	0.06	1.07	0.01
(b) / (d) *	0.82	0.85	0.03	0.84	0.01

*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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