

Financial Summary

Third Quarter (Nine Months) ended December 31, 2023



February 8, 2024
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 Dec. 31, 2023
Assets	資産の部		
Cash and due from banks	現金預け金	2,796,033	2,707,835
Call loans and bills bought	コールローン及び買入手形	492	532
Monetary claims bought	買入金銭債権	8,350	8,992
Trading securities	商品有価証券	1,992	1,719
Securities	有価証券	1,588,951	2,118,099
Loans and bills discounted	貸出金	7,703,573	7,644,850
Foreign exchanges	外国為替	6,991	6,005
Lease receivables and investment assets	リース債権及びリース投資資産	57,203	58,734
Other assets	その他資産	235,340	217,723
Property, plant and equipment	有形固定資産	72,266	71,240
Intangible assets	無形固定資産	21,996	19,569
Net defined benefit asset	退職給付に係る資産	764	866
Deferred tax assets	繰延税金資産	943	726
Customers' liabilities for acceptances and guarantees	支払承諾見返	68,828	70,782
Allowance for loan losses	貸倒引当金	(42,755)	(46,728)
Total assets	資産の部合計	12,520,974	12,880,948
Liabilities	負債の部		
Deposits	預金	10,828,182	10,498,203
Negotiable certificates of deposit	譲渡性預金	174,937	365,918
Securities sold under repurchase agreements	売現先勘定	10,964	—
Cash collateral received for securities lent	債券貸借取引受入担保金	9,484	499,089
Borrowed money	借入金	941,784	924,862
Foreign exchanges	外国為替	152	235
Other liabilities	その他負債	64,790	83,596
Provision for bonuses	賞与引当金	1,516	370
Provision for share awards	株式給付引当金	155	151
Net defined benefit liability	退職給付に係る負債	1,366	1,332
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,149	937
Provision for point card certificates	ポイント引当金	364	347
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	10,327
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	1,809	1,798
Acceptances and guarantees	支払承諾	68,828	70,782
Total liabilities	負債の部合計	12,113,649	12,457,973
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	174,077
Treasury shares	自己株式	(3,800)	(3,921)
Total shareholders' equity	株主資本合計	359,943	366,008
Valuation difference on available-for-sale securities	その他有価証券評価差額金	40,209	49,301
Revaluation reserve for land	土地再評価差額金	3,550	3,526
Remeasurements of defined benefit plans	退職給付に係る調整累計額	(377)	(94)
Total accumulated other comprehensive income	その他の包括利益累計額合計	43,382	52,732
Share acquisition rights	新株予約権	28	28
Non-controlling interests	非支配株主持分	3,970	4,205
Total net assets	純資産の部合計	407,324	422,974
Total liabilities and net assets	負債及び純資産の部合計	12,520,974	12,880,948

2. Consolidated Statements of Income and Comprehensive Income

(1) Consolidated Statements of Income

(¥ millions)

		Nine months ended Dec. 31,	
		2022	2023
Ordinary income	経常収益	95,442	97,431
Interest income	資金運用収益	52,533	53,317
Of which, interest on loans and discounts	うち貸出金利息	43,064	43,384
Of which, interest and dividends on securities	うち有価証券利息配当金	7,282	8,738
Fees and commissions	役務取引等収益	20,650	20,879
Other ordinary income	その他業務収益	18,739	18,603
Other income	その他経常収益	3,519	4,630
Ordinary expenses	経常費用	79,065	84,293
Interest expenses	資金調達費用	1,110	918
Of which, interest on deposits	うち預金利息	90	132
Fees and commissions payments	役務取引等費用	9,617	10,045
Other ordinary expenses	その他業務費用	15,977	17,924
General and administrative expenses	営業経費	48,321	50,206
Other expenses	その他経常費用	4,039	5,198
Ordinary profit	経常利益	16,376	13,138
Extraordinary income	特別利益	25	129
Gain on disposal of non-current assets	固定資産処分益	25	129
Extraordinary losses	特別損失	232	354
Loss on disposal of non-current assets	固定資産処分損	142	337
Impairment losses	減損損失	90	17
Profit before income taxes	税金等調整前四半期純利益	16,168	12,912
Income taxes – current	法人税、住民税及び事業税	4,739	4,151
Income taxes – deferred	法人税等調整額	1,205	(1,181)
Total income taxes	法人税等合計	5,944	2,970
Profit	四半期純利益	10,224	9,941
Loss attributable to non-controlling interests	非支配株主に帰属する四半期純損失(△)	(484)	(80)
Profit attributable to owners of parent	親会社株主に帰属する四半期純利益	10,708	10,021

(2) Consolidated Statements of Comprehensive Income

(¥ millions)

		Nine months ended Dec. 31,	
		2022	2023
Profit	四半期純利益	10,224	9,941
Other comprehensive income	その他の包括利益	(27,618)	9,693
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(27,609)	9,410
Remeasurements of defined benefit plans, net of tax	退職給付に係る調整額	(8)	283
Comprehensive income	四半期包括利益	(17,394)	19,635
Comprehensive income attributable to owners of parent	親会社株主に係る四半期包括利益	(17,079)	19,396
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	(314)	238

II . Digest of financial results for Nine months ended December 31, 2023

1. Summary (Non-Consolidated)

	Nine months ended Dec.31,		Increase/ (Decrease)	(¥ millions)
	2022	2023		Fiscal year ending Mar.31, 2024 (Forecasts)
Ordinary income	77,886	78,417	531	100,000
Core gross profit	62,527	61,013	(1,514)	80,900
Net interest income	53,475	53,737	262	
Net fees and commissions	7,710	7,034	(676)	
Net other operating income (excluding gains (losses) on bonds)	1,340	240	(1,100)	
Expenses (excluding non-recurring losses)	45,623	46,786	1,163	64,700
Core operating profit	16,903	14,227	(2,676)	16,200
Excluding gains (losses) on cancellation of investment trusts	16,864	13,565	(3,299)	
Credit cost	2,419	3,841	1,422	4,000
Gains (losses) on securities	1,491	1,880	389	
Bonds, etc	(452)	(1,181)	(729)	
Stocks, etc	1,943	3,062	1,119	
Net other non-recurring income (loss)	1,161	872	(289)	
Ordinary profit	17,137	13,139	(3,998)	15,900
Extraordinary income (losses)	(207)	(224)	(17)	
Income before income taxes	16,929	12,915	(4,014)	
Income taxes	5,393	2,334	(3,059)	
Net income	11,536	10,580	(956)	11,000
Net operating profit	16,451	13,045	(3,406)	
Operating profit	16,119	13,992	(2,127)	

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. 30,2023 (B)	(A)－(B)
	2022	2023(A)			
Deposits and NCDs	10,557.5	10,835.4	277.9	10,832.6	2.8
Corporate	3,034.8	3,061.9	27.0	3,070.6	(8.7)
Individual	6,709.1	6,872.0	162.8	6,857.6	14.3
Public sectors and financial institutions	813.6	901.5	87.9	904.2	(2.7)

【Outstanding Balance】

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2023 (B)	(A)－(B)
	2022	2023(A)			
Deposits and NCDs	10,640.6	10,880.0	239.4	10,788.5	91.4
Deposit assets	243.0	256.4	13.3	255.1	1.2
Safe custody of public bonds	102.1	113.0	10.9	109.2	3.7
Investment trusts	140.9	143.3	2.3	145.8	(2.4)
Total	10,883.7	11,136.4	252.7	11,043.7	92.7

3. Loans and bills discounted (Non-Consolidated)

【Average Balance】

(¥ billions)

	Nine months ended Dec.31,		Increase/ (Decrease)	Six months ended Sep. 30,2023 (B)	(A)－(B)
	2022	2023(A)			
Loans and bills discounted	7,693.2	7,761.7	68.4	7,780.4	(18.7)
Enterprises	3,036.6	3,024.4	(12.2)	3,003.4	21.0
Individuals	2,067.6	2,164.8	97.1	2,152.9	11.8
Public sectors	2,588.8	2,572.4	(16.4)	2,624.0	(51.6)

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, 2023 (B)	(A)－(B)
	2022	2023(A)			
SMEs, etc	4,286.0	4,300.2	14.1	4,226.7	73.5
Loans and bills discounted	7,917.3	7,710.6	(206.6)	7,721.2	(10.5)
In Hokkaido	5,877.6	5,833.0	(44.5)	5,770.6	62.4

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

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2023 (B)	(A)–(B)
	2022	2023(A)			
Securities	1,671.7	2,117.7	445.9	2,013.1	104.5

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

(¥ billions)

	As of Sep.30, 2023			As of Dec.31, 2023			
	Net (B)	Unrealized gains	Unrealized losses	Net (A)	(A)–(B)	Unrealized gains	Unrealized losses
Unrealized gains (losses) on securities	42.5	104.6	62.1	66.0	23.4	115.4	49.4
Stocks	98.5	99.5	0.9	107.9	9.3	108.8	0.9
Bonds	(52.2)	1.4	53.6	(39.5)	12.6	2.8	42.4
Others	(3.7)	3.6	7.4	(2.3)	1.4	3.7	6.1
Nikkei stock average (¥)			31,857	33,464			
New 10-year Japanese government bond yield (%)			0.765%	0.620%			

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, 2023(B)	(A)–(B)
	2022	2023(A)			
Bankrupt and quasi-bankrupt claims	31.6	39.2	7.5	35.2	4.0
Doubtful claims	36.6	35.4	(1.2)	38.6	(3.1)
Substandard claims	18.3	13.8	(4.4)	14.1	(0.2)
Loans overdue for more than 3 months	0.2	0.1	(0.0)	0.3	(0.1)
Restructured loans	18.1	13.7	(4.4)	13.8	(0.1)
Total (a)	86.7	88.5	1.8	88.0	0.5
After partial direct write-offs (b) *	69.9	65.3	(4.5)	68.3	(2.9)
Normal claims	8,011.2	7,789.2	(222.0)	7,807.5	(18.3)
Total claims (c)	8,097.9	7,877.7	(220.1)	7,895.6	(17.8)
After partial direct write-offs (d) *	8,081.2	7,854.6	(226.6)	7,875.9	(21.3)
< Percentage of total claims >					(%)
(a) / (c)	1.07	1.12	0.05	1.11	0.01
(b) / (d) *	0.86	0.83	(0.03)	0.86	(0.03)

* 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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