

Financial Summary
First Quarter (Three Months) ended June 30, 2015



August 5, 2015
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, 2015	As of Jun. 30, 2015
Assets	資産の部		
Cash and due from banks	現金預け金	622,039	839,997
Call loans and bills bought	コールローン及び買入手形	1,398	1,154
Monetary claims bought	買入金銭債権	16,655	13,374
Trading account securities	商品有価証券	5,075	5,011
Securities	有価証券	1,787,027	1,691,937
Loans and bills discounted	貸出金	5,505,045	5,528,657
Foreign exchanges	外国為替	2,671	2,195
Lease receivables and investment assets	リース債権及びリース投資資産	44,721	45,173
Other assets	その他資産	84,107	85,610
Property, plant and equipment	有形固定資産	91,534	91,089
Intangible assets	無形固定資産	11,707	13,080
Deferred tax assets	繰延税金資産	218	255
Customers' liabilities for acceptances and guarantees	支払承諾見返	53,515	53,878
Allowance for loan losses	貸倒引当金	(63,293)	(62,439)
Total assets	資産の部合計	8,162,423	8,308,977
Liabilities	負債の部		
Deposits	預金	7,480,252	7,423,522
Negotiable certificates of deposit	譲渡性預金	92,899	256,147
Payables under securities lending transactions	債券貸借取引受入担保金	4,779	40,576
Borrowed money	借入金	90,595	80,885
Foreign exchanges	外国為替	13	16
Other liabilities	その他負債	57,612	59,148
Provision for bonuses	賞与引当金	1,843	478
Net defined benefit liability	退職給付に係る負債	681	644
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,672	1,314
Provision for point card certificates	ポイント引当金	320	420
Deferred tax liabilities	繰延税金負債	7,065	10,133
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	3,157	3,156
Acceptances and guarantees	支払承諾	53,515	53,878
Total liabilities	負債の部合計	7,794,409	7,930,323
Net assets	純資産の部		
Capital stock	資本金	121,101	121,101
Capital surplus	資本剰余金	72,328	72,328
Retained earnings	利益剰余金	97,305	101,974
Treasury shares	自己株式	(0)	(0)
Total shareholders' equity	株主資本合計	290,734	295,403
Valuation difference on available-for-sale securities	その他有価証券評価差額金	66,300	71,943
Deferred gains or losses on hedges	繰延ヘッジ損益	(20)	(12)
Revaluation reserve for land	土地再評価差額金	6,035	6,034
Remeasurements of defined benefit plans	退職給付に係る調整累計額	490	362
Total valuation and translation adjustments	その他の包括利益累計額合計	72,806	78,327
Non-controlling interests	非支配株主持分	4,473	4,922
Total net assets	純資産の部合計	368,014	378,654
Total liabilities and net assets	負債及び純資産の部合計	8,162,423	8,308,977

2. Consolidated Statements of Income

(¥ millions)

		Three months ended Jun. 30,	
		2014	2015
Ordinary income	経常収益	38,698	40,712
Interest income	資金運用収益	20,374	20,309
Of which, interest on loans and discounts	うち貸出金利息	17,546	16,726
Of which, interest and dividends on securities	うち有価証券利息配当金	2,652	3,370
Fees and commissions	役務取引等収益	7,384	7,524
Other ordinary income	その他業務収益	8,765	11,294
Other income	その他経常収益	2,173	1,583
Ordinary expenses	経常費用	30,579	30,961
Interest expenses	資金調達費用	1,074	1,045
Of which, interest on deposits	うち預金利息	440	435
Fees and commissions payments	役務取引等費用	2,703	2,948
Other ordinary expenses	その他業務費用	6,265	6,734
General and administrative expenses	営業経費	20,125	19,877
Other expenses	その他経常費用	409	355
Ordinary profit	経常利益	8,118	9,750
Extraordinary income	特別利益	12	1
Gain on disposal of non-current assets	固定資産処分益	12	1
Extraordinary losses	特別損失	268	39
Loss on disposal of non-current assets	固定資産処分損	32	11
Impairment loss	減損損失	236	28
Income before income taxes	税金等調整前四半期純利益	7,862	9,712
Income taxes - current	法人税、住民税及び事業税	268	1,160
Income taxes - deferred	法人税等調整額	344	2,256
Total income taxes	法人税等合計	612	3,417
Profit	四半期純利益	7,250	6,295
Profit attributable to non-controlling interests	非支配株主に帰属する四半期純利益	141	232
Profit attributable to owners of parent	親会社株主に帰属する四半期純利益	7,109	6,063

II . Digest of financial results for three months ended June 30, 2015

1. Summary (Non-Consolidated)

	Three months ended Jun.30,		Increase/ (Decrease)	(¥ millions)
	2014	2015		Six months ending Sep.30, 2015 (Forecasts)
Ordinary income	31,664	33,692	2,028	62,000
Core gross profit	23,483	23,236	(247)	48,300
Net interest income	19,489	19,426	(63)	
Net fees and commissions	3,721	3,642	(79)	
Net other operating income (excluding gains (losses) on bonds)	272	167	(105)	
Expenses (excluding non-recurring losses)	19,707	19,610	(97)	38,500
Core operating profit	3,776	3,625	(151)	9,800
Credit cost	(1,413)	(780)	633	1,200
Gains (losses) on securities	1,849	3,982	2,133	
Bonds, etc	1,850	4,001	2,151	
Stocks, etc	(1)	(18)	(17)	
Net other non-recurring income (loss) (including gains (losses) on money held in trust)	613	766	153	
Ordinary profit	7,652	9,155	1,503	13,500
Extraordinary income (losses)	(256)	(37)	219	
Income before income taxes	7,396	9,117	1,721	
Income taxes	351	3,162	2,811	
Net income	7,045	5,954	(1,091)	9,000
Operating profit	5,626	7,627	2,001	

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 NCD (Non-Consolidated)

【Average balance】

(¥ billions)

	Three months ended Jun.30,		Increase/ (Decrease)	Year ended Mar. 31,2015 (B)	(A)–(B)
	2014	2015 (A)			
Deposits and NCD	7,271.6	7,533.5	261.9	7,322.3	211.1
Corporate	1,894.0	2,009.9	115.8	1,892.1	117.7
Individual	4,950.9	5,062.2	111.2	4,994.2	67.9
Public sectors and financial institutions	426.5	461.4	34.8	435.9	25.4

【Outstanding balance】

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2015 (B)	(A)–(B)
	2014	2015 (A)			
Deposits and NCD	7,391.1	7,701.1	310.0	7,592.9	108.2
Deposit assets	443.4	421.5	(21.9)	433.0	(11.5)
Safe custody of public bonds	280.3	221.8	(58.5)	234.8	(13.0)
Investment trusts	163.0	199.6	36.5	198.1	1.5
Total	7,834.6	8,122.6	288.0	8,025.9	96.7

<Reference>

Individual annuity insurance, etc.	427.7	488.3	60.6	477.4	10.8
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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. 31,2015 (B)	(A)–(B)
	2014	2015 (A)			
Loans and bills discounted	5,449.4	5,492.5	43.0	5,450.9	41.5
Enterprises	2,453.8	2,448.2	(5.5)	2,474.1	(25.8)
Individuals	1,656.7	1,661.8	5.0	1,654.6	7.2
Public sectors	1,338.8	1,382.4	43.5	1,322.2	60.1

Public sector loans include loans to land development public corporations.

【Outstanding balance】

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2015 (B)	(A)–(B)
	2014	2015 (A)			
SMEs, etc	3,274.6	3,301.9	27.3	3,396.3	(94.3)
Loans and bills discounted	5,414.5	5,578.8	164.3	5,553.6	25.1
In Hokkaido	4,865.5	4,931.1	65.5	4,974.6	(43.4)

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

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2015 (B)	(A)–(B)
	2014	2015 (A)			
Securities	1,626.1	1,690.6	64.4	1,786.3	(95.7)

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

(¥ billions)

	As of Mar.31, 2015			As of Jun.30, 2015			
	Net (B)	Unrealized gains	Unrealized losses	Net (A)	(A)–(B)	Unrealized gains	Unrealized losses
Unrealized gains (losses) on securities	93.6	99.0	5.3	99.7	6.0	105.0	5.3
Stocks	67.7	67.9	0.2	79.4	11.6	79.6	0.2
Bonds	22.2	22.4	0.2	16.4	(5.7)	16.8	0.3
Others	3.6	8.5	4.9	3.8	0.1	8.5	4.7
Nikkei stock average (¥)	19,206			20,235			
New 10-year Japanese government bond yield (%)	0.400 %			0.455 %			

6. Problem Assets Based on the Financial Revitalization Law (Non-Consolidated)

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)	As of Mar.31, 2015 (B)	(A)–(B)
	2014	2015 (A)			
Bankrupt and quasi-bankrupt assets	60.4	52.7	(7.7)	53.7	(0.9)
Doubtful assets	62.9	52.2	(10.7)	54.5	(2.2)
Substandard loans	26.0	19.9	(6.0)	20.4	(0.4)
Total (a)	149.4	124.9	(24.4)	128.6	(3.7)
After partial direct write-offs (b) *	105.9	87.9	(17.9)	91.5	(3.5)
Normal assets	5,407.9	5,601.4	193.5	5,567.6	33.8
Total claims (c)	5,557.3	5,726.4	169.0	5,696.3	30.0
After partial direct write-offs (d) *	5,513.8	5,689.4	175.6	5,659.2	30.2
< Percentage of total claims >					(%)
(a) / (c)	2.68	2.18	(0.50)	2.25	(0.07)
(b) / (d) *	1.92	1.54	(0.38)	1.61	(0.07)

* Partial direct write-offs have not been implemented. The figures as they would appear after partial direct write-offs are shown for reference.

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