

Financial Summary
Third Quarter (Nine Months) ended December 31, 2015



February 8, 2016
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 Dec. 31, 2015
Assets	資産の部		
Cash and due from banks	現金預け金	622,039	749,533
Call loans and bills bought	コールローン及び買入手形	1,398	946
Monetary claims bought	買入金銭債権	16,655	13,853
Trading account securities	商品有価証券	5,075	5,274
Securities	有価証券	1,787,027	1,693,027
Loans and bills discounted	貸出金	5,505,045	5,666,025
Foreign exchanges	外国為替	2,671	3,359
Lease receivables and investment assets	リース債権及びリース投資資産	44,721	45,423
Other assets	その他資産	84,107	91,883
Property, plant and equipment	有形固定資産	91,534	90,564
Intangible assets	無形固定資産	11,707	11,331
Deferred tax assets	繰延税金資産	218	399
Customers' liabilities for acceptances and guarantees	支払承諾見返	53,515	51,672
Allowance for loan losses	貸倒引当金	(63,293)	(63,043)
Total assets	資産の部合計	8,162,423	8,360,251
Liabilities	負債の部		
Deposits	預金	7,480,252	7,378,208
Negotiable certificates of deposit	譲渡性預金	92,899	340,808
Payables under securities lending transactions	債券貸借取引受入担保金	4,779	44,933
Borrowed money	借入金	90,595	80,112
Foreign exchanges	外国為替	13	83
Other liabilities	その他負債	57,612	62,606
Provision for bonuses	賞与引当金	1,843	496
Net defined benefit liability	退職給付に係る負債	681	732
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,672	1,466
Provision for point card certificates	ポイント引当金	320	291
Deferred tax liabilities	繰延税金負債	7,065	12,672
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	3,157	3,043
Acceptances and guarantees	支払承諾	53,515	51,672
Total liabilities	負債の部合計	7,794,409	7,977,127
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	108,164
Treasury shares	自己株式	(0)	(1)
Total shareholders' equity	株主資本合計	290,734	301,593
Valuation difference on available-for-sale securities	その他有価証券評価差額金	66,300	70,394
Deferred gains or losses on hedges	繰延ヘッジ損益	(20)	(2)
Revaluation reserve for land	土地再評価差額金	6,035	5,794
Remeasurements of defined benefit plans	退職給付に係る調整累計額	490	105
Total valuation and translation adjustments	その他の包括利益累計額合計	72,806	76,290
Subscription rights to shares	新株予約権	—	37
Non-controlling interests	非支配株主持分	4,473	5,203
Total net assets	純資産の部合計	368,014	383,124
Total liabilities and net assets	負債及び純資産の部合計	8,162,423	8,360,251

2. Consolidated Statements of Income

(¥ millions)

		Nine months ended Dec. 31,	
		2014	2015
Ordinary income	経常収益	111,031	113,171
Interest income	資金運用収益	61,017	61,070
Of which, interest on loans and discounts	うち貸出金利息	52,549	50,294
Of which, interest and dividends on securities	うち有価証券利息配当金	7,939	10,154
Fees and commissions	役務取引等収益	22,271	22,850
Other ordinary income	その他業務収益	22,783	24,932
Other income	その他経常収益	4,958	4,317
Ordinary expenses	経常費用	89,096	90,490
Interest expenses	資金調達費用	3,168	3,177
Of which, interest on deposits	うち預金利息	1,296	1,293
Fees and commissions payments	役務取引等費用	7,376	8,525
Other ordinary expenses	その他業務費用	18,838	19,641
General and administrative expenses	営業経費	58,035	56,959
Other expenses	その他経常費用	1,677	2,186
Ordinary profit	経常利益	21,935	22,681
Extraordinary income	特別利益	99	9
Gain on disposal of non-current assets	固定資産処分益	99	9
Extraordinary losses	特別損失	605	1,021
Loss on disposal of non-current assets	固定資産処分損	204	177
Impairment loss	減損損失	401	843
Income before income taxes	税金等調整前四半期純利益	21,429	21,668
Income taxes - current	法人税、住民税及び事業税	1,481	2,617
Income taxes - deferred	法人税等調整額	5,286	4,551
Total income taxes	法人税等合計	6,768	7,169
Profit	四半期純利益	14,660	14,499
Profit attributable to non-controlling interests	非支配株主に帰属する四半期純利益	387	490
Profit attributable to owners of parent	親会社株主に帰属する四半期純利益	14,273	14,008

II . Digest of financial results for Nine months ended December 31, 2015

1. Summary (Non-Consolidated)

	Nine months ended Dec.31,		Increase/ (Decrease)	(¥ millions)
	2014	2015		Fiscal year ending Mar.31, 2016 (Forecasts)
Ordinary income	89,489	91,853	2,364	119,500
Core gross profit	71,075	70,193	(882)	97,500
Net interest income	58,112	58,169	57	
Net fees and commissions	12,095	11,541	(554)	
Net other operating income (excluding gains (losses) on bonds)	866	481	(385)	
Expenses (excluding non-recurring losses)	56,866	56,283	(583)	75,700
Core operating profit	14,208	13,910	(298)	21,800
Credit cost	(2,488)	594	3,082	2,400
Gains (losses) on securities	2,061	5,852	3,791	
Bonds, etc	1,887	3,632	1,745	
Stocks, etc	173	2,219	2,046	
Net other non-recurring income (loss) (including gains (losses) on money held in trust)	1,487	1,909	422	
Ordinary profit	20,245	21,077	832	25,000
Extraordinary income (losses)	(506)	(752)	(246)	
Income before income taxes	19,739	20,325	586	
Income taxes	6,060	6,534	474	
Net income	13,678	13,791	113	16,500
Operating profit	16,095	18,581	2,486	

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. 30,2015 (B)	(A)－(B)
	2014	2015 (A)			
Deposits and NCDs	7,305.9	7,567.7	261.8	7,561.8	5.8
Corporate	1,882.8	1,996.7	113.9	1,987.6	9.1
Individual	4,977.1	5,087.2	110.1	5,080.4	6.8
Public sectors and financial institutions	445.9	483.7	37.7	493.8	(10.0)

【Outstanding balance】

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2015 (B)	(A)－(B)
	2014	2015 (A)			
Deposits and NCDs	7,492.3	7,739.3	246.9	7,615.9	123.4
Deposit assets	438.7	397.1	(41.6)	400.0	(2.9)
Safe custody of public bonds	253.6	201.5	(52.1)	208.9	(7.4)
Investment trusts	185.0	195.6	10.5	191.1	4.4
Total	7,931.0	8,136.4	205.3	8,015.9	120.4

<Reference>

Individual annuity insurance, etc.	460.6	521.4	60.7	509.0	12.3
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Individual annuity insurance, etc. sales reflect cumulative sales amounts.

3. Loans and bills discounted (Non-Consolidated)**【Average balance】**

(¥ billions)

	Nine months ended Dec.31,		Increase/ (Decrease)	Six months ended Sep. 30,2015 (B)	(A)－(B)
	2014	2015 (A)			
Loans and bills discounted	5,436.8	5,578.4	141.6	5,550.4	28.0
Enterprises	2,464.0	2,515.5	51.5	2,488.9	26.6
Individuals	1,654.4	1,666.7	12.2	1,661.5	5.1
Public sectors	1,318.3	1,396.1	77.8	1,399.8	(3.7)

Public sector loans include loans to land development public corporations.

【Outstanding balance】

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2015 (B)	(A)－(B)
	2014	2015 (A)			
SMEs, etc	3,393.3	3,395.3	1.9	3,350.6	44.7
Loans and bills discounted	5,539.0	5,716.7	177.6	5,590.9	125.8
In Hokkaido	4,969.6	5,035.8	66.1	4,944.5	91.2

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

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2015 (B)	(A)－(B)
	2014	2015 (A)			
Securities	1,746.6	1,691.4	(55.2)	1,646.3	45.0

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

(¥ billions)

	As of Sep.30, 2015			As of Dec.31, 2015			
	Net (B)	Unrealized gains	Unrealized losses	Net (A)	(A)－(B)	Unrealized gains	Unrealized losses
Unrealized gains (losses) on securities	90.8	99.1	8.3	98.2	7.4	105.8	7.6
Stocks	72.9	73.2	0.3	78.8	5.8	78.9	0.1
Bonds	18.9	19.0	0.1	20.6	1.7	20.7	0.0
Others	(1.1)	6.8	7.9	(1.2)	(0.1)	6.1	7.4
Nikkei stock average (¥)				17,388			
New 10-year Japanese government bond yield (%)				0.350%			
				19,033			
				0.270%			

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

(¥ billions)

	As of Dec.31,		Increase/ (Decrease)	As of Sep.30, 2015 (B)	(A)－(B)
	2014	2015 (A)			
Bankrupt and quasi-bankrupt assets	52.9	51.8	(1.1)	50.9	0.9
Doubtful assets	61.7	52.7	(9.0)	50.6	2.0
Substandard loans	21.3	18.6	(2.7)	19.8	(1.2)
Total (a)	136.0	123.2	(12.8)	121.4	1.7
After partial direct write-offs (b) *	98.1	85.4	(12.7)	84.8	0.5
Normal assets	5,551.4	5,744.2	192.8	5,619.0	125.2
Total claims (c)	5,687.5	5,867.4	179.9	5,740.4	126.9
After partial direct write-offs (d) *	5,649.6	5,829.6	180.0	5,703.8	125.8
< Percentage of total claims >					(%)
(a) / (c)	2.39	2.09	(0.30)	2.11	(0.02)
(b) / (d) *	1.73	1.46	(0.27)	1.48	(0.02)

*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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