

Financial Summary  
Six months ended September 30, 2014



November 14, 2014

**NORTH PACIFIC BANK, LTD.**

Tokyo Stock Exchange First Section, Sapporo Securities Exchange:8524

## 1. Income Summary (Non-Consolidated)

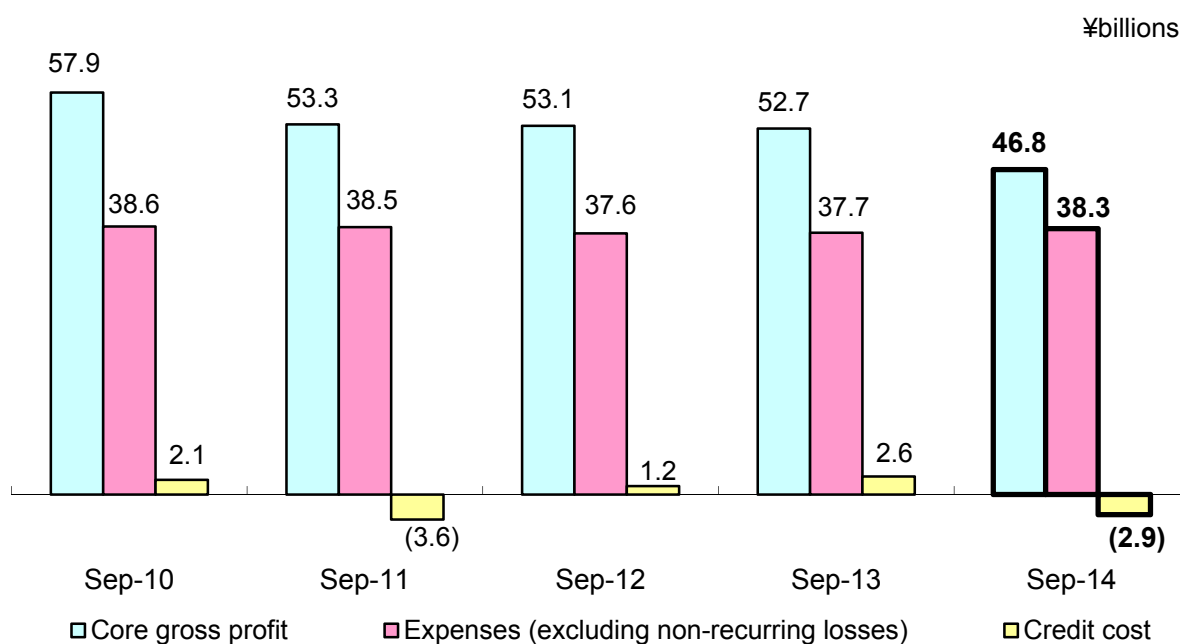
(¥ billions, %)

	Six months ended Sep.30,		Increase/ (Decrease)
	2013	2014	
Ordinary income	70.8	<b>61.5</b>	( 9.3)
Core gross profit	52.7	<b>46.8</b>	( 5.8)
Net interest income	44.3	<b>38.7</b>	( 5.6)
Net fees and commissions	7.7	<b>7.5</b>	( 0.1)
Net other operating income (excluding gains (losses) on bonds)	0.6	<b>0.5</b>	( 0.0)
Expenses(excluding non-recurring losses)	37.7	<b>38.3</b>	0.6
Core OHR	71.5	<b>81.9</b>	10.4
Core operating profit	15.0	<b>8.4</b>	( 6.5)
Credit cost	2.6	<b>( 2.9)</b>	( 5.6)
Gains (losses) on securities	7.4	<b>1.8</b>	( 5.6)
Net other non-recurring income (loss)	( 0.3)	<b>1.2</b>	1.5
Ordinary profit	19.4	<b>14.5</b>	( 4.9)
Net income	17.2	<b>9.7</b>	( 7.5)

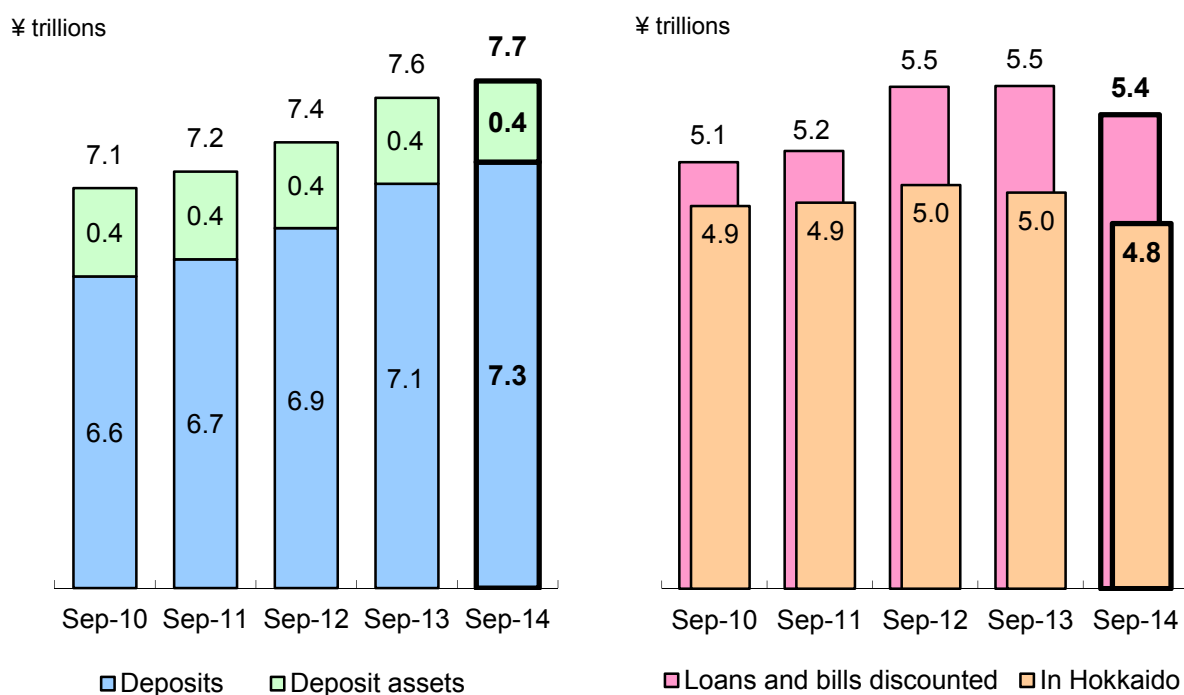
Core gross profit = Net interest income + Net fees and commissions + Net other operating income (excluding gains (losses) on bonds)

Core operating profit = Core gross profit – Expenses (excluding non-recurring losses)

Gains (losses) on securities = Gains(losses) on bonds + Gains(losses) on stocks



## 2. Deposits, Loans and Securities (Non-Consolidated)

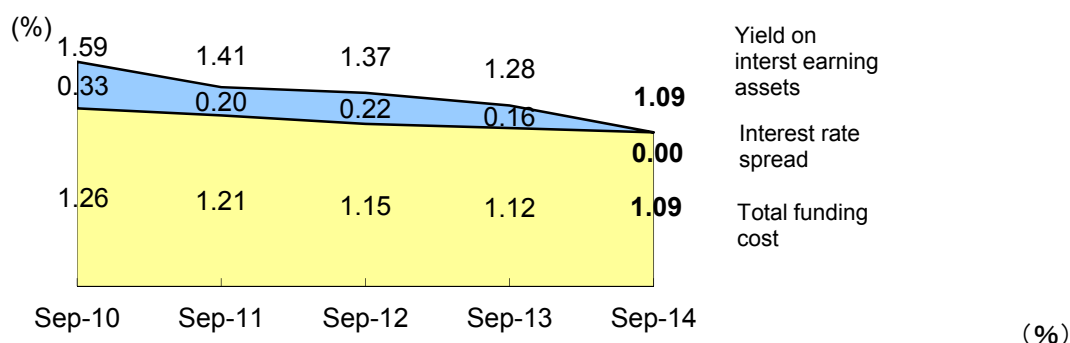


(¥ billions)

	As of Sep.30,		Increase/ (Decrease)
	2013	2014	
Deposits	7,196	7,313	117
Deposit assets	466	440	( 26)
Safe custody of public bonds	319	265	( 54)
Investment trusts	147	175	28
Total	7,663	7,754	91
Individual annuity insurance, etc.	381	445	64
Individual clients	1,608	1,620	12
SMEs	3,484	3,340	( 144)
Loans and bills discounted	5,565	5,418	( 146)
In Hokkaido	5,021	4,863	( 158)

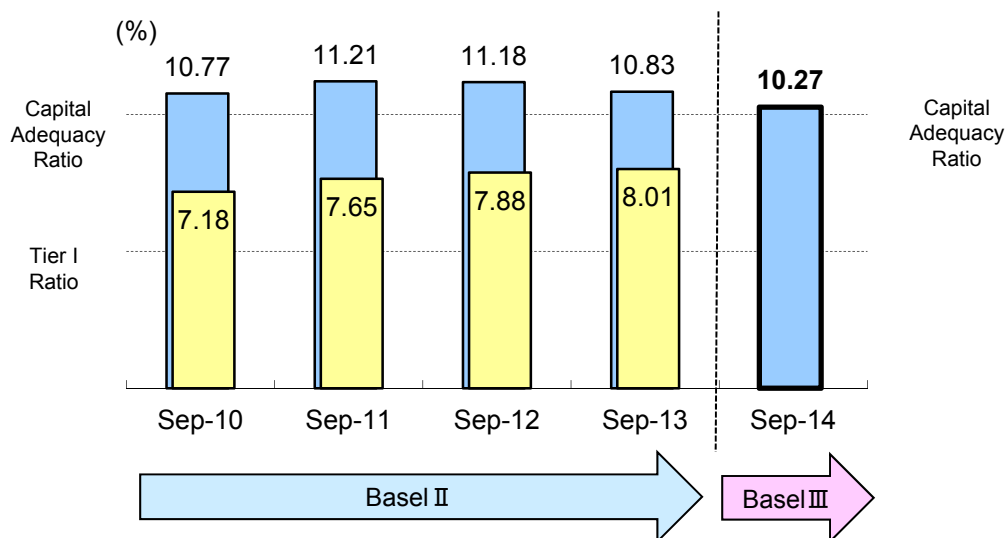
Deposits include negotiable certificates of deposits.  
Investment trusts are stated at fair value.

### 3. Yields and Spreads, etc. (Non-Consolidated)



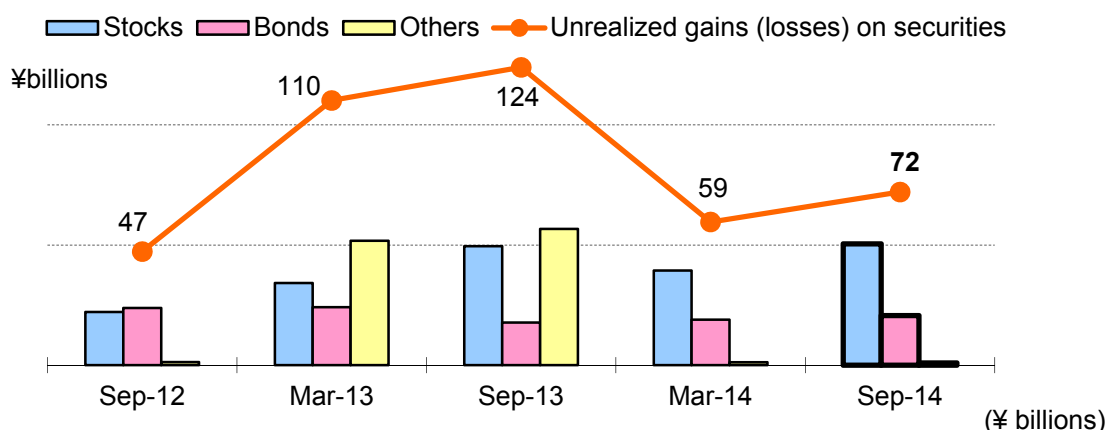
		Six months ended Sep.30,		Increase/ (Decrease)
		2013	2014	
Yield on interest earning assets	(a)	1.28	1.09	( 0.19)
Yield on loans and bills discounted	(b)	1.36	1.28	( 0.08)
Yield on securities		1.42	0.68	( 0.74)
Total funding cost	(c)	1.12	1.09	( 0.03)
Yield on deposits and NCD	(d)	0.03	0.02	( 0.01)
Difference of average yield on loans and deposits	(b)-(d)	1.33	1.26	( 0.07)
Interest rate spread	(a)-(c)	0.16	0.00	( 0.16)

### 4. Capital Adequacy Ratio (Domestic) (Non-Consolidated)



		(¥ billions, %)	<Reference> Basel II (¥ billions, %)
(Preliminary)	<b>As of Sep. 30, 2014</b>		As of Sep.30, 2013
Capital Adequacy Ratio	10.27		Capital Adequacy Ratio 10.83
Capital	347		Tier I ratio 8.01
Risk-adjusted assets	3,379		Capital 379
			Tier I 280
			Tier II 99
			Risk-adjusted assets 3,497

## 5. Unrealized Gains (losses) on Securities (Non-Consolidated)

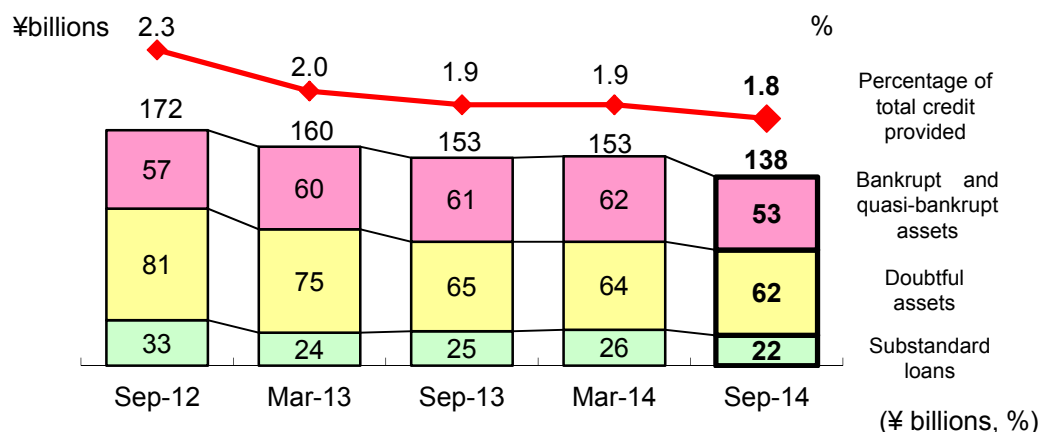


	As of Mar.31, 2014	As of Sep.30, 2014	Increase/ (Decrease)
Unrealized gains (losses) on securities	59	72	12
Stocks	39	50	11
Bonds	18	20	1
Others	1	0	(0)

<Reference>

Nikkei stock average (¥)	14,827	16,173	1,346
New 10-year government bond yield (%)	0.640	0.525	(0.115)

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



	As of Sep.30,		Increase/ (Decrease)
	2013	2014	
Bankrupt and quasi-bankrupt assets	61	53	(8)
Doubtful assets	65	62	(3)
Substandard loans	25	22	(3)
Problem assets based on the Financial Revitalization Law	153	138	(14)
Percentage of total credit provided	2.69	2.49	(0.20)
* After partial direct write-offs	110	101	(9)
Percentage of total credit provided	1.95	1.82	(0.13)

\* Partial direct write-offs have not been implemented.

The figures as they would appear after partial direct write-offs are shown for reference.

## Consolidated Balance Sheets

(¥ millions)

	As of Mar.31, 2014	As of Sep.30, 2014
<b>ASSETS</b>		
Cash and due from banks	486,243	<b>556,740</b>
Call loans and bills purchased	22,658	<b>3,498</b>
Other debt purchased	12,060	<b>10,960</b>
Trading account securities	5,955	<b>5,283</b>
Securities	1,561,854	<b>1,678,122</b>
Loans and bills discounted	5,572,012	<b>5,368,876</b>
Foreign exchanges	2,202	<b>2,512</b>
Lease receivables and investment assets	46,178	<b>44,732</b>
Other assets	83,064	<b>75,401</b>
Tangible fixed assets	92,460	<b>92,063</b>
Intangible fixed assets	14,157	<b>13,088</b>
Deferred tax assets	11,952	<b>2,615</b>
Customers' liabilities for acceptances and guarantees	53,170	<b>60,711</b>
Allowance for loan losses	( 76,401)	<b>( 65,411)</b>
<b>Total assets</b>	<b>7,887,568</b>	<b>7,849,196</b>

## Consolidated Balance Sheets

(¥ millions)

	As of Mar.31, 2014	As of Sep.30, 2014
<b>LIABILITIES</b>		
Deposits	7,233,033	<b>7,031,978</b>
Negotiable certificates of deposit	96,787	<b>259,909</b>
Borrowed money	107,803	<b>83,809</b>
Foreign exchanges	16	<b>15</b>
Other liabilities	59,125	<b>58,350</b>
Reserve for bonus payments	1,635	<b>1,813</b>
Net defined benefit liability	3,896	<b>1,532</b>
Reserve for reimbursement of deposits	1,652	<b>1,651</b>
Reserve for point card certificates	297	<b>447</b>
Deferred tax liabilities	88	<b>307</b>
Deferred tax liabilities for land revaluation	3,512	<b>3,495</b>
Acceptances and guarantees	53,170	<b>60,711</b>
Total liabilities	7,561,020	<b>7,504,022</b>
<b>NET ASSETS</b>		
Capital stock	121,101	<b>121,101</b>
Capital surplus	72,328	<b>72,328</b>
Retained earnings	82,834	<b>92,984</b>
Treasury stock	( 0)	<b>( 0)</b>
Total shareholders' equity	276,263	<b>286,413</b>
Valuation difference on available-for-sale securities	40,883	<b>48,998</b>
Deferred gains or losses on hedges	( 95)	<b>( 42)</b>
Revaluation reserve for land	5,752	<b>5,721</b>
Remeasurements of defined benefit plans	138	<b>54</b>
Total accumulated other comprehensive income	46,677	<b>54,732</b>
Minority interests	3,607	<b>4,027</b>
Total net assets	326,548	<b>345,173</b>
Total liabilities and net assets	7,887,568	<b>7,849,196</b>

## Consolidated Statements of Income (Summary)

(¥ millions)

	Six months ended Sep.30,	
	2013	2014
Ordinary Income	85,998	<b>75,822</b>
Interest income	46,812	<b>40,632</b>
Interest on loans and discounts	37,020	<b>35,055</b>
Interest and dividends on securities	9,403	<b>5,230</b>
Fees and commissions	14,639	<b>14,793</b>
Other operating income	22,728	<b>15,714</b>
Other income	1,817	<b>4,680</b>
Ordinary Expenses	65,325	<b>60,196</b>
Interest expenses	2,705	<b>2,129</b>
Interest on deposits	950	<b>876</b>
Fees and commissions payments	4,899	<b>5,376</b>
Other operating expenses	14,116	<b>12,487</b>
General and administrative expenses	39,682	<b>39,235</b>
Other expenses	3,921	<b>967</b>
Ordinary Profit	20,673	<b>15,625</b>
Extraordinary income	33	<b>13</b>
Extraordinary loss	904	<b>363</b>
Income before income taxes	19,802	<b>15,275</b>
Income taxes;		
Current	1,010	<b>955</b>
Deferred	902	<b>3,986</b>
Total income taxes	1,913	<b>4,941</b>
Income before minority interests	17,888	<b>10,333</b>
Minority interests in income	295	<b>263</b>
Net income	17,593	<b>10,070</b>

(¥)

	Six months ended Sep.30,	
	2013	2014
EPS	42.91	<b>25.24</b>
Diluted EPS	26.47	—
Dividends per share	2.50	<b>3.50</b>