

# Financial Summary

## Year ended March 31, 2013



May 15, 2013

**NORTH PACIFIC BANK, LTD.**

Tokyo Stock Exchange First Section, Sapporo Securities Exchange:8524

## 1. Income Summary (Non-Consolidated)

(¥ billions, %)

	Year ended Mar.31,		Increase/ (Decrease)
	2012	2013	
Core gross profit	107.9	<b>106.7</b>	( 1.2)
Net interest income	92.3	<b>90.5</b>	( 1.8)
Net fees and commissions	14.7	<b>15.1</b>	0.3
Net other operating income	0.8	<b>1.0</b>	0.1
Expenses(excluding non-recurring losses)	76.1	<b>72.8</b>	( 3.3)
Core OHR	70.5	<b>68.2</b>	( 2.3)
Core operating profit	31.7	<b>33.8</b>	2.0
Credit cost	( 7.8)	<b>6.3</b>	14.1
Gains (losses) on securities	4.7	<b>( 1.0)</b>	( 5.8)
Net non-recurring income	1.2	<b>1.3</b>	0.1
Ordinary profit	45.5	<b>27.7</b>	( 17.8)
Net income	24.1	<b>17.9</b>	( 6.1)

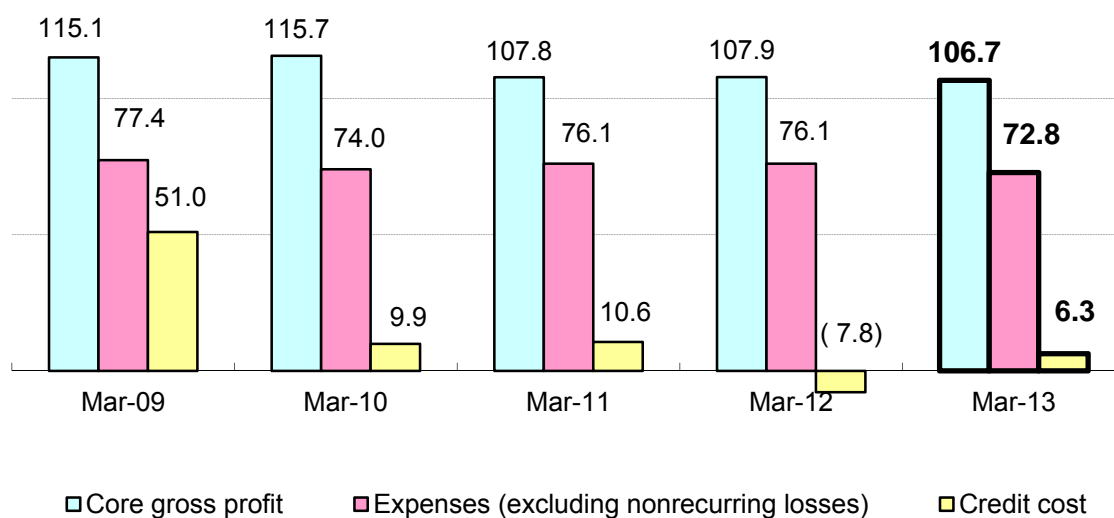
Core gross profit = Net interest income + Net fees and commissions + Net other operating income

Net other operating income = Other operating income – Other operating expenses – Gains (losses) on bonds

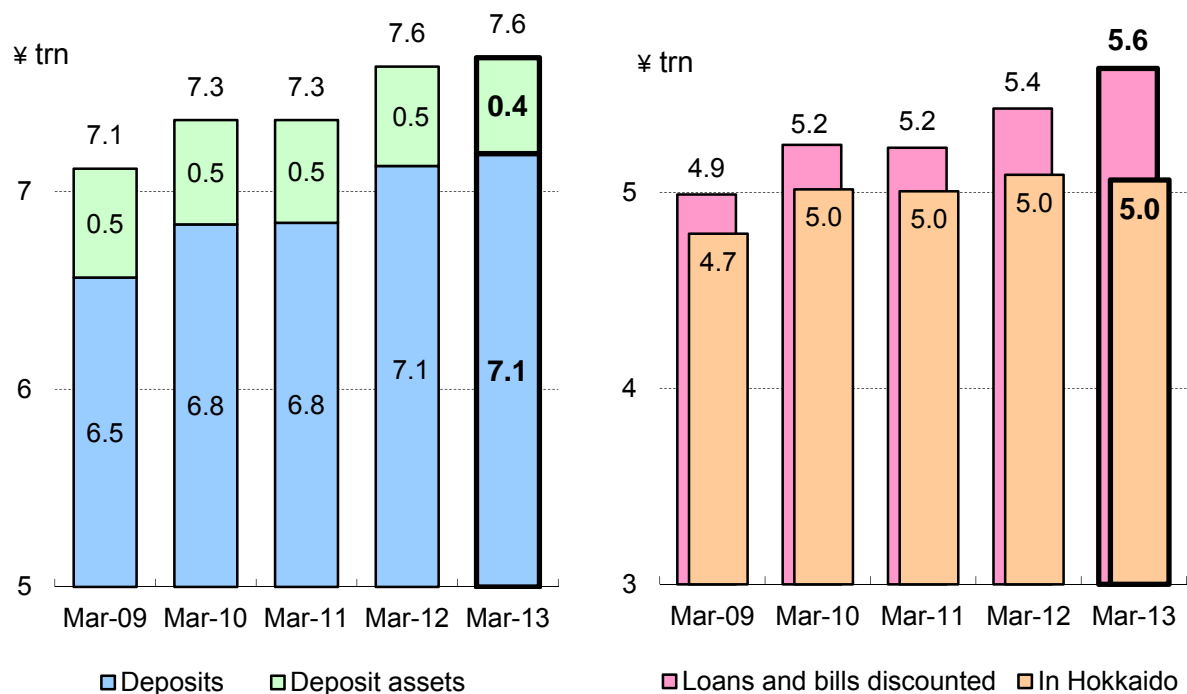
Core operating profit = Core gross profit – Expenses (excluding nonrecurring losses)

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

¥bn



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

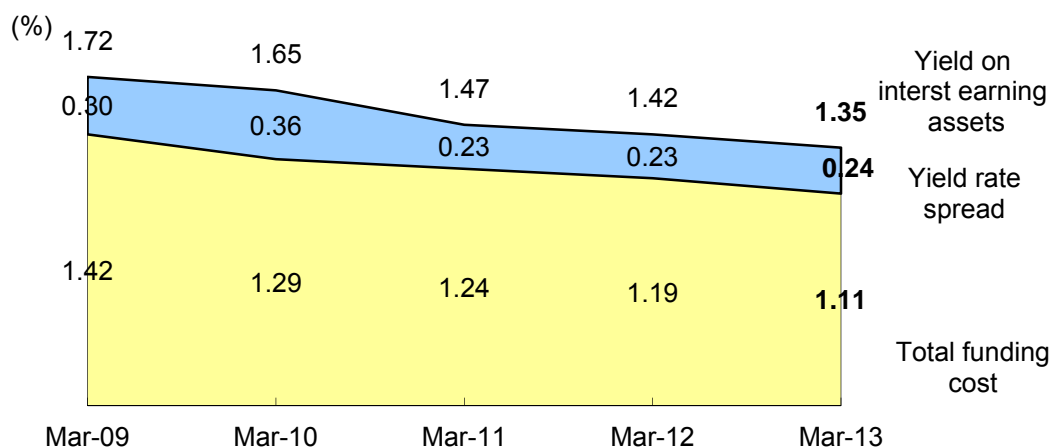


(¥ billions, %)

	As of Mar.31, 2012	As of Mar.31, 2013	Increase/ (Decrease)	Increase/ (Decrease) Ratio
Deposits	7,128	7,192	63	0.8
Deposit assets	502	484	( 18)	( 3.6)
Safe custody of public bonds	357	335	( 21)	( 6.1)
Investment trusts	145	149	3	2.2
Total	7,631	7,676	44	0.5
Individual annuities	279	344	65	23.5
Individual clients	1,590	1,606	16	1.0
SMEs	3,478	3,511	33	0.9
Loans and bills discounted	5,428	5,632	204	3.7
In Hokkaido	5,090	5,063	( 26)	( 0.5)

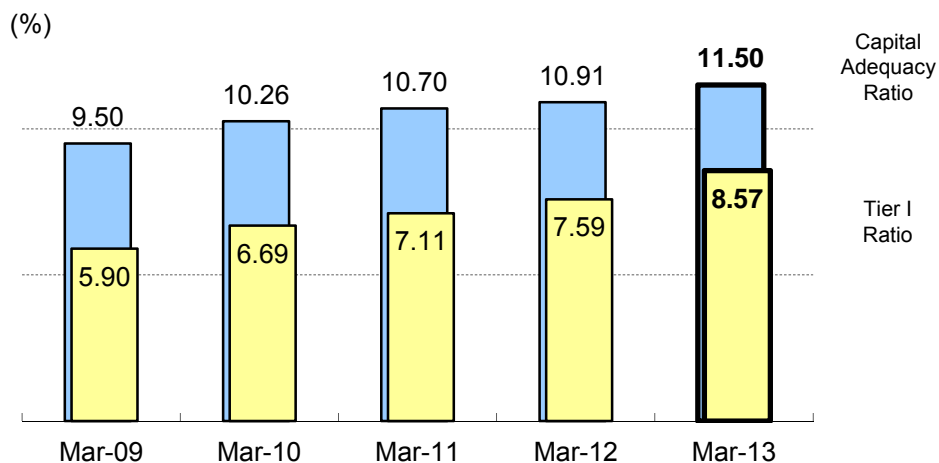
Deposits include negotiable certificates of deposits.

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



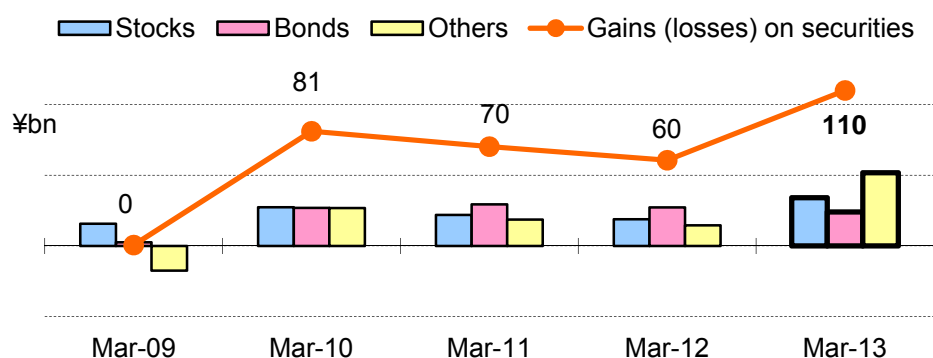
		Year ended Mar.31,		Increase/ (Decrease)
		2012	2013	
Yield on interest earning assets	(a)	1.42	1.35	( 0.07)
Yield on loans and bills discounted	(b)	1.60	1.45	( 0.15)
Yield on securities		1.01	1.13	0.12
Total funding cost	(c)	1.19	1.11	( 0.08)
Yield on deposits and NCD	(d)	0.04	0.03	( 0.01)
Difference of average yield on loans and deposits	(b)-(d)	1.56	1.42	( 0.14)
Interest rate spread	(a)-(c)	0.23	0.24	0.01

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



	As of Mar.31, 2012	As of Mar.31, 2013	Increase/ (Decrease)
Capital Adequacy Ratio	10.91	11.50	0.59
Tier I ratio	7.59	8.57	0.98
Capital	380	402	21
Tier I	264	299	34
Tier II	116	103	( 12)
Risk-adjusted assets	3,483	3,493	9

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

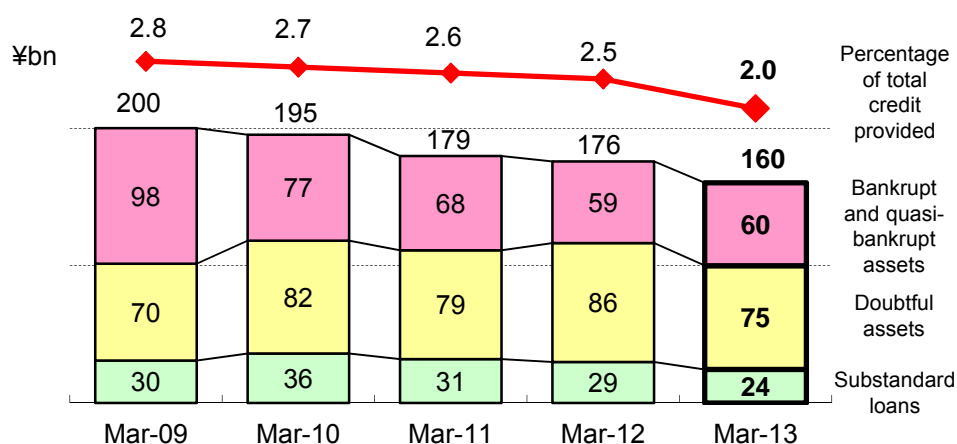


	As of Mar.31, 2012	As of Mar.31, 2013	Increase/ (Decrease)
Unrealized gains (losses) on securities	60	110	49
Stocks	18	34	15
Bonds	27	24	( 3)
Others	14	51	37

<Reference>

Nikkei stock average (¥)	10,083	12,397	2,314
New 10-year government bond yield (%)	0.985	0.560	( 0.425)

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



	As of Mar.31, 2012	As of Mar.31, 2013	Increase/ (Decrease)
Bankrupt and quasi-bankrupt assets	59	60	0
Doubtful assets	86	75	( 11)
Substandard loans	29	24	( 5)
Problem assets based on the Financial Reconstruction Law	176	160	( 15)
Percentage of total credit provided	3.1	2.7	( 0.3)
* After partial direct write-offs	137	119	( 17)
Percentage of total credit provided	2.5	2.0	( 0.4)

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

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

## 7. Performance Forecasts (Non-Consolidated)

### Six months ended Sep.30,2013

(¥ billions)

	1 <sup>st</sup> Half of FY2012 Actual	1 <sup>st</sup> Half of FY2013 Projection	Increase/ (Decrease)
Ordinary income	69.8	64.0	( 5.8)
Core gross profit	53.1	54.3	1.1
General and administrative expenses (excluding non-recurring losses)	37.6	38.4	0.7
Core operating profit	15.5	15.9	0.3
Credit cost	1.2	5.7	4.4
Ordinary profit	9.7	9.6	( 0.1)
Net income	8.1	7.6	( 0.5)

### Year ended Mar.31,2014

(¥ billions)

	FY2012 Actual	FY2013 Projection	Increase/ (Decrease)
Ordinary income	132.1	124.0	( 8.1)
Core gross profit	106.7	105.9	( 0.8)
General and administrative expenses (excluding non-recurring losses)	72.8	72.7	( 0.1)
Core operating profit	33.8	33.2	( 0.6)
Credit cost	6.3	10.5	4.1
Ordinary profit	27.7	21.5	( 6.2)
Net income	17.9	17.5	( 0.4)

## 8. Performance Forecasts (Consolidated)

### Six months ended Sep.30,2013

(¥ billions)

	1 <sup>st</sup> Half of FY2012 Actual ( * )	1 <sup>st</sup> Half of FY2013 Projection	Increase/ (Decrease)
Ordinary income	84.9	78.3	( 6.6)
Consolidated core gross profit	56.1	57.0	0.8
General and administrative expenses (excluding non-recurring losses)	38.4	39.2	0.7
Credit cost	2.6	7.2	4.5
Ordinary profit	9.8	9.9	0.0
Net income	7.0	7.8	0.7
Consolidated core operating profit	17.7	17.8	0.0

\* Figures are based on the consolidated financial results of former Sapporo Hokuyo Holdings, Inc. for the six months ended September.30,2012.

### Year ended Mar.31,2014

(¥ billions)

	FY2012 Actual	FY2013 Projection	Increase/ (Decrease)
Ordinary income	162.2	152.5	( 9.7)
Consolidated core gross profit	112.6	111.6	( 1.0)
General and administrative expenses (excluding non-recurring losses)	74.3	74.3	( 0.0)
Credit cost	7.8	13.3	5.4
Ordinary profit	30.1	22.5	( 7.6)
Net income	19.3	18.0	( 1.3)
Consolidated core operating profit	38.3	37.3	( 1.0)
EPS(¥)	46.8	41.7	
Dividends per share (¥)	3.0	5.0	

## Consolidated Balance Sheets

(¥ billions)

	As of Mar.31, 2012	As of Mar.31, 2013
<b>ASSETS</b>		
Cash and due from banks	316	<b>298</b>
Call loans and bills purchased	197	<b>125</b>
Other debt purchased	16	<b>14</b>
Trading account securities	5	<b>5</b>
Money held in trust	1	<b>0</b>
Securities	1,530	<b>1,561</b>
Loans and bills discounted	5,431	<b>5,584</b>
Foreign exchanges	1	<b>1</b>
Lease receivables and investment assets	—	<b>44</b>
Other assets	68	<b>81</b>
Tangible fixed assets	96	<b>96</b>
Intangible fixed assets	11	<b>14</b>
Deferred tax assets	28	<b>13</b>
Customers' liabilities for acceptances and guarantees	52	<b>50</b>
Allowance for loan losses	( 79)	<b>( 78)</b>
Total assets	7,678	<b>7,812</b>



## Consolidated Balance Sheets

	As of Mar.31, 2012	As of Mar.31, 2013
<b>LIABILITIES</b>		
Deposits	6,987	7,073
Negotiable certificates of deposit	121	98
Borrowed money	120	117
Foreign exchanges	0	0
Other liabilities	64	61
Reserve for bonus payments	1	1
Reserve for employees' retirement benefits	3	2
Reserve for reimbursement of deposits	1	1
Reserve for point card certificates	0	0
Deferred tax liabilities for land revaluation	4	4
Acceptances and guarantees	52	50
Total liabilities	7,357	7,411
<b>NET ASSETS</b>		
Capital stock	121	121
Capital surplus	80	121
Retained earnings	64	64
Treasury stock	—	( 0 )
Total shareholders' equity	266	307
Valuation difference on available-for-sale securities	44	84
Deferred gains or losses on hedges	( 0 )	( 0 )
Revaluation reserve for land	7	7
Total accumulated other comprehensive income	51	91
Minority interests	3	2
Total net assets	320	401
Total liabilities and net assets	7,678	7,812

(¥)

	As of Mar.31, 2012	As of Mar.31, 2013
BPS	588	746

### Consolidated Statements of Income (Summary)

	Year ended Mar.31,	
	2012	2013
Ordinary Income	143.2	162.2
Interest income	99.0	96.2
Interest on loans and discounts	82.7	78.6
Interest and dividends on securities	15.7	17.0
Fees and commissions	26.3	27.6
Other operating income	6.7	35.0
Other income	11.1	3.3
Ordinary Expenses	96.1	132.0
Interest expenses	6.6	5.6
Interest on deposits	2.7	2.0
Fees and commissions payments	8.3	8.5
Other operating expenses	0.7	25.3
General and administrative expenses	77.0	74.5
Other expenses	3.3	17.9
Ordinary Profit	47.1	30.1
Extraordinary income	0.0	0.0
Extraordinary losses	3.6	1.3
Income before income taxes	43.4	28.8
Income taxes;		
Current	0.6	2.5
Deferred	17.5	6.4
Total income taxes	18.2	8.9
Income before minority interests	25.2	19.9
Minority interests in income	1.3	0.5
Net income	23.9	19.3

(¥)

	Year ended Mar.31,	
	2012	2013
EPS	61.23	46.81
Diluted EPS	37.98	27.47
Dividends per share	3.0	3.0