

Financial Summary

Year ended March 31, 2014



May 14, 2014

NORTH PACIFIC BANK, LTD.

Tokyo Stock Exchange First Section, Sapporo Securities Exchange:8524

1. Income Summary (Non-Consolidated)

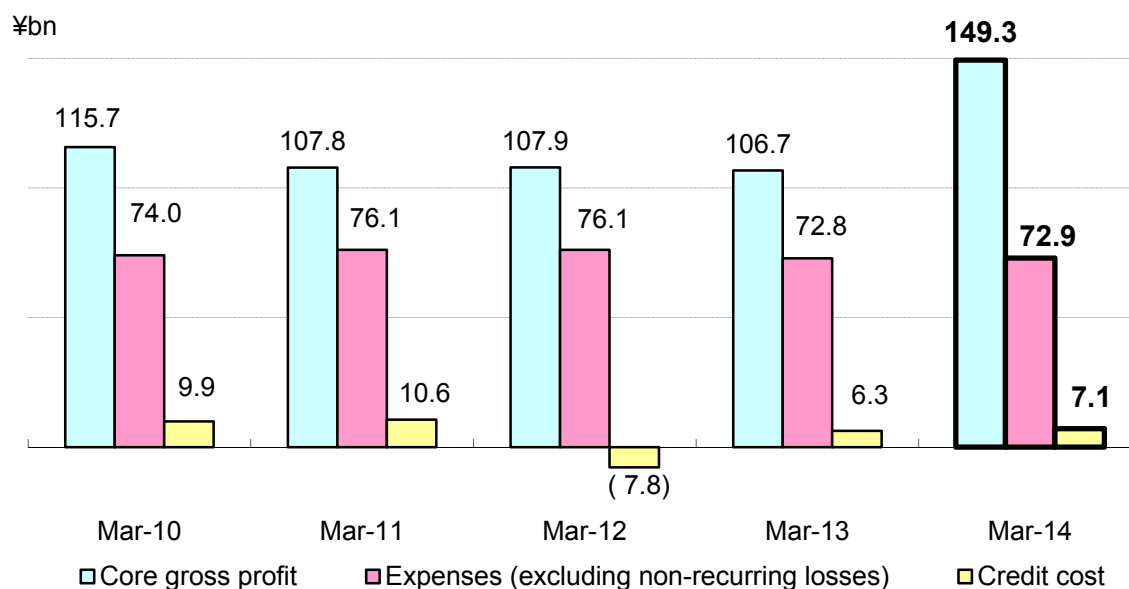
(¥ billions, %)

	Year ended Mar.31,		Increase/ (Decrease)
	2013	2014	
Core gross profit	106.7	149.3	42.6
Net interest income	90.5	131.8	41.3
Net fees and commissions	15.1	16.0	0.9
Net other operating income (excluding Gains (losses) on bonds)	1.0	1.4	0.3
Expenses(excluding non-recurring losses)	72.8	72.9	0.0
Core OHR	68.2	48.8	(19.4)
Core operating profit	33.8	76.4	42.5
Credit cost	6.3	7.1	0.8
Gains (losses) on securities	(1.0)	30.0	31.1
Net non-recurring income	1.3	(4.2)	(5.6)
Ordinary profit	27.7	95.0	67.2
Net income	17.9	85.8	67.8

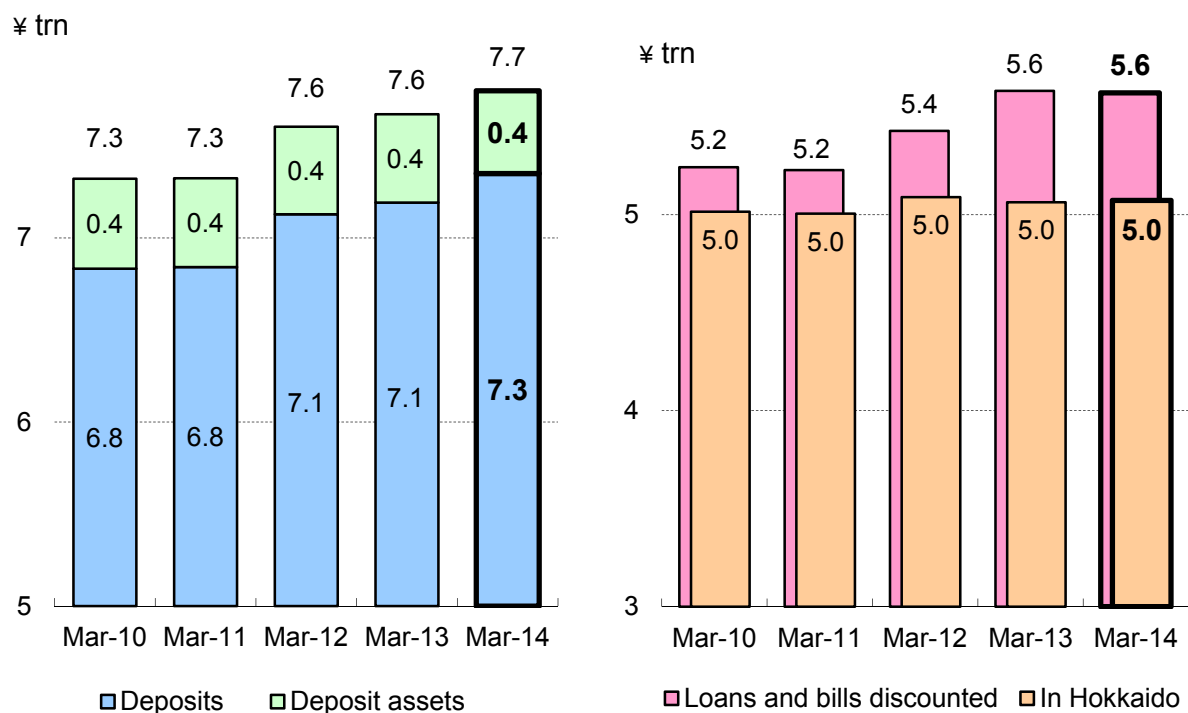
Core gross profit = Net interest income + Net fees and commissions + Net other operating income (excluding Gains (losses) on bonds)

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)

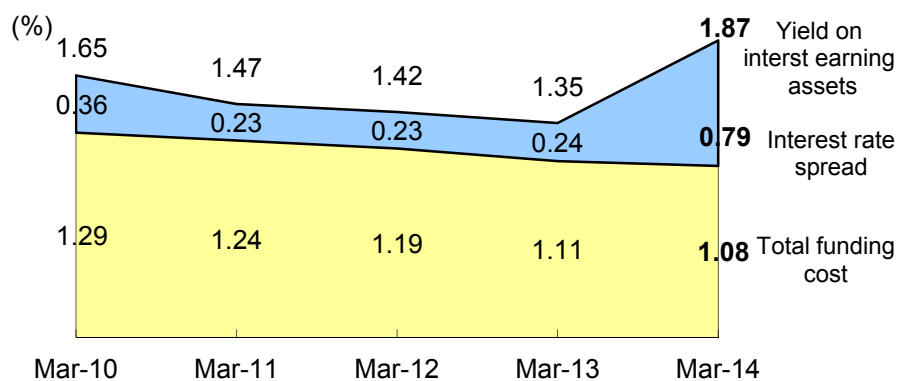


(¥ billions, %)

	As of Mar.31,		Increase/ (Decrease)	Increase/ (Decrease) Ratio
	2013	2014		
Deposits	7,192	7,349	157	2.1
Deposit assets	479	449	(30)	(6.3)
Safe custody of public bonds	335	292	(42)	(12.6)
Investment trusts	144	156	12	8.3
Total	7,672	7,799	127	1.6
Individual annuity insurance, etc.	344	414	69	20.2
Individual clients	1,606	1,628	21	1.3
SMEs	3,511	3,525	13	0.3
Loans and bills discounted	5,632	5,621	(10)	(0.1)
In Hokkaido	5,063	5,073	9	0.1

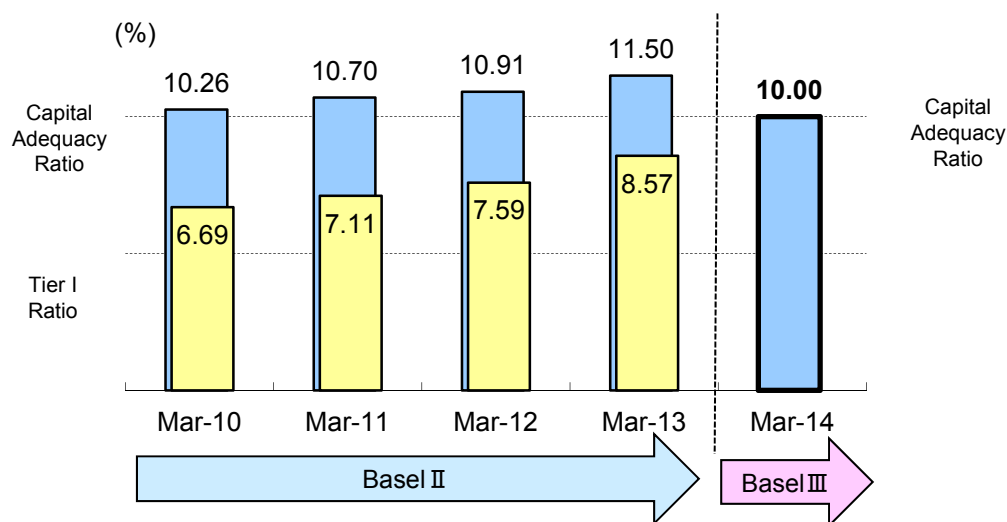
Deposits include negotiable certificates of deposits.
Investment trusts are stated at fair value.

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



		Year ended Mar.31,		Increase/ (Decrease)
		2013	2014	
Yield on interest earning assets (a)		1.35	1.87	0.52
	Yield on loans and bills discounted (b)	1.45	1.35	(0.10)
	Yield on securities	1.13	4.61	3.48
Total funding cost (c)		1.11	1.08	(0.03)
	Yield on deposits and NCD (d)	0.03	0.02	(0.01)
Difference of average yield on loans and deposits (b)-(d)		1.42	1.33	(0.09)
Interest rate spread (a)-(c)		0.24	0.79	0.55

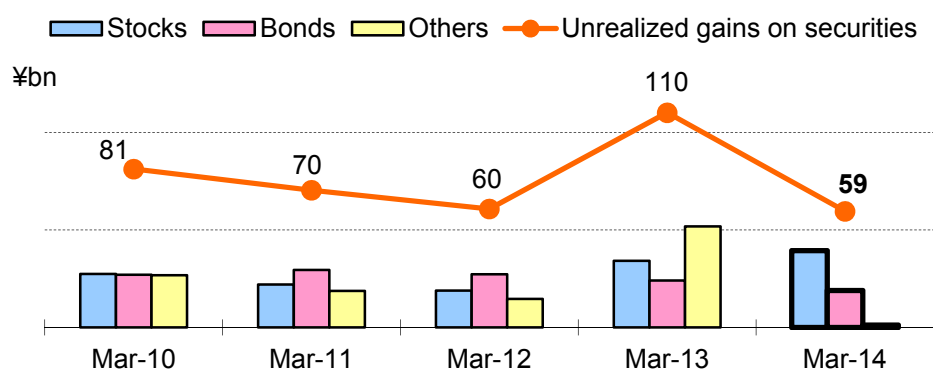
4. Capital Adequacy Ratio (Domestic) (Non-Consolidated)



(Preliminary)		<Reference> Basel II (¥ billions, %)	
		As of Mar.31, 2013	
Capital Adequacy Ratio	10.00	Capital Adequacy Ratio	11.50
Capital	352	Tier I ratio	8.57
Risk-adjusted assets	3,518	Capital	402
		Tier I	299
		Tier II	103
		Risk-adjusted assets	3,493

The ratio has been calculated in accordance with the notification of revision to Capital Adequacy Ratio (Basel III) since the end of March, 2014.

5. Unrealized Gains on Securities (Non-Consolidated)

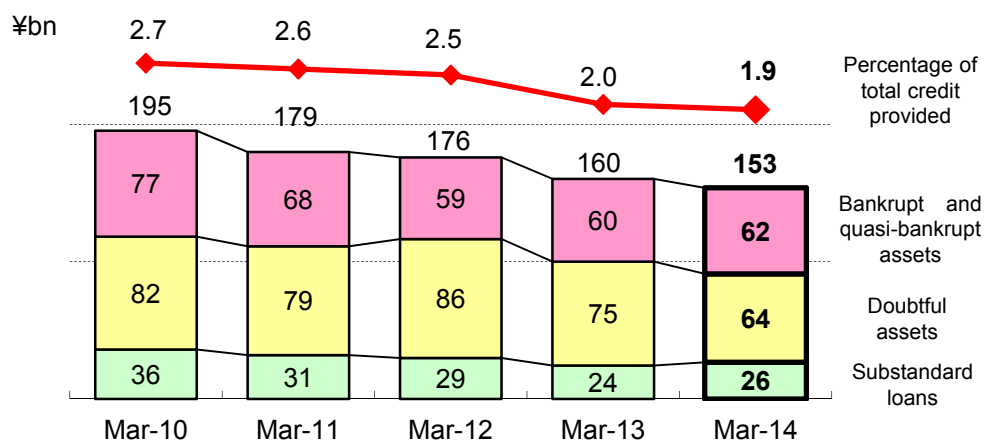


	As of Mar.31,		Increase/ (Decrease)
	2013	2014	
Unrealized gains on securities	110	59	(50)
Stocks	34	39	5
Bonds	24	18	(5)
Others	51	1	(50)

<Reference>

Nikkei stock average (¥)	12,397	14,827	2,429
New 10-year government bond yield (%)	0.560	0.640	0.080

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



	As of Mar.31,		Increase/ (Decrease)
	2013	2014	
Bankrupt and quasi-bankrupt assets	60	62	2
Doubtful assets	75	64	(11)
Substandard loans	24	26	2
Problem assets based on the Financial Revitalization Law	160	153	(6)
Percentage of total credit provided	2.7	2.6	(0.1)
* After partial direct write-offs	119	109	(10)
Percentage of total credit provided	2.0	1.9	(0.1)

* 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,

(¥ billions)

	1 st Half of FY2013 Actual	1st Half of FY2014 Projection	Increase/ (Decrease)
Ordinary income	70.8	58.0	(12.8)
Core gross profit	52.7	46.9	(5.8)
General and administrative expenses (excluding non-recurring losses)	37.7	38.3	0.5
Core operating profit	15.0	8.6	(6.4)
Credit cost	2.6	2.0	(0.6)
Ordinary profit	19.4	9.0	(10.4)
Net income	17.2	5.5	(11.7)

Year ended Mar.31,

(¥ billions)

	FY2013 Actual	FY2014 Projection	Increase/ (Decrease)
Ordinary income	198.8	114.0	(84.8)
Core gross profit	149.3	94.5	(54.8)
General and administrative expenses (excluding non-recurring losses)	72.9	74.5	1.5
Core operating profit	76.4	20.0	(56.4)
Credit cost	7.1	3.9	(3.2)
Ordinary profit	95.0	19.0	(76.0)
Net income	85.8	11.5	(74.3)

8. Performance Forecasts (Consolidated)

Six months ended Sep.30,

(¥ billions)

	1 st Half of FY2013 Actual	1 st Half of FY2014 Projection	Increase/ (Decrease)
Ordinary income	85.9	72.0	(13.9)
Consolidated core gross profit	55.3	49.3	(6.0)
General and administrative expenses (excluding non-recurring losses)	38.5	39.1	0.5
Credit cost	3.2	3.1	(0.1)
Ordinary profit	20.6	9.5	(11.1)
Net income	17.5	5.7	(11.8)
Consolidated core operating profit	16.8	10.2	(6.6)

Year ended Mar.31,

(¥ billions)

	FY2013 Actual	FY2014 Projection	Increase/ (Decrease)
Ordinary income	228.5	142.0	(86.5)
Consolidated core gross profit	154.8	99.5	(55.3)
General and administrative expenses (excluding non-recurring losses)	74.5	76.1	1.5
Credit cost	7.7	6.0	(1.7)
Ordinary profit	98.1	20.0	(78.1)
Net income	86.9	12.0	(74.9)
Consolidated core operating profit	80.2	23.3	(56.9)
EPS(¥)	193.82	30.08	
Dividends per share (¥)	6.0	7.0	

Consolidated Balance Sheets

(¥ billions)

	As of Mar.31,	
	2013	2014
ASSETS		
Cash and due from banks	298	486
Call loans and bills purchased	125	22
Other debt purchased	14	12
Trading account securities	5	5
Money held in trust	0	—
Securities	1,561	1,561
Loans and bills discounted	5,584	5,572
Foreign exchanges	1	2
Lease receivables and investment assets	44	46
Other assets	81	83
Tangible fixed assets	96	92
Intangible fixed assets	14	14
Deferred tax assets	13	11
Customers' liabilities for acceptances and guarantees	50	53
Allowance for loan losses	(78)	(76)
Total assets	7,812	7,887

Consolidated Balance Sheets

(¥ billions)

	As of Mar.31,	
	2013	2014
LIABILITIES		
Deposits	7,073	7,233
Negotiable certificates of deposit	98	96
Borrowed money	117	107
Foreign exchanges	0	0
Other liabilities	61	59
Reserve for bonus payments	1	1
Reserve for employees' retirement benefits	2	—
Net defined benefit liability	—	3
Reserve for reimbursement of deposits	1	1
Reserve for point card certificates	0	0
Deferred tax liabilities	—	0
Deferred tax liabilities for land revaluation	4	3
Acceptances and guarantees	50	53
Total liabilities	7,411	7,561
NET ASSETS		
Capital stock	121	121
Capital surplus	121	72
Retained earnings	64	82
Treasury stock	(0)	(0)
Total shareholders' equity	307	276
Valuation difference on available-for-sale securities	84	40
Deferred gains or losses on hedges	(0)	(0)
Revaluation reserve for land	7	5
Remeasurements of defined benefit plans	—	0
Total accumulated other comprehensive income	91	46
Minority interests	2	3
Total net assets	401	326
Total liabilities and net assets	7,812	7,887

(¥)

	As of Mar.31,	
	2013	2014
BPS	746	809

Consolidated Statements of Income (Summary)

(¥ billions)

	Year ended Mar.31,	
	2013	2014
Ordinary Income	162.2	228.5
Interest income	96.2	136.7
Interest on loans and discounts	78.6	73.1
Interest and dividends on securities	17.0	62.7
Fees and commissions	27.6	29.1
Other operating income	35.0	51.0
Other income	3.3	11.6
Ordinary Expenses	132.0	130.3
Interest expenses	5.6	5.1
Interest on deposits	2.0	1.7
Fees and commissions payments	8.5	9.1
Other operating expenses	25.3	26.4
General and administrative expenses	74.5	76.8
Other expenses	17.9	12.7
Ordinary Profit	30.1	98.1
Extraordinary income	0.0	0.1
Extraordinary losses	1.3	2.9
Income before income taxes	28.8	95.3
Income taxes;		
Current	2.5	0.7
Deferred	6.4	6.7
Total income taxes	8.9	7.4
Income before minority interests	19.9	87.8
Minority interests in income	0.5	0.9
Net income	19.3	86.9

(¥)

	Year ended Mar.31,	
	2013	2014
EPS	46.81	193.82
Diluted EPS	27.47	139.63
Dividends per share	3.0	6.0