

Financial Summary  
First Quarter (Three Months) ended June 30, 2014



August 6, 2014  
**NORTH PACIFIC BANK, LTD.**

Tokyo Stock Exchange First Section, Sapporo Securities Exchange: 8524

## 1. Income Summary (Non-Consolidated)

(¥ billions)

	Three months ended Jun.30,		Increase/ (Decrease)
	2013	2014	
Ordinary income	41.6	31.6	( 9.9)
Core gross profit	28.7	23.4	( 5.2)
Net interest income	24.3	19.4	( 4.8)
Net fees and commissions	4.0	3.7	( 0.3)
Net other operating income (excluding Gains (losses) on bonds)	0.2	0.2	( 0.0)
Expenses (excluding non-recurring losses)	19.3	19.7	0.3
Core operating profit	9.3	3.7	( 5.5)
Credit cost	1.5	( 1.4)	( 2.9)
Gains (losses) on securities	7.4	1.8	( 5.6)
Bonds	7.3	1.8	( 5.5)
Stocks	0.0	( 0.0)	( 0.1)
Net other non-recurring income (loss)	( 0.5)	0.6	1.1
Ordinary profit	14.6	7.6	( 6.9)
Net income	13.6	7.0	( 6.6)

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, Loans and Securities (Non-Consolidated)

(¥ billions)

	As of Jun.30,		Increase/ (Decrease)
	2013	2014	
Deposits	7,165	7,391	225
Deposit assets	471	443	( 28)
Safe custody of public bonds	329	280	( 49)
Investment trusts	142	163	20
Total	7,637	7,834	197
Individual annuity insurance, etc.	360	436	75
Loans and bills discounted	5,404	5,414	9
SMEs	3,283	3,274	( 8)
Individual clients	1,601	1,619	18
Securities	1,411	1,626	214

Deposits include negotiable certificates of deposits.

Investment trusts are stated at fair value.

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

(¥ billions)

	As of Mar.31, 2014	As of Jun.30, 2014	Increase/ (Decrease)
Unrealized Gains (losses) on securities	59	63	4
Stocks	39	43	3
Bonds	18	20	1
Others	1	0	( 1)

< Reference >

Nikkei stock average (¥)	14,827	15,162
New 10-year government bond yield (%)	0.640	0.565

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

(¥ billions,%)

		As of Jun.30,		Increase/ (Decrease)
		2013	2014	
	Bankrupt and quasi-bankrupt assets	63	60	( 3)
	Doubtful assets	68	62	( 5)
	Substandard loans	23	26	2
Problem assets based on the Financial Revitalization Law		156	149	( 7)
Percentage of total credit provided		2.82	2.68	( 0.14)
	* After partial direct write-offs	112	105	( 6)
	Percentage of total credit provided	2.05	1.92	( 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 Jun.30, 2014
<b>ASSETS</b>		
Cash and due from banks	486,243	<b>672,536</b>
Call loans and bills purchased	22,658	<b>1,757</b>
Other debt purchased	12,060	<b>10,827</b>
Trading account securities	5,955	<b>5,618</b>
Securities	1,561,854	<b>1,625,833</b>
Loans and bills discounted	5,572,012	<b>5,364,951</b>
Foreign exchanges	2,202	<b>3,860</b>
Lease receivables and investment assets	46,178	<b>44,925</b>
Other assets	83,064	<b>82,989</b>
Tangible fixed assets	92,460	<b>92,435</b>
Intangible fixed assets	14,157	<b>13,609</b>
Deferred tax assets	11,952	<b>8,880</b>
Customers' liabilities for acceptances and guarantees	53,170	<b>56,787</b>
Allowance for loan losses	( 76,401)	<b>( 74,287)</b>
Total assets	7,887,568	<b>7,910,726</b>

## Consolidated Balance Sheets

(¥ Millions)

	As of Mar.31, 2014	As of Jun.30, 2014
<b>LIABILITIES</b>		
Deposits	7,233,033	7,111,978
Negotiable certificates of deposit	96,787	257,494
Borrowed money	107,803	85,387
Foreign exchanges	16	13
Other liabilities	59,125	55,591
Reserve for bonus payments	1,635	457
Net defined benefit liability	3,896	1,601
Reserve for reimbursement of deposits	1,652	1,448
Reserve for point card certificates	297	390
Deferred tax liabilities	88	83
Deferred tax liabilities for land revaluation	3,512	3,501
Acceptances and guarantees	53,170	56,787
Total liabilities	7,561,020	7,574,737
<b>NET ASSETS</b>		
Capital stock	121,101	121,101
Capital surplus	72,328	72,328
Retained earnings	82,834	90,011
Treasury stock	( 0 )	( 0 )
Total shareholders' equity	276,263	283,440
Valuation difference on available-for-sale securities	40,883	43,037
Deferred gains or losses on hedges	( 95 )	( 59 )
Revaluation reserve for land	5,752	5,733
Remeasurements of defined benefit plans	138	96
Total accumulated other comprehensive income	46,677	48,807
Minority interests	3,607	3,741
Total net assets	326,548	335,989
Total liabilities and net assets	7,887,568	7,910,726

### Consolidated Statements of Income (Summary)

(¥ Millions)

	Three months ended Jun.30,	
	2013	2014
Income	49,223	38,698
Interest income	25,484	20,374
Interest on loans and discounts	18,760	17,546
Interest and dividends on securities	6,548	2,652
Fees and commissions	7,499	7,384
Other operating income	15,620	8,765
Other income	619	2,173
Expenses	34,333	30,579
Interest expenses	1,348	1,074
Interest on deposits	484	440
Fees and commissions	2,458	2,703
Other operating expenses	7,548	6,265
General and administrative expenses	20,360	20,125
Other expenses	2,617	409
Ordinary Profit	14,889	8,118
Extraordinary income	20	12
Extraordinary loss	205	268
Income before income taxes	14,705	7,862
Income taxes:		
Current	326	268
Deferred	662	344
Total income taxes	989	612
Income before minority interests	13,716	7,250
Minority interests in income (loss)	10	141
Net income	13,705	7,109

(¥)

	Three months ended Jun.30,	
	2013	2014
EPS	34.35	17.82
Diluted EPS	19.26	—