

Financial Summary
Six months ended September 30, 2015



November 13, 2015
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 Sep. 30, 2015
Assets	資産の部		
Cash and due from banks	現金預け金	622,039	790,841
Call loans and bills bought	コールローン及び買入手形	1,398	965
Monetary claims bought	買入金銭債権	16,655	10,548
Trading account securities	商品有価証券	5,075	5,277
Securities	有価証券	1,787,027	1,647,787
Loans and bills discounted	貸出金	5,505,045	5,540,308
Foreign exchanges	外国為替	2,671	2,955
Lease receivables and investment assets	リース債権及びリース投資資産	44,721	45,692
Other assets	その他資産	84,107	81,976
Property, plant and equipment	有形固定資産	91,534	91,772
Intangible assets	無形固定資産	11,707	12,283
Deferred tax assets	繰延税金資産	218	350
Customers' liabilities for acceptances and guarantees	支払承認見返	53,515	56,893
Allowance for loan losses	貸倒引当金	(63,293)	(60,977)
Total assets	資産の部合計	8,162,423	8,226,675
Liabilities	負債の部		
Deposits	預金	7,480,252	7,356,770
Negotiable certificates of deposit	譲渡性預金	92,899	237,279
Payables under securities lending transactions	債券貸借取引受入担保金	4,779	47,027
Borrowed money	借入金	90,595	79,225
Foreign exchanges	外国為替	13	26
Other liabilities	その他負債	57,612	56,423
Provision for bonuses	賞与引当金	1,843	1,898
Net defined benefit liability	退職給付に係る負債	681	614
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,672	1,497
Provision for point card certificates	ポイント引当金	320	485
Deferred tax liabilities	繰延税金負債	7,065	8,995
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	3,157	3,149
Acceptances and guarantees	支払承諾	53,515	56,893
Total liabilities	負債の部合計	7,794,409	7,850,287
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	106,228
Treasury shares	自己株式	(0)	(1)
Total shareholders' equity	株主資本合計	290,734	299,657
Valuation difference on available-for-sale securities	その他有価証券評価差額金	66,300	65,423
Deferred gains or losses on hedges	繰延ヘッジ損益	(20)	(6)
Revaluation reserve for land	土地再評価差額金	6,035	6,019
Remeasurements of defined benefit plans	退職給付に係る調整累計額	490	233
Total valuation and translation adjustments	その他の包括利益累計額合計	72,806	71,669
Subscription rights to shares	新株予約権	—	18
Non-controlling interests	非支配株主持分	4,473	5,042
Total net assets	純資産の部合計	368,014	376,388
Total liabilities and net assets	負債及び純資産の部合計	8,162,423	8,226,675

2. Consolidated Statements of Income

(¥ millions)

		Six months ended Sep. 30,	
		2014	2015
Ordinary income	経常収益	75,822	77,023
Interest income	資金運用収益	40,632	40,846
Of which, interest on loans and discounts	うち貸出金利息	35,055	33,490
Of which, interest and dividends on securities	うち有価証券利息配当金	5,230	6,941
Fees and commissions	役務取引等収益	14,793	15,250
Other ordinary income	その他業務収益	15,714	18,116
Other income	その他経常収益	4,680	2,809
Ordinary expenses	経常費用	60,196	60,620
Interest expenses	資金調達費用	2,129	2,107
Of which, interest on deposits	うち預金利息	876	869
Fees and commissions payments	役務取引等費用	5,376	5,828
Other ordinary expenses	その他業務費用	12,487	13,224
General and administrative expenses	営業経費	39,235	38,520
Other expenses	その他経常費用	967	940
Ordinary profit	経常利益	15,625	16,402
Extraordinary income	特別利益	13	7
Gain on disposal of non-current assets	固定資産処分益	13	7
Extraordinary losses	特別損失	363	160
Loss on disposal of non-current assets	固定資産処分損	94	101
Impairment loss	減損損失	268	59
Income before income taxes	税金等調整前中間純利益	15,275	16,248
Income taxes – current	法人税、住民税及び事業税	955	2,063
Income taxes – deferred	法人税等調整額	3,986	3,508
Total income taxes	法人税等合計	4,941	5,572
Profit	中間純利益	10,333	10,676
Profit attributable to non-controlling interests	非支配株主に帰属する中間純利益	263	373
Profit attributable to owners of parent	親会社株主に帰属する中間純利益	10,070	10,302

3. Non-Consolidated Balance Sheets

(¥ millions)

		As of Mar. 31, 2015	As of Sep. 30, 2015
Assets	資産の部		
Cash and due from banks	現金預け金	621,900	790,705
Call loans	コールローン	1,398	965
Monetary claims bought	買入金銭債権	16,655	10,548
Trading account securities	商品有価証券	5,075	5,277
Securities	有価証券	1,786,363	1,646,349
Loans and bills discounted	貸出金	5,553,686	5,590,902
Foreign exchanges	外国為替	2,671	2,955
Other assets	その他資産	51,241	51,363
Other	その他の資産	51,241	51,363
Property, plant and equipment	有形固定資産	90,575	90,855
Intangible assets	無形固定資産	11,402	11,988
Customers' liabilities for acceptances and guarantees	支払承諾見返	53,515	56,893
Allowance for loan losses	貸倒引当金	(56,961)	(54,772)
Total assets	資産の部合計	8,137,524	8,204,033
Liabilities	負債の部		
Deposits	預金	7,486,653	7,365,267
Negotiable certificates of deposit	譲渡性預金	106,259	250,639
Payables under securities lending transactions	債券貸借取引受入担保金	4,779	47,027
Borrowed money	借入金	79,261	68,450
Foreign exchanges	外国為替	13	26
Other liabilities	その他負債	38,398	37,856
Income taxes payable	未払法人税等	1,007	1,523
Lease obligations	リース債務	3,583	4,837
Other	その他の負債	33,807	31,496
Provision for bonuses	賞与引当金	1,646	1,694
Provision for retirement benefits	退職給付引当金	1,211	754
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,672	1,497
Provision for point card certificates	ポイント引当金	272	472
Deferred tax liabilities	繰延税金負債	6,653	8,444
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	3,157	3,149
Acceptances and guarantees	支払承諾	53,515	56,893
Total liabilities	負債の部合計	7,783,495	7,842,175
Net assets	純資産の部		
Capital stock	資本金	121,101	121,101
Capital surplus	資本剰余金	50,001	50,001
Legal capital surplus	資本準備金	50,001	50,001
Retained earnings	利益剰余金	111,545	120,413
Legal retained earnings	利益準備金	2,229	2,508
Other retained earnings	その他利益剰余金	109,316	117,904
Reserve for advanced depreciation of non-current assets	固定資産圧縮積立金	1,018	1,018
Retained earnings brought forward	繰越利益剰余金	108,298	116,886
Treasury shares	自己株式	(129)	(129)
Total shareholders' equity	株主資本合計	282,518	291,385
Valuation difference on available-for-sale securities	その他有価証券評価差額金	65,495	64,440
Deferred gains or losses on hedges	繰延ヘッジ損益	(20)	(6)
Revaluation reserve for land	土地再評価差額金	6,035	6,019
Valuation and translation adjustments	評価・換算差額等合計	71,511	70,453
Subscription rights to shares	新株予約権	—	18
Total net assets	純資産の部合計	354,029	361,857
Total liabilities and net assets	負債及び純資産の部合計	8,137,524	8,204,033

4. Non-Consolidated Statements of Income

(¥ millions)

		Six months ended Sep. 30,	
		2014	2015
Ordinary income	経常収益	61,520	63,097
Interest income	資金運用収益	40,833	41,043
Of which, Interest on loans and discounts	うち貸出金利息	35,125	33,584
Of which, Interest and dividends on securities	うち有価証券利息配当金	5,361	7,044
Fees and commissions	役務取引等収益	13,523	14,071
Other ordinary income	その他業務収益	2,527	5,041
Other income	その他経常収益	4,636	2,940
Ordinary expenses	経常費用	47,003	47,819
Interest expenses	資金調達費用	2,101	2,079
Of which, Interest on deposits	うち預金利息	876	870
Fees and commissions payments	役務取引等費用	5,927	6,471
Other ordinary expenses	その他業務費用	102	923
General and administrative expenses	営業経費	38,312	37,693
Other expenses	その他経常費用	559	650
Ordinary profit	経常利益	14,517	15,277
Extraordinary income	特別利益	13	267
Extraordinary losses	特別損失	363	160
Income before income taxes	税引前中間純利益	14,167	15,384
Income taxes - current	法人税、住民税及び事業税	511	1,564
Income taxes - deferred	法人税等調整額	3,931	3,571
Total income taxes	法人税等合計	4,442	5,136
Net income	中間純利益	9,724	10,247

II. Digest of financial results for six months ended September 30, 2015

1. Summary (Non-Consolidated)

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)	Performance Forecast (May 15, 2015)	Change from forecast
	2014	2015			
Core gross profit	46.8	46.9	0.0	48.3	(1.3)
Core operating profit	8.4	8.8	0.4	9.8	(0.9)
Ordinary profit	14.5	15.2	0.7	13.5	1.7
Net income	9.7	10.2	0.5	9.0	1.2
Deposits and NCDs (Average balance)	7,285.9	7,561.8	275.9		
Loans and bills discounted (Average balance)	5,433.6	5,550.4	116.8		
Capital Adequacy Ratio (Domestic) (%)	10.27%	10.36%	0.09%		
ROE (%)	5.98%	5.71%	(0.27%)		

* NCDs = Negotiable certificates of deposit

$$\text{ROE} = \frac{\text{Net income} \times 365 / 183}{(\text{Total net assets at beginning of fiscal year}^* + \text{Total net assets at end of fiscal (interim) year}) / 2}$$

*Excluding subscription rights to shares

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

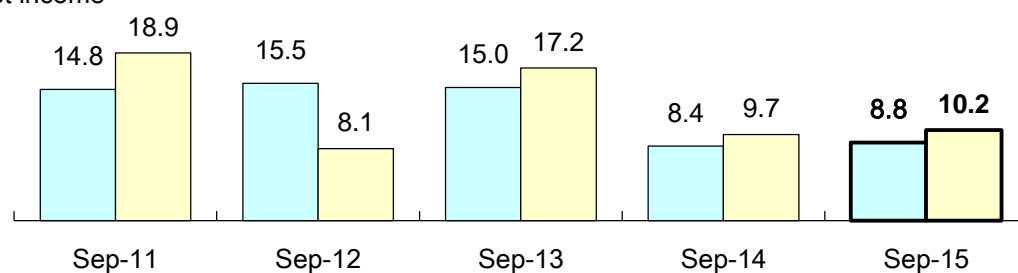
Core operating profit = Core gross profit – Expenses (excluding non-recurring losses)

○ Core operating profit and Net income

(¥ billions)

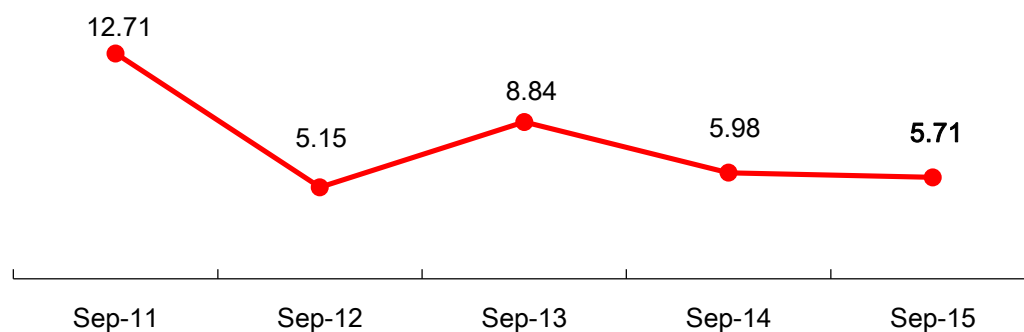
■ Core operating profit

■ Net income



○ ROE

(%)



2. Income Summary

【Non-Consolidated】

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)
	2014	2015	
Core gross profit	46.8	46.9	0.0
Net interest income	38.7	38.9	0.2
Net fees and commissions	7.5	7.5	0.0
Net other operating income (excluding gains (losses) on bonds)	0.5	0.3	(0.1)
Expenses(excluding non-recurring losses)	38.3	38.0	(0.3)
Core OHR (%)	81.91%	81.05%	(0.86%)
Personnel	15.8	15.9	0.1
Facilities	19.6	18.9	(0.6)
Taxes	2.9	3.1	0.2
Core operating profit	8.4	8.8	0.4
Credit cost	(2.9)	(1.2)	1.6
Gains (losses) on securities	1.8	3.5	1.7
Net other non-recurring income (loss)	1.2	1.5	0.3
Ordinary profit	14.5	15.2	0.7
Net income	9.7	10.2	0.5

【Consolidated】

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)
	2014	2015	
Core gross profit	49.2	49.3	0.0
Ordinary profit	15.6	16.4	0.7
Profit attributable to owners of parent	10.0	10.3	0.2
Core operating profit	9.9	10.4	0.4

3. Deposits and NCDs (Non-Consolidated)

【Average Balance】

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)
	2014	2015	
Deposits and NCDs	7,285.9	7,561.8	275.9
Yield on deposits and NCDs (%)	0.02%	0.02%	(0.00%)
Corporate	1,868.4	1,987.6	119.2
Individual	4,968.1	5,080.4	112.3
Public sectors and financial institutions	449.4	493.8	44.3

【Outstanding Balance】

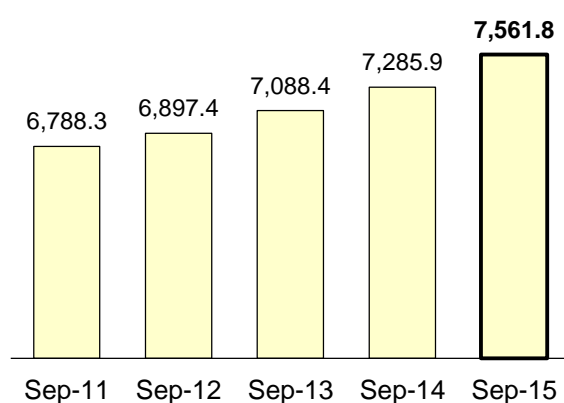
(¥ billions)

	As of Sep.30,		Increase/ (Decrease)
	2014	2015	
Deposits and NCDs	7,313.8	7,615.9	302.0
Deposit assets	440.7	400.0	(40.7)
Safe custody of public bonds	265.0	208.9	(56.0)
Investment trusts	175.7	191.1	15.3
Total	7,754.5	8,015.9	261.3
<Reference> Individual annuity insurance, etc.	445.6	509.0	63.4

* Deposit assets = Safe custody of public bonds + Investment trusts
Investment trusts are stated at fair value.
Individual annuity insurance, etc. sales reflect cumulative sales amounts.

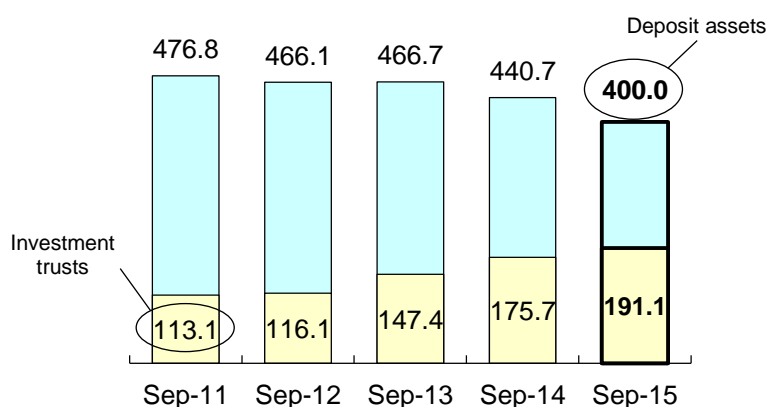
○ Deposits and NCDs (Average Balance)

(¥ billions)



○ Deposit assets and Investment trusts (Outstanding Balance)

(¥ billions)



4. Loans and bills discounted (Non-Consolidated)

【Average Balance】

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)
	2014	2015	
Loans and bills discounted	5,433.6	5,550.4	116.8
Yield on loans and bills discounted (%)	1.28%	1.20%	(0.08%)
Enterprises	2,450.7	2,488.9	38.2
Individuals	1,652.9	1,661.5	8.5
Of which, residential loans	1,561.2	1,562.1	0.8
Of which, card loans	18.2	28.2	9.9
Public sectors	1,329.8	1,399.8	69.9

【Outstanding Balance】

(¥ billions)

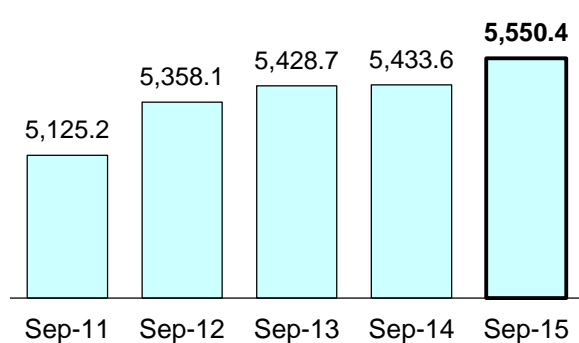
	As of Sep.30,		Increase/ (Decrease)
	2014	2015	
Loans and bills discounted	5,418.8	5,590.9	172.0
Enterprises	2,485.4	2,548.4	62.9
Individuals	1,653.8	1,669.9	16.1
Public sectors	1,279.5	1,372.5	92.9
SMEs, etc	3,340.3	3,350.6	10.2
In Hokkaido	4,863.3	4,944.5	81.2

*SMEs, etc = SMEs + Consumer loans

Public sector loans include loans to land development public corporations.

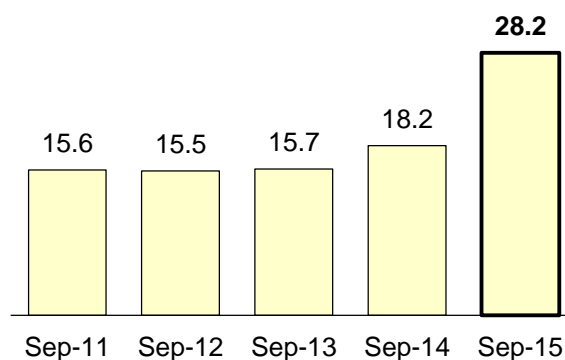
○ Loans and bills discounted (Average Balance)

(¥ billions)



○ Card loans (Average Balance)

(¥ billions)



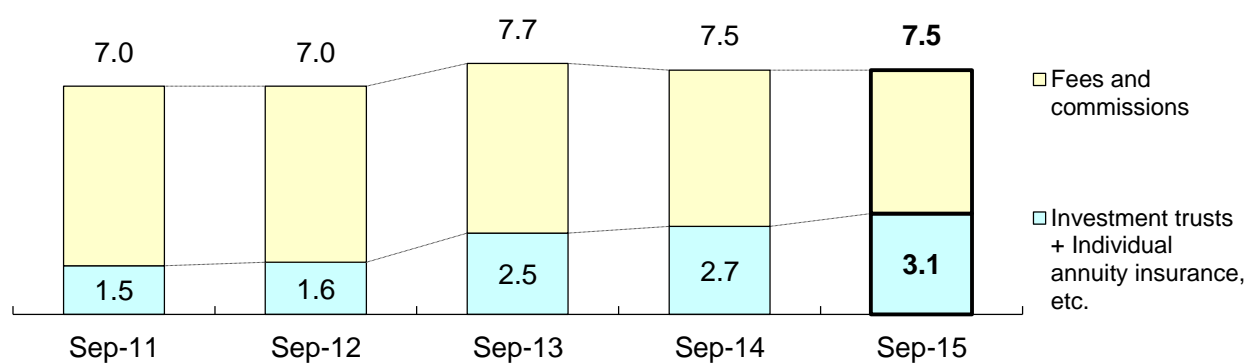
5. Fees and commissions (Non-Consolidated)

(¥ billions)

	Six months ended Sep.30,		Increase/ (Decrease)
	2014	2015	
Fees and commissions	13.5	14.0	0.5
Of which, domestic and foreign exchanges	4.0	4.0	(0.0)
Of which, investment trusts	1.2	1.5	0.3
Of which, individual annuity insurance, etc.	1.5	1.5	0.0
Fees and commissions payments	5.9	6.4	0.5
Net fees and commissions	7.5	7.5	0.0

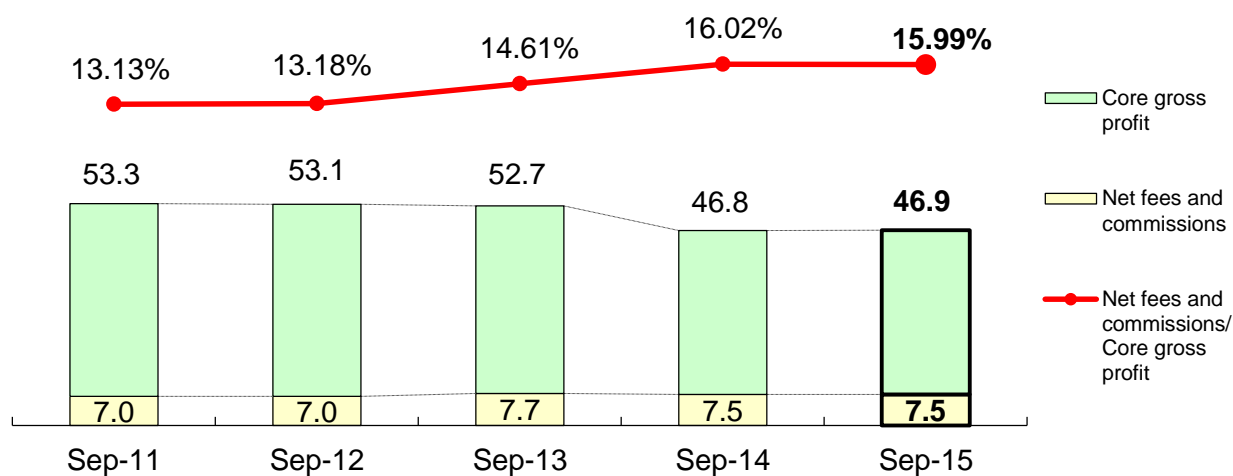
○ Net fees and commissions

(¥ billions)



○ Core operating profit and Net fees and commissions

(¥ billions)



6. Securities (Non-Consolidated)

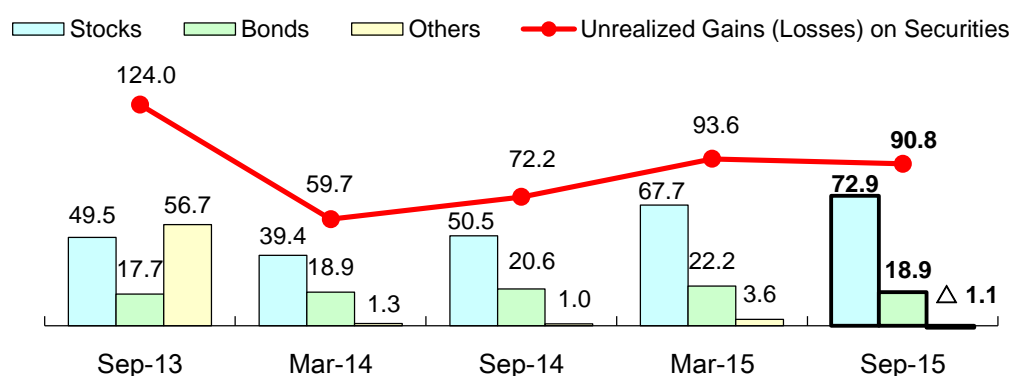
(¥ billions)

	As of Mar.31, 2015		As of Sep.30, 2015		Increase/ (Decrease)	
	Acquisition cost	Unrealized Gains (Losses)	Acquisition cost	Unrealized Gains (Losses)	Acquisition cost	Unrealized Gains (Losses)
Stocks	51.4	67.7	51.8	72.9	0.3	5.1
Bonds	1,334.4	22.2	1,194.3	18.9	(140.1)	(3.2)
Others	306.7	3.6	309.3	(1.1)	2.5	(4.7)
Total	1,692.6	93.6	1,555.5	90.8	(137.1)	(2.8)
Nikkei stock average (¥)	19,206		17,388		(1,818)	
New 10-year Japanese government bond (JGB) yield (%)	0.400%		0.350%		(0.050%)	

* Excluding trading account securities

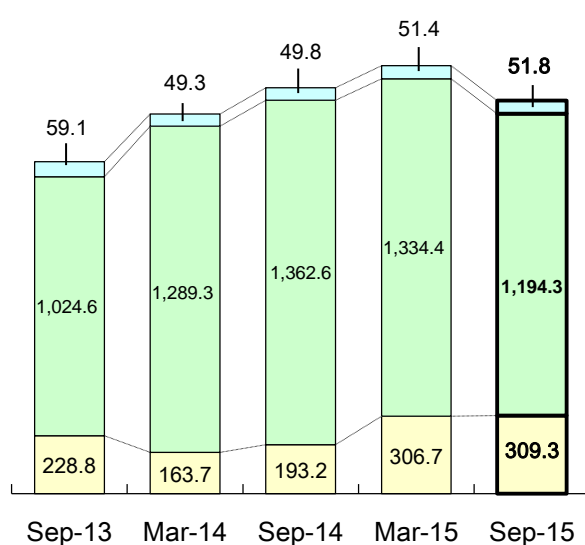
○ Unrealized Gains (Losses) on Securities

(¥ billions)



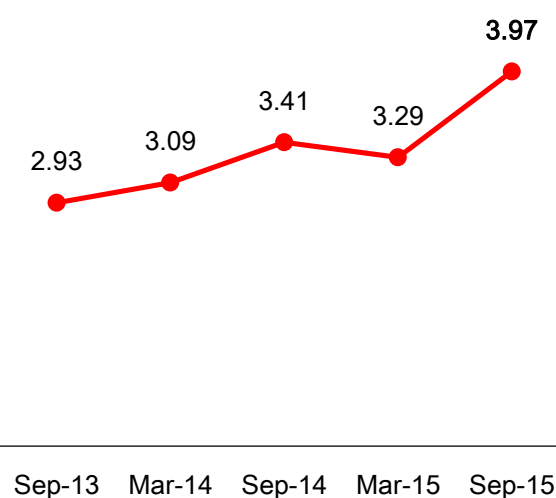
○ Securities (Acquisition cost)

(¥ billions)



○ Average duration to maturity of yen bonds

(years)

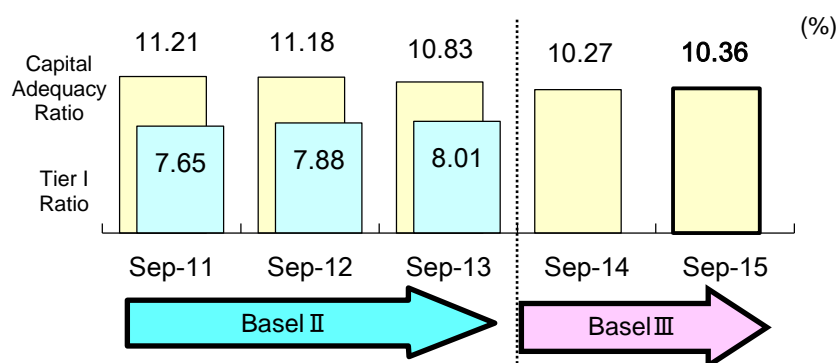


* Including floating-rate JGBs

7. Capital Adequacy Ratio (Domestic)

(¥ billions)

	Non-Consolidated			Consolidated		
	As of Sep.30,		Increase/ (Decrease)	As of Sep.30,		Increase/ (Decrease)
	2014	2015		2014	2015	
Capital Adequacy Ratio (%)	10.27%	10.36%	0.09%	10.55%	10.66%	0.11%
Capital	347.1	355.6	8.5	360.1	369.1	9.0
Risk-adjusted assets	3,379.1	3,431.8	52.6	3,411.9	3,462.7	50.7



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

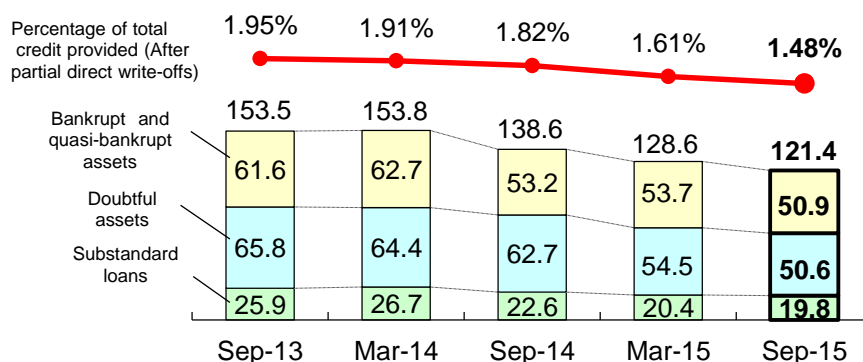
8. Problem Assets Based on the Financial Revitalization Law (Non-Consolidated)

(¥ billions)

	As of Sep.30,		Increase/ (Decrease)
	2014	2015	
Bankrupt and quasi-bankrupt assets	53.2	50.9	(2.2)
Doubtful assets	62.7	50.6	(12.1)
Substandard loans	22.6	19.8	(2.8)
Problem assets based on the Financial Revitalization Law	138.6	121.4	(17.2)
Percentage of total credit provided (%)	2.49%	2.11%	(0.38%)
After partial direct write-offs (%) *	1.82%	1.48%	(0.34%)

* Partial direct write-offs have not been implemented. The figures as they would appear after partial direct write-offs are shown for reference.

(¥ billions)



Please be cautious this report is an English translation of the Japanese original. Please refer to the Japanese version for more information.