

# Financial Summary

## Year ended March 31, 2018



May 10, 2018  
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, 2017	As of Mar. 31, 2018
<b>Assets</b>	<b>資産の部</b>		
Cash and due from banks	現金預け金	1,022,200	1,409,341
Call loans and bills bought	コールローン及び買入手形	1,322	2,681
Monetary claims bought	買入金銭債権	14,239	14,481
Trading account securities	商品有価証券	4,952	4,345
Securities	有価証券	1,729,586	1,489,802
Loans and bills discounted	貸出金	6,052,348	6,251,728
Foreign exchanges	外国為替	5,102	7,399
Lease receivables and investment assets	リース債権及びリース投資資産	47,186	49,490
Other assets	その他資産	103,610	158,667
Property, plant and equipment	有形固定資産	88,549	88,412
Buildings, net	建物	36,374	36,978
Land	土地	38,873	37,741
Leased assets, net	リース資産	2,785	2,632
Construction in progress	建設仮勘定	1,053	1,607
Other, net	その他の有形固定資産	9,462	9,452
Intangible assets	無形固定資産	9,171	8,786
Software	ソフトウェア	8,731	8,278
Other	その他の無形固定資産	439	507
Net defined benefit asset	退職給付に係る資産	—	75
Deferred tax assets	繰延税金資産	465	273
Customers' liabilities for acceptances and guarantees	支払承諾見返	54,558	52,801
Allowance for loan losses	貸倒引当金	(39,579)	(37,778)
Total assets	資産の部合計	9,093,714	9,500,510
<b>Liabilities</b>	<b>負債の部</b>		
Deposits	預金	8,086,989	8,344,356
Negotiable certificates of deposit	譲渡性預金	75,120	77,667
Payables under repurchase agreements	売現先勘定	—	31,064
Payables under securities lending transactions	債券貸借取引受入担保金	222,758	145,169
Borrowed money	借入金	160,486	328,848
Foreign exchanges	外国為替	69	125
Other liabilities	その他負債	54,307	52,122
Provision for bonuses	賞与引当金	1,943	1,828
Net defined benefit liability	退職給付に係る負債	1,030	228
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,615	1,976
Provision for point card certificates	ポイント引当金	369	384
Deferred tax liabilities	繰延税金負債	23,159	30,347
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	2,693	2,643
Acceptances and guarantees	支払承諾	54,558	52,801
Total liabilities	負債の部合計	8,685,102	9,069,565

(¥ millions)

		As of Mar. 31, 2017	As of Mar. 31, 2018
Net assets	純資産の部		
Capital stock	資本金	121,101	121,101
Capital surplus	資本剰余金	72,344	72,367
Retained earnings	利益剰余金	124,280	133,386
Treasury shares	自己株式	(0)	(0)
Total shareholders' equity	株主資本合計	317,725	326,854
Valuation difference on available-for-sale securities	その他有価証券評価差額金	79,344	92,193
Revaluation reserve for land	土地再評価差額金	5,586	5,380
Remeasurements of defined benefit plans	退職給付に係る調整累計額	(128)	387
Total accumulated other comprehensive income	その他の包括利益累計額合計	84,802	97,960
Share acquisition rights	新株予約権	101	128
Non-controlling interests	非支配株主持分	5,981	6,001
Total net assets	純資産の部合計	408,611	430,945
Total liabilities and net assets	負債及び純資産の部合計	9,093,714	9,500,510

## 2. Consolidated Statements of Income and Comprehensive Income

### (1) Consolidated Statements of Income

(¥ millions)

		Year ended Mar. 31,	
		2017	2018
Ordinary income	経常収益	147,972	143,611
Interest income	資金運用収益	78,229	76,218
Interest on loans and discounts	貸出金利息	63,446	62,013
Interest and dividends on securities	有価証券利息配当金	14,137	13,528
Interest on call loans and bills bought	コールローン利息及び買入手形利息	(7)	17
Interest on deposits with banks	預け金利息	438	429
Other interest income	その他の受入利息	215	229
Fees and commissions	役務取引等収益	29,594	28,898
Other ordinary income	その他業務収益	32,480	29,696
Other income	その他経常収益	7,667	8,798
Reversal of allowance for loan losses	貸倒引当金戻入益	1,851	—
Recoveries of written off claims	償却債権取立益	3	2
Other	その他の経常収益	5,812	8,795
Ordinary expenses	経常費用	126,575	128,467
Interest expenses	資金調達費用	3,471	4,083
Interest on deposits	預金利息	619	471
Interest on negotiable certificates of deposit	譲渡性預金利息	124	67
Interest on call money and bills sold	コールマネー利息及び売渡手形利息	(3)	6
Interest on payables under repurchase agreements	売現先利息	—	346
Interest on payables under securities lending transactions	債券貸借取引支払利息	842	1,380
Interest on borrowings and rediscounts	借用金利息	1,883	1,805
Other interest expenses	その他の支払利息	6	4
Fees and commissions payments	役務取引等費用	10,420	10,767
Other ordinary expenses	その他業務費用	33,954	31,733
General and administrative expenses	営業経費	76,200	74,488
Other expenses	その他経常費用	2,529	7,394
Provision of allowance for loan losses	貸倒引当金繰入額	—	4,931
Other	その他の経常費用	2,529	2,463
Ordinary profit	経常利益	21,396	15,143
Extraordinary income	特別利益	2,114	398
Gain on disposal of non-current assets	固定資産処分益	2,114	398
Extraordinary losses	特別損失	669	453
Loss on disposal of non-current assets	固定資産処分損	247	195
Impairment loss	減損損失	422	258
Profit before income taxes	税金等調整前当期純利益	22,841	15,087
Income taxes – current	法人税、住民税及び事業税	1,787	1,188
Income taxes – deferred	法人税等調整額	4,011	715
Total income taxes	法人税等合計	5,798	1,904
Profit	当期純利益	17,042	13,183
Profit(loss) attributable to non-controlling interests	非支配株主に帰属する当期純利益又は非支配株主に帰属する当期純損失(△)	337	(503)
Profit attributable to owners of parent	親会社株主に帰属する当期純利益	16,704	13,686

## (2) Consolidated Statements of Comprehensive Income

(¥ millions)

		Year ended Mar. 31,	
		2017	2018
Profit	当期純利益	17,042	13,183
Other comprehensive income	その他の包括利益	6,929	13,887
Valuation difference on available-for-sale securities	その他有価証券評価差額金	7,070	13,372
Deferred gains or losses on hedges	繰延ヘッジ損益	0	—
Remeasurements of defined benefit plans , net of tax	退職給付に係る調整額	(142)	515
Comprehensive income	包括利益	23,971	27,070
Comprehensive income attributable to owners of parent	親会社株主に係る包括利益	23,305	27,050
Comprehensive income attributable to non-controlling interests	非支配株主に係る包括利益	665	20

## 3. Non-Consolidated Balance Sheets

(¥ millions)

		As of Mar. 31, 2017	As of Mar. 31, 2018
Assets	資産の部		
Cash and due from banks	現金預け金	1,021,957	1,408,901
Cash	現金	98,185	90,275
Due from banks	預け金	923,771	1,318,626
Call loans	コールローン	1,322	2,681
Monetary claims bought	買入金銭債権	14,239	14,481
Trading account securities	商品有価証券	4,952	4,345
Trading government bonds	商品国債	1,439	1,258
Trading local government bonds	商品地方債	3,512	3,087
Securities	有価証券	1,727,163	1,485,806
Government bonds	国債	622,116	506,679
Local government bonds	地方債	283,023	294,877
Short-term corporate bonds	短期社債	1,999	1,999
Corporate bonds	社債	361,763	335,370
Stocks	株式	143,947	164,120
Other securities	その他の証券	314,313	182,758
Loans and bills discounted	貸出金	6,108,890	6,309,356
Bills discounted	割引手形	23,439	25,839
Loans on bills	手形貸付	247,922	226,658
Loans on deeds	証書貸付	5,171,061	5,365,904
Overdrafts	当座貸越	666,466	690,953
Foreign exchanges	外国為替	5,102	7,399
Due from foreign banks (our accounts)	外国他店預け	4,718	7,168
Foreign bills bought	買入外国為替	277	212
Foreign bills receivable	取立外国為替	107	18
Other assets	その他資産	70,664	124,242
Prepaid expenses	前払費用	60	53
Accrued income	未収収益	5,675	5,983
Derivatives other than for trading - assets	金融派生商品	13,228	12,582
Cash collateral paid for financial instruments	金融商品等差入担保金	2,270	4,262
Other	その他の資産	49,429	101,360
Property, plant and equipment	有形固定資産	87,588	87,214
Buildings, net	建物	36,353	36,959
Land	土地	38,873	37,741
Leased assets, net	リース資産	4,771	4,682
Construction in progress	建設仮勘定	1,053	1,607
Other, net	その他の有形固定資産	6,536	6,222
Intangible assets	無形固定資産	8,933	8,559
Software	ソフトウェア	8,502	8,133
Other	その他の無形固定資産	430	426
Customers' liabilities for acceptances and guarantees	支払承諾見返	54,558	52,801
Allowance for loan losses	貸倒引当金	(33,723)	(30,247)
Total assets	資産の部合計	9,071,648	9,475,544



(¥ millions)

		As of Mar. 31, 2017	As of Mar. 31, 2018
<b>Liabilities</b>	<b>負債の部</b>		
Deposits	預金	8,094,082	8,350,902
Current deposits	当座預金	377,416	428,656
Ordinary deposits	普通預金	5,250,296	5,575,084
Saving deposits	貯蓄預金	208,470	207,670
Deposits at notice	通知預金	12,948	12,300
Time deposits	定期預金	2,063,243	2,008,431
Installment savings	定期積金	90	69
Other deposits	その他の預金	181,617	118,689
Negotiable certificates of deposit	譲渡性預金	88,480	88,967
Payables under repurchase agreements	売現先勘定	—	31,064
Payables under securities lending transactions	債券貸借取引受入担保金	222,758	145,169
Borrowed money	借入金	153,642	320,314
Borrowings from other banks	借入金	153,642	320,314
Foreign exchanges	外国為替	69	125
Foreign bills payable	未払外国為替	69	125
Other liabilities	その他負債	35,912	35,102
Income taxes payable	未払法人税等	762	496
Accrued expenses	未払費用	2,393	2,232
Unearned revenue	前受収益	3,677	3,170
Reserve for interest on installment savings	給付補填備金	0	0
Derivatives other than for trading - liabilities	金融派生商品	7,904	6,729
Cash collateral received for financial instruments	金融商品等受入担保金	1,680	1,413
Lease obligations	リース債務	4,771	4,682
Other	その他の負債	14,721	16,378
Provision for bonuses	賞与引当金	1,694	1,613
Provision for retirement benefits	退職給付引当金	626	479
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,615	1,976
Provision for point card certificates	ポイント引当金	359	375
Deferred tax liabilities	繰延税金負債	22,447	29,326
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	2,693	2,643
Acceptances and guarantees	支払承諾	54,558	52,801
<b>Total liabilities</b>	<b>負債の部合計</b>	<b>8,678,940</b>	<b>9,060,863</b>
<b>Net assets</b>	<b>純資産の部</b>		
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	137,963	147,731
Legal retained earnings	利益準備金	3,904	4,861
Other retained earnings	その他利益剰余金	134,058	142,869
Reserve for advanced depreciation of non-current assets	固定資産圧縮積立金	1,046	1,042
Retained earnings brought forward	繰越利益剰余金	133,011	141,827
Treasury shares	自己株式	(107)	(60)
Total shareholders' equity	株主資本合計	308,957	318,773
Valuation difference on available-for-sale securities	その他有価証券評価差額金	78,062	90,397
Revaluation reserve for land	土地再評価差額金	5,586	5,380
Total valuation and translation adjustments	評価・換算差額等合計	83,649	95,778
Share acquisition rights	新株予約権	101	128
<b>Total net assets</b>	<b>純資産の部合計</b>	<b>392,708</b>	<b>414,680</b>
<b>Total liabilities and net assets</b>	<b>負債及び純資産の部合計</b>	<b>9,071,648</b>	<b>9,475,544</b>

## 4. Non-Consolidated Statements of Income

(¥ millions)

		Year ended Mar. 31,	
		2017	2018
Ordinary income	経常収益	119,698	114,906
Interest income	資金運用収益	78,835	76,807
Interest on loans and discounts	貸出金利息	63,639	62,226
Interest and dividends on securities	有価証券利息配当金	14,549	13,904
Interest on call loans	コールローン利息	(7)	17
Interest on deposits with banks	預け金利息	438	429
Other interest income	その他の受入利息	215	229
Fees and commissions	役務取引等収益	27,884	27,307
Fees and commissions on domestic and foreign exchanges	受入為替手数料	8,208	8,149
Other fees and commissions	その他の役務収益	19,676	19,157
Other ordinary income	その他業務収益	4,989	2,123
Gains on sales of bonds	国債等債券売却益	1,766	986
Gains on redemption of bonds	国債等債券償還益	1,402	—
Income from derivatives other than for trading or hedging	金融派生商品収益	1,535	1,137
Other	その他の業務収益	284	0
Other income	その他経常収益	7,988	8,667
Reversal of allowance for loan losses	貸倒引当金戻入益	2,232	—
Recoveries of written off claims	償却債権取立益	2	0
Gain on sales of stocks and other securities	株式等売却益	3,101	4,501
Other	その他の経常収益	2,651	4,165
Ordinary expenses	経常費用	99,234	98,824
Interest expenses	資金調達費用	3,430	4,047
Interest on deposits	預金利息	619	471
Interest on negotiable certificates of deposit	譲渡性預金利息	125	67
Interest on call money	コールマネー利息	(3)	6
Interest on payables under repurchase agreements	売現先利息	—	346
Interest on payables under securities lending transactions	債券貸借取引支払利息	842	1,380
Interest on borrowings and rediscounts	借入金利息	1,839	1,769
Interest on interest swaps	金利スワップ支払利息	1	—
Other interest expenses	その他の支払利息	4	4
Fees and commissions payments	役務取引等費用	11,685	12,526
Fees and commissions on domestic and foreign exchanges	支払為替手数料	1,283	1,277
Other fees and commissions	その他の役務費用	10,402	11,249
Other ordinary expenses	その他業務費用	8,169	5,685
Loss on foreign exchange transactions	外国為替売買損	1,253	666
Loss on trading account securities transactions	商品有価証券売買損	29	22
Loss on sales of bonds	国債等債券売却損	6,886	4,997
General and administrative expenses	営業経費	74,334	72,559
Other expenses	その他経常費用	1,614	4,004
Provision of allowance for loan losses	貸倒引当金繰入額	—	2,218
Written-off of loans	貸出金償却	1	0
Losses on sales of stocks and other securities	株式等売却損	329	—
Losses on devaluation of stocks and other securities	株式等償却	70	6
Other	その他の経常費用	1,213	1,778
Ordinary profit	経常利益	20,463	16,082
Extraordinary income	特別利益	2,114	398
Gain on disposal of non-current assets	固定資産処分益	2,114	398
Extraordinary losses	特別損失	669	453
Loss on disposal of non-current assets	固定資産処分損	246	195
Impairment loss	減損損失	422	258
Income before income taxes	税引前当期純利益	21,908	16,026
Income taxes – current	法人税、住民税及び事業税	1,374	662
Income taxes – deferred	法人税等調整額	4,069	989
Total income taxes	法人税等合計	5,443	1,652
Net income	当期純利益	16,464	14,374



## Ⅱ. Digest of financial results for the year ended March 31, 2018

### 1. Summary (Non-Consolidated)

(¥ billions)

	Year ended Mar.31,		Increase/ (Decrease)	Performance Forecast (May 12, 2017)	Change from forecast
	2017	2018			
Core gross profit	92.1	87.9	(4.1)	90.0	(2.0)
Core operating profit	17.8	15.6	(2.1)	15.4	0.2
Ordinary profit	20.4	16.0	(4.3)	17.1	(1.0)
Net income	16.4	14.3	(2.0)	12.0	2.3
Deposits and NCDs (Average balance)	7,992.4	8,259.8	267.4		
Loans and bills discounted (Average balance)	5,937.9	6,210.5	272.6		
Capital Adequacy Ratio (Domestic) (%)	13.20%	12.97%	(0.23%)		
ROE (%)	4.29%	3.56%	(0.73%)		

\* NCDs = Negotiable certificates of deposit

$$\text{ROE} = \frac{\text{Net income for the current fiscal year}}{(\text{Total net assets at beginning of fiscal year}^* + \text{Total net assets at end of fiscal year}^*) / 2}$$

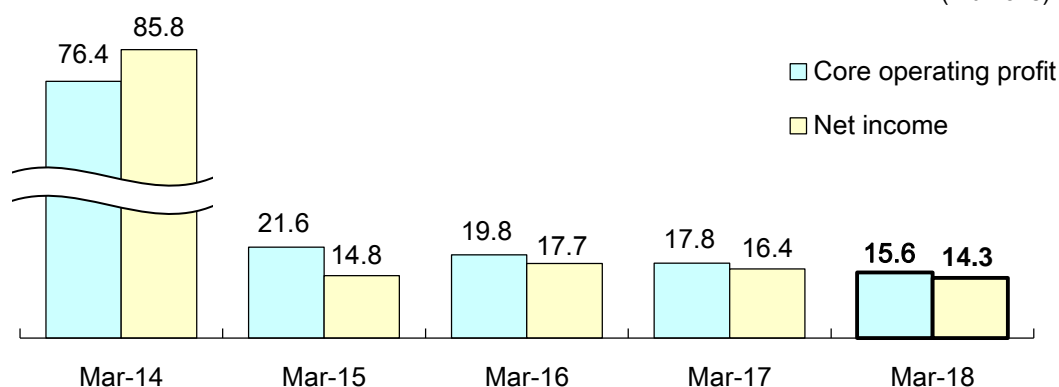
\*Excluding share acquisition rights

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)

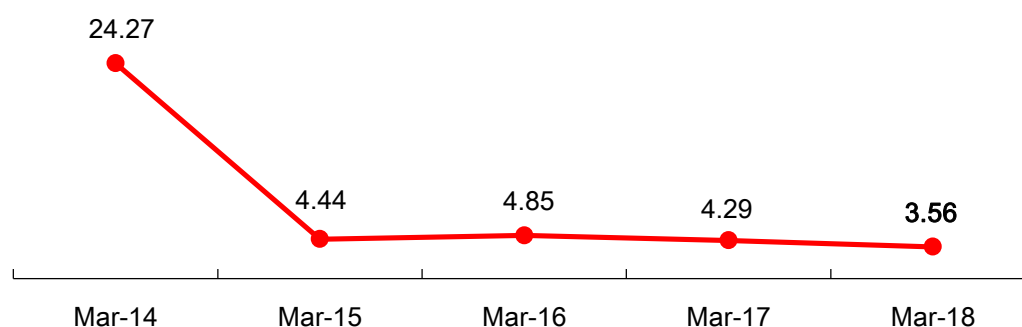
### ○ Core operating profit and Net income

(¥ billions)



### ○ ROE

(%)



## 2. Income Summary

### 【Non-Consolidated】

(¥ billions)

	Year ended Mar.31,		Increase/ (Decrease)
	2017	2018	
Core gross profit	92.1	<b>87.9</b>	(4.1)
Net interest income	75.4	<b>72.7</b>	(2.6)
Net fees and commissions	16.1	<b>14.7</b>	(1.4)
Net other operating income (excluding gains (losses) on bonds)	0.5	<b>0.4</b>	(0.0)
Expenses(excluding non-recurring losses)	74.2	<b>72.3</b>	(1.9)
Core OHR (%)	80.62%	<b>82.17%</b>	1.55%
Personnel	31.0	<b>30.0</b>	(0.9)
Facilities	38.1	<b>37.1</b>	(0.9)
Taxes	5.0	<b>5.0</b>	0.0
Core operating profit	17.8	<b>15.6</b>	(2.1)
Credit cost	(1.8)	<b>2.5</b>	4.3
Gains (losses) on securities	(1.0)	<b>0.4</b>	1.4
Net other non-recurring income (loss) (including gains (losses) on money held in trust)	1.8	<b>2.4</b>	0.6
Ordinary profit	20.4	<b>16.0</b>	(4.3)
Net income	16.4	<b>14.3</b>	(2.0)

### 【Consolidated】

(¥ billions)

	Year ended Mar.31,		Increase/ (Decrease)
	2017	2018	
Core gross profit	96.1	<b>92.2</b>	(3.9)
Ordinary profit	21.3	<b>15.1</b>	(6.2)
Profit attributable to owners of parent	16.7	<b>13.6</b>	(3.0)
Core operating profit	20.0	<b>18.0</b>	(2.0)

### 3. Deposits and NCDs(Non-Consolidated)

#### 【Average Balance】

(¥ billions)

	Year ended Mar.31,		Increase/ (Decrease)
	2017	2018	
Deposits and NCDs	7,992.4	<b>8,259.8</b>	267.4
Yield on deposits and NCDs (%)	0.00%	<b>0.00%</b>	(0.00%)
Corporate	2,134.1	<b>2,245.4</b>	111.3
Individual	5,215.9	<b>5,399.7</b>	183.8
Public sectors and financial institutions	642.4	<b>614.7</b>	(27.6)

#### 【Outstanding Balance】

(¥ billions)

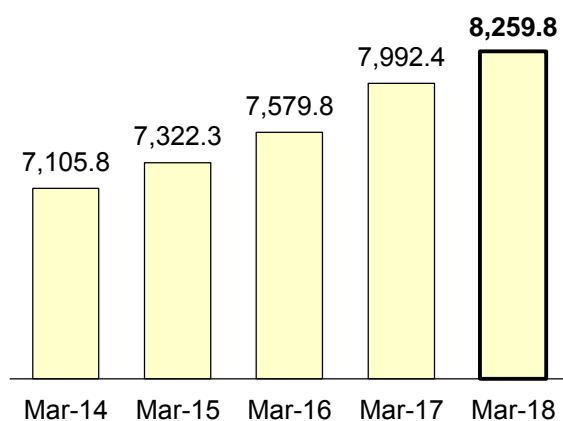
	As of Mar.31,		Increase/ (Decrease)
	2017	2018	
Deposits and NCDs	8,182.5	<b>8,439.8</b>	257.3
Deposit assets	327.9	<b>314.3</b>	(13.6)
Safe custody of public bonds	153.3	<b>141.9</b>	(11.3)
Investment trusts	174.6	<b>172.3</b>	(2.3)
<b>Total</b>	<b>8,510.5</b>	<b>8,754.2</b>	243.6
<Reference> Individual annuity insurance, etc.	586.5	<b>634.8</b>	48.3

\* 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)

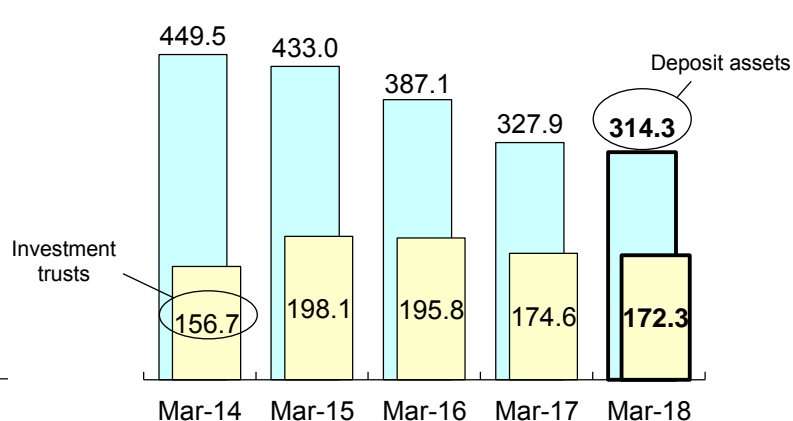
(¥ billions)



#### ○ Deposit assets and Investment trusts

(Outstanding Balance)

(¥ billions)



#### 4. Loans and bills discounted (Non-Consolidated)

##### 【Average Balance】

(¥ billions)

	Year ended Mar.31,		Increase/ (Decrease)
	2017	2018	
Loans and bills discounted	5,937.9	<b>6,210.5</b>	272.6
Yield on loans and bills discounted (%)	1.07%	<b>1.00%</b>	(0.07%)
Enterprises	2,584.1	<b>2,595.4</b>	11.2
Individuals	1,690.5	<b>1,738.5</b>	47.9
Residential loans	1,574.1	<b>1,607.6</b>	33.4
Consumer loans	116.4	<b>130.8</b>	14.4
Public sectors	1,663.1	<b>1,876.6</b>	213.4

\* Consumer loans = Car loans ,card loans ,etc.

##### 【Outstanding Balance】

(¥ billions)

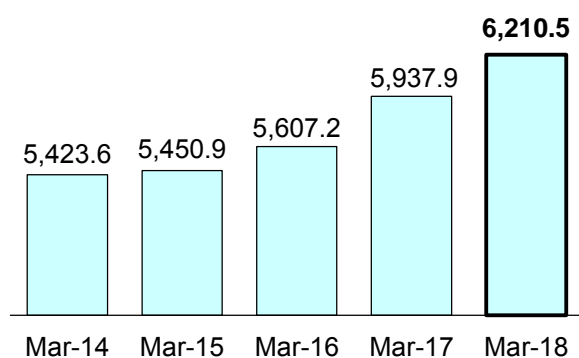
	As of Mar.31,		Increase/ (Decrease)
	2017	2018	
Loans and bills discounted	6,108.8	<b>6,309.3</b>	200.4
Enterprises	2,591.2	<b>2,615.8</b>	24.5
Individuals	1,718.9	<b>1,769.5</b>	50.5
Public sectors	1,798.6	<b>1,924.0</b>	125.3
SMEs, etc	3,468.8	<b>3,562.3</b>	93.4
In Hokkaido	5,160.7	<b>5,270.9</b>	110.2

\* SMEs, etc = SMEs + Individuals

Public sector loans include loans to government and land development public corporations.

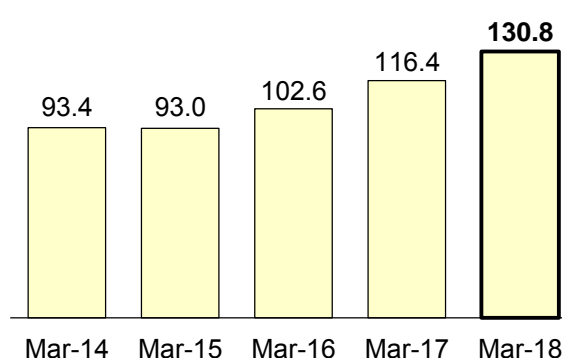
##### ○ Loans and bills discounted (Average Balance)

(¥ billions)



##### ○ Consumer loans (Average Balance)

(¥ billions)



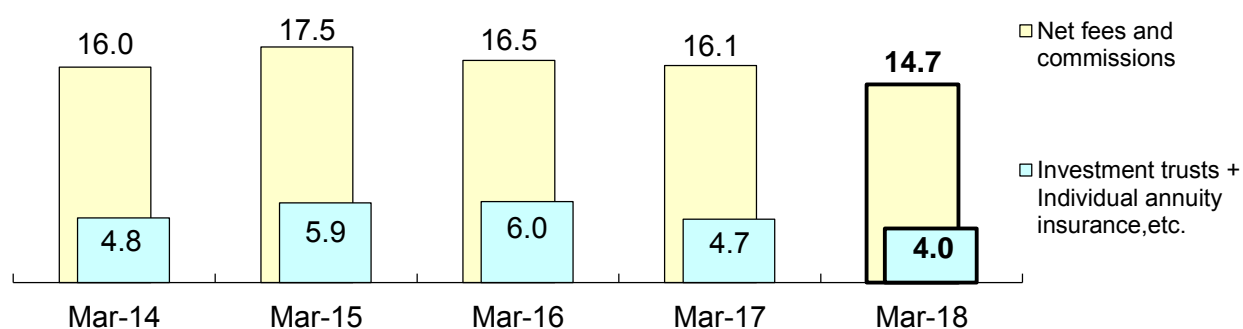
## 5. Fees and commissions (Non-Consolidated)

(¥ billions)

	Year ended Mar.31,		Increase/ (Decrease)
	2017	2018	
Fees and commissions	27.8	27.3	(0.5)
Of which, domestic and foreign exchanges	8.2	8.1	(0.0)
Of which, investment trusts	2.0	2.0	0.0
Of which, individual annuity insurance, etc.	2.7	2.0	(0.7)
Fees and commissions payments	11.6	12.5	0.8
Of which, group credit life insurance	4.7	4.7	(0.0)
Of which, guarantee	3.4	4.3	0.8
<b>Net fees and commissions</b>	16.1	14.7	(1.4)

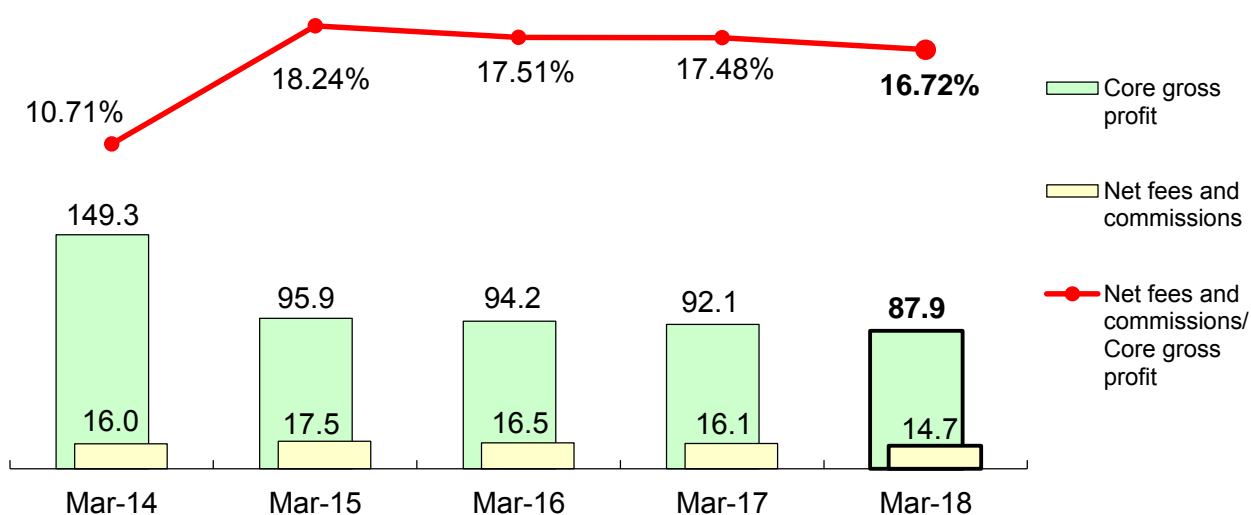
### ○ Net fees and commissions

(¥ billions)



### ○ Core gross profit and Net fees and commissions

(¥ billions)



## 6. Securities (Non-consolidated)

(¥ billions)

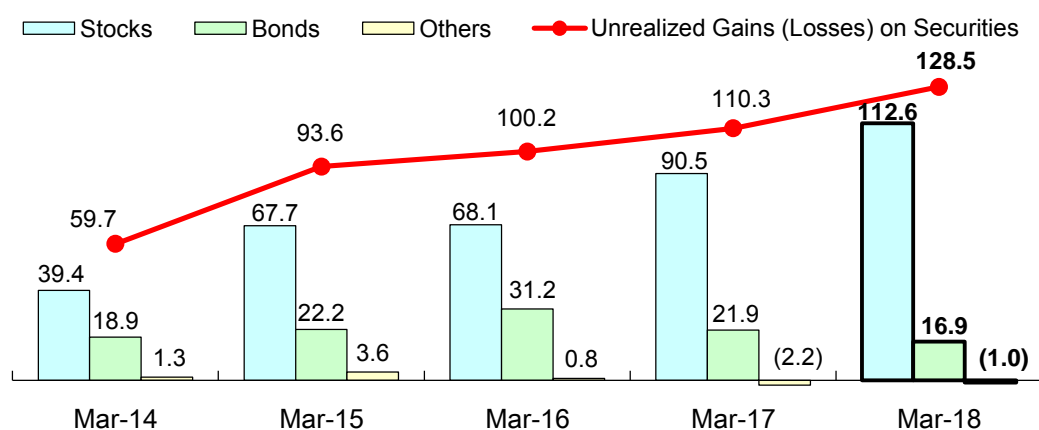
(+ Billions)

	As of Mar.31,				Increase/ (Decrease)	
	2017		2018			
	Acquisition cost	Unrealized Gains (Losses)	Acquisition cost	Unrealized Gains (Losses)	Acquisition cost	Unrealized Gains (Losses)
Stocks	53.3	90.5	51.4	112.6	(1.8)	22.0
Bonds	1,246.9	21.9	1,121.9	16.9	(124.9)	(5.0)
Others	316.5	(2.2)	183.7	(1.0)	(132.7)	1.1
<b>Total</b>	1,616.7	110.3	1,357.2	128.5	(259.5)	18.1
Nikkei stock average (¥)	18,909		21,454		2,545	
New 10-year Japanese government bond (JGB) yield (%)	0.065%		0.045%		(0.020%)	

\* Excluding trading account securities

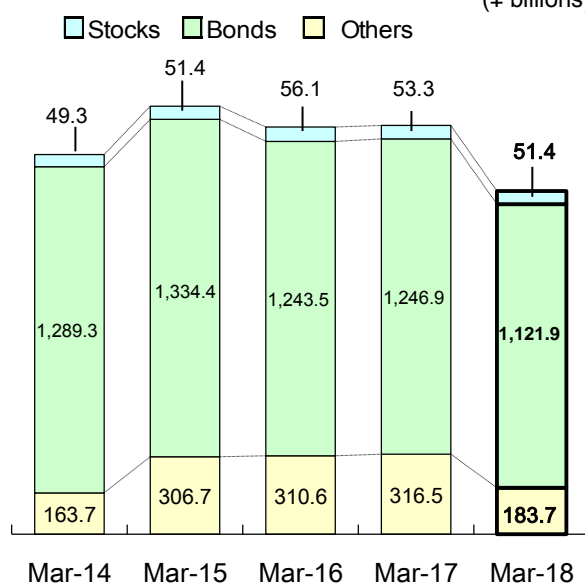
### ○ Unrealized Gains (Losses) on Securities

(¥ billions)



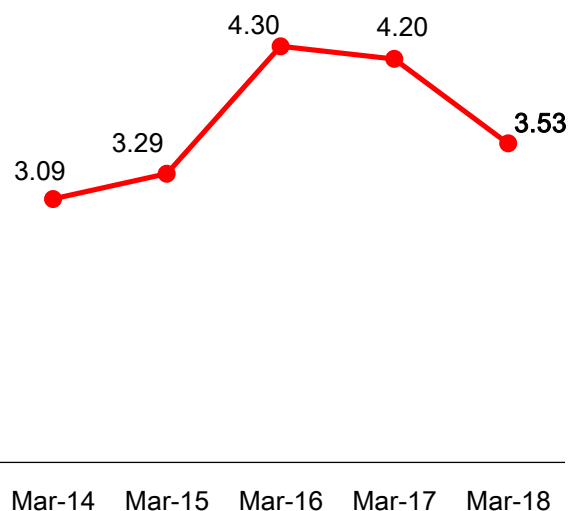
### ○ Acquisition cost on Securities

(¥ billions)



### ○ Average duration to maturity of yen bonds

(years)



\* Including floating-rate JGBs

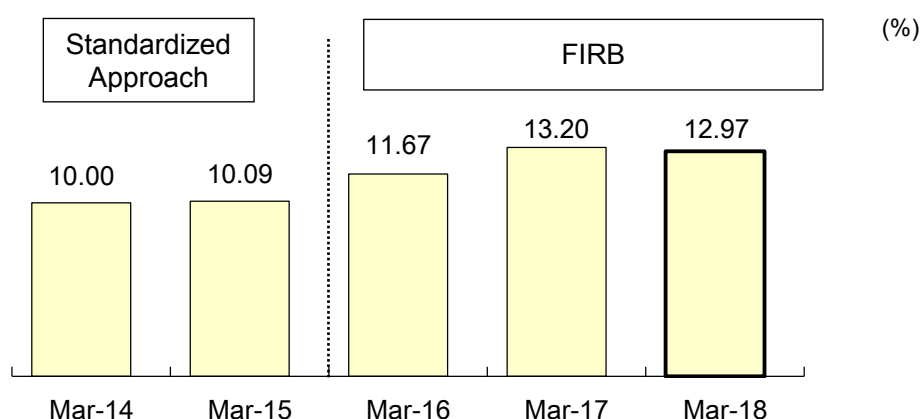


## 7. Capital Adequacy Ratio (Domestic)

(¥ billions)

	Non-Consolidated			Consolidated		
	As of Mar.31, 2017	As of Mar.31, 2018	Increase/ (Decrease)	As of Mar.31, 2017	As of Mar.31, 2018	Increase/ (Decrease)
Capital Adequacy Ratio (%)	13.20%	12.97%	(0.23%)	13.54%	13.29%	(0.25%)
Capital	335.6	338.8	3.1	351.9	355.5	3.6
Risk-adjusted assets	2,542.2	2,610.5	68.2	2,598.4	2,673.5	75.1

### ○ Capital Adequacy Ratio(Non-Consolidated)

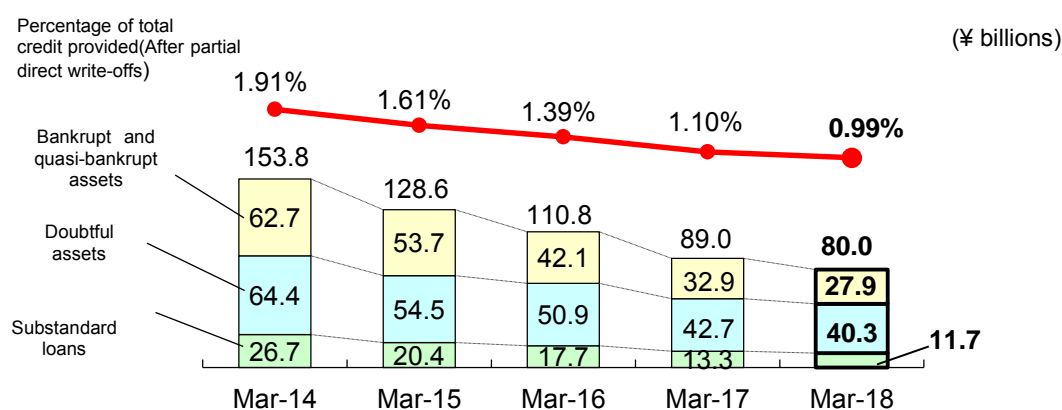


## 8. Problem Assets Based on the Financial Revitalization Law (Non-Consolidated)

(¥ billions)

	As of Mar.31,		Increase/ (Decrease)
	2017	2018	
Bankrupt and quasi-bankrupt assets	32.9	27.9	(5.0)
Doubtful assets	42.7	40.3	(2.3)
Substandard loans	13.3	11.7	(1.5)
Problem assets based on the Financial Revitalization Law	89.0	80.0	(8.9)
Percentage of total credit provided (%)	1.41%	1.23%	(0.18%)
After partial direct write-offs (%) *	1.10%	0.99%	(0.11%)

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



### Ⅲ. Performance Forecasts

#### 【Non-Consolidated】

(¥ billions)

	Six months ended Sep.30,			Year ended Mar.31,		
	1 <sup>st</sup> Half of FY2017 Actual	1 <sup>st</sup> Half of FY2018 Forecast	Increase/ (Decrease)	FY2017 Actual	FY2018 Forecast	Increase/ (Decrease)
Ordinary income	60.8	55.7	(5.1)	114.9	110.7	(4.2)
Core gross profit	43.5	44.2	0.6	87.9	89.3	1.3
Expenses (excluding non-recurring losses)	37.0	36.0	(1.0)	72.3	71.3	(1.0)
Core operating profit	6.4	8.2	1.7	15.6	18.0	2.3
Credit cost	(2.3)	0.8	3.1	2.5	1.5	(1.0)
Ordinary profit	12.2	9.4	(2.8)	16.0	20.5	4.4
Net income	9.8	6.2	(3.6)	14.3	13.5	(0.8)

#### 【Consolidated】

(¥ billions)

	Six months ended Sep.30,			Year ended Mar.31,		
	1 <sup>st</sup> Half of FY2017 Actual	1 <sup>st</sup> Half of FY2018 Forecast	Increase/ (Decrease)	FY2017 Actual	FY2018 Forecast	Increase/ (Decrease)
Ordinary income	73.6	70.0	(3.6)	143.6	140.3	(3.3)
Core gross profit	45.4	46.6	1.1	92.2	94.9	2.6
Expenses (excluding non-recurring losses)	38.0	37.0	(1.0)	74.2	73.7	(0.5)
Credit cost	(1.1)	1.9	3.0	5.7	3.8	(1.9)
Ordinary profit	11.9	9.6	(2.3)	15.1	21.2	6.0
Profit attributable to owners of parent	9.4	6.1	(3.3)	13.6	13.7	0.0
Core operating profit	7.3	9.6	2.2	18.0	21.2	3.1

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