

Fukuoka Financial Group, Inc.

Financial Digest for Fiscal Year 2018, ended March 31, 2019



Stock Exchange Listing:	Tokyo, Fukuoka (code:8354)
URL:	https://www.fukuoka-fg.com/
Representative:	Takashige Shibato, Chairman of the Board & President
For Inquiry:	Masahiro Fujii, General Manager, Corporate Planning Division
Date of General Meeting of Shareholders:	June 27, 2019 (scheduled)
Payment date of cash dividends:	June 28, 2019 (scheduled)
Filing date of Financial Statements:	June 27, 2019 (scheduled)
Trading Accounts:	Established
Supplementary Materials:	Attached
IR Conference:	Scheduled (for institutional investors, analysts)

- (Notes) 1. Financial statements are not subject to audit.
2. Amounts less than one million yen are omitted.

1. Consolidated Financial Highlights (from April 1, 2018 to March 31, 2019)

(1) Consolidated Operating Results (%:Changes from previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income attributable to owners of the parent	
	¥Million	%	¥Million	%	¥Million	%
FY2018	246,112	3.6	74,093	3.4	51,649	4.6
FY2017	237,572	0.8	71,636	—	49,369	—

(Note) Comprehensive income FY2018: ¥12,053 million [(84.7)%] FY2017: ¥78,909 million [— %]

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
	¥	¥	%	%	%
FY2018	300.71	—	6.6	0.4	30.1
FY2017	287.42	—	6.6	0.4	30.2

(Reference) Equity in earnings of affiliates FY2018: None FY2017: None

(Note) FFG consolidated its common shares at the ratio of one new share for every five old shares effective October 1, 2018. In accordance with it, net income per share is calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Own Capital Ratio	Net Assets per Share
	¥Million	¥Million	%	¥
FY2018	20,839,786	777,308	3.7	4,525.66
FY2017	20,163,679	778,973	3.8	4,535.10

(Reference) Own capital FY2018: ¥777,291 million FY2017: ¥778,955 million

(Note) Own Capital Ratio = (Total net assets - Noncontrolling interests) / Total assets * 100

This ratio is not based on the public notification of the capital adequacy ratio.

(Note) FFG consolidated its common shares at the ratio of one new share for every five old shares effective October 1, 2018. In accordance with it, net income per share is calculated based on the assumption that the share consolidation had been carried out at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents, end of period
	¥Million	¥Million	¥Million	¥Million
FY2018	(5,725)	360,435	(33,717)	4,489,326
FY2017	1,159,776	145,640	(11,993)	4,168,303

2. Dividend Payment

	Dividends declared per Share					Total Dividends (Annual)	Dividends Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year			
	¥	¥	¥	¥	¥	¥Million	%	%
FY2017	—	7.50	—	7.50	15.00	12,882	26.1	1.7
FY2018	—	8.50	—	42.50	—	14,599	28.3	1.9
FY2019 (projection)	—	42.50	—	42.50	85.00	—	10.2	—

(Note) As the group consolidated its common shares at the ratio of one new share for every five old shares effective October 1, 2018, the effect of the said consolidation of shares is factored into the calculation of the year-end dividend per share for the fiscal year ending March 31, 2019, and the total annual dividend is shown as “—”.

3. Consolidated Earnings Projections for Fiscal year 2019, (Year ending March 31, 2020)

(%:Changes from corresponding period of previous fiscal year)

	Ordinary Profit		Net Income attributable to owners of the parent		Net Income per Share
	¥Million	%	¥Million	%	¥
Interim of FY2019	33,000	(15.4)	140,000	413.3	736.42
FY2019	60,500	(18.3)	158,500	206.9	833.73

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2018	As of Mar 31, 2019
(Assets)	資産の部		
Cash and due from banks	現金預け金	4,174,081	4,497,130
Call loans and bills bought	コールローン及び買入手形	9,661	8,769
Monetary claims bought	買入金銭債権	63,784	66,528
Trading assets	特定取引資産	1,804	1,600
Money held in trust	金銭の信託	4,113	4,190
Securities	有価証券	3,331,309	2,927,128
Loans and bills discounted	貸出金	12,230,470	12,994,296
Foreign exchanges	外国為替	6,834	8,160
Other assets	その他資産	178,828	183,074
Tangible fixed assets	有形固定資産	196,289	194,101
Intangible fixed assets	無形固定資産	15,564	16,198
Net defined benefit assets	退職給付に係る資産	33,304	18,533
Deferred tax assets	繰延税金資産	3,572	9,366
Customers' liabilities for acceptances and guarantees	支払承諾見返	40,215	43,363
Allowance for loan losses	貸倒引当金	(126,155)	(132,655)
Total assets	資産の部合計	20,163,679	20,839,786
(Liabilities)	負債の部		
Deposits	預金	13,795,830	14,059,790
Negotiable certificates of deposit	譲渡性預金	282,524	238,412
Call money and bills sold	コールマネー及び売渡手形	1,315,936	1,865,549
Payables under repurchase agreements	売現先勘定	105,625	1,241,589
Payables under securities lending transactions	債券貸借取引受入担保金	2,140,301	618,007
Trading liabilities	特定取引負債	0	0
Borrowed money	借入金	1,521,762	1,826,041
Foreign exchanges	外国為替	1,181	1,169
Short-term bonds payable	短期社債	5,000	16,000
Bonds payable	社債	20,000	10,000
Other liabilities	その他負債	115,711	112,921
Net defined benefit liability	退職給付に係る負債	951	993
Provision for losses on interest repayments	利息返還損失引当金	48	23
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	5,939	5,543
Provision for contingent liabilities losses	その他の偶発損失引当金	7	3
Reserves under the special laws	特別法上の引当金	22	22
Deferred tax liabilities	繰延税金負債	10,627	57
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	23,020	22,989
Acceptances and guarantees	支払承諾	40,215	43,363
Total liabilities	負債の部合計	19,384,706	20,062,477
(Net assets)	純資産の部		
Capital stock	資本金	124,799	124,799
Capital surplus	資本剰余金	94,158	94,164
Retained earnings	利益剰余金	381,891	419,871
Treasury stock	自己株式	(364)	(391)
Total shareholders' equity	株主資本合計	600,485	638,443
Valuation difference on available-for-sale securities	その他有価証券評価差額金	131,493	107,770
Deferred gains or losses on hedges	繰延ヘッジ損益	(12,684)	(20,239)
Revaluation reserve for land	土地再評価差額金	51,631	51,560
Remeasurements of defined benefit plans	退職給付に係る調整累計額	8,029	(245)
Total accumulated other comprehensive income	その他の包括利益累計額合計	178,470	138,847
Non-controlling interests	非支配株主持分	17	17
Total net assets	純資産の部合計	778,973	777,308
Total liabilities and net assets	負債及び純資産の部合計	20,163,679	20,839,786

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	FY2017	FY2018
Ordinary income:	経常収益	237,572	246,112
Interest income	資金運用収益	171,022	177,744
Interest on loans and discounts	(うち貸出金利息)	134,520	136,827
Interest and dividends on securities	(うち有価証券利息配当金)	32,512	33,976
Trust fees	信託報酬	0	0
Fees and commissions	役務取引等収益	52,345	49,884
Trading income	特定取引収益	84	177
Other operating income	その他業務収益	6,366	8,120
Other income	その他経常収益	7,751	10,183
Ordinary expenses:	経常費用	165,936	172,018
Interest expenses	資金調達費用	18,943	21,967
Interest on deposits	(うち預金利息)	5,233	4,340
Fees and commissions payments	役務取引等費用	20,302	20,826
Other operating expenses	その他業務費用	1,693	45
General and administrative expenses	営業経費	120,179	117,087
Other expenses	その他経常費用	4,816	12,091
Ordinary profit	経常利益	71,636	74,093
Extraordinary income	特別利益	21	10
Gain on disposal of noncurrent assets	固定資産処分益	21	10
Extraordinary loss	特別損失	884	451
Loss on disposal of noncurrent assets	固定資産処分損	720	347
Impairment loss	減損損失	160	103
Transfer to reserve for financial products transaction liabilities	金融商品取引責任準備金繰入額	3	—
Income before income taxes:	税金等調整前当期純利益	70,774	73,652
Current	法人税、住民税及び事業税	19,221	21,857
Deferred	法人税等調整額	2,222	189
Total income taxes	法人税等合計	21,443	22,046
Net income	当期純利益	49,330	51,605
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する当期純損失	(39)	(44)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益	49,369	51,649

Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	FY2017	FY2018
Net income	当期純利益	49,330	51,605
Other comprehensive income	その他の包括利益	29,579	(39,552)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	13,767	(23,722)
Deferred gains or losses on hedges	繰延ヘッジ損益	(23)	(7,554)
Remeasurements of defined benefit plans	退職給付に係る調整額	15,834	(8,274)
Total comprehensive income	包括利益	78,909	12,053
(Breakdown)	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る包括利益	78,949	12,097
Comprehensive income attributable to non-controlling interests	非支配株主に係る包括利益	(39)	(44)

(3) Consolidated Statements of Changes in Net Assets

FY2017

(millions of Yen)

Item	科目 (Japanese)	Shareholders' equity				
		株主資本				
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		資本金	資本剰余金	利益剰余金	自己株式	株主資本合計
Balance as of Mar 31, 2017	当期首残高	124,799	94,156	344,527	(343)	563,140
Changes during the period:	当期変動額					
Dividends from surplus	剰余金の配当			(12,023)		(12,023)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益			49,369		49,369
Acquisition of treasury stock	自己株式の取得				(21)	(21)
Transfer from revaluation reserve for land	土地再評価差額金の取崩			17		17
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		1			1
Net changes of items other than shareholders' equity	株主資本以外の項目の当期変動額(純額)					
Total changes during the period	当期変動額合計	—	1	37,363	(21)	37,344
Balance as of Mar 31, 2018	当期末残高	124,799	94,158	381,891	(364)	600,485

		Accumulated other comprehensive income					Non-controlling interests	Total net assets
		その他の包括利益累計額						
		Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
		その他有価証券評価差額金	繰延ヘッジ損益	土地再評価差額金	退職給付に係る調整累計額	その他の包括利益累計額合計	非支配株主持分	純資産合計
Balance as of Mar 31, 2017	当期首残高	117,726	(12,660)	51,649	(7,805)	148,909	8	712,058
Changes during the period:	当期変動額							
Dividends from surplus	剰余金の配当							(12,023)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益							49,369
Acquisition of treasury stock	自己株式の取得							(21)
Transfer from revaluation reserve for land	土地再評価差額金の取崩							17
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							1
Net changes of items other than shareholders' equity	株主資本以外の項目の当期変動額(純額)	13,767	(23)	(17)	15,834	29,561	8	29,570
Total changes during the period	当期変動額合計	13,767	(23)	(17)	15,834	29,561	8	66,914
Balance as of Mar 31, 2018	当期末残高	131,493	(12,684)	51,631	8,029	178,470	17	778,973

FY2018

(millions of Yen)

Item	科目 (Japanese)	Shareholders' equity				
		株主資本				
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		資本金	資本剰余金	利益剰余金	自己株式	株主資本合計
Balance as of Mar 31, 2018	当期首残高	124,799	94,158	381,891	(364)	600,485
Changes during the period:	当期変動額					
Dividends from surplus	剰余金の配当			(13,740)		(13,740)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益			51,649		51,649
Acquisition of treasury stock	自己株式の取得				(27)	(27)
Disposition of treasury stock	自己株式の処分		0		0	0
Transfer from revaluation reserve for land	土地再評価差額金の取崩			70		70
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		6			6
Net changes of items other than shareholders' equity	株主資本以外の項目の当期変動額(純額)					
Total changes during the period	当期変動額合計	—	6	37,979	(27)	37,958
Balance as of Mar 31, 2019	当期末残高	124,799	94,164	419,871	(391)	638,443

		Accumulated other comprehensive income					Non-controlling interests	Total net assets
		その他の包括利益累計額						
		Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
		その他有価証券評価差額金	繰延ヘッジ損益	土地再評価差額金	退職給付に係る調整累計額	その他の包括利益累計額合計	非支配株主持分	純資産合計
Balance as of Mar 31, 2018	当期首残高	131,493	(12,684)	51,631	8,029	178,470	17	778,973
Changes during the period:	当期変動額							
Dividends from surplus	剰余金の配当							(13,740)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益							51,649
Acquisition of treasury stock	自己株式の取得							(27)
Disposition of treasury stock	自己株式の処分							0
Transfer from revaluation reserve for land	土地再評価差額金の取崩							70
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							6
Net changes of items other than shareholders' equity	株主資本以外の項目の当期変動額(純額)	(23,722)	(7,554)	(70)	(8,274)	(39,623)	(0)	(39,623)
Total changes during the period	当期変動額合計	(23,722)	(7,554)	(70)	(8,274)	(39,623)	(0)	(1,664)
Balance as of Mar 31, 2019	当期末残高	107,770	(20,239)	51,560	(245)	138,847	17	777,308

Financial Digest for the FY2018

May 13, 2019

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This report contains forward-looking statements and other forward-looking information relating to the company (the “forward-looking statements”). The forward-looking statements are not historical facts and include, reflect or are otherwise based upon, among other things, the company’s current estimations, projections, views, policies, business strategies, targets, expectations, assumptions and evaluations with respect to general economic conditions, the results of operations, the financial condition, the company’s management in general and other future events. Accordingly, they are inherently susceptible to uncertainties, risks and changes in circumstances and are not guarantees of future performance.

Some forward-looking statements represent targets that the company’s management will strive to achieve through the successful implementation of the company’s business strategies. The company may not be successful in implementing its business strategy, and actual results may differ materially, for a wide range of possible reasons.

1. Gain and loss

	3 banks' total			FFG (consolidated)			
	announced projections	FY2018	Comparison	FY2017	FY2018	Comparison	FY2017
Gross business profit		178,667	4,361	174,306	193,088	4,206	188,882
Net interest income		156,155	3,687	152,468	155,777	3,697	152,080
Domestic		148,263	3,380	144,883	147,886	3,391	144,495
International		7,891	307	7,584	7,891	307	7,584
Net fees and commissions		19,329	(2,574)	21,903	29,058	(2,985)	32,043
Net trading income		6	0	6	177	93	84
Net other operating income		3,176	3,247	(71)	8,074	3,401	4,673
Gains (losses) on sales (redemptions) of bonds		1,047	2,728	(1,681)	1,047	2,728	(1,681)
Overhead expenses (-)		100,404	(1,157)	101,561	116,995	446	116,549
Business profit (before transfer to general reserve for possible loan losses)		78,263	5,518	72,745	76,093	3,761	72,332
① Transfer to general reserve for possible loan losses (-)		(361)	(361)	[(1,331)] -	948	2,203	(1,255)
Business profit		78,624	5,879	72,745	75,144	1,557	73,587
Core business profit [76,700]		77,215	2,788	74,427	75,046	1,033	74,013
Other operating profit (loss)		706	(1,225)	1,931	(1,051)	900	(1,951)
② Credit cost for disposal of non-performing loans (-)		4,187	7,171	(2,984)	6,538	5,787	751
Net transfer to specific reserve for possible loan losses (-)		4,174	4,174	[(737)] -	6,550	4,857	1,693
Reversal of allowance for loan losses		-	(2,068)	2,068	-	-	-
Recoveries of written-off claims		633	(675)	1,308	633	(675)	1,308
Total credit cost ①+② (-) [1,300]		3,826	6,810	(2,984)	7,486	7,989	(503)
Gains (losses) on stocks		5,222	3,379	1,843	5,957	4,113	1,844
Others		(328)	2,569	(2,897)	(471)	2,574	(3,045)
Ordinary profit [80,800]		79,331	4,654	74,677	74,093	2,457	71,636
Extraordinary profit (loss)		(564)	391	(955)	(441)	421	(862)
Income (loss) before income taxes		78,766	5,045	73,721	73,652	2,878	70,774
Total income taxes (-)		20,613	783	19,830	22,046	603	21,443
Net income [58,500]		58,153	4,263	53,890	51,605	2,275	49,330
Net income attributable to non-controlling interests (-)					(44)	(5)	(39)
Net income attributable to owners of the parent [52,000]					51,649	2,280	49,369

<Notes> The notes described below are also applied to subsidiary banks (p9-10).

- “()”denotes minus.
- Core business profit
= Business profit + Transfer to general reserve for possible loan losses - Gains (losses) on sales (redemptions) of bonds
- When the total transfer from general and specific reserves for possible loan losses exceeds the transfer to them, the difference is posted as “reversal of allowance for loan losses” under the other operating profit. Numbers in square brackets are amounts before netting.

Summary

Core business profit (3 banks' total) ¥77.2 billion

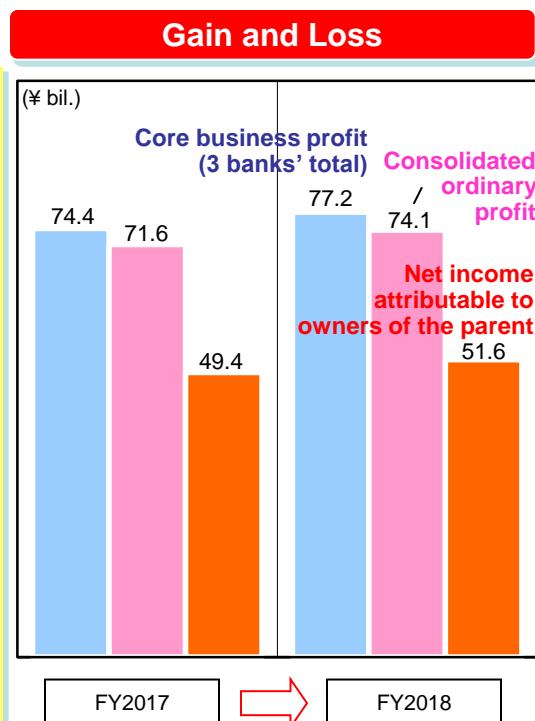
- Core business profit (3 banks' total) increased ¥2.8 billion from a year earlier to ¥77.2 billion mainly due to an increase of net interest income and a decrease of overhead expenses.

Consolidated ordinary profit ¥74.1 billion

- Despite a higher credit cost, consolidated ordinary profit increased ¥2.5 billion from a year earlier to ¥74.1 billion mainly due to increases of core business profit, gains on sales of bonds, gains on stocks, and others.

Net income attributable to owners of the parent ¥51.6 billion

- As a result, net income attributable to owners of the parent increased ¥2.3 billion from a year earlier to ¥51.6 billion.



The Bank of Fukuoka (non-consolidated)

	【 announced projections 】	FY2018	FY2017	(¥ mil.) Comparison
Gross business profit		132,878	127,272	5,606
Net interest income		114,668	110,891	3,777
Domestic		106,975	103,473	3,502
International		7,692	7,418	274
Net fees and commissions		15,275	16,600	(1,325)
Net trading income		6	6	0
Net other operating income		2,928	(226)	3,154
Gains (losses) on sales (redemptions) of bonds		1,035	(1,621)	2,656
Overhead expenses (-)		66,810	67,600	(790)
Business profit (before transfer to general reserve for possible loan losses)		66,067	59,671	6,396
① Transfer to general reserve for possible loan losses (-)		(172)	(767)	595
Business profit		66,240	60,439	5,801
Core business profit	[64,600]	65,032	61,293	3,739
Other operating profit (loss)		2,522	(3,429)	5,951
② Credit cost for disposal of non-performing loans (-)		2,237	1,985	252
Net transfer to specific reserve for possible loan losses (-)		2,087	2,800	(713)
Reversal of allowance for loan losses		—	—	—
Recoveries of written-off claims		369	1,066	(697)
Total credit cost ①+② (-)	[300]	2,064	1,217	847
Gains (losses) on stocks		5,080	723	4,357
Others		(320)	(2,168)	1,848
Ordinary profit	[70,300]	68,762	57,009	11,753
Extraordinary profit (loss)		(265)	(529)	264
Income (loss) before income taxes		68,497	56,480	12,017
Total income taxes (-)		18,189	16,051	2,138
Net income	[50,300]	50,308	40,428	9,880

The Kumamoto Bank (non-consolidated)

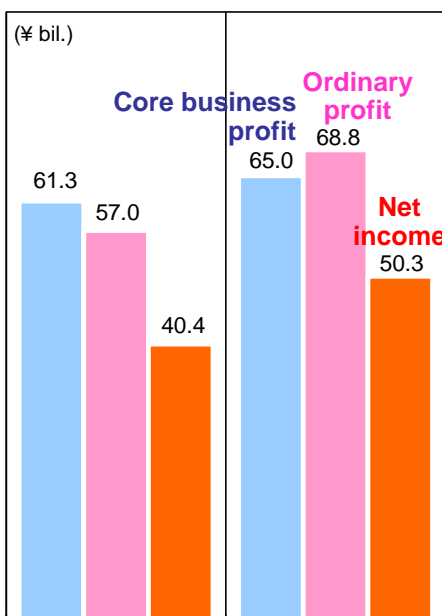
	【 announced projections 】	FY2018	FY2017	(¥ mil.) Comparison
Gross business profit		19,360	19,515	(155)
Net interest income		17,937	17,675	262
Domestic		17,875	17,613	262
International		62	61	1
Net fees and commissions		1,372	1,792	(420)
Net other operating income		50	47	3
Gains (losses) on sales (redemptions) of bonds		(10)	(7)	(3)
Overhead expenses (-)		13,864	13,933	(69)
Business profit (before transfer to general reserve for possible loan losses)		5,496	5,581	(85)
① Transfer to general reserve for possible loan losses (-)		(561)	[(240)] —	(561)
Business profit		6,057	5,581	476
Core business profit	[5,300]	5,506	5,588	(82)
Other operating profit (loss)		(1,522)	876	(2,398)
② Credit cost for disposal of non-performing loans (-)		1,391	(830)	2,221
Net transfer to specific reserve for possible loan losses (-)		1,413	[(515)] —	1,413
Reversal of allowance for loan losses		—	756	(756)
Recoveries of written-off claims		88	128	(40)
Total credit cost ①+② (-)	[1,300]	829	(830)	1,659
Gains (losses) on stocks		—	366	(366)
Others		(131)	(320)	189
Ordinary profit	[3,500]	4,534	6,457	(1,923)
Extraordinary profit (loss)		(39)	(35)	(4)
Income (loss) before income taxes		4,495	6,421	(1,926)
Total income taxes (-)		730	1,432	(702)
Net income	[2,800]	3,765	4,989	(1,224)

The Shinwa Bank (non-consolidated)

(¥ mil.)

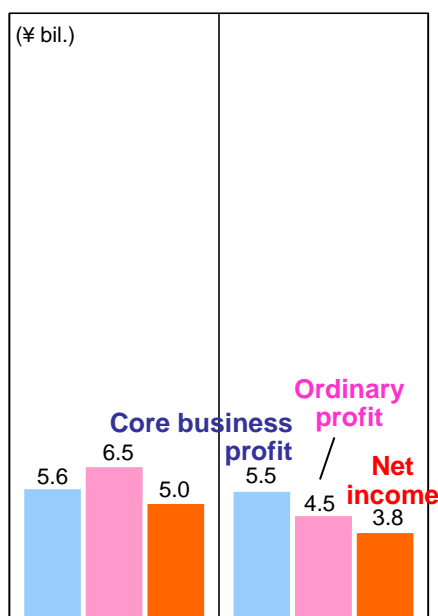
	【 announced projections 】	FY2018	FY2017	Comparison
Gross business profit		26,428	27,519	(1,091)
Net interest income		23,549	23,901	(352)
Domestic		23,413	23,796	(383)
International		136	104	32
Net fees and commissions		2,680	3,510	(830)
Net other operating income		197	108	89
Gains (losses) on sales (redemptions) of bonds		22	(52)	74
Overhead expenses (-)		19,729	20,027	(298)
Business profit (before transfer to general reserve for possible loan losses)		6,699	7,492	(793)
① Transfer to general reserve for possible loan losses (-)		372	∴[(322)] -	372
Business profit		6,326	∴ 7,492	(1,166)
Core business profit	[6,800]	6,676	∴ 7,545	(869)
Other operating profit (loss)		(292)	∴ 3,717	(4,009)
② Credit cost for disposal of non-performing loans (-)		558	∴ (3,372)	3,930
Net transfer to specific reserve for possible loan losses (-)		673	∴[(3,022)] -	673
Reversal of allowance for loan losses		-	∴▶ 3,345	(3,345)
Recoveries of written-off claims		174	112	62
Total credit cost ①+② (-)	[(200)]	931	(3,372)	4,303
Gains (losses) on stocks		141	753	(612)
Others		124	(408)	532
Ordinary profit	[7,000]	6,033	11,209	(5,176)
Extraordinary profit (loss)		(259)	(390)	131
Income (loss) before income taxes		5,773	10,819	(5,046)
Total income taxes (-)		1,693	2,346	(653)
Net income	[5,400]	4,079	8,472	(4,393)

Gain and Loss

The Bank of Fukuoka
(non-consolidated)

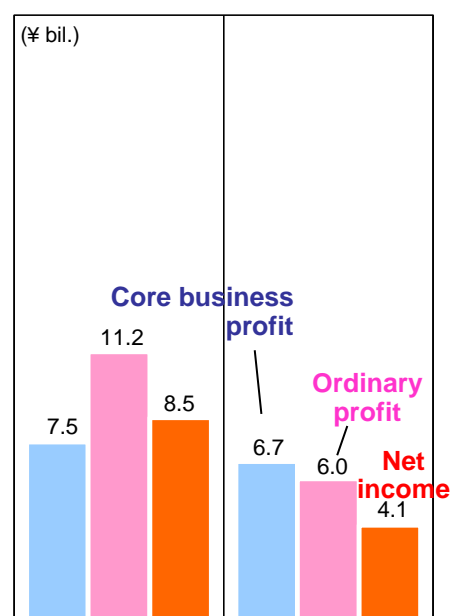
FY2017

FY2018

The Kumamoto Bank
(non-consolidated)

FY2017

FY2018

The Shinwa Bank
(non-consolidated)

FY2017

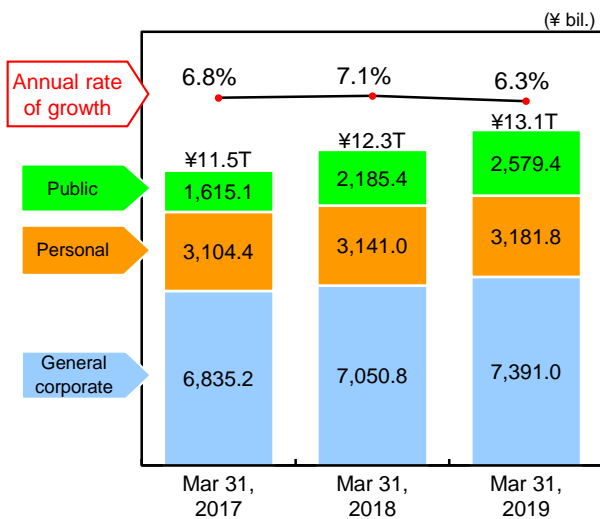
FY2018

2. Assets and liabilities

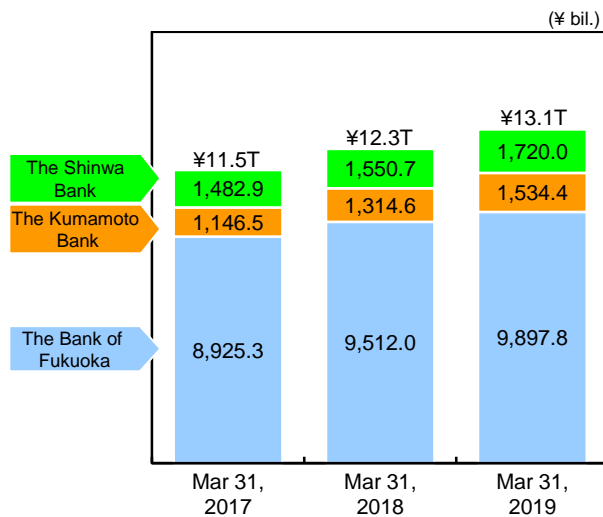
(1) Loans

3 banks' total

Loans classified by customer segment
(Term-end balance)



Loans classified by bank
(Term-end balance)



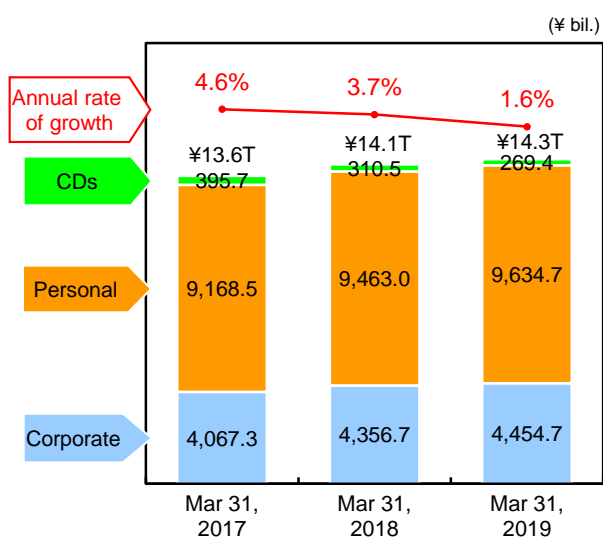
		Mar 31, 2019			Mar 31, 2018	Mar 31, 2017
		annual rate of growth		change from Mar 31, 2018	change from Mar 31, 2017	
3 banks' total	Total loans	6.3%	13,152,350	774,962	1,597,444	12,377,388
	Personal segment	1.3%	3,181,806	40,762	77,322	3,141,044
	Corporate segment	7.9%	9,970,544	734,201	1,520,125	9,236,343
	General Corporate	4.8%	7,391,099	340,227	555,870	7,050,872
	Public Sector	18.0%	2,579,442	393,971	964,252	2,185,471
	Personal loans	1.5%	3,078,579	45,128	77,684	3,033,451
	Housing loans	1.4%	2,741,976	38,228	52,609	2,703,748
Consumer loans	4.0%	268,215	10,316	33,365	257,899	
The Bank of Fukuoka (non-consolidated)	Total loans	4.1%	9,897,843	385,797	972,451	9,512,046
	Personal segment	0.6%	2,241,426	13,660	26,874	2,227,766
	Corporate segment	5.1%	7,656,417	372,137	945,578	7,284,280
	General Corporate	6.5%	6,017,444	365,979	590,757	5,651,465
	Public Sector	0.4%	1,638,972	6,157	354,820	1,632,815
	Fukuoka prefecture	2.4%	6,982,453	161,578	281,752	6,820,875
	Personal loans	0.7%	2,171,955	15,555	26,191	2,156,400
Housing loans	0.5%	1,930,312	8,844	5,472	1,921,468	
Consumer loans	5.1%	193,734	9,389	28,048	184,345	
The Kumamoto Bank (non-consolidated)	Total loans	16.7%	1,534,425	219,822	387,891	1,314,603
	Personal segment	5.1%	478,775	23,166	43,847	455,609
	Corporate segment	22.9%	1,055,650	196,656	344,045	858,994
	General Corporate	2.8%	622,110	16,955	18,094	605,155
	Public Sector	70.8%	433,539	179,700	325,950	253,839
	Kumamoto prefecture	4.1%	1,128,654	44,865	65,946	1,083,789
	Personal loans	5.8%	456,168	24,994	43,842	431,174
Housing loans	6.1%	416,660	23,833	39,318	392,827	
Consumer loans	3.2%	31,461	962	3,728	30,499	
The Shinwa Bank (non-consolidated)	Total loans	10.9%	1,720,082	169,343	237,102	1,550,739
	Personal segment	0.9%	461,605	3,936	6,601	457,669
	Corporate segment	15.1%	1,258,477	165,408	230,502	1,093,069
	General Corporate	(5.4%)	751,545	(42,707)	(52,981)	794,252
	Public Sector	69.6%	506,931	208,114	283,482	298,817
	Nagasaki prefecture	(4.2%)	1,068,849	(46,609)	(24,558)	1,115,458
	Personal loans	1.0%	450,456	4,579	7,651	445,877
Housing loans	1.4%	395,004	5,551	7,819	389,453	
Consumer loans	(0.1%)	43,020	(35)	1,589	43,055	

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥115.0 billion at the end of March 2017, ¥126.5 billion at the end of March 2018, and ¥129.5 billion at the end of March 2019).

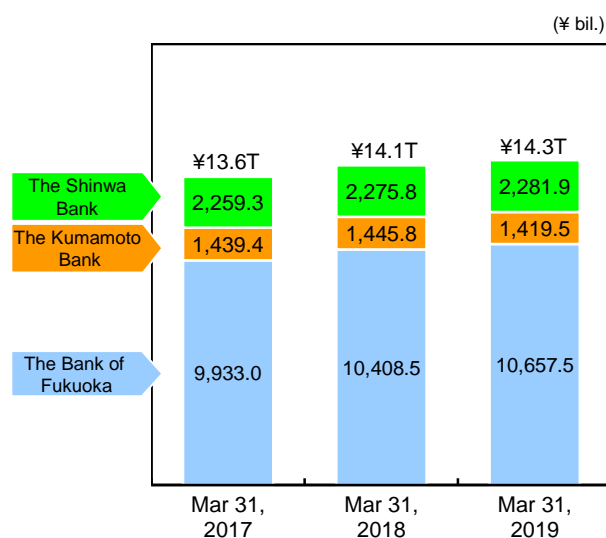
(2) Deposits

3 banks' total

Deposits and CDs classified by customer segment
(Term-end balance)



Deposits and CDs classified by bank
(Term-end balance)



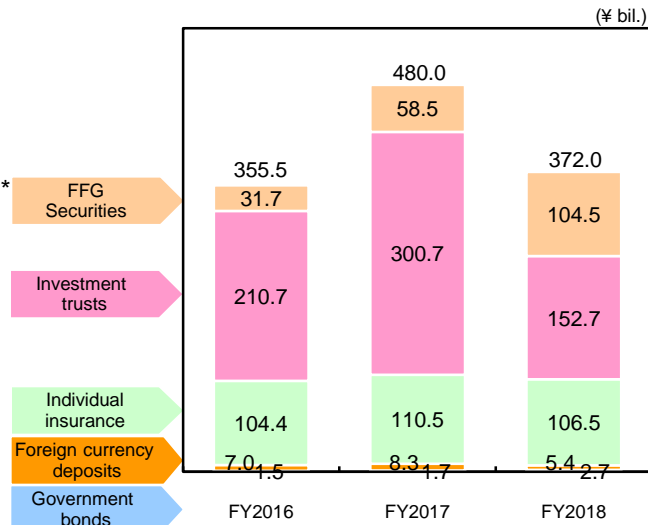
(¥ mil.)

	Mar 31, 2019				Mar 31, 2018	Mar 31, 2017
	annual rate of growth		change from Mar 31, 2018	change from Mar 31, 2017		
3 banks' total	Personal deposits	1.8%	9,634,784	171,709	466,198	9,463,075
	Corporate deposits	2.3%	4,454,798	98,066	387,432	4,356,732
	Total	2.0%	14,089,585	269,777	853,631	13,819,808
	Demand	6.0%	9,551,403	541,428	1,158,220	9,009,975
	Time	(5.6%)	4,538,180	(271,652)	(304,588)	4,809,832
	CDs	(13.2%)	269,410	(41,113)	(126,358)	310,523
	Deposits and CDs	1.6%	14,358,996	228,664	727,274	14,130,332
The Bank of Fukuoka (non-consolidated)	Personal deposits	2.4%	7,089,632	168,611	433,296	6,921,021
	Corporate deposits	2.9%	3,357,545	95,463	372,495	3,262,082
	Total	2.6%	10,447,178	264,074	805,792	10,183,104
	Demand	6.1%	7,320,502	418,037	906,604	6,902,465
	Time	(4.7%)	3,126,675	(153,963)	(100,812)	3,280,638
	CDs	(6.7%)	210,386	(15,095)	(81,238)	225,481
	Deposits and CDs	2.4%	10,657,564	248,979	724,554	10,408,585
	Fukuoka prefecture	3.0%	9,738,330	284,961	716,467	9,453,369
The Kumamoto Bank (non-consolidated)	Personal deposits	(0.8%)	1,058,554	(8,279)	(5,931)	1,066,833
	Corporate deposits	0.2%	357,811	576	(4,154)	357,235
	Total	(0.5%)	1,416,366	(7,702)	(10,085)	1,424,068
	Demand	5.2%	814,676	40,551	79,052	774,125
	Time	(7.4%)	601,689	(48,254)	(89,137)	649,943
	CDs	(85.6%)	3,136	(18,685)	(9,813)	21,821
	Deposits and CDs	(1.8%)	1,419,502	(26,388)	(19,898)	1,445,890
	Kumamoto prefecture	(0.3%)	1,332,497	(4,209)	198	1,336,706
The Shinwa Bank (non-consolidated)	Personal deposits	0.8%	1,486,598	11,377	38,833	1,475,221
	Corporate deposits	0.3%	739,442	2,027	19,091	737,415
	Total	0.6%	2,226,041	13,405	57,924	2,212,636
	Demand	6.2%	1,416,225	82,840	172,564	1,333,385
	Time	(7.9%)	809,816	(69,435)	(114,639)	879,251
	CDs	(11.6%)	55,888	(7,333)	(35,307)	63,221
	Deposits and CDs	0.3%	2,281,930	6,073	22,618	2,275,857
	Nagasaki prefecture	0.9%	1,981,972	17,902	64,202	1,964,070

(3) Asset management products

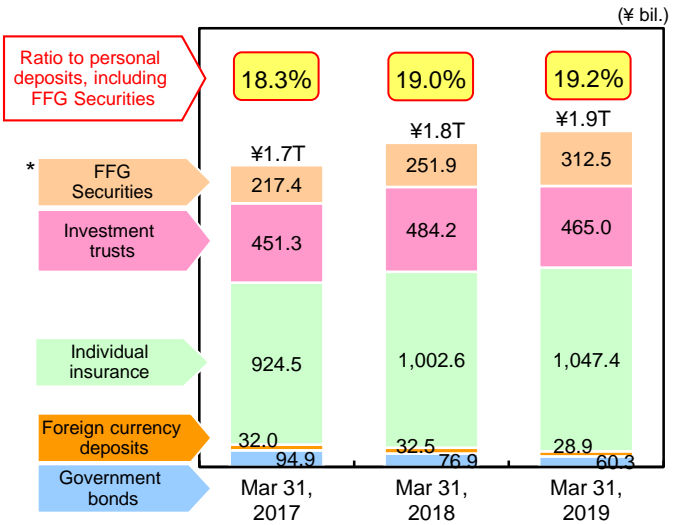
Group's total

Sales of asset management products



* Figures of FFG Securities are the total sales of investment trusts and bonds.

Outstanding balance of assets under management for individual customers



* Figures of FFG Securities are the total balance of individual investment trusts, stocks and bonds.

Sales of asset management products

Outstanding balance of assets under management for individual customers

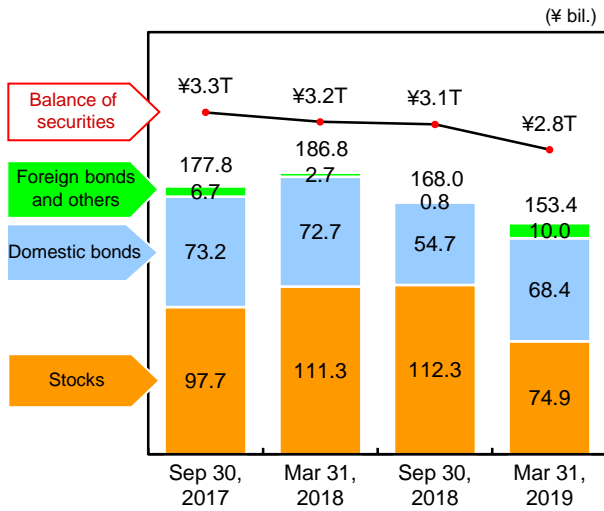
	FY2018		FY2017	FY2016	Mar 31, 2019			Mar 31, 2018	Mar 31, 2017		
		change from FY2017			change from FY2016		Change from Mar 31, 2018			Change from Mar 31, 2017	
Group's total	Investment trusts	152.7	(148.0)	(58.0)	300.7	210.7	465.0	(19.2)	13.7	484.2	451.3
	Individual insurance	106.5	(4.0)	2.1	110.5	104.4	1,047.4	44.8	122.9	1,002.6	924.5
	Foreign currency deposits	5.4	(2.9)	(1.6)	8.3	7.0	28.9	(3.6)	(3.1)	32.5	32.0
	Government bonds	2.7	1.0	1.2	1.7	1.5	60.3	(16.6)	(34.6)	76.9	94.9
	FFG Securities	104.5	46.0	72.8	58.5	31.7	312.5	60.6	95.1	251.9	217.4
	Total	372.0	(108.0)	16.5	480.0	355.5	1,914.3	66.0	194.0	1,848.3	1,720.3
	Ratio to personal deposits						19.2%	0.2%	0.9%	19.0%	18.3%
The Bank of Fukuoka (non-consolidated)	Investment trusts	95.0	(82.9)	(37.8)	177.9	132.8	305.8	(9.3)	7.9	315.1	297.9
	Individual insurance	65.3	0.5	(0.6)	64.8	65.9	675.2	30.9	84.4	644.3	590.8
	Foreign currency deposits	4.7	(3.2)	(1.3)	7.9	6.0	23.7	(2.9)	(0.9)	26.6	24.6
	Government bonds	2.4	0.9	1.1	1.5	1.3	52.2	(14.8)	(31.2)	67.0	83.4
	Total	167.6	(84.6)	(38.6)	252.2	206.2	1,057.0	3.9	60.1	1,053.1	996.9
	Ratio to personal deposits						14.9%	(0.3%)	(0.1%)	15.2%	15.0%
The Kumamoto Bank (non-consolidated)	Investment trusts	29.4	(26.6)	(6.4)	56.0	35.8	75.3	(4.7)	4.0	80.0	71.3
	Individual insurance	15.1	(2.6)	2.7	17.7	12.4	147.4	5.9	15.5	141.5	131.9
	Foreign currency deposits	0.1	0.0	(0.3)	0.1	0.4	2.3	(0.2)	(0.7)	2.5	3.0
	Government bonds	0.0	0.0	0.0	0.0	0.0	1.3	(0.1)	(0.3)	1.4	1.6
	Total	44.8	(29.2)	(3.9)	74.0	48.7	226.3	0.8	18.3	225.5	208.0
Ratio to personal deposits						21.4%	0.3%	1.9%	21.1%	19.5%	
The Shinwa Bank (non-consolidated)	Investment trusts	28.1	(38.6)	(13.9)	66.7	42.0	83.8	(5.2)	1.8	89.0	82.0
	Individual insurance	26.1	(1.8)	0.1	27.9	26.0	224.7	8.0	23.0	216.7	201.7
	Foreign currency deposits	0.5	0.3	0.0	0.2	0.5	2.8	(0.5)	(1.5)	3.3	4.3
	Government bonds	0.2	0.1	0.1	0.1	0.1	6.7	(1.7)	(3.0)	8.4	9.7
	Total	55.0	(40.1)	(13.7)	95.1	68.7	318.3	0.8	20.5	317.5	297.8
Ratio to personal deposits						21.4%	(0.1%)	0.8%	21.5%	20.6%	

<Notes> 1. The sales of investment trusts include those to corporate customers, but the others are the sales only to individuals.
2. The sales of individual insurance don't include level premium insurance besides prepaid contracts.

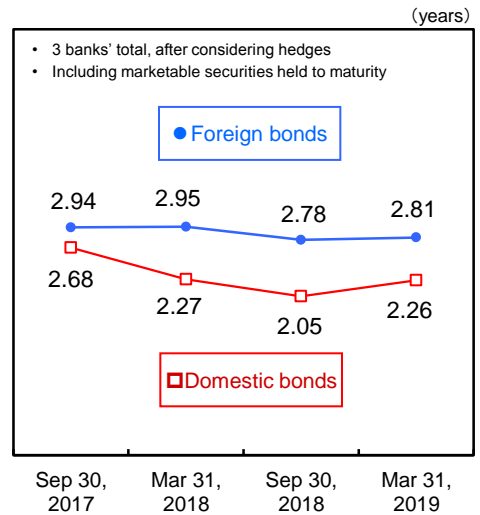
(4) Marketable securities

FFG (consolidated)

Unrealized gain



Bond duration



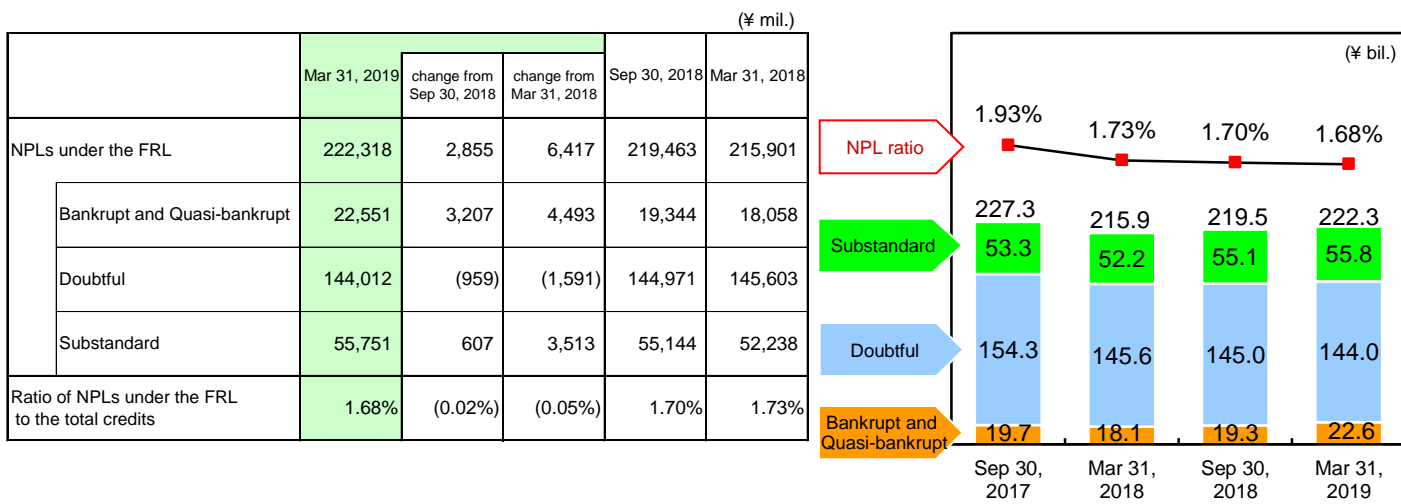
(¥ mil.)

		Mar 31, 2019						Sep 30, 2018		Mar 31, 2018	
		Market value	change from Sep 30, 2018	change from Mar 31, 2018	Unrealized gain(loss)	change from Sep 30, 2018	change from Mar 31, 2018	Market value	Unrealized gain(loss)	Market value	Unrealized gain(loss)
FFG (consolidated)	Total	2,827,432	(360,571)	(396,077)	153,479	(14,572)	(33,394)	3,188,003	168,051	3,223,509	186,873
	Stocks	142,222	(35,823)	(34,650)	74,926	(37,469)	(36,445)	178,045	112,395	176,872	111,371
	Domestic bonds	2,206,118	(379,764)	(476,902)	68,464	13,671	(4,239)	2,585,882	54,793	2,683,020	72,703
	National government bonds	1,584,037	(311,567)	(412,736)	61,993	13,222	(3,006)	1,895,604	48,771	1,996,773	64,999
	Local government bonds	78,822	(7,638)	(10,123)	822	195	(35)	86,460	627	88,945	857
	Corporate bonds	543,258	(60,559)	(54,043)	5,648	254	(1,198)	603,817	5,394	597,301	6,846
	Foreign bonds and Others	479,090	55,015	115,474	10,088	9,225	7,290	424,075	863	363,616	2,798
The Bank of Fukuoka (consolidated)	Total	2,042,039	(243,306)	(239,577)	129,685	(13,391)	(26,429)	2,285,345	143,076	2,281,616	156,114
	Stocks	126,198	(33,382)	(30,816)	69,400	(35,962)	(33,546)	159,580	105,362	157,014	102,946
	Domestic bonds	1,436,750	(264,939)	(324,235)	50,196	13,346	(173)	1,701,689	36,850	1,760,985	50,369
	National government bonds	959,558	(211,695)	(278,437)	46,125	12,963	726	1,171,253	33,162	1,237,995	45,399
	Local government bonds	54,758	(5,066)	(6,939)	511	127	(47)	59,824	384	61,697	558
	Corporate bonds	422,432	(48,179)	(38,860)	3,559	256	(852)	470,611	3,303	461,292	4,411
	Foreign bonds and Others	479,090	55,015	115,474	10,088	9,225	7,290	424,075	863	363,616	2,798
The Kumamoto Bank (non-consolidated)	Total	196,917	(26,136)	(52,288)	5,688	39	(1,216)	223,053	5,649	249,205	6,904
	Stocks	2,274	(166)	(316)	1,322	(166)	(315)	2,440	1,488	2,590	1,637
	Domestic bonds	194,642	(25,970)	(51,973)	4,365	204	(901)	220,612	4,161	246,615	5,266
	National government bonds	148,737	(21,257)	(46,213)	3,822	220	(771)	169,994	3,602	194,950	4,593
	Local government bonds	1,125	(185)	(240)	21	0	(5)	1,310	21	1,365	26
	Corporate bonds	44,779	(4,529)	(5,519)	521	(15)	(125)	49,308	536	50,298	646
	Foreign bonds and Others	—	—	—	—	—	—	—	—	—	—
The Shinwa Bank (non-consolidated)	Total	588,475	(91,130)	(104,211)	20,773	(2,156)	(6,684)	679,605	22,929	692,686	27,457
	Stocks	13,749	(2,275)	(3,518)	6,871	(2,276)	(3,519)	16,024	9,147	17,267	10,390
	Domestic bonds	574,726	(88,854)	(100,693)	13,902	121	(3,165)	663,580	13,781	675,419	17,067
	National government bonds	475,742	(78,614)	(88,085)	12,045	39	(2,961)	554,356	12,006	563,827	15,006
	Local government bonds	22,938	(2,387)	(2,943)	289	68	17	25,325	221	25,881	272
	Corporate bonds	76,045	(7,852)	(9,665)	1,567	14	(222)	83,897	1,553	85,710	1,789
	Foreign bonds and Others	—	—	—	—	—	—	—	—	—	—

3. Non-performing loans

(Direct write-off is adopted)

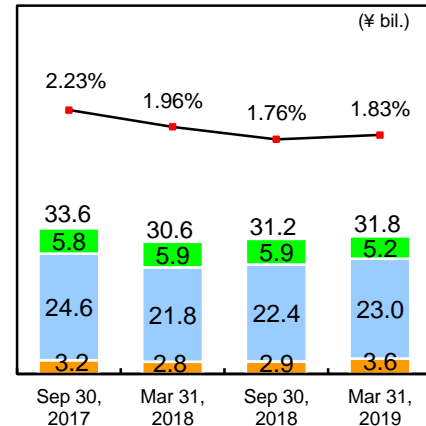
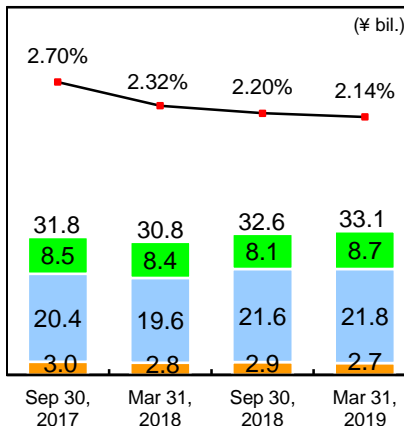
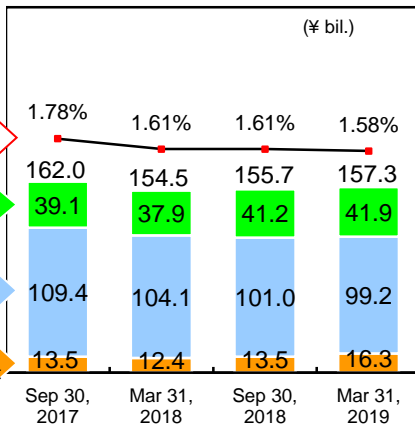
3 banks' total



The Bank of Fukuoka
(non-consolidated)

The Kumamoto Bank
(non-consolidated)

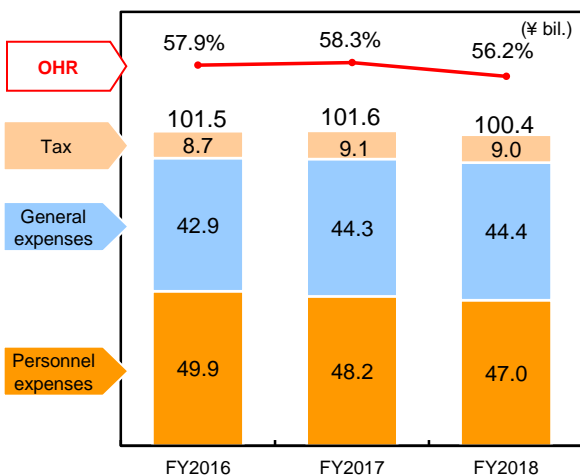
The Shinwa Bank
(non-consolidated)



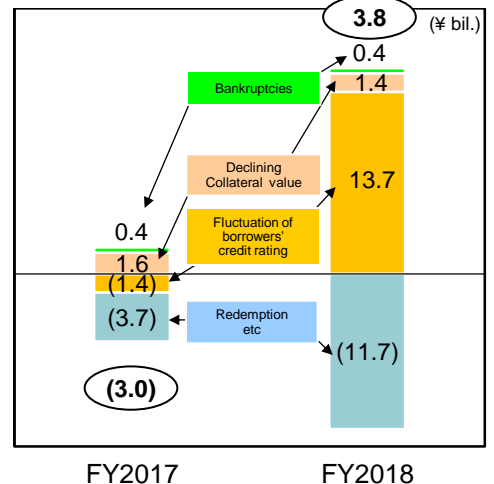
4. Overhead expenses • Credit cost

3 banks' total

Overhead expenses • OHR



Composition of credit cost



5. Capital adequacy ratio

FFG (consolidated)

The Domestic standard

- Since the end of March 2019, an advanced internal ratings-based approach has been used to calculate credit risk-weighted assets.
- Consolidated capital adequacy ratio: 10.23%.
- Capital adequacy on its structure based on Pillar 3, market discipline, is disclosed on our website (<https://www.fukuoka-fg.com/investor/earnings.htm>). (This information is Japanese only.)

(¥ mil.)

	Mar 31, 2019	Change from		Sep 30, 2018	Mar 31, 2018
	[preliminary]	Sep 30, 2018	Mar 31, 2018		
① Total capital ratio ④/⑤	10.23%	0.63%	0.82%	9.60%	9.41%
② Core capital	691,147	16,657	34,477	674,490	656,670
③ Deduction	24,441	(5,176)	(3,193)	29,617	27,634
④ Total capital ②-③	666,706	21,834	37,671	644,872	629,035
⑤ Risk adjusted assets	6,513,363	(203,165)	(171,155)	6,716,528	6,684,518

6. Projections

- The tables presented below show our business performance forecast for FY2019, the first year of the Sixth Mid-Term Management Plan.

FFG (consolidated)

(¥ bil.)

	FY2019	Interim	FY2018	FFG	The Eighteenth
	(Projection)	(Projection)	(consolidated)	(consolidated)	Bank
			Simple total	Results	(consolidated)
				Results	Results
Consolidated ordinary profit	60.5	33.0	81.6	74.1	7.5
FFG(consolidated)Net income	158.5	140.0	55.9	51.6	4.3

(¥ bil.)

	FY2019	FY2018
	(Projection)	Simple total
Net income(4 banks' total)	47.2	62.3
Consolidation adjustments	111.3	(6.3)
Negative goodwill gain	118.0	-
FFG(consolidated)Net income	158.5	55.9

<Reference> • Projections on a subsidiary basis are as follows.

(¥ bil.)

	FY2019 (Projection)							FY2018
	4 banks' total					2 banks' total	Comparison	4 banks' total
		The Bank of Fukuoka	The Kumamoto Bank	The Shinwa Bank	The Eighteenth Bank			
Core business profit	78.0	64.5	4.7	4.7	4.1	8.8	(5.9)	83.9
Ordinary profit	68.1	68.1	3.4	2.8	(6.2)	(3.4)	(18.0)	86.1
Net income	47.2	49.0	2.7	1.4	(5.9)	(4.5)	(15.1)	62.3
Credit cost (-)	13.2	3.5	0.8	0.8	8.2	9.0	8.1	5.1

(¥ bil.)

	FY2019 Interim (Projection)							FY2018 Interim
	4 banks' total					2 banks' total	Comparison	4 banks' total
		The Bank of Fukuoka	The Kumamoto Bank	The Shinwa Bank	The Eighteenth Bank			
Core business profit	39.3	33.1	2.2	2.4	1.6	4.0	(4.4)	43.7
Ordinary profit	37.1	35.3	1.6	1.5	(1.3)	0.2	(8.5)	45.6
Net income	25.8	25.4	1.2	0.8	(1.6)	(0.8)	(7.1)	32.9
Credit cost (-)	4.2	1.8	0.4	0.4	1.7	2.1	3.5	0.7

<Note> The projections above were determined based on available information at present, and therefore they may be subject to change.