

Fukuoka Financial Group, Inc.

Financial Digest for the Third Quarter of FY2019



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
Payment date of cash dividends:	—
Filing date of Financial Statements:	February 7, 2020 (scheduled)
Trading Accounts:	Established
Supplementary Materials:	Attached
IR Conference:	Not scheduled

- (Notes) 1. This quarterly report is not subject to the quarterly review.
2. Amounts less than one million yen are omitted.

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

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

	Ordinary Income		Ordinary Profit		Net Income attributable to owners of the parent	
	¥Million	%	¥Million	%	¥Million	%
3Q FY2019	209,688	16.6	44,591	(18.1)	145,821	274.8
3Q FY2018	179,830	0.7	54,420	(1.5)	38,904	1.2

(Note) Comprehensive income 3Q FY2019: ¥148,686 million [—%] 3Q FY2018: ¥6,392 million [(89.4)%]

	Net Income per Share	Net Income per Share (Diluted)
	¥	¥
3Q FY2019	767.06	—
3Q FY2018	226.51	—

(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
	¥Million	¥Million	%
December 31, 2019	25,584,598	955,363	3.7
March 31, 2019	20,839,786	777,308	3.7

(Reference) Own capital December 31, 2019: ¥955,319 million March 31, 2019: ¥777,291 million

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

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

2. Dividend Payment

	Dividends declared per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Fiscal Year-end	Total
	¥	¥	¥	¥	¥
FY2018	—	8.50	—	42.50	—
FY2019	—	42.50	—	—	—
FY2019 (projection)	—	—	—	42.50	85.00

(Note) Revision of dividends projections from the latest announcement: None

(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	%	¥
FY2019	52,500	(29.1)	148,500	187.5	781.15

(Note) Revision of earnings projections from the latest announcement: None

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2019	As of Dec 31, 2019
(Assets)	資産の部		
Cash and due from banks	現金預け金	4,497,130	5,265,009
Call loans and bills bought	コールローン及び買入手形	8,769	11,956
Monetary claims bought	買入金銭債権	66,528	63,064
Trading assets	特定取引資産	1,600	1,624
Money held in trust	金銭の信託	4,190	15,004
Securities	有価証券	2,927,128	3,797,351
Loans and bills discounted	貸出金	12,994,296	16,007,735
Foreign exchanges	外国為替	8,160	10,401
Lease receivables and lease investment assets	リース債権及びリース投資資産	—	15,905
Other assets	その他資産	183,074	248,122
Tangible fixed assets	有形固定資産	194,101	210,547
Intangible fixed assets	無形固定資産	16,198	17,386
Net defined benefit assets	退職給付に係る資産	18,533	19,609
Deferred tax assets	繰延税金資産	9,366	3,805
Customers' liabilities for acceptances and guarantees	支払承諾見返	43,363	50,593
Allowance for loan losses	貸倒引当金	(132,655)	(153,519)
Total assets	資産の部合計	20,839,786	25,584,598
(Liabilities)	負債の部		
Deposits	預金	14,059,790	17,041,691
Negotiable certificates of deposit	譲渡性預金	238,412	586,480
Call money and bills sold	コールマネー及び売渡手形	1,865,549	2,450,000
Payables under repurchase agreements	売現先勘定	1,241,589	1,667,752
Payables under securities lending transactions	債券貸借取引受入担保金	618,007	604,344
Trading liabilities	特定取引負債	0	—
Borrowed money	借入金	1,826,041	2,009,216
Foreign exchanges	外国為替	1,169	536
Short-term bonds payable	短期社債	16,000	26,000
Bonds payable	社債	10,000	10,000
Other liabilities	その他負債	112,921	148,337
Net defined benefit liability	退職給付に係る負債	993	3,014
Provision for losses on interest repayments	利息返還損失引当金	23	19
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	5,543	4,745
Provision for contingent liabilities losses	その他の偶発損失引当金	3	0
Reserves under the special laws	特別法上の引当金	22	22
Deferred tax liabilities	繰延税金負債	57	3,517
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	22,989	22,962
Acceptances and guarantees	支払承諾	43,363	50,593
Total liabilities	負債の部合計	20,062,477	24,629,235
(Net assets)	純資産の部		
Capital stock	資本金	124,799	124,799
Capital surplus	資本剰余金	94,164	141,418
Retained earnings	利益剰余金	419,871	549,892
Treasury stock	自己株式	(391)	(2,443)
Total shareholders' equity	株主資本合計	638,443	813,666
Valuation difference on available-for-sale securities	その他有価証券評価差額金	107,770	113,483
Deferred gains or losses on hedges	繰延ヘッジ損益	(20,239)	(22,767)
Revaluation reserve for land	土地再評価差額金	51,560	51,499
Remeasurements of defined benefit plans	退職給付に係る調整累計額	(245)	(562)
Total accumulated other comprehensive income	その他の包括利益累計額合計	138,847	141,653
Non-controlling interests	非支配株主持分	17	43
Total net assets	純資産の部合計	777,308	955,363
Total liabilities and net assets	負債及び純資産の部合計	20,839,786	25,584,598

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

Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	9 months ended Dec 31, 2018	9 months ended Dec 31, 2019
Ordinary income:	経常収益	179,830	209,688
Interest income	資金運用収益	133,629	151,730
Interest on loans and discounts	(うち貸出金利息)	102,277	116,870
Interest and dividends on securities	(うち有価証券利息配当金)	26,162	29,530
Trust fees	信託報酬	—	0
Fees and commissions	役務取引等収益	37,737	40,877
Trading income	特定取引収益	97	244
Other operating income	その他業務収益	4,556	12,823
Other income	その他経常収益	3,809	4,013
Ordinary expenses:	経常費用	125,409	165,097
Interest expenses	資金調達費用	15,787	20,054
Interest on deposits	(うち預金利息)	3,222	3,991
Fees and commissions payments	役務取引等費用	15,690	18,446
Other operating expenses	その他業務費用	37	662
General and administrative expenses	営業経費	87,995	116,106
Other expenses	その他経常費用	5,898	9,826
Ordinary profit	経常利益	54,420	44,591
Extraordinary income	特別利益	7	117,444
Gain on disposal of noncurrent assets	固定資産処分益	7	11
Gains on negative goodwill	負ののれん発生益	—	117,433
Extraordinary loss	特別損失	260	3,618
Loss on disposal of noncurrent assets	固定資産処分損	210	295
Impairment loss	減損損失	50	3,174
Loss on step acquisitions	段階取得に係る差損	—	148
Income before income taxes:	税金等調整前四半期純利益	54,167	158,416
Current	法人税、住民税及び事業税	15,114	12,480
Deferred	法人税等調整額	167	116
Total income taxes	法人税等合計	15,282	12,596
Net income	四半期純利益	38,885	145,819
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する四半期純損失	(19)	(1)
Net income attributable to owners of the parent	親会社株主に帰属する四半期純利益	38,904	145,821

Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	9 months ended Dec 31, 2018	9 months ended Dec 31, 2019
Net income	四半期純利益	38,885	145,819
Other comprehensive income	その他の包括利益	(32,492)	2,866
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(28,331)	5,712
Deferred gains or losses on hedges	繰延ヘッジ損益	(4,072)	(2,528)
Remeasurements of defined benefit plans	退職給付に係る調整額	(88)	(317)
Total comprehensive income	四半期包括利益	6,392	148,686
(Breakdown)	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る四半期包括利益	6,412	148,687
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	(19)	(1)

Financial Digest for the Third Quarter of FY2019

February 5, 2020

Contents	Page
1 Gain and loss	6~8
2 Assets and liabilities	
(1) Loans	9
(2) Deposits	10
(3) Asset management products	11
(4) Marketable securities	12
3 Non-performing loans	13
4 Interest rate spread (Domestic division)	13

Capital adequacy ratio will be announced soon after the calculation is completed.

4banks' total : Simple total of The Bank of Fukuoka, The Kumamoto Bank, The Shinwa Bank and The Eighteenth Bank (non-consolidated).

Comparison is difference of 4 banks' simple total between the Third Quarter of FY2019 and the Third Quarter of FY2018.

The Shinwa Bank + The Eighteenth Bank : Simple total of The Shinwa Bank and The Eighteenth Bank (non-consolidated).

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

	9 months ended Dec 31, 2019	9 months ended Dec 31, 2018	Comparison	FFG (consolidated) (¥ mil.)
Gross business profit	151,052	155,594	(4,542)	166,511
Net interest income	134,766	138,014	(3,248)	131,676
Domestic	127,910	131,213	(3,303)	124,922
International	6,856	6,801	55	6,753
Net fees and commissions	14,708	16,427	(1,719)	22,430
Net trading income	7	4	3	244
Net other operating income	1,569	1,148	421	12,160
Gains (losses) on sales (redemptions) of bonds	(654)	(87)	(567)	(654)
Overhead expenses (-)	92,422	92,007	415	116,335
Business profit (before transfer to general reserve for possible loan losses)	58,629	63,587	(4,958)	50,176
① Transfer to general reserve for possible loan losses (-)	3,128	(596)	3,724	3,786
Business profit	55,501	64,184	(8,683)	46,390
Core business profit	59,284	63,675	(4,391)	50,831
Core business profit (excluding gains (losses) on cancellation of investment trusts)	59,010	63,753	(4,743)	50,456
Other operating profit (loss)	(1,028)	396	(1,424)	(1,799)
② Credit cost for disposal of non-performing loans (-)	(603)	2,066	(2,669)	1,346
Net transfer to specific reserve for possible loan losses (-)	(263)	1,925	(2,188)	1,694
Recoveries of written-off claims	740	497	243	744
Total credit cost ①+② (-)	2,525	1,469	1,056	5,133
Gains (losses) on stocks	1,202	3,554	(2,352)	2,242
Others	(2,835)	(1,091)	(1,744)	(2,694)
Ordinary profit	54,472	64,580	(10,108)	44,591
Extraordinary profit (loss)	(10,504)	(266)	(10,238)	113,825
Impairment loss on fixed assets (-)	10,205	53	10,152	3,174
Income (loss) before income taxes	43,968	64,314	(20,346)	158,416
Total income taxes (-)	9,685	16,439	(6,754)	12,596
Net income	34,282	47,874	(13,592)	145,819
Net income attributable to non-controlling interests (-)				(1)
Net income attributable to owners of the parent				145,821

<Notes> The notes described below are also applied to subsidiary banks (p7-8).

1. “(-)” denotes minus.
2. Core business profit
= Business profit + Transfer to general reserve for possible loan losses
- Gains (losses) on sales (redemptions) of bonds

Reference (¥ bil.)	19/3Q	18/3Q	Comparison
Net income (4 banks' total)	34.3	47.9	(13.6)
Gains on negative goodwill	117.4	—	117.4
FFG non-consolidated	(11.7)	(6.1)	(5.6)
Profit (loss) of subsidiary companies	1.9	0.7	+1.2
Other consolidation adjustments	4.0	(0.4)	+4.4
FFG's consolidated for the quarter net profit *	145.8	42.0	+103.8

* In the financial report for 3Q, 2018, consolidated financial results of the Eighteenth Bank was added to FFG's consolidated financial results (3 banks)

■ 9 months Summary

Core business profit (4 banks' total) ¥59.3 billion

Progress on FY2019 Projection 75.4%

- > Core business profit decreased ¥4.4 billion from a year earlier to ¥59.3 billion mainly due to decreases of net interest income and net fees and commissions.
- > Progress toward the target for FY2019 (¥78.6 billion) was 75.4%, roughly as planned.

Net income (4 banks' total) ¥34.3 billion

Progress on FY2019 Projection 82.0%

- > Net income decreased ¥13.6 billion from a year earlier to ¥34.3 billion as a result of a temporary factor: an impairment losses on fixed assets posted after integrating branches of the Shinwa Bank and the Eighteenth Bank for the first half of FY2019. (Reference) The impairment loss on a consolidated basis stood at ¥3.2 billion after the book value of land properties (consolidated basis) was converted into the market value as of the business integration. (In most cases, the market value as of business integration is less than the book value in subsidiary accounting records).

Consolidated ordinary profit ¥44.6 billion

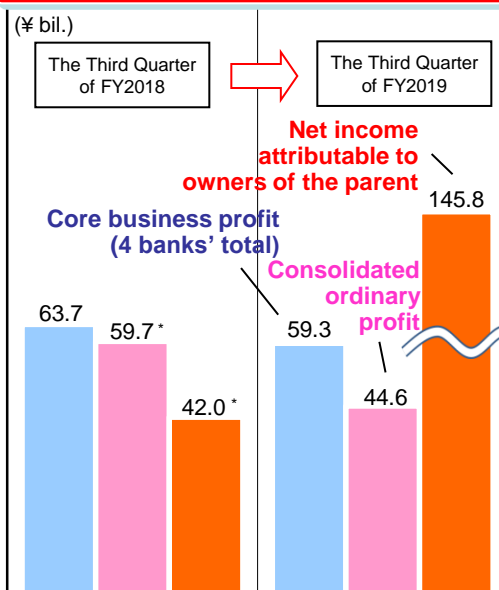
Progress on FY2019 Projection 84.9%

Net income attributable to owners of the parent ¥145.8 billion

Progress on FY2019 Projection 98.2%

- > As a result of posting gains on negative goodwill (¥117.4 billion) related to the business integration of the Eighteenth Bank into the group, net income attributable to owners of the parent increased 103.8 billion from a year earlier to ¥145.8 billion.

Gain and Loss



The Bank of Fukuoka (non-consolidated)

(¥ mil.)

	9 months ended Dec 31, 2019	9 months ended Dec 31, 2018	Comparison	FY 2018
Gross business profit	98,073	99,338	(1,265)	132,878
Net interest income	85,607	86,710	(1,103)	114,668
Domestic	79,632	80,925	(1,293)	106,975
International	5,975	5,785	190	7,692
Net fees and commissions	11,077	11,438	(361)	15,275
Net trading income	7	4	3	6
Net other operating income	1,381	1,184	197	2,928
Gains (losses) on sales (redemptions) of bonds	(663)	(5)	(658)	1,035
Overhead expenses (-)	50,954	50,289	665	66,810
Business profit (before transfer to general reserve for possible loan losses)	47,119	49,048	(1,929)	66,067
① Transfer to general reserve for possible loan losses (-)	4,145	[(321)]	4,145	(172)
Business profit	42,973	49,048	(6,075)	66,240
Core business profit	47,782	49,053	(1,271)	65,032
Core business profit (excluding gains (losses) on cancellation of investment trusts)	47,457	49,284	(1,827)	64,887
Other operating profit (loss)	3,074	4,126	(1,052)	2,522
② Credit cost for disposal of non-performing loans (-)	(1,189)	(1,809)	620	2,237
Net transfer to specific reserve for possible loan losses (-)	(1,244)	[(1,672)]	(1,244)	2,087
Reversal of allowance for loan losses	—	▶ 1,994	(1,994)	—
Recoveries of written-off claims	304	279	25	369
Total credit cost ①+② (-)	2,955	(1,809)	4,764	2,064
Gains (losses) on stocks	1,793	2,638	(845)	5,080
Others	91	(321)	412	(320)
Ordinary profit	46,048	53,175	(7,127)	68,762
Extraordinary profit (loss)	(163)	(169)	6	(265)
Impairment loss on fixed assets (-)	107	—	107	—
Income (loss) before income taxes	45,885	53,006	(7,121)	68,497
Total income taxes (-)	11,370	14,071	(2,701)	18,189
Net income	34,515	38,935	(4,420)	50,308

<Notes> The notes described below are also applied to subsidiary banks (p7-8).

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.

The Kumamoto Bank (non-consolidated)

(¥ mil.)

	9 months ended Dec 31, 2019	9 months ended Dec 31, 2018	Comparison	FY 2018
Gross business profit	14,108	14,565	(457)	19,360
Net interest income	13,447	13,485	(38)	17,937
Domestic	13,414	13,438	(24)	17,875
International	32	46	(14)	62
Net fees and commissions	615	1,042	(427)	1,372
Net other operating income	44	37	7	50
Gains (losses) on sales (redemptions) of bonds	(3)	(3)	0	(10)
Overhead expenses (-)	10,244	10,512	(268)	13,864
Business profit (before transfer to general reserve for possible loan losses)	3,864	4,052	(188)	5,496
① Transfer to general reserve for possible loan losses (-)	(300)	(272)	(28)	(561)
Business profit	4,164	4,325	(161)	6,057
Core business profit	3,867	4,055	(188)	5,506
Core business profit (excluding gains (losses) on cancellation of investment trusts)	3,867	4,055	(188)	5,506
Other operating profit (loss)	(980)	(2,089)	1,109	(1,522)
② Credit cost for disposal of non-performing loans (-)	712	1,743	(1,031)	1,391
Net transfer to specific reserve for possible loan losses (-)	660	1,755	(1,095)	1,413
Reversal of allowance for loan losses	—	—	—	—
Recoveries of written-off claims	50	78	(28)	88
Total credit cost ①+② (-)	411	1,470	(1,059)	829
Gains (losses) on stocks	154	—	154	—
Others	(422)	(346)	(76)	(131)
Ordinary profit	3,184	2,235	949	4,534
Extraordinary profit (loss)	(7)	(24)	17	(39)
Impairment loss on fixed assets (-)	1	20	(19)	20
Income (loss) before income taxes	3,176	2,211	965	4,495
Total income taxes (-)	623	45	578	730
Net income	2,552	2,165	387	3,765

The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)

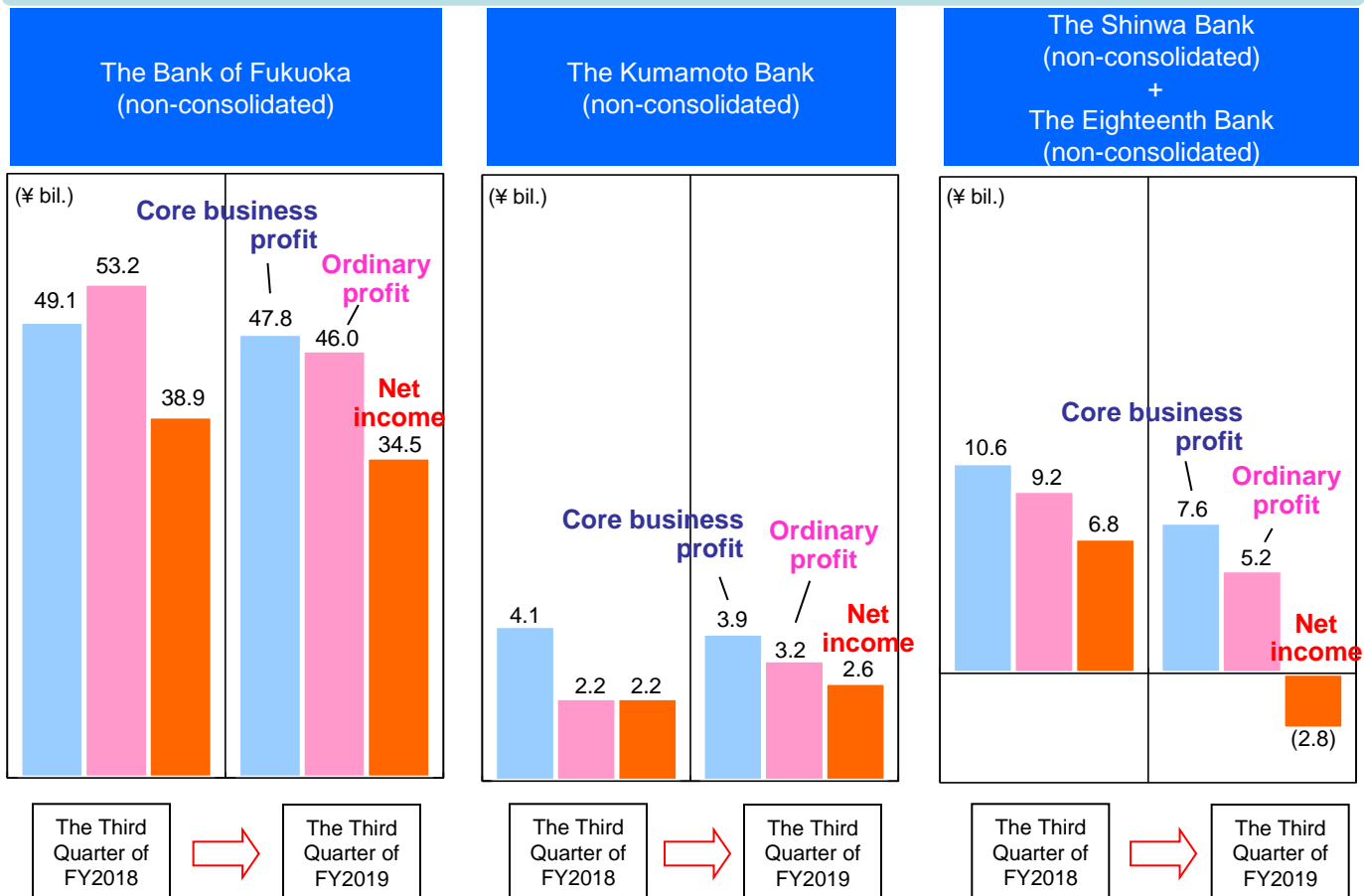
(¥ mil.)

	9 months ended Dec 31, 2019	9 months ended Dec 31, 2018	Comparison	FY 2018
Gross business profit	38,869	41,691	(2,822)	54,598
Net interest income	35,710	37,818	(2,108)	49,464
Domestic	34,863	36,850	(1,987)	48,187
International	847	968	(121)	1,277
Net fees and commissions	3,015	3,945	(930)	5,105
Net other operating income	143	(73)	216	28
Gains (losses) on sales (redemptions) of bonds	13	(78)	91	(9)
Overhead expenses (-)	31,223	31,204	19	41,237
Business profit (before transfer to general reserve for possible loan losses)	7,646	10,486	(2,840)	13,361
① Transfer to general reserve for possible loan losses (-)	∴[(715)]	∴(2)	2	202
Business profit	∴ 7,646	∴ 10,488	∴ (2,842)	∴ 13,158
Core business profit	∴ 7,633	∴ 10,565	∴ (2,932)	∴ 13,371
Core business profit (excluding gains (losses) on cancellation of investment trusts)	∴ 7,685	∴ 10,413	∴ (2,728)	∴ 13,374
Other operating profit (loss)	∴ (2,406)	∴ (1,318)	∴ (1,088)	∴ (398)
② Credit cost for disposal of non-performing loans (-)	∴ (842)	∴ 1,810	∴ (2,652)	∴ 1,995
Net transfer to specific reserve for possible loan losses (-)	∴ [320]	∴ 1,843	∴ (1,843)	∴ 2,198
Reversal of allowance for loan losses	∴▶ 395	∴ -	∴ 395	∴ -
Recoveries of written-off claims	∴ 385	∴ 138	∴ 247	∴ 338
Total credit cost ①+② (-)	∴ (842)	∴ 1,808	∴ (2,650)	∴ 2,198
Gains (losses) on stocks	∴ (745)	∴ 916	∴ (1,661)	∴ 1,408
Others	∴ (2,503)	∴ (424)	∴ (2,079)	∴ 188
Ordinary profit	∴ 5,239	∴ 9,169	∴ (3,930)	∴ 12,760
Extraordinary profit (loss)	∴ (10,332)	∴ (73)	∴ (10,259)	∴ (409)
Impairment loss on fixed assets (-)	∴ 10,095	∴ 33	∴ 10,062	∴ 341
Income (loss) before income taxes	∴ (5,093)	∴ 9,096	∴ (14,189)	∴ 12,350
Total income taxes (-)	∴ (2,307)	∴ 2,323	∴ (4,630)	∴ 4,159
Net income	∴ (2,785)	∴ 6,773	∴ (9,558)	∴ 8,190

<Notes> The notes described below are also applied (p6).

Gains (losses) on sales (redemptions) of bonds include gains (losses) on securities-related derivatives recorded by the Eighteenth Bank (¥173 million) in 9 months ended Dec 31, 2018 and FY2018).

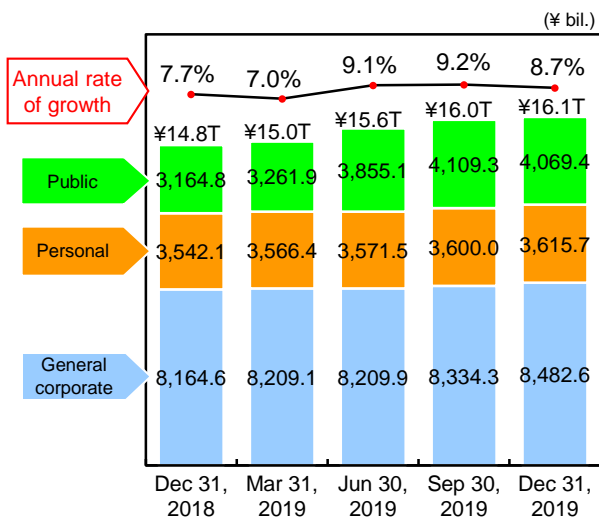
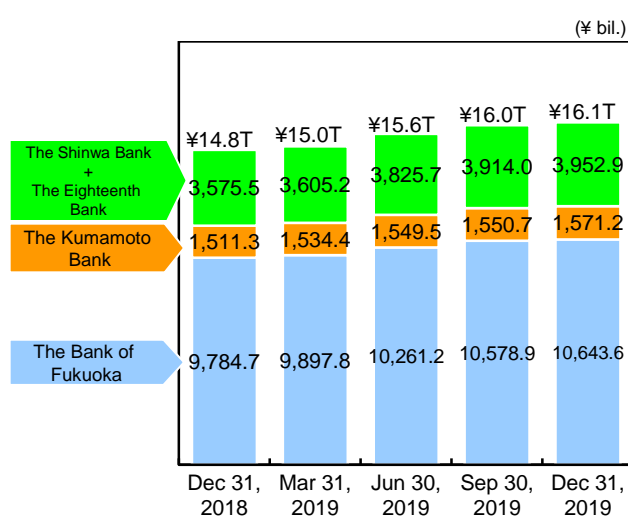
Gain and Loss



2. Assets and liabilities

(1) Loans

4 banks' total

**Loans classified by customer segment
(Term-end balance)**

**Loans classified by bank
(Term-end balance)**


(¥ mil.)

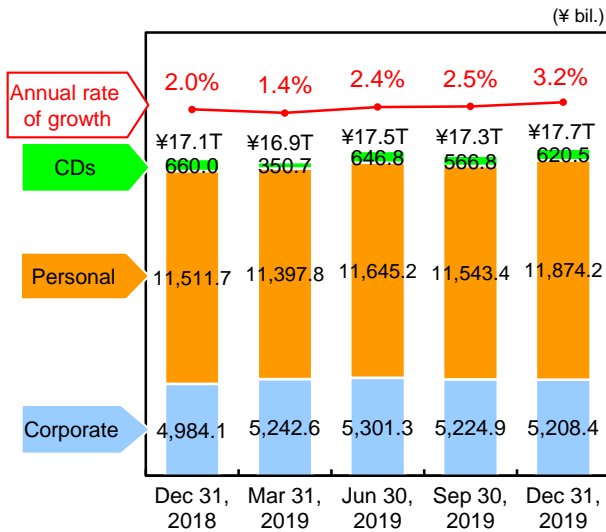
	Dec 31, 2019					
	annual rate of growth		change from Sep 30, 2019	change from Mar 31, 2019	change from Dec 31, 2018	
4 banks' total	Total loans	8.7%	16,167,877	124,185	1,130,339	1,296,189
	Personal segment	2.1%	3,615,731	15,675	49,319	73,596
	Corporate segment	10.8%	12,552,142	108,508	1,081,016	1,222,592
	Personal loans	2.2%	3,515,327	16,743	52,142	74,968
	Housing loans	2.4%	3,126,800	19,294	52,985	72,482
	Consumer loans	2.4%	319,412	(1,346)	2,672	7,538
	Loans to small-and-medium-sized enterprises, etc. ratio	—	61.26%	0.23%	(3.10%)	(3.26%)
The Bank of Fukuoka (non-consolidated)	Total loans	8.8%	10,643,635	64,709	745,792	858,863
	Personal segment	2.3%	2,276,821	9,326	35,395	50,342
	Corporate segment	10.7%	8,366,813	55,383	710,396	808,520
	Fukuoka prefecture	3.7%	7,162,322	145,721	179,869	257,326
	Personal loans	2.4%	2,208,688	9,898	36,733	51,300
	Housing loans	2.3%	1,964,368	11,401	34,056	44,661
	Consumer loans	4.3%	197,869	(261)	4,135	8,150
Loans to small-and-medium-sized enterprises, etc. ratio	—	63.72%	0.31%	(3.06%)	(2.93%)	
The Kumamoto Bank (non-consolidated)	Total loans	4.0%	1,571,284	20,552	36,859	59,906
	Personal segment	4.7%	494,626	5,170	15,851	22,359
	Corporate segment	3.6%	1,076,657	15,381	21,007	37,547
	Kumamoto prefecture	4.4%	1,178,815	24,045	50,161	49,644
	Personal loans	5.1%	473,152	5,479	16,984	23,032
	Housing loans	6.0%	435,461	6,412	18,801	24,797
	Consumer loans	0.7%	31,509	(278)	48	217
Loans to small-and-medium-sized enterprises, etc. ratio	—	68.87%	0.74%	0.58%	(0.24%)	
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)	Total loans	10.6%	3,952,958	38,924	347,688	377,420
	Personal segment	0.1%	844,284	1,179	(1,927)	895
	Corporate segment	13.8%	3,108,672	37,744	349,613	376,525
	Nagasaki prefecture	(0.4%)	2,194,936	14,180	(2,338)	(7,801)
	Personal loans	0.1%	833,487	1,366	(1,575)	636
	Housing loans	0.4%	726,971	1,481	128	3,024
	Consumer loans	(0.9%)	90,034	(807)	(1,511)	(829)
Loans to small-and-medium-sized enterprises, etc. ratio	—	51.62%	(0.17%)	(4.45%)	(5.12%)	

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥129.5 billion at the end of December 2018, ¥129.5 billion at the end of March 2019, ¥124.3 billion at the end of September 2019, and ¥123.3 billion at the end of December 2019).

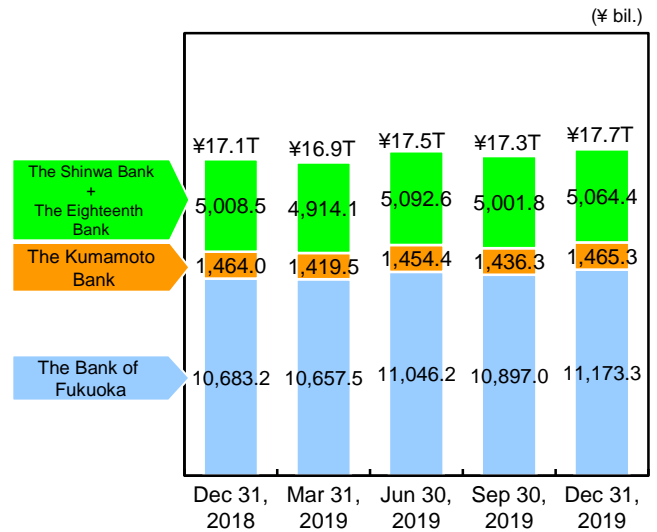
(2) Deposits

4 banks' total

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



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



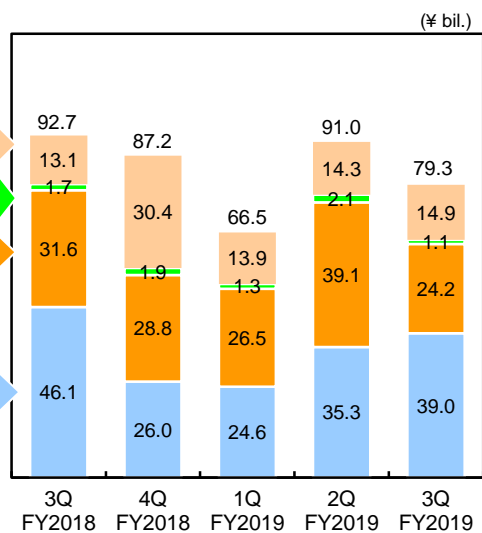
(¥ mil.)

		Dec 31, 2019				
		annual rate of growth		change from Sep 30, 2019	change from Mar 31, 2019	change from Dec 31, 2018
4 banks' total	Personal deposits	3.1%	11,874,265	330,847	476,378	362,510
	Corporate deposits	4.5%	5,208,432	(16,510)	(34,170)	224,324
	Total	3.6%	17,082,698	314,336	442,206	586,834
	Demand	6.8%	11,677,718	357,161	411,767	747,498
	Time	(2.9%)	5,404,980	(42,823)	30,441	(160,663)
	CDs	(6.0%)	620,528	53,661	269,811	(39,517)
	Deposits and CDs	3.2%	17,703,229	367,998	712,018	547,318
The Bank of Fukuoka (non-consolidated)	Personal deposits	4.1%	7,447,123	230,084	357,491	292,770
	Corporate deposits	6.2%	3,355,702	(10,385)	(1,843)	195,189
	Total	4.7%	10,802,825	219,699	355,647	487,958
	Demand	7.2%	7,574,886	234,421	254,384	507,465
	Time	(0.6%)	3,227,939	(14,721)	101,264	(19,507)
	CDs	0.6%	370,572	56,631	160,186	2,164
	Deposits and CDs	4.6%	11,173,397	276,329	515,833	490,122
Fukuoka prefecture	4.6%	9,949,950	202,742	211,620	440,434	
The Kumamoto Bank (non-consolidated)	Personal deposits	1.0%	1,081,584	23,662	23,030	10,761
	Corporate deposits	1.7%	382,715	6,841	24,904	6,337
	Total	1.2%	1,464,299	30,502	47,933	17,098
	Demand	7.1%	878,504	36,600	63,828	57,897
	Time	(6.5%)	585,795	(6,097)	(15,894)	(40,798)
	CDs	(93.7%)	1,056	(1,470)	(2,080)	(15,827)
	Deposits and CDs	0.1%	1,465,356	29,033	45,854	1,271
Kumamoto prefecture	1.3%	1,376,174	25,172	43,677	17,083	
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)	Personal deposits	1.8%	3,345,558	77,101	95,857	58,979
	Corporate deposits	1.6%	1,470,015	(12,966)	(57,231)	22,798
	Total	1.7%	4,815,574	64,135	38,626	81,778
	Demand	6.0%	3,224,328	86,140	93,555	182,136
	Time	(5.9%)	1,591,246	(22,005)	(54,929)	(100,358)
	CDs	(9.4%)	248,900	(1,500)	111,705	(25,854)
	Deposits and CDs	1.1%	5,064,476	62,636	150,331	55,925
Nagasaki prefecture	1.6%	4,423,242	60,512	20,234	68,748	

(3) Asset management products

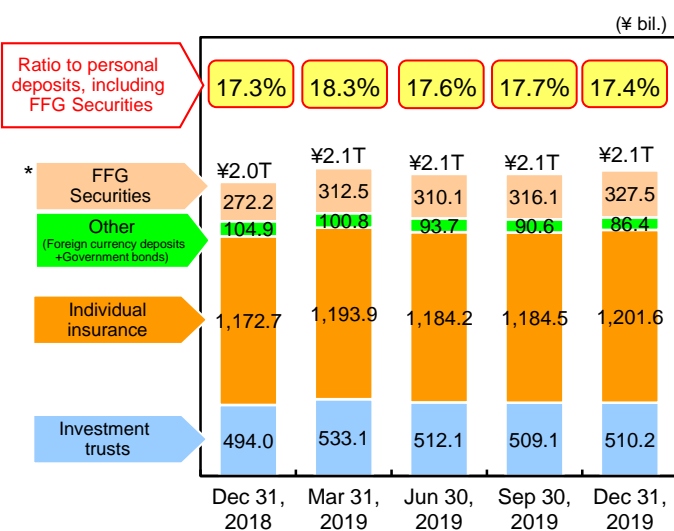
Group's total

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

(¥ bil.)

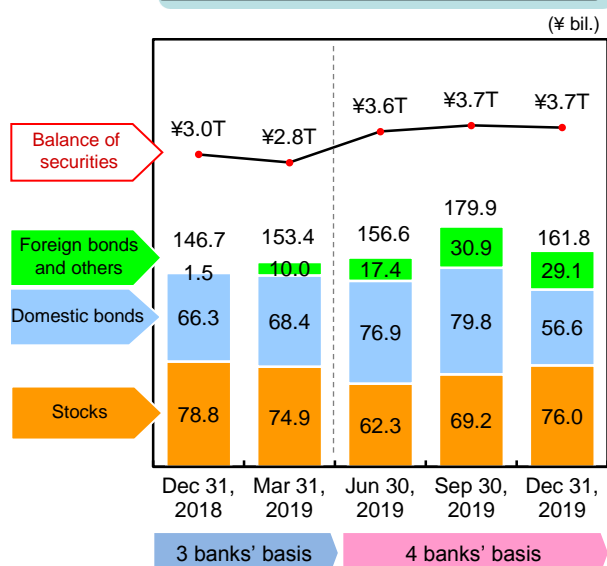
		3Q FY2019			2Q FY2019 (3 months)	3Q FY2018 (3 months)	Dec 31, 2019				
		3 months	change from 2Q FY2019	change from 3Q FY2018			Change from Sep 30, 2019	Change from Dec 31, 2018	Sep 30, 2019	Dec 31, 2018	
Group's total	Investment trusts	39.0	3.7	(7.1)	35.3	46.1	510.2	1.1	16.2	509.1	494.0
	Individual insurance	24.2	(14.9)	(7.4)	39.1	31.6	1,201.6	17.1	28.9	1,184.5	1,172.7
	Foreign currency deposits	0.3	(0.8)	(0.5)	1.1	0.8	31.5	0.2	(1.0)	31.3	32.5
	Government bonds	0.7	(0.2)	(0.1)	0.9	0.8	54.9	(4.3)	(17.4)	59.2	72.3
	FFG Securities	14.9	0.6	1.8	14.3	13.1	327.5	11.4	55.3	316.1	272.2
	Total	79.3	(11.7)	(13.4)	91.0	92.7	2,125.8	25.4	81.8	2,100.4	2,044.0
	Ratio to personal deposits						17.4%	(0.3%)	0.1%	17.7%	17.3%
The Bank of Fukuoka (non-consolidated)	Investment trusts	20.7	1.0	(4.2)	19.7	24.9	296.3	4.7	13.6	291.6	282.7
	Individual insurance	14.8	(9.1)	(1.7)	23.9	16.5	685.4	9.2	25.1	676.2	660.3
	Foreign currency deposits	0.3	(0.4)	(0.2)	0.7	0.5	23.1	(0.1)	(0.8)	23.2	23.9
	Government bonds	0.4	(0.3)	(0.2)	0.7	0.6	40.9	(3.9)	(14.3)	44.8	55.2
	Total	36.3	(8.9)	(6.4)	45.2	42.7	1,045.8	9.9	23.6	1,035.9	1,022.2
	Ratio to personal deposits						14.0%	(0.4%)	(0.3%)	14.4%	14.3%
The Kumamoto Bank (non-consolidated)	Investment trusts	7.3	2.9	(0.4)	4.4	7.7	70.0	(0.7)	0.7	70.7	69.3
	Individual insurance	3.0	(1.7)	(0.8)	4.7	3.8	147.6	3.1	2.5	144.5	145.1
	Foreign currency deposits	0.0	(0.2)	0.0	0.2	0.0	2.5	0.2	0.2	2.3	2.3
	Government bonds	0.0	0.0	0.0	0.0	0.0	1.0	(0.1)	(0.3)	1.1	1.3
	Total	10.4	1.0	(1.2)	9.4	11.6	221.3	2.6	3.2	218.7	218.1
Ratio to personal deposits						20.5%	(0.2%)	0.1%	20.7%	20.4%	
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)	Investment trusts	11.0	(0.1)	(2.4)	11.1	13.4	143.8	(2.9)	1.8	146.7	142.0
	Individual insurance	6.3	(4.0)	(4.9)	10.3	11.2	368.4	4.7	1.2	363.7	367.2
	Foreign currency deposits	0.0	(0.1)	(0.2)	0.1	0.2	5.8	0.1	(0.5)	5.7	6.3
	Government bonds	0.2	0.0	0.1	0.2	0.1	12.9	(0.3)	(2.9)	13.2	15.8
	Total	17.6	(4.3)	(7.4)	21.9	25.0	531.1	1.6	(0.3)	529.5	531.4
Ratio to personal deposits						15.9%	(0.3%)	(0.3%)	16.2%	16.2%	

<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.

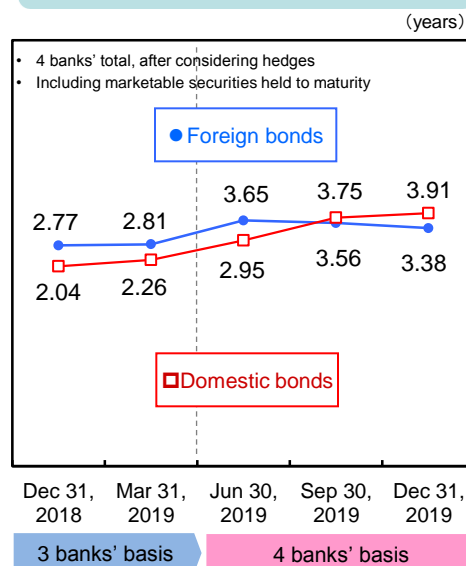
(4) Marketable securities

FFG (consolidated)

Unrealized gain



Bond duration

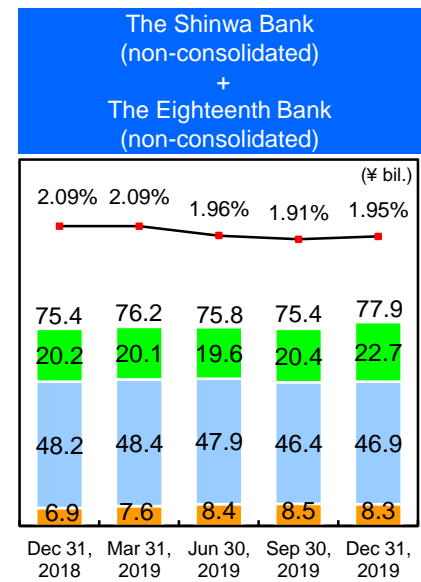
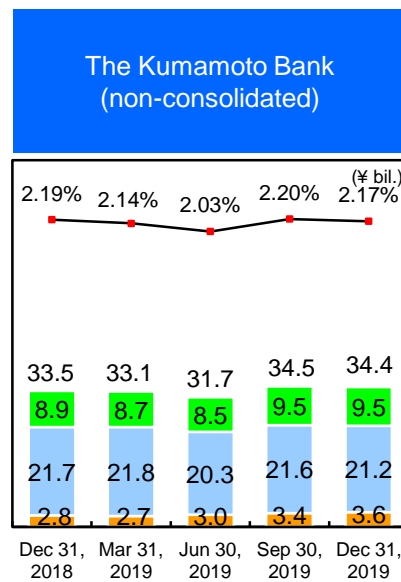
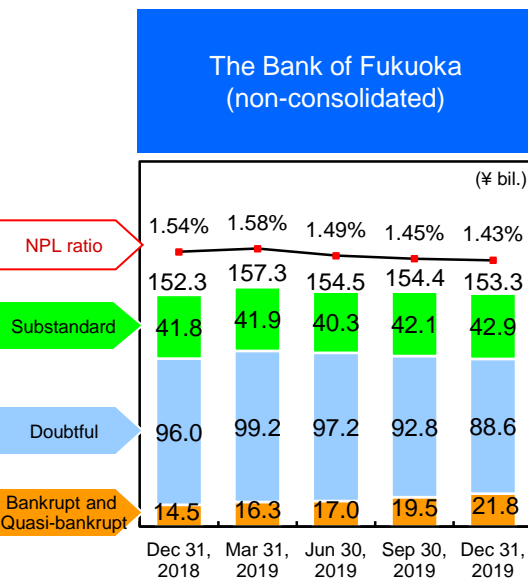
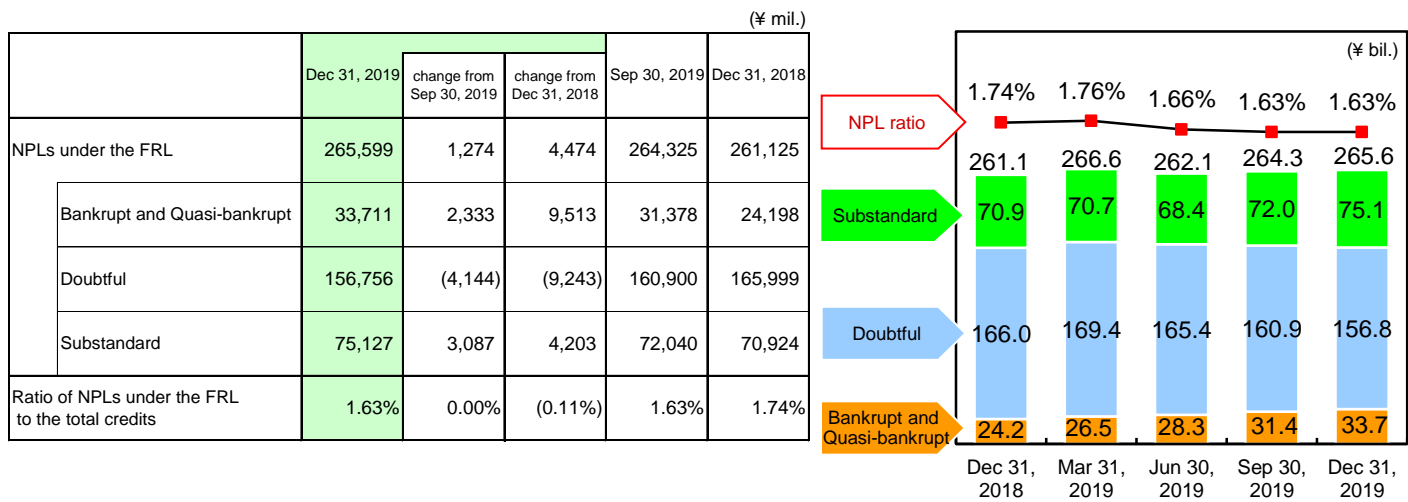


(¥ mil.)

		Dec 31, 2019				Sep 30, 2019	
		Market value	change from Sep 30, 2019	Unrealized gain(loss)	change from Sep 30, 2019	Market value	Unrealized gain(loss)
FFG (consolidated)	Total	3,729,542	(52,769)	161,853	(18,131)	3,782,311	179,984
	Stocks	165,463	6,490	76,023	6,814	158,973	69,209
	Domestic bonds	2,776,914	(88,258)	56,662	(23,156)	2,865,172	79,818
	National government bonds	1,952,806	(66,325)	53,104	(19,747)	2,019,131	72,851
	Local government bonds	168,537	20,942	379	(418)	147,595	797
	Corporate bonds	655,570	(42,874)	3,178	(2,991)	698,444	6,169
	Foreign bonds and Others	787,165	29,000	29,167	(1,789)	758,165	30,956
The Bank of Fukuoka (consolidated)	Total	2,231,882	(30,269)	133,286	(11,338)	2,262,151	144,624
	Stocks	127,400	7,417	68,869	5,534	119,983	63,335
	Domestic bonds	1,528,192	(61,765)	44,088	(14,755)	1,589,957	58,843
	National government bonds	1,087,251	(42,731)	41,854	(12,952)	1,129,982	54,806
	Local government bonds	70,910	11,186	215	(241)	59,724	456
	Corporate bonds	370,029	(30,220)	2,017	(1,563)	400,249	3,580
	Foreign bonds and Others	576,289	24,079	20,329	(2,116)	552,210	22,445
The Kumamoto Bank (non-consolidated)	Total	171,725	(19,867)	4,286	(1,174)	191,592	5,460
	Stocks	2,052	0	1,100	0	2,052	1,100
	Domestic bonds	169,673	(19,866)	3,186	(1,173)	189,539	4,359
	National government bonds	136,874	(10,090)	2,809	(1,075)	146,964	3,884
	Local government bonds	1,264	89	16	(2)	1,175	18
	Corporate bonds	31,534	(9,865)	360	(96)	41,399	456
	Foreign bonds and Others	—	—	—	—	—	—
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (consolidated)	Total	1,327,680	(2,579)	62,619	(6,393)	1,330,259	69,012
	Stocks	37,755	(875)	15,107	1,325	38,630	13,782
	Domestic bonds	1,079,048	(6,626)	28,490	(8,109)	1,085,674	36,599
	National government bonds	728,680	(13,503)	23,756	(6,420)	742,183	30,176
	Local government bonds	96,362	9,668	1,559	(253)	86,694	1,812
	Corporate bonds	254,005	(2,790)	3,173	(1,436)	256,795	4,609
	Foreign bonds and Others	210,875	4,921	19,020	389	205,954	18,631

3. Non-performing loans (Direct write-off is adopted)

4 banks' total



4. Interest rate spread (Domestic division)

(%)

	4 banks' total			The Bank of Fukuoka (non-consolidated)			The Kumamoto Bank (non-consolidated)			The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)		
	3Q FY2019 (9 months)	YoY change	3Q FY2018 (9 months)	3Q FY2019 (9 months)	YoY change	3Q FY2018 (9 months)	3Q FY2019 (9 months)	YoY change	3Q FY2018 (9 months)	3Q FY2019 (9 months)	YoY change	3Q FY2018 (9 months)
(1) Average yield on interest earning assets	0.87	(0.07)	0.94	0.84	(0.07)	0.91	1.01	(0.05)	1.06	0.90	(0.05)	0.95
Loans and bills discounted ①	0.92	(0.09)	1.01	0.91	(0.08)	0.99	1.03	(0.08)	1.11	0.89	(0.14)	1.03
Securities	0.99	0.04	0.95	1.03	0.03	1.00	0.78	0.05	0.73	0.98	0.06	0.92
(2) Average yield on interest bearing liabilities	0.52	(0.03)	0.55	0.43	(0.03)	0.46	0.60	(0.05)	0.65	0.74	(0.01)	0.75
Deposits and CDs ②	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.01)	0.01
External liabilities	(0.03)	0.00	(0.03)	(0.03)	0.00	(0.03)	(0.02)	0.01	(0.03)	(0.03)	0.01	(0.04)
(3) Difference between average yields on loans and deposits ①-②	0.92	(0.09)	1.01	0.91	(0.08)	0.99	1.03	(0.08)	1.11	0.89	(0.13)	1.02
(4) Average interest rate spread (1)-(2)	0.35	(0.04)	0.39	0.41	(0.04)	0.45	0.41	0.00	0.41	0.16	(0.04)	0.20