

# Fukuoka Financial Group, Inc.

Financial Digest for the First Quarter of FY2020



Stock Exchange Listing:	Tokyo, Fukuoka (code:8354)
URL:	<a href="https://www.fukuoka-fg.com/">https://www.fukuoka-fg.com/</a>
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:	August 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, 2020 to June 30, 2020)

(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	%
1Q FY2020	66,701	(2.6)	13,980	(15.2)	10,319	(92.0)
1Q FY2019	68,477	13.0	16,481	(18.9)	128,670	807.2

(Note) Comprehensive income 1Q FY2020: ¥31,537 million [(74.6)%] 1Q FY2019: ¥123,930 million [743.7%]

	Net Income per Share	Net Income per Share (Diluted)
1Q FY2020	¥54.28	—
1Q FY2019	676.84	—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Own Capital Ratio
	¥Million	¥Million	%
June 30, 2020	28,055,519	876,569	3.1
March 31, 2020	25,068,405	853,062	3.4

(Reference) Own capital June 30, 2020: ¥876,557 million March 31, 2020: ¥853,038 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
FY2019	¥—	¥42.50	¥—	¥42.50	¥85.00
FY2020	—	—	—	—	—
FY2020 (projection)	—	42.50	—	42.50	85.00

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

## 3. Consolidated Earnings Projections for Fiscal year 2020, (Year ending March 31, 2021)

(%: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 FY2020	30,500	2.4	20,500	(84.8)	107.83
FY2020	56,000	—	40,000	(63.8)	210.41

(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, 2020	As of Jun 30, 2020
(Assets)	資産の部		
Cash and due from banks	現金預け金	4,555,981	5,828,087
Call loans and bills bought	コールローン及び買入手形	23,236	10,774
Receivables under resale agreements	買現先勘定	37,621	723,284
Monetary claims bought	買入金銭債権	54,688	49,663
Trading assets	特定取引資産	1,630	2,860
Money held in trust	金銭の信託	14,734	15,742
Securities	有価証券	3,797,852	3,867,602
Loans and bills discounted	貸出金	16,126,222	16,992,340
Foreign exchanges	外国為替	32,933	16,673
Lease receivables and lease investment assets	リース債権及びリース投資資産	15,857	15,938
Other assets	その他資産	283,821	421,834
Tangible fixed assets	有形固定資産	209,629	208,935
Intangible fixed assets	無形固定資産	19,206	19,081
Net defined benefit assets	退職給付に係る資産	8,459	8,699
Deferred tax assets	繰延税金資産	47,770	37,824
Customers' liabilities for acceptances and guarantees	支払承諾見返	45,662	45,054
Allowance for loan losses	貸倒引当金	(206,904)	(208,877)
<b>Total assets</b>	<b>資産の部合計</b>	<b>25,068,405</b>	<b>28,055,519</b>
(Liabilities)	負債の部		
Deposits	預金	17,174,794	18,372,948
Negotiable certificates of deposit	譲渡性預金	346,675	548,406
Call money and bills sold	コールマネー及び売渡手形	2,248,706	2,416,464
Payables under repurchase agreements	売現先勘定	1,369,069	1,433,519
Payables under securities lending transactions	債券貸借取引受入担保金	638,281	985,453
Borrowed money	借入金	2,159,259	3,149,102
Foreign exchanges	外国為替	1,679	2,183
Short-term bonds payable	短期社債	29,000	21,000
Bonds payable	社債	10,000	10,000
Other liabilities	その他負債	156,225	159,229
Net defined benefit liability	退職給付に係る負債	4,379	4,255
Provision for losses on interest repayments	利息返還損失引当金	26	21
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	8,592	8,329
Provision for contingent liabilities losses	その他の偶発損失引当金	0	0
Reserves under the special laws	特別法上の引当金	22	16
Deferred tax liabilities	繰延税金負債	6	5
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	22,961	22,961
Acceptances and guarantees	支払承諾	45,662	45,054
<b>Total liabilities</b>	<b>負債の部合計</b>	<b>24,215,343</b>	<b>27,178,950</b>
(Net assets)	純資産の部		
Capital stock	資本金	124,799	124,799
Capital surplus	資本剰余金	141,418	141,458
Retained earnings	利益剰余金	514,682	516,923
Treasury stock	自己株式	(2,446)	(2,446)
Total shareholders' equity	株主資本合計	778,454	780,734
Valuation difference on available-for-sale securities	その他有価証券評価差額金	65,358	82,540
Deferred gains or losses on hedges	繰延ヘッジ損益	(32,547)	(28,705)
Revaluation reserve for land	土地再評価差額金	51,495	51,495
Remeasurements of defined benefit plans	退職給付に係る調整累計額	(9,721)	(9,507)
Total accumulated other comprehensive income	その他の包括利益累計額合計	74,584	95,822
Non-controlling interests	非支配株主持分	23	11
<b>Total net assets</b>	<b>純資産の部合計</b>	<b>853,062</b>	<b>876,569</b>
<b>Total liabilities and net assets</b>	<b>負債及び純資産の部合計</b>	<b>25,068,405</b>	<b>28,055,519</b>

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

## Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	3 months ended Jun 30, 2019	3 months ended Jun 30, 2020
<b>Ordinary income:</b>	<b>経常収益</b>	68,477	66,701
Interest income	資金運用収益	50,355	48,370
Interest on loans and discounts	(うち貸出金利息)	38,725	37,400
Interest and dividends on securities	(うち有価証券利息配当金)	10,091	9,861
Fees and commissions	役務取引等収益	12,742	12,486
Trading income	特定取引収益	49	56
Other operating income	その他業務収益	3,705	4,172
Other income	その他経常収益	1,624	1,616
<b>Ordinary expenses:</b>	<b>経常費用</b>	51,995	52,720
Interest expenses	資金調達費用	6,426	4,012
Interest on deposits	(うち預金利息)	1,183	474
Fees and commissions payments	役務取引等費用	5,657	5,159
Other operating expenses	その他業務費用	20	263
General and administrative expenses	営業経費	39,123	39,041
Other expenses	その他経常費用	766	4,243
<b>Ordinary profit</b>	<b>経常利益</b>	16,481	13,980
Extraordinary income	特別利益	117,433	248
Gain on disposal of noncurrent assets	固定資産処分益	0	242
Gains on negative goodwill	負ののれん発生益	117,433	—
Transfer from reserve for financial products transaction liabilities	金融商品取引責任準備金取崩額	—	5
Extraordinary loss	特別損失	286	24
Loss on disposal of noncurrent assets	固定資産処分損	70	18
Impairment loss	減損損失	67	5
Loss on step acquisitions	段階取得に係る差損	148	—
<b>Income before income taxes:</b>	<b>税金等調整前四半期純利益</b>	133,628	14,205
Current	法人税、住民税及び事業税	4,079	3,172
Deferred	法人税等調整額	901	733
Total income taxes	法人税等合計	4,980	3,906
Net income	四半期純利益	128,647	10,298
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する四半期純損失	(22)	(21)
<b>Net income attributable to owners of the parent</b>	<b>親会社株主に帰属する四半期純利益</b>	128,670	10,319

## Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	3 months ended Jun 30, 2019	3 months ended Jun 30, 2020
Net income	四半期純利益	128,647	10,298
Other comprehensive income	その他の包括利益	(4,716)	21,238
Valuation difference on available-for-sale securities	その他有価証券評価差額金	1,931	17,182
Deferred gains or losses on hedges	繰延ヘッジ損益	(6,542)	3,842
Remeasurements of defined benefit plans	退職給付に係る調整額	(105)	214
Total comprehensive income	四半期包括利益	123,930	31,537
(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	123,953	31,558
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	(22)	(21)



# Financial Digest for the First Quarter of FY2020

August 7, 2020

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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).

The Sinwa 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

	4 banks' total			FFG (consolidated)			(¥ mil.)
	3 months ended Jun 30, 2020	Comparison	3 months ended Jun 30, 2019	3 months ended Jun 30, 2020	Comparison	3 months ended Jun 30, 2019	
Gross business profit	50,571	662	49,909	55,650	902	54,748	222,055
Net interest income	45,497	483	45,014	44,358	429	43,929	174,312
Domestic	42,340	(446)	42,786	41,278	(431)	41,709	164,912
International	3,157	929	2,228	3,080	861	2,219	9,399
Net fees and commissions	4,652	173	4,479	7,326	242	7,084	31,276
Net trading income	2	0	2	56	7	49	344
Net other operating income	418	6	412	3,908	223	3,685	16,122
Gains (losses) on sales (redemptions) of bonds	(95)	(99)	4	(95)	(99)	4	(709)
Overhead expenses (-)	30,802	(741)	31,543	38,686	(578)	39,264	155,256
Business profit (before transfer to general reserve for possible loan losses)	19,768	1,403	18,365	16,964	1,481	15,483	66,799
① Transfer to general reserve for possible loan losses (-)	3,182	3,182	[(1,152)] -	3,385	3,385	[(876)] -	62,451
<b>Business profit</b>	16,586	(1,779)	18,365	13,578	(1,905)	15,483	4,348
<b>Core business profit</b>	19,863	1,502	18,361	17,059	1,580	15,479	67,508
Core business profit (excluding gains (losses) on cancellation of investment trusts)	19,964	1,615	18,349	17,159	1,779	15,380	67,104
Other operating profit (loss)	1,151	395	756	402	(596)	998	(9,598)
② Credit cost for disposal of non-performing loans (-)	(1,904)	(173)	(1,731)	(1,191)	(368)	(823)	3,834
Net transfer to specific reserve for possible loan losses (-)	(2,094)	(2,094)	[(404)] -	(1,375)	(1,375)	[243] -	4,323
Reversal of allowance for loan losses	-	(1,557)	1,557	-	(633)	633	-
Recoveries of written-off claims	58	(181)	239	59	(182)	241	882
<b>Total credit cost ①+② (-)</b>	1,277	3,008	(1,731)	2,193	3,016	(823)	66,285
Gains (losses) on stocks	596	1,383	(787)	641	305	336	2,227
Others	(1,349)	(1,162)	(187)	(1,431)	(1,270)	(161)	(7,991)
<b>Ordinary profit</b>	17,737	(1,385)	19,122	13,980	(2,501)	16,481	(5,250)
Extraordinary profit (loss)	146	289	(143)	224	(116,922)	117,146	113,482
Income (loss) before income taxes	17,884	(1,095)	18,979	14,205	(119,423)	133,628	108,231
Total income taxes (-)	3,595	(982)	4,577	3,906	(1,074)	4,980	(2,353)
Net income	14,288	(113)	14,401	10,298	(118,349)	128,647	110,585
Net income attributable to non-controlling interests (-)				(21)	1	(22)	(22)
<b>Net income attributable to owners of the parent</b>				10,319	(118,351)	128,670	110,607

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

- “( )”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.

Reference (¥ bil.)	20/1Q	19/1Q	Comparison
Net income (4 banks' total)	14.3	14.4	(0.1)
Gains on negative goodwill	-	117.4	(117.4)
FFG non-consolidated	(3.9)	(3.4)	(0.5)
Profit (loss) of subsidiary companies	0.4	0.3	+0.1
Other consolidation adjustments	(0.5)	(0.0)	(0.5)
FFG's consolidated for the quarter net profit	10.3	128.7	(118.4)

## 3 months Summary

**Core business profit**  
(4 banks' total) **¥19.9 billion**

Progress on FY2020  
Projection 25.3%

- > Core business profit increased ¥1.5 billion from a year earlier to ¥19.9 billion mainly due to an increase in net interest income and a decrease in overhead expenses.
- > The result shows steady progress of 25.3% toward the target for FY2020 (¥78.6 billion).

**Consolidated ordinary profit** **¥14.0 billion**

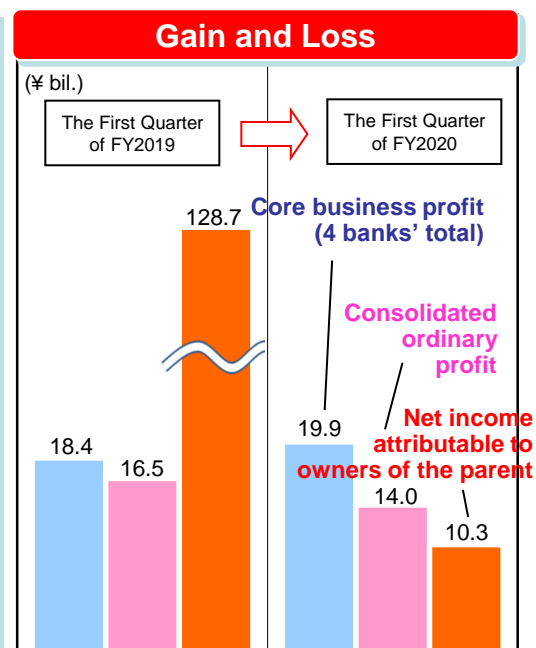
Progress on FY2020  
Projection 25.0%

- > Consolidated ordinary profit decreased ¥2.5 billion from a year earlier to ¥14.0 billion mainly due to an increase in credit cost.

**Net income attributable to owners of the parent** **¥10.3 billion**

Progress on FY2020  
Projection 25.8%

- > Net income attributable to owners of the parent decreased ¥118.4 billion from a year earlier to ¥10.3 billion mainly because there was no special factor such as the one in the previous fiscal year (a ¥117.4 billion gain on negative goodwill resulting from the business integration).
- > The result shows steady progress of 25.8% toward the target for FY2020 (¥40.0 billion).



## The Bank of Fukuoka (non-consolidated)

(¥ mil.)

	3 months ended Jun 30, 2020	3 months ended Jun 30, 2019	Comparison	FY2019
Gross business profit	33,485	32,061	1,424	131,292
Net interest income	29,288	28,381	907	113,463
Domestic	26,685	26,431	254	105,253
International	2,603	1,950	653	8,210
Net fees and commissions	3,627	3,334	293	16,099
Net trading income	2	2	0	7
Net other operating income	566	342	224	1,721
Gains (losses) on sales (redemptions) of bonds	(95)	(8)	(87)	(676)
Overhead expenses (-)	16,988	17,387	(399)	67,748
Business profit (before transfer to general reserve for possible loan losses)	16,497	14,673	1,824	63,544
① Transfer to general reserve for possible loan losses (-)	2,458	—	2,458	39,112
<b>Business profit</b>	<b>14,039</b>	<b>14,673</b>	<b>(634)</b>	<b>24,432</b>
<b>Core business profit</b>	<b>16,593</b>	<b>14,681</b>	<b>1,912</b>	<b>64,221</b>
Core business profit (excluding gains (losses) on cancellation of investment trusts)	16,693	14,612	2,081	63,896
Other operating profit (loss)	862	979	(117)	(606)
② Credit cost for disposal of non-performing loans (-)	(798)	(765)	(33)	(197)
Net transfer to specific reserve for possible loan losses (-)	(875)	—	(875)	(192)
Reversal of allowance for loan losses	—	721	(721)	—
Recoveries of written-off claims	24	200	(176)	364
<b>Total credit cost ①+② (-)</b>	<b>1,660</b>	<b>(765)</b>	<b>2,425</b>	<b>38,914</b>
Gains (losses) on stocks	543	170	373	1,538
Others	(478)	43	(521)	(2,342)
<b>Ordinary profit</b>	<b>14,901</b>	<b>15,652</b>	<b>(751)</b>	<b>23,825</b>
Extraordinary profit (loss)	(4)	(70)	66	(238)
Income (loss) before income taxes	14,897	15,582	(685)	23,586
Total income taxes (-)	3,259	4,110	(851)	4,488
<b>Net income</b>	<b>11,638</b>	<b>11,472</b>	<b>166</b>	<b>19,098</b>

## The Kumamoto Bank (non-consolidated)

(¥ mil.)

	3 months ended Jun 30, 2020	3 months ended Jun 30, 2019	Comparison	FY2019
Gross business profit	4,457	4,496	(39)	18,685
Net interest income	4,450	4,482	(32)	17,833
Domestic	4,448	4,469	(21)	17,792
International	2	13	(11)	40
Net fees and commissions	(0)	5	(5)	790
Net other operating income	7	7	0	61
Gains (losses) on sales (redemptions) of bonds	—	0	0	(3)
Overhead expenses (-)	3,397	3,469	(72)	13,574
Business profit (before transfer to general reserve for possible loan losses)	1,060	1,026	34	5,110
① Transfer to general reserve for possible loan losses (-)	465	—	465	5,758
<b>Business profit</b>	<b>594</b>	<b>1,026</b>	<b>(432)</b>	<b>(648)</b>
<b>Core business profit</b>	<b>1,060</b>	<b>1,026</b>	<b>34</b>	<b>5,114</b>
Core business profit (excluding gains (losses) on cancellation of investment trusts)	1,060	1,026	34	5,114
Other operating profit (loss)	230	548	(318)	(2,455)
② Credit cost for disposal of non-performing loans (-)	(373)	(529)	156	996
Net transfer to specific reserve for possible loan losses (-)	(439)	—	(439)	952
Reversal of allowance for loan losses	—	564	(564)	—
Recoveries of written-off claims	10	4	6	58
<b>Total credit cost ①+② (-)</b>	<b>91</b>	<b>(529)</b>	<b>620</b>	<b>6,755</b>
Gains (losses) on stocks	—	154	(154)	154
Others	(142)	(135)	(7)	(1,613)
<b>Ordinary profit</b>	<b>825</b>	<b>1,575</b>	<b>(750)</b>	<b>(3,103)</b>
Extraordinary profit (loss)	(12)	(3)	(9)	(11)
Income (loss) before income taxes	813	1,572	(759)	(3,114)
Total income taxes (-)	119	359	(240)	(1,187)
<b>Net income</b>	<b>694</b>	<b>1,212</b>	<b>(518)</b>	<b>(1,926)</b>



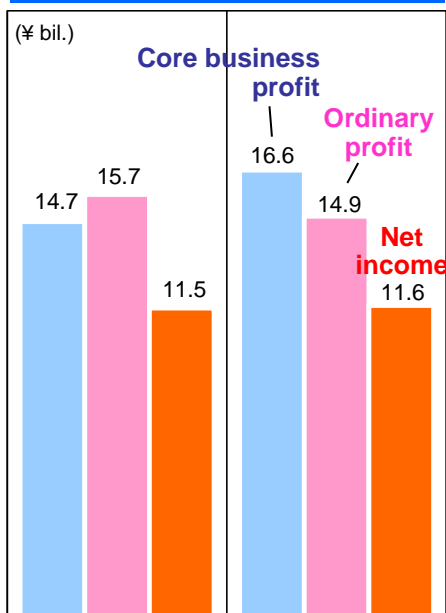
## The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)

(¥ mil.)

	3 months ended Jun 30, 2020	3 months ended Jun 30, 2019	Comparison	FY2019
Gross business profit	12,627	13,352	(725)	51,278
Net interest income	11,758	12,150	(392)	47,143
Domestic	11,206	11,885	(679)	45,843
International	551	265	286	1,299
Net fees and commissions	1,024	1,139	(115)	4,088
Net other operating income	(155)	62	(217)	46
Gains (losses) on sales (redemptions) of bonds	(0)	12	(12)	(13)
Overhead expenses (-)	10,417	10,686	(269)	41,755
Business profit (before transfer to general reserve for possible loan losses)	2,210	2,666	(456)	9,522
① Transfer to general reserve for possible loan losses (-)	∴[258]	∴[(449)]	—	15,131
<b>Business profit</b>	∴ 2,210	∴ 2,666	(456)	(5,608)
<b>Core business profit</b>	∴ 2,210	∴ 2,653	(443)	9,535
Core business profit (excluding gains (losses) on cancellation of investment trusts)	∴ 2,210	∴ 2,710	(500)	9,552
Other operating profit (loss)	∴ (200)	∴ (771)	571	(6,676)
② Credit cost for disposal of non-performing loans (-)	∴ (473)	∴ (436)	(37)	572
Net transfer to specific reserve for possible loan losses (-)	∴[(779)]	∴[177]	—	1,097
Reversal of allowance for loan losses	∴▶ 520	∴▶ 271	249	—
Recoveries of written-off claims	∴ 22	∴ 35	(13)	452
<b>Total credit cost ①+② (-)</b>	(473)	(436)	(37)	15,704
Gains (losses) on stocks	53	(1,112)	1,165	(1,806)
Others	(728)	(95)	(633)	(4,297)
<b>Ordinary profit</b>	2,009	1,894	115	(12,285)
Extraordinary profit (loss)	163	(69)	232	(10,776)
Income (loss) before income taxes	2,172	1,824	348	(23,062)
Total income taxes (-)	216	107	109	(8,580)
<b>Net income</b>	1,955	1,717	238	(14,482)

## Gain and Loss

The Bank of Fukuoka  
(non-consolidated)

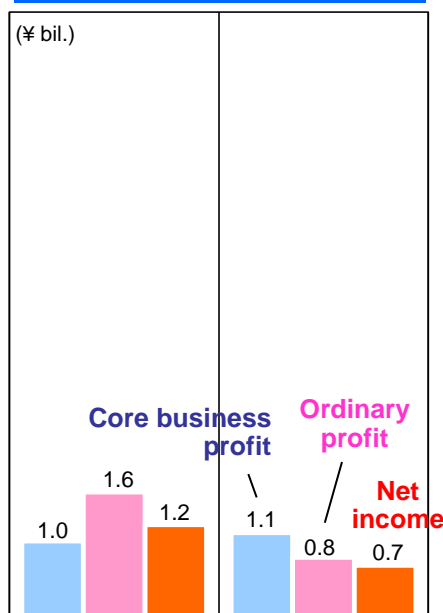


The First Quarter of FY2019



The First Quarter of FY2020

The Kumamoto Bank  
(non-consolidated)

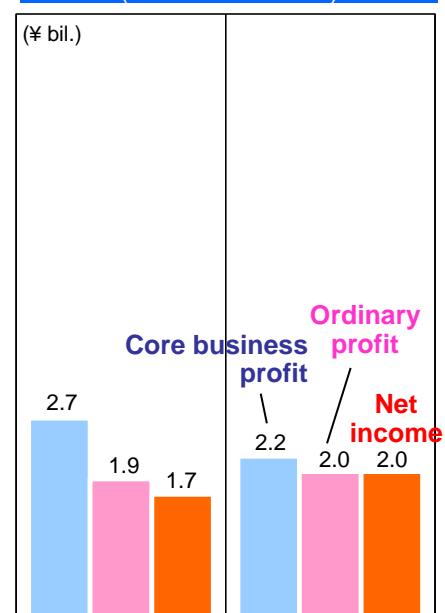


The First Quarter of FY2019



The First Quarter of FY2020

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



The First Quarter of FY2019

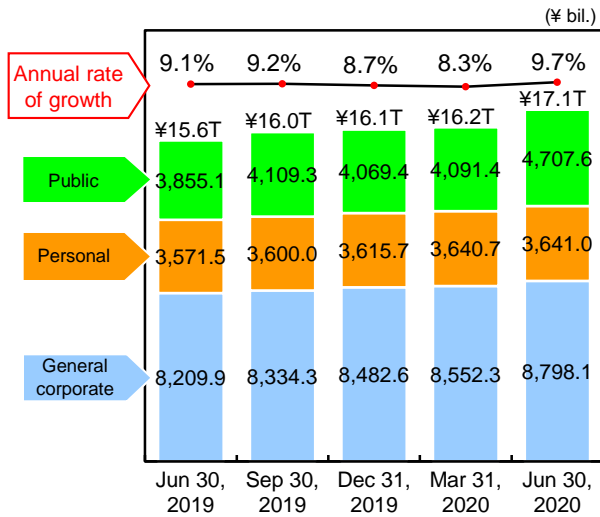
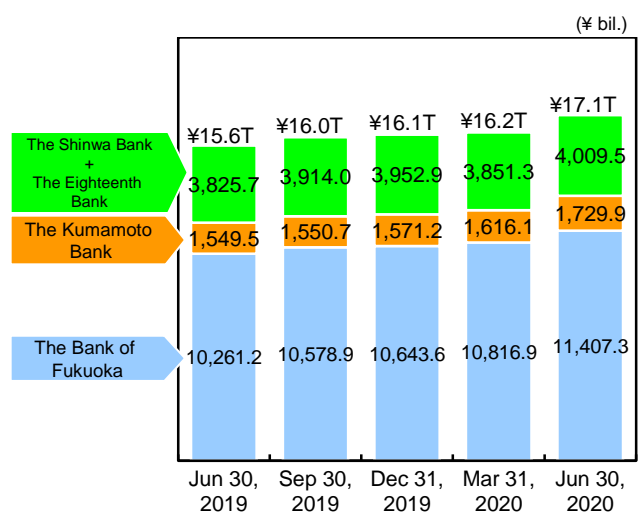


The First Quarter of FY2020

## 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.)

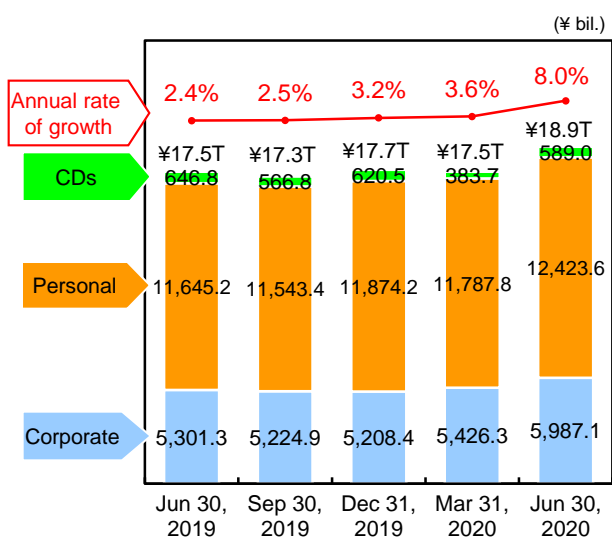
	Jun 30, 2020				Mar 31, 2020	Jun 30, 2019
	annual rate of growth		change from Mar 31, 2020	change from Jun 30, 2019		
4 banks' total	Total loans	9.7%	17,146,912	862,380	1,510,354	16,284,532
	Personal segment	1.9%	3,641,066	321	69,535	3,640,745
	Corporate segment	11.9%	13,505,844	862,058	1,440,819	12,643,786
	Personal loans	2.1%	3,543,900	2,611	72,394	3,541,289
	Housing loans	2.6%	3,163,228	11,420	80,642	3,151,808
	Consumer loans	(0.3%)	316,109	(8,149)	(1,082)	324,258
Loans to small-and-medium-sized enterprises, etc. ratio	—	58.82%	(2.33%)	(2.91%)	61.15%	61.73%
The Bank of Fukuoka (non-consolidated)	Total loans	11.2%	11,407,366	590,367	1,146,129	10,816,999
	Personal segment	2.2%	2,294,717	(357)	48,591	2,295,074
	Corporate segment	13.7%	9,112,648	590,723	1,097,537	8,521,925
	Fukuoka prefecture	5.2%	7,341,517	123,439	365,251	7,218,078
	Personal loans	2.3%	2,228,633	1,204	50,129	2,227,429
	Housing loans	2.6%	1,985,736	5,691	50,081	1,980,045
Consumer loans	1.8%	198,274	(4,292)	3,504	202,566	
Loans to small-and-medium-sized enterprises, etc. ratio	—	60.60%	(2.55%)	(3.76%)	63.15%	64.36%
The Kumamoto Bank (non-consolidated)	Total loans	11.6%	1,729,957	113,815	180,416	1,616,142
	Personal segment	4.0%	502,768	2,991	19,548	499,777
	Corporate segment	15.1%	1,227,189	110,824	160,869	1,116,365
	Kumamoto prefecture	7.0%	1,229,806	42,313	80,395	1,187,493
	Personal loans	4.3%	481,619	3,093	20,039	478,526
	Housing loans	5.5%	446,279	4,529	23,176	441,750
Consumer loans	(2.5%)	30,639	(975)	(788)	31,614	
Loans to small-and-medium-sized enterprises, etc. ratio	—	64.71%	(2.52%)	(2.70%)	67.23%	67.41%
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)	Total loans	4.8%	4,009,589	158,198	183,809	3,851,391
	Personal segment	0.2%	843,581	(2,313)	1,396	845,894
	Corporate segment	6.1%	3,166,007	160,511	182,413	3,005,496
	Nagasaki prefecture	3.6%	2,262,442	33,833	77,672	2,228,609
	Personal loans	0.3%	833,648	(1,686)	2,226	835,334
	Housing loans	1.0%	731,213	1,200	7,385	730,013
Consumer loans	(4.2%)	87,196	(2,882)	(3,798)	90,078	
Loans to small-and-medium-sized enterprises, etc. ratio	—	51.23%	(1.73%)	(1.15%)	52.96%	52.38%

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥122.5 billion at the end of June 2019, ¥123.3 billion at the end of March 2020, and ¥123.3 billion at the end of June 2020).

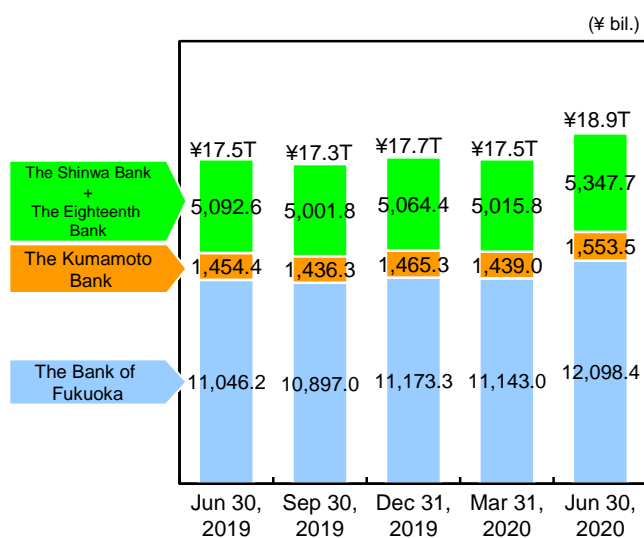
## (2) Deposits

4 banks' total

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



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



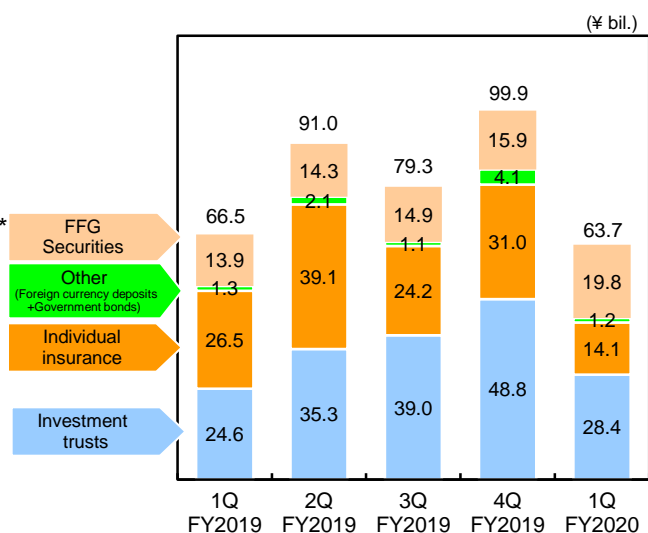
(¥ mil.)

		Jun 30, 2020		change from Mar 31, 2020	change from Jun 30, 2019	Mar 31, 2020	Jun 30, 2019
		annual rate of growth					
4 banks' total	Personal deposits	6.7%	12,423,685	635,852	778,416	11,787,833	11,645,269
	Corporate deposits	12.9%	5,987,113	560,720	685,808	5,426,393	5,301,305
	Total	8.6%	18,410,801	1,196,572	1,464,226	17,214,229	16,946,575
	Demand	14.2%	13,178,751	1,230,193	1,642,826	11,948,558	11,535,925
	Time	(3.3%)	5,232,048	(33,622)	(178,600)	5,265,670	5,410,648
	CDs	(8.9%)	589,056	205,331	(57,754)	383,725	646,810
	Deposits and CDs	8.0%	18,999,858	1,401,904	1,406,471	17,597,954	17,593,387
The Bank of Fukuoka (non-consolidated)	Personal deposits	7.6%	7,815,601	421,622	550,133	7,393,979	7,265,468
	Corporate deposits	16.0%	3,934,830	401,101	543,145	3,533,729	3,391,685
	Total	10.3%	11,750,432	822,723	1,093,279	10,927,709	10,657,153
	Demand	15.4%	8,658,028	870,700	1,157,930	7,787,328	7,500,098
	Time	(2.0%)	3,092,403	(47,977)	(64,652)	3,140,380	3,157,055
	CDs	(10.5%)	348,060	132,696	(41,016)	215,364	389,076
	Deposits and CDs	9.5%	12,098,492	955,419	1,052,263	11,143,073	11,046,229
	Fukuoka prefecture	10.7%	10,980,905	867,314	1,059,451	10,113,591	9,921,454
The Kumamoto Bank (non-consolidated)	Personal deposits	4.4%	1,116,982	43,157	46,571	1,073,825	1,070,411
	Corporate deposits	14.4%	435,893	71,618	54,779	364,275	381,114
	Total	7.0%	1,552,875	114,774	101,350	1,438,101	1,451,525
	Demand	14.9%	974,644	102,736	126,607	871,908	848,037
	Time	(4.2%)	578,231	12,038	(25,256)	566,193	603,487
	CDs	(76.2%)	700	(246)	(2,236)	946	2,936
	Deposits and CDs	6.8%	1,553,575	114,528	99,114	1,439,047	1,454,461
	Kumamoto prefecture	7.1%	1,464,923	111,198	97,678	1,353,725	1,367,245
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)	Personal deposits	5.5%	3,491,102	171,073	181,712	3,320,029	3,309,390
	Corporate deposits	5.7%	1,616,390	88,001	87,884	1,528,389	1,528,506
	Total	5.6%	5,107,494	259,075	269,597	4,848,419	4,837,897
	Demand	11.2%	3,546,079	256,757	358,289	3,289,322	3,187,790
	Time	(5.4%)	1,561,414	2,317	(88,692)	1,559,097	1,650,106
	CDs	(5.7%)	240,296	72,881	(14,502)	167,415	254,798
	Deposits and CDs	5.0%	5,347,791	331,957	255,094	5,015,834	5,092,697
	Nagasaki prefecture	5.9%	4,711,345	247,985	262,618	4,463,360	4,448,727

### (3) Asset management products

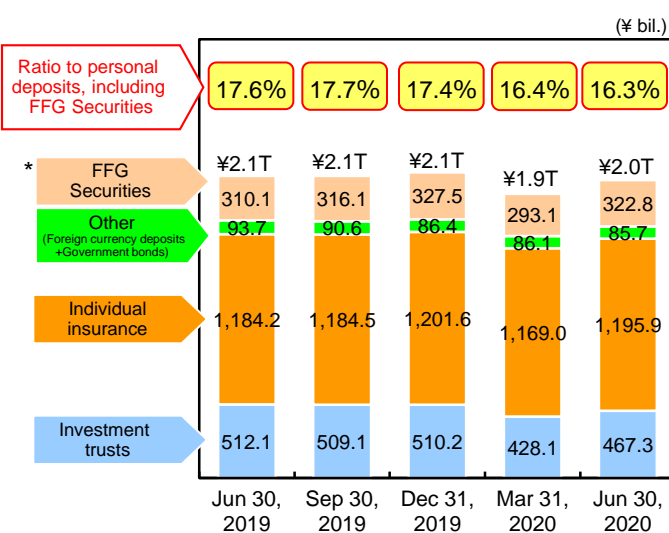
#### Group's total

##### 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

		1Q FY2020		1Q FY2019	FY2019
		(3 months)	change from 1Q FY2019	(3 months)	(12 months)
Group's total	Investment trusts	28.4	3.8	24.6	147.9
	Individual insurance	14.1	(12.4)	26.5	121.0
	Foreign currency deposits	0.7	0.2	0.5	5.7
	Government bonds	0.5	(0.3)	0.8	3.0
	FFG Securities	19.8	5.9	13.9	59.1
	Total	63.7	(2.8)	66.5	336.9
	Ratio to personal deposits				
The Bank of Fukuoka (non-consolidated)	Investment trusts	17.6	4.6	13.0	81.3
	Individual insurance	7.7	(8.0)	15.7	74.7
	Foreign currency deposits	0.6	0.2	0.4	4.5
	Government bonds	0.3	(0.2)	0.5	2.1
	Total	26.4	(3.3)	29.7	162.8
	Ratio to personal deposits				
The Kumamoto Bank (non-consolidated)	Investment trusts	3.8	0.3	3.5	23.3
	Individual insurance	2.2	(0.9)	3.1	14.2
	Foreign currency deposits	0.0	0.0	0.0	0.5
	Government bonds	0.0	0.0	0.0	0.0
	Total	6.1	(0.6)	6.7	38.1
	Ratio to personal deposits				
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)	Investment trusts	6.9	(1.1)	8.0	43.1
	Individual insurance	4.1	(3.6)	7.7	32.0
	Foreign currency deposits	0.0	0.0	0.0	0.6
	Government bonds	0.1	(0.1)	0.2	0.9
	Total	11.3	(4.8)	16.1	76.7
	Ratio to personal deposits				

##### Outstanding balance of assets under management for individual customers

(¥ bil.)

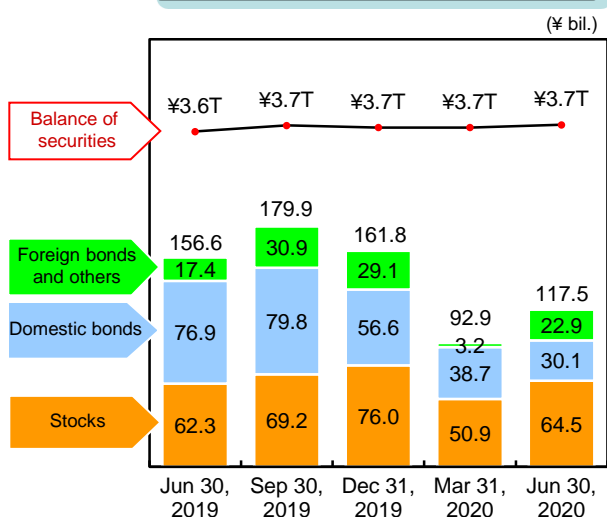
	Jun 30, 2020			Mar 31, 2020	Jun 30, 2019	
	Change from Mar 31, 2020	Change from Jun 30, 2019				
Investment trusts	467.3	39.2	(44.8)	428.1	512.1	
Individual insurance	1,195.9	26.9	11.7	1,169.0	1,184.2	
Foreign currency deposits	33.5	1.3	2.3	32.2	31.2	
Government bonds	52.1	(1.7)	(10.4)	53.8	62.5	
FFG Securities	322.8	29.7	12.7	293.1	310.1	
Total	2,071.8	95.3	(28.4)	1,976.5	2,100.2	
Ratio to personal deposits	16.3%	(0.1%)	(1.3%)	16.4%	17.6%	
The Bank of Fukuoka (non-consolidated)	Investment trusts	275.0	23.5	(19.5)	251.5	294.5
	Individual insurance	680.7	7.2	7.5	673.5	673.2
	Foreign currency deposits	24.8	0.8	1.7	24.0	23.1
	Government bonds	38.8	(1.1)	(8.5)	39.9	47.3
	Total	1,019.6	30.6	(18.6)	989.0	1,038.2
	Ratio to personal deposits	13.0%	(0.4%)	(1.3%)	13.4%	14.3%
The Kumamoto Bank (non-consolidated)	Investment trusts	64.2	6.1	(7.2)	58.1	71.4
	Individual insurance	146.8	4.9	1.4	141.9	145.4
	Foreign currency deposits	2.5	0.1	0.3	2.4	2.2
	Government bonds	1.0	0.0	(0.2)	1.0	1.2
	Total	214.7	11.2	(5.6)	203.5	220.3
	Ratio to personal deposits	19.2%	0.2%	(1.4%)	19.0%	20.6%
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)	Investment trusts	127.9	9.4	(18.1)	118.5	146.0
	Individual insurance	368.2	14.6	2.6	353.6	365.6
	Foreign currency deposits	6.1	0.4	0.3	5.7	5.8
	Government bonds	12.2	(0.6)	(1.7)	12.8	13.9
	Total	514.5	23.8	(17.0)	490.7	531.5
	Ratio to personal deposits	14.7%	(0.1%)	(1.4%)	14.8%	16.1%

<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.

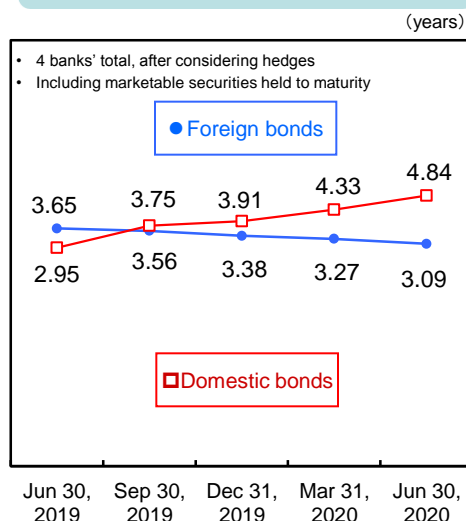
## (4) Marketable securities

FFG (consolidated)

## Unrealized gain



## Bond duration

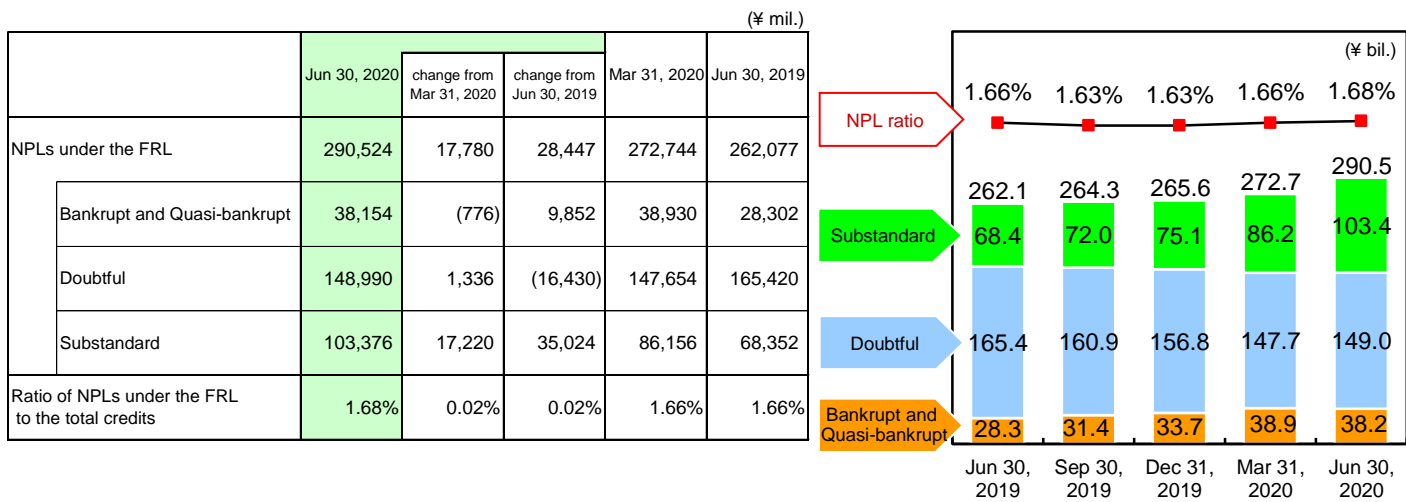


(¥ mil.)

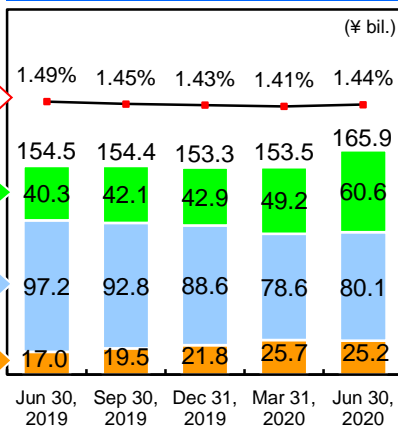
		Jun 30, 2020				Mar 31, 2020	
		Market value	change from Mar 31, 2020	Unrealized gain(loss)	change from Mar 31, 2020	Market value	Unrealized gain(loss)
FFG (consolidated)	Total	3,797,336	69,962	117,571	24,621	3,727,374	92,950
	Stocks	157,084	14,969	64,525	13,529	142,115	50,996
	Domestic bonds	2,730,969	10,848	30,124	(8,623)	2,720,121	38,747
	National government bonds	2,031,651	63,006	28,355	(8,129)	1,968,645	36,484
	Local government bonds	163,675	1,224	177	39	162,451	138
	Corporate bonds	535,642	(53,382)	1,591	(533)	589,024	2,124
	Foreign bonds and Others	909,282	44,144	22,921	19,716	865,138	3,205
The Bank of Fukuoka (consolidated)	Total	2,373,471	52,881	106,801	17,661	2,320,590	89,140
	Stocks	123,648	12,154	61,685	11,399	111,494	50,286
	Domestic bonds	1,556,624	12,539	23,620	(6,294)	1,544,085	29,914
	National government bonds	1,192,500	48,483	22,406	(5,860)	1,144,017	28,266
	Local government bonds	73,917	387	66	(55)	73,530	121
	Corporate bonds	290,207	(36,330)	1,147	(379)	326,537	1,526
	Foreign bonds and Others	693,198	28,188	21,495	12,556	665,010	8,939
The Kumamoto Bank (non-consolidated)	Total	147,443	(11,182)	2,966	(369)	158,625	3,335
	Stocks	1,837	199	884	198	1,638	686
	Domestic bonds	145,606	(11,380)	2,081	(568)	156,986	2,649
	National government bonds	122,954	(6,934)	1,777	(507)	129,888	2,284
	Local government bonds	1,261	(1)	13	(1)	1,262	14
	Corporate bonds	21,390	(4,445)	290	(60)	25,835	350
	Foreign bonds and Others	—	—	—	—	—	—
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (consolidated)	Total	1,276,420	27,076	45,538	7,044	1,249,344	38,494
	Stocks	31,597	1,430	12,145	2,509	30,167	9,636
	Domestic bonds	1,028,738	9,690	21,794	(2,599)	1,019,048	24,393
	National government bonds	716,197	21,459	18,123	(2,427)	694,738	20,550
	Local government bonds	88,496	839	1,345	23	87,657	1,322
	Corporate bonds	224,044	(12,607)	2,323	(195)	236,651	2,518
	Foreign bonds and Others	216,083	15,957	11,598	7,135	200,126	4,463

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

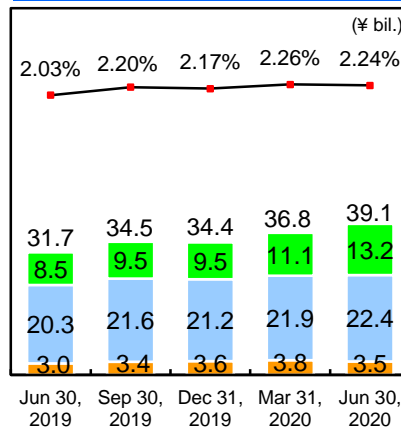
4 banks' total



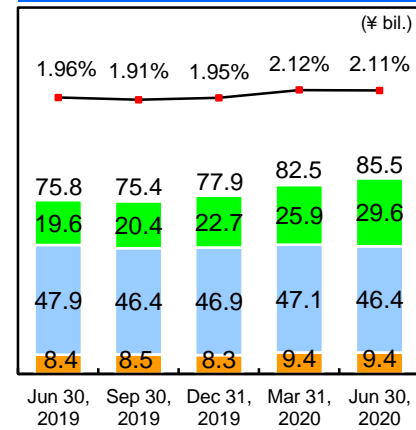
#### The Bank of Fukuoka (non-consolidated)



#### The Kumamoto Bank (non-consolidated)



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



### 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)		
	1Q FY2020 (3 months)	YoY change	1Q FY2019 (3 months)	1Q FY2020 (3 months)	YoY change	1Q FY2019 (3 months)	1Q FY2020 (3 months)	YoY change	1Q FY2019 (3 months)	1Q FY2020 (3 months)	YoY change	1Q FY2019 (3 months)
(1) Average yield on interest earning assets	0.82	(0.07)	0.89	0.78	(0.07)	0.85	0.95	(0.06)	1.01	0.87	(0.07)	0.94
Loans and bills discounted ①	0.86	(0.08)	0.94	0.86	(0.07)	0.93	0.96	(0.07)	1.03	0.84	(0.09)	0.93
Securities	0.98	(0.07)	1.05	0.96	(0.13)	1.09	0.81	(0.04)	0.85	1.04	0.02	1.02
(2) Average yield on interest bearing liabilities	0.49	(0.04)	0.53	0.39	(0.06)	0.45	0.58	(0.01)	0.59	0.75	(0.01)	0.76
Deposits and CDs ②	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
External liabilities	(0.03)	0.01	(0.04)	(0.02)	0.02	(0.04)	(0.02)	0.01	(0.03)	(0.04)	0.00	(0.04)
(3) Difference between average yields on loans and deposits ①-②	0.86	(0.08)	0.94	0.86	(0.07)	0.93	0.96	(0.07)	1.03	0.84	(0.09)	0.93
(4) Average interest rate spread (1)-(2)	0.33	(0.03)	0.36	0.39	(0.01)	0.40	0.37	(0.05)	0.42	0.12	(0.06)	0.18