

Fukuoka Financial Group, Inc.

Financial Digest for the Interim of FY2020



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:	December 10, 2020 (scheduled)
Filing date of Financial Statements:	November 20, 2020 (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, 2020 to September 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	%
Interim of FY2020	141,576	2.2	38,461	29.1	26,264	(80.6)
Interim of FY2019	138,464	14.7	29,790	(23.6)	135,270	396.0

(Note) Comprehensive income Interim of FY2020: ¥53,846 million [(62.8)%] Interim of FY2019: ¥144,649 million [586.5%]

	Net Income per Share	Net Income per Share (Diluted)
	¥	¥
Interim of FY2020	138.15	—
Interim of FY2019	711.56	—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Own Capital Ratio
	¥Million	¥Million	%
September 30, 2020	27,320,702	898,877	3.2
March 31, 2020	25,068,405	853,062	3.4

(Reference) Own capital September 30, 2020: ¥898,877 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	—	42.50	—	42.50	85.00
FY2020 (projection)	—	—	—	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	%	¥
FY2020	61,000	—	44,000	(60.2)	231.45

(Note) Revision of earnings projections from the latest announcement: Yes

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2020	As of Sep 30, 2020
(Assets)	資産の部		
Cash and due from banks	現金預け金	4,555,981	5,890,322
Call loans and bills bought	コールローン及び買入手形	23,236	10,580
Receivables under resale agreements	買現先勘定	37,621	96,565
Monetary claims bought	買入金銭債権	54,688	41,174
Trading assets	特定取引資産	1,630	1,784
Money held in trust	金銭の信託	14,734	15,696
Securities	有価証券	3,797,852	3,675,616
Loans and bills discounted	貸出金	16,126,222	17,151,975
Foreign exchanges	外国為替	32,933	44,136
Lease receivables and lease investment assets	リース債権及びリース投資資産	15,857	15,986
Other assets	その他資産	283,821	261,496
Tangible fixed assets	有形固定資産	209,629	208,412
Intangible fixed assets	無形固定資産	19,206	19,187
Net defined benefit assets	退職給付に係る資産	8,459	9,013
Deferred tax assets	繰延税金資産	47,770	32,220
Customers' liabilities for acceptances and guarantees	支払承諾見返	45,662	44,631
Allowance for loan losses	貸倒引当金	(206,904)	(198,099)
Total assets	資産の部合計	25,068,405	27,320,702
(Liabilities)	負債の部		
Deposits	預金	17,174,794	18,195,610
Negotiable certificates of deposit	譲渡性預金	346,675	562,710
Call money and bills sold	コールマネー及び売渡手形	2,248,706	2,205,000
Payables under repurchase agreements	売現先勘定	1,369,069	1,555,761
Payables under securities lending transactions	債券貸借取引受入担保金	638,281	757,987
Trading liabilities	特定取引負債	—	0
Borrowed money	借入金	2,159,259	2,880,852
Foreign exchanges	外国為替	1,679	868
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	151,346
Net defined benefit liability	退職給付に係る負債	4,379	4,114
Provision for losses on interest repayments	利息返還損失引当金	26	20
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	8,592	7,918
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	1,023
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	44,631
Total liabilities	負債の部合計	24,215,343	26,421,824
(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	532,867
Treasury stock	自己株式	(2,446)	(2,448)
Total shareholders' equity	株主資本合計	778,454	796,677
Valuation difference on available-for-sale securities	その他有価証券評価差額金	65,358	89,082
Deferred gains or losses on hedges	繰延ヘッジ損益	(32,547)	(29,142)
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)	(9,234)
Total accumulated other comprehensive income	その他の包括利益累計額合計	74,584	102,199
Non-controlling interests	非支配株主持分	23	—
Total net assets	純資産の部合計	853,062	898,877
Total liabilities and net assets	負債及び純資産の部合計	25,068,405	27,320,702

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

Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	6 months ended Sep 30, 2019	6 months ended Sep 30, 2020
Ordinary income:	経常収益	138,464	141,576
Interest income	資金運用収益	101,026	94,930
Interest on loans and discounts	(うち貸出金利息)	77,706	74,559
Interest and dividends on securities	(うち有価証券利息配当金)	19,707	18,441
Trust fees	信託報酬	0	—
Fees and commissions	役員取引等収益	27,297	26,537
Trading income	特定取引収益	137	249
Other operating income	その他業務収益	7,950	8,976
Other income	その他経常収益	2,052	10,882
Ordinary expenses:	経常費用	108,673	103,114
Interest expenses	資金調達費用	13,320	7,206
Interest on deposits	(うち預金利息)	2,579	714
Fees and commissions payments	役員取引等費用	12,547	11,895
Other operating expenses	その他業務費用	119	191
General and administrative expenses	営業経費	76,264	78,398
Other expenses	その他経常費用	6,422	5,423
Ordinary profit	経常利益	29,790	38,461
Extraordinary income	特別利益	117,434	256
Gain on disposal of noncurrent assets	固定資産処分益	1	250
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	3,583	308
Loss on disposal of noncurrent assets	固定資産処分損	259	114
Impairment loss	減損損失	3,174	193
Loss on step acquisitions	段階取得に係る差損	148	—
Income before income taxes:	税金等調整前中間純利益	143,642	38,409
Current	法人税、住民税及び事業税	8,718	7,379
Deferred	法人税等調整額	(313)	4,798
Total income taxes	法人税等合計	8,404	12,178
Net income	中間純利益	135,237	26,231
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する中間純損失	(33)	(32)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益	135,270	26,264

Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	6 months ended Sep 30, 2019	6 months ended Sep 30, 2020
Net income	中間純利益	135,237	26,231
Other comprehensive income	その他の包括利益	9,412	27,615
Valuation difference on available-for-sale securities	その他有価証券評価差額金	18,124	23,724
Deferred gains or losses on hedges	繰延ヘッジ損益	(8,500)	3,404
Remeasurements of defined benefit plans	退職給付に係る調整額	(211)	486
Total comprehensive income	中間包括利益	144,649	53,846
(Breakdown)	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る中間包括利益	144,682	53,879
Comprehensive income attributable to non-controlling interests	非支配株主に係る中間包括利益	(33)	(32)

(3) Consolidated Statements of Changes in Net Assets

Interim of FY2019

(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, 2019	当期首残高	124,799	94,164	419,871	(391)	638,443
Changes during the period:	当中間期変動額					
Increase by stock swap	株式交換による増加		47,120			47,120
Dividends from surplus	剰余金の配当			(7,813)		(7,813)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益			135,270		135,270
Acquisition of treasury stock	自己株式の取得				(2,050)	(2,050)
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			61		61
Purchase of shares of consolidated subsidiaries	連結子会社株式の取得による持分の増減		11			11
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		122			122
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)					
Total changes during the period	当中間期変動額合計	—	47,254	127,518	(2,049)	172,723
Balance as of Sep 30, 2019	当中間期末残高	124,799	141,418	547,390	(2,441)	811,167

		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		
Balance as of Mar 31, 2019	当期首残高	107,770	(20,239)	51,560	(245)	138,847	17	777,308
Changes during the period:	当中間期変動額							
Increase by stock swap	株式交換による増加							47,120
Dividends from surplus	剰余金の配当							(7,813)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益							135,270
Acquisition of treasury stock	自己株式の取得							(2,050)
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							61
Purchase of shares of consolidated subsidiaries	連結子会社株式の取得による持分の増減							11
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							122
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)	18,124	(8,500)	(61)	(211)	9,350	(5)	9,345
Total changes during the period	当中間期変動額合計	18,124	(8,500)	(61)	(211)	9,350	(5)	182,068
Balance as of Sep 30, 2019	当中間期末残高	125,895	(28,739)	51,499	(456)	148,198	11	959,377

Interim of FY2020

(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, 2020	当期首残高	124,799	141,418	514,682	(2,446)	778,454
Changes during the period:	当中間期変動額					
Dividends from surplus	剰余金の配当			(8,079)		(8,079)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益			26,264		26,264
Acquisition of treasury stock	自己株式の取得				(2)	(2)
Disposition of treasury stock	自己株式の処分		(0)		0	0
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		40			40
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)					
Total changes during the period	当中間期変動額合計	—	40	18,184	(2)	18,222
Balance as of Sep 30, 2020	当中間期末残高	124,799	141,458	532,867	(2,448)	796,677

		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, 2020	当期首残高	65,358	(32,547)	51,495	(9,721)	74,584	23	853,062
Changes during the period:	当中間期変動額							
Dividends from surplus	剰余金の配当							(8,079)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益							26,264
Acquisition of treasury stock	自己株式の取得							(2)
Disposition of treasury stock	自己株式の処分							0
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							40
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)	23,724	3,404	—	486	27,615	(23)	27,592
Total changes during the period	当中間期変動額合計	23,724	3,404	—	486	27,615	(23)	45,815
Balance as of Sep 30, 2020	当中間期末残高	89,082	(29,142)	51,495	(9,234)	102,199	—	898,877

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November 12, 2020

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[3 banks' total]:

The sum of non-consolidated figures of the Bank of Fukuoka, the Kumamoto Bank, and the Juhachi-Shinwa Bank

[The Juhachi-Shinwa Bank (non-consolidated)]:

The sum of non-consolidated figures of the former Shinwa Bank and the former Eighteenth Bank

[The Juhachi-Shinwa Bank (consolidated)]:

The sum of non-consolidated figures of the former Shinwa Bank and consolidated figures of the former Eighteenth Bank

(Note) The former Shinwa Bank and the former Eighteenth Bank merged on October 1, 2020, forming the Juhachi-Shinwa Bank.

The figures in this report show pre-merger figures of each of them.

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)		
	6 months ended Sep 30, 2020	Comparison	6 months ended Sep 30, 2019	6 months ended Sep 30, 2020	Comparison	6 months ended Sep 30, 2019
				(¥ mil.)		
Gross business profit	100,776	74	100,702	111,400	974	110,426
Net interest income	89,746	12	89,734	87,724	18	87,706
Domestic	83,952	(1,235)	85,187	82,101	(1,118)	83,219
International	5,793	1,247	4,546	5,623	1,136	4,487
Net fees and commissions	9,105	(489)	9,594	14,641	(109)	14,750
Net trading income	3	(1)	4	249	112	137
Net other operating income	1,920	551	1,369	8,785	954	7,831
Gains (losses) on sales (redemptions) of bonds	549	635	(86)	523	609	(86)
Overhead expenses (-)	61,556	237	61,319	77,658	1,129	76,529
Business profit (before transfer to general reserve for possible loan losses)	39,220	(162)	39,382	33,742	(154)	33,896
① Transfer to general reserve for possible loan losses (-)	[(8,181)]	—	1,253	[(8,919)]	—	1,880
Business profit	39,220	1,091	38,129	33,742	1,726	32,016
Core business profit [40,600]	38,670	(799)	39,469	33,218	(765)	33,983
Core business profit (excluding gains (losses) on cancellation of investment trusts)	38,621	(762)	39,383	33,169	(653)	33,822
Other operating profit (loss)	5,530	7,606	(2,076)	4,719	6,944	(2,225)
② Credit cost for disposal of non-performing loans (-)	(7,083)	(6,995)	(88)	(6,619)	(7,807)	1,188
Net transfer to specific reserve for possible loan losses (-)	[[925]]	—	172	[[2,135]]	—	1,460
Reversal of allowance for loan losses	7,255	7,255	—	6,784	6,784	—
Recoveries of written-off claims	163	(259)	422	166	(259)	425
Total credit cost ①+② (-) [2,900]	(7,083)	(8,247)	1,164	(6,619)	(9,687)	3,068
Gains (losses) on stocks	2,713	2,855	(142)	2,500	1,596	904
Others	(4,265)	(2,243)	(2,022)	(4,400)	(2,459)	(1,941)
Ordinary profit [37,700]	44,750	8,698	36,052	38,461	8,671	29,790
Extraordinary profit (loss)	(452)	10,016	(10,468)	(52)	(113,903)	113,851
Income (loss) before income taxes	44,298	18,714	25,584	38,409	(105,233)	143,642
Total income taxes (-)	10,904	5,047	5,857	12,178	3,774	8,404
Net income [28,300]	33,394	13,668	19,726	26,231	(109,006)	135,237
Net income attributable to non-controlling interests (-)				(32)	1	(33)
Net income attributable to owners of the parent [20,500]				26,264	(109,006)	135,270

<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.

Reference (¥ bil.)	Interim of FY2020	Interim of FY2019	Comparison
Net income (3 banks' total)	33.4	19.7	+13.7
Gains on negative goodwill	—	117.4	(117.4)
FFG non-consolidated	(8.2)	(7.3)	(1.0)
Profit (loss) of subsidiary companies	2.1	0.9	+1.2
Other consolidation adjustments	(0.9)	4.5	(5.4)
FFG's consolidated interim net profit	26.3	135.3	(109.0)

6 months Summary

Core business profit (3 banks' total) ¥38.7 billion

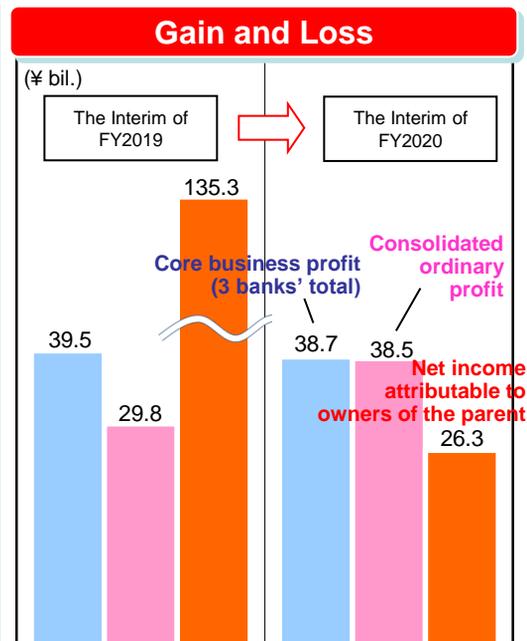
- Core business profit decreased ¥0.8 billion from a year earlier to ¥38.7 billion mainly due to a decrease in net fees and commissions.

Consolidated ordinary profit ¥38.5 billion

- Consolidated ordinary profit increased ¥8.7 billion from a year earlier to ¥38.5 billion mainly due to a decrease in credit cost (reversal of allowance for loan losses).

Net income attributable to owners of the parent ¥26.3 billion

- Net income attributable to owners of the parent decreased ¥109.0 billion from a year earlier to ¥26.3 billion mainly due to the removal of the factor recorded in the previous fiscal year (a ¥117.4 billion gain on negative goodwill resulting from stock exchange with the former Eighteenth Bank).



The Bank of Fukuoka (non-consolidated)

(¥ mil.)

	【 announced projections 】	6 months ended Sep 30, 2020	6 months ended Sep 30, 2019	Comparison
Gross business profit		66,258	65,685	573
Net interest income		57,629	56,984	645
Domestic		53,012	53,006	6
International		4,616	3,977	639
Net fees and commissions		6,828	7,482	(654)
Net trading income		3	4	(1)
Net other operating income		1,797	1,213	584
Gains (losses) on sales (redemptions) of bonds		298	(95)	393
Overhead expenses (-)		34,131	33,810	321
Business profit (before transfer to general reserve for possible loan losses)		32,127	31,874	253
① Transfer to general reserve for possible loan losses (-)		∴[(6,099)] -	2,860	(2,860)
Business profit		∴ 32,127	29,013	3,114
Core business profit [34,200]		∴ 31,829	31,970	(141)
Core business profit (excluding gains (losses) on cancellation of investment trusts)		∴ 31,779	31,849	(70)
Other operating profit (loss)		∴ 5,442	1,530	3,912
② Credit cost for disposal of non-performing loans (-)		∴ (3,986)	(573)	(3,413)
Net transfer to specific reserve for possible loan losses (-)		∴ [2,009] -	(553)	553
Reversal of allowance for loan losses		∴▶ 4,090	-	4,090
Recoveries of written-off claims		92	271	(179)
Total credit cost ①+② (-) [1,800]		(3,986)	2,287	(6,273)
Gains (losses) on stocks		2,571	738	1,833
Others		(1,115)	219	(1,334)
Ordinary profit [35,600]		37,570	30,544	7,026
Extraordinary profit (loss)		(8)	(137)	129
Income (loss) before income taxes		37,561	30,406	7,155
Total income taxes (-)		9,308	7,821	1,487
Net income [26,200]		28,253	22,585	5,668

The Kumamoto Bank (non-consolidated)

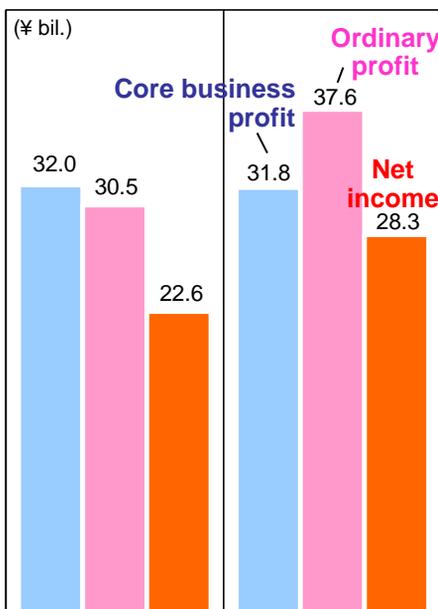
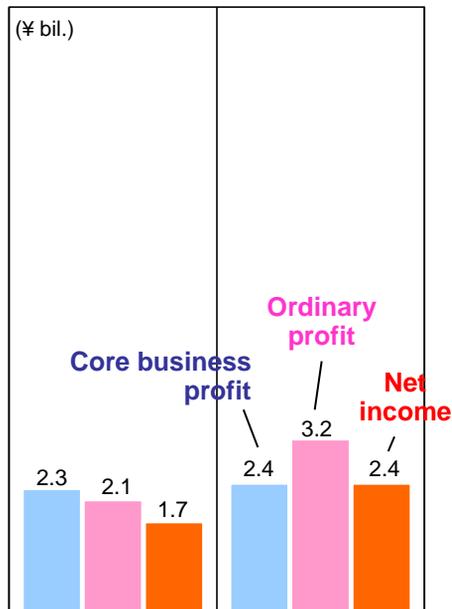
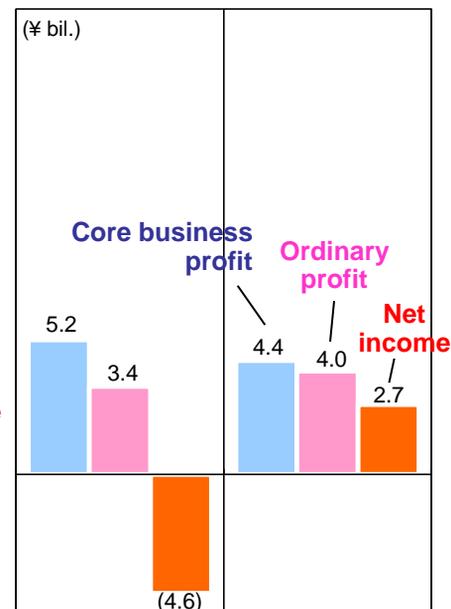
(¥ mil.)

	【 announced projections 】	6 months ended Sep 30, 2020	6 months ended Sep 30, 2019	Comparison
Gross business profit		9,233	9,088	145
Net interest income		8,936	8,952	(16)
Domestic		8,933	8,928	5
International		3	24	(21)
Net fees and commissions		256	103	153
Net other operating income		40	32	8
Gains (losses) on sales (redemptions) of bonds		14	(3)	17
Overhead expenses (-)		6,809	6,820	(11)
Business profit (before transfer to general reserve for possible loan losses)		2,423	2,268	155
① Transfer to general reserve for possible loan losses (-)		∴[(623)] -	(626)	626
Business profit		∴ 2,423	2,894	(471)
Core business profit [2,000]		∴ 2,409	2,271	138
Core business profit (excluding gains (losses) on cancellation of investment trusts)		∴ 2,409	2,271	138
Other operating profit (loss)		∴ 739	(753)	1,492
② Credit cost for disposal of non-performing loans (-)		∴ (1,076)	630	(1,706)
Net transfer to specific reserve for possible loan losses (-)		∴ [(517)] -	634	(634)
Reversal of allowance for loan losses		∴▶ 1,141	-	1,141
Recoveries of written-off claims		15	43	(28)
Total credit cost ①+② (-) [400]		(1,076)	3	(1,079)
Gains (losses) on stocks		-	154	(154)
Others		(337)	(278)	(59)
Ordinary profit [1,400]		3,162	2,140	1,022
Extraordinary profit (loss)		(32)	(6)	(26)
Income (loss) before income taxes		3,130	2,134	996
Total income taxes (-)		680	438	242
Net income [1,200]		2,449	1,696	753

The Juhachi-Shinwa Bank (non-consolidated)

	【 announced projections 】	6 months ended Sep 30, 2020	6 months ended Sep 30, 2019	(¥ mil.) Comparison
Gross business profit		25,284	25,929	(645)
Net interest income		23,181	23,797	(616)
Domestic		22,007	23,252	(1,245)
International		1,173	545	628
Net fees and commissions		2,021	2,008	13
Net other operating income		81	122	(41)
Gains (losses) on sales (redemptions) of bonds		236	13	223
Overhead expenses (-)		20,615	20,689	(74)
Business profit (before transfer to general reserve for possible loan losses)		4,668	5,240	(572)
① Transfer to general reserve for possible loan losses (-)		[(1,458)]	[(980)]	—
Business profit		4,668	5,240	(572)
Core business profit	[4,300]	4,432	5,226	(794)
Core business profit (excluding gains (losses) on cancellation of investment trusts)		4,432	5,262	(830)
Other operating profit (loss)		(651)	(1,873)	1,222
② Credit cost for disposal of non-performing loans (-)		(2,020)	(1,125)	(895)
Net transfer to specific reserve for possible loan losses (-)		[(565)]	[92]	—
Reversal of allowance for loan losses		2,023	888	1,135
Recoveries of written-off claims		55	108	(53)
Total credit cost ①+② (-)	[800]	(2,020)	(1,125)	(895)
Gains (losses) on stocks		141	(1,035)	1,176
Others		(2,813)	(1,963)	(850)
Ordinary profit	[700]	4,017	3,366	651
Extraordinary profit (loss)		(410)	(10,324)	9,914
Income (loss) before income taxes		3,606	(6,957)	10,563
Total income taxes (-)		915	(2,402)	3,317
Net income	[900]	2,691	(4,555)	7,246

Gain and Loss

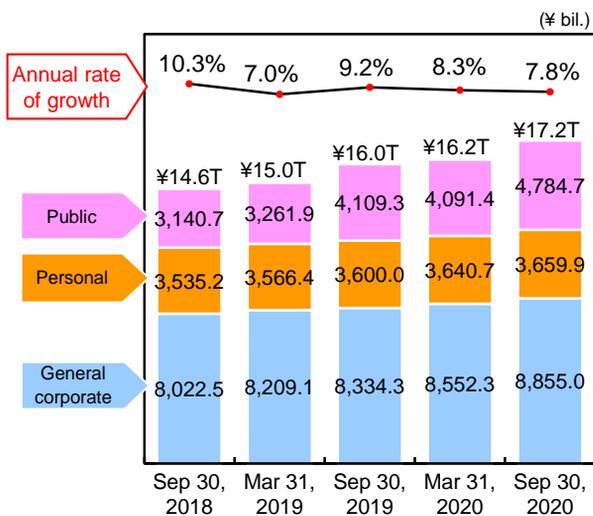
The Bank of Fukuoka
(non-consolidated)The Kumamoto Bank
(non-consolidated)The Juhachi-Shinwa Bank
(non-consolidated)The Interim
of FY2019The Interim
of FY2020The Interim
of FY2019The Interim
of FY2020The Interim
of FY2019The Interim
of FY2020

2. Assets and liabilities

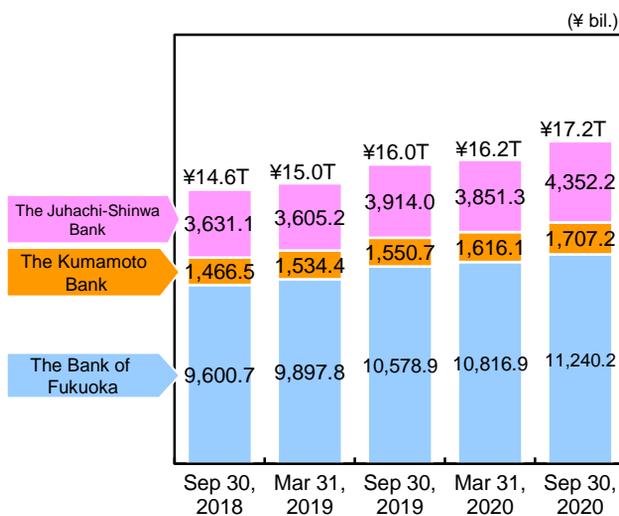
(1) Loans

3 banks' total

Loans classified by customer segment
(Term-end balance)



Loans classified by bank
(Term-end balance)



(¥ mil.)

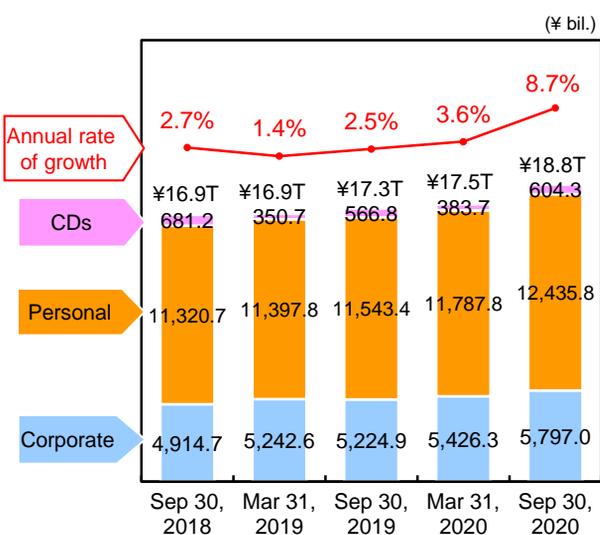
		Sep 30, 2020			Mar 31, 2020	Sep 30, 2019
		annual rate of growth		change from Mar 31, 2020		
3 banks' total	Total loans	7.8%	17,299,829	1,015,297	1,256,137	16,284,532
	Personal segment	1.7%	3,659,954	19,209	59,898	3,640,745
	Corporate segment	9.6%	13,639,872	996,086	1,196,238	12,643,786
	General Corporate	6.2%	8,855,080	302,731	520,774	8,552,349
	Public Sector	16.4%	4,784,790	693,356	675,463	4,091,434
	Personal loans	1.8%	3,560,224	18,935	61,640	3,541,289
	Housing loans	2.4%	3,181,983	30,175	74,477	3,151,808
Consumer loans	(2.2%)	313,629	(10,629)	(7,129)	324,258	
The Bank of Fukuoka (non-consolidated)	Total loans	6.3%	11,240,266	423,267	661,340	10,816,999
	Personal segment	1.8%	2,308,899	13,825	41,404	2,295,074
	Corporate segment	7.5%	8,931,366	409,441	619,936	8,521,925
	General Corporate	5.9%	6,497,775	184,824	363,816	6,312,951
	Public Sector	11.8%	2,433,591	224,618	256,121	2,208,973
	Fukuoka prefecture	5.4%	7,398,914	180,836	382,313	7,218,078
	Personal loans	1.9%	2,239,851	12,422	41,061	2,227,429
Housing loans	2.2%	1,996,259	16,214	43,292	1,980,045	
Consumer loans	0.1%	198,340	(4,226)	210	202,566	
The Kumamoto Bank (non-consolidated)	Total loans	10.1%	1,707,294	91,152	156,562	1,616,142
	Personal segment	3.6%	507,198	7,421	17,742	499,777
	Corporate segment	13.1%	1,200,095	83,730	138,819	1,116,365
	General Corporate	10.1%	685,122	39,432	62,937	645,690
	Public Sector	17.3%	514,972	44,298	75,881	470,674
	Kumamoto prefecture	7.1%	1,236,884	49,391	82,114	1,187,493
	Personal loans	4.0%	486,556	8,030	18,883	478,526
Housing loans	5.4%	452,123	10,373	23,074	441,750	
Consumer loans	(5.7%)	29,965	(1,649)	(1,822)	31,614	
The Juhachi-Shinwa Bank (non-consolidated)	Total loans	11.2%	4,352,269	500,878	438,235	3,851,391
	Personal segment	0.1%	843,857	(2,037)	752	845,894
	Corporate segment	14.2%	3,508,411	502,915	437,483	3,005,496
	General Corporate	6.0%	1,672,183	78,475	94,021	1,593,708
	Public Sector	23.0%	1,836,227	424,440	343,461	1,411,787
	Nagasaki prefecture	4.4%	2,277,516	48,907	96,760	2,228,609
	Personal loans	0.2%	833,817	(1,517)	1,696	835,334
Housing loans	1.1%	733,601	3,588	8,111	730,013	
Consumer loans	(6.1%)	85,324	(4,754)	(5,517)	90,078	

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥124.3 billion at the end of September 2019, ¥123.3 billion at the end of March 2020, ¥123.3 billion at the end of September 2020).

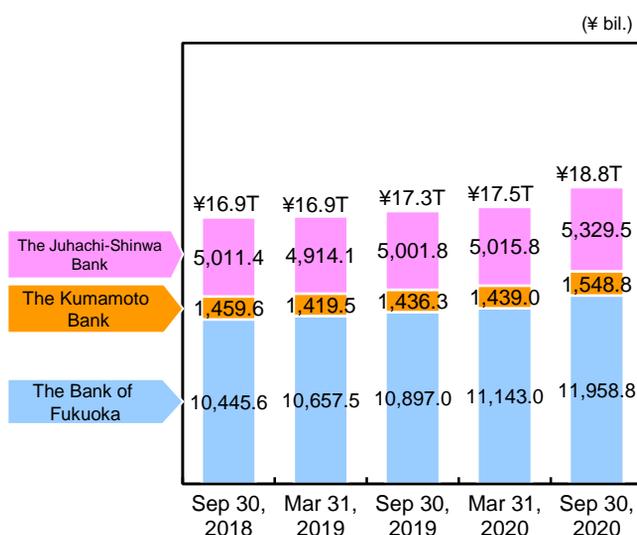
(2) Deposits

3 banks' total

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



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



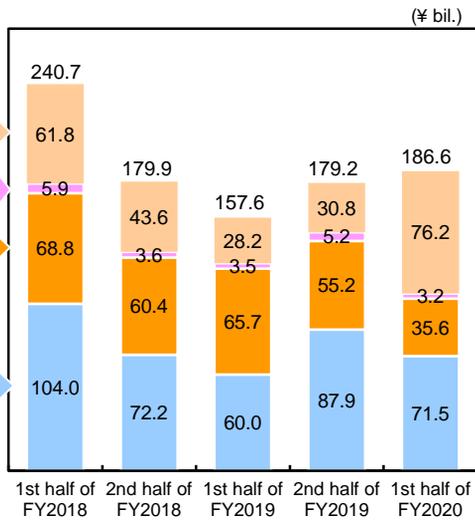
(¥ mil.)

		Sep 30, 2020		change from Mar 31, 2020	change from Sep 30, 2019	Mar 31, 2020	Sep 30, 2019
		annual rate of growth					
3 banks' total	Personal deposits	7.7%	12,435,871	648,038	892,453	11,787,833	11,543,418
	Corporate deposits	10.9%	5,797,002	370,609	572,060	5,426,393	5,224,942
	Total	8.7%	18,232,875	1,018,646	1,464,513	17,214,229	16,768,362
	Demand	15.2%	13,037,346	1,088,788	1,716,789	11,948,558	11,320,557
	Time	(4.6%)	5,195,525	(70,145)	(252,278)	5,265,670	5,447,803
	CDs	6.6%	604,359	220,634	37,492	383,725	566,867
	Deposits and CDs	8.7%	18,837,235	1,239,281	1,502,004	17,597,954	17,335,231
The Bank of Fukuoka (non-consolidated)	Personal deposits	9.0%	7,864,615	470,636	647,576	7,393,979	7,217,039
	Corporate deposits	11.0%	3,737,666	203,937	371,579	3,533,729	3,366,087
	Total	9.6%	11,602,282	674,573	1,019,156	10,927,709	10,583,126
	Demand	16.0%	8,515,898	728,570	1,175,433	7,787,328	7,340,465
	Time	(4.8%)	3,086,383	(53,997)	(156,277)	3,140,380	3,242,660
	CDs	13.6%	356,554	141,190	42,613	215,364	313,941
	Deposits and CDs	9.7%	11,958,836	815,763	1,061,768	11,143,073	10,897,068
	Fukuoka prefecture	11.1%	10,832,058	718,467	1,084,850	10,113,591	9,747,208
The Kumamoto Bank (non-consolidated)	Personal deposits	5.1%	1,111,459	37,634	53,537	1,073,825	1,057,922
	Corporate deposits	16.2%	436,694	72,419	60,820	364,275	375,874
	Total	8.0%	1,548,154	110,053	114,357	1,438,101	1,433,797
	Demand	16.2%	978,515	106,607	136,611	871,908	841,904
	Time	(3.8%)	569,638	3,445	(22,254)	566,193	591,892
	CDs	(72.3%)	700	(246)	(1,826)	946	2,526
	Deposits and CDs	7.8%	1,548,854	109,807	112,531	1,439,047	1,436,323
	Kumamoto prefecture	8.1%	1,460,275	106,550	109,273	1,353,725	1,351,002
The Juhachi-Shinwa Bank (non-consolidated)	Personal deposits	5.9%	3,459,797	139,768	191,340	3,320,029	3,268,457
	Corporate deposits	9.4%	1,622,642	94,253	139,661	1,528,389	1,482,981
	Total	7.0%	5,082,439	234,020	331,000	4,848,419	4,751,439
	Demand	12.9%	3,542,933	253,611	404,745	3,289,322	3,138,188
	Time	(4.6%)	1,539,504	(19,593)	(73,747)	1,559,097	1,613,251
	CDs	(1.3%)	247,105	79,690	(3,295)	167,415	250,400
	Deposits and CDs	6.6%	5,329,545	313,711	327,705	5,015,834	5,001,840
	Nagasaki prefecture	7.2%	4,675,517	212,157	312,787	4,463,360	4,362,730

(3) Asset management products

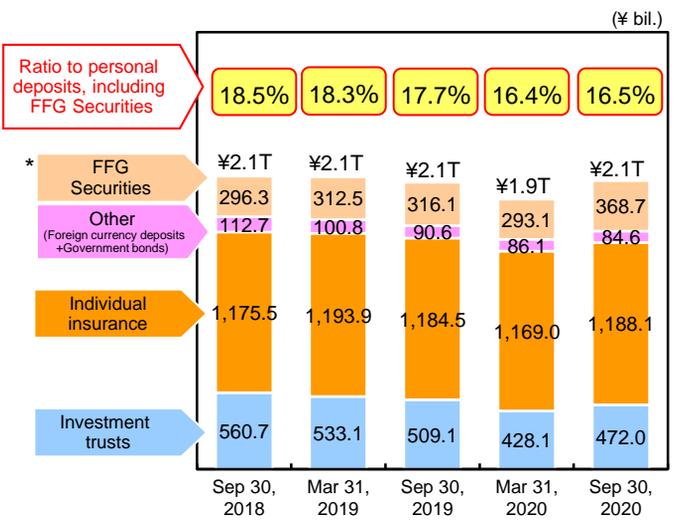
Group's total

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.)

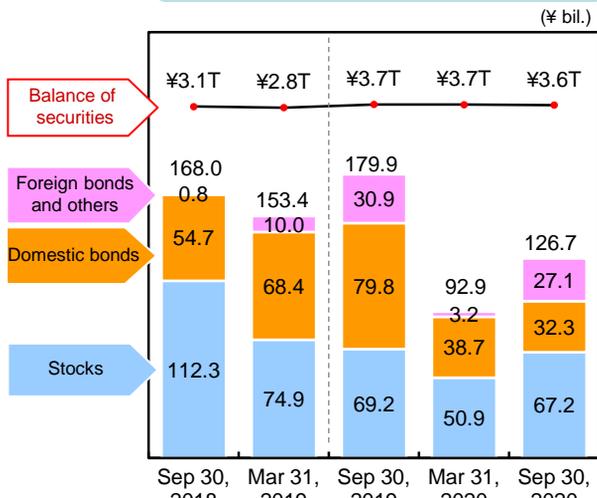
		1st half of FY2020			2nd half of FY2019 (6 months)	1st half of FY2019 (6 months)	Sep 30, 2020					
		1st half of FY2020 (6 months)	change from 2nd half of FY2019	change from 1st half of FY2019			Change from Mar 31, 2020	Change from Sep 30, 2019	Mar 31, 2020	Sep 30, 2019	Ratio to personal deposits	
Group's total	Investment trusts	71.5	(16.4)	11.5	87.9	60.0	472.0	43.9	(37.1)	428.1	509.1	16.5%
	Individual insurance	35.6	(19.6)	(30.1)	55.2	65.7	1,188.1	19.1	3.6	1,169.0	1,184.5	16.5%
	Foreign currency deposits	2.1	(1.9)	0.4	4.0	1.7	34.3	2.1	3.0	32.2	31.3	16.5%
	Government bonds	1.0	(0.2)	(0.8)	1.2	1.8	50.2	(3.6)	(9.0)	53.8	59.2	16.5%
	FFG Securities	76.2	45.4	48.0	30.8	28.2	368.7	75.6	52.6	293.1	316.1	16.5%
	Total	186.6	7.4	29.0	179.2	157.6	2,113.5	137.0	13.1	1,976.5	2,100.4	16.5%
	Ratio to personal deposits											
The Bank of Fukuoka (non-consolidated)	Investment trusts	44.2	(4.4)	11.5	48.6	32.7	280.8	29.3	(10.8)	251.5	291.6	13.0%
	Individual insurance	16.8	(18.2)	(22.9)	35.0	39.7	678.1	4.6	1.9	673.5	676.2	13.0%
	Foreign currency deposits	1.7	(1.6)	0.5	3.3	1.2	25.5	1.5	2.3	24.0	23.2	13.0%
	Government bonds	0.7	(0.1)	(0.5)	0.8	1.2	37.5	(2.4)	(7.3)	39.9	44.8	13.0%
	Total	63.6	(24.2)	(11.3)	87.8	74.9	1,022.0	33.0	(13.9)	989.0	1,035.9	13.0%
	Ratio to personal deposits											
The Kumamoto Bank (non-consolidated)	Investment trusts	10.7	(4.6)	2.7	15.3	8.0	64.4	6.3	(6.3)	58.1	70.7	19.2%
	Individual insurance	7.1	0.7	(0.7)	6.4	7.8	145.7	3.8	1.2	141.9	144.5	19.2%
	Foreign currency deposits	0.2	0.0	0.0	0.2	0.2	2.6	0.2	0.3	2.4	2.3	19.2%
	Government bonds	0.0	0.0	0.0	0.0	0.0	0.9	(0.1)	(0.2)	1.0	1.1	19.2%
	Total	18.1	(3.9)	2.0	22.0	16.1	213.7	10.2	(5.0)	203.5	218.7	19.2%
	Ratio to personal deposits											
The Juhachi-Shinwa Bank (non-consolidated)	Investment trusts	16.5	(7.3)	(2.7)	23.8	19.2	126.6	8.1	(20.1)	118.5	146.7	14.7%
	Individual insurance	11.5	(2.3)	(6.6)	13.8	18.1	364.2	10.6	0.5	353.6	363.7	14.7%
	Foreign currency deposits	0.2	(0.2)	0.0	0.4	0.2	6.2	0.5	0.5	5.7	5.7	14.7%
	Government bonds	0.2	(0.1)	(0.3)	0.3	0.5	11.7	(1.1)	(1.5)	12.8	13.2	14.7%
	Total	28.6	(10.0)	(9.5)	38.6	38.1	508.9	18.2	(20.6)	490.7	529.5	14.7%
	Ratio to personal deposits											

<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

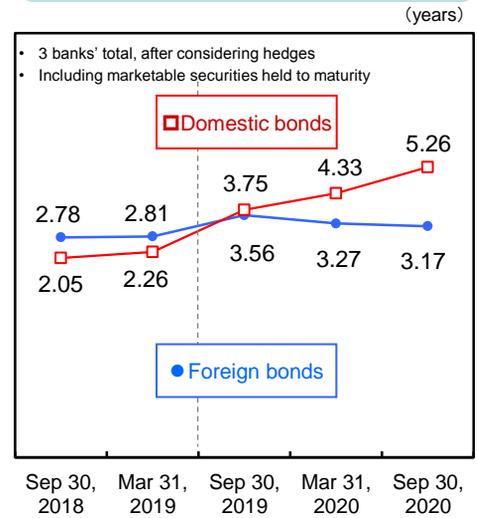
FFG (consolidated)

Unrealized gain



*Figures as of September 30, 2018 and March 31, 2019 are pre-merger figures of the former Eighteenth Bank.

Bond duration



*Figures as of September 30, 2018 and March 31, 2019 are pre-merger figures of the former Eighteenth Bank.

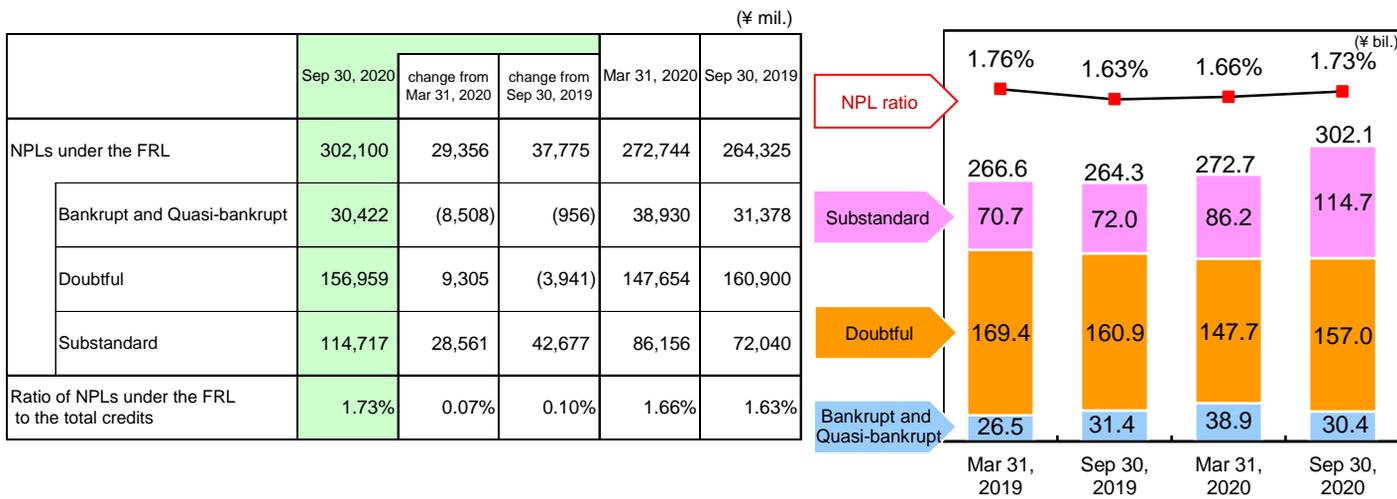
(¥ mil.)

		Sep 30, 2020						Mar 31, 2020		Sep 30, 2019	
		Market value	change from Mar 31, 2020	change from Sep 30, 2019	Unrealized gain(loss)	change from Mar 31, 2020	change from Sep 30, 2019	Market value	Unrealized gain(loss)	Market value	Unrealized gain(loss)
FFG (consolidated)	Total	3,603,145	(124,229)	(179,166)	126,742	33,792	(53,242)	3,727,374	92,950	3,782,311	179,984
	Stocks	160,859	18,744	1,886	67,221	16,225	(1,988)	142,115	50,996	158,973	69,209
	Domestic bonds	2,536,798	(183,323)	(328,374)	32,392	(6,355)	(47,426)	2,720,121	38,747	2,865,172	79,818
	National government bonds	1,861,129	(107,516)	(158,002)	30,373	(6,111)	(42,478)	1,968,645	36,484	2,019,131	72,851
	Local government bonds	162,297	(154)	14,702	302	164	(495)	162,451	138	147,595	797
	Corporate bonds	513,370	(75,654)	(185,074)	1,716	(408)	(4,453)	589,024	2,124	698,444	6,169
	Foreign bonds and Others	905,487	40,349	147,322	27,128	23,923	(3,828)	865,138	3,205	758,165	30,956
The Bank of Fukuoka (consolidated)	Total	2,300,680	(19,910)	38,529	112,067	22,927	(32,557)	2,320,590	89,140	2,262,151	144,624
	Stocks	126,044	14,550	6,061	63,280	12,994	(55)	111,494	50,286	119,983	63,335
	Domestic bonds	1,487,525	(56,560)	(102,432)	25,793	(4,121)	(33,050)	1,544,085	29,914	1,589,957	58,843
	National government bonds	1,144,875	858	14,893	24,573	(3,693)	(30,233)	1,144,017	28,266	1,129,982	54,806
	Local government bonds	72,580	(950)	12,856	113	(8)	(343)	73,530	121	59,724	456
	Corporate bonds	270,070	(56,467)	(130,179)	1,106	(420)	(2,474)	326,537	1,526	400,249	3,580
	Foreign bonds and Others	687,110	22,100	134,900	22,993	14,054	548	665,010	8,939	552,210	22,445
The Kumamoto Bank (non-consolidated)	Total	131,658	(26,967)	(59,934)	2,984	(351)	(2,476)	158,625	3,335	191,592	5,460
	Stocks	1,945	307	(107)	993	307	(107)	1,638	686	2,052	1,100
	Domestic bonds	129,712	(27,274)	(59,827)	1,991	(658)	(2,368)	156,986	2,649	189,539	4,359
	National government bonds	107,357	(22,531)	(39,607)	1,704	(580)	(2,180)	129,888	2,284	146,964	3,884
	Local government bonds	1,349	87	174	12	(2)	(6)	1,262	14	1,175	18
	Corporate bonds	21,005	(4,830)	(20,394)	274	(76)	(182)	25,835	350	41,399	456
	Foreign bonds and Others	—	—	—	—	—	—	—	—	—	—
The Juhachi-Shinwa Bank (consolidated)	Total	1,170,805	(78,539)	(159,454)	48,284	9,790	(20,728)	1,249,344	38,494	1,330,259	69,012
	Stocks	32,869	2,702	(5,761)	12,880	3,244	(902)	30,167	9,636	38,630	13,782
	Domestic bonds	919,559	(99,489)	(166,115)	21,171	(3,222)	(15,428)	1,019,048	24,393	1,085,674	36,599
	National government bonds	608,896	(85,842)	(133,287)	17,421	(3,129)	(12,755)	694,738	20,550	742,183	30,176
	Local government bonds	88,366	709	1,672	1,339	17	(473)	87,657	1,322	86,694	1,812
	Corporate bonds	222,294	(14,357)	(34,501)	2,409	(109)	(2,200)	236,651	2,518	256,795	4,609
	Foreign bonds and Others	218,376	18,250	12,422	14,233	9,770	(4,398)	200,126	4,463	205,954	18,631

3. Non-performing loans

(Direct write-off is adopted)

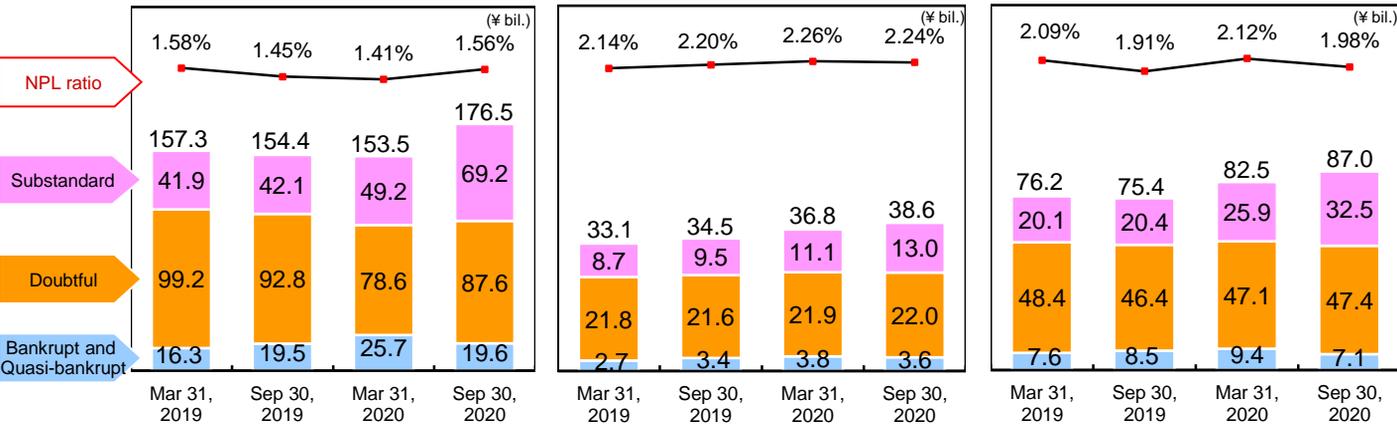
3 banks' total



The Bank of Fukuoka (non-consolidated)

The Kumamoto Bank (non-consolidated)

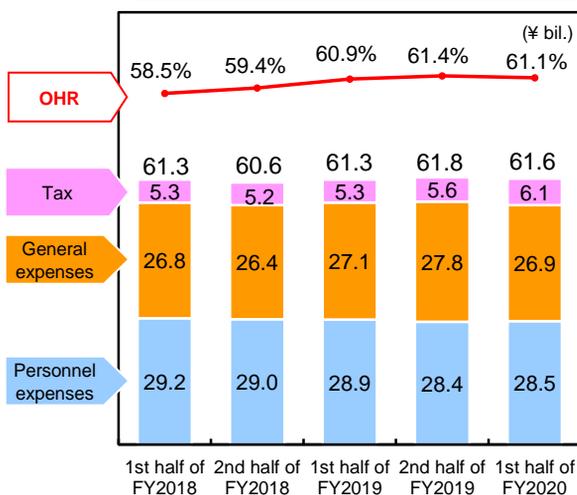
The Juhachi-Shinwa Bank (non-consolidated)



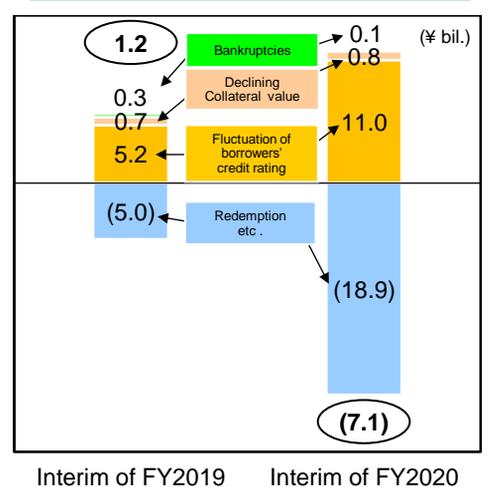
4. Overhead expenses • Credit cost

3 banks' total

Overhead expenses • OHR



Composition of credit cost



5. Capital adequacy ratio

FFG (consolidated)

The Domestic standard

- Consolidated capital adequacy ratio: 10.92%.
- Capital adequacy on its structure based on Pillar 3, market discipline, is disclosed on our website (<https://www.fukuoka-fg.com/investor/library/earnings.html>). (This information is Japanese only.)

(¥ mil.)

	Sep 30, 2020 [preliminary]		Mar 31, 2020	Sep 30, 2019
		Change from Mar 31, 2020		
①Total capital ratio ④/⑤	10.92%	0.23%	0.06%	10.69%
②Core capital	845,276	10,442	(22,469)	834,834
③Deduction	19,690	394	(5,909)	19,296
④Total capital ②-③	825,585	10,048	(16,560)	815,537
⑤Risk adjusted assets	7,554,234	(73,323)	(196,916)	7,627,557

6. Projections

- Based on the interim financial results of FY2020, the business performance forecast was revised as follows.

FFG (consolidated)

(¥ bil.)

	FY2020 Projection		FY2019 Results
		Interim Results	
Consolidated ordinary profit	61.0	38.5	(5.3)
FFG(consolidated)Net income	44.0	26.3	110.6

(¥ bil.)

	FY2020 Projection		FY2019 Simple total
Net income(3 banks' total)	59.4		2.7
Consolidation adjustments	(15.3)		107.9
Negative goodwill gain	—		117.4
FFG(consolidated)Net income	44.0		110.6

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

(¥ bil.)

	FY2020 (Projection)				Comparison	FY2019
	3 banks' total	The Bank of Fukuoka	The Kumamoto Bank	The Juhachi-Shinwa Bank		3 banks' total
Core business profit	76.5	64.7	4.7	7.1	(2.4)	78.9
Ordinary profit	76.4	70.9	4.9	0.5	68.0	8.4
Net income	59.4	53.2	4.0	2.2	56.7	2.7
Credit cost (-)	(4.2)	(1.9)	(0.9)	(1.3)	(65.6)	61.4

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