

Fukuoka Financial Group, Inc.

Financial Digest for Fiscal Year 2020, ended March 31, 2021



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, Executive Officer, Corporate Planning Division
 Date of General Meeting of Shareholders: June 29, 2021 (scheduled)
 Payment date of cash dividends: June 30, 2021 (scheduled)
 Filing date of Financial Statements: June 29, 2021 (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 March 31, 2021)

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

	Ordinary Income		Ordinary Profit		Net Income attributable to owners of the parent	
	¥Million	%	¥Million	%	¥Million	%
FY2020	274,754	(3.0)	60,427	—	44,647	(59.6)
FY2019	283,186	15.1	(5,250)	—	110,607	114.2

(Note) Comprehensive income FY2020: ¥121,887 million [162.8%] FY2019: ¥46,387 million [284.9%]

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
	¥	¥	%	%	%
FY2020	234.86	—	4.9	0.2	22.0
FY2019	581.83	—	13.6	(0.0)	(1.9)

(Reference) Equity in earnings of affiliates FY2020: None FY2019: None

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Own Capital Ratio	Net Assets per Share
	¥Million	¥Million	%	¥
FY2020	27,510,013	958,833	3.4	5,043.70
FY2019	25,068,405	853,062	3.4	4,487.30

(Reference) Own capital FY2020: ¥958,789 million FY2019: ¥853,038 million

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

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

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents, end of period
	¥Million	¥Million	¥Million	¥Million
FY2020	1,541,822	4,740	(16,108)	6,076,226
FY2019	47,871	(147,507)	(15,989)	4,545,697

2. Dividend Payment

	Dividends declared per Share					Total Dividends (Annual)	Dividends Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year			
	¥	¥	¥	¥	¥	¥Million	%	%
FY2019	—	42.50	—	42.50	85.00	16,229	14.6	1.9
FY2020	—	42.50	—	42.50	85.00	16,158	36.2	1.7
FY2021 (projection)	—	47.50	—	47.50	95.00		36.1	

3. Consolidated Earnings Projections for Fiscal year 2021, (Year ending March 31, 2022)

(%: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 FY2021	35,000	(9.0)	24,500	(6.7)	128.88
FY2021	72,000	19.2	50,000	12.0	263.02

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2020	As of Mar 31, 2021
(Assets)	資産の部		
Cash and due from banks	現金預け金	4,555,981	6,086,101
Call loans and bills bought	コールローン及び買入手形	23,236	—
Receivables under resale agreements	買現先勘定	37,621	—
Monetary claims bought	買入金銭債権	54,688	40,350
Trading assets	特定取引資産	1,630	1,506
Money held in trust	金銭の信託	14,734	19,215
Securities	有価証券	3,797,852	3,840,858
Loans and bills discounted	貸出金	16,126,222	17,145,879
Foreign exchanges	外国為替	32,933	17,304
Lease receivables and lease investment assets	リース債権及びリース投資資産	15,857	15,785
Other assets	その他資産	283,821	232,921
Tangible fixed assets	有形固定資産	209,629	206,521
Intangible fixed assets	無形固定資産	19,206	18,187
Net defined benefit assets	退職給付に係る資産	8,459	26,178
Deferred tax assets	繰延税金資産	47,770	15,884
Customers' liabilities for acceptances and guarantees	支払承諾見返	45,662	45,991
Allowance for loan losses	貸倒引当金	(206,904)	(202,675)
Total assets	資産の部合計	25,068,405	27,510,013
(Liabilities)	負債の部		
Deposits	預金	17,174,794	19,211,354
Negotiable certificates of deposit	譲渡性預金	346,675	277,130
Call money and bills sold	コールマネー及び売渡手形	2,248,706	1,698,137
Payables under repurchase agreements	売現先勘定	1,369,069	1,331,403
Payables under securities lending transactions	債券貸借取引受入担保金	638,281	1,025,930
Trading liabilities	特定取引負債	—	0
Borrowed money	借入金	2,159,259	2,735,073
Foreign exchanges	外国為替	1,679	2,177
Short-term bonds payable	短期社債	29,000	41,000
Bonds payable	社債	10,000	10,000
Other liabilities	その他負債	156,225	140,820
Net defined benefit liability	退職給付に係る負債	4,379	1,142
Provision for losses on interest repayments	利息返還損失引当金	26	22
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	8,592	7,239
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	24
Deferred tax liabilities	繰延税金負債	6	800
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	22,961	22,929
Acceptances and guarantees	支払承諾	45,662	45,991
Total liabilities	負債の部合計	24,215,343	26,551,179
(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	141,387
Retained earnings	利益剰余金	514,682	543,245
Treasury stock	自己株式	(2,446)	(2,453)
Total shareholders' equity	株主資本合計	778,454	806,978
Valuation difference on available-for-sale securities	その他有価証券評価差額金	65,358	112,506
Deferred gains or losses on hedges	繰延ヘッジ損益	(32,547)	(16,814)
Revaluation reserve for land	土地再評価差額金	51,495	51,422
Remeasurements of defined benefit plans	退職給付に係る調整累計額	(9,721)	4,696
Total accumulated other comprehensive income	その他の包括利益累計額合計	74,584	151,811
Non-controlling interests	非支配株主持分	23	43
Total net assets	純資産の部合計	853,062	958,833
Total liabilities and net assets	負債及び純資産の部合計	25,068,405	27,510,013

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

Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	FY2019	FY2020
Ordinary income:	経常収益	283,186	274,754
Interest income	資金運用収益	200,141	187,467
Interest on loans and discounts	(うち貸出金利息)	155,206	148,913
Interest and dividends on securities	(うち有価証券利息配当金)	37,936	35,350
Trust fees	信託報酬	0	0
Fees and commissions	役務取引等収益	56,283	56,352
Trading income	特定取引収益	344	758
Other operating income	その他業務収益	17,010	22,082
Other income	その他経常収益	9,406	8,092
Ordinary expenses:	経常費用	288,436	214,327
Interest expenses	資金調達費用	25,829	12,618
Interest on deposits	(うち預金利息)	5,179	1,253
Fees and commissions payments	役務取引等費用	25,007	24,528
Other operating expenses	その他業務費用	8,236	12,281
General and administrative expenses	営業経費	147,602	150,284
Other expenses	その他経常費用	81,760	14,615
Ordinary profit (loss)	経常利益又は経常損失	(5,250)	60,427
Extraordinary income	特別利益	117,444	264
Gain on disposal of noncurrent assets	固定資産処分益	11	264
Gains on negative goodwill	負ののれん発生益	117,433	—
Extraordinary loss	特別損失	3,962	1,360
Loss on disposal of noncurrent assets	固定資産処分損	399	679
Impairment loss	減損損失	3,414	678
Transfer to reserve for financial products transaction liabilities	金融商品取引責任準備金繰入額	—	1
Loss on step acquisitions	段階取得に係る差損	148	—
Income before income taxes:	税金等調整前当期純利益	108,231	59,330
Current	法人税、住民税及び事業税	15,954	14,884
Deferred	法人税等調整額	(18,308)	(141)
Total income taxes	法人税等合計	(2,353)	14,743
Net income	当期純利益	110,585	44,586
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する当期純損失	(22)	(60)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益	110,607	44,647

Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	FY2019	FY2020
Net income	当期純利益	110,585	44,586
Other comprehensive income	その他の包括利益	(64,197)	77,300
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(42,412)	47,148
Deferred gains or losses on hedges	繰延ヘッジ損益	(12,308)	15,733
Remeasurements of defined benefit plans	退職給付に係る調整額	(9,476)	14,418
Total comprehensive income	包括利益	46,387	121,887
(Breakdown)	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る包括利益	46,409	121,948
Comprehensive income attributable to non-controlling interests	非支配株主に係る包括利益	(22)	(60)

(3) Consolidated Statements of Changes in Net Assets

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			(15,861)		(15,861)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益			110,607		110,607
Acquisition of treasury stock	自己株式の取得				(2,055)	(2,055)
Disposition of treasury stock	自己株式の処分		0		0	1
Transfer from revaluation reserve for land	土地再評価差額金の取崩			65		65
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期変動額(純額)					
Total changes during the period	当期変動額合計	—	47,254	94,811	(2,054)	140,010
Balance as of Mar 31, 2020	当期末残高	124,799	141,418	514,682	(2,446)	778,454

		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	778,308
Changes during the period:	当期変動額							
Increase by stock swap	株式交換による増加							47,120
Dividends from surplus	剰余金の配当							(15,861)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益							110,607
Acquisition of treasury stock	自己株式の取得							(2,055)
Disposition of treasury stock	自己株式の処分							1
Transfer from revaluation reserve for land	土地再評価差額金の取崩							65
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期変動額(純額)	(42,412)	(12,308)	(65)	(9,476)	(64,263)	5	(64,257)
Total changes during the period	当期変動額合計	(42,412)	(12,308)	(65)	(9,476)	(64,263)	5	75,753
Balance as of Mar 31, 2020	当期末残高	65,358	(32,547)	51,495	(9,721)	74,584	23	853,062

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:	当期変動額					
Dividends from surplus	剰余金の配当			(16,158)		(16,158)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益			44,647		44,647
Acquisition of treasury stock	自己株式の取得				(7)	(7)
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			73		73
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		(31)			(31)
Net changes of items other than shareholders' equity	株主資本以外の項目の当期変動額(純額)					
Total changes during the period	当期変動額合計	—	(31)	28,562	(7)	28,523
Balance as of Mar 31, 2021	当期末残高	124,799	141,387	543,245	(2,453)	806,978

Item	科目 (Japanese)	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, 2020	当期首残高	65,358	(32,547)	51,495	(9,721)	74,584	23	853,062
Changes during the period:	当期変動額							
Dividends from surplus	剰余金の配当							(16,158)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益							44,647
Acquisition of treasury stock	自己株式の取得							(7)
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							73
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							(31)
Net changes of items other than shareholders' equity	株主資本以外の項目の当期変動額(純額)	47,148	15,733	(73)	14,418	77,227	20	77,247
Total changes during the period	当期変動額合計	47,148	15,733	(73)	14,418	77,227	20	105,771
Balance as of Mar 31, 2021	当期末残高	112,506	(16,814)	51,422	4,696	151,811	43	958,833

Financial Digest for the FY2020

May 14, 2021

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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 (Note) The former Shinwa Bank and the former Eighteenth Bank merged on October 1, 2020, forming the Juhachi-Shinwa Bank. Figures of both banks before the merger were simply added up for this report.

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

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

1. Gain and loss

	3 banks' total			FFG (consolidated)			
	【 announced projections 】	FY2020	Comparison	FY2019	FY2020	Comparison	FY2019
Gross business profit		202,535	1,279	201,256	217,234	2,528	214,706
Net interest income		178,956	517	178,439	174,849	537	174,312
Domestic		167,371	(1,517)	168,888	163,642	(1,270)	164,912
International		11,585	2,034	9,551	11,206	1,807	9,399
Net fees and commissions		20,487	(491)	20,978	31,825	549	31,276
Net trading income		7	0	7	758	414	344
Net other operating income		3,084	1,255	1,829	9,801	1,028	8,773
Gains (losses) on sales (redemptions) of bonds		495	1,188	(693)	468	1,177	(709)
Overhead expenses (-)		122,361	(717)	123,078	148,481	574	147,907
Business profit (before transfer to general reserve for possible loan losses)		80,174	1,997	78,177	68,753	1,954	66,799
① Transfer to general reserve for possible loan losses (-)		(12,188)	(72,190)	60,002	(13,036)	(75,487)	62,451
Business profit		92,362	74,188	18,174	81,789	77,441	4,348
Core business profit [76,500]		79,678	807	78,871	68,284	776	67,508
Core business profit (excluding gains (losses) on cancellation of investment trusts)		79,607	1,045	78,562	68,253	1,149	67,104
Other operating profit (loss)		(18,729)	(8,991)	(9,738)	(21,362)	(11,764)	(9,598)
② Credit cost for disposal of non-performing loans (-)		12,461	11,090	1,371	14,534	10,700	3,834
Net transfer to specific reserve for possible loan losses (-)		12,505	10,647	1,858	14,586	10,263	4,323
Recoveries of written-off claims		380	(495)	875	386	(496)	882
Total credit cost ①+② (-) [(4,200)]		272	(61,102)	61,374	1,498	(64,787)	66,285
Gains (losses) on stocks		5,035	5,148	(113)	4,702	2,475	2,227
Others		(11,304)	(3,051)	(8,253)	(11,529)	(3,538)	(7,991)
Ordinary profit [76,400]		73,632	65,196	8,436	60,427	65,677	(5,250)
Extraordinary profit (loss)		(1,756)	9,270	(11,026)	(1,096)	(114,578)	113,482
Income (loss) before income taxes		71,876	74,466	(2,590)	59,330	(48,901)	108,231
Total income taxes (-)		14,531	19,810	(5,279)	14,743	17,096	(2,353)
Net income [59,400]		57,345	54,656	2,689	44,586	(65,999)	110,585
Net income attributable to non-controlling interests (-)					(60)	(38)	(22)
Net income attributable to owners of the parent [44,000]					44,647	(65,960)	110,607

<Notes> The notes described below are also applied to subsidiary banks (p8-9).

- “()”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.
- We changed presentation methods for FFG’s consolidated report from this fiscal year, recombing figures for the past fiscal year.
This resulted in changes of figures of gross business profit, net other operating income and overhead expenses.

Reference (¥ bil.)	FY2020	FY2019	Comparison
Net income (3 banks' total)	57.3	2.7	+54.7
Gains on negative goodwill	—	117.4	(117.4)
FFG non-consolidated	(14.6)	(16.1)	+1.5
Profit (loss) of subsidiary companies	3.7	1.7	+2.0
Other consolidation adjustments	(1.8)	4.9	(6.7)
FFG's consolidated net income	44.6	110.6	(66.0)

Summary

Core business profit (3 banks' total) ¥79.7 billion

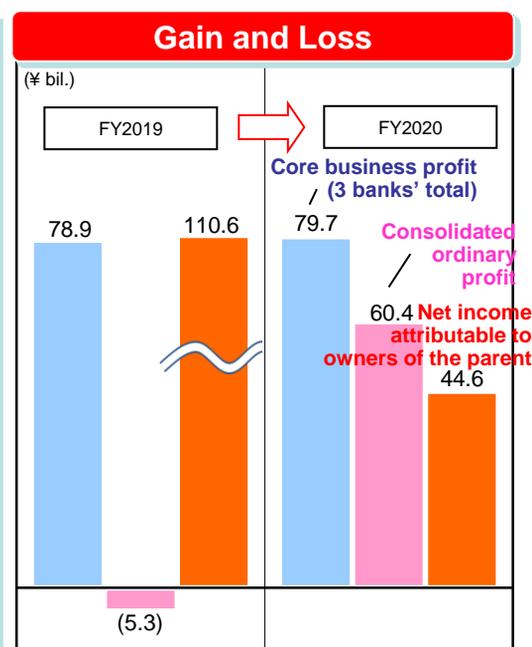
- > Core business profit increased ¥0.8 billion from a year earlier to ¥79.7 billion mainly due to an increase in net interest income.

Consolidated ordinary profit ¥60.4 billion

- > Consolidated ordinary profit increased ¥65.7 billion from a year earlier to ¥60.4 billion mainly due to a decrease in credit cost.

Net income attributable to owners of the parent ¥44.6 billion

- > Net income attributable to owners of the parent decreased ¥66.0 billion from a year earlier to ¥44.6 billion mainly due to the absence of the factor recorded in the previous fiscal year (¥117.4 billion gain on negative goodwill resulting from the stock swap with the former Eighteenth Bank).



The Bank of Fukuoka (non-consolidated)

(¥ mil.)

	【 announced projections 】	FY2020	FY2019	Comparison
Gross business profit		133,894	131,292	2,602
Net interest income		115,113	113,463	1,650
Domestic		105,858	105,253	605
International		9,254	8,210	1,044
Net fees and commissions		15,686	16,099	(413)
Net trading income		7	7	0
Net other operating income		3,087	1,721	1,366
Gains (losses) on sales (redemptions) of bonds		459	(676)	1,135
Overhead expenses (-)		68,381	67,748	633
Business profit (before transfer to general reserve for possible loan losses)		65,512	63,544	1,968
① Transfer to general reserve for possible loan losses (-)		(9,991)	39,112	(49,103)
Business profit		75,504	24,432	51,072
Core business profit	[64,700]	65,053	64,221	832
Core business profit (excluding gains (losses) on cancellation of investment trusts)		64,783	63,896	887
Other operating profit (loss)		(9,855)	(606)	(9,249)
② Credit cost for disposal of non-performing loans (-)		12,351	(197)	12,548
Net transfer to specific reserve for possible loan losses (-)		12,476	(192)	12,668
Recoveries of written-off claims		217	364	(147)
Total credit cost ①+② (-)	[(1,900)]	2,359	38,914	(36,555)
Gains (losses) on stocks		4,644	1,538	3,106
Others		(2,148)	(2,342)	194
Ordinary profit	[70,900]	65,648	23,825	41,823
Extraordinary profit (loss)		(178)	(238)	60
Income (loss) before income taxes		65,469	23,586	41,883
Total income taxes (-)		15,950	4,488	11,462
Net income	[53,200]	49,519	19,098	30,421

The Kumamoto Bank (non-consolidated)

(¥ mil.)

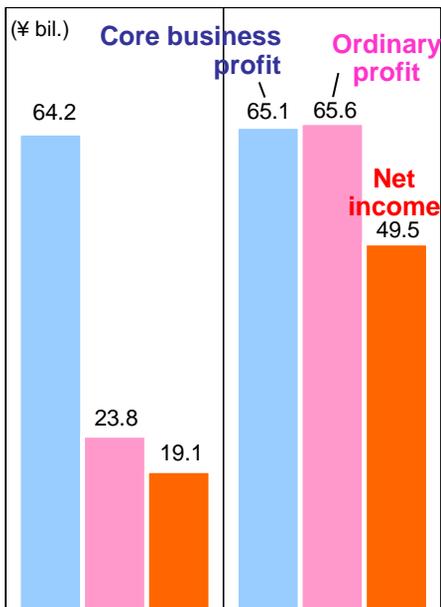
	【 announced projections 】	FY2020	FY2019	Comparison
Gross business profit		18,889	18,685	204
Net interest income		17,830	17,833	(3)
Domestic		17,824	17,792	32
International		5	40	(35)
Net fees and commissions		987	790	197
Net other operating income		70	61	9
Gains (losses) on sales (redemptions) of bonds		9	(3)	12
Overhead expenses (-)		13,270	13,574	(304)
Business profit (before transfer to general reserve for possible loan losses)		5,618	5,110	508
① Transfer to general reserve for possible loan losses (-)		∴[(437)]	5,758	(5,758)
Business profit		∴5,618	(648)	6,266
Core business profit	[4,700]	∴5,609	5,114	495
Core business profit (excluding gains (losses) on cancellation of investment trusts)		∴5,609	5,114	495
Other operating profit (loss)		∴313	(2,455)	2,768
② Credit cost for disposal of non-performing loans (-)		∴(912)	996	(1,908)
Net transfer to specific reserve for possible loan losses (-)		∴∴[(559)]	952	(952)
Reversal of allowance for loan losses		∴∴▶996	—	996
Recoveries of written-off claims		∴21	58	(37)
Total credit cost ①+② (-)	[(900)]	(912)	6,755	(7,667)
Gains (losses) on stocks		—	154	(154)
Others		(599)	(1,613)	1,014
Ordinary profit	[4,900]	5,931	(3,103)	9,034
Extraordinary profit (loss)		(191)	(11)	(180)
Income (loss) before income taxes		5,740	(3,114)	8,854
Total income taxes (-)		1,055	(1,187)	2,242
Net income	[4,000]	4,684	(1,926)	6,610

The Juhachi-Shinwa Bank (non-consolidated)

(¥ mil.)

	【 announced projections 】	FY2020	FY2019	Comparison
Gross business profit		49,751	51,278	(1,527)
Net interest income		46,012	47,143	(1,131)
Domestic		43,687	45,843	(2,156)
International		2,324	1,299	1,025
Net fees and commissions		3,813	4,088	(275)
Net other operating income		(74)	46	(120)
Gains (losses) on sales (redemptions) of bonds		26	(13)	39
Overhead expenses (-)		40,709	41,755	(1,046)
Business profit (before transfer to general reserve for possible loan losses)		9,042	9,522	(480)
① Transfer to general reserve for possible loan losses (-)		∴[(1,759)] -	15,131	(15,131)
Business profit		∴ 9,042	(5,608)	14,650
Core business profit	[7,100]	∴ 9,015	9,535	(520)
Core business profit (excluding gains (losses) on cancellation of investment trusts)		∴ 9,213	9,552	(339)
Other operating profit (loss)		∴ (6,990)	(6,676)	(314)
② Credit cost for disposal of non-performing loans (-)		∴ (1,174)	572	(1,746)
Net transfer to specific reserve for possible loan losses (-)	∴[588]	-	1,097	(1,097)
Reversal of allowance for loan losses	∴▶ 1,171	-	-	1,171
Recoveries of written-off claims		141	452	(311)
Total credit cost ①+② (-)	∴[(1,300)]	(1,174)	15,704	(16,878)
Gains (losses) on stocks		391	(1,806)	2,197
Others		(8,555)	(4,297)	(4,258)
Ordinary profit	[500]	2,052	(12,285)	14,337
Extraordinary profit (loss)		(1,385)	(10,776)	9,391
Income (loss) before income taxes		666	(23,062)	23,728
Total income taxes (-)		(2,474)	(8,580)	6,106
Net income	[2,200]	3,141	(14,482)	17,623

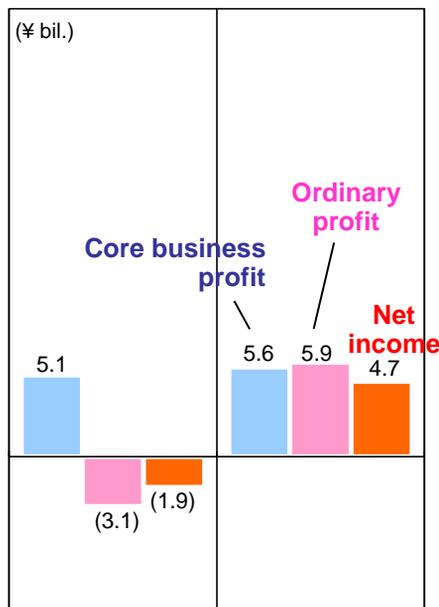
Gain and Loss

The Bank of Fukuoka
(non-consolidated)

FY2019



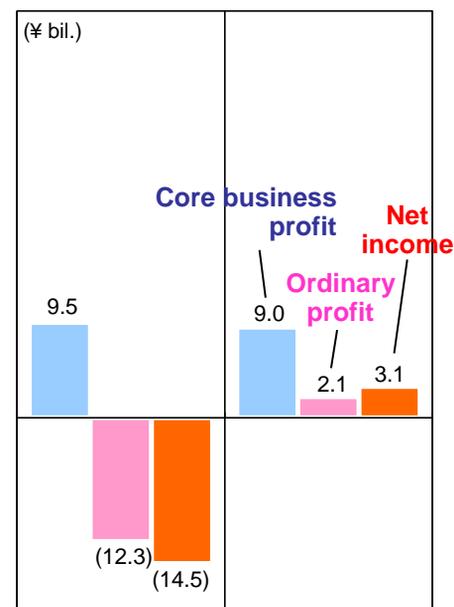
FY2020

The Kumamoto Bank
(non-consolidated)

FY2019



FY2020

The Juhachi-Shinwa Bank
(non-consolidated)

FY2019



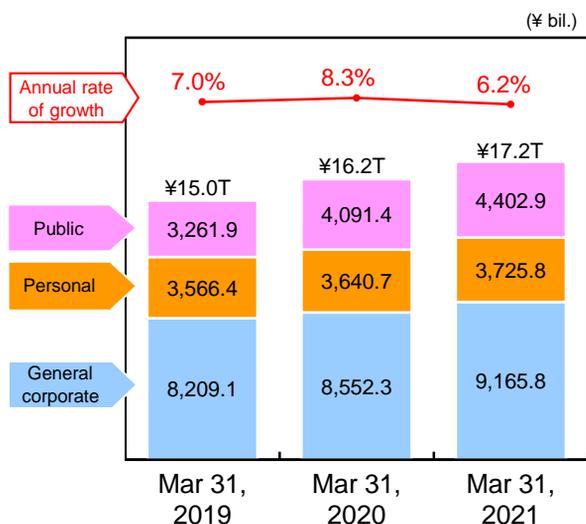
FY2020

2. Assets and liabilities

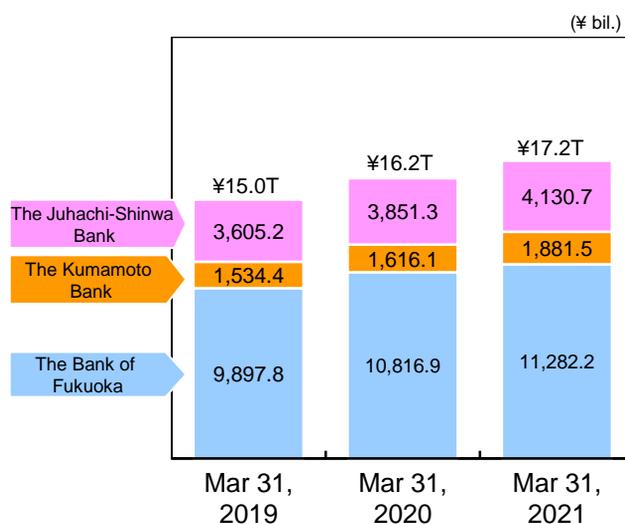
(1) Loans

3 banks' total

Loans classified by customer segment
(Term-end balance)



Loans classified by bank
(Term-end balance)



(¥ mil.)

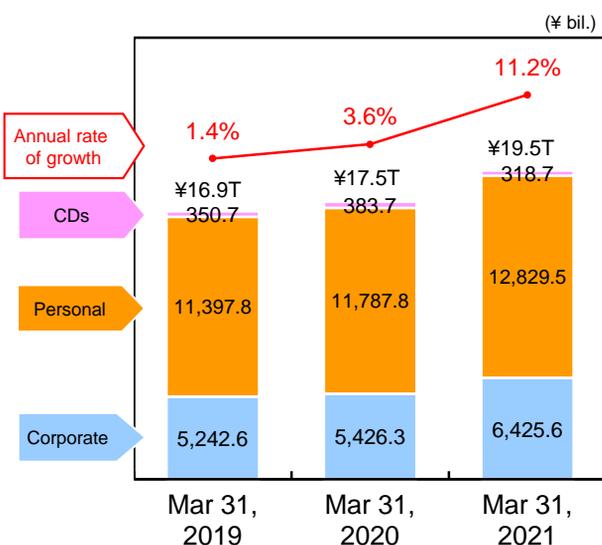
	Mar 31, 2021				Mar 31, 2020	Mar 31, 2019
	annual rate of growth		change from Mar 31, 2020	change from Mar 31, 2019		
3 banks' total	Total loans	6.2%	17,294,600	1,010,068	2,257,062	16,284,532
	Personal segment	2.3%	3,725,800	85,055	159,388	3,640,745
	Corporate segment	7.3%	13,568,797	925,011	2,097,671	12,643,786
	General Corporate	7.2%	9,165,867	613,518	956,739	8,552,349
	Public Sector	7.6%	4,402,928	311,494	1,140,933	4,091,434
	Personal loans	2.2%	3,619,466	78,177	156,281	3,541,289
	Housing loans	2.9%	3,241,805	89,997	167,990	3,151,808
Consumer loans	(3.5%)	313,025	(11,233)	(3,715)	324,258	
The Bank of Fukuoka (non-consolidated)	Total loans	4.3%	11,282,287	465,288	1,384,444	10,816,999
	Personal segment	2.2%	2,345,755	50,681	104,329	2,295,074
	Corporate segment	4.9%	8,936,531	414,606	1,280,114	8,521,925
	General Corporate	8.0%	6,816,908	503,957	799,464	6,312,951
	Public Sector	(4.0%)	2,119,622	(89,351)	480,650	2,208,973
	Fukuoka prefecture	7.1%	7,730,043	511,965	747,590	7,218,078
	Personal loans	2.3%	2,277,914	50,485	105,959	2,227,429
Housing loans	2.7%	2,034,367	54,322	104,055	1,980,045	
Consumer loans	(1.2%)	200,055	(2,511)	6,321	202,566	
The Kumamoto Bank (non-consolidated)	Total loans	16.4%	1,881,589	265,447	347,164	1,616,142
	Personal segment	4.4%	521,566	21,789	42,791	499,777
	Corporate segment	21.8%	1,360,022	243,657	304,372	1,116,365
	General Corporate	7.4%	693,174	47,484	71,064	645,690
	Public Sector	41.7%	666,848	196,174	233,309	470,674
	Kumamoto prefecture	5.4%	1,251,694	64,201	123,040	1,187,493
	Personal loans	4.6%	500,608	22,082	44,440	478,526
Housing loans	5.5%	465,912	24,162	49,252	441,750	
Consumer loans	(6.1%)	29,686	(1,928)	(1,775)	31,614	
The Juhachi-Shinwa Bank (non-consolidated)	Total loans	7.3%	4,130,724	279,333	525,454	3,851,391
	Personal segment	1.5%	858,479	12,585	12,268	845,894
	Corporate segment	8.9%	3,272,244	266,748	513,185	3,005,496
	General Corporate	3.9%	1,655,785	62,077	86,211	1,593,708
	Public Sector	14.5%	1,616,458	204,671	426,974	1,411,787
	Nagasaki prefecture	3.0%	2,295,546	66,937	98,272	2,228,609
	Personal loans	0.7%	840,944	5,610	5,882	835,334
Housing loans	1.6%	741,526	11,513	14,683	730,013	
Consumer loans	(7.5%)	83,284	(6,794)	(8,261)	90,078	

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥129.5 billion at the end of March 2019, ¥123.3 billion at the end of March 2020, and ¥123.3 billion at the end of March 2021).

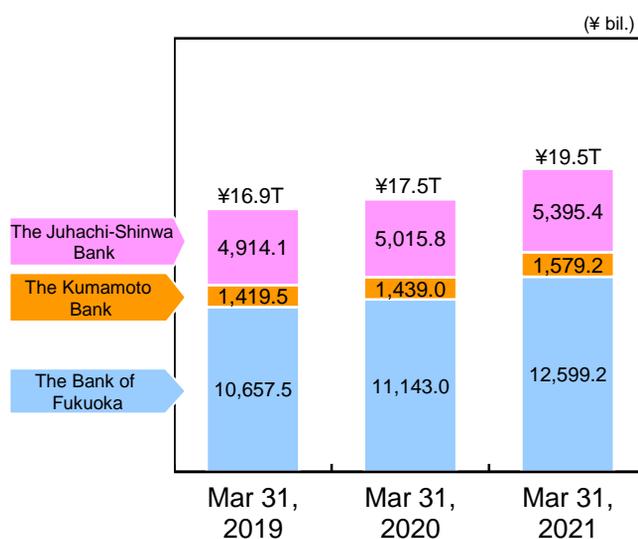
(2) Deposits

3 banks' total

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



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



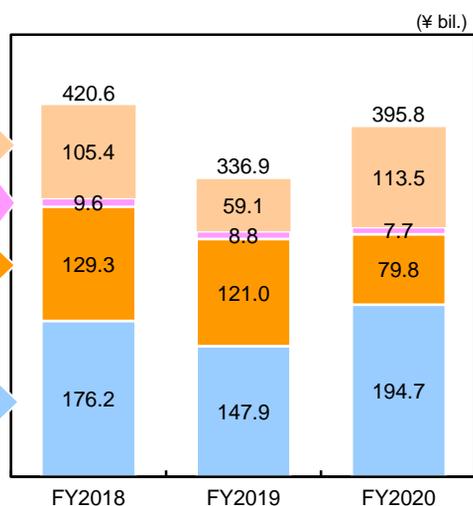
(¥ mil.)

		Mar 31, 2021		change from Mar 31, 2020	change from Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
		annual rate of growth					
3 banks' total	Personal deposits	8.8%	12,829,559	1,041,726	1,431,672	11,787,833	11,397,887
	Corporate deposits	18.4%	6,425,667	999,274	1,183,065	5,426,393	5,242,602
	Total	11.9%	19,255,227	2,040,998	2,614,735	17,214,229	16,640,492
	Demand	18.7%	14,183,109	2,234,551	2,917,158	11,948,558	11,265,951
	Time	(3.7%)	5,072,117	(193,553)	(302,422)	5,265,670	5,374,539
	CDs	(16.9%)	318,779	(64,946)	(31,938)	383,725	350,717
	Deposits and CDs	11.2%	19,574,007	1,976,053	2,582,796	17,597,954	16,991,211
The Bank of Fukuoka (non-consolidated)	Personal deposits	10.1%	8,140,097	746,118	1,050,465	7,393,979	7,089,632
	Corporate deposits	21.1%	4,280,676	746,947	923,131	3,533,729	3,357,545
	Total	13.7%	12,420,773	1,493,064	1,973,595	10,927,709	10,447,178
	Demand	20.3%	9,369,469	1,582,141	2,048,967	7,787,328	7,320,502
	Time	(2.8%)	3,051,304	(89,076)	(75,371)	3,140,380	3,126,675
	CDs	(17.1%)	178,447	(36,917)	(31,939)	215,364	210,386
	Deposits and CDs	13.1%	12,599,220	1,456,147	1,941,656	11,143,073	10,657,564
	Fukuoka prefecture	15.4%	11,666,910	1,553,319	1,928,580	10,113,591	9,738,330
The Kumamoto Bank (non-consolidated)	Personal deposits	6.4%	1,142,828	69,003	84,274	1,073,825	1,058,554
	Corporate deposits	19.7%	435,866	71,591	78,055	364,275	357,811
	Total	9.8%	1,578,695	140,594	162,329	1,438,101	1,416,366
	Demand	19.2%	1,039,218	167,310	224,542	871,908	814,676
	Time	(4.7%)	539,476	(26,717)	(62,213)	566,193	601,689
	CDs	(36.6%)	600	(346)	(2,536)	946	3,136
	Deposits and CDs	9.7%	1,579,295	140,248	159,793	1,439,047	1,419,502
	Kumamoto prefecture	10.1%	1,490,173	136,448	157,676	1,353,725	1,332,497
The Juhachi-Shinwa Bank (non-consolidated)	Personal deposits	6.8%	3,546,634	226,605	296,933	3,320,029	3,249,701
	Corporate deposits	11.8%	1,709,125	180,736	181,879	1,528,389	1,527,246
	Total	8.4%	5,255,759	407,340	478,811	4,848,419	4,776,948
	Demand	14.7%	3,774,422	485,100	643,649	3,289,322	3,130,773
	Time	(5.0%)	1,481,337	(77,760)	(164,838)	1,559,097	1,646,175
	CDs	(16.5%)	139,732	(27,683)	2,537	167,415	137,195
	Deposits and CDs	7.6%	5,395,492	379,658	481,347	5,015,834	4,914,145
	Nagasaki prefecture	8.8%	4,857,986	394,626	454,978	4,463,360	4,403,008

(3) Asset management products

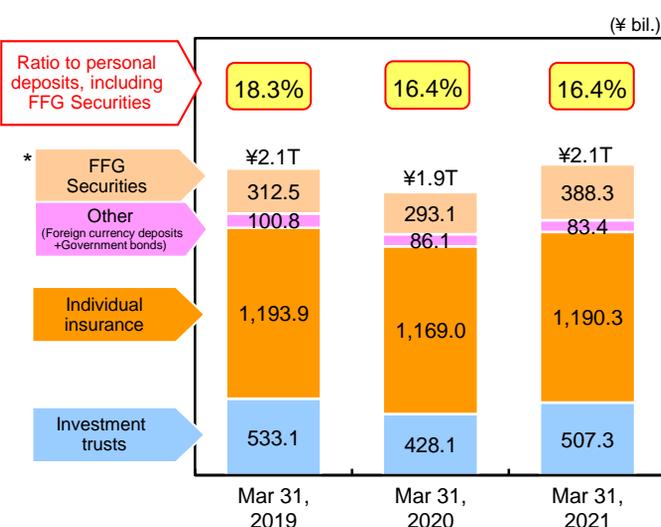
Group's total

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.)

		FY2020			FY2019	FY2018	Mar 31, 2021			Mar 31, 2020	Mar 31, 2019
			change from FY2019	change from FY2018				Change from Mar 31, 2020	Change from Mar 31, 2019		
Group's total	Investment trusts	194.7	46.8	18.5	147.9	176.2	507.3	79.2	(25.8)	428.1	533.1
	Individual insurance	79.8	(41.2)	(49.5)	121.0	129.3	1,190.3	21.3	(3.6)	1,169.0	1,193.9
	Foreign currency deposits	4.8	(0.9)	(1.1)	5.7	5.9	36.4	4.2	4.2	32.2	32.2
	Government bonds	2.8	(0.2)	(0.8)	3.0	3.6	47.0	(6.8)	(21.6)	53.8	68.6
	FFG Securities	113.5	54.4	8.1	59.1	105.4	388.3	95.2	75.8	293.1	312.5
	Total	395.8	58.9	(24.8)	336.9	420.6	2,169.4	192.9	28.9	1,976.5	2,140.5
	Ratio to personal deposits						16.4%	0.0%	(1.9%)	16.4%	18.3%
The Bank of Fukuoka (non-consolidated)	Investment trusts	122.5	41.2	27.5	81.3	95.0	311.5	60.0	5.7	251.5	305.8
	Individual insurance	35.3	(39.4)	(30.0)	74.7	65.3	675.7	2.2	0.5	673.5	675.2
	Foreign currency deposits	4.0	(0.5)	(0.7)	4.5	4.7	27.4	3.4	3.7	24.0	23.7
	Government bonds	2.2	0.1	(0.2)	2.1	2.4	34.5	(5.4)	(17.7)	39.9	52.2
	Total	164.2	1.4	(3.4)	162.8	167.6	1,049.1	60.1	(7.9)	989.0	1,057.0
	Ratio to personal deposits						12.9%	(0.5%)	(2.0%)	13.4%	14.9%
The Kumamoto Bank (non-consolidated)	Investment trusts	29.0	5.7	(0.4)	23.3	29.4	66.8	8.7	(8.5)	58.1	75.3
	Individual insurance	15.4	1.2	0.3	14.2	15.1	144.7	2.8	(2.7)	141.9	147.4
	Foreign currency deposits	0.4	(0.1)	0.3	0.5	0.1	2.7	0.3	0.4	2.4	2.3
	Government bonds	0.0	0.0	0.0	0.0	0.0	1.0	0.0	(0.3)	1.0	1.3
	Total	44.9	6.8	0.1	38.1	44.8	215.3	11.8	(11.0)	203.5	226.3
Ratio to personal deposits						18.8%	(0.2%)	(2.6%)	19.0%	21.4%	
The Juhachi-Shinwa Bank (non-consolidated)	Investment trusts	43.1	0.0	(8.5)	43.1	51.6	128.9	10.4	(23.0)	118.5	151.9
	Individual insurance	28.9	(3.1)	(19.9)	32.0	48.8	369.8	16.2	(1.5)	353.6	371.3
	Foreign currency deposits	0.3	(0.3)	(0.7)	0.6	1.0	6.2	0.5	0.1	5.7	6.1
	Government bonds	0.5	(0.4)	(0.6)	0.9	1.1	11.4	(1.4)	(3.6)	12.8	15.0
	Total	73.0	(3.7)	(29.7)	76.7	102.7	516.6	25.9	(27.9)	490.7	544.5
Ratio to personal deposits						14.6%	(0.2%)	(2.2%)	14.8%	16.8%	

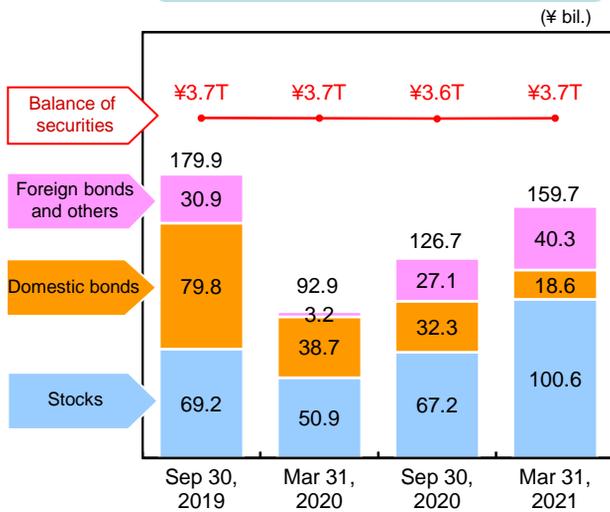
<Notes> 1. The sales of investment trusts include those to corporate customers, but the others are the sales only to individuals.

2. The sales of individual insurance don't include level premium insurance besides prepaid contracts.

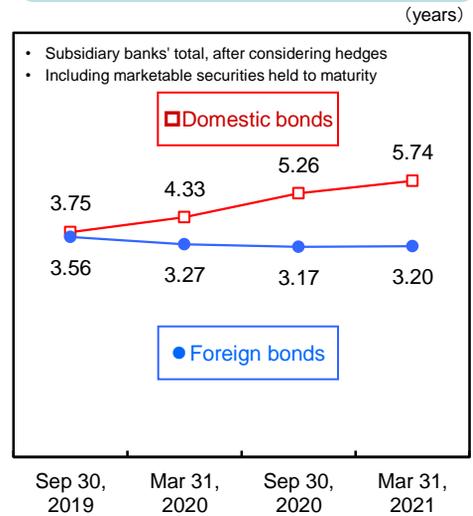
(4) Marketable securities

FFG (consolidated)

Unrealized gain



Bond duration

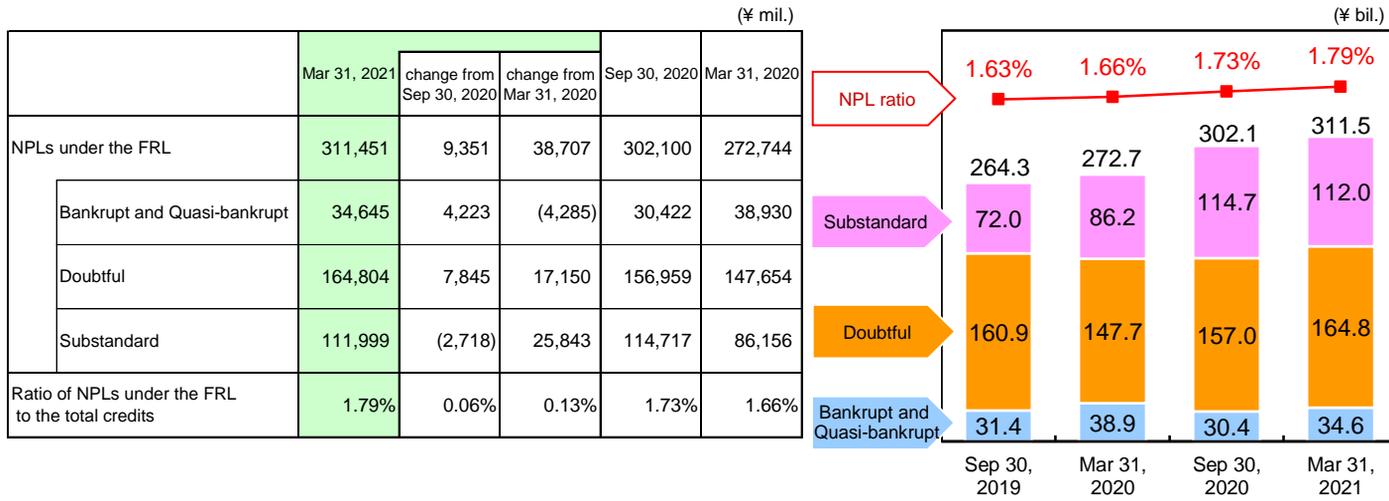


(¥ mil.)

		Mar 31, 2021						Sep 30, 2020		Mar 31, 2020	
		Market value	change from		Unrealized gain(loss)	change from		Market value	Unrealized gain(loss)	Market value	Unrealized gain(loss)
			Sep 30, 2020	Mar 31, 2020		Sep 30, 2020	Mar 31, 2020				
FFG (consolidated)	Total	3,760,078	156,933	32,704	159,718	32,976	66,768	3,603,145	126,742	3,727,374	92,950
	Stocks	194,726	33,867	52,611	100,695	33,474	49,699	160,859	67,221	142,115	50,996
	Domestic bonds	2,539,308	2,510	(180,813)	18,691	(13,701)	(20,056)	2,536,798	32,392	2,720,121	38,747
	National government bonds	1,890,646	29,517	(77,999)	17,972	(12,401)	(18,512)	1,861,129	30,373	1,968,645	36,484
	Local government bonds	155,884	(6,413)	(6,567)	63	(239)	(75)	162,297	302	162,451	138
	Corporate bonds	492,778	(20,592)	(96,246)	655	(1,061)	(1,469)	513,370	1,716	589,024	2,124
Foreign bonds and Others	1,026,043	120,556	160,905	40,331	13,203	37,126	905,487	27,128	865,138	3,205	
The Bank of Fukuoka (consolidated)	Total	2,446,696	146,016	126,106	135,555	23,488	46,415	2,300,680	112,067	2,320,590	89,140
	Stocks	154,592	28,548	43,098	91,482	28,202	41,196	126,044	63,280	111,494	50,286
	Domestic bonds	1,527,176	39,651	(16,909)	16,278	(9,515)	(13,636)	1,487,525	25,793	1,544,085	29,914
	National government bonds	1,201,679	56,804	57,662	15,886	(8,687)	(12,380)	1,144,875	24,573	1,144,017	28,266
	Local government bonds	71,613	(967)	(1,917)	(61)	(174)	(182)	72,580	113	73,530	121
	Corporate bonds	253,884	(16,186)	(72,653)	453	(653)	(1,073)	270,070	1,106	326,537	1,526
Foreign bonds and Others	764,926	77,816	99,916	27,795	4,802	18,856	687,110	22,993	665,010	8,939	
The Kumamoto Bank (non-consolidated)	Total	128,255	(3,403)	(30,370)	2,543	(441)	(792)	131,658	2,984	158,625	3,335
	Stocks	2,195	250	557	1,242	249	556	1,945	993	1,638	686
	Domestic bonds	126,060	(3,652)	(30,926)	1,300	(691)	(1,349)	129,712	1,991	156,986	2,649
	National government bonds	103,951	(3,406)	(25,937)	1,073	(631)	(1,211)	107,357	1,704	129,888	2,284
	Local government bonds	1,448	99	186	10	(2)	(4)	1,349	12	1,262	14
	Corporate bonds	20,659	(346)	(5,176)	216	(58)	(134)	21,005	274	25,835	350
Foreign bonds and Others	—	—	—	—	—	—	—	—	—	—	
The Juhachi-Shinwa Bank (consolidated)	Total	1,183,941	13,136	(65,403)	56,628	8,344	18,134	1,170,805	48,284	1,249,344	38,494
	Stocks	37,938	5,069	7,771	17,744	4,864	8,108	32,869	12,880	30,167	9,636
	Domestic bonds	884,886	(34,673)	(134,162)	16,290	(4,881)	(8,103)	919,559	21,171	1,019,048	24,393
	National government bonds	583,830	(25,066)	(110,908)	13,276	(4,145)	(7,274)	608,896	17,421	694,738	20,550
	Local government bonds	82,821	(5,545)	(4,836)	1,138	(201)	(184)	88,366	1,339	87,657	1,322
	Corporate bonds	218,234	(4,060)	(18,417)	1,875	(534)	(643)	222,294	2,409	236,651	2,518
Foreign bonds and Others	261,116	42,740	60,990	22,593	8,360	18,130	218,376	14,233	200,126	4,463	

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

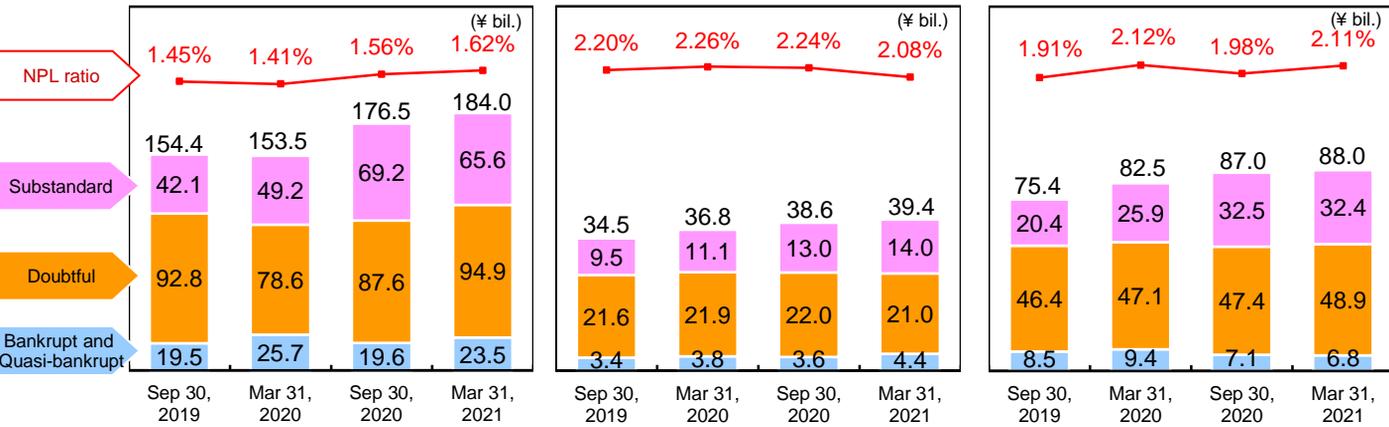
3 banks' total



The Bank of Fukuoka
(non-consolidated)

The Kumamoto Bank
(non-consolidated)

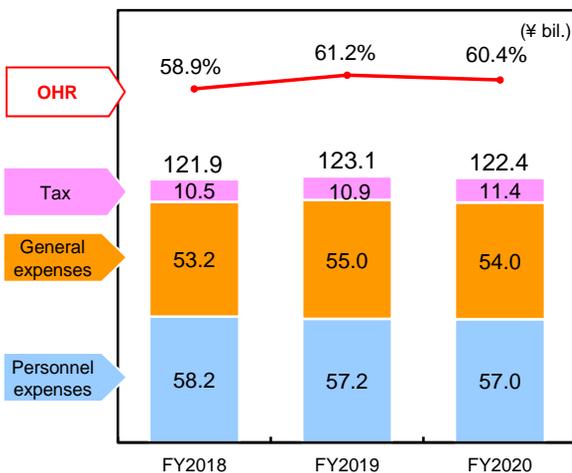
The Juhachi-Shinwa Bank
(non-consolidated)



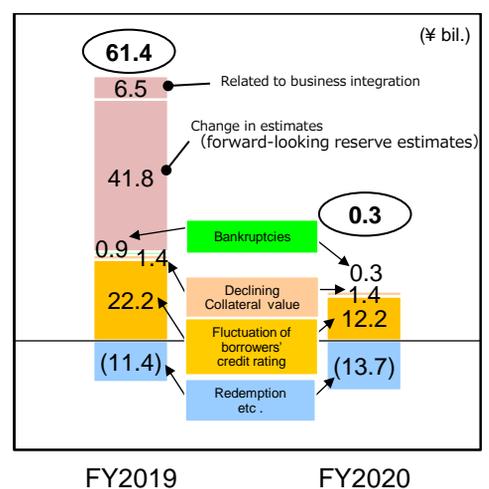
4. Overhead expenses • Credit cost

3 banks' total

Overhead expenses • OHR



Composition of credit cost



5. Capital adequacy ratio

FFG (consolidated)

The Domestic standard

- Consolidated capital adequacy ratio: 10.68%.
- 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.)

	Mar 31, 2021 [preliminary]		Sep 30, 2020	Mar 31, 2020
		Change from Sep 30, 2020		
①Total capital ratio ④/⑤	10.68%	(0.24%)	10.92%	10.69%
②Core capital	867,654	22,378	845,276	834,834
③Deduction	30,974	11,284	19,690	19,296
④Total capital ②-③	836,679	11,094	825,585	815,537
⑤Risk adjusted assets	7,829,468	275,234	7,554,234	7,627,557

6. Projections

- The tables presented below show our business performance forecast for FY2021, the final year of the Sixth Mid-Term Management Plan.

FFG (consolidated)

(¥ bil.)

	FY2021 Projection		FY2020 Results
		Interim Projection	
Consolidated ordinary profit	72.0	35.0	60.4
FFG(consolidated)Net income	50.0	24.5	44.6

(¥ bil.)

	FY2021 Projection		FY2020 Simple total
Net income(3 banks' total)	61.1		57.3
Consolidation adjustments	(11.1)		(12.7)
FFG(consolidated)Net income	50.0		44.6

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

(¥ bil.)

	FY2021 (Projection)					Comparison	FY2020 3 banks' total
	3 banks' total	3 banks' total					
		The Bank of Fukuoka	The Kumamoto Bank	The Juhachi-Shinwa Bank			
Core business profit	84.0	68.5	5.4	10.2	4.3	79.7	
Ordinary profit	84.3	73.1	4.4	6.9	10.7	73.6	
Net income	61.1	52.4	3.3	5.4	3.8	57.3	
Credit cost (-)	5.8	3.5	0.8	1.5	5.5	0.3	

(¥ bil.)

	FY2021 Interim (Projection)					Comparison	FY2020 Interim 3 banks' total
	3 banks' total	3 banks' total					
		The Bank of Fukuoka	The Kumamoto Bank	The Juhachi-Shinwa Bank			
Core business profit	41.9	34.6	2.5	4.9	3.2	38.7	
Ordinary profit	41.9	36.8	2.0	3.2	(2.9)	44.8	
Net income	30.3	26.4	1.5	2.4	(3.1)	33.4	
Credit cost (-)	2.9	1.8	0.4	0.8	10.0	(7.1)	

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