

Fukuoka Financial Group, Inc.

Financial Digest for the Third Quarter of FY2018



Stock Exchange Listing: Tokyo, Fukuoka (code:8354)
 URL: <https://www.fukuoka-fg.com/>
 Representative: Takashige Shibato, President
 For Inquiry: Masahiro Fujii, General Manager, Corporate Planning Division
 Payment date of cash dividends: —
 Filing date of Financial Statements: February 8, 2019 (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, 2018 to December 31, 2018)

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

	Ordinary Income		Ordinary Profit		Net Income attributable to owners of the parent	
	¥Million	%	¥Million	%	¥Million	%
3Q FY2018	179,830	0.7	54,420	(1.5)	38,904	1.2
3Q FY2017	178,616	3.6	55,254	40.2	38,433	51.8

(Note) Comprehensive income 3Q FY2018: ¥6,392 million [(89.4)%] 3Q FY2017: ¥60,220 million [166.1%]

	Net Income per Share	Net Income per Share (Diluted)
	¥	¥
3Q FY2018	226.51	—
3Q FY2017	223.75	—

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

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Own Capital Ratio
	¥Million	¥Million	%
December 31, 2018	20,979,153	771,652	3.6
March 31, 2018	20,163,679	778,973	3.8

(Reference) Own capital December 31, 2018: ¥771,652 million March 31, 2018: ¥778,955 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
	¥	¥	¥	¥	¥
FY2017	—	7.50	—	7.50	15.00
FY2018	—	8.50	—	—	—
FY2018 (projection)	—	—	—	42.50	—

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

(Note) As the group consolidated its common shares at the ratio of one new share for every five old shares effective October 1, 2018, the effect of the said consolidation of shares is factored into the calculation of the year-end dividend per share for the fiscal year ending March 31, 2019, and the total annual dividend is shown as “—”. If the effect is not factored in, the year-end dividend per share would be ¥8.5 and the annual dividend per share would be ¥17.

3. Consolidated Earnings Projections for Fiscal year 2018, (Year ending March 31, 2019)

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

	Ordinary Profit		Net Income attributable to owners of the parent		Net Income per Share
	¥Million	%	¥Million	%	¥
FY2018	75,500	5.4	52,000	5.3	302.74

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

(Note) As the group consolidated its common shares at the ratio of one new share for every five old shares effective October 1, 2018, the effect of the said consolidation of shares is factored into the calculation of the net income per share in the consolidated financial forecast for the fiscal year ending March 31, 2019.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2018	As of Dec 31, 2018
(Assets)	資産の部		
Cash and due from banks	現金預け金	4,174,081	4,564,846
Call loans and bills bought	コールローン及び買入手形	9,661	8,884
Monetary claims bought	買入金銭債権	63,784	69,405
Trading assets	特定取引資産	1,804	1,431
Money held in trust	金銭の信託	4,113	3,577
Securities	有価証券	3,331,309	3,144,391
Loans and bills discounted	貸出金	12,230,470	12,814,924
Foreign exchanges	外国為替	6,834	10,346
Other assets	その他資産	178,828	199,037
Tangible fixed assets	有形固定資産	196,289	194,660
Intangible fixed assets	無形固定資産	15,564	15,396
Net defined benefit assets	退職給付に係る資産	33,304	28,459
Deferred tax assets	繰延税金資産	3,572	7,216
Customers' liabilities for acceptances and guarantees	支払承諾見返	40,215	46,252
Allowance for loan losses	貸倒引当金	(126,155)	(129,677)
Total assets	資産の部合計	20,163,679	20,979,153
(Liabilities)	負債の部		
Deposits	預金	13,795,830	13,929,956
Negotiable certificates of deposit	譲渡性預金	282,524	478,320
Call money and bills sold	コールマネー及び売渡手形	1,315,936	1,767,185
Payables under repurchase agreements	売現先勘定	105,625	1,504,160
Payables under securities lending transactions	債券貸借取引受入担保金	2,140,301	523,944
Trading liabilities	特定取引負債	0	0
Borrowed money	借入金	1,521,762	1,779,179
Foreign exchanges	外国為替	1,181	1,627
Short-term bonds payable	短期社債	5,000	15,000
Bonds payable	社債	20,000	10,000
Other liabilities	その他負債	115,711	122,575
Net defined benefit liability	退職給付に係る負債	951	984
Provision for losses on interest repayments	利息返還損失引当金	48	23
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	5,939	4,387
Provision for contingent liabilities losses	その他の偶発損失引当金	7	4
Reserves under the special laws	特別法上の引当金	22	22
Deferred tax liabilities	繰延税金負債	10,627	853
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	23,020	23,020
Acceptances and guarantees	支払承諾	40,215	46,252
Total liabilities	負債の部合計	19,384,706	20,207,501
(Net assets)	純資産の部		
Capital stock	資本金	124,799	124,799
Capital surplus	資本剰余金	94,158	94,206
Retained earnings	利益剰余金	381,891	407,056
Treasury stock	自己株式	(364)	(387)
Total shareholders' equity	株主資本合計	600,485	625,673
Valuation difference on available-for-sale securities	その他有価証券評価差額金	131,493	103,162
Deferred gains or losses on hedges	繰延ヘッジ損益	(12,684)	(16,756)
Revaluation reserve for land	土地再評価差額金	51,631	51,631
Remeasurements of defined benefit plans	退職給付に係る調整累計額	8,029	7,940
Total accumulated other comprehensive income	その他の包括利益累計額合計	178,470	145,978
Non-controlling interests	非支配株主持分	17	—
Total net assets	純資産の部合計	778,973	771,652
Total liabilities and net assets	負債及び純資産の部合計	20,163,679	20,979,153

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

Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	9 months ended Dec 31, 2017	9 months ended Dec 31, 2018
Ordinary income:	経常収益	178,616	179,830
Interest income	資金運用収益	128,782	133,629
Interest on loans and discounts	(うち貸出金利息)	101,244	102,277
Interest and dividends on securities	(うち有価証券利息配当金)	24,859	26,162
Fees and commissions	役務取引等収益	38,486	37,737
Trading income	特定取引収益	53	97
Other operating income	その他業務収益	4,775	4,556
Other income	その他経常収益	6,518	3,809
Ordinary expenses:	経常費用	123,362	125,409
Interest expenses	資金調達費用	14,607	15,787
Interest on deposits	(うち預金利息)	4,189	3,222
Fees and commissions payments	役務取引等費用	15,184	15,690
Other operating expenses	その他業務費用	468	37
General and administrative expenses	営業経費	90,514	87,995
Other expenses	その他経常費用	2,588	5,898
Ordinary profit	経常利益	55,254	54,420
Extraordinary income	特別利益	24	7
Gain on disposal of noncurrent assets	固定資産処分益	21	7
Transfer from reserve for financial products transaction liabilities	金融商品取引責任準備金取崩額	2	—
Extraordinary loss	特別損失	572	260
Loss on disposal of noncurrent assets	固定資産処分損	505	210
Impairment loss	減損損失	67	50
Income before income taxes:	税金等調整前四半期純利益	54,705	54,167
Current	法人税、住民税及び事業税	14,095	15,114
Deferred	法人税等調整額	2,212	167
Total income taxes	法人税等合計	16,307	15,282
Net income	四半期純利益	38,397	38,885
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する四半期純損失	(36)	(19)
Net income attributable to owners of the parent	親会社株主に帰属する四半期純利益	38,433	38,904

Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	9 months ended Dec 31, 2017	9 months ended Dec 31, 2018
Net income	四半期純利益	38,397	38,885
Other comprehensive income	その他の包括利益	21,823	(32,492)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	19,603	(28,331)
Deferred gains or losses on hedges	繰延ヘッジ損益	504	(4,072)
Remeasurements of defined benefit plans	退職給付に係る調整額	1,715	(88)
Total comprehensive income	四半期包括利益	60,220	6,392
(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	60,257	6,412
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	(36)	(19)

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February 6, 2019

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

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)			(¥ mil.)
	9 months ended Dec 31, 2018	Comparison	9 months ended Dec 31, 2017	9 months ended Dec 31, 2018	Comparison	9 months ended Dec 31, 2017	FY 2017
Gross business profit	134,044	3,013	131,031	144,505	2,666	141,839	188,882
Net interest income	118,091	3,647	114,444	117,841	3,664	114,177	152,080
Domestic	112,156	3,319	108,837	111,905	3,335	108,570	144,495
International	5,935	329	5,606	5,935	329	5,606	7,584
Net fees and commissions	14,556	(1,130)	15,686	22,047	(1,254)	23,301	32,043
Net trading income	4	(2)	6	97	44	53	84
Net other operating income	1,392	497	895	4,519	213	4,306	4,673
Gains (losses) on sales (redemptions) of bonds	5	467	(462)	4	466	(462)	(1,681)
Overhead expenses (-)	75,854	(873)	76,727	87,965	178	87,787	116,549
Business profit (before transfer to general reserve for possible loan losses)	58,190	3,886	54,304	56,540	2,489	54,051	72,332
① Transfer to general reserve for possible loan losses (-)	(750)	(750)	[(7,110)] —	708	708	[(6,989)] —	(1,255)
Business profit	58,941	4,637	54,304	55,831	1,780	54,051	73,587
Core business profit	58,185	3,419	54,766	56,535	2,022	54,513	74,013
Other operating profit (loss)	1,067	(2,172)	3,239	(1,411)	(2,614)	1,203	(1,951)
② Credit cost for disposal of non-performing loans (-)	977	7,261	(6,284)	2,923	7,339	(4,416)	751
Net transfer to specific reserve for possible loan losses (-)	833	833	[(1,443)] —	2,805	2,805	[(3,219)] —	1,693
Reversal of allowance for loan losses	—	(5,667)	5,667	—	(3,769)	3,769	—
Recoveries of written-off claims	447	(485)	932	447	(485)	932	1,308
Total credit cost ①+② (-)	226	6,510	(6,284)	3,632	8,048	(4,416)	(503)
Gains (losses) on stocks	2,779	1,520	1,259	2,428	1,169	1,259	1,844
Others	(733)	3,572	(4,305)	(915)	3,558	(4,473)	(3,045)
Ordinary profit	60,009	2,466	57,543	54,420	(834)	55,254	71,636
Extraordinary profit (loss)	(250)	324	(574)	(253)	295	(548)	(862)
Income (loss) before income taxes	59,758	2,790	56,968	54,167	(538)	54,705	70,774
Total income taxes (-)	14,824	(387)	15,211	15,282	(1,025)	16,307	21,443
Net income	44,934	3,177	41,757	38,885	488	38,397	49,330
Net income attributable to non-controlling interests (-)	—	—	—	(19)	17	(36)	(39)
Net income attributable to owners of the parent	—	—	—	38,904	471	38,433	49,369

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

1. “()”denotes minus.
2. Core business profit
= Business profit + Transfer to general reserve for possible loan losses — Gains (losses) on sales (redemptions) of bonds
3. 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.

■ 9 months Summary

Core business profit
(3 banks' total) **¥58.2 billion**

Progress on FY2018
Projection 75.9%

➢ Core business profit (3 banks' total) increased ¥3.4 billion from a year earlier to ¥58.2 billion mainly due to an increase of net interest income, showing smooth progress of 75.9% towards the projection announced for this fiscal year (¥76.7 billion).

Consolidated ordinary profit **¥54.4 billion**

Progress on FY2018
Projection 72.1%

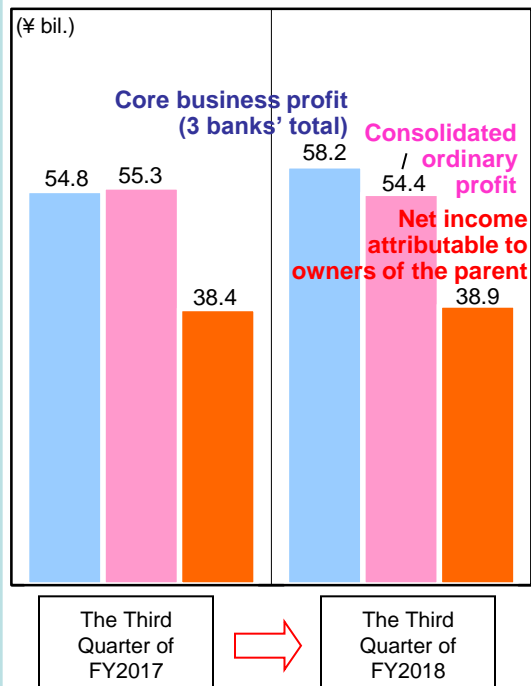
➢ Consolidated ordinary profit decreased ¥0.8 billion from a year earlier to ¥54.4 billion. While gains on stocks and others increased, credit cost increased.

Net income attributable to owners of the parent **¥38.9 billion**

Progress on FY2018
Projection 74.8%

➢ As a result, net income attributable to owners of the parent increased ¥0.5 billion from a year earlier to ¥38.9 billion.
➢ The rate of progress towards the projection announced for this fiscal year (¥52.0 billion) was 74.8%, which is approximately as planned.

Gain and Loss



The Bank of Fukuoka (non-consolidated)

(¥ mil.)

	9 months ended Dec 31, 2018	9 months ended Dec 31, 2017	Comparison	FY 2017
Gross business profit	99,338	95,918	3,420	127,272
Net interest income	86,710	83,197	3,513	110,891
Domestic	80,925	77,708	3,217	103,473
International	5,785	5,488	297	7,418
Net fees and commissions	11,438	11,895	(457)	16,600
Net trading income	4	6	(2)	6
Net other operating income	1,184	820	364	(226)
Gains (losses) on sales (redemptions) of bonds	(5)	(406)	401	(1,621)
Overhead expenses (-)	50,289	50,950	(661)	67,600
Business profit (before transfer to general reserve for possible loan losses)	49,048	44,968	4,080	59,671
① Transfer to general reserve for possible loan losses (-)	...(321)	...(5,134)	—	(767)
Business profit	49,048	44,968	4,080	60,439
Core business profit	49,053	45,374	3,679	61,293
Other operating profit (loss)	4,126	(1,034)	5,160	(3,429)
② Credit cost for disposal of non-performing loans (-)	(1,809)	(1,815)	6	1,985
Net transfer to specific reserve for possible loan losses (-)	...(1,672)	...(3,890)	—	2,800
Reversal of allowance for loan losses	...▶ 1,994	...▶ 1,244	750	—
Recoveries of written-off claims	279	814	(535)	1,066
Total credit cost ①+② (-)	(1,809)	(1,815)	6	1,217
Gains (losses) on stocks	2,638	526	2,112	723
Others	(321)	(3,376)	3,055	(2,168)
Ordinary profit	53,175	43,934	9,241	57,009
Extraordinary profit (loss)	(169)	(462)	293	(529)
Income (loss) before income taxes	53,006	43,471	9,535	56,480
Total income taxes (-)	14,071	12,084	1,987	16,051
Net income	38,935	31,387	7,548	40,428

The Kumamoto Bank (non-consolidated)

(¥ mil.)

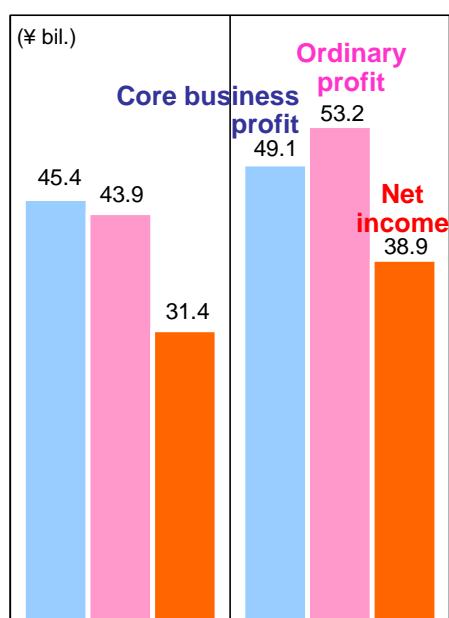
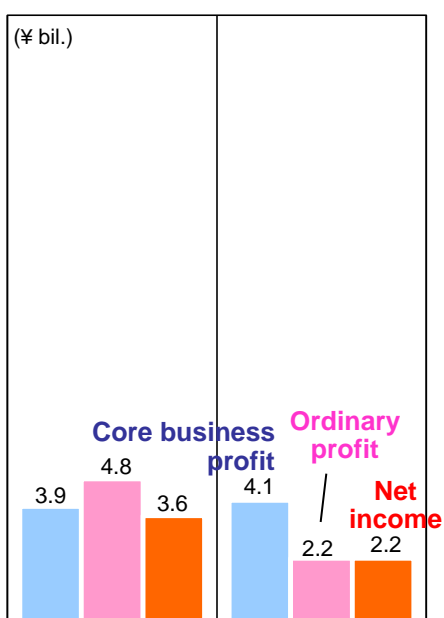
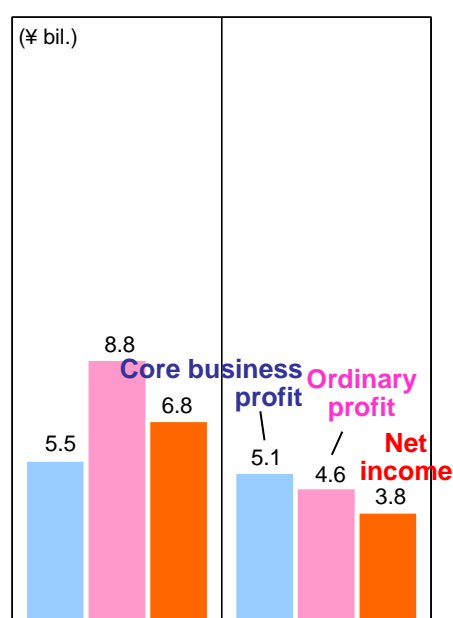
	9 months ended Dec 31, 2018	9 months ended Dec 31, 2017	Comparison	FY 2017
Gross business profit	14,565	14,470	95	19,515
Net interest income	13,485	13,220	265	17,675
Domestic	13,438	13,177	261	17,613
International	46	43	3	61
Net fees and commissions	1,042	1,213	(171)	1,792
Net other operating income	37	36	1	47
Gains (losses) on sales (redemptions) of bonds	(3)	(5)	2	(7)
Overhead expenses (-)	10,512	10,540	(28)	13,933
Business profit (before transfer to general reserve for possible loan losses)	4,052	3,930	122	5,581
① Transfer to general reserve for possible loan losses (-)	(272)	...(814)	(272)	...(240)
Business profit	4,325	3,930	395	5,581
Core business profit	4,055	3,936	119	5,588
Other operating profit (loss)	(2,089)	837	(2,926)	876
② Credit cost for disposal of non-performing loans (-)	1,743	(1,281)	3,024	(830)
Net transfer to specific reserve for possible loan losses (-)	1,755	...(459)	1,755	...(515)
Reversal of allowance for loan losses	—	...▶ 1,273	(1,273)	...▶ 756
Recoveries of written-off claims	78	54	24	128
Total credit cost ①+② (-)	1,470	(1,281)	2,751	(830)
Gains (losses) on stocks	—	0	0	366
Others	(346)	(444)	98	(320)
Ordinary profit	2,235	4,767	(2,532)	6,457
Extraordinary profit (loss)	(24)	(23)	(1)	(35)
Income (loss) before income taxes	2,211	4,744	(2,533)	6,421
Total income taxes (-)	45	1,124	(1,079)	1,432
Net income	2,165	3,619	(1,454)	4,989

The Shinwa Bank (non-consolidated)

(¥ mil.)

	9 months ended Dec 31, 2018	9 months ended Dec 31, 2017	Comparison	FY 2017
Gross business profit	20,141	20,642	(501)	27,519
Net interest income	17,895	18,026	(131)	23,901
Domestic	17,792	17,951	(159)	23,796
International	102	74	28	104
Net fees and commissions	2,074	2,577	(503)	3,510
Net other operating income	170	38	132	108
Gains (losses) on sales (redemptions) of bonds	13	(49)	62	(52)
Overhead expenses (-)	15,051	15,236	(185)	20,027
Business profit (before transfer to general reserve for possible loan losses)	5,089	5,405	(316)	7,492
① Transfer to general reserve for possible loan losses (-)	(156)	∴[(1,161)] —	(156)	∴[(322)] —
Business profit	5,246	∴ 5,405	(159)	∴ 7,492
Core business profit	5,076	∴ 5,455	(379)	∴ 7,545
Other operating profit (loss)	(647)	∴ 3,435	(4,082)	∴ 3,717
② Credit cost for disposal of non-performing loans (-)	721	∴ (3,187)	3,908	∴ (3,372)
Net transfer to specific reserve for possible loan losses (-)	750	∴[(1,987)] —	750	∴[(3,022)] —
Reversal of allowance for loan losses	—	∴▶ 3,149	(3,149)	∴▶ 3,345
Recoveries of written-off claims	88	63	25	112
Total credit cost ①+② (-)	565	∴ (3,187)	3,752	∴ (3,372)
Gains (losses) on stocks	140	733	(593)	753
Others	(65)	(484)	419	(408)
Ordinary profit	4,598	∴ 8,841	(4,243)	∴ 11,209
Extraordinary profit (loss)	(57)	(88)	31	(390)
Income (loss) before income taxes	4,541	8,752	(4,211)	10,819
Total income taxes (-)	707	2,002	(1,295)	2,346
Net income	3,833	∴ 6,750	(2,917)	∴ 8,472

Gain and Loss

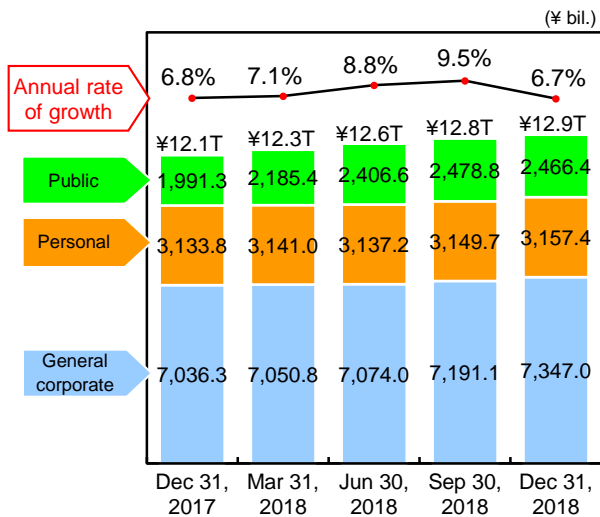
The Bank of Fukuoka
(non-consolidated)The Third
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2. Assets and liabilities

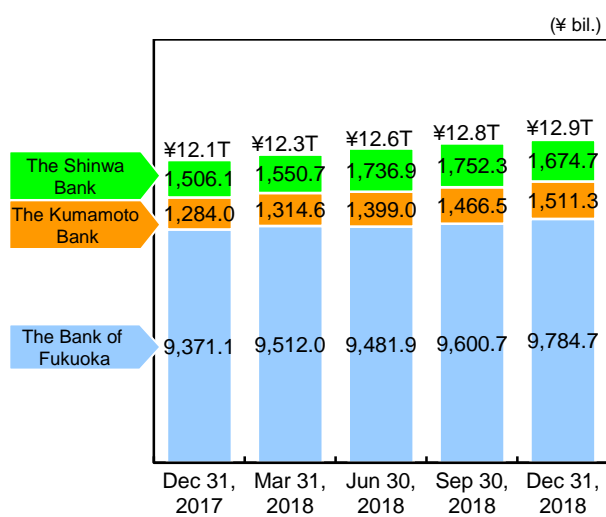
(1) Loans

3 banks' total

Loans classified by customer segment
(Term-end balance)



Loans classified by bank
(Term-end balance)



(¥ mil.)

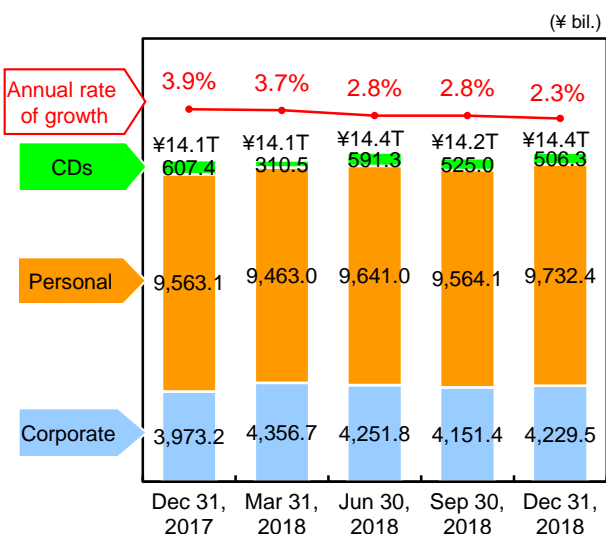
		Dec 31, 2018				
		annual rate of growth		change from Sep 30, 2018	change from Mar 31, 2018	change from Dec 31, 2017
3 banks' total	Total loans	6.7%	12,970,925	151,226	593,537	809,484
	Personal segment	0.8%	3,157,402	7,685	16,358	23,600
	Corporate segment	8.7%	9,813,521	143,541	577,178	785,884
	Personal loans	0.9%	3,055,626	11,701	22,175	27,255
	Housing loans	0.8%	2,722,310	12,293	18,562	21,109
	Consumer loans	4.9%	263,766	618	5,867	12,237
	Loans to small-and-medium-sized enterprises, etc. ratio	—	66.35%	(0.19%)	(1.81%)	(2.77%)
The Bank of Fukuoka (non-consolidated)	Total loans	4.4%	9,784,772	184,013	272,726	413,598
	Personal segment	(0.0%)	2,226,479	1,978	(1,287)	(71)
	Corporate segment	5.8%	7,558,293	182,035	274,013	413,669
	Fukuoka prefecture	1.2%	6,904,996	76,472	84,121	79,445
	Personal loans	0.0%	2,157,388	4,077	988	644
	Housing loans	(0.2%)	1,919,707	4,556	(1,761)	(4,146)
	Consumer loans	5.9%	189,719	928	5,374	10,598
Loans to small-and-medium-sized enterprises, etc. ratio	—	66.65%	(0.54%)	(0.17%)	(0.93%)	
The Kumamoto Bank (non-consolidated)	Total loans	17.7%	1,511,378	44,804	196,775	227,281
	Personal segment	4.9%	472,267	5,465	16,658	21,888
	Corporate segment	24.6%	1,039,110	39,339	180,116	205,393
	Kumamoto prefecture	2.8%	1,129,171	22,440	45,382	30,459
	Personal loans	5.6%	450,120	6,430	18,946	23,738
	Housing loans	5.6%	410,664	6,368	17,837	21,803
	Consumer loans	5.4%	31,292	(7)	793	1,601
Loans to small-and-medium-sized enterprises, etc. ratio	—	69.11%	(0.46%)	(7.53%)	(9.68%)	
The Shinwa Bank (non-consolidated)	Total loans	11.2%	1,674,775	(77,591)	124,036	168,605
	Personal segment	0.4%	458,656	242	987	1,783
	Corporate segment	15.9%	1,216,118	(77,833)	123,049	166,822
	Nagasaki prefecture	(3.3%)	1,073,168	(26,447)	(42,290)	(36,938)
	Personal loans	0.6%	448,118	1,194	2,241	2,873
	Housing loans	0.9%	391,939	1,369	2,486	3,452
	Consumer loans	0.1%	42,755	(303)	(300)	38
Loans to small-and-medium-sized enterprises, etc. ratio	—	62.07%	1.58%	(7.13%)	(8.38%)	

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥125.0 billion at the end of December 2017, ¥126.5 billion at the end of March 2018, ¥122.5 billion at the end of September 2018, and ¥129.5 billion at the end of December 2018).

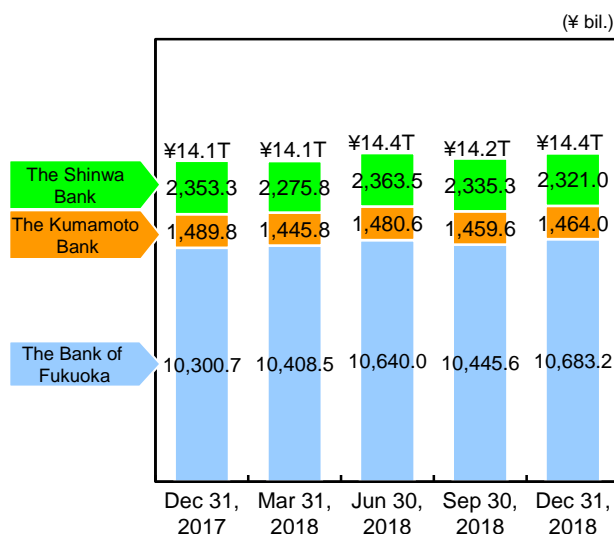
(2) Deposits

3 banks' total

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



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



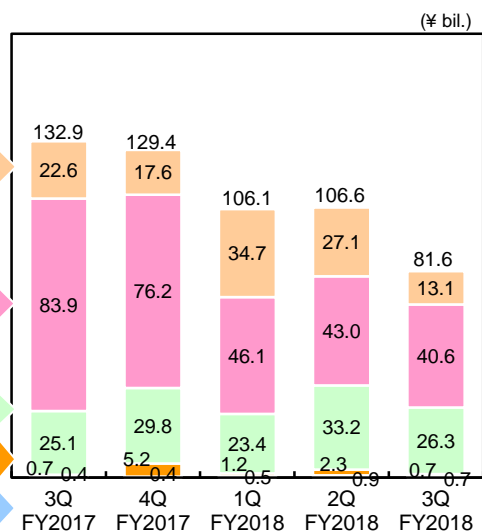
(¥ mil.)

		Dec 31, 2018				
		annual rate of growth		change from Sep 30, 2018	change from Mar 31, 2018	change from Dec 31, 2017
3 banks' total	Personal deposits	1.8%	9,732,472	168,276	269,397	169,278
	Corporate deposits	6.5%	4,229,568	78,108	(127,164)	256,281
	Total	3.1%	13,962,041	246,385	142,233	425,559
	Demand	6.6%	9,251,802	177,681	241,827	569,195
	Time	(3.0%)	4,710,238	68,705	(99,594)	(143,635)
	CDs	(16.7%)	506,319	(18,701)	195,796	(101,178)
	Deposits and CDs	2.3%	14,468,361	227,683	338,029	324,382
The Bank of Fukuoka (non-consolidated)	Personal deposits	2.4%	7,154,353	139,350	233,332	169,848
	Corporate deposits	9.7%	3,160,513	109,211	(101,569)	278,505
	Total	4.5%	10,314,867	248,562	131,763	448,354
	Demand	7.1%	7,067,421	149,580	164,956	465,492
	Time	(0.5%)	3,247,446	98,982	(33,192)	(17,138)
	CDs	(15.2%)	368,408	(10,919)	142,927	(65,870)
	Deposits and CDs	3.7%	10,683,275	237,643	274,690	382,484
The Kumamoto Bank (non-consolidated)	Personal deposits	(1.2%)	1,070,823	8,237	3,990	(12,758)
	Corporate deposits	(4.0%)	376,378	132	19,143	(15,598)
	Total	(1.9%)	1,447,201	8,369	23,133	(28,356)
	Demand	4.0%	820,607	20,245	46,482	31,825
	Time	(8.8%)	626,593	(11,876)	(23,350)	(60,181)
	CDs	18.2%	16,883	(3,970)	(4,938)	2,596
	Deposits and CDs	(1.7%)	1,464,085	4,399	18,195	(25,759)
The Shinwa Bank (non-consolidated)	Personal deposits	0.8%	1,507,296	20,689	32,075	12,188
	Corporate deposits	(0.9%)	692,677	(31,235)	(44,738)	(6,626)
	Total	0.3%	2,199,973	(10,546)	(12,663)	5,561
	Demand	5.6%	1,363,774	7,856	30,389	71,878
	Time	(7.3%)	836,199	(18,401)	(43,052)	(66,316)
	CDs	(23.8%)	121,028	(3,812)	57,807	(37,904)
	Deposits and CDs	(1.4%)	2,321,001	(14,359)	45,144	(32,343)
Nagasaki prefecture		0.6%	1,952,606	(3,872)	(11,464)	11,532

(3) Asset management products

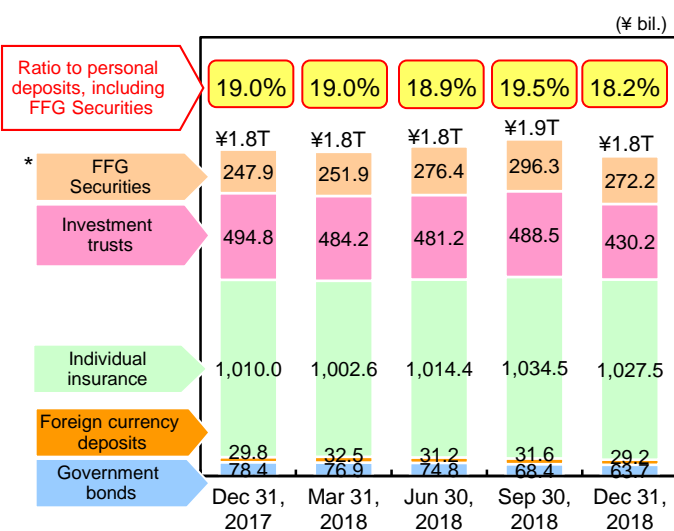
Group's total

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

		3Q FY2018 (3 months)			2Q FY2018 (3 months)	3Q FY2017 (3 months)
			change from 2Q FY2018	change from 3Q FY2017		
Group's total	Investment trusts	40.6	(2.4)	(43.3)	43.0	83.9
	Individual insurance	26.3	(6.9)	1.2	33.2	25.1
	Foreign currency deposits	0.7	(1.6)	0.0	2.3	0.7
	Government bonds	0.7	(0.2)	0.3	0.9	0.4
	FFG Securities	13.1	(14.0)	(9.5)	27.1	22.6
	Total	81.6	(25.0)	(51.3)	106.6	132.9
	Ratio to personal deposits					
The Bank of Fukuoka (non-consolidated)	Investment trusts	24.9	(2.1)	(23.7)	27.0	48.6
	Individual insurance	16.5	(4.1)	2.6	20.6	13.9
	Foreign currency deposits	0.5	(1.4)	(0.2)	1.9	0.7
	Government bonds	0.6	(0.2)	0.2	0.8	0.4
	Total	42.7	(7.8)	(21.0)	50.5	63.7
	Ratio to personal deposits					
The Kumamoto Bank (non-consolidated)	Investment trusts	7.7	(0.4)	(8.6)	8.1	16.3
	Individual insurance	3.8	(0.4)	(0.8)	4.2	4.6
	Foreign currency deposits	0.0	(0.1)	0.0	0.1	0.0
	Government bonds	0.0	0.0	0.0	0.0	0.0
	Total	11.6	(0.9)	(9.4)	12.5	21.0
	Ratio to personal deposits					
The Shinwa Bank (non-consolidated)	Investment trusts	7.8	0.1	(11.1)	7.7	18.9
	Individual insurance	5.9	(2.3)	(0.6)	8.2	6.5
	Foreign currency deposits	0.1	(0.1)	0.1	0.2	0.0
	Government bonds	0.0	(0.1)	0.0	0.1	0.0
	Total	14.0	(2.4)	(11.5)	16.4	25.5
	Ratio to personal deposits					

Outstanding balance of assets under management for individual customers

(¥ bil.)

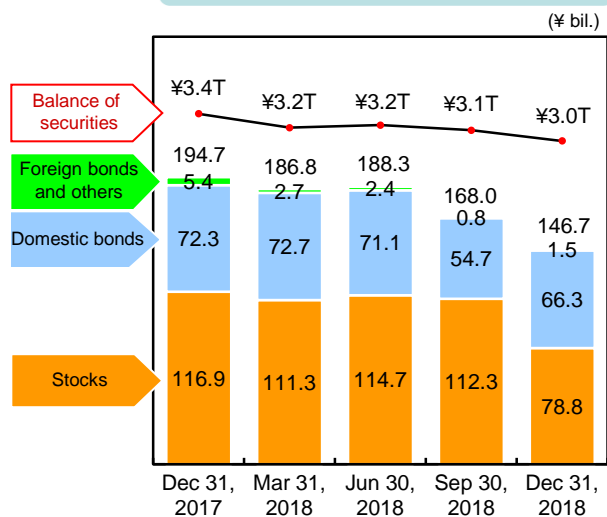
		Dec 31, 2018		Sep 30, 2018	Dec 31, 2017
			Change from Sep 30, 2018	Change from Dec 31, 2017	
Group's total	Investment trusts	430.2	(58.3)	(64.6)	488.5
	Individual insurance	1,027.5	(7.0)	17.5	1,034.5
	Foreign currency deposits	29.2	(2.4)	(0.6)	31.6
	Government bonds	63.7	(4.7)	(14.7)	68.4
	FFG Securities	272.2	(24.1)	24.3	296.3
	Total	1,823.0	(96.5)	(38.1)	1,919.5
	Ratio to personal deposits	18.2%	(1.3%)	(0.8%)	19.5%
The Bank of Fukuoka (non-consolidated)	Investment trusts	282.7	(37.1)	(43.7)	319.8
	Individual insurance	660.3	(3.9)	12.7	664.2
	Foreign currency deposits	23.9	(1.8)	0.5	25.7
	Government bonds	55.2	(4.3)	(13.1)	59.5
	Total	1,022.2	(47.2)	(43.7)	1,069.4
	Ratio to personal deposits	14.3%	(0.9%)	(1.0%)	15.2%
The Kumamoto Bank (non-consolidated)	Investment trusts	69.3	(10.1)	(11.1)	79.4
	Individual insurance	145.1	(1.1)	1.5	146.2
	Foreign currency deposits	2.3	(0.2)	(0.3)	2.5
	Government bonds	1.3	0.0	(0.1)	1.3
	Total	218.1	(11.5)	(10.1)	229.6
	Ratio to personal deposits	20.4%	(1.2%)	(0.7%)	21.6%
The Shinwa Bank (non-consolidated)	Investment trusts	78.1	(11.0)	(9.8)	89.1
	Individual insurance	221.9	(2.1)	3.2	224.0
	Foreign currency deposits	3.0	(0.3)	(0.7)	3.3
	Government bonds	7.1	(0.4)	(1.4)	7.5
	Total	310.3	(13.8)	(8.6)	324.1
	Ratio to personal deposits	20.6%	(1.2%)	(0.7%)	21.8%

<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.

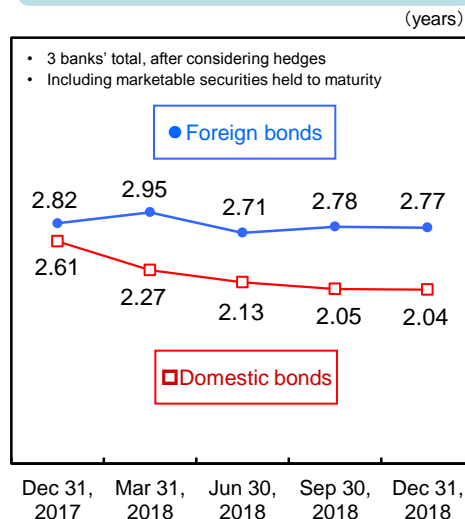
(4) Marketable securities

FFG (consolidated)

Unrealized gain



Bond duration



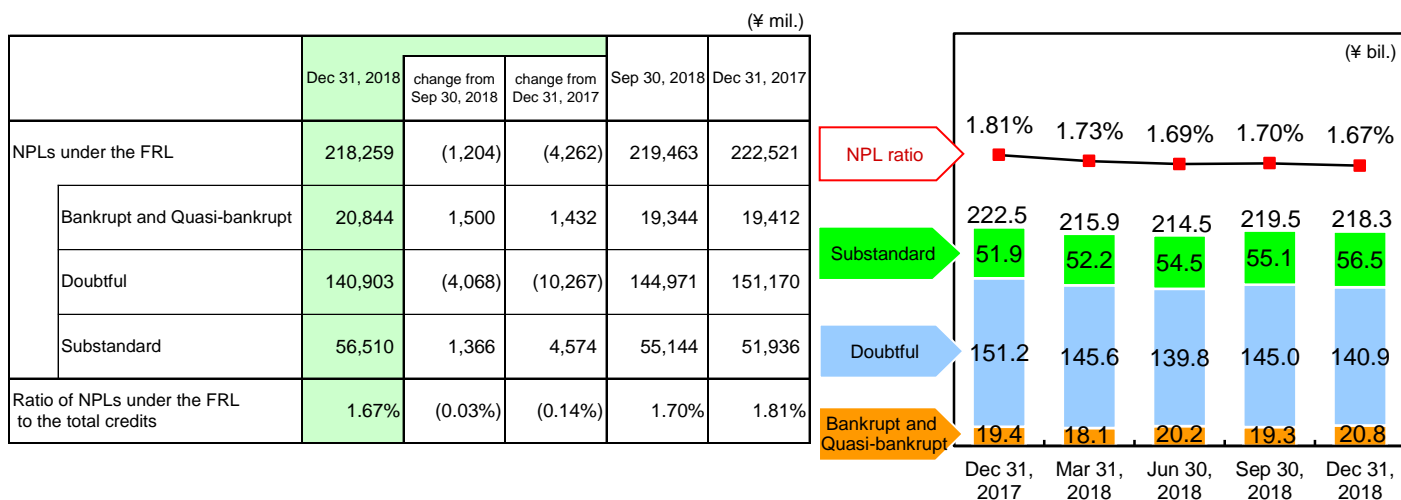
(¥ mil.)

		Dec 31, 2018				Sep 30, 2018	
		Market value	change from Sep 30, 2018	Unrealized gain(loss)	change from Sep 30, 2018	Market value	Unrealized gain(loss)
FFG (consolidated)	Total	3,037,488	(150,515)	146,773	(21,278)	3,188,003	168,051
	Stocks	149,260	(28,785)	78,856	(33,539)	178,045	112,395
	Domestic bonds	2,443,263	(142,619)	66,329	11,536	2,585,882	54,793
	National government bonds	1,751,362	(144,242)	59,677	10,906	1,895,604	48,771
	Local government bonds	87,107	647	817	190	86,460	627
	Corporate bonds	604,794	977	5,834	440	603,817	5,394
	Foreign bonds and Others	444,964	20,889	1,586	723	424,075	863
The Bank of Fukuoka (consolidated)	Total	2,194,728	(90,617)	124,753	(18,323)	2,285,345	143,076
	Stocks	134,489	(25,091)	75,167	(30,195)	159,580	105,362
	Domestic bonds	1,615,274	(86,415)	47,998	11,148	1,701,689	36,850
	National government bonds	1,085,921	(85,332)	43,821	10,659	1,171,253	33,162
	Local government bonds	57,234	(2,590)	503	119	59,824	384
	Corporate bonds	472,118	1,507	3,674	371	470,611	3,303
	Foreign bonds and Others	444,964	20,889	1,586	723	424,075	863
The Kumamoto Bank (non-consolidated)	Total	203,392	(19,661)	5,198	(451)	223,053	5,649
	Stocks	1,867	(573)	914	(574)	2,440	1,488
	Domestic bonds	201,525	(19,087)	4,283	122	220,612	4,161
	National government bonds	151,586	(18,408)	3,719	117	169,994	3,602
	Local government bonds	1,127	(183)	23	2	1,310	21
	Corporate bonds	48,811	(497)	540	4	49,308	536
	Foreign bonds and Others	—	—	—	—	—	—
The Shinwa Bank (non-consolidated)	Total	639,367	(40,238)	20,073	(2,856)	679,605	22,929
	Stocks	12,903	(3,121)	6,026	(3,121)	16,024	9,147
	Domestic bonds	626,463	(37,117)	14,047	266	663,580	13,781
	National government bonds	513,854	(40,502)	12,136	130	554,356	12,006
	Local government bonds	28,745	3,420	291	70	25,325	221
	Corporate bonds	83,863	(34)	1,619	66	83,897	1,553
	Foreign bonds and Others	—	—	—	—	—	—

3. Non-performing loans

(Direct write-off is adopted)

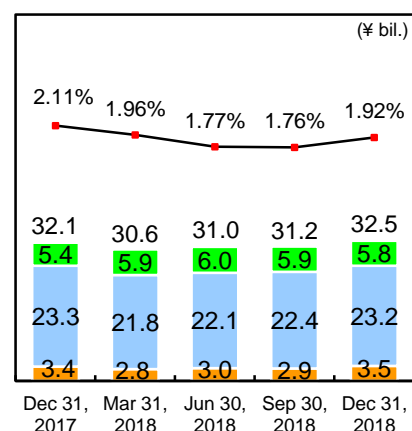
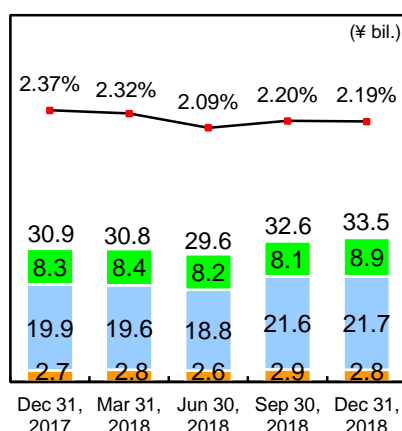
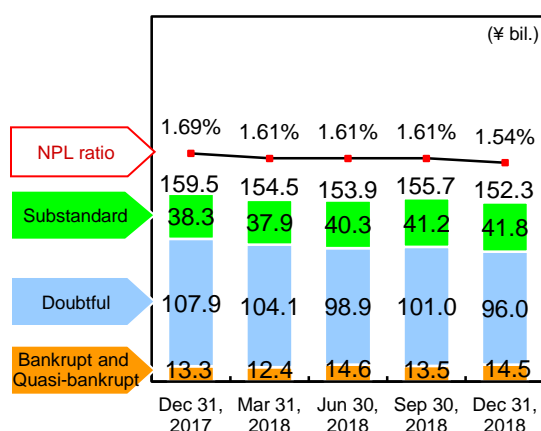
3 banks' total



The Bank of Fukuoka
(non-consolidated)

The Kumamoto Bank
(non-consolidated)

The Shinwa Bank
(non-consolidated)



4. Interest rate spread (Domestic division)

(%)

	3 banks' total			The Bank of Fukuoka (non-consolidated)			The Kumamoto Bank (non-consolidated)			The Shinwa Bank (non-consolidated)		
	3Q FY2018 (9 months)	YoY change	3Q FY2017 (9 months)	3Q FY2018 (9 months)	YoY change	3Q FY2017 (9 months)	3Q FY2018 (9 months)	YoY change	3Q FY2017 (9 months)	3Q FY2018 (9 months)	YoY change	3Q FY2017 (9 months)
(1) Average yield on interest earning assets	0.94	(0.11)	1.05	0.91	(0.10)	1.01	1.06	(0.21)	1.27	0.99	(0.12)	1.11
Loans and bills discounted ①	1.02	(0.11)	1.13	0.99	(0.08)	1.07	1.11	(0.27)	1.38	1.06	(0.21)	1.27
Securities	0.93	0.09	0.84	1.00	0.11	0.89	0.73	0.02	0.71	0.80	0.04	0.76
(2) Average yield on interest bearing liabilities	0.52	(0.10)	0.62	0.46	(0.10)	0.56	0.65	(0.19)	0.84	0.71	(0.10)	0.81
Deposits and CDs ②	0.00	(0.03)	0.03	0.00	(0.02)	0.02	0.00	(0.04)	0.04	0.00	(0.03)	0.03
External liabilities	(0.03)	(0.03)	(0.00)	(0.03)	(0.03)	0.00	(0.03)	(0.03)	(0.00)	(0.04)	(0.04)	(0.00)
(3) Difference between average yields on loans and deposits ①-②	1.02	(0.08)	1.10	0.99	(0.06)	1.05	1.11	(0.23)	1.34	1.06	(0.18)	1.24
(4) Average interest rate spread (1)-(2)	0.42	(0.01)	0.43	0.45	0.00	0.45	0.41	(0.02)	0.43	0.28	(0.02)	0.30