

Fukuoka Financial Group, Inc.

Financial Digest for Fiscal Year 2017, ended March 31, 2018



Stock Exchange Listing:	Tokyo, Fukuoka (code:8354)
URL:	https://www.fukuoka-fg.com/
Representative:	Takashige Shibato, President
For Inquiry:	Tomoyuki Ushijima, General Manager, Corporate Planning Division
Date of General Meeting of Shareholders:	June 28, 2018 (scheduled)
Payment date of cash dividends:	June 29, 2018 (scheduled)
Filing date of Financial Statements:	June 28, 2018 (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, 2017 to March 31, 2018)

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

	Ordinary Income		Ordinary Profit		Net Income attributable to owners of the parent	
	¥Million	%	¥Million	%	¥Million	%
FY2017	237,572	0.8	71,636	—	49,369	—
FY2016	235,767	(0.4)	(34,441)	—	(54,300)	—

(Note) Comprehensive income FY2017: ¥78,909 million [—%] FY2016: ¥(54,410 million) [—%]

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
	¥	¥	%	%	%
FY2017	57.48	—	6.6	0.4	30.2
FY2016	(63.22)	—	(7.3)	(0.2)	(14.6)

(Reference) Equity in earnings of affiliates FY2017: None FY2016: None

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Own Capital Ratio	Net Assets per Share
	¥Million	¥Million	%	¥
FY2017	20,163,679	778,973	3.8	907.02
FY2016	18,113,049	712,058	3.9	829.07

(Reference) Own capital FY2017: ¥778,955 million FY2016: ¥712,049 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
FY2017	1,159,776	145,640	(11,993)	4,168,303
FY2016	1,152,326	(86,273)	(20,696)	2,874,917

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	%	%
FY2016	—	6.50	—	6.50	13.00	11,165	—	1.5
FY2017	—	7.50	—	7.50	15.00	12,882	26.1	1.7
FY2018 (projection)	—	8.50	—	8.50	17.00		28.1	

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	%	¥
Interim of FY2018	37,000	(7.9)	26,000	(7.0)	30.27
FY2018	74,500	4.0	52,000	5.3	60.54

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2017	As of Mar 31, 2018
(Assets)	資産の部		
Cash and due from banks	現金預け金	2,880,599	4,174,081
Call loans and bills bought	コールローン及び買入手形	500	9,661
Monetary claims bought	買入金銭債権	49,459	63,784
Trading assets	特定取引資産	1,701	1,804
Money held in trust	金銭の信託	10,697	4,113
Securities	有価証券	3,463,599	3,331,309
Loans and bills discounted	貸出金	11,428,299	12,230,470
Foreign exchanges	外国為替	10,352	6,834
Other assets	その他資産	127,348	178,828
Tangible fixed assets	有形固定資産	198,460	196,289
Intangible fixed assets	無形固定資産	15,220	15,564
Net defined benefit assets	退職給付に係る資産	12,671	33,304
Deferred tax assets	繰延税金資産	8,412	3,572
Customers' liabilities for acceptances and guarantees	支払承諾見返	40,008	40,215
Allowance for loan losses	貸倒引当金	(134,282)	(126,155)
Total assets	資産の部合計	18,113,049	20,163,679
(Liabilities)	負債の部		
Deposits	預金	13,207,675	13,795,830
Negotiable certificates of deposit	譲渡性預金	372,769	282,524
Call money and bills sold	コールマネー及び売渡手形	288,609	1,315,936
Payables under repurchase agreements	売現先勘定	100,949	105,625
Payables under securities lending transactions	債券貸借取引受入担保金	1,612,526	2,140,301
Trading liabilities	特定取引負債	0	0
Borrowed money	借入金	1,608,856	1,521,762
Foreign exchanges	外国為替	1,749	1,181
Short-term bonds payable	短期社債	5,000	5,000
Bonds payable	社債	30,000	20,000
Other liabilities	その他負債	102,499	115,711
Net defined benefit liability	退職給付に係る負債	899	951
Provision for losses on interest repayments	利息返還損失引当金	74	48
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	6,219	5,939
Provision for contingent liabilities losses	その他の偶発損失引当金	8	7
Reserves under the special laws	特別法上の引当金	18	22
Deferred tax liabilities	繰延税金負債	97	10,627
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	23,028	23,020
Acceptances and guarantees	支払承諾	40,008	40,215
Total liabilities	負債の部合計	17,400,991	19,384,706
(Net assets)	純資産の部		
Capital stock	資本金	124,799	124,799
Capital surplus	資本剰余金	94,156	94,158
Retained earnings	利益剰余金	344,527	381,891
Treasury stock	自己株式	(343)	(364)
Total shareholders' equity	株主資本合計	563,140	600,485
Valuation difference on available-for-sale securities	その他有価証券評価差額金	117,726	131,493
Deferred gains or losses on hedges	繰延ヘッジ損益	(12,660)	(12,684)
Revaluation reserve for land	土地再評価差額金	51,649	51,631
Remeasurements of defined benefit plans	退職給付に係る調整累計額	(7,805)	8,029
Total accumulated other comprehensive income	その他の包括利益累計額合計	148,909	178,470
Non-controlling interests	非支配株主持分	8	17
Total net assets	純資産の部合計	712,058	778,973
Total liabilities and net assets	負債及び純資産の部合計	18,113,049	20,163,679

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

Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	FY2016	FY2017
Ordinary income:	経常収益	235,767	237,572
Interest income	資金運用収益	166,671	171,022
Interest on loans and discounts	(うち貸出金利息)	132,738	134,520
Interest and dividends on securities	(うち有価証券利息配当金)	30,894	32,512
Trust fees	信託報酬	1	0
Fees and commissions	役務取引等収益	46,811	52,345
Trading income	特定取引収益	108	84
Other operating income	その他業務収益	13,657	6,366
Other income	その他経常収益	8,517	7,751
Ordinary expenses:	経常費用	270,208	165,936
Interest expenses	資金調達費用	17,467	18,943
Interest on deposits	(うち預金利息)	5,477	5,233
Fees and commissions payments	役務取引等費用	19,107	20,302
Other operating expenses	その他業務費用	2,759	1,693
General and administrative expenses	営業経費	223,904	120,179
Other expenses	その他経常費用	6,970	4,816
Ordinary profit (loss)	経常利益又は経常損失	(34,441)	71,636
Extraordinary income	特別利益	37	21
Gain on disposal of noncurrent assets	固定資産処分益	36	21
Transfer from reserve for financial products transaction liabilities	金融商品取引責任準備金取崩額	1	—
Extraordinary loss	特別損失	1,152	884
Loss on disposal of noncurrent assets	固定資産処分損	384	720
Impairment loss	減損損失	262	160
Transfer to reserve for financial products transaction liabilities	金融商品取引責任準備金繰入額	—	3
Other extraordinary loss	その他の特別損失	506	—
Income (loss) before income taxes:	税金等調整前当期純利益又は税金等調整前当期純損失	(35,557)	70,774
Current	法人税、住民税及び事業税	12,448	19,221
Deferred	法人税等調整額	6,401	2,222
Total income taxes	法人税等合計	18,849	21,443
Net income (loss)	当期純利益又は当期純損失	(54,406)	49,330
Net income (loss) attributable to non-controlling interests	非支配株主に帰属する当期純利益又は非支配株主に帰属する当期純損失	(106)	(39)
Net income (loss) attributable to owners of the parent	親会社株主に帰属する当期純利益又は親会社株主に帰属する当期純損失	(54,300)	49,369

Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	FY2016	FY2017
Net income (loss)	当期純利益又は当期純損失	(54,406)	49,330
Other comprehensive income	その他の包括利益	(4)	29,579
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(29,270)	13,767
Deferred gains or losses on hedges	繰延ヘッジ損益	22,186	(23)
Remeasurements of defined benefit plans	退職給付に係る調整額	7,079	15,834
Total comprehensive income	包括利益	(54,410)	78,909
(Breakdown)	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る包括利益	(54,304)	78,949
Comprehensive income attributable to non-controlling interests	非支配株主に係る包括利益	(106)	(39)

(3) Consolidated Statements of Changes in Net Assets

FY2016

(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, 2016	当期首残高	124,799	103,611	407,652	(325)	635,738
Cumulative effects of changes in accounting policies	会計方針の変更による累積的影響額			2,472		2,472
Restated balance	会計方針の変更を反映した当期首残高	124,799	103,611	410,125	(325)	638,210
Changes during the period:	当期変動額					
Dividends from surplus	剰余金の配当			(11,296)		(11,296)
Net loss attributable to owners of the parent (-)	親会社株主に帰属する当期純損失			(54,300)		(54,300)
Acquisition of treasury stock	自己株式の取得				(9,389)	(9,389)
Disposition of treasury stock	自己株式の処分		0		0	0
Retirement of treasury stock	自己株式の消却		(9,371)		9,371	—
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		(84)			(84)
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	—	(9,455)	(65,597)	(18)	(75,070)
Balance as of Mar 31, 2017	当期末残高	124,799	94,156	344,527	(343)	563,140

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	非支配株主持分	純資産合計
Balance as of Mar 31, 2016	当期首残高	146,996	(34,847)	51,649	(14,885)	148,913	39	784,691
Cumulative effects of changes in accounting policies	会計方針の変更による累積的影響額							2,472
Restated balance	会計方針の変更を反映した当期首残高	146,996	(34,847)	51,649	(14,885)	148,913	39	787,163
Changes during the period:	当期変動額							
Dividends from surplus	剰余金の配当							(11,296)
Net loss attributable to owners of the parent (-)	親会社株主に帰属する当期純損失							(54,300)
Acquisition of treasury stock	自己株式の取得							(9,389)
Disposition of treasury stock	自己株式の処分							0
Retirement of treasury stock	自己株式の消却							—
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							(84)
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)	(29,270)	22,186	—	7,079	(4)	(30)	(34)
Total changes during the period	当期変動額合計	(29,270)	22,186	—	7,079	(4)	(30)	(75,104)
Balance as of Mar 31, 2017	当期末残高	117,726	(12,660)	51,649	(7,805)	148,909	8	712,058

FY2017

(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, 2017	当期首残高	124,799	94,156	344,527	(343)	563,140
Changes during the period:	当期変動額					
Dividends from surplus	剰余金の配当			(12,023)		(12,023)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益			49,369		49,369
Acquisition of treasury stock	自己株式の取得				(21)	(21)
Transfer from revaluation reserve for land	土地再評価差額金の取崩			17		17
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		1			1
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	—	1	37,363	(21)	37,344
Balance as of Mar 31, 2018	当期末残高	124,799	94,158	381,891	(364)	600,485

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	非支配株主持分	純資産合計
Balance as of Mar 31, 2017	当期首残高	117,726	(12,660)	51,649	(7,805)	148,909	8	712,058
Changes during the period:	当期変動額							
Dividends from surplus	剰余金の配当							(12,023)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益							49,369
Acquisition of treasury stock	自己株式の取得							(21)
Transfer from revaluation reserve for land	土地再評価差額金の取崩							17
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							1
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)	13,767	(23)	(17)	15,834	29,561	8	29,570
Total changes during the period	当期変動額合計	13,767	(23)	(17)	15,834	29,561	8	66,914
Balance as of Mar 31, 2018	当期末残高	131,493	(12,684)	51,631	8,029	178,470	17	778,973

Financial Digest for FY2017

May 14, 2018

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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)		
	FY2017	Comparison	FY2016	FY2017	Comparison	FY2016
	(¥ mil.)					
Gross business profit	174,306	(1,059)	175,365	188,882	962	187,920
Net interest income	152,468	2,813	149,655	152,080	2,872	149,208
Domestic	144,883	2,044	142,839	144,495	2,103	142,392
International	7,584	769	6,815	7,584	769	6,815
Net fees and commissions	21,903	2,454	19,449	32,043	4,338	27,705
Net trading income	6	(10)	16	84	(24)	108
Net other operating income	(71)	(6,315)	6,244	4,673	(6,225)	10,898
Gains (losses) on sales (redemptions) of bonds	(1,681)	(4,167)	2,486	(1,681)	(4,167)	2,486
Overhead expenses (-)	101,561	18	101,543	116,549	(102,734)	219,283
Business profit (before transfer to general reserve for possible loan losses)	72,745	(1,076)	73,821	72,332	103,694	(31,362)
① Transfer to general reserve for possible loan losses (-)	[(1,331)]	12,441	(12,441)	(1,255)	9,971	(11,226)
Business profit	72,745	(13,518)	86,263	73,587	93,723	(20,136)
Core business profit [73,200]	74,427	3,092	71,335	74,013	107,862	(33,849)
Other operating profit (loss)	1,931	15,981	(14,050)	(1,951)	12,354	(14,305)
② Credit cost for disposal of non-performing loans (-)	(2,984)	(13,791)	10,807	751	(11,491)	12,242
Net transfer to specific reserve for possible loan losses (-)	[(737)]	(12,558)	12,558	1,693	(12,322)	14,015
Reversal of allowance for loan losses	2,068	2,068	-	-	-	-
Recoveries of written-off claims	1,308	78	1,230	1,308	78	1,230
Total credit cost ①+② (-) [(5,400)]	(2,984)	(1,351)	(1,633)	(503)	(1,519)	1,016
Gains (losses) on stocks	1,843	217	1,626	1,844	(1,180)	3,024
Others	(2,897)	1,972	(4,869)	(3,045)	2,042	(5,087)
Ordinary profit [74,600]	74,677	2,465	72,212	71,636	106,077	(34,441)
Extraordinary profit (loss)	(955)	247	(1,202)	(862)	253	(1,115)
Income (loss) before income taxes	73,721	2,712	71,009	70,774	106,331	(35,557)
Total income taxes (-)	19,830	1,880	17,950	21,443	2,594	18,849
Net income [53,700]	53,890	831	53,059	49,330	103,736	(54,406)
Net income attributable to non-controlling interests (-)				(39)	67	(106)
Net income attributable to owners of the parent [49,000]				49,369	103,669	(54,300)

<Notes> The three notes described below are also applied to subsidiary banks (p9-10).

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.

¥40.5 billion excluding
¥94.8 billion
one-time goodwill amortization

Summary

Core business profit
(3 banks' total) **¥74.4 billion**

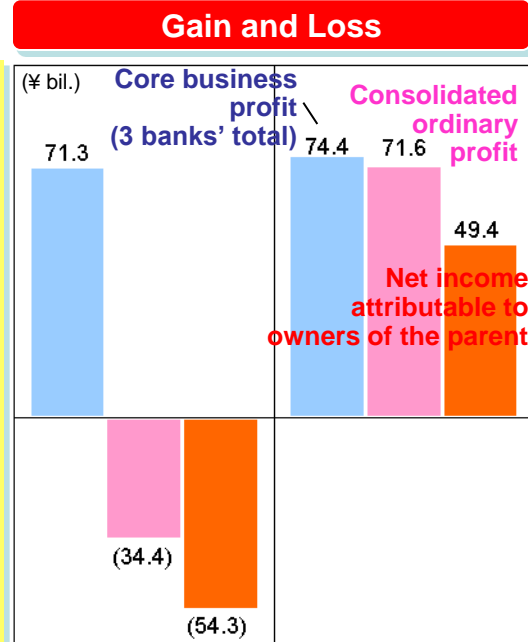
Core business profit (3 banks' total) increased ¥3.1 billion from a year earlier to ¥74.4 billion mainly due to increases of net interest income and net fees and commissions.

Consolidated ordinary profit **¥71.6 billion**

Consolidated ordinary profit increased ¥106.1 billion from a year earlier to ¥71.6 billion mainly due to a decrease of credit cost and the removal of ¥94.8 billion one-time goodwill amortization burden.

Net income attributable to owners of the parent **¥49.4 billion**

As a result, net income attributable to owners of the parent increased ¥103.7 billion from a year earlier to ¥49.4 billion. (It increased ¥8.9 billion from a year earlier, excluding ¥94.8 billion one-time goodwill amortization.)



FY2016



FY2017

The Bank of Fukuoka (non-consolidated)

(¥ mil.)

	【 announced projections 】	FY2017	FY2016	Comparison
Gross business profit		127,272	129,488	(2,216)
Net interest income		110,891	107,913	2,978
Domestic		103,473	101,272	2,201
International		7,418	6,641	777
Net fees and commissions		16,600	15,087	1,513
Net trading income		6	16	(10)
Net other operating income		(226)	6,470	(6,696)
Gains (losses) on sales (redemptions) of bonds		(1,621)	2,893	(4,514)
Overhead expenses (-)		67,600	67,656	(56)
Business profit (before transfer to general reserve for possible loan losses)		59,671	61,831	(2,160)
① Transfer to general reserve for possible loan losses (-)		△767	△11,380	10,613
Business profit		60,439	73,212	(12,773)
Core business profit	【60,000】	61,293	58,938	2,355
Other operating profit (loss)		(3,429)	(13,106)	9,677
② Credit cost for disposal of non-performing loans (-)		1,985	10,934	(8,949)
Net transfer to specific reserve for possible loan losses (-)		2,800	12,613	(9,813)
Reversal of allowance for loan losses		—	—	—
Recoveries of written-off claims		1,066	950	116
Total credit cost ①+② (-)	【(2,400)】	1,217	(445)	1,662
Gains (losses) on stocks		723	1,482	(759)
Others		(2,168)	(3,654)	1,486
Ordinary profit	【58,700】	57,009	60,105	(3,096)
Extraordinary profit (loss)		(529)	(323)	(206)
Income (loss) before income taxes		56,480	59,781	(3,301)
Total income taxes (-)		16,051	15,631	420
Net income	【41,500】	40,428	44,150	(3,722)

The Kumamoto Bank (non-consolidated)

(¥ mil.)

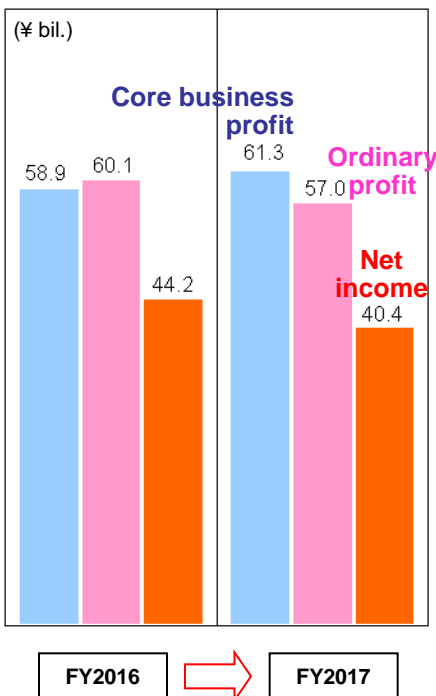
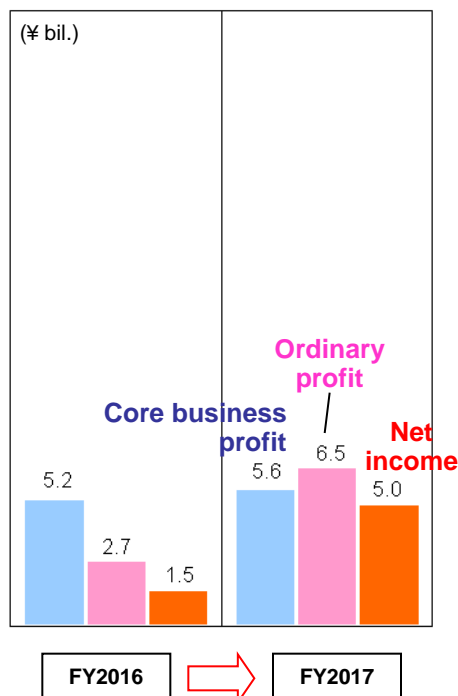
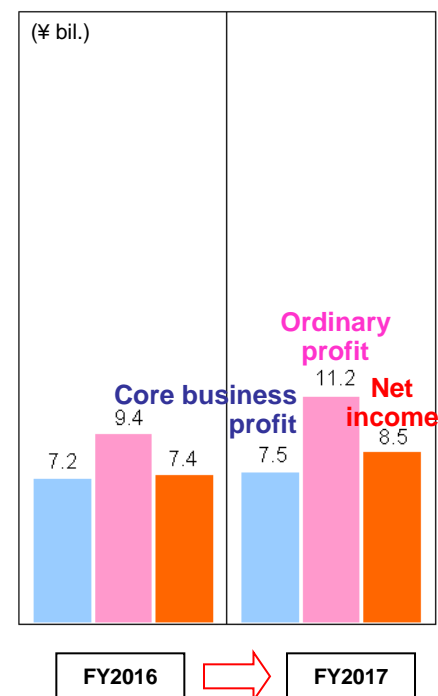
	【 announced projections 】	FY2017	FY2016	Comparison
Gross business profit		19,515	19,051	464
Net interest income		17,675	17,746	(71)
Domestic		17,613	17,682	(69)
International		61	64	(3)
Net fees and commissions		1,792	1,373	419
Net other operating income		47	(68)	115
Gains (losses) on sales (redemptions) of bonds		(7)	(126)	119
Overhead expenses (-)		13,933	13,943	(10)
Business profit (before transfer to general reserve for possible loan losses)		5,581	5,107	474
① Transfer to general reserve for possible loan losses (-)		∴【(240)】	795	(795)
Business profit		∴ 5,581	4,312	1,269
Core business profit	【5,800】	∴ 5,588	5,234	354
Other operating profit (loss)		∴ 876	(1,634)	2,510
② Credit cost for disposal of non-performing loans (-)		∴ (830)	1,148	(1,978)
Net transfer to specific reserve for possible loan losses (-)		∴【(515)】	1,081	(1,081)
Reversal of allowance for loan losses		∴▶ 756	—	756
Recoveries of written-off claims		128	82	46
Total credit cost ①+② (-)	【(800)】	(830)	1,943	(2,773)
Gains (losses) on stocks		366	91	275
Others		(320)	(577)	257
Ordinary profit	【6,100】	6,457	2,678	3,779
Extraordinary profit (loss)		(35)	(793)	758
Income (loss) before income taxes		6,421	1,884	4,537
Total income taxes (-)		1,432	417	1,015
Net income	【4,600】	4,989	1,467	3,522

The Shinwa Bank (non-consolidated)

(¥ mil.)

	【 announced projections 】	FY2017	FY2016	Comparison
Gross business profit		27,519	26,825	694
Net interest income		23,901	23,994	(93)
Domestic		23,796	23,884	(88)
International		104	110	(6)
Net fees and commissions		3,510	2,988	522
Net other operating income		108	(157)	265
Gains (losses) on sales (redemptions) of bonds		(52)	(280)	228
Overhead expenses (-)		20,027	19,943	84
Business profit (before transfer to general reserve for possible loan losses)		7,492	6,881	611
① Transfer to general reserve for possible loan losses (-)		∴[(322)] -	∴[(1,856)] -	-
Business profit		∴ 7,492	∴ 6,881	∴ 611
Core business profit	[7,500]	∴ 7,545	∴ 7,162	∴ 383
Other operating profit (loss)		∴ 3,717	∴ 2,545	∴ 1,172
② Credit cost for disposal of non-performing loans (-)		∴ (3,372)	∴ (3,131)	∴ (241)
Net transfer to specific reserve for possible loan losses (-)		∴[(3,022)] -	∴[(1,136)] -	-
Reversal of allowance for loan losses		∴▶ 3,345	∴▶ 2,992	∴ 353
Recoveries of written-off claims		112	197	(85)
Total credit cost ①+② (-)	[(2,200)]	∴ (3,372)	∴ (3,131)	∴ (241)
Gains (losses) on stocks		753	52	701
Others		(408)	(638)	230
Ordinary profit	[9,900]	∴ 11,209	∴ 9,427	∴ 1,782
Extraordinary profit (loss)		(390)	(84)	(306)
Income (loss) before income taxes		10,819	9,343	1,476
Total income taxes (-)		2,346	1,901	445
Net income	[7,600]	∴ 8,472	∴ 7,441	∴ 1,031

Gain and Loss

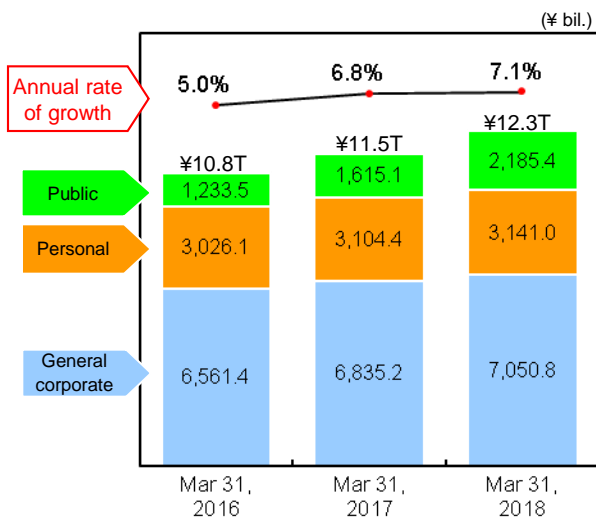
The Bank of Fukuoka
(non-consolidated)The Kumamoto Bank
(non-consolidated)The Shinwa Bank
(non-consolidated)

2. Assets and liabilities

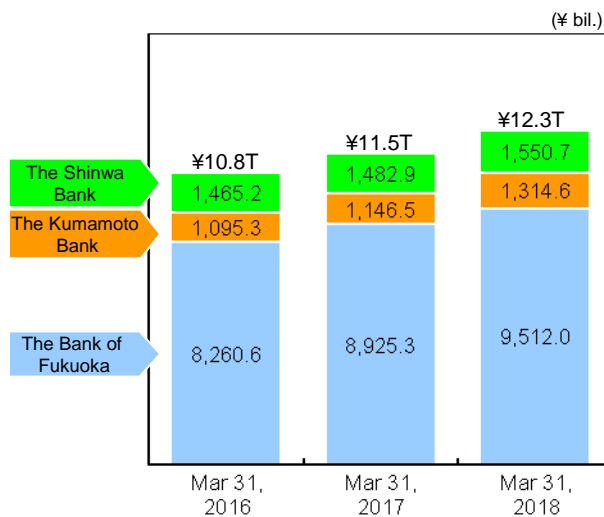
(1) Loans

3 banks' total

Loans classified by customer segment
(Term-end balance)



Loans classified by bank
(Term-end balance)



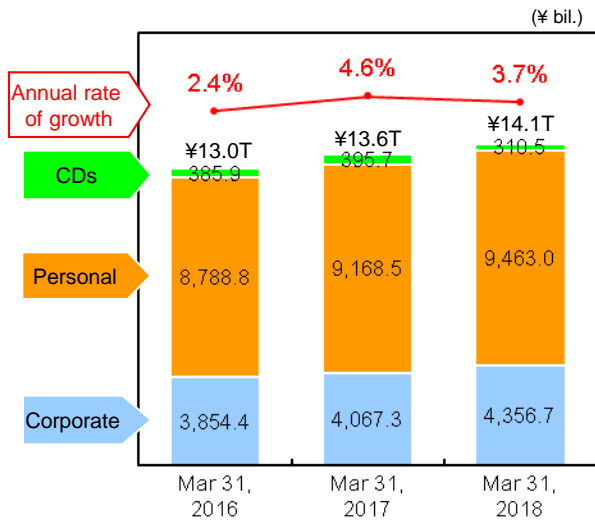
		Mar 31, 2018				Mar 31, 2017	Mar 31, 2016
		annual rate of growth		change from Mar 31, 2017	change from Mar 31, 2016		
3 banks' total	Total loans	7.1%	12,377,388	822,482	1,556,168	11,554,906	10,821,220
	Personal segment	1.2%	3,141,044	36,560	114,886	3,104,484	3,026,158
	Corporate segment	9.3%	9,236,343	785,924	1,441,283	8,450,419	7,795,060
	General Corporate	3.2%	7,050,872	215,643	489,409	6,835,229	6,561,463
	Public Sector	35.3%	2,185,471	570,281	951,875	1,615,190	1,233,596
	Personal loans	1.1%	3,033,451	32,556	110,373	3,000,895	2,923,078
	Housing loans	0.5%	2,703,748	14,381	53,882	2,689,367	2,649,866
Consumer loans	9.8%	257,899	23,049	66,506	234,850	191,393	
The Bank of Fukuoka (non-consolidated)	Total loans	6.6%	9,512,046	586,654	1,251,406	8,925,392	8,260,640
	Personal segment	0.6%	2,227,766	13,214	66,799	2,214,552	2,160,967
	Corporate segment	8.5%	7,284,280	573,441	1,184,607	6,710,839	6,099,673
	General Corporate	4.1%	5,651,465	224,778	483,916	5,426,687	5,167,549
	Public Sector	27.2%	1,632,815	348,663	700,692	1,284,152	932,123
	Fukuoka prefecture	1.8%	6,820,875	120,174	393,642	6,700,701	6,427,233
	Personal loans	0.5%	2,156,400	10,636	62,732	2,145,764	2,093,668
Housing loans	(0.2%)	1,921,468	(3,372)	20,633	1,924,840	1,900,835	
Consumer loans	11.3%	184,345	18,659	52,305	165,686	132,040	
The Kumamoto Bank (non-consolidated)	Total loans	14.7%	1,314,603	168,069	219,233	1,146,534	1,095,370
	Personal segment	4.8%	455,609	20,681	38,524	434,928	417,085
	Corporate segment	20.7%	858,994	147,389	180,710	711,605	678,284
	General Corporate	0.2%	605,155	1,139	24,119	604,016	581,036
	Public Sector	135.9%	253,839	146,250	156,591	107,589	97,248
	Kumamoto prefecture	2.0%	1,083,789	21,081	76,056	1,062,708	1,007,733
	Personal loans	4.6%	431,174	18,848	36,443	412,326	394,731
Housing loans	4.1%	392,827	15,485	27,208	377,342	365,619	
Consumer loans	10.0%	30,499	2,766	6,981	27,733	23,518	
The Shinwa Bank (non-consolidated)	Total loans	4.6%	1,550,739	67,759	85,529	1,482,980	1,465,210
	Personal segment	0.6%	457,669	2,665	9,563	455,004	448,106
	Corporate segment	6.3%	1,093,069	65,094	75,966	1,027,975	1,017,103
	General Corporate	(1.3%)	794,252	(10,274)	(18,626)	804,526	812,878
	Public Sector	33.7%	298,817	75,368	94,592	223,449	204,225
	Nagasaki prefecture	2.0%	1,115,458	22,051	46,445	1,093,407	1,069,013
	Personal loans	0.7%	445,877	3,072	11,198	442,805	434,679
Housing loans	0.6%	389,453	2,268	6,041	387,185	383,412	
Consumer loans	3.9%	43,055	1,624	7,220	41,431	35,835	

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥101.5 billion at the end of March 2016, ¥115.0 billion at the end of March 2017, and ¥126.5 billion at the end of March 2018).

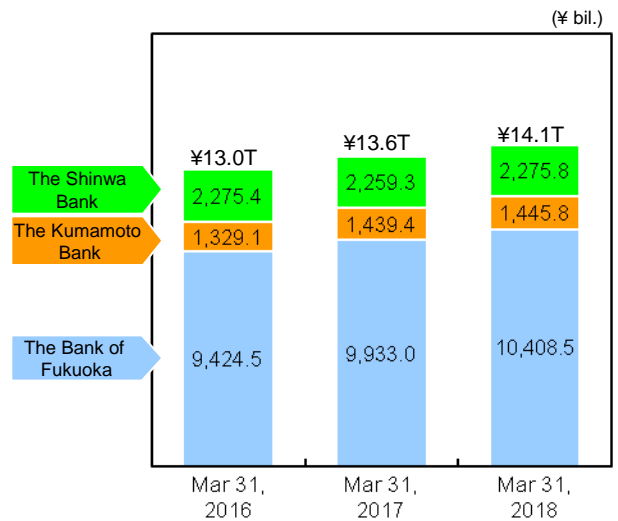
(2) Deposits

3 banks' total

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



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



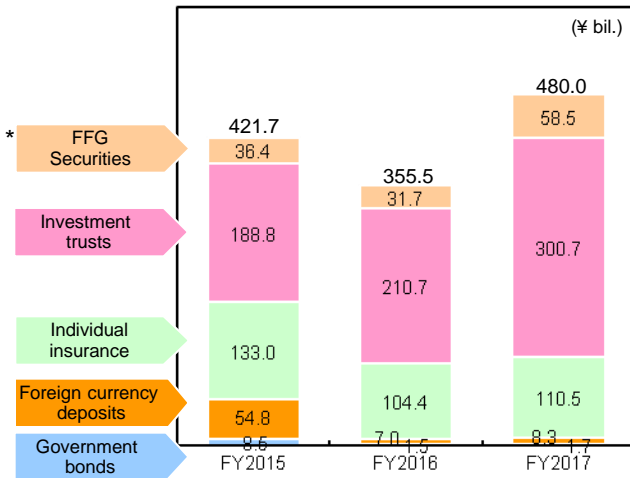
(¥ mil.)

	Mar 31, 2018					Mar 31, 2017	Mar 31, 2016
	annual rate of growth		change from Mar 31, 2017	change from Mar 31, 2016			
3 banks' total	Personal deposits	3.2%	9,463,075	294,489	674,271	9,168,586	8,788,804
	Corporate deposits	7.1%	4,356,732	289,366	502,329	4,067,366	3,854,403
	Total	4.4%	13,819,808	583,854	1,176,601	13,235,954	12,643,207
	Demand	7.3%	9,009,975	616,792	1,192,414	8,393,183	7,817,561
	Time	(0.7%)	4,809,832	(32,936)	(15,813)	4,842,768	4,825,645
	CDs	(21.5%)	310,523	(85,245)	(75,429)	395,768	385,952
	Deposits and CDs	3.7%	14,130,332	498,610	1,101,170	13,631,722	13,029,162
The Bank of Fukuoka (non-consolidated)	Personal deposits	4.0%	6,921,021	264,685	526,914	6,656,336	6,394,107
	Corporate deposits	9.3%	3,262,082	277,032	498,060	2,985,050	2,764,022
	Total	5.6%	10,183,104	541,718	1,024,975	9,641,386	9,158,129
	Demand	7.6%	6,902,465	488,567	882,751	6,413,898	6,019,714
	Time	1.6%	3,280,638	53,151	142,224	3,227,487	3,138,414
	CDs	(22.7%)	225,481	(66,143)	(40,908)	291,624	266,389
	Deposits and CDs	4.8%	10,408,585	475,575	984,066	9,933,010	9,424,519
	Fukuoka prefecture	4.8%	9,453,369	431,506	898,875	9,021,863	8,554,494
The Kumamoto Bank (non-consolidated)	Personal deposits	0.2%	1,066,833	2,348	89,876	1,064,485	976,957
	Corporate deposits	(1.3%)	357,235	(4,730)	37,937	361,965	319,298
	Total	(0.2%)	1,424,068	(2,383)	127,813	1,426,451	1,296,255
	Demand	5.2%	774,125	38,501	168,399	735,624	605,726
	Time	(5.9%)	649,943	(40,883)	(40,586)	690,826	690,529
	CDs	68.5%	21,821	8,872	(11,095)	12,949	32,916
	Deposits and CDs	0.5%	1,445,890	6,490	116,718	1,439,400	1,329,172
	Kumamoto prefecture	0.3%	1,336,706	4,407	139,389	1,332,299	1,197,317
The Shinwa Bank (non-consolidated)	Personal deposits	1.9%	1,475,221	27,456	57,481	1,447,765	1,417,740
	Corporate deposits	2.4%	737,415	17,064	(33,668)	720,351	771,083
	Total	2.1%	2,212,636	44,519	23,813	2,168,117	2,188,823
	Demand	7.2%	1,333,385	89,724	141,264	1,243,661	1,192,121
	Time	(4.9%)	879,251	(45,204)	(117,451)	924,455	996,702
	CDs	(30.7%)	63,221	(27,974)	(23,426)	91,195	86,647
	Deposits and CDs	0.7%	2,275,857	16,545	386	2,259,312	2,275,471
	Nagasaki prefecture	2.4%	1,964,070	46,300	42,976	1,917,770	1,921,094

(3) Asset management products

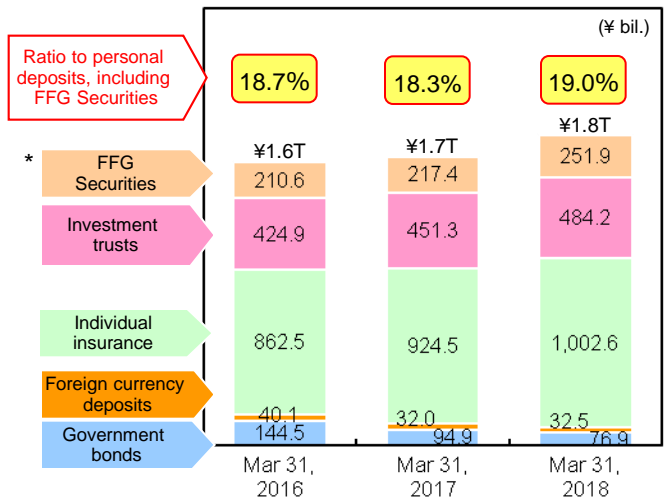
Group's total

Sales of asset management products



* Figures of FFG Securities (former Fukuoka Securities) are the total sales of investment trusts and bonds.

Outstanding balance of assets under management for individual customers



* Figures of FFG Securities (former Fukuoka Securities) are the total balance of individual investment trusts, stocks and bonds.

(¥ bil.)

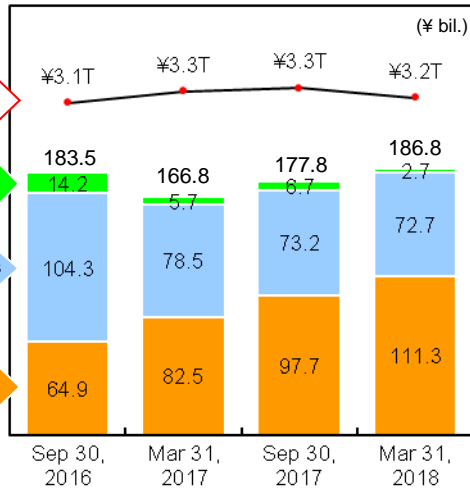
		Sales of asset management products					Outstanding balance of assets under management for individual customers				
		FY2017	change from		FY2016	FY2015	Mar 31, 2018	Change from		Mar 31, 2017	Mar 31, 2016
			FY2016	FY2015				Mar 31, 2017	Mar 31, 2016		
Group's total	Investment trusts	300.7	90.0	111.9	210.7	188.8	484.2	32.9	59.3	451.3	424.9
	Individual insurance	110.5	6.1	(22.5)	104.4	133.0	1,002.6	78.1	140.1	924.5	862.5
	Foreign currency deposits	8.3	1.3	(46.5)	7.0	54.8	32.5	0.5	(7.6)	32.0	40.1
	Government bonds	1.7	0.2	(6.8)	1.5	8.5	76.9	(18.0)	(67.6)	94.9	144.5
	Fukuoka Securities	58.5	26.8	22.1	31.7	36.4	251.9	34.5	41.3	217.4	210.6
	Total	480.0	124.5	58.3	355.5	421.7	1,848.3	128.0	165.6	1,720.3	1,682.7
	Ratio to personal deposits						19.0%	0.7%	0.3%	18.3%	18.7%
The Bank of Fukuoka (non-consolidated)	Investment trusts	177.9	45.1	62.3	132.8	115.6	315.1	17.2	33.3	297.9	281.8
	Individual insurance	64.8	(1.1)	(10.7)	65.9	75.5	644.3	53.5	98.3	590.8	546.0
	Foreign currency deposits	7.9	1.9	(24.4)	6.0	32.3	26.6	2.0	(3.4)	24.6	30.0
	Government bonds	1.5	0.2	(5.9)	1.3	7.4	67.0	(16.4)	(61.6)	83.4	128.6
	Total	252.2	46.0	21.2	206.2	231.0	1,053.1	56.2	66.6	996.9	986.5
	Ratio to personal deposits						15.2%	0.2%	(0.2%)	15.0%	15.4%
The Kumamoto Bank (non-consolidated)	Investment trusts	56.0	20.2	26.7	35.8	29.3	80.0	8.7	14.7	71.3	65.3
	Individual insurance	17.7	5.3	(6.5)	12.4	24.2	141.5	9.6	17.0	131.9	124.5
	Foreign currency deposits	0.1	(0.3)	(10.2)	0.4	10.3	2.5	(0.5)	(1.7)	3.0	4.2
	Government bonds	0.0	0.0	(0.1)	0.0	0.1	1.4	(0.2)	(1.0)	1.6	2.4
	Total	74.0	25.3	10.0	48.7	64.0	225.5	17.5	28.9	208.0	196.6
Ratio to personal deposits						21.1%	1.6%	1.0%	19.5%	20.1%	
The Shinwa Bank (non-consolidated)	Investment trusts	66.7	24.7	22.9	42.0	43.8	89.0	7.0	11.3	82.0	77.7
	Individual insurance	27.9	1.9	(5.3)	26.0	33.2	216.7	15.0	24.9	201.7	191.8
	Foreign currency deposits	0.2	(0.3)	(11.9)	0.5	12.1	3.3	(1.0)	(2.5)	4.3	5.8
	Government bonds	0.1	0.0	(0.8)	0.1	0.9	8.4	(1.3)	(5.0)	9.7	13.4
	Total	95.1	26.4	5.0	68.7	90.1	317.5	19.7	28.7	297.8	288.8
Ratio to personal deposits						21.5%	0.9%	1.1%	20.6%	20.4%	

<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.

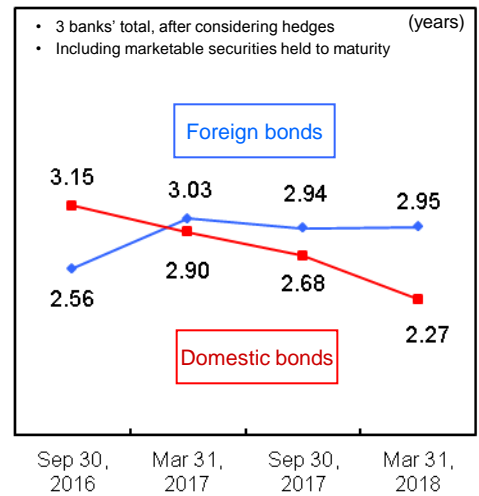
(4) Marketable securities

FFG (consolidated)

Unrealized gain



Bond duration



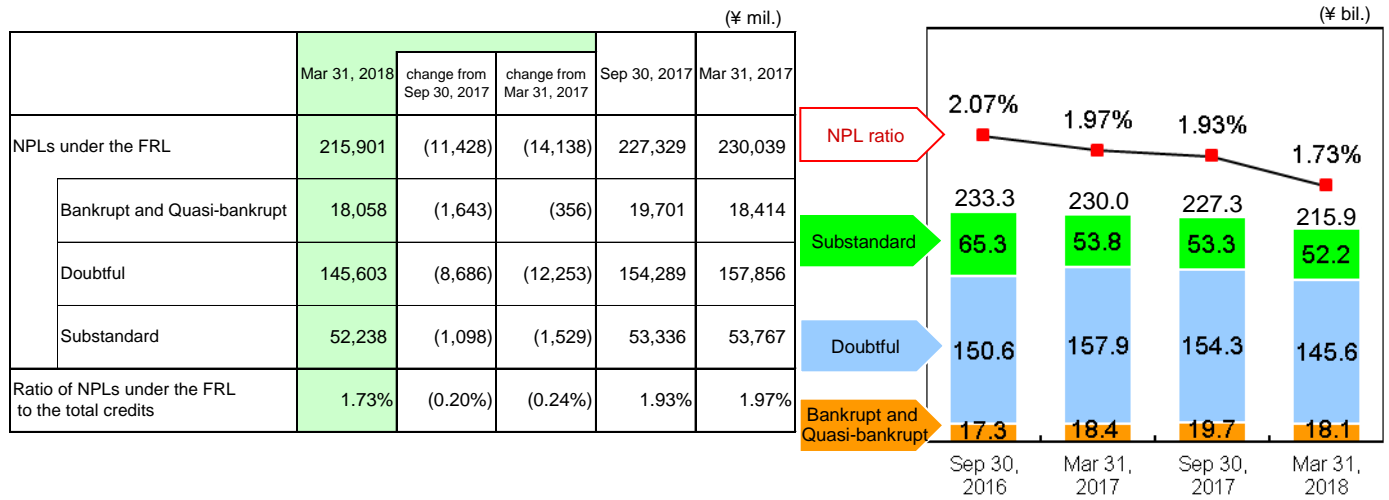
(¥ mil.)

		Mar 31, 2018						Sep 30, 2017		Mar 31, 2017	
		Market value	change from Sep 30, 2017	change from Mar 31, 2017	Unrealized gain(loss)	change from Sep 30, 2017	change from Mar 31, 2017	Market value	Unrealized gain(loss)	Market value	Unrealized gain(loss)
FFG (consolidated)	Total	3,223,509	(134,250)	(83,793)	186,873	9,052	20,002	3,357,759	177,821	3,307,302	166,871
	Stocks	176,872	13,800	29,312	111,371	13,592	28,804	163,072	97,779	147,560	82,567
	Domestic bonds	2,683,020	(132,639)	(94,720)	72,703	(571)	(5,823)	2,815,659	73,274	2,777,740	78,526
	National government bonds	1,996,773	(80,240)	(63,670)	64,999	568	(2,853)	2,077,013	64,431	2,060,443	67,852
	Local government bonds	88,945	(3,052)	9,557	857	(113)	(381)	91,997	970	79,388	1,238
	Corporate bonds	597,301	(49,347)	(40,606)	6,846	(1,025)	(2,590)	646,648	7,871	637,907	9,436
	Foreign bonds and Others	363,616	(15,411)	(18,385)	2,798	(3,969)	(2,978)	379,027	6,767	382,001	5,776
The Bank of Fukuoka (consolidated)	Total	2,281,616	(65,717)	(10,195)	156,114	10,099	22,358	2,347,333	146,015	2,291,811	133,756
	Stocks	157,014	12,338	24,765	102,946	12,131	24,257	144,676	90,815	132,249	78,689
	Domestic bonds	1,760,985	(62,646)	(16,578)	50,369	1,937	1,079	1,823,631	48,432	1,777,563	49,290
	National government bonds	1,237,995	(16,492)	8,616	45,399	2,866	3,419	1,254,487	42,533	1,229,379	41,980
	Local government bonds	61,697	(2,628)	8,798	558	(93)	(318)	64,325	651	52,899	876
	Corporate bonds	461,292	(43,526)	(33,992)	4,411	(836)	(2,022)	504,818	5,247	495,284	6,433
	Foreign bonds and Others	363,616	(15,410)	(18,382)	2,798	(3,969)	(2,978)	379,026	6,767	381,998	5,776
The Kumamoto Bank (non-consolidated)	Total	249,205	(14,980)	(20,007)	6,904	(833)	(1,515)	264,185	7,737	269,212	8,419
	Stocks	2,590	(196)	211	1,637	(197)	210	2,786	1,834	2,379	1,427
	Domestic bonds	246,615	(14,782)	(20,215)	5,266	(637)	(1,725)	261,397	5,903	266,830	6,991
	National government bonds	194,950	(13,722)	(18,971)	4,593	(546)	(1,504)	208,672	5,139	213,921	6,097
	Local government bonds	1,365	(3)	23	26	(3)	(8)	1,368	29	1,342	34
	Corporate bonds	50,298	(1,058)	(1,268)	646	(88)	(213)	51,356	734	51,566	859
	Foreign bonds and Others	—	(1)	(2)	—	0	0	1	0	2	0
The Shinwa Bank (non-consolidated)	Total	692,686	(53,554)	(53,591)	27,457	(213)	(841)	746,240	27,670	746,277	28,298
	Stocks	17,267	1,658	4,336	10,390	1,658	4,337	15,609	8,732	12,931	6,053
	Domestic bonds	675,419	(55,211)	(57,927)	17,067	(1,870)	(5,177)	730,630	18,937	733,346	22,244
	National government bonds	563,827	(50,025)	(53,315)	15,006	(1,752)	(4,768)	613,852	16,758	617,142	19,774
	Local government bonds	25,881	(423)	734	272	(17)	(54)	26,304	289	25,147	326
	Corporate bonds	85,710	(4,763)	(5,347)	1,789	(100)	(354)	90,473	1,889	91,057	2,143
	Foreign bonds and Others	—	—	—	—	—	—	—	—	—	—

3. Non-performing loans

(Direct write-off is adopted)

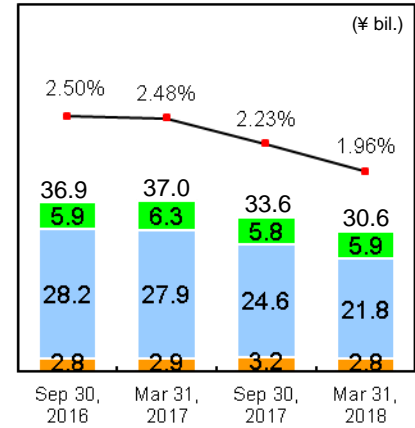
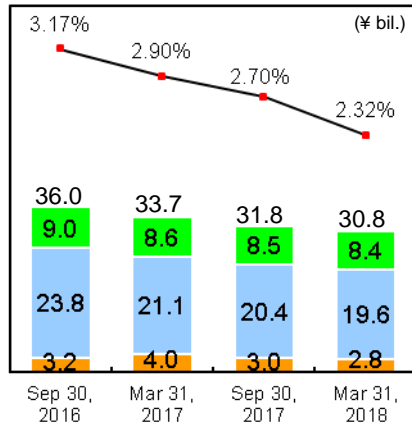
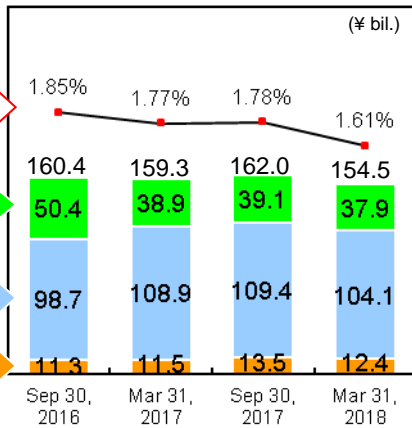
3 banks' total



The Bank of Fukuoka (non-consolidated)

The Kumamoto Bank (non-consolidated)

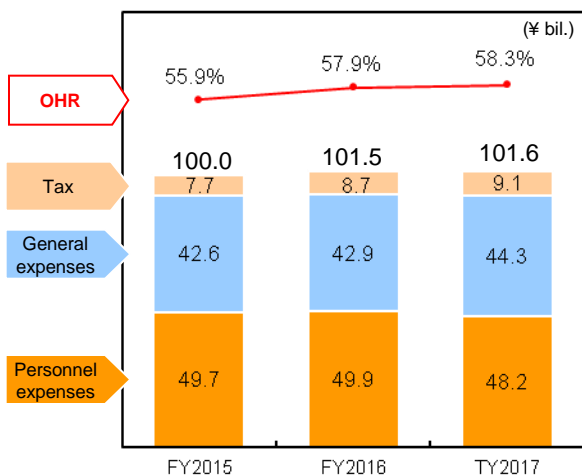
The Shinwa Bank (non-consolidated)



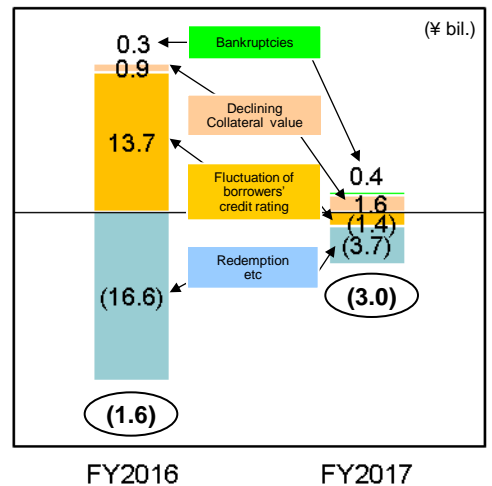
4. Overhead expenses • Credit cost

3 banks' total

Overhead expenses • OHR



Composition of credit cost



5. Capital adequacy ratio

FFG (consolidated)

The Domestic standard

- Consolidated capital adequacy ratio: 9.41%.
- Capital adequacy on its structure based on Pillar 3, market discipline, is disclosed on our website (<https://www.fukuoka-fg.com/investor/earnings.htm>). (This information is Japanese only.)

(¥ mil.)

	Mar 31, 2018 [preliminary]	Change from		Sep 30, 2017	Mar 31, 2017
		Sep 30, 2017	Mar 31, 2017		
① Total capital ratio ④/⑤	9.41%	0.37%	0.61%	9.04%	8.80%
② Core capital	656,670	27,036	47,540	629,634	609,130
③ Deduction	27,634	15,029	15,654	12,605	11,980
④ Total capital ②-③	629,035	12,007	31,886	617,028	597,149
⑤ Risk adjusted assets	6,684,518	(136,778)	(98,840)	6,821,296	6,783,358

6. Projections

- The tables presented below show our business performance forecast for FY2018, the final year of the Fifth Mid-Term Management Plan, "Aiming to be the Best Regional Bank" (from April 1, 2016 to March 31, 2019).

FFG (consolidated)

(¥ mil.)

	FY2018 (Projection)		FY2017 Result
		Interim (Projection)	
Consolidated ordinary profit	74,500	37,000	71,636
Net income attributable to owners of the parent	52,000	26,000	49,369
Dividends declared per share	¥17.00	¥8.50	¥15.00

<Reference>

- Projections on a subsidiary basis are as follows.

Projections for FY2018

(¥ mil.)

	3 banks' total				(3 banks' total) FY2017
		The Bank of Fukuoka	The Kumamoto Bank	The Shinwa Bank	
Core business profit	76,000	63,100	5,400	7,500	74,427
Ordinary profit	77,800	67,000	4,200	6,500	74,677
Net income	56,100	47,900	3,200	5,000	53,890
Credit cost (-)	5,000	3,500	800	800	(2,984)

Projections for the Interim of FY2018

(¥ mil.)

	3 banks' total				(3 banks' total) FY2017 Interim
		The Bank of Fukuoka	The Kumamoto Bank	The Shinwa Bank	
Core business profit	38,000	31,600	2,500	3,800	36,522
Ordinary profit	38,900	33,700	1,800	3,300	41,767
Net income	28,000	24,100	1,400	2,500	30,166
Credit cost (-)	2,500	1,800	400	400	(7,449)

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