

Fukuoka Financial Group, Inc.

Financial Digest for the Interim 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:	December 10, 2018 (scheduled)
Filing date of Financial Statements:	November 22, 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, 2018 to September 30, 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	%
Interim of FY2018	120,743	(1.2)	38,992	(2.9)	27,272	(2.5)
Interim of FY2017	122,177	5.3	40,164	23.9	27,963	32.9

(Note) Comprehensive income Interim of FY2018: ¥21,071 million [(41.9)%] Interim of FY2017: ¥36,254 million [126.7%]

	Net Income per Share	Net Income per Share (Diluted)
	¥	¥
Interim of FY2018	158.78	—
Interim of FY2017	162.79	—

(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	%
September 30, 2018	20,587,163	793,595	3.8
March 31, 2018	20,163,679	778,973	3.8

(Reference) Own capital September 30, 2018: ¥793,595 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: Yes

(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 Sep 30, 2018
(Assets)	資産の部		
Cash and due from banks	現金預け金	4,174,081	4,177,792
Call loans and bills bought	コールローン及び買入手形	9,661	4,952
Monetary claims bought	買入金銭債権	63,784	66,697
Trading assets	特定取引資産	1,804	1,761
Money held in trust	金銭の信託	4,113	4,717
Securities	有価証券	3,331,309	3,297,153
Loans and bills discounted	貸出金	12,230,470	12,672,290
Foreign exchanges	外国為替	6,834	8,403
Other assets	その他資産	178,828	188,929
Tangible fixed assets	有形固定資産	196,289	195,582
Intangible fixed assets	無形固定資産	15,564	15,379
Net defined benefit assets	退職給付に係る資産	33,304	36,884
Deferred tax assets	繰延税金資産	3,572	4,128
Customers' liabilities for acceptances and guarantees	支払承諾見返	40,215	40,886
Allowance for loan losses	貸倒引当金	(126,155)	(128,399)
Total assets	資産の部合計	20,163,679	20,587,163
(Liabilities)	負債の部		
Deposits	預金	13,795,830	13,687,789
Negotiable certificates of deposit	譲渡性預金	282,524	497,021
Call money and bills sold	コールマネー及び売渡手形	1,315,936	1,585,678
Payables under repurchase agreements	売現先勘定	105,625	1,284,655
Payables under securities lending transactions	債券貸借取引受入担保金	2,140,301	881,145
Trading liabilities	特定取引負債	0	—
Borrowed money	借入金	1,521,762	1,645,940
Foreign exchanges	外国為替	1,181	1,199
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	106,198
Net defined benefit liability	退職給付に係る負債	951	973
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	5,002
Provision for contingent liabilities losses	その他の偶発損失引当金	7	20
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	8,988
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	40,886
Total liabilities	負債の部合計	19,384,706	19,793,568
(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	94,158
Retained earnings	利益剰余金	381,891	402,723
Treasury stock	自己株式	(364)	(373)
Total shareholders' equity	株主資本合計	600,485	621,307
Valuation difference on available-for-sale securities	その他有価証券評価差額金	131,493	118,374
Deferred gains or losses on hedges	繰延ヘッジ損益	(12,684)	(5,688)
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	7,970
Total accumulated other comprehensive income	その他の包括利益累計額合計	178,470	172,287
Non-controlling interests	非支配株主持分	17	—
Total net assets	純資産の部合計	778,973	793,595
Total liabilities and net assets	負債及び純資産の部合計	20,163,679	20,587,163

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

Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	6 months ended Sep 30, 2017	6 months ended Sep 30, 2018
Ordinary income:	経常収益	122,177	120,743
Interest income	資金運用収益	85,442	88,602
Interest on loans and discounts	(うち貸出金利息)	67,328	67,602
Interest and dividends on securities	(うち有価証券利息配当金)	16,418	18,056
Fees and commissions	役務取引等収益	25,564	25,305
Trading income	特定取引収益	33	73
Other operating income	その他業務収益	2,937	3,473
Other income	その他経常収益	8,200	3,287
Ordinary expenses:	経常費用	82,013	81,750
Interest expenses	資金調達費用	9,980	9,945
Interest on deposits	(うち預金利息)	3,065	1,783
Fees and commissions payments	役務取引等費用	9,493	10,045
Other operating expenses	その他業務費用	439	12
General and administrative expenses	営業経費	60,119	58,268
Other expenses	その他経常費用	1,980	3,479
Ordinary profit	経常利益	40,164	38,992
Extraordinary income	特別利益	16	7
Gain on disposal of noncurrent assets	固定資産処分益	14	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	553	32
Loss on disposal of noncurrent assets	固定資産処分損	486	32
Impairment loss	減損損失	67	—
Income before income taxes:	税金等調整前中間純利益	39,626	38,966
Current	法人税、住民税及び事業税	9,855	11,234
Deferred	法人税等調整額	1,834	477
Total income taxes	法人税等合計	11,689	11,711
Net income	中間純利益	27,937	27,255
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する中間純損失	(25)	(17)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益	27,963	27,272

Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	6 months ended Sep 30, 2017	6 months ended Sep 30, 2018
Net income	中間純利益	27,937	27,255
Other comprehensive income	その他の包括利益	8,316	(6,183)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	7,652	(13,119)
Deferred gains or losses on hedges	繰延ヘッジ損益	(479)	6,995
Remeasurements of defined benefit plans	退職給付に係る調整額	1,143	(59)
Total comprehensive income	中間包括利益	36,254	21,071
(Breakdown)	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る中間包括利益	36,279	21,089
Comprehensive income attributable to non-controlling interests	非支配株主に係る中間包括利益	(25)	(17)

(3) Consolidated Statements of Changes in Net Assets

Interim of 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:	当中間期変動額					
Dividends from surplus	剰余金の配当			(5,582)		(5,582)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益			27,963		27,963
Acquisition of treasury stock	自己株式の取得				(8)	(8)
Transfer from revaluation reserve for land	土地再評価差額金の取崩			16		16
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		(30)			(30)
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)					
Total changes during the period	当中間期変動額合計	—	(30)	22,397	(8)	22,358
Balance as of Sep 30, 2017	当中間期末残高	124,799	94,125	366,925	(352)	585,498

		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, 2017	当期首残高	117,726	(12,660)	51,649	(7,805)	148,909	8	712,058
Changes during the period:	当中間期変動額							
Dividends from surplus	剰余金の配当							(5,582)
Net income attributable to owners of the parent	親会社株主に帰属する中間期純利益							27,963
Acquisition of treasury stock	自己株式の取得							(8)
Transfer from revaluation reserve for land	土地再評価差額金の取崩							16
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							(30)
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)	7,652	(479)	(16)	1,143	8,299	4	8,304
Total changes during the period	当中間期変動額合計	7,652	(479)	(16)	1,143	8,299	4	30,663
Balance as of Sep 30, 2017	当中間期末残高	125,378	(13,139)	51,632	(6,662)	157,209	13	742,721

Interim of FY2018

(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, 2018	当期首残高	124,799	94,158	381,891	(364)	600,485
Changes during the period:	当中間期変動額					
Dividends from surplus	剰余金の配当			(6,441)		(6,441)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益			27,272		27,272
Acquisition of treasury stock	自己株式の取得				(9)	(9)
Disposition of treasury stock	自己株式の処分		0		0	0
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)					
Total changes during the period	当中間期変動額合計	—	0	20,831	(8)	20,822
Balance as of Sep 30, 2018	当中間期末残高	124,799	94,158	402,723	(373)	621,307

		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		
		その他の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, 2018	当期首残高	131,493	(12,684)	51,631	8,029	178,470	17	778,973
Changes during the period:	当中間期変動額							
Dividends from surplus	剰余金の配当							(6,441)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益							27,272
Acquisition of treasury stock	自己株式の取得							(9)
Disposition of treasury stock	自己株式の処分							0
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)	(13,119)	6,995	—	(59)	(6,183)	(17)	(6,200)
Total changes during the period	当中間期変動額合計	(13,119)	6,995	—	(59)	(6,183)	(17)	14,621
Balance as of Sep 30, 2018	当中間期末残高	118,374	(5,688)	51,631	7,970	172,287	—	793,595

Financial Digest for the Interim of FY2018

November 12, 2018

Contents	Page
1 Gain and loss	8~10
2 Assets and liabilities	
(1) Loans	11
(2) Deposits	12
(3) Asset management products	13
(4) Marketable securities	14
3 Non-performing loans	15
4 Overhead expenses・Credit cost	15
5 Capital adequacy ratio	16
6 Projections	16

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

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

1. Gain and loss

	3 banks' total			FFG (consolidated)		
	6 months ended Sep 30, 2018	Comparison	6 months ended Sep 30, 2017	6 months ended Sep 30, 2018	Comparison	6 months ended Sep 30, 2017
						(¥ mil.)
Gross business profit	90,519	3,195	87,324	97,453	3,389	94,064
Net interest income	78,815	3,181	75,634	78,657	3,195	75,462
Domestic	74,891	2,983	71,908	74,732	2,996	71,736
International	3,924	198	3,726	3,924	198	3,726
Net fees and commissions	10,257	(899)	11,156	15,260	(810)	16,070
Net trading income	7	4	3	73	40	33
Net other operating income	1,437	907	530	3,461	964	2,497
Gains (losses) on sales (redemptions) of bonds	12	446	(434)	12	446	(434)
Overhead expenses (-)	50,536	(701)	51,237	58,336	(67)	58,403
Business profit (before transfer to general reserve for possible loan losses)	39,982	3,895	36,087	39,116	3,456	35,660
① Transfer to general reserve for possible loan losses (-)	∴[(2,558)] -	-	∴[(7,550)] -	(834)	(834)	∴[(7,488)] -
Business profit	39,982	3,895	36,087	39,951	4,291	35,660
Core business profit [38,000]	39,970	3,448	36,522	39,104	3,009	36,095
Other operating profit (loss)	3,014	(2,665)	5,679	(958)	(5,461)	4,503
② Credit cost for disposal of non-performing loans (-)	(770)	6,679	(7,449)	3,087	9,469	(6,382)
Net transfer to specific reserve for possible loan losses (-)	∴[1,790] -	-	∴[75] -	3,115	3,115	∴[1,790] -
Reversal of allowance for loan losses	768	(6,030)	6,798	-	(5,698)	5,698
Recoveries of written-off claims	314	(507)	821	314	(507)	821
Total credit cost ①+② (-) [2,500]	(770)	6,679	(7,449)	2,253	8,635	(6,382)
Gains (losses) on stocks	2,525	1,267	1,258	2,525	1,267	1,258
Others	(280)	2,747	(3,027)	(395)	2,742	(3,137)
Ordinary profit [38,900]	42,997	1,230	41,767	38,992	(1,172)	40,164
Extraordinary profit (loss)	(21)	538	(559)	(25)	512	(537)
Income (loss) before income taxes	42,976	1,769	41,207	38,966	(660)	39,626
Total income taxes (-)	11,679	639	11,040	11,711	22	11,689
Net income [28,000]	31,296	1,130	30,166	27,255	(682)	27,937
Net income attributable to non-controlling interests (-)				(17)	8	(25)
Net income attributable to owners of the parent [26,000]				27,272	(691)	27,963

<Notes> The 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.

6 months Summary

Core business profit (3 banks' total) ¥40.0 billion

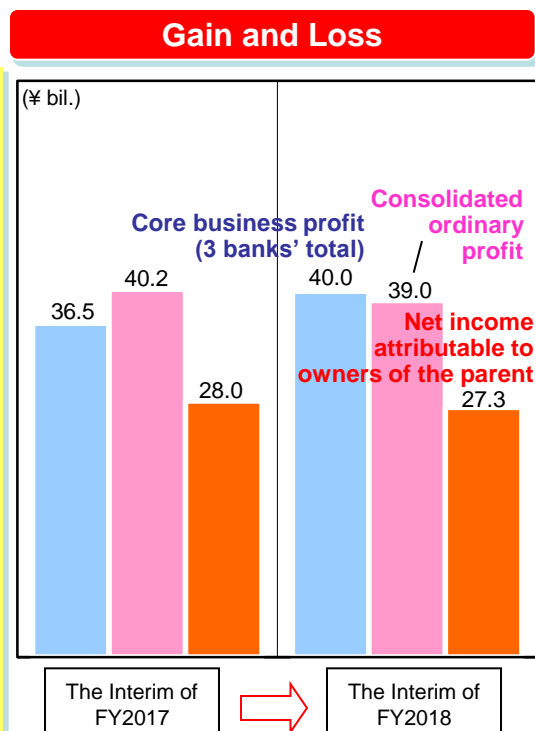
- Core business profit (3 banks' total) increased ¥3.4 billion from a year earlier to ¥40.0 billion mainly due to an increase of interest income, marking growth for the second consecutive quarters.

Consolidated ordinary profit ¥39.0 billion

- Consolidated ordinary profit decreased ¥1.2 billion from a year earlier to ¥39.0 billion. While gains on stocks and others increased, credit cost increased.

Net income attributable to owners of the parent ¥27.3 billion

- As a result, net income attributable to owners of the parent decreased ¥0.7 billion from a year earlier to ¥27.3 billion.



The Bank of Fukuoka (non-consolidated)

	【 announced projections 】	6 months ended Sep 30, 2018	6 months ended Sep 30, 2017	Comparison
(¥ mil.)				
Gross business profit		67,263	64,071	3,192
Net interest income		57,944	54,969	2,975
Domestic		54,119	51,320	2,799
International		3,825	3,649	176
Net fees and commissions		8,039	8,591	(552)
Net trading income		7	3	4
Net other operating income		1,271	506	765
Gains (losses) on sales (redemptions) of bonds		2	(380)	382
Overhead expenses (-)		33,470	34,088	(618)
Business profit (before transfer to general reserve for possible loan losses)		33,792	29,982	3,810
① Transfer to general reserve for possible loan losses (-)		..{(932)} -	..{(5,650)} -	-
Business profit		33,792	29,982	3,810
Core business profit	[31,600]	33,789	30,363	3,426
Other operating profit (loss)		3,479	1,802	1,677
② Credit cost for disposal of non-performing loans (-)		(1,079)	(3,701)	2,622
Net transfer to specific reserve for possible loan losses (-)		..{(237)} -	..{2,548} -	-
Reversal of allowance for loan losses		...▶ 1,169	...▶ 3,101	(1,932)
Recoveries of written-off claims		174	735	(561)
Total credit cost ①+② (-)	[1,800]	(1,079)	(3,701)	2,622
Gains (losses) on stocks		2,387	526	1,861
Others		12	(2,425)	2,437
Ordinary profit	[33,700]	37,271	31,785	5,486
Extraordinary profit (loss)		(2)	(456)	454
Income (loss) before income taxes		37,268	31,329	5,939
Total income taxes (-)		10,480	8,796	1,684
Net income	[24,100]	26,787	22,532	4,255

The Kumamoto Bank (non-consolidated)

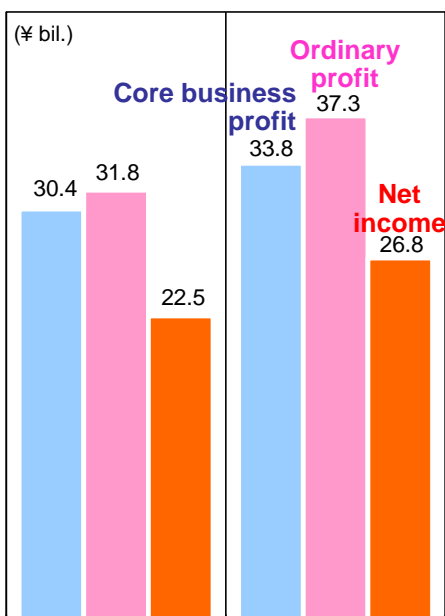
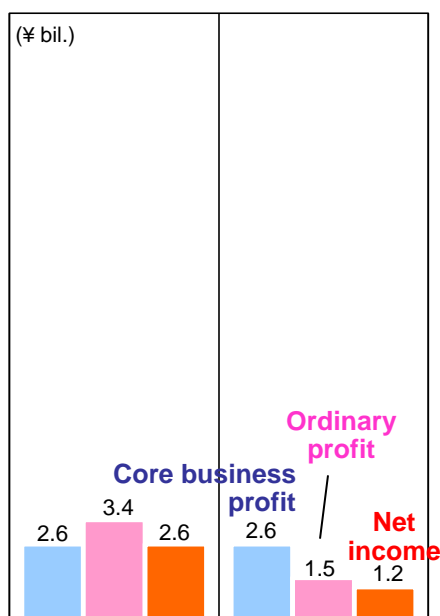
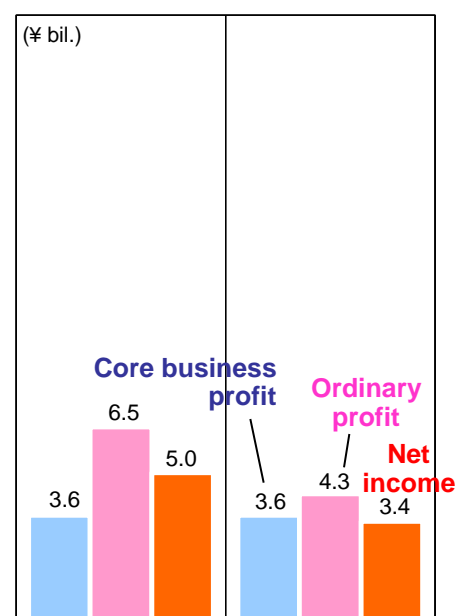
	【 announced projections 】	6 months ended Sep 30, 2018	6 months ended Sep 30, 2017	Comparison
(¥ mil.)				
Gross business profit		9,617	9,577	40
Net interest income		8,935	8,746	189
Domestic		8,903	8,717	186
International		32	28	4
Net fees and commissions		656	808	(152)
Net other operating income		25	22	3
Gains (losses) on sales (redemptions) of bonds		(3)	(5)	2
Overhead expenses (-)		7,004	7,025	(21)
Business profit (before transfer to general reserve for possible loan losses)		2,613	2,551	62
① Transfer to general reserve for possible loan losses (-)		(780)	..{(958)} -	(780)
Business profit		3,393	2,551	842
Core business profit	[2,500]	2,616	2,557	59
Other operating profit (loss)		(1,932)	897	(2,829)
② Credit cost for disposal of non-performing loans (-)		1,687	(1,184)	2,871
Net transfer to specific reserve for possible loan losses (-)		1,731	..{(206)} -	1,731
Reversal of allowance for loan losses		-	...▶ 1,165	(1,165)
Recoveries of written-off claims		70	41	29
Total credit cost ①+② (-)	[400]	907	(1,184)	2,091
Gains (losses) on stocks		-	-	-
Others		(244)	(286)	42
Ordinary profit	[1,800]	1,461	3,449	(1,988)
Extraordinary profit (loss)		(3)	(15)	12
Income (loss) before income taxes		1,457	3,433	(1,976)
Total income taxes (-)		301	819	(518)
Net income	[1,400]	1,156	2,614	(1,458)

The Shinwa Bank (non-consolidated)

(¥ mil.)

	【 announced projections 】	6 months ended Sep 30, 2018	6 months ended Sep 30, 2017	Comparison
Gross business profit		13,638	13,675	(37)
Net interest income		11,935	11,918	17
Domestic		11,868	11,869	(1)
International		67	48	19
Net fees and commissions		1,561	1,756	(195)
Net other operating income		141	1	140
Gains (losses) on sales (redemptions) of bonds		13	(49)	62
Overhead expenses (-)		10,061	10,122	(61)
Business profit (before transfer to general reserve for possible loan losses)		3,577	3,552	25
① Transfer to general reserve for possible loan losses (-)		∴[(846)] -	∴[(940)] -	-
Business profit		∴ 3,577	∴ 3,552	25
Core business profit	[3,800]	∴ 3,563	∴ 3,602	(39)
Other operating profit (loss)		∴ 687	∴ 2,979	(2,292)
② Credit cost for disposal of non-performing loans (-)		∴ (598)	∴ (2,563)	1,965
Net transfer to specific reserve for possible loan losses (-)		∴[296] -	∴[(1,590)] -	-
Reversal of allowance for loan losses		∴▶ 550	∴▶ 2,531	(1,981)
Recoveries of written-off claims		68	44	24
Total credit cost ①+② (-)	[400]	∴ (598)	∴ (2,563)	1,965
Gains (losses) on stocks		137	732	(595)
Others		(48)	(315)	267
Ordinary profit	[3,300]	4,264	6,532	(2,268)
Extraordinary profit (loss)		(15)	(88)	73
Income (loss) before income taxes		4,249	6,444	(2,195)
Total income taxes (-)		896	1,424	(528)
Net income	[2,500]	3,352	5,020	(1,668)

Gain and Loss

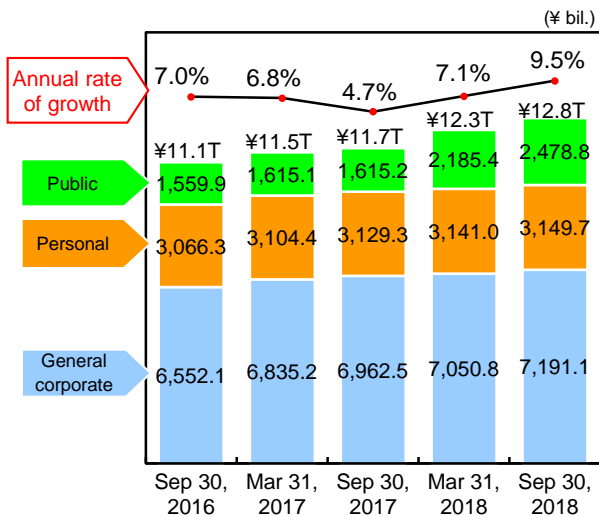
The Bank of Fukuoka
(non-consolidated)The Interim
of FY2017The Interim
of FY2018The Kumamoto Bank
(non-consolidated)The Interim
of FY2017The Interim
of FY2018The Shinwa Bank
(non-consolidated)The Interim
of FY2017The Interim
of FY2018

2. Assets and liabilities

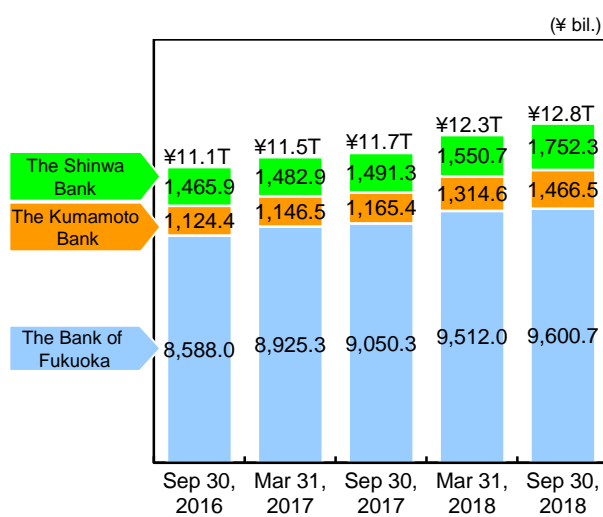
(1) Loans

3 banks' total

Loans classified by customer segment
(Term-end balance)



Loans classified by bank
(Term-end balance)



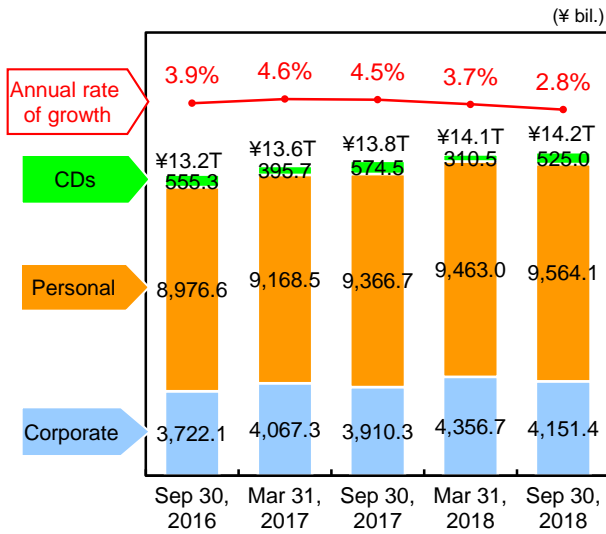
		Sep 30, 2018			Mar 31, 2018	Sep 30, 2017	
		annual rate of growth		change from Mar 31, 2018			change from Sep 30, 2017
3 banks' total	Total loans	9.5%	12,819,699	442,311	1,112,533	12,377,388	11,707,166
	Personal segment	0.7%	3,149,717	8,673	20,416	3,141,044	3,129,301
	Corporate segment	12.7%	9,669,980	433,637	1,092,117	9,236,343	8,577,863
	General Corporate	3.3%	7,191,168	140,296	228,590	7,050,872	6,962,578
	Public Sector	53.5%	2,478,812	293,341	863,529	2,185,471	1,615,283
	Personal loans	0.7%	3,043,925	10,474	21,302	3,033,451	3,022,623
	Housing loans	0.5%	2,710,017	6,269	12,414	2,703,748	2,697,603
Consumer loans	5.4%	263,148	5,249	13,486	257,899	249,662	
The Bank of Fukuoka (non-consolidated)	Total loans	6.1%	9,600,759	88,713	550,363	9,512,046	9,050,396
	Personal segment	(0.1%)	2,224,501	(3,265)	(2,213)	2,227,766	2,226,714
	Corporate segment	8.1%	7,376,258	91,978	552,576	7,284,280	6,823,682
	General Corporate	4.4%	5,803,849	152,384	243,360	5,651,465	5,560,489
	Public Sector	24.5%	1,572,409	(60,406)	309,217	1,632,815	1,263,192
	Fukuoka prefecture	1.5%	6,828,524	7,649	101,899	6,820,875	6,726,625
	Personal loans	(0.1%)	2,153,311	(3,089)	(2,527)	2,156,400	2,155,838
Housing loans	(0.5%)	1,915,151	(6,317)	(10,239)	1,921,468	1,925,390	
Consumer loans	6.6%	188,791	4,446	11,762	184,345	177,029	
The Kumamoto Bank (non-consolidated)	Total loans	25.8%	1,466,574	151,971	301,154	1,314,603	1,165,420
	Personal segment	4.4%	466,802	11,193	19,578	455,609	447,224
	Corporate segment	39.2%	999,771	140,777	281,576	858,994	718,195
	General Corporate	1.4%	609,298	4,143	8,488	605,155	600,810
	Public Sector	232.6%	390,473	136,634	273,088	253,839	117,385
	Kumamoto prefecture	2.4%	1,106,731	22,942	25,933	1,083,789	1,080,798
	Personal loans	4.9%	443,690	12,516	20,723	431,174	422,967
Housing loans	4.9%	404,296	11,469	18,999	392,827	385,297	
Consumer loans	5.2%	31,299	800	1,561	30,499	29,738	
The Shinwa Bank (non-consolidated)	Total loans	17.5%	1,752,366	201,627	261,016	1,550,739	1,491,350
	Personal segment	0.7%	458,414	745	3,051	457,669	455,363
	Corporate segment	24.9%	1,293,951	200,882	257,965	1,093,069	1,035,986
	General Corporate	(2.9%)	778,021	(16,231)	(23,258)	794,252	801,279
	Public Sector	119.8%	515,930	217,113	281,224	298,817	234,706
	Nagasaki prefecture	(0.4%)	1,099,615	(15,843)	(4,912)	1,115,458	1,104,527
	Personal loans	0.7%	446,924	1,047	3,106	445,877	443,818
Housing loans	0.9%	390,570	1,117	3,654	389,453	386,916	
Consumer loans	0.4%	43,058	3	163	43,055	42,895	

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

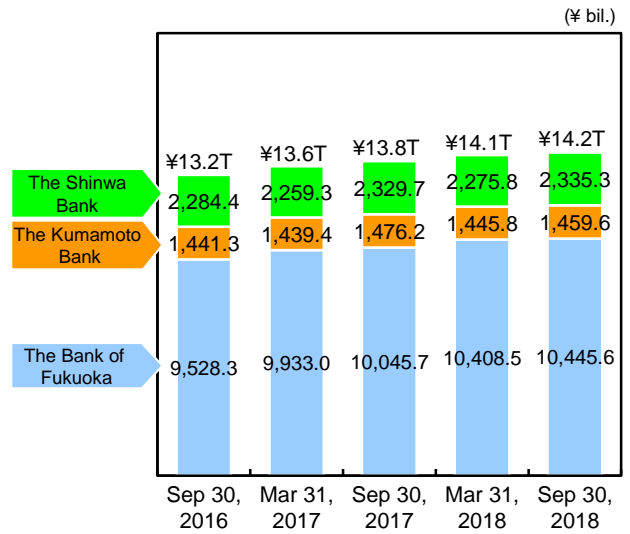
(2) Deposits

3 banks' total

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



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



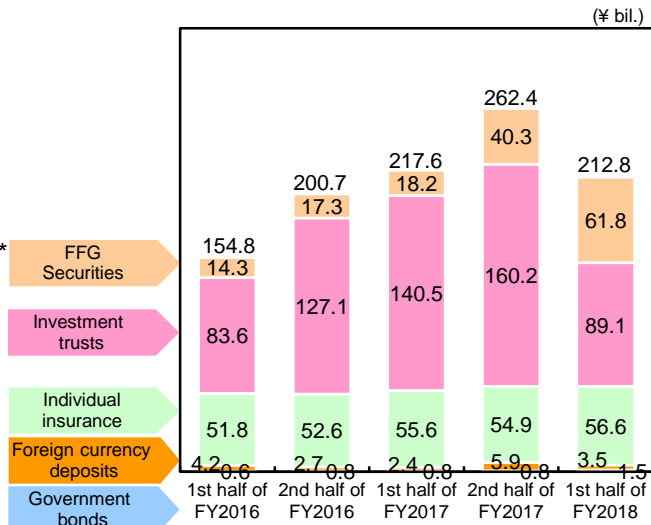
(¥ mil.)

	Sep 30, 2018				Mar 31, 2018	Sep 30, 2017
	annual rate of growth		change from Mar 31, 2018	change from Sep 30, 2017		
3 banks' total	Personal deposits	2.1%	9,564,196	101,121	197,401	9,463,075
	Corporate deposits	6.2%	4,151,460	(205,272)	241,101	4,356,732
	Total	3.3%	13,715,656	(104,152)	438,501	13,819,808
	Demand	8.1%	9,074,121	64,146	683,063	9,009,975
	Time	(5.0%)	4,641,533	(168,299)	(244,561)	4,809,832
	CDs	(8.6%)	525,020	214,497	(49,554)	310,523
	Deposits and CDs	2.8%	14,240,678	110,346	388,947	14,130,332
The Bank of Fukuoka (non-consolidated)	Personal deposits	2.7%	7,015,003	93,982	186,139	6,921,021
	Corporate deposits	8.5%	3,051,302	(210,780)	239,526	3,262,082
	Total	4.4%	10,066,305	(116,799)	425,665	10,183,104
	Demand	8.4%	6,917,841	15,376	535,104	6,902,465
	Time	(3.4%)	3,148,464	(132,174)	(109,438)	3,280,638
	CDs	(6.4%)	379,327	153,846	(25,738)	225,481
	Deposits and CDs	4.0%	10,445,632	37,047	399,926	10,408,585
	Fukuoka prefecture	4.2%	9,397,243	(56,126)	378,755	9,453,369
The Kumamoto Bank (non-consolidated)	Personal deposits	(1.3%)	1,062,586	(4,247)	(13,513)	1,066,833
	Corporate deposits	(2.4%)	376,246	19,011	(9,184)	357,235
	Total	(1.6%)	1,438,832	14,764	(22,698)	1,424,068
	Demand	5.9%	800,362	26,237	44,642	774,125
	Time	(9.5%)	638,469	(11,474)	(67,340)	649,943
	CDs	41.9%	20,853	(968)	6,156	21,821
	Deposits and CDs	(1.1%)	1,459,686	13,796	(16,541)	1,445,890
	Kumamoto prefecture	(1.3%)	1,350,784	14,078	(17,903)	1,336,706
The Shinwa Bank (non-consolidated)	Personal deposits	1.7%	1,486,607	11,386	24,775	1,475,221
	Corporate deposits	1.5%	723,912	(13,503)	10,759	737,415
	Total	1.6%	2,210,519	(2,117)	35,534	2,212,636
	Demand	8.2%	1,355,918	22,533	103,317	1,333,385
	Time	(7.3%)	854,600	(24,651)	(67,783)	879,251
	CDs	(19.4%)	124,840	61,619	(29,972)	63,221
	Deposits and CDs	0.2%	2,335,360	59,503	5,562	2,275,857
	Nagasaki prefecture	1.7%	1,956,478	(7,592)	33,350	1,964,070

(3) Asset management products

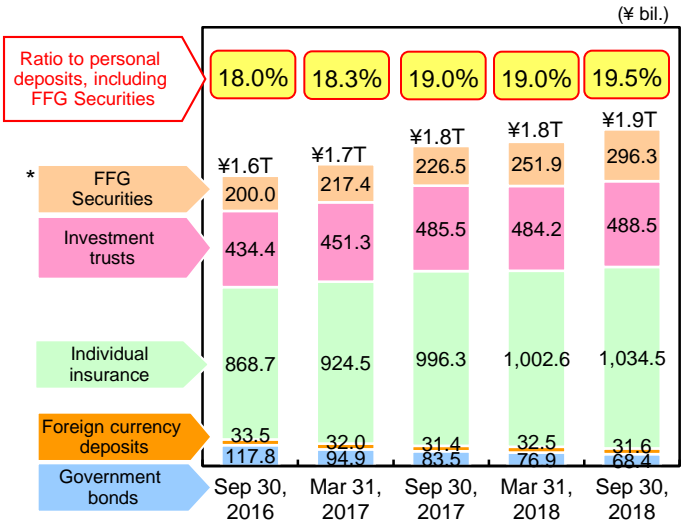
Group's total

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

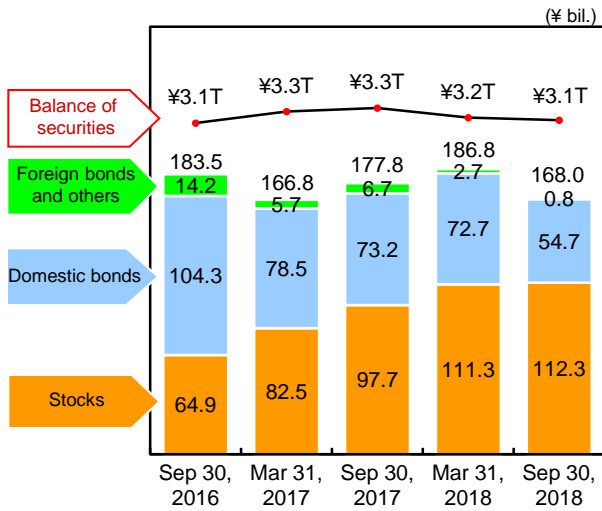
		1st half of FY2018 (6 months)			2nd half of FY2017 (6 months)	1st half of FY2017 (6 months)	Sep 30, 2018			Mar 31, 2018	Sep 30, 2017
			change from 2nd half of FY2017	change from 1st half of FY2017				Change from Mar 31, 2018	Change from Sep 30, 2017		
Group's total	Investment trusts	89.1	(71.1)	(51.4)	160.2	140.5	488.5	4.3	3.0	484.2	485.5
	Individual insurance	56.6	1.7	1.0	54.9	55.6	1,034.5	31.9	38.2	1,002.6	996.3
	Foreign currency deposits	3.5	(2.4)	1.1	5.9	2.4	31.6	(0.9)	0.2	32.5	31.4
	Government bonds	1.5	0.7	0.7	0.8	0.8	68.4	(8.5)	(15.1)	76.9	83.5
	FFG Securities	61.8	21.5	43.6	40.3	18.2	296.3	44.4	69.8	251.9	226.5
	Total	212.8	(49.6)	(4.8)	262.4	217.6	1,919.5	71.2	96.0	1,848.3	1,823.5
	Ratio to personal deposits						19.5%	0.5%	0.5%	19.0%	19.0%
The Bank of Fukuoka (non-consolidated)	Investment trusts	54.5	(38.1)	(30.7)	92.6	85.2	319.8	4.7	(1.4)	315.1	321.2
	Individual insurance	34.0	2.5	0.7	31.5	33.3	664.2	19.9	24.6	644.3	639.6
	Foreign currency deposits	3.1	(2.7)	1.0	5.8	2.1	25.7	(0.9)	1.1	26.6	24.6
	Government bonds	1.3	0.6	0.6	0.7	0.7	59.5	(7.5)	(13.8)	67.0	73.3
	Total	93.0	(37.7)	(28.5)	130.7	121.5	1,069.4	16.3	10.6	1,053.1	1,058.8
	Ratio to personal deposits						15.2%	0.0%	(0.3%)	15.2%	15.5%
The Kumamoto Bank (non-consolidated)	Investment trusts	17.7	(12.8)	(7.8)	30.5	25.5	79.4	(0.6)	1.2	80.0	78.2
	Individual insurance	7.9	(1.6)	(0.3)	9.5	8.2	146.2	4.7	4.5	141.5	141.7
	Foreign currency deposits	0.1	0.1	0.1	0.0	0.0	2.5	0.0	(0.2)	2.5	2.7
	Government bonds	0.0	0.0	0.0	0.0	0.0	1.3	(0.1)	(0.2)	1.4	1.5
	Total	25.9	(14.2)	(8.0)	40.1	33.9	229.6	4.1	5.3	225.5	224.3
	Ratio to personal deposits						21.6%	0.5%	0.8%	21.1%	20.8%
The Shinwa Bank (non-consolidated)	Investment trusts	16.8	(20.2)	(12.8)	37.0	29.6	89.1	0.1	3.2	89.0	85.9
	Individual insurance	14.6	0.7	0.6	13.9	14.0	224.0	7.3	9.1	216.7	214.9
	Foreign currency deposits	0.3	0.3	0.2	0.0	0.1	3.3	0.0	(0.8)	3.3	4.1
	Government bonds	0.1	0.0	0.1	0.1	0.0	7.5	(0.9)	(1.1)	8.4	8.6
	Total	31.9	(19.3)	(12.0)	51.2	43.9	324.1	6.6	10.4	317.5	313.7
	Ratio to personal deposits						21.8%	0.3%	0.3%	21.5%	21.5%

<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.

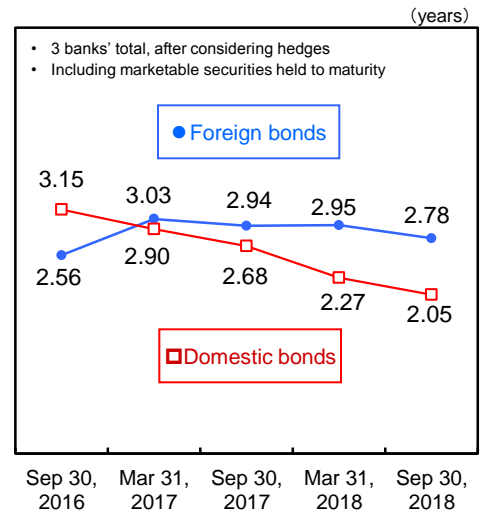
(4) Marketable securities

FFG (consolidated)

Unrealized gain



Bond duration



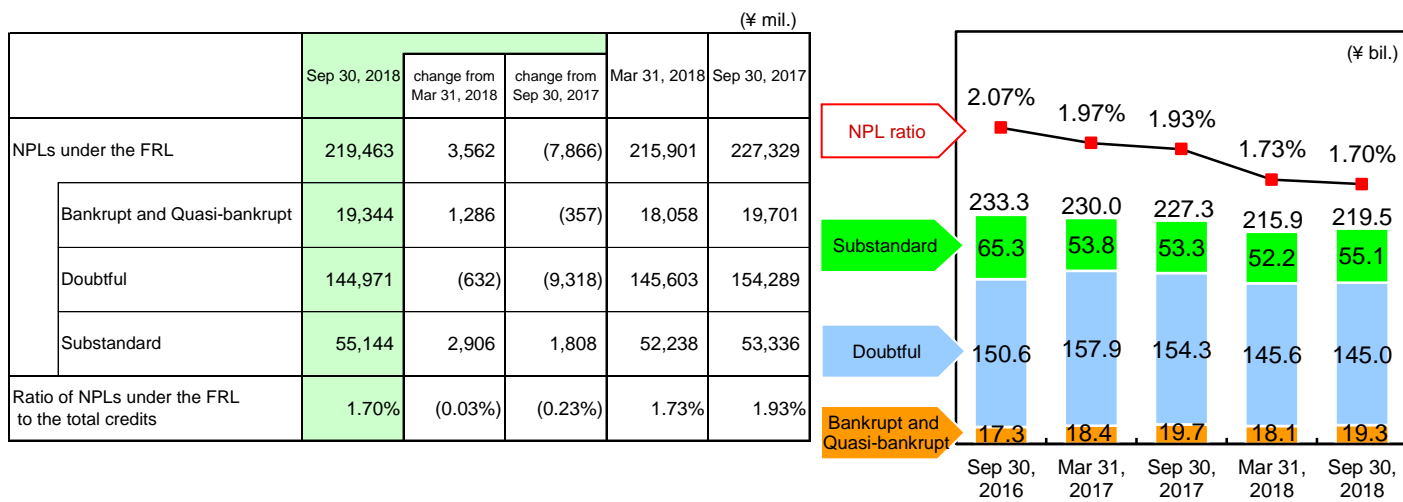
(¥ mil.)

		Sep 30, 2018						Mar 31, 2018		Sep 30, 2017	
		Market value	Unrealized gain(loss)		Market value	Unrealized gain(loss)	Market value	Unrealized gain(loss)			
			change from Mar 31, 2018	change from Sep 30, 2017					change from Mar 31, 2018	change from Sep 30, 2017	
FFG (consolidated)	Total	3,188,003	(35,506)	(169,756)	168,051	(18,822)	(9,770)	3,223,509	186,873	3,357,759	177,821
	Stocks	178,045	1,173	14,973	112,395	1,024	14,616	176,872	111,371	163,072	97,779
	Domestic bonds	2,585,882	(97,138)	(229,777)	54,793	(17,910)	(18,481)	2,683,020	72,703	2,815,659	73,274
	National government bonds	1,895,604	(101,169)	(181,409)	48,771	(16,228)	(15,660)	1,996,773	64,999	2,077,013	64,431
	Local government bonds	86,460	(2,485)	(5,537)	627	(230)	(343)	88,945	857	91,997	970
	Corporate bonds	603,817	6,516	(42,831)	5,394	(1,452)	(2,477)	597,301	6,846	646,648	7,871
	Foreign bonds and Others	424,075	60,459	45,048	863	(1,935)	(5,904)	363,616	2,798	379,027	6,767
The Bank of Fukuoka (consolidated)	Total	2,285,345	3,729	(61,988)	143,076	(13,038)	(2,939)	2,281,616	156,114	2,347,333	146,015
	Stocks	159,580	2,566	14,904	105,362	2,416	14,547	157,014	102,946	144,676	90,815
	Domestic bonds	1,701,689	(59,296)	(121,942)	36,850	(13,519)	(11,582)	1,760,985	50,369	1,823,631	48,432
	National government bonds	1,171,253	(66,742)	(83,234)	33,162	(12,237)	(9,371)	1,237,995	45,399	1,254,487	42,533
	Local government bonds	59,824	(1,873)	(4,501)	384	(174)	(267)	61,697	558	64,325	651
	Corporate bonds	470,611	9,319	(34,207)	3,303	(1,108)	(1,944)	461,292	4,411	504,818	5,247
	Foreign bonds and Others	424,075	60,459	45,049	863	(1,935)	(5,904)	363,616	2,798	379,026	6,767
The Kumamoto Bank (non-consolidated)	Total	223,053	(26,152)	(41,132)	5,649	(1,255)	(2,088)	249,205	6,904	264,185	7,737
	Stocks	2,440	(150)	(346)	1,488	(149)	(346)	2,590	1,637	2,786	1,834
	Domestic bonds	220,612	(26,003)	(40,785)	4,161	(1,105)	(1,742)	246,615	5,266	261,397	5,903
	National government bonds	169,994	(24,956)	(38,678)	3,602	(991)	(1,537)	194,950	4,593	208,672	5,139
	Local government bonds	1,310	(55)	(58)	21	(5)	(8)	1,365	26	1,368	29
	Corporate bonds	49,308	(990)	(2,048)	536	(110)	(198)	50,298	646	51,356	734
	Foreign bonds and Others	—	—	(1)	—	—	0	—	—	1	0
The Shinwa Bank (non-consolidated)	Total	679,605	(13,081)	(66,635)	22,929	(4,528)	(4,741)	692,686	27,457	746,240	27,670
	Stocks	16,024	(1,243)	415	9,147	(1,243)	415	17,267	10,390	15,609	8,732
	Domestic bonds	663,580	(11,839)	(67,050)	13,781	(3,286)	(5,156)	675,419	17,067	730,630	18,937
	National government bonds	554,356	(9,471)	(59,496)	12,006	(3,000)	(4,752)	563,827	15,006	613,852	16,758
	Local government bonds	25,325	(556)	(979)	221	(51)	(68)	25,881	272	26,304	289
	Corporate bonds	83,897	(1,813)	(6,576)	1,553	(236)	(336)	85,710	1,789	90,473	1,889
	Foreign bonds and Others	—	—	—	—	—	—	—	—	—	—

3. Non-performing loans

(Direct write-off is adopted)

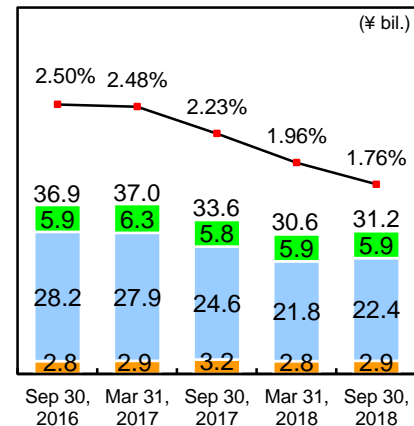
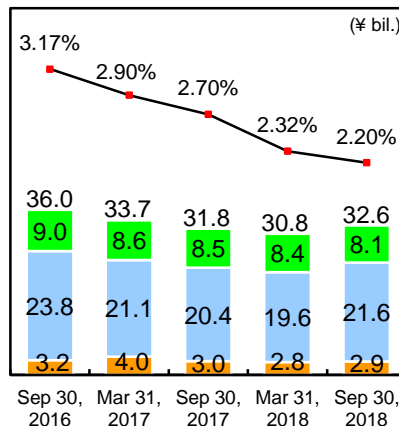
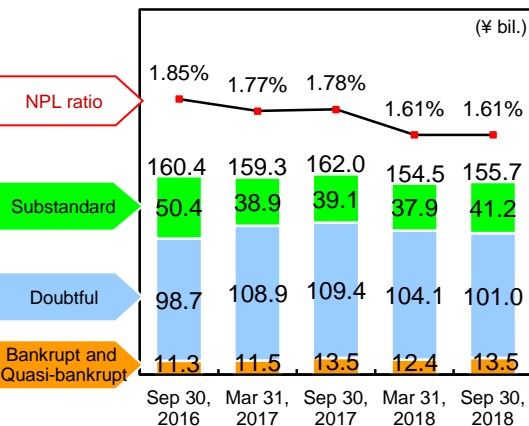
3 banks' total



The Bank of Fukuoka (non-consolidated)

The Kumamoto Bank (non-consolidated)

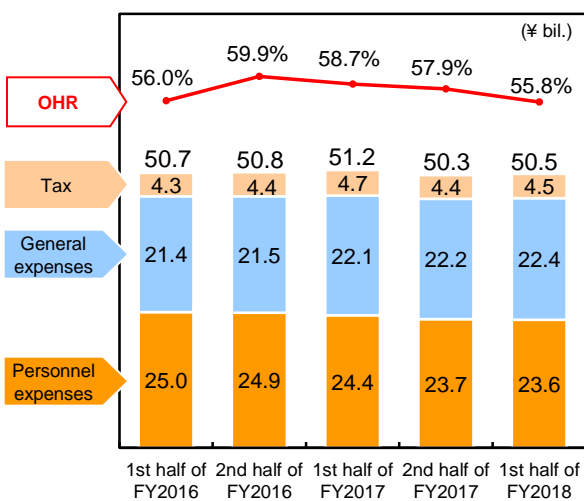
The Shinwa Bank (non-consolidated)



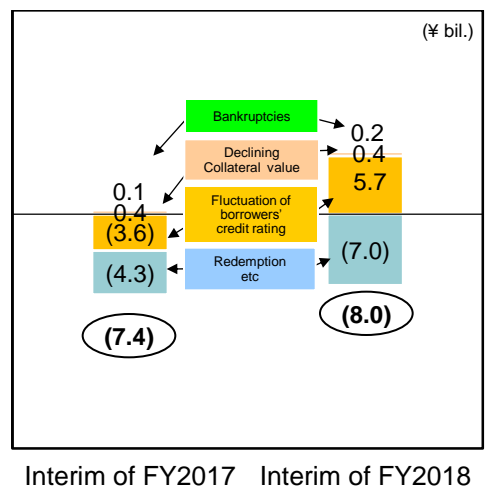
4. Overhead expenses • Credit cost

3 banks' total

Overhead expenses • OHR



Composition of credit cost



5. Capital adequacy ratio

FFG (consolidated)

The Domestic standard

- Consolidated capital adequacy ratio: 9.60%.
- 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.)

	Sep 30, 2018 [preliminary]	Change from		Mar 31, 2018	Sep 30, 2017
		Mar 31, 2018	Sep 30, 2017		
①Total capital ratio ④/⑤	9.60%	0.19%	0.56%	9.41%	9.04%
②Core capital	674,490	17,820	44,856	656,670	629,634
③Deduction	29,617	1,983	17,012	27,634	12,605
④Total capital ②-③	644,872	15,837	27,844	629,035	617,028
⑤Risk adjusted assets	6,716,528	32,010	(104,768)	6,684,518	6,821,296

6. Projections

- Based on the result of the interim of FY2018, only consolidated ordinary profit was modified. (Net income attributable to owners of the parent was unchanged.)

FFG (consolidated)

(¥ mil.)

	FY2018 (Projection)		FY2017 Result
		Interim (Result)	
Consolidated ordinary profit	75,500 (+1,000)	38,992	71,636
Net income attributable to owners of the parent	52,000 (-)	27,272	49,369
Dividends declared per share	—	¥8.50	¥15.00

(Note) The group consolidated its common shares at the ratio of one new share for every five old shares effective October 1, 2018. In accordance with it, the year-end dividend for Fiscal Year 2018 is estimated to be ¥42.50, while the annual dividend per share is shown as “—” because simple addition cannot be used for the calculation. If the effect is not factored in, the annual dividend per share would be ¥17.0, an increase of ¥2.0.

<Reference> Projections on a subsidiary basis

(¥ mil.)

	3 banks' total	FY2018 (Projection)			(3 banks' total) FY2017
		The Bank of Fukuoka	The Kumamoto Bank	The Shinwa Bank	
Core business profit	76,700	64,600	5,300	6,800	74,427
Ordinary profit	80,800	70,300	3,500	7,000	74,677
Net income	58,500	50,300	2,800	5,400	53,890
Credit cost (-)	1,300	300	1,300	(200)	(2,984)

(Note) Based on the result of the interim of FY2018, subsidiary banks' projections for the FY2018 were also modified.

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