

# Fukuoka Financial Group, Inc.

Financial Digest for Fiscal Year 2019, ended March 31, 2020



Stock Exchange Listing:	Tokyo, Fukuoka (code:8354)
URL:	<a href="https://www.fukuoka-fg.com/">https://www.fukuoka-fg.com/</a>
Representative:	Takashige Shibato, Chairman of the Board & President
For Inquiry:	Masahiro Fujii, General Manager, Corporate Planning Division
Date of General Meeting of Shareholders:	June 26, 2020 (scheduled)
Payment date of cash dividends:	June 29, 2020 (scheduled)
Filing date of Financial Statements:	June 26, 2020 (scheduled)
Trading Accounts:	Established
Supplementary Materials:	Attached
IR Conference:	Scheduled (for institutional investors, analysts)

- (Notes) 1. Financial statements are not subject to audit.  
2. Amounts less than one million yen are omitted.

## 1. Consolidated Financial Highlights (from April 1, 2019 to March 31, 2020)

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

	Ordinary Income		Ordinary Profit		Net Income attributable to owners of the parent	
	¥Million	%	¥Million	%	¥Million	%
FY2019	283,186	15.1	(5,250)	—	110,607	114.2
FY2018	246,112	3.6	74,093	3.4	51,649	4.6

(Note) Comprehensive income FY2019: ¥46,387 million [284.9%] FY2018: ¥12,053 million [(84.7)%]

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
	¥	¥	%	%	%
FY2019	581.83	—	13.6	(0.0)	(1.9)
FY2018	300.71	—	6.6	0.4	30.1

(Reference) Equity in earnings of affiliates FY2019: None FY2018: None

(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	Net Assets per Share
	¥Million	¥Million	%	¥
FY2019	25,068,405	853,062	3.4	4,487.30
FY2018	20,839,786	777,308	3.7	4,525.66

(Reference) Own capital FY2019: ¥853,038 million FY2018: ¥777,291 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
FY2019	47,871	(147,507)	(15,989)	4,545,697
FY2018	(5,725)	360,435	(33,717)	4,489,326

## 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	%	%
FY2018	—	8.50	—	42.50	—	14,599	28.3	1.9
FY2019	—	42.50	—	42.50	85.00	16,229	14.6	1.9
FY2020 (projection)	—	42.50	—	42.50	85.00		40.4	

(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 “—”.

## 3. Consolidated Earnings Projections for Fiscal year 2020, (Year ending March 31, 2021)

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

	Ordinary Profit		Net Income attributable to owners of the parent		Net Income per Share
	¥Million	%	¥Million	%	¥
Interim of FY2020	30,500	2.4	20,500	(84.8)	107.83
FY2020	56,000	—	40,000	(63.8)	210.41

(Note) The reverse effects of the spread of the new coronavirus infection that can be presumed at present were factored in the calculation of performance projections for the fiscal year ending March 31, 2021. Hereafter, if any revision is required, revised figures will be announced without delay.

## 4. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2019	As of Mar 31, 2020
(Assets)	資産の部		
Cash and due from banks	現金預け金	4,497,130	4,555,981
Call loans and bills bought	コールローン及び買入手形	8,769	23,236
Receivables under resale agreements	買現先勘定	—	37,621
Monetary claims bought	買入金銭債権	66,528	54,688
Trading assets	特定取引資産	1,600	1,630
Money held in trust	金銭の信託	4,190	14,734
Securities	有価証券	2,927,128	3,797,852
Loans and bills discounted	貸出金	12,994,296	16,126,222
Foreign exchanges	外国為替	8,160	32,933
Lease receivables and lease investment assets	リース債権及びリース投資資産	—	15,857
Other assets	その他資産	183,074	283,821
Tangible fixed assets	有形固定資産	194,101	209,629
Intangible fixed assets	無形固定資産	16,198	19,206
Net defined benefit assets	退職給付に係る資産	18,533	8,459
Deferred tax assets	繰延税金資産	9,366	47,770
Customers' liabilities for acceptances and guarantees	支払承諾見返	43,363	45,662
Allowance for loan losses	貸倒引当金	(132,655)	(206,904)
<b>Total assets</b>	<b>資産の部合計</b>	<b>20,839,786</b>	<b>25,068,405</b>
(Liabilities)	負債の部		
Deposits	預金	14,059,790	17,174,794
Negotiable certificates of deposit	譲渡性預金	238,412	346,675
Call money and bills sold	コールマネー及び売渡手形	1,865,549	2,248,706
Payables under repurchase agreements	売現先勘定	1,241,589	1,369,069
Payables under securities lending transactions	債券貸借取引受入担保金	618,007	638,281
Trading liabilities	特定取引負債	0	—
Borrowed money	借入金	1,826,041	2,159,259
Foreign exchanges	外国為替	1,169	1,679
Short-term bonds payable	短期社債	16,000	29,000
Bonds payable	社債	10,000	10,000
Other liabilities	その他負債	112,921	156,225
Net defined benefit liability	退職給付に係る負債	993	4,379
Provision for losses on interest repayments	利息返還損失引当金	23	26
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	5,543	8,592
Provision for contingent liabilities losses	その他の偶発損失引当金	3	0
Reserves under the special laws	特別法上の引当金	22	22
Deferred tax liabilities	繰延税金負債	57	6
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	22,989	22,961
Acceptances and guarantees	支払承諾	43,363	45,662
<b>Total liabilities</b>	<b>負債の部合計</b>	<b>20,062,477</b>	<b>24,215,343</b>
(Net assets)	純資産の部		
Capital stock	資本金	124,799	124,799
Capital surplus	資本剰余金	94,164	141,418
Retained earnings	利益剰余金	419,871	514,682
Treasury stock	自己株式	(391)	(2,446)
<b>Total shareholders' equity</b>	<b>株主資本合計</b>	<b>638,443</b>	<b>778,454</b>
Valuation difference on available-for-sale securities	その他有価証券評価差額金	107,770	65,358
Deferred gains or losses on hedges	繰延ヘッジ損益	(20,239)	(32,547)
Revaluation reserve for land	土地再評価差額金	51,560	51,495
Remeasurements of defined benefit plans	退職給付に係る調整累計額	(245)	(9,721)
<b>Total accumulated other comprehensive income</b>	<b>その他の包括利益累計額合計</b>	<b>138,847</b>	<b>74,584</b>
Non-controlling interests	非支配株主持分	17	23
<b>Total net assets</b>	<b>純資産の部合計</b>	<b>777,308</b>	<b>853,062</b>
<b>Total liabilities and net assets</b>	<b>負債及び純資産の部合計</b>	<b>20,839,786</b>	<b>25,068,405</b>

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

## Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	FY2018	FY2019
<b>Ordinary income:</b>	<b>経常収益</b>	246,112	283,186
Interest income	資金運用収益	177,744	200,141
Interest on loans and discounts	(うち貸出金利息)	136,827	155,206
Interest and dividends on securities	(うち有価証券利息配当金)	33,976	37,936
Trust fees	信託報酬	0	0
Fees and commissions	役務取引等収益	49,884	56,283
Trading income	特定取引収益	177	344
Other operating income	その他業務収益	8,120	17,010
Other income	その他経常収益	10,183	9,406
<b>Ordinary expenses:</b>	<b>経常費用</b>	172,018	288,436
Interest expenses	資金調達費用	21,967	25,829
Interest on deposits	(うち預金利息)	4,340	5,179
Fees and commissions payments	役務取引等費用	20,826	25,007
Other operating expenses	その他業務費用	45	887
General and administrative expenses	営業経費	117,087	154,951
Other expenses	その他経常費用	12,091	81,760
<b>Ordinary profit (loss)</b>	<b>経常利益又は経常損失</b>	74,093	(5,250)
Extraordinary income	特別利益	10	117,444
Gain on disposal of noncurrent assets	固定資産処分益	10	11
Gains on negative goodwill	負ののれん発生益	—	117,433
Extraordinary loss	特別損失	451	3,962
Loss on disposal of noncurrent assets	固定資産処分損	347	399
Impairment loss	減損損失	103	3,414
Loss on step acquisitions	段階取得に係る差損	—	148
<b>Income before income taxes:</b>	<b>税金等調整前当期純利益</b>	73,652	108,231
Current	法人税、住民税及び事業税	21,857	15,954
Deferred	法人税等調整額	189	(18,308)
Total income taxes	法人税等合計	22,046	(2,353)
Net income	当期純利益	51,605	110,585
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する当期純損失	(44)	(22)
<b>Net income attributable to owners of the parent</b>	<b>親会社株主に帰属する当期純利益</b>	51,649	110,607

## Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	FY2018	FY2019
Net income	当期純利益	51,605	110,585
Other comprehensive income	その他の包括利益	(39,552)	(64,197)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(23,722)	(42,412)
Deferred gains or losses on hedges	繰延ヘッジ損益	(7,554)	(12,308)
Remeasurements of defined benefit plans	退職給付に係る調整額	(8,274)	(9,476)
Total comprehensive income	包括利益	12,053	46,387
(Breakdown)	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る包括利益	12,097	46,409
Comprehensive income attributable to non-controlling interests	非支配株主に係る包括利益	(44)	(22)

## (3) Consolidated Statements of Changes in Net Assets

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:	当期変動額					
Dividends from surplus	剰余金の配当			(13,740)		(13,740)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益			51,649		51,649
Acquisition of treasury stock	自己株式の取得				(27)	(27)
Disposition of treasury stock	自己株式の処分		0		0	0
Transfer from revaluation reserve for land	土地再評価差額金の取崩			70		70
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		6			6
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	—	6	37,979	(27)	37,958
Balance as of Mar 31, 2019	当期末残高	124,799	94,164	419,871	(391)	638,443

		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, 2018	当期首残高	131,493	(12,684)	51,631	8,029	178,470	17	778,973
Changes during the period:	当期変動額							
Dividends from surplus	剰余金の配当							(13,740)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益							51,649
Acquisition of treasury stock	自己株式の取得							(27)
Disposition of treasury stock	自己株式の処分							0
Transfer from revaluation reserve for land	土地再評価差額金の取崩							70
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							6
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)	(23,722)	(7,554)	(70)	(8,274)	(39,623)	(0)	(39,623)
Total changes during the period	当期変動額合計	(23,722)	(7,554)	(70)	(8,274)	(39,623)	(0)	(1,664)
Balance as of Mar 31, 2019	当期末残高	107,770	(20,239)	51,560	(245)	138,847	17	777,308

FY2019

(millions of Yen)

Item	科目 (Japanese)	Shareholders' equity				
		株主資本				
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		資本金	資本剰余金	利益剰余金	自己株式	株主資本合計
Balance as of Mar 31, 2019	当期首残高	124,799	94,164	419,871	(391)	638,443
Changes during the period:	当期変動額					
Increase by stock swap	株式交換による増加		47,120			47,120
Dividends from surplus	剰余金の配当			(15,861)		(15,861)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益			110,607		110,607
Acquisition of treasury stock	自己株式の取得				(2,055)	(2,055)
Disposition of treasury stock	自己株式の処分		0		0	1
Transfer from revaluation reserve for land	土地再評価差額金の取崩			65		65
Purchase of shares of consolidated subsidiaries	連結子会社株式の取得による持分の増減		11			11
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		122			122
Net changes of items other than shareholders' equity	株主資本以外の項目の当期変動額(純額)					
Total changes during the period	当期変動額合計	—	47,254	94,811	(2,054)	140,010
Balance as of Mar 31, 2020	当期末残高	124,799	141,418	514,682	(2,446)	778,454

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, 2019	当期首残高	107,770	(20,239)	51,560	(245)	138,847	17	777,308
Changes during the period:	当期変動額							
Increase by stock swap	株式交換による増加							47,120
Dividends from surplus	剰余金の配当							(15,861)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益							110,607
Acquisition of treasury stock	自己株式の取得							(2,055)
Disposition of treasury stock	自己株式の処分							1
Transfer from revaluation reserve for land	土地再評価差額金の取崩							65
Purchase of shares of consolidated subsidiaries	連結子会社株式の取得による持分の増減							11
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							122
Net changes of items other than shareholders' equity	株主資本以外の項目の当期変動額(純額)	(42,412)	(12,308)	(65)	(9,476)	(64,263)	5	(64,257)
Total changes during the period	当期変動額合計	(42,412)	(12,308)	(65)	(9,476)	(64,263)	5	75,753
Balance as of Mar 31, 2020	当期末残高	65,358	(32,547)	51,495	(9,721)	74,584	23	853,062



# Financial Digest for the FY2019

May 13, 2020

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4banks' total : Simple total of The Bank of Fukuoka, The Kumamoto Bank, The Shinwa Bank and The Eighteenth Bank (non-consolidated).  
Comparison is difference of 4 banks' simple total between the FY2019 and the FY2018.

The Shinwa Bank + The Eighteenth Bank : Simple total of The Shinwa Bank and The Eighteenth Bank (non-consolidated).

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

4 banks' total

FFG  
(consolidated)

(¥ mil.)

	FY2019	FY2018	Comparison	FY2019
Gross business profit	201,256	206,838	(5,582)	222,055
Net interest income	178,439	182,070	(3,631)	174,312
Domestic	168,888	173,038	(4,150)	164,912
International	9,551	9,032	519	9,399
Net fees and commissions	20,978	21,754	(776)	31,276
Net trading income	7	6	1	344
Net other operating income	1,829	3,006	(1,177)	16,122
Gains (losses) on sales (redemptions) of bonds	(693)	1,014	(1,707)	(709)
Overhead expenses (-)	123,078	121,912	1,166	155,256
Business profit (before transfer to general reserve for possible loan losses)	78,177	84,925	(6,748)	66,799
① Transfer to general reserve for possible loan losses (-)	60,002	(531)	60,533	62,451
<b>Business profit</b>	18,174	85,456	(67,282)	4,348
<b>Core business profit</b>	78,871	83,910	(5,039)	67,508
Core business profit (excluding gains (losses) on cancellation of investment trusts)	78,562	83,768	(5,206)	67,104
Other operating profit (loss)	(9,738)	601	(10,339)	(9,598)
② Credit cost for disposal of non-performing loans (-)	1,371	5,624	(4,253)	3,834
Net transfer to specific reserve for possible loan losses (-)	1,858	5,699	(3,841)	4,323
Recoveries of written-off claims	875	797	78	882
<b>Total credit cost ①+② (-)</b>	61,374	5,092	56,282	66,285
Gains (losses) on stocks	(113)	6,489	(6,602)	2,227
Others	(8,253)	(263)	(7,990)	(7,991)
<b>Ordinary profit</b>	8,436	86,058	(77,622)	(5,250)
Extraordinary profit (loss)	(11,026)	(714)	(10,312)	113,482
Impairment loss on fixed assets (-)	10,638	361	10,277	3,414
Income (loss) before income taxes	(2,590)	85,343	(87,933)	108,231
Total income taxes (-)	(5,279)	23,079	(28,358)	(2,353)
Net income	2,689	62,264	(59,575)	110,585
Net income attributable to non-controlling interests (-)				(22)
<b>Net income attributable to owners of the parent</b>				110,607

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

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

Reference (¥ bil.)	FY2019	FY2018	Comparison
Net income (4 banks' total)	2.7	62.3	(59.6)
Gains on negative goodwill	117.4	—	117.4
FFG non-consolidated	(16.1)	(8.5)	(7.6)
Profit (loss) of subsidiary companies	1.7	2.9	(1.2)
Other consolidation adjustments	4.9	(0.8)	+5.6
FFG's consolidated for the quarter net profit *	110.6	55.9	+54.7

\*For the FY2018, consolidated financial results of the Eighteenth Bank was added to FFG's consolidated financial results (3 banks)

## Summary

**Core business profit (4 banks' total) ¥78.9 billion**

- Core business profit decreased ¥5.0 billion from a year earlier to ¥78.9 billion mainly due to a decrease of net interest income from domestic operations.

**Credit cost (4 banks' total) ¥61.4 billion**

- ¥61.4billion was transferred to credit cost mainly due to the adoption of forward-looking reserve estimates, reserve to prepare for possible impact of the coronavirus pandemic, and reserve standards unified after the Eighteenth Bank's business integration into the group.

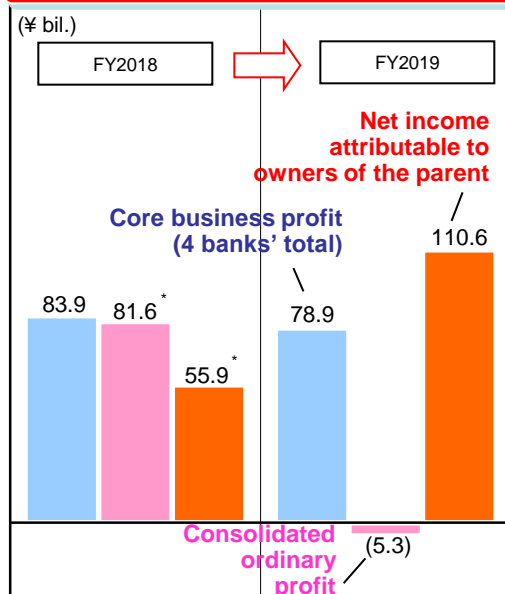
**Net income (4 banks' total) ¥2.7 billion**

- Net income stood at ¥2.7 billion as a result of the above credit cost and an impairment loss (¥10.6 billion) on fixed assets posted after integrating branches of the Sinwa Bank and the Eighteenth Bank.

**Net income attributable to owners of the parent ¥110.6 billion**

- As a result of posting gains on negative goodwill (¥117.4 billion) related to the business integration, net income attributable to owners of the parent increased 54.7 billion from a year earlier to ¥110.6 billion.

## Gain and Loss



\*For the FY2018, consolidated financial results of the Eighteenth Bank was added to FFG's consolidated financial results (3 banks)

## The Bank of Fukuoka (non-consolidated)

(¥ mil.)

	FY2019	FY2018	Comparison
Gross business profit	131,292	132,878	(1,586)
Net interest income	113,463	114,668	(1,205)
Domestic	105,253	106,975	(1,722)
International	8,210	7,692	518
Net fees and commissions	16,099	15,275	824
Net trading income	7	6	1
Net other operating income	1,721	2,928	(1,207)
Gains (losses) on sales (redemptions) of bonds	(676)	1,035	(1,711)
Overhead expenses (-)	67,748	66,810	938
Business profit (before transfer to general reserve for possible loan losses)	63,544	66,067	(2,523)
① Transfer to general reserve for possible loan losses (-)	39,112	(172)	39,284
<b>Business profit</b>	<b>24,432</b>	<b>66,240</b>	<b>(41,808)</b>
<b>Core business profit</b>	<b>64,221</b>	<b>65,032</b>	<b>(811)</b>
Core business profit (excluding gains (losses) on cancellation of investment trusts)	63,896	64,887	(991)
Other operating profit (loss)	(606)	2,522	(3,128)
② Credit cost for disposal of non-performing loans (-)	(197)	2,237	(2,434)
Net transfer to specific reserve for possible loan losses (-)	(192)	2,087	(2,279)
Recoveries of written-off claims	364	369	(5)
<b>Total credit cost ①+② (-)</b>	<b>38,914</b>	<b>2,064</b>	<b>36,850</b>
Gains (losses) on stocks	1,538	5,080	(3,542)
Others	(2,342)	(320)	(2,022)
<b>Ordinary profit</b>	<b>23,825</b>	<b>68,762</b>	<b>(44,937)</b>
Extraordinary profit (loss)	(238)	(265)	27
Impairment loss on fixed assets (-)	110	-	110
Income (loss) before income taxes	23,586	68,497	(44,911)
Total income taxes (-)	4,488	18,189	(13,701)
<b>Net income</b>	<b>19,098</b>	<b>50,308</b>	<b>(31,210)</b>

## The Kumamoto Bank (non-consolidated)

(¥ mil.)

	FY2019	FY2018	Comparison
Gross business profit	18,685	19,360	(675)
Net interest income	17,833	17,937	(104)
Domestic	17,792	17,875	(83)
International	40	62	(22)
Net fees and commissions	790	1,372	(582)
Net other operating income	61	50	11
Gains (losses) on sales (redemptions) of bonds	(3)	(10)	7
Overhead expenses (-)	13,574	13,864	(290)
Business profit (before transfer to general reserve for possible loan losses)	5,110	5,496	(386)
① Transfer to general reserve for possible loan losses (-)	5,758	(561)	6,319
<b>Business profit</b>	<b>(648)</b>	<b>6,057</b>	<b>(6,705)</b>
<b>Core business profit</b>	<b>5,114</b>	<b>5,506</b>	<b>(392)</b>
Core business profit (excluding gains (losses) on cancellation of investment trusts)	5,114	5,506	(392)
Other operating profit (loss)	(2,455)	(1,522)	(933)
② Credit cost for disposal of non-performing loans (-)	996	1,391	(395)
Net transfer to specific reserve for possible loan losses (-)	952	1,413	(461)
Recoveries of written-off claims	58	88	(30)
<b>Total credit cost ①+② (-)</b>	<b>6,755</b>	<b>829</b>	<b>5,926</b>
Gains (losses) on stocks	154	-	154
Others	(1,613)	(131)	(1,482)
<b>Ordinary profit</b>	<b>(3,103)</b>	<b>4,534</b>	<b>(7,637)</b>
Extraordinary profit (loss)	(11)	(39)	28
Impairment loss on fixed assets (-)	1	20	(19)
Income (loss) before income taxes	(3,114)	4,495	(7,609)
Total income taxes (-)	(1,187)	730	(1,917)
<b>Net income</b>	<b>(1,926)</b>	<b>3,765</b>	<b>(5,691)</b>

## The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)

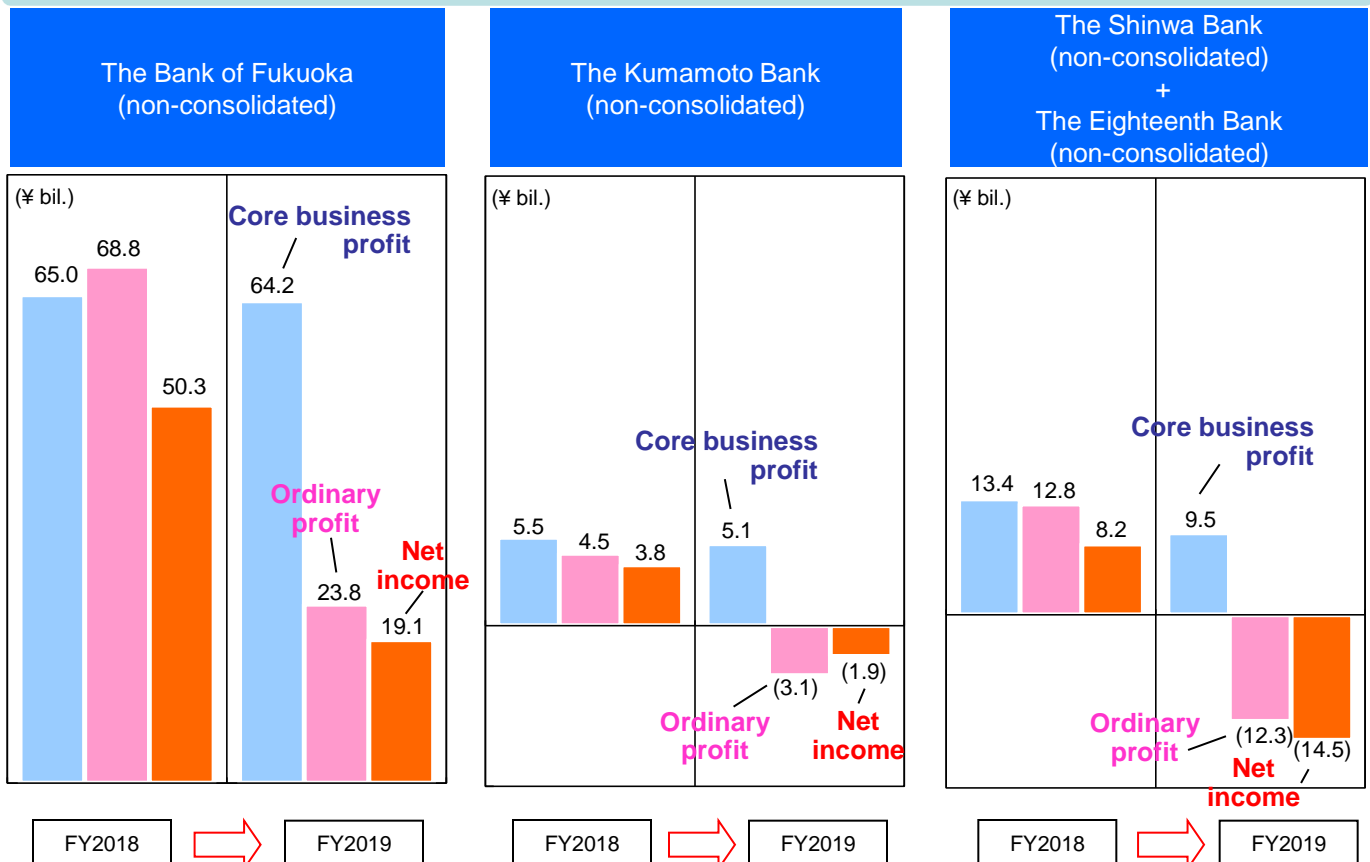
(¥ mil.)

	FY2019	FY2018	Comparison
Gross business profit	51,278	54,598	(3,320)
Net interest income	47,143	49,464	(2,321)
Domestic	45,843	48,187	(2,344)
International	1,299	1,277	22
Net fees and commissions	4,088	5,105	(1,017)
Net other operating income	46	28	18
Gains (losses) on sales (redemptions) of bonds	(13)	(9)	(4)
Overhead expenses (-)	41,755	41,237	518
<b>Business profit (before transfer to general reserve for possible loan losses)</b>	<b>9,522</b>	<b>13,361</b>	<b>(3,839)</b>
① Transfer to general reserve for possible loan losses (-)	15,131	202	14,929
<b>Business profit</b>	<b>(5,608)</b>	<b>13,158</b>	<b>(18,766)</b>
<b>Core business profit</b>	<b>9,535</b>	<b>13,371</b>	<b>(3,836)</b>
Core business profit (excluding gains (losses) on cancellation of investment trusts)	9,552	13,374	(3,822)
Other operating profit (loss)	(6,676)	(398)	(6,278)
② Credit cost for disposal of non-performing loans (-)	572	1,995	(1,423)
Net transfer to specific reserve for possible loan losses (-)	1,097	2,198	(1,101)
Recoveries of written-off claims	452	338	114
<b>Total credit cost ①+② (-)</b>	<b>15,704</b>	<b>2,198</b>	<b>13,506</b>
Gains (losses) on stocks	(1,806)	1,408	(3,214)
Others	(4,297)	188	(4,485)
<b>Ordinary profit</b>	<b>(12,285)</b>	<b>12,760</b>	<b>(25,045)</b>
Extraordinary profit (loss)	(10,776)	(409)	(10,367)
Impairment loss on fixed assets (-)	10,525	341	10,184
Income (loss) before income taxes	(23,062)	12,350	(35,412)
Total income taxes (-)	(8,580)	4,159	(12,739)
<b>Net income</b>	<b>(14,482)</b>	<b>8,190</b>	<b>(22,672)</b>

<Notes> The notes described below are also applied (p8).

Gains (losses) on sales (redemptions) of bonds include gains (losses) on securities-related derivatives recorded by the Eighteenth Bank ((¥173 million) in FY2018).

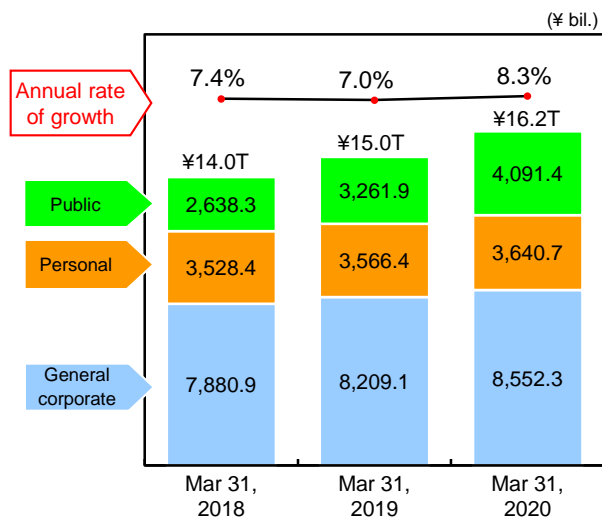
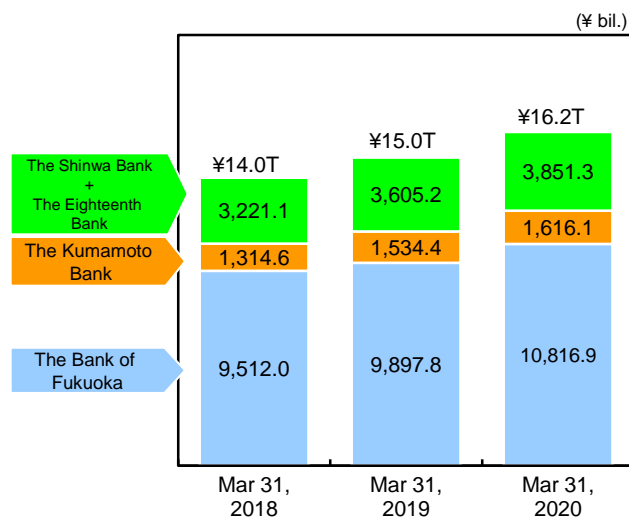
## Gain and Loss



## 2. Assets and liabilities

### (1) Loans

4 banks' total

**Loans classified by customer segment  
(Term-end balance)**

**Loans classified by bank  
(Term-end balance)**


(¥ mil.)

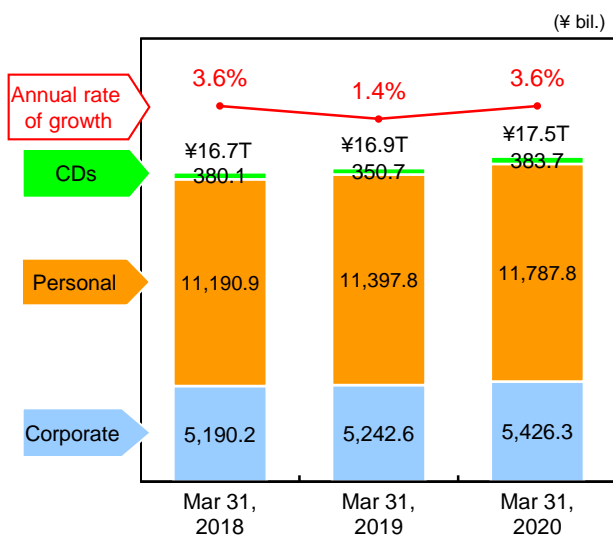
		Mar 31, 2020			Mar 31, 2019	Mar 31, 2018
		annual rate of growth		change from Mar 31, 2019		
4 banks' total	Total loans	8.3%	16,284,532	1,246,994	2,236,760	15,037,538
	Personal segment	2.1%	3,640,745	74,333	112,292	3,566,412
	Corporate segment	10.2%	12,643,786	1,172,660	2,124,469	11,471,126
	General Corporate	4.2%	8,552,349	343,221	671,395	8,209,128
	Public Sector	25.4%	4,091,434	829,439	1,453,072	3,261,995
	Personal loans	2.3%	3,541,289	78,104	120,429	3,463,185
	Housing loans	2.5%	3,151,808	77,993	113,397	3,073,815
Consumer loans	2.4%	324,258	7,518	18,827	316,740	
The Bank of Fukuoka (non-consolidated)	Total loans	9.3%	10,816,999	919,156	1,304,953	9,897,843
	Personal segment	2.4%	2,295,074	53,648	67,308	2,241,426
	Corporate segment	11.3%	8,521,925	865,508	1,237,645	7,656,417
	General Corporate	4.9%	6,312,951	295,507	661,486	6,017,444
	Public Sector	34.8%	2,208,973	570,001	576,158	1,638,972
	Fukuoka prefecture	3.4%	7,218,078	235,625	397,203	6,982,453
	Personal loans	2.6%	2,227,429	55,474	71,029	2,171,955
Housing loans	2.6%	1,980,045	49,733	58,577	1,930,312	
Consumer loans	4.6%	202,566	8,832	18,221	193,734	
The Kumamoto Bank (non-consolidated)	Total loans	5.3%	1,616,142	81,717	301,539	1,534,425
	Personal segment	4.4%	499,777	21,002	44,168	478,775
	Corporate segment	5.8%	1,116,365	60,715	257,371	1,055,650
	General Corporate	3.8%	645,690	23,580	40,535	622,110
	Public Sector	8.6%	470,674	37,135	216,835	433,539
	Kumamoto prefecture	5.2%	1,187,493	58,839	103,704	1,128,654
	Personal loans	4.9%	478,526	22,358	47,352	456,168
Housing loans	6.0%	441,750	25,090	48,923	416,660	
Consumer loans	0.5%	31,614	153	1,115	31,461	
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)	Total loans	6.8%	3,851,391	246,121	630,268	3,605,270
	Personal segment	(0.0%)	845,894	(317)	816	846,211
	Corporate segment	8.9%	3,005,496	246,437	629,453	2,759,059
	General Corporate	1.5%	1,593,708	24,134	(30,626)	1,569,574
	Public Sector	18.7%	1,411,787	222,303	660,079	1,189,484
	Nagasaki prefecture	1.4%	2,228,609	31,335	(84,868)	2,197,274
	Personal loans	0.0%	835,334	272	2,048	835,062
Housing loans	0.4%	730,013	3,170	5,897	726,843	
Consumer loans	(1.6%)	90,078	(1,467)	(509)	91,545	

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥126.5 billion at the end of March 2018, ¥129.5 billion at the end of March 2019, ¥123.3 billion at the end of March 2020).

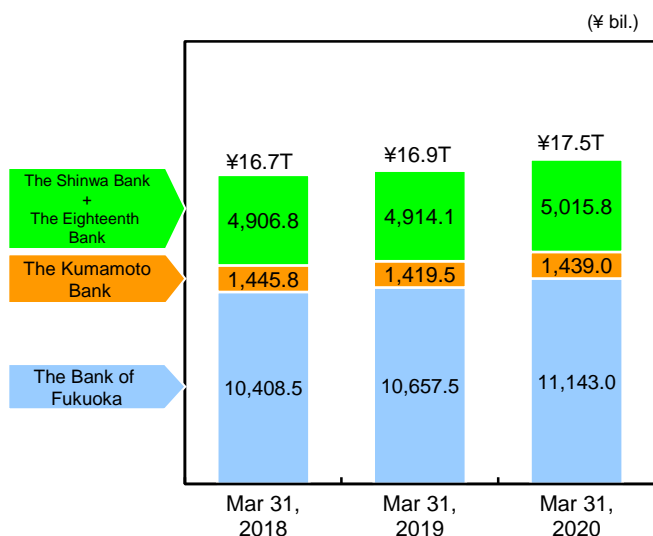
## (2) Deposits

4 banks' total

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



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



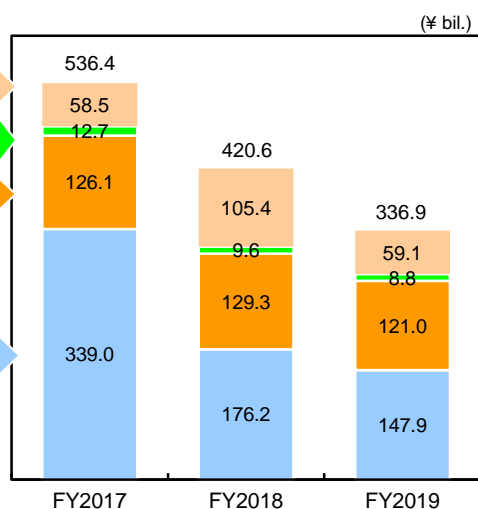
(¥ mil.)

		Mar 31, 2020			Mar 31, 2019	Mar 31, 2018
		annual rate of growth		change from Mar 31, 2019		
4 banks' total	Personal deposits	3.4%	11,787,833	389,946	596,927	11,397,887
	Corporate deposits	3.5%	5,426,393	183,791	236,123	5,242,602
	Total	3.4%	17,214,229	573,737	833,051	16,640,492
	Demand	6.1%	11,948,558	682,607	1,261,406	11,265,951
	Time	(2.0%)	5,265,670	(108,869)	(428,355)	5,374,539
	CDs	9.4%	383,725	33,008	3,533	350,717
	Deposits and CDs	3.6%	17,597,954	606,743	836,583	16,991,211
The Bank of Fukuoka (non-consolidated)	Personal deposits	4.3%	7,393,979	304,347	472,958	7,089,632
	Corporate deposits	5.2%	3,533,729	176,184	271,647	3,357,545
	Total	4.6%	10,927,709	480,531	744,605	10,447,178
	Demand	6.4%	7,787,328	466,826	884,863	7,320,502
	Time	0.4%	3,140,380	13,705	(140,258)	3,126,675
	CDs	2.4%	215,364	4,978	(10,117)	210,386
	Deposits and CDs	4.6%	11,143,073	485,509	734,488	10,657,564
Fukuoka prefecture	3.9%	10,113,591	375,261	660,222	9,738,330	
The Kumamoto Bank (non-consolidated)	Personal deposits	1.4%	1,073,825	15,271	6,992	1,058,554
	Corporate deposits	1.8%	364,275	6,464	7,040	357,811
	Total	1.5%	1,438,101	21,735	14,033	1,416,366
	Demand	7.0%	871,908	57,232	97,783	814,676
	Time	(5.9%)	566,193	(35,496)	(83,750)	601,689
	CDs	(69.8%)	946	(2,190)	(20,875)	3,136
	Deposits and CDs	1.4%	1,439,047	19,545	(6,843)	1,419,502
Kumamoto prefecture	1.6%	1,353,725	21,228	17,019	1,332,497	
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)	Personal deposits	2.2%	3,320,029	70,328	116,977	3,249,701
	Corporate deposits	0.1%	1,528,389	1,143	(42,564)	1,527,246
	Total	1.5%	4,848,419	71,471	74,413	4,776,948
	Demand	5.1%	3,289,322	158,549	278,760	3,130,773
	Time	(5.3%)	1,559,097	(87,078)	(204,347)	1,646,175
	CDs	22.0%	167,415	30,220	34,525	137,195
	Deposits and CDs	2.1%	5,015,834	101,689	108,938	4,914,145
Nagasaki prefecture	1.4%	4,463,360	60,352	72,640	4,403,008	

### (3) Asset management products

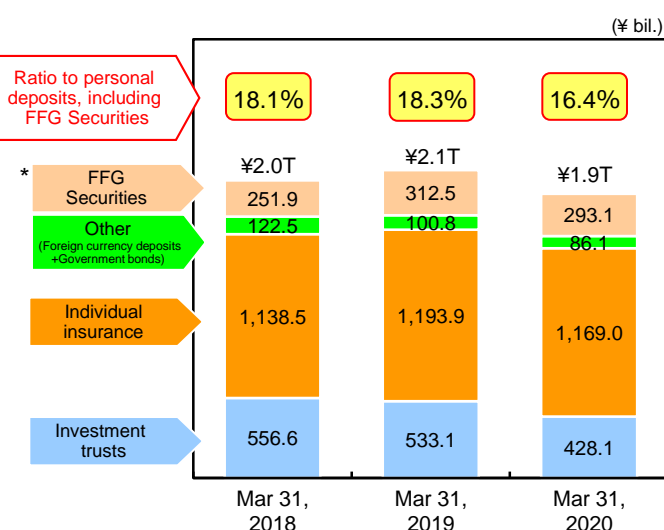
#### Group's total

#### Sales of asset management products



\* Figures of FFG Securities are the total sales of investment trusts and bonds.

#### Outstanding balance of assets under management for individual customers



\* Figures of FFG Securities are the total balance of individual investment trusts, stocks and bonds.

#### Sales of asset management products

#### Outstanding balance of assets under management for individual customers

(¥ bil.)

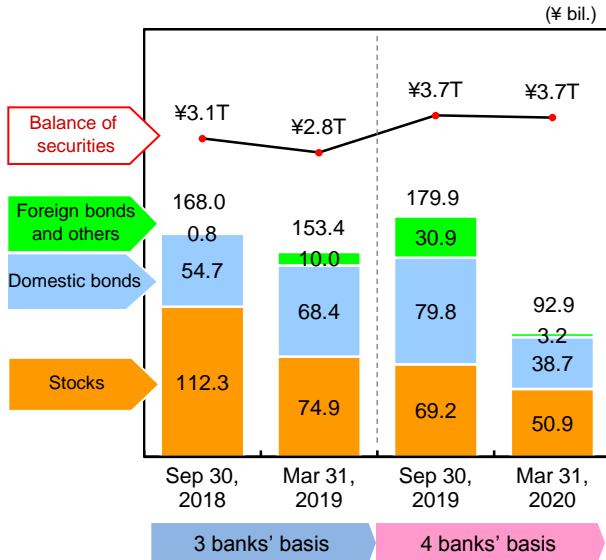
		FY2019			FY2018	FY2017	Mar 31, 2020			Mar 31, 2019	Mar 31, 2018
			change from FY2018	change from FY2017				Change from Mar 31, 2019	Change from Mar 31, 2018		
Group's total	Investment trusts	147.9	(28.3)	(191.1)	176.2	339.0	428.1	(105.0)	(128.5)	533.1	556.6
	Individual insurance	121.0	(8.3)	(5.1)	129.3	126.1	1,169.0	(24.9)	30.5	1,193.9	1,138.5
	Foreign currency deposits	5.7	(0.2)	(4.8)	5.9	10.5	32.2	0.0	(4.3)	32.2	36.5
	Government bonds	3.0	(0.6)	0.8	3.6	2.2	53.8	(14.8)	(32.1)	68.6	85.9
	FFG Securities	59.1	(46.3)	0.6	105.4	58.5	293.1	(19.4)	41.2	312.5	251.9
	Total	336.9	(83.7)	(199.5)	420.6	536.4	1,976.5	(164.0)	(93.1)	2,140.5	2,069.6
	Ratio to personal deposits						16.4%	(1.9%)	(1.7%)	18.3%	18.1%
The Bank of Fukuoka (non-consolidated)	Investment trusts	81.3	(13.7)	(96.6)	95.0	177.9	251.5	(54.3)	(63.6)	305.8	315.1
	Individual insurance	74.7	9.4	9.9	65.3	64.8	673.5	(1.7)	29.2	675.2	644.3
	Foreign currency deposits	4.5	(0.2)	(3.4)	4.7	7.9	24.0	0.3	(2.6)	23.7	26.6
	Government bonds	2.1	(0.3)	0.6	2.4	1.5	39.9	(12.3)	(27.1)	52.2	67.0
	Total	162.8	(4.8)	(89.4)	167.6	252.2	989.0	(68.0)	(64.1)	1,057.0	1,053.1
	Ratio to personal deposits						13.4%	(1.5%)	(1.8%)	14.9%	15.2%
The Kumamoto Bank (non-consolidated)	Investment trusts	23.3	(6.1)	(32.7)	29.4	56.0	58.1	(17.2)	(21.9)	75.3	80.0
	Individual insurance	14.2	(0.9)	(3.5)	15.1	17.7	141.9	(5.5)	0.4	147.4	141.5
	Foreign currency deposits	0.5	0.4	0.4	0.1	0.1	2.4	0.1	(0.1)	2.3	2.5
	Government bonds	0.0	0.0	0.0	0.0	0.0	1.0	(0.3)	(0.4)	1.3	1.4
	Total	38.1	(6.7)	(35.9)	44.8	74.0	203.5	(22.8)	(22.0)	226.3	225.5
Ratio to personal deposits						19.0%	(2.4%)	(2.1%)	21.4%	21.1%	
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (non-consolidated)	Investment trusts	43.1	(8.5)	(61.8)	51.6	104.9	118.5	(33.4)	(42.9)	151.9	161.4
	Individual insurance	32.0	(16.8)	(11.5)	48.8	43.5	353.6	(17.7)	1.0	371.3	352.6
	Foreign currency deposits	0.6	(0.4)	(1.7)	1.0	2.3	5.7	(0.4)	(1.6)	6.1	7.3
	Government bonds	0.9	(0.2)	0.3	1.1	0.6	12.8	(2.2)	(4.7)	15.0	17.5
	Total	76.7	(26.0)	(74.8)	102.7	151.5	490.7	(53.8)	(48.2)	544.5	538.9
Ratio to personal deposits						14.8%	(2.0%)	(2.0%)	16.8%	16.8%	

<Notes> 1. The sales of investment trusts include those to corporate customers, but the others are the sales only to individuals.  
2. The sales of individual insurance don't include level premium insurance besides prepaid contracts.

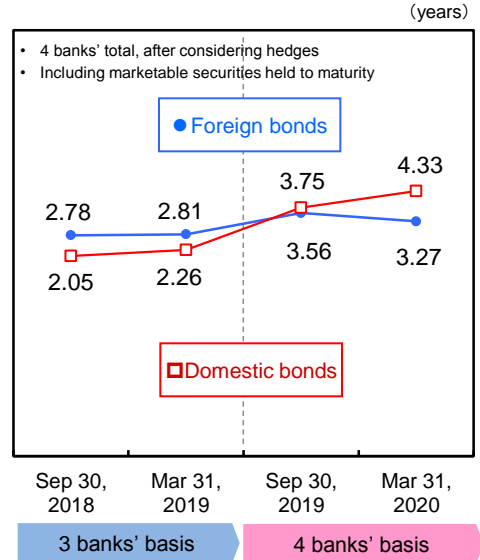
## (4) Marketable securities

FFG (consolidated)

## Unrealized gain



## Bond duration



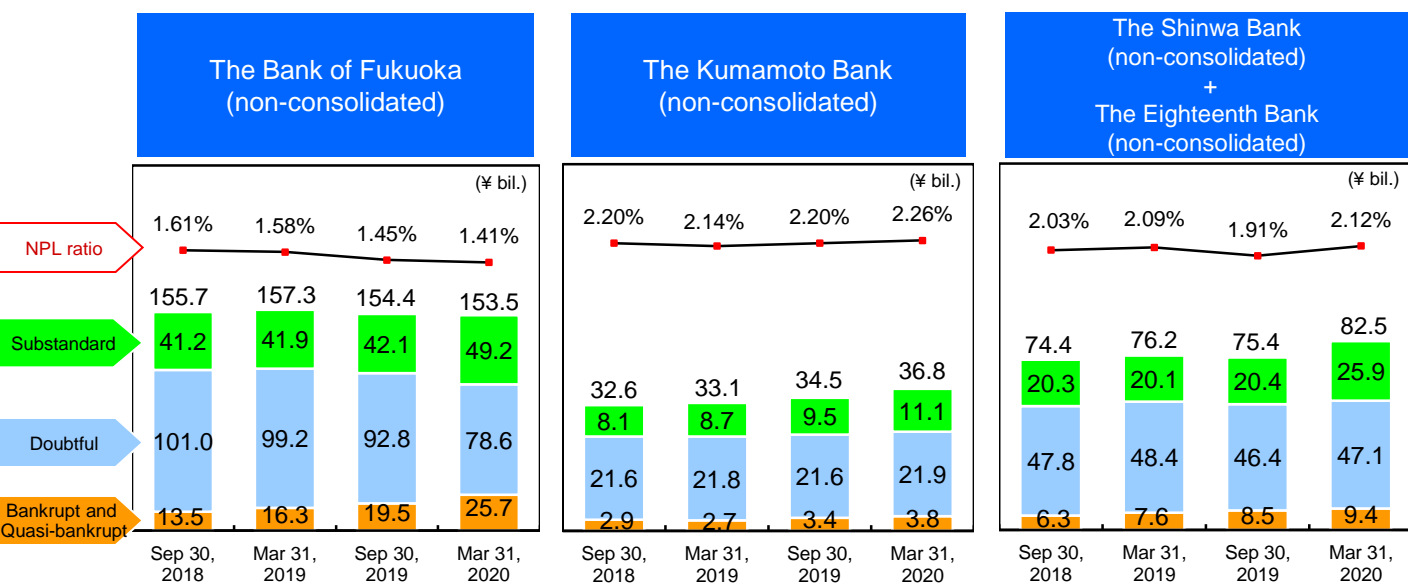
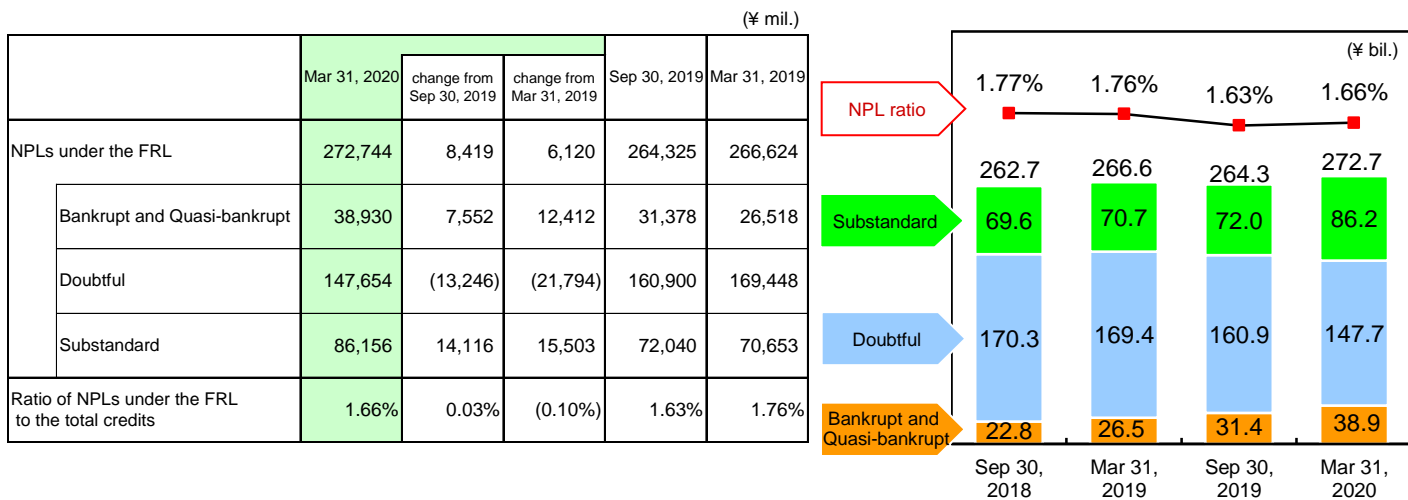
(¥ mil.)

		Mar 31, 2020						Sep 30, 2019		Mar 31, 2019	
		Market value	change from Sep 30, 2019	change from Mar 31, 2019	Unrealized gain(loss)	change from Sep 30, 2019	change from Mar 31, 2019	Market value	Unrealized gain(loss)	Market value	Unrealized gain(loss)
FFG (consolidated)	Total	3,727,374	(54,937)	899,942	92,950	(87,034)	(60,529)	3,782,311	179,984	2,827,432	153,479
	Stocks	142,115	(16,858)	(107)	50,996	(18,213)	(23,930)	158,973	69,209	142,222	74,926
	Domestic bonds	2,720,121	(145,051)	514,003	38,747	(41,071)	(29,717)	2,865,172	79,818	2,206,118	68,464
	National government bonds	1,968,645	(50,486)	384,608	36,484	(36,367)	(25,509)	2,019,131	72,851	1,584,037	61,993
	Local government bonds	162,451	14,856	83,629	138	(659)	(684)	147,595	797	78,822	822
	Corporate bonds	589,024	(109,420)	45,766	2,124	(4,045)	(3,524)	698,444	6,169	543,258	5,648
	Foreign bonds and Others	865,138	106,973	386,048	3,205	(27,751)	(6,883)	758,165	30,956	479,090	10,088
The Bank of Fukuoka (consolidated)	Total	2,320,590	58,439	278,551	89,140	(55,484)	(40,545)	2,262,151	144,624	2,042,039	129,685
	Stocks	111,494	(8,489)	(14,704)	50,286	(13,049)	(19,114)	119,983	63,335	126,198	69,400
	Domestic bonds	1,544,085	(45,872)	107,335	29,914	(28,929)	(20,282)	1,589,957	58,843	1,436,750	50,196
	National government bonds	1,144,017	14,035	184,459	28,266	(26,540)	(17,859)	1,129,982	54,806	959,558	46,125
	Local government bonds	73,530	13,806	18,772	121	(335)	(390)	59,724	456	54,758	511
	Corporate bonds	326,537	(73,712)	(95,895)	1,526	(2,054)	(2,033)	400,249	3,580	422,432	3,559
	Foreign bonds and Others	665,010	112,800	185,920	8,939	(13,506)	(1,149)	552,210	22,445	479,090	10,088
The Kumamoto Bank (non-consolidated)	Total	158,625	(32,967)	(38,292)	3,335	(2,125)	(2,353)	191,592	5,460	196,917	5,688
	Stocks	1,638	(414)	(636)	686	(414)	(636)	2,052	1,100	2,274	1,322
	Domestic bonds	156,986	(32,553)	(37,656)	2,649	(1,710)	(1,716)	189,539	4,359	194,642	4,365
	National government bonds	129,888	(17,076)	(18,849)	2,284	(1,600)	(1,538)	146,964	3,884	148,737	3,822
	Local government bonds	1,262	87	137	14	(4)	(7)	1,175	18	1,125	21
	Corporate bonds	25,835	(15,564)	(18,944)	350	(106)	(171)	41,399	456	44,779	521
	Foreign bonds and Others	—	—	—	—	—	—	—	—	—	—
The Shinwa Bank (non-consolidated) + The Eighteenth Bank (consolidated)	Total	1,249,344	(80,915)	(52,381)	38,494	(30,518)	(7,692)	1,330,259	69,012	1,301,725	46,186
	Stocks	30,167	(8,463)	(8,403)	9,636	(4,146)	(3,018)	38,630	13,782	38,570	12,654
	Domestic bonds	1,019,048	(66,626)	(29,271)	24,393	(12,206)	1,240	1,085,674	36,599	1,048,319	23,153
	National government bonds	694,738	(47,445)	(8,988)	20,550	(9,626)	3,194	742,183	30,176	703,726	17,356
	Local government bonds	87,657	963	(1,344)	1,322	(490)	(647)	86,694	1,812	89,001	1,969
	Corporate bonds	236,651	(20,144)	(18,939)	2,518	(2,091)	(1,308)	256,795	4,609	255,590	3,826
	Foreign bonds and Others	200,126	(5,828)	(14,709)	4,463	(14,168)	(5,915)	205,954	18,631	214,835	10,378

### 3. Non-performing loans

(Direct write-off is adopted)

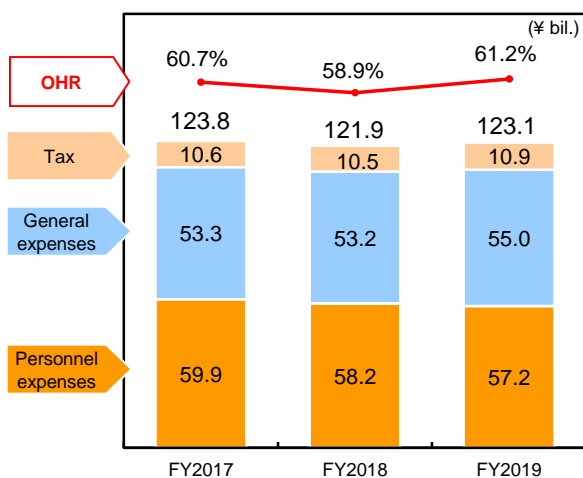
4 banks' total



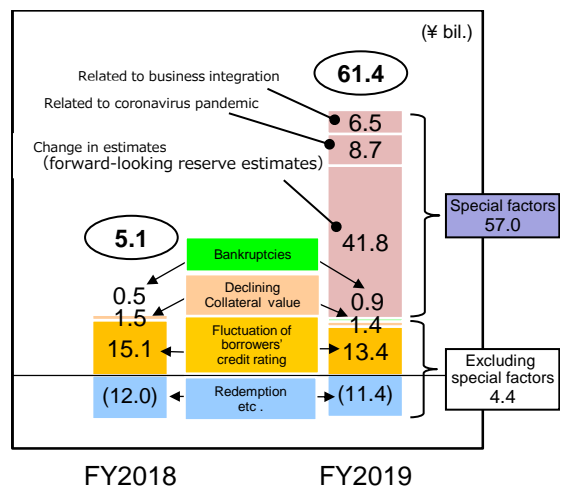
### 4. Overhead expenses • Credit cost

4 banks' total

#### Overhead expenses • OHR



#### Composition of credit cost





## 5. Capital adequacy ratio

FFG (consolidated)

The Domestic standard

- Consolidated capital adequacy ratio: 10.69%.
- Capital adequacy on its structure based on Pillar 3, market discipline, is disclosed on our website (<https://www.fukuoka-fg.com/investor/library/earnings.html>). (This information is Japanese only.)

	Mar 31, 2020 [preliminary]		Sep 30, 2019	Mar 31, 2019	
		Change from Sep 30, 2019			Change from Mar 31, 2019
①Total capital ratio ④/⑤	10.69%	(0.17%)	0.46%	10.86%	10.23%
②Core capital	834,834	(32,911)	143,687	867,745	691,147
③Deduction	19,296	(6,303)	(5,145)	25,599	24,441
④Total capital ②-③	815,537	(26,608)	148,831	842,145	666,706
⑤Risk adjusted assets	7,627,557	(123,593)	1,114,194	7,751,150	6,513,363

(¥ mil.)

## 6. Projections

- The tables presented below show our business performance forecast for FY2020, the second year of the Sixth Mid-Term Management Plan.

FFG (consolidated)

	FY2020 Projection		FY2019 Results
		Interim Projection	
Consolidated ordinary profit	56.0	30.5	(5.3)
FFG(consolidated)Net income	40.0	20.5	110.6

(¥ bil.)

	FY2020 Projection		FY2019 Simple total
Net income(3 banks' total)	54.7		2.7
Consolidation adjustments	(14.7)		107.9
Negative goodwill gain	—		117.4
FFG(consolidated)Net income	40.0		110.6

(¥ bil.)

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

(¥ bil.)

	FY2020(Projection)				Comparison	FY2019 4 banks' total
	3 banks' total	The Bank of Fukuoka	The Kumamoto Bank	The Eighteenth Shinwa Bank		
Core business profit	78.6	67.0	4.2	7.4	(0.3)	78.9
Ordinary profit	70.8	70.0	3.1	(2.3)	62.4	8.4
Net income	54.7	51.9	2.6	0.2	52.0	2.7
Credit cost (-)	5.8	3.5	0.8	1.5	(55.6)	61.4

<Note> As of October 1, 2020, the Shinwa Bank and the Eighteenth Bank are merged. The merged bank is named the Eighteenth Shinwa Bank. The full year figures of the Eighteenth Shinwa Bank was obtained by simple addition of figures of the Eighteenth Shinwa Bank after the merger and interim figures of the Shinwa Bank and the Eighteenth Bank.

(¥ bil.)

	FY2020 Interim(Projection)					Comparison	FY2019 Interim 4 banks' total	
	4 banks' total	The Bank of Fukuoka	The Kumamoto Bank	2 banks' total				
				The Shinwa Bank	The Eighteenth Bank			
Core business profit	40.6	34.2	2.0	1.8	2.5	4.3	1.1	39.5
Ordinary profit	37.7	35.6	1.4	0.0	0.7	0.7	1.6	36.1
Net income	28.3	26.2	1.2	0.2	0.7	0.9	8.6	19.7
Credit cost (-)	2.9	1.8	0.4	0.4	0.4	0.8	1.7	1.2

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