February 7, 2017

# Fukuoka Financial Group, Inc.

Financial Digest for the Third Quarter of FY2016

| | |
|---|---|
| Stock Exchange Listing: | Tokyo, Fukuoka (code:8354) |
| URL: | http://www.fukuoka-fg.com |
| Representative: | Takashige Shibato, President |
| For Inquiry: | Hiroshi Miyoshi, General Manager, Corporate Planning Division |
| Payment date of cash dividends: | ― |
| Filing date of Financial Statements: | February 8, 2017 (scheduled) |
| Trading Accounts: | Established |
| Supplementary Materials: | Attached |
| IR Conference: | Not scheduled |

(Notes) 1. All of the disclosed figures are unaudited.
2. Amounts less than one million yen are omitted.

## 1. Cosolidated Financial Highlights (from April 1, 2016 to December 31, 2016)

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

| | Ordinary Income | | Ordinary Profit | | Net Income attributable to owners of the parent | |
|---|---|---|---|---|---|---|
| | ¥Million | % | ¥Million | % | ¥Million | % |
| 3Q FY2016 | 172,428 | (3.0) | 39,421 | (31.4) | 25,314 | (30.6) |
| 3Q FY2015 | 177,755 | 5.1 | 57,498 | 22.0 | 36,492 | 18.1 |

(Note) Comprehensive income 3Q FY2016: ¥22,629 million [(48.0%)] 3Q FY2015: ¥43,504 million [(26.0%)]

| | Net Income per Share | Net Income per Share (Diluted) |
|---|---|---|
| | ¥ | ¥ |
| 3Q FY2016 | 29.47 | ― |
| 3Q FY2015 | 42.33 | ― |

(2) Consolidated Financial Position

| | Total Assets | Total Net Assets | Own Capital Ratio |
|---|---|---|---|
| | ¥Million | ¥Million | % |
| December 31, 2016 | 18,190,295 | 789,105 | 4.3 |
| March 31, 2016 | 16,406,109 | 784,691 | 4.7 |

(Reference) Own capital December 31, 2016: ¥789,105 million March 31, 2016: ¥784,652 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 |
| | ¥ | ¥ | ¥ | ¥ | ¥ |
| FY2015 | ― | 6.50 | ― | 6.50 | 13.00 |
| FY2016 | ― | 6.50 | ― | | |
| FY2016 (projection) | | | | 6.50 | 13.00 |

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

## 3. Consolidated Earnings Projections for Fiscal year 2016, (Year ending March 31, 2017)

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

| | Ordinary Profit | | Net Income attributable to owners of the parent | | Net Income per Share |
|---|---|---|---|---|---|
| | ¥Million | % | ¥Million | % | ¥ |
| FY2016 | 62,000 | (13.2) | 40,000 | (10.6) | 46.57 |

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

## 4.Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(millions of Yen)

| Item | 科目 (Japanese) | As of Mar 31, 2016 | As of Dec 31, 2016 |
|---|---|---|---|
| (Assets) | 資産の部 | | |
| Cash and due from banks | 現金預け金 | 1,838,148 | 3,065,945 |
| Call loans and bills bought | コールローン及び買入手形 | 9,317 | 1,500 |
| Monetary claims bought | 買入金銭債権 | 50,995 | 53,482 |
| Trading assets | 特定取引資産 | 1,824 | 1,567 |
| Money held in trust | 金銭の信託 | 3,000 | 10,606 |
| Securities | 有価証券 | 3,445,978 | 3,428,391 |
| Loans and bills discounted | 貸出金 | 10,706,710 | 11,255,410 |
| Foreign exchanges | 外国為替 | 7,979 | 9,984 |
| Other assets | その他資産 | 105,743 | 132,594 |
| Tangible fixed assets | 有形固定資産 | 194,331 | 196,918 |
| Intangible fixed assets | 無形固定資産 | 115,965 | 111,173 |
| Net defined benefit assets | 退職給付に係る資産 | 1,290 | 5,224 |
| Deferred tax assets | 繰延税金資産 | 11,939 | 11,648 |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返 | 54,431 | 44,323 |
| Allowance for loan losses | 貸倒引当金 | (141,546) | (138,476) |
| **Total assets** | **資産の部合計** | 16,406,109 | 18,190,295 |
| (Liabilities) | 負債の部 | | |
| Deposits | 預金 | 12,619,816 | 12,958,715 |
| Negotiable certificates of deposit | 譲渡性預金 | 362,953 | 606,243 |
| Call money and bills sold | コールマネー及び売渡手形 | 170,000 | 401,638 |
| Payables under repurchase agreements | 売現先勘定 | 56,340 | 64,069 |
| Payables under securities lending transactions | 債券貸借取引受入担保金 | 796,383 | 1,553,758 |
| Trading liabilities | 特定取引負債 | 0 | 0 |
| Borrowed money | 借用金 | 1,341,265 | 1,600,674 |
| Foreign exchanges | 外国為替 | 1,311 | 446 |
| Short-term bonds payable | 短期社債 | 5,000 | 5,000 |
| Bonds payable | 社債 | 40,000 | 30,000 |
| Other liabilities | その他負債 | 141,951 | 106,150 |
| Net defined benefit liability | 退職給付に係る負債 | 1,506 | 964 |
| Provision for losses on interest repayments | 利息返還損失引当金 | 1,015 | 987 |
| Provision for losses from reimbursement of inactive accounts | 睡眠預金払戻損失引当金 | 6,127 | 4,939 |
| Provision for contingent liabilities losses | その他の偶発損失引当金 | 68 | 36 |
| Reserves under the special laws | 特別法上の引当金 | 19 | 18 |
| Deferred tax liabilities | 繰延税金負債 | 200 | 192 |
| Deferred tax liabilities for land revaluation | 再評価に係る繰延税金負債 | 23,028 | 23,028 |
| Acceptances and guarantees | 支払承諾 | 54,431 | 44,323 |
| **Total liabilities** | **負債の部合計** | 15,621,418 | 17,401,189 |
| (Net assets) | 純資産の部 | | |
| Capital stock | 資本金 | 124,799 | 124,799 |
| Capital surplus | 資本剰余金 | 103,611 | 94,255 |
| Retained earnings | 利益剰余金 | 407,652 | 424,143 |
| Treasury stocks | 自己株式 | (325) | (336) |
| Total shareholders' equity | 株主資本合計 | 635,738 | 642,861 |
| Valuation difference on available-for-sale securities | その他有価証券評価差額金 | 146,996 | 121,283 |
| Deferred gains or losses on hedges | 繰延ヘッジ損益 | (34,847) | (13,972) |
| Revaluation reserve for land | 土地再評価差額金 | 51,649 | 51,649 |
| Remeasurements of defined benefit plans | 退職給付に係る調整累計額 | (14,885) | (12,715) |
| Total accumulated other comprehensive income | その他の包括利益累計額合計 | 148,913 | 146,244 |
| Non-controlling interests | 非支配株主持分 | 39 | — |
| **Total net assets** | **純資産の部合計** | 784,691 | 789,105 |
| **Total liabilities and net assets** | **負債及び純資産の部合計** | 16,406,109 | 18,190,295 |

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

### Consolidated Statements of Income

(millions of Yen)

| Item | 科目 (Japanese) | 9 months ended Dec 31, 2015 | 9 months ended Dec 31, 2016 |
|---|---|---|---|
| **Ordinary income:** | **経常収益** | 177,755 | 172,428 |
| Interest income | 資金運用収益 | 126,623 | 125,252 |
| Interest on loans and discounts | （うち貸出金利息） | 101,296 | 99,679 |
| Interest and dividends on securities | （うち有価証券利息配当金） | 23,431 | 23,368 |
| Fees and commissions | 役務取引等収益 | 35,616 | 33,438 |
| Trading income | 特定取引収益 | 107 | 65 |
| Other operating income | その他業務収益 | 9,028 | 11,910 |
| Other income | その他経常収益 | 6,379 | 1,761 |
| **Ordinary expenses:** | **経常費用** | 120,257 | 133,006 |
| Interest expenses | 資金調達費用 | 15,162 | 12,950 |
| Interest on deposits | （うち預金利息） | 5,199 | 4,073 |
| Fees and commissions payments | 役務取引等費用 | 12,711 | 14,192 |
| Other operating expenses | その他業務費用 | 8 | 1,234 |
| General and administrative expenses | 営業経費 | 90,244 | 96,889 |
| Other expenses | その他経常費用 | 2,130 | 7,740 |
| **Ordinary profit** | **経常利益** | 57,498 | 39,421 |
| Extraordinary income | 特別利益 | 5 | 37 |
| Gain on disposal of noncurrent assets | 固定資産処分益 | 5 | 36 |
| Transfer from reserve for financial products transaction liabilities | 金融商品取引責任準備金取崩額 | 0 | 1 |
| Extraordinary loss | 特別損失 | 1,509 | 646 |
| Loss on disposal of noncurrent assets | 固定資産処分損 | 463 | 137 |
| Impairment loss | 減損損失 | 1,045 | 141 |
| Other extraordinary loss | その他の特別損失 | — | 367 |
| **Income before income taxes:** | **税金等調整前四半期純利益** | 55,994 | 38,812 |
| Current | 法人税、住民税及び事業税 | 7,324 | 8,815 |
| Deferred | 法人税等調整額 | 11,673 | 4,698 |
| Total income taxes | 法人税等合計 | 18,998 | 13,513 |
| Net income | 四半期純利益 | 36,996 | 25,298 |
| Net income (loss) attributable to non-controlling interests | 非支配株主に帰属する四半期純利益又は非支配株主に帰属する四半期純損失 | 503 | (16) |
| **Net income attributable to owners of the parent** | **親会社株主に帰属する四半期純利益** | 36,492 | 25,314 |

**Consolidated Statements of Comprehensive Income**

(millions of Yen)

| Item | 科目 (Japanese) | 9 months ended Dec 31, 2015 | 9 months ended Dec 31, 2016 |
|---|---|---|---|
| Net income | 四半期純利益 | 36,996 | 25,298 |
| Other comprehensive income | その他の包括利益 | 6,508 | (2,669) |
| Valuation difference on available-for-sale securities | その他有価証券評価差額金 | 12,381 | (25,713) |
| Deferred gains or losses on hedges | 繰延ヘッジ損益 | (5,552) | 20,874 |
| Remeasurements of defined benefit plans | 退職給付に係る調整額 | (320) | 2,169 |
| Total comprehensive income | 四半期包括利益 | 43,504 | 22,629 |
| (Breakdown) | （内訳） | | |
| Comprehensive income attributable to owners of the parent | 親会社株主に係る四半期包括利益 | 43,001 | 22,645 |
| Comprehensive income attributable to non-controlling interests | 非支配株主に係る四半期包括利益 | 503 | (16) |

**【 Reference 】**

**【 The Bank of Fukuoka 】**

**Non-consolidated Balance Sheets**

(millions of Yen)

| Item | 科目 (Japanese) | As of Mar 31, 2016 | As of Dec 31, 2016 |
|---|---|---|---|
| (Assets) | 資産の部 | | |
| Cash and due from banks | 現金預け金 | 1,356,264 | 2,431,930 |
| Call loans | コールローン | 70,317 | 1,500 |
| Monetary claims bought | 買入金銭債権 | 31,311 | 33,550 |
| Trading assets | 特定取引資産 | 1,541 | 1,229 |
| Money held in trust | 金銭の信託 | 1,000 | 8,006 |
| Securities | 有価証券 | 2,416,715 | 2,406,579 |
| Loans and bills discounted | 貸出金 | 8,260,640 | 8,753,477 |
| Foreign exchanges | 外国為替 | 5,306 | 7,784 |
| Other assets | その他資産 | 94,485 | 121,065 |
| Tangible fixed assets | 有形固定資産 | 149,993 | 151,458 |
| Intangible fixed assets | 無形固定資産 | 8,340 | 9,755 |
| Prepaid pension expenses | 前払年金費用 | 14,012 | 14,548 |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返 | 44,368 | 35,080 |
| Allowance for loan losses | 貸倒引当金 | (90,881) | (86,934) |
| **Total assets** | **資産の部合計** | 12,363,414 | 13,889,031 |
| (Liabilities) | 負債の部 | | |
| Deposits | 預金 | 9,158,129 | 9,373,113 |
| Negotiable certificates of deposit | 譲渡性預金 | 266,389 | 423,777 |
| Call money | コールマネー | 181,472 | 411,306 |
| Payables under repurchase agreements | 売現先勘定 | 56,340 | 64,069 |
| Payables under securities lending transactions | 債券貸借取引受入担保金 | 796,383 | 1,553,758 |
| Trading liabilities | 特定取引負債 | 0 | 0 |
| Borrowed money | 借用金 | 1,089,779 | 1,282,787 |
| Foreign exchanges | 外国為替 | 1,279 | 434 |
| Bonds payable | 社債 | 10,000 | 10,000 |
| Other liabilities | その他負債 | 126,709 | 88,356 |
| Provision for losses on interest repayments | 利息返還損失引当金 | 919 | 915 |
| Provision for losses from reimbursement of inactive accounts | 睡眠預金払戻損失引当金 | 4,451 | 3,591 |
| Provision for contingent liabilities losses | その他の偶発損失引当金 | 68 | 36 |
| Deferred tax liabilities | 繰延税金負債 | 4,764 | 4,249 |
| Deferred tax liabilities for land revaluation | 再評価に係る繰延税金負債 | 23,028 | 23,028 |
| Acceptances and guarantees | 支払承諾 | 44,368 | 35,080 |
| **Total liabilities** | **負債の部合計** | 11,764,085 | 13,274,506 |
| (Net assets) | 純資産の部 | | |
| Capital stock | 資本金 | 82,329 | 82,329 |
| Capital surplus | 資本剰余金 | 60,480 | 60,480 |
| Retained earnings | 利益剰余金 | 322,837 | 338,439 |
| Total shareholders' equity | 株主資本合計 | 465,647 | 481,250 |
| Valuation difference on available-for-sale securities | その他有価証券評価差額金 | 116,878 | 95,597 |
| Deferred gains or losses on hedges | 繰延ヘッジ損益 | (34,847) | (13,972) |
| Revaluation reserve for land | 土地再評価差額金 | 51,649 | 51,649 |
| Total valuation and translation adjustments | 評価・換算差額等合計 | 133,681 | 133,274 |
| **Total net assets** | **純資産の部合計** | 599,328 | 614,524 |
| **Total liabilities and net assets** | **負債及び純資産の部合計** | 12,363,414 | 13,889,031 |

**【 The Bank of Fukuoka 】**

**Non-consolidated Statements of Income**

(millions of Yen)

| Item | 科目 (Japanese) | 9 months ended Dec 31, 2015 | 9 months ended Dec 31, 2016 |
|---|---|---|---|
| **Ordinary income:** | **経常収益** | 127,567 | 127,429 |
| Interest income | 資金運用収益 | 94,099 | 92,935 |
| Interest on loans and discounts | （うち貸出金利息） | 73,659 | 73,077 |
| Interest and dividends on securities | （うち有価証券利息配当金） | 18,962 | 18,040 |
| Fees and commissions | 役務取引等収益 | 24,841 | 24,456 |
| Trading income | 特定取引収益 | 34 | 13 |
| Other operating income | その他業務収益 | 4,922 | 8,481 |
| Other income | その他経常収益 | 3,669 | 1,542 |
| **Ordinary expenses:** | **経常費用** | 76,295 | 84,828 |
| Interest expenses | 資金調達費用 | 13,141 | 11,824 |
| Interest on deposits | （うち預金利息） | 3,418 | 2,786 |
| Fees and commissions payments | 役務取引等費用 | 12,751 | 14,095 |
| Other operating expenses | その他業務費用 | 3 | 1,212 |
| General and administrative expenses | 営業経費 | 49,059 | 53,142 |
| Other expenses | その他経常費用 | 1,339 | 4,553 |
| **Ordinary profit** | **経常利益** | 51,272 | 42,600 |
| Extraordinary income | 特別利益 | 3 | — |
| Gain on disposal of noncurrent assets | 固定資産処分益 | 3 | — |
| Extraordinary loss | 特別損失 | 1,384 | 62 |
| Loss on disposal of noncurrent assets | 固定資産処分損 | 399 | 62 |
| Impairment loss | 減損損失 | 985 | — |
| **Income before income taxes:** | **税引前四半期純利益** | 49,891 | 42,538 |
| Current | 法人税、住民税及び事業税 | 8,582 | 9,450 |
| Deferred | 法人税等調整額 | 6,237 | 2,247 |
| Total income taxes | 法人税等合計 | 14,820 | 11,697 |
| **Net income** | **四半期純利益** | 35,070 | 30,840 |

**【 Reference 】**
**【 The Kumamoto Bank 】**
**Non-consolidated Balance Sheets**

(millions of Yen)

| Item | 科目 (Japanese) | As of Mar 31, 2016 | As of Dec 31, 2016 |
|---|---|---|---|
| (Assets) | 資産の部 | | |
| Cash and due from banks | 現金預け金 | 159,766 | 303,488 |
| Call loans | コールローン | 3,694 | 2,439 |
| Securities | 有価証券 | 282,422 | 275,554 |
| Loans and bills discounted | 貸出金 | 1,095,370 | 1,141,306 |
| Foreign exchanges | 外国為替 | 1,095 | 1,168 |
| Other assets | その他資産 | 2,056 | 3,890 |
| Tangible fixed assets | 有形固定資産 | 17,532 | 17,341 |
| Intangible fixed assets | 無形固定資産 | 978 | 1,212 |
| Prepaid pension expenses | 前払年金費用 | 3,407 | 4,012 |
| Deferred tax assets | 繰延税金資産 | 3,885 | 4,667 |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返 | 4,115 | 4,174 |
| Allowance for loan losses | 貸倒引当金 | (14,635) | (16,408) |
| **Total assets** | **資産の部合計** | 1,559,688 | 1,742,846 |
| (Liabilities) | 負債の部 | | |
| Deposits | 預金 | 1,296,255 | 1,450,744 |
| Negotiable certificates of deposit | 譲渡性預金 | 32,916 | 41,775 |
| Call money | コールマネー | 36,000 | — |
| Borrowed money | 借用金 | 98,000 | 156,000 |
| Foreign exchanges | 外国為替 | 1 | 6 |
| Other liabilities | その他負債 | 4,156 | 3,572 |
| Provision for losses from reimbursement of inactive accounts | 睡眠預金払戻損失引当金 | 369 | 188 |
| Deferred tax liabilities for land revaluation | 再評価に係る繰延税金負債 | 1,392 | 1,390 |
| Acceptances and guarantees | 支払承諾 | 4,115 | 4,174 |
| **Total liabilities** | **負債の部合計** | 1,473,207 | 1,657,850 |
| (Net assets) | 純資産の部 | | |
| Capital stock | 資本金 | 33,847 | 33,847 |
| Capital surplus | 資本剰余金 | 33,847 | 33,847 |
| Retained earnings | 利益剰余金 | 10,833 | 10,254 |
| Total shareholders' equity | 株主資本合計 | 78,527 | 77,948 |
| Valuation difference on available-for-sale securities | その他有価証券評価差額金 | 7,042 | 5,925 |
| Revaluation reserve for land | 土地再評価差額金 | 911 | 1,121 |
| Total valuation and translation adjustments | 評価・換算差額等合計 | 7,953 | 7,047 |
| **Total net assets** | **純資産の部合計** | 86,481 | 84,996 |
| **Total liabilities and net assets** | **負債及び純資産の部合計** | 1,559,688 | 1,742,846 |

**【 The Kumamoto Bank 】**

**Non-consolidated Statements of Income**

(millions of Yen)

| Item | 科目 (Japanese) | 9 months ended Dec 31, 2015 | 9 months ended Dec 31, 2016 |
|---|---|---|---|
| **Ordinary income:** | **経常収益** | 19,638 | 17,442 |
| Interest income | 資金運用収益 | 14,550 | 14,036 |
| Interest on loans and discounts | （うち貸出金利息） | 12,840 | 12,411 |
| Interest and dividends on securities | （うち有価証券利息配当金） | 1,549 | 1,463 |
| Fees and commissions | 役務取引等収益 | 3,826 | 3,266 |
| Other operating income | その他業務収益 | 210 | 45 |
| Other income | その他経常収益 | 1,050 | 93 |
| **Ordinary expenses:** | **経常費用** | 13,630 | 16,407 |
| Interest expenses | 資金調達費用 | 917 | 656 |
| Interest on deposits | （うち預金利息） | 768 | 609 |
| Fees and commissions payments | 役務取引等費用 | 2,152 | 2,526 |
| Other operating expenses | その他業務費用 | 0 | 7 |
| General and administrative expenses | 営業経費 | 10,280 | 10,787 |
| Other expenses | その他経常費用 | 279 | 2,429 |
| **Ordinary profit** | **経常利益** | 6,008 | 1,034 |
| Extraordinary income | 特別利益 | 0 | — |
| Gain on disposal of noncurrent assets | 固定資産処分益 | 0 | — |
| Extraordinary loss | 特別損失 | 2 | 582 |
| Loss on disposal of noncurrent assets | 固定資産処分損 | 2 | 19 |
| Impairment loss | 減損損失 | — | 252 |
| Other extraordinary loss | その他の特別損失 | — | 311 |
| **Income before income taxes:** | **税引前四半期純利益** | 6,005 | 452 |
| Current | 法人税、住民税及び事業税 | 619 | 239 |
| Deferred | 法人税等調整額 | 848 | (22) |
| Total income taxes | 法人税等合計 | 1,467 | 216 |
| **Net income** | **四半期純利益** | 4,538 | 235 |

【 Reference 】

【 The Shinwa Bank 】

**Non-consolidated Balance Sheets**

(millions of Yen)

| Item | 科目 (Japanese) | As of Mar 31, 2016 | As of Dec 31, 2016 |
|---|---|---|---|
| (Assets) | 資産の部 | | |
| Cash and due from banks | 現金預け金 | 324,545 | 332,645 |
| Call loans | コールローン | 7,778 | 7,228 |
| Trading account securities | 商品有価証券 | 212 | 222 |
| Securities | 有価証券 | 752,071 | 751,958 |
| Loans and bills discounted | 貸出金 | 1,465,210 | 1,487,995 |
| Foreign exchanges | 外国為替 | 1,578 | 1,031 |
| Other assets | その他資産 | 6,785 | 7,754 |
| Tangible fixed assets | 有形固定資産 | 44,690 | 45,896 |
| Intangible fixed assets | 無形固定資産 | 1,297 | 1,543 |
| Prepaid pension expenses | 前払年金費用 | 4,610 | 4,879 |
| Deferred tax assets | 繰延税金資産 | 2,016 | 291 |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返 | 5,844 | 4,977 |
| Allowance for loan losses | 貸倒引当金 | (20,934) | (18,642) |
| **Total assets** | **資産の部合計** | 2,595,706 | 2,627,784 |
| (Liabilities) | 負債の部 | | |
| Deposits | 預金 | 2,188,823 | 2,161,606 |
| Negotiable certificates of deposit | 譲渡性預金 | 86,647 | 163,690 |
| Call money | コールマネー | 25,000 | — |
| Borrowed money | 借用金 | 152,985 | 160,898 |
| Foreign exchanges | 外国為替 | 31 | 6 |
| Other liabilities | その他負債 | 5,233 | 4,883 |
| Provision for losses from reimbursement of inactive accounts | 睡眠預金払戻損失引当金 | 1,306 | 1,159 |
| Deferred tax liabilities for land revaluation | 再評価に係る繰延税金負債 | 4,421 | 4,419 |
| Acceptances and guarantees | 支払承諾 | 5,844 | 4,977 |
| **Total liabilities** | **負債の部合計** | 2,470,294 | 2,501,640 |
| (Net assets) | 純資産の部 | | |
| Capital stock | 資本金 | 36,878 | 36,878 |
| Capital surplus | 資本剰余金 | 36,878 | 36,878 |
| Retained earnings | 利益剰余金 | 13,507 | 17,487 |
| Total shareholders' equity | 株主資本合計 | 87,263 | 91,243 |
| Valuation difference on available-for-sale securities | その他有価証券評価差額金 | 23,457 | 20,256 |
| Revaluation reserve for land | 土地再評価差額金 | 14,690 | 14,642 |
| Total valuation and translation adjustments | 評価・換算差額等合計 | 38,148 | 34,899 |
| **Total net assets** | **純資産の部合計** | 125,411 | 126,143 |
| **Total liabilities and net assets** | **負債及び純資産の部合計** | 2,595,706 | 2,627,784 |

**【 The Shinwa Bank 】**

**Non-consolidated Statements of Income**

(millions of Yen)

| Item | 科目 (Japanese) | 9 months ended Dec 31, 2015 | 9 months ended Dec 31, 2016 |
|---|---|---|---|
| **Ordinary income:** | **経常収益** | 27,749 | 26,759 |
| Interest income | 資金運用収益 | 19,421 | 18,918 |
| Interest on loans and discounts | （うち貸出金利息） | 15,150 | 14,551 |
| Interest and dividends on securities | （うち有価証券利息配当金） | 3,931 | 4,026 |
| Fees and commissions | 役務取引等収益 | 5,825 | 5,230 |
| Other operating income | その他業務収益 | 636 | 108 |
| Other income | その他経常収益 | 1,867 | 2,502 |
| **Ordinary expenses:** | **経常費用** | 19,933 | 20,178 |
| Interest expenses | 資金調達費用 | 1,303 | 791 |
| Interest on deposits | （うち預金利息） | 1,014 | 679 |
| Fees and commissions payments | 役務取引等費用 | 2,863 | 3,141 |
| Other operating expenses | その他業務費用 | 1 | 12 |
| General and administrative expenses | 営業経費 | 15,366 | 15,876 |
| Other expenses | その他経常費用 | 398 | 357 |
| **Ordinary profit** | **経常利益** | 7,816 | 6,581 |
| Extraordinary income | 特別利益 | 2 | 36 |
| Gain on disposal of noncurrent assets | 固定資産処分益 | 2 | 36 |
| Extraordinary loss | 特別損失 | 124 | 62 |
| Loss on disposal of noncurrent assets | 固定資産処分損 | 55 | 40 |
| Impairment loss | 減損損失 | 68 | 21 |
| **Income before income taxes:** | **税引前四半期純利益** | 7,694 | 6,555 |
| Current | 法人税、住民税及び事業税 | (1,685) | (1,955) |
| Deferred | 法人税等調整額 | 3,386 | 3,509 |
| Total income taxes | 法人税等合計 | 1,700 | 1,554 |
| **Net income** | **四半期純利益** | 5,993 | 5,000 |

Fukuoka Financial Group

# Financial Digest for the Third Quarter of FY2016

**February 7, 2017**

Contents


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

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

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

# 1. Gain and loss

(¥ mil.)

| | 3 banks' total | | | FFG (consolidated) | | | |
|---|---|---|---|---|---|---|---|
| | 9 months ended Dec 31, 2016 | Comparison | 9 months ended Dec 31, 2015 | 9 months ended Dec 31, 2016 | Comparison | 9 months ended Dec 31, 2015 | FY2015 |
| Gross business profit | 133,228 | (2,005) | 135,233 | 142,293 | (1,201) | 143,494 | 190,087 |
| Net interest income | 112,621 | (88) | 112,709 | 112,304 | 843 | 111,461 | 148,573 |
| Net fees and commissions | 13,189 | (3,535) | 16,724 | 19,246 | (3,659) | 22,905 | 29,935 |
| Net trading income | 13 | (21) | 34 | 65 | (42) | 107 | 127 |
| Net other operating income | 7,402 | 1,637 | 5,765 | 10,676 | 1,656 | 9,020 | 11,450 |
| Gains (losses) on sales (redemptions) of bonds | 4,009 | 974 | 3,035 | 4,009 | 974 | 3,035 | 2,569 |
| Overhead expenses (-) | 76,336 | 1,643 | 74,693 | 93,407 | 3,124 | 90,283 | 121,134 |
| Business profit (before transfer to general reserve for possible loan losses) | 56,891 | (3,649) | 60,540 | 48,885 | (4,326) | 53,211 | 68,953 |
| ① Transfer to general reserve for possible loan losses (-) | (5,774) | (5,774) | [(3,823)] — | (4,217) | (4,217) | [(3,915)] — | [(8,948)] — |
| **Business profit** | 62,665 | 2,125 | 60,540 | 53,103 | (108) | 53,211 | 68,953 |
| **Core business profit** | 52,881 | (4,623) | 57,504 | 44,876 | (5,299) | 50,175 | 66,383 |
| Other operating profit (loss) | (12,448) | (17,004) | 4,556 | (13,682) | (17,968) | 4,286 | 2,473 |
| ② Credit cost for disposal of non-performing loans (-) | 8,539 | 12,365 | (3,826) | 9,603 | 12,783 | (3,180) | (2,732) |
| Net transfer to specific reserve for possible loan losses (-) | 9,107 | 9,107 | [901] — | 10,195 | 10,195 | [1,664] — | [7,397] — |
| Reversal of allowance for loan losses | — | (2,922) | 2,922 | — | (2,251) | 2,251 | 1,551 |
| Recoveries of written-off claims | 946 | (32) | 978 | 946 | (32) | 978 | 1,291 |
| **Total credit cost ①+② (-)** | 2,764 | 6,590 | (3,826) | 5,385 | 8,565 | (3,180) | (2,732) |
| Gains (losses) on stocks | 292 | (1,312) | 1,604 | 358 | (1,851) | 2,209 | 2,589 |
| Others | (4,201) | (3,326) | (875) | (4,437) | (3,334) | (1,103) | (2,848) |
| **Ordinary profit** | 50,216 | (14,881) | 65,097 | 39,421 | (18,077) | 57,498 | 71,426 |
| Extraordinary profit (loss) | (670) | 836 | (1,506) | (609) | 894 | (1,503) | (2,061) |
| Income (loss) before income taxes | 49,545 | (14,046) | 63,591 | 38,812 | (17,182) | 55,994 | 69,365 |
| Total income taxes (-) | 13,469 | (4,519) | 17,988 | 13,513 | (5,485) | 18,998 | 24,141 |
| Net income | 36,076 | (9,526) | 45,602 | 25,298 | (11,698) | 36,996 | 45,223 |
| Net income attributable to non-controlling interests (-) | | | | (16) | (519) | 503 | 505 |
| **Net income attributable to owners of the parent** | | | | 25,314 | (11,178) | 36,492 | 44,718 |

<Notes> The notes described below are also applied to subsidiary banks (p13-14).
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. For the 3Q of FY2015, the total transfer from general and specific reserves for possible loan losses exceeded the transfer to them. Therefore the difference was posted as "reversal of allowance for loan losses" under the other operating profit. Numbers in square brackets are amounts before netting.

## ■ 9 months Summary

**Core business profit (3 banks' total)** **¥52.9 billion** — Progress on FY2016 Projection 75.1%

➢Core business profit (three banks' total) decreased ¥4.6 billion from a year earlier to ¥52.9 billion, mainly due to a decrease of net fees and commissions and an increase of overhead expenses. However, we made steady progress at a rate of 75.1% on the FY2016 projection (¥70.4 billion).

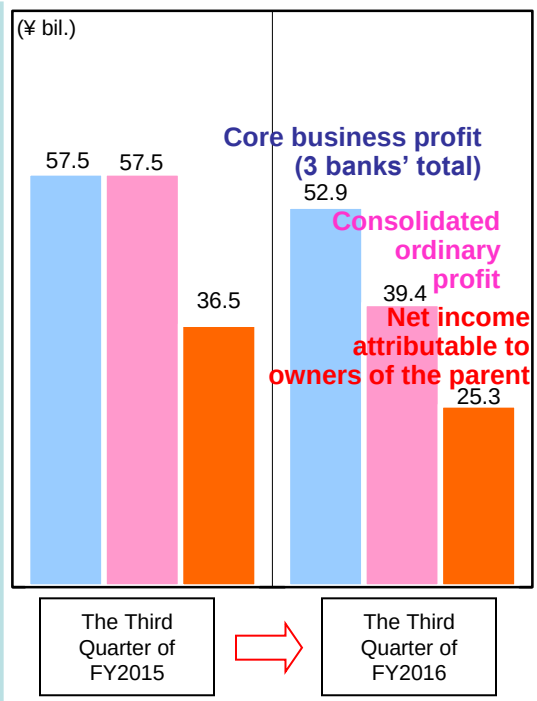
**Consolidated ordinary profit** **¥39.4 billion** — Progress on FY2016 Projection 63.6%

➢Consolidated ordinary profit decreased ¥18.1 billion from a year earlier to ¥39.4 billion, mainly due to an increase of credit cost and a decrease of others.

**Net income attributable to owners of the parent** **¥25.3 billion** — Progress on FY2016 Projection 63.3%

➢As a result, net income attributable to owners of the parent decreased ¥11.2 billion from a year earlier to ¥25.3 billion. The rate of progress on the FY2016 projection (¥40.0 billion) was 63.3%.

## Gain and Loss



## The Bank of Fukuoka (non-consolidated)

(¥ mil.)

| | 9 months ended Dec 31, 2016 | 9 months ended Dec 31, 2015 | Comparison | FY2015 |
|---|---|---|---|---|
| Gross business profit | 98,757 | 98,002 | 755 | 129,451 |
| Net interest income | 81,114 | 80,958 | 156 | 107,729 |
| Domestic | 76,162 | 75,675 | 487 | 100,893 |
| International | 4,952 | 5,282 | (330) | 6,835 |
| Net fees and commissions | 10,360 | 12,089 | (1,729) | 15,696 |
| Net trading income | 13 | 34 | (21) | 43 |
| Net other operating income | 7,268 | 4,919 | 2,349 | 5,983 |
| Gains (losses) on sales (redemptions) of bonds | 4,025 | 2,479 | 1,546 | 2,003 |
| Gains on foreign exchange transactions | 1,151 | 1,178 | (27) | 1,561 |
| Overhead expenses (-) | 50,698 | 49,297 | 1,401 | 66,054 |
| Business profit (before transfer to general reserve for possible loan losses) | 48,058 | 48,705 | (647) | 63,396 |
| ① Transfer to general reserve for possible loan losses (-) | (6,910) | [(677)] — | (6,910) | [(3,350)] — |
| **Business profit** | 54,968 | 48,705 | 6,263 | 63,396 |
| **Core business profit** | 44,033 | 46,225 | (2,192) | 61,393 |
| Other operating profit (loss) | (12,368) | 2,567 | (14,935) | 3,409 |
| ② Credit cost for disposal of non-performing loans (-) | 9,777 | (1,252) | 11,029 | (1,820) |
| Net transfer to specific reserve for possible loan losses (-) | 10,339 | [(91)] — | 10,339 | [2,102] — |
| Reversal of allowance for loan losses | — | ▶ 768 | (768) | ▶ 1,247 |
| Recoveries of written-off claims | 774 | 528 | 246 | 665 |
| **Total credit cost ①+② (-)** | 2,866 | (1,252) | 4,118 | (1,820) |
| Gains (losses) on stocks | 278 | 1,608 | (1,330) | 1,847 |
| Others | (2,869) | (293) | (2,576) | (258) |
| **Ordinary profit** | 42,600 | 51,272 | (8,672) | 66,806 |
| Extraordinary profit (loss) | (62) | (1,381) | 1,319 | (1,626) |
| Income (loss) before income taxes | 42,538 | 49,891 | (7,353) | 65,179 |
| Total income taxes (-) | 11,697 | 14,820 | (3,123) | 19,568 |
| **Net income** | 30,840 | 35,070 | (4,230) | 45,611 |

## The Kumamoto Bank (non-consolidated)

(¥ mil.)

| | 9 months ended Dec 31, 2016 | 9 months ended Dec 31, 2015 | Comparison | FY2015 |
|---|---|---|---|---|
| Gross business profit | 14,158 | 15,517 | (1,359) | 20,792 |
| Net interest income | 13,380 | 13,633 | (253) | 18,170 |
| Domestic | 13,331 | 13,617 | (286) | 18,139 |
| International | 48 | 15 | 33 | 30 |
| Net fees and commissions | 740 | 1,673 | (933) | 2,390 |
| Net other operating income | 37 | 210 | (173) | 231 |
| Gains (losses) on sales (redemptions) of bonds | (7) | 108 | (115) | 108 |
| Gains on foreign exchange transactions | 44 | 97 | (53) | 117 |
| Overhead expenses (-) | 10,516 | 10,274 | 242 | 13,789 |
| Business profit (before transfer to general reserve for possible loan losses) | 3,641 | 5,243 | (1,602) | 7,002 |
| ① Transfer to general reserve for possible loan losses (-) | 1,590 | [(1,533)] — | 1,590 | [(1,926)] — |
| **Business profit** | 2,051 | 5,243 | (3,192) | 7,002 |
| **Core business profit** | 3,649 | 5,134 | (1,485) | 6,894 |
| Other operating profit (loss) | (1,016) | 765 | (1,781) | 381 |
| ② Credit cost for disposal of non-performing loans (-) | 586 | (979) | 1,565 | (965) |
| Net transfer to specific reserve for possible loan losses (-) | 543 | [626] — | 543 | [1,171] — |
| Reversal of allowance for loan losses | — | ▶ 906 | (906) | ▶ 754 |
| Recoveries of written-off claims | 63 | 115 | (52) | 253 |
| **Total credit cost ①+② (-)** | 2,177 | (979) | 3,156 | (965) |
| Gains (losses) on stocks | — | 0 | (0) | 91 |
| Others | (429) | (214) | (215) | (675) |
| **Ordinary profit** | 1,034 | 6,008 | (4,974) | 7,384 |
| Extraordinary profit (loss) | (582) | (2) | (580) | (14) |
| Income (loss) before income taxes | 452 | 6,005 | (5,553) | 7,369 |
| Total income taxes (-) | 216 | 1,467 | (1,251) | 2,110 |
| **Net income** | 235 | 4,538 | (4,303) | 5,259 |

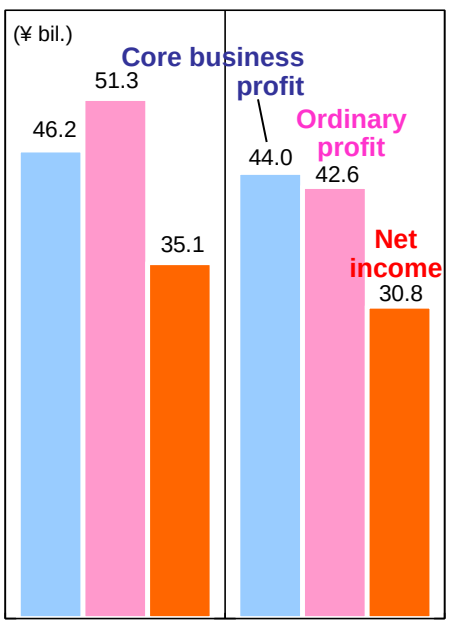
## The Shinwa Bank (non-consolidated)

(¥ mil.)

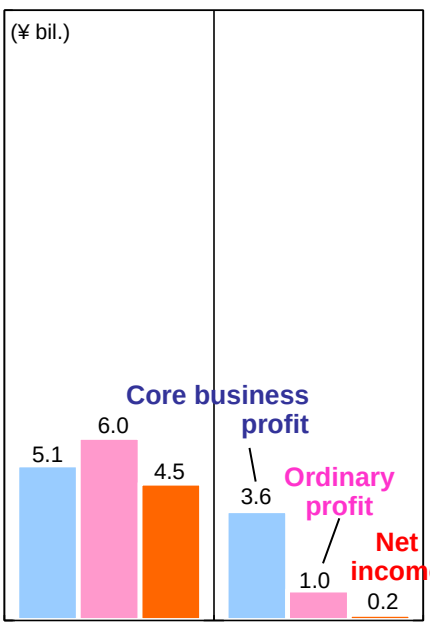
| | 9 months ended Dec 31, 2016 | 9 months ended Dec 31, 2015 | Comparison | FY2015 |
|---|---|---|---|---|
| Gross business profit | 20,311 | 21,714 | (1,403) | 28,661 |
| Net interest income | 18,126 | 18,117 | 9 | 24,096 |
| Domestic | 18,042 | 18,090 | (48) | 24,052 |
| International | 84 | 27 | 57 | 43 |
| Net fees and commissions | 2,089 | 2,961 | (872) | 3,851 |
| Net other operating income | 95 | 635 | (540) | 713 |
| Gains (losses) on sales (redemptions) of bonds | (8) | 448 | (456) | 457 |
| Gains on foreign exchange transactions | 71 | 144 | (73) | 184 |
| Overhead expenses (-) | 15,121 | 15,122 | (1) | 20,129 |
| Business profit (before transfer to general reserve for possible loan losses) | 5,190 | 6,592 | (1,402) | 8,531 |
| ① Transfer to general reserve for possible loan losses (-) | [(454)] — | [(1,612)] — | — | [(3,377)] — |
| **Business profit** | 5,190 | 6,592 | (1,402) | 8,531 |
| **Core business profit** | 5,198 | 6,144 | (946) | 8,073 |
| Other operating profit (loss) | 1,390 | 1,224 | 166 | (788) |
| ② Credit cost for disposal of non-performing loans (-) | (2,279) | (1,595) | (684) | (841) |
| Net transfer to specific reserve for possible loan losses (-) | [(1,774)] — | [366] — | — | [2,918] — |
| Reversal of allowance for loan losses | ▶ 2,229 | ▶ 1,246 | 983 | ▶ 458 |
| Recoveries of written-off claims | 108 | 333 | (225) | 371 |
| **Total credit cost ①+② (-)** | (2,279) | (1,595) | (684) | (841) |
| Gains (losses) on stocks | 13 | (3) | 16 | (55) |
| Others | (902) | (367) | (535) | (1,574) |
| **Ordinary profit** | 6,581 | 7,816 | (1,235) | 7,742 |
| Extraordinary profit (loss) | (26) | (122) | 96 | (487) |
| Income (loss) before income taxes | 6,555 | 7,694 | (1,139) | 7,255 |
| Total income taxes (-) | 1,554 | 1,700 | (146) | 2,048 |
| **Net income** | 5,000 | 5,993 | (993) | 5,206 |

## Gain and Loss

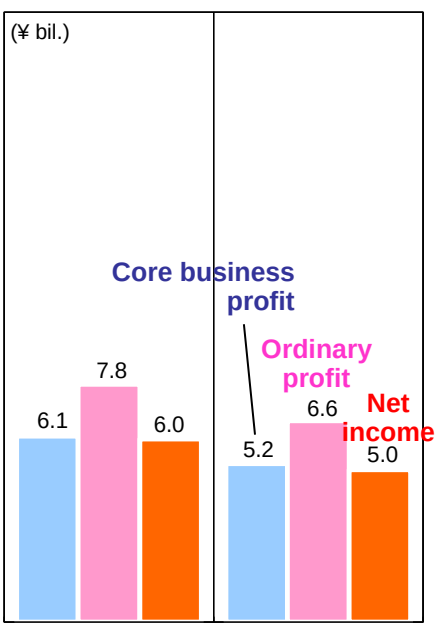
### The Bank of Fukuoka (non-consolidated)




### The Kumamoto Bank (non-consolidated)




### The Shinwa Bank (non-consolidated)

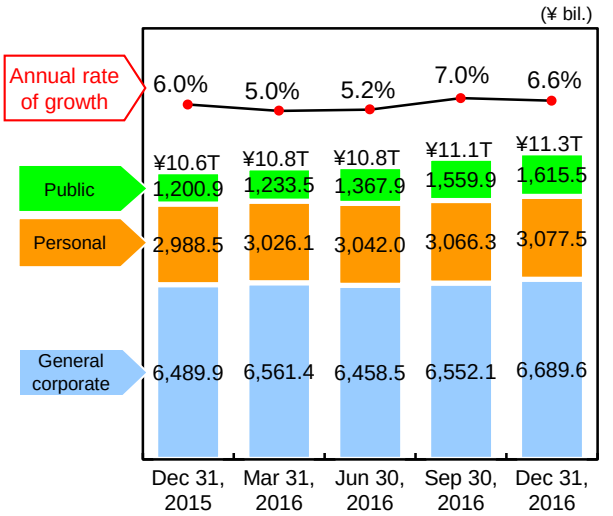


# 2. Assets and liabilities

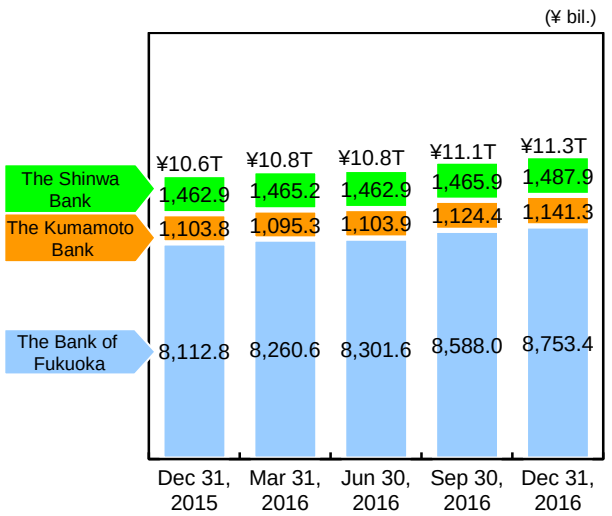
## (1) Loans

3 banks' total

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




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




(¥ mil.)

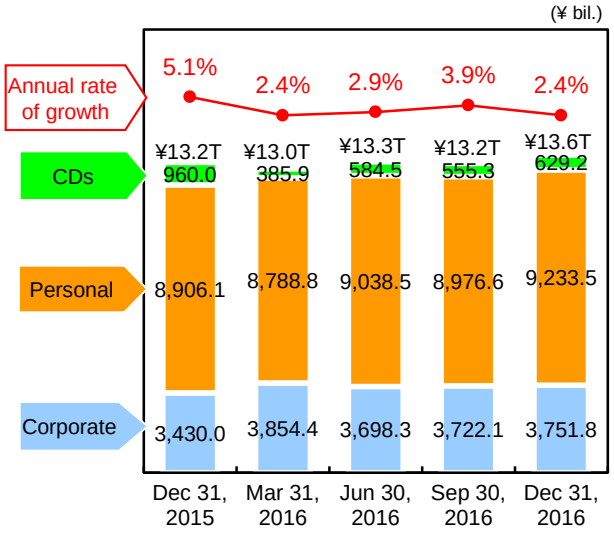
| | | Dec 31, 2016 | | | | |
|---|---|---|---|---|---|---|
| | | annual rate of growth | | change from Sep 30, 2016 | change from Mar 31, 2016 | change from Dec 31, 2015 |
| 3 banks' total | Total loans | 6.6% | 11,382,778 | 204,339 | 561,558 | 703,248 |
| | Personal segment | 3.0% | 3,077,558 | 11,208 | 51,400 | 89,010 |
| | Corporate segment | 8.0% | 8,305,219 | 193,133 | 510,159 | 614,237 |
| | Personal loans | 3.1% | 2,974,844 | 12,874 | 51,766 | 89,419 |
| | Housing loans | 2.0% | 2,675,959 | 6,468 | 26,093 | 51,821 |
| | Consumer loans | 25.2% | 218,224 | 6,527 | 26,831 | 43,878 |
| | Loans to small-and-medium-sized enterprises, etc. ratio | – | 70.52% | (0.16%) | (2.04%) | (1.64%) |
| The Bank of Fukuoka (non-consolidated) | Total loans | 7.9% | 8,753,477 | 165,420 | 492,837 | 640,665 |
| | Personal segment | 3.2% | 2,197,951 | 4,475 | 36,984 | 68,229 |
| | Corporate segment | 9.6% | 6,555,526 | 160,946 | 455,853 | 572,436 |
| | Fukuoka prefecture | 3.7% | 6,500,991 | 125,722 | 73,758 | 231,930 |
| | Personal loans | 3.3% | 2,129,512 | 4,937 | 35,844 | 67,229 |
| | Housing loans | 2.0% | 1,918,064 | 1,899 | 17,229 | 37,759 |
| | Consumer loans | 28.4% | 152,873 | 4,671 | 20,833 | 33,820 |
| | Loans to small-and-medium-sized enterprises, etc. ratio | – | 68.58% | (0.19%) | (2.51%) | (2.05%) |
| The Kumamoto Bank (non-consolidated) | Total loans | 3.4% | 1,141,306 | 16,882 | 45,936 | 37,499 |
| | Personal segment | 3.4% | 426,186 | 4,117 | 9,101 | 13,868 |
| | Corporate segment | 3.4% | 715,119 | 12,765 | 36,835 | 23,630 |
| | Kumamoto prefecture | 4.1% | 1,056,556 | 16,437 | 48,823 | 41,605 |
| | Personal loans | 3.5% | 404,463 | 4,668 | 9,732 | 13,841 |
| | Housing loans | 2.6% | 371,929 | 2,659 | 6,310 | 9,376 |
| | Consumer loans | 19.2% | 25,737 | 712 | 2,219 | 4,148 |
| | Loans to small-and-medium-sized enterprises, etc. ratio | – | 85.26% | 0.27% | (0.44%) | 0.70% |
| The Shinwa Bank (non-consolidated) | Total loans | 1.7% | 1,487,995 | 22,037 | 22,785 | 25,084 |
| | Personal segment | 1.5% | 453,421 | 2,616 | 5,315 | 6,913 |
| | Corporate segment | 1.8% | 1,034,574 | 19,422 | 17,471 | 18,171 |
| | Nagasaki prefecture | 3.1% | 1,095,050 | 20,680 | 26,037 | 32,506 |
| | Personal loans | 1.9% | 440,869 | 3,269 | 6,190 | 8,349 |
| | Housing loans | 1.2% | 385,966 | 1,910 | 2,554 | 4,686 |
| | Consumer loans | 17.5% | 39,614 | 1,144 | 3,779 | 5,910 |
| | Loans to small-and-medium-sized enterprises, etc. ratio | – | 70.63% | (0.27%) | (0.41%) | (0.63%) |

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥98.5 billion at the end of December 2015, ¥101.5 billion at the end of March 2016, ¥112.0 billion at the end of September 2016, and ¥113.5 billion at the end of December 2016).

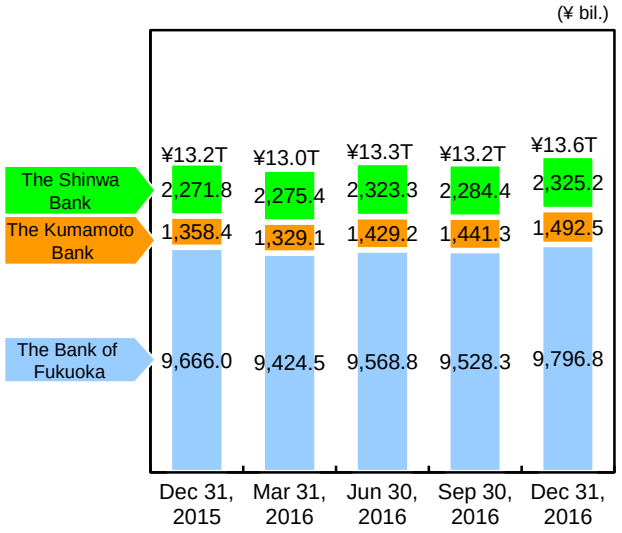
## (2) Deposits

3 banks' total

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




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



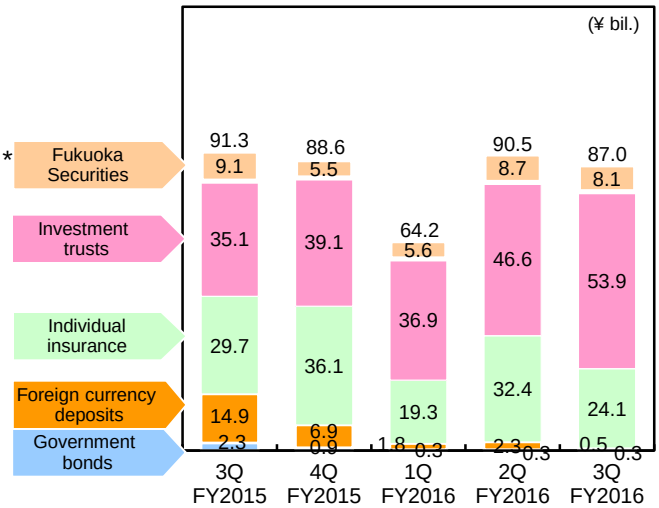

(¥ mil.)

| | | Dec 31, 2016 | | | | |
|---|---|---|---|---|---|---|
| | | annual rate of growth | | change from Sep 30, 2016 | change from Mar 31, 2016 | change from Dec 31, 2015 |
| 3 banks' total | Personal deposits | 3.7% | 9,233,587 | 256,925 | 444,783 | 327,450 |
| | Corporate deposits | 9.4% | 3,751,874 | 29,764 | (102,529) | 321,819 |
| | Total | 5.3% | 12,985,463 | 286,689 | 342,256 | 649,271 |
| | Demand | 7.4% | 8,079,953 | 290,622 | 262,392 | 558,856 |
| | Time | 1.9% | 4,905,508 | (3,933) | 79,863 | 90,414 |
| | CDs | (34.5%) | 629,242 | 73,930 | 243,290 | (330,845) |
| | Deposits and CDs | 2.4% | 13,614,706 | 360,619 | 585,544 | 318,425 |
| The Bank of Fukuoka (non-consolidated) | Personal deposits | 3.4% | 6,702,452 | 211,951 | 308,345 | 221,793 |
| | Corporate deposits | 10.4% | 2,670,660 | 31,190 | (93,362) | 250,841 |
| | Total | 5.3% | 9,373,113 | 243,141 | 214,984 | 472,635 |
| | Demand | 6.3% | 6,125,467 | 234,879 | 105,753 | 363,920 |
| | Time | 3.5% | 3,247,645 | 8,262 | 109,231 | 108,715 |
| | CDs | (44.6%) | 423,777 | 25,379 | 157,388 | (341,780) |
| | Deposits and CDs | 1.4% | 9,796,891 | 268,520 | 372,372 | 130,856 |
| | Fukuoka prefecture | 4.8% | 8,750,810 | 224,926 | 196,316 | 404,561 |
| The Kumamoto Bank (non-consolidated) | Personal deposits | 8.5% | 1,071,356 | 15,193 | 94,399 | 83,600 |
| | Corporate deposits | 17.3% | 379,387 | 18,874 | 60,089 | 55,840 |
| | Total | 10.6% | 1,450,744 | 34,068 | 154,489 | 139,441 |
| | Demand | 20.5% | 732,157 | 23,147 | 126,431 | 124,651 |
| | Time | 2.1% | 718,586 | 10,921 | 28,057 | 14,789 |
| | CDs | (11.3%) | 41,775 | 17,151 | 8,859 | (5,338) |
| | Deposits and CDs | 9.9% | 1,492,519 | 51,219 | 163,347 | 134,102 |
| | Kumamoto prefecture | 11.7% | 1,354,472 | 34,566 | 157,155 | 141,806 |
| The Shinwa Bank (non-consolidated) | Personal deposits | 1.5% | 1,459,779 | 29,781 | 42,039 | 22,057 |
| | Corporate deposits | 2.2% | 701,827 | (20,300) | (69,256) | 15,138 |
| | Total | 1.8% | 2,161,606 | 9,480 | (27,217) | 37,195 |
| | Demand | 6.1% | 1,222,329 | 32,596 | 30,208 | 70,285 |
| | Time | (3.4%) | 939,277 | (23,116) | (57,425) | (33,090) |
| | CDs | 11.0% | 163,690 | 31,400 | 77,043 | 16,273 |
| | Deposits and CDs | 2.4% | 2,325,296 | 40,880 | 49,825 | 53,467 |
| | Nagasaki prefecture | 2.8% | 1,901,315 | 14,587 | (19,779) | 52,675 |

# (3) Asset management products

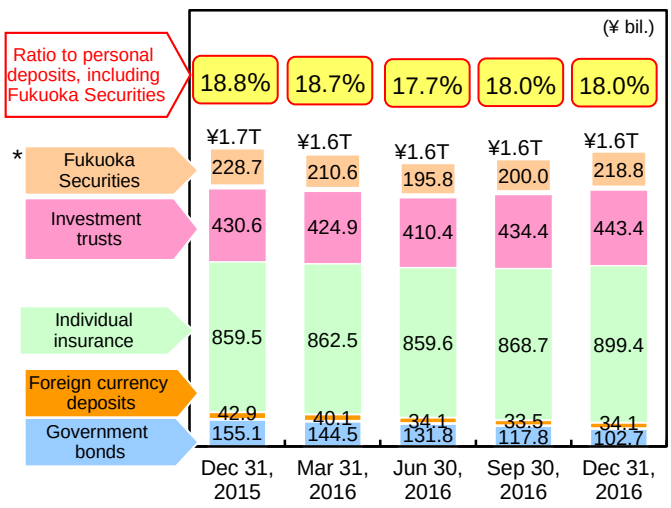
## Group's total

### Sales of asset management products




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

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




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

(¥ bil.)

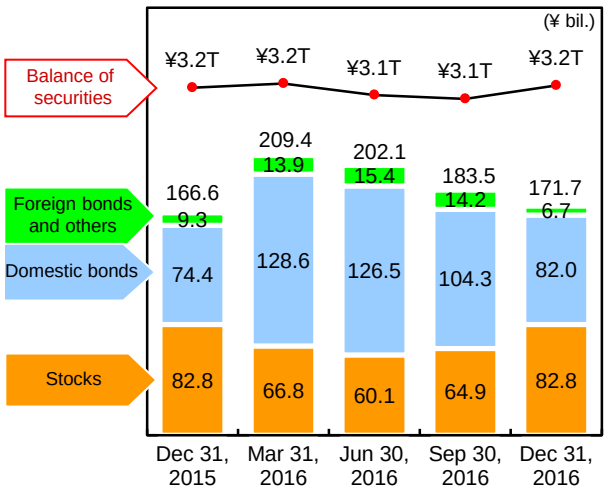
| | | Sales of asset management products | | | | | Outstanding balance of assets under management for individual customers | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 3Q FY2016 (3 months) | change from 2Q FY2016 | change from 3Q FY2015 | 2Q FY2016 (3 months) | 3Q FY2015 (3 months) | Dec 31, 2016 | Change from Sep 30, 2016 | Change from Mar 31, 2016 | Change from Dec 31, 2015 | Sep 30, 2016 | Mar 31, 2016 | Dec 31, 2015 |
| Group's total | Investment trusts | 53.9 | 7.3 | 18.8 | 46.6 | 35.1 | 443.4 | 9.0 | 18.5 | 12.8 | 434.4 | 424.9 | 430.6 |
| | Individual insurance | 24.1 | (8.3) | (5.6) | 32.4 | 29.7 | 899.4 | 30.7 | 36.9 | 39.9 | 868.7 | 862.5 | 859.5 |
| | Foreign currency deposits | 0.5 | (1.8) | (14.4) | 2.3 | 14.9 | 34.1 | 0.6 | (6.0) | (8.8) | 33.5 | 40.1 | 42.9 |
| | Government bonds | 0.3 | (0.0) | (2.0) | 0.3 | 2.3 | 102.7 | (15.1) | (41.8) | (52.4) | 117.8 | 144.5 | 155.1 |
| | Fukuoka Securities | 8.1 | (0.6) | (1.0) | 8.7 | 9.1 | 218.8 | 18.8 | 8.2 | (9.9) | 200.0 | 210.6 | 228.7 |
| | Total | 87.0 | (3.5) | (4.3) | 90.5 | 91.3 | 1,698.6 | 44.0 | 15.9 | (18.4) | 1,654.6 | 1,682.7 | 1,717.0 |
| | Ratio to personal deposits | | | | | | 18.0% | (0.0%) | (0.7%) | (0.8%) | 18.0% | 18.7% | 18.8% |
| The Bank of Fukuoka (non-consolidated) | Investment trusts | 30.3 | (1.0) | 8.9 | 31.3 | 21.4 | 292.1 | 3.9 | 10.3 | 6.5 | 288.2 | 281.8 | 285.6 |
| | Individual insurance | 14.9 | (6.9) | (1.7) | 21.8 | 16.6 | 574.1 | 18.5 | 28.1 | 26.4 | 555.6 | 546.0 | 547.7 |
| | Foreign currency deposits | 0.4 | (1.6) | (8.5) | 2.0 | 8.9 | 26.1 | 0.7 | (3.9) | (5.8) | 25.4 | 30.0 | 31.9 |
| | Government bonds | 0.2 | (0.0) | (1.9) | 0.2 | 2.1 | 90.4 | (14.4) | (38.2) | (46.6) | 104.8 | 128.6 | 137.0 |
| | Total | 45.9 | (9.5) | (3.2) | 55.4 | 49.1 | 982.9 | 8.9 | (3.6) | (19.4) | 974.0 | 986.5 | 1,002.3 |
| | Ratio to personal deposits | | | | | | 14.7% | (0.3%) | (0.7%) | (0.8%) | 15.0% | 15.4% | 15.5% |
| The Kumamoto Bank (non-consolidated) | Investment trusts | 11.3 | 4.5 | 6.0 | 6.8 | 5.3 | 70.0 | 4.1 | 4.7 | 3.6 | 65.9 | 65.3 | 66.4 |
| | Individual insurance | 2.9 | (0.5) | (3.0) | 3.4 | 5.9 | 128.3 | 5.3 | 3.8 | 7.6 | 123.0 | 124.5 | 120.7 |
| | Foreign currency deposits | 0.0 | (0.1) | (2.6) | 0.1 | 2.6 | 3.4 | (0.1) | (0.8) | (1.4) | 3.5 | 4.2 | 4.8 |
| | Government bonds | 0.0 | (0.0) | (0.0) | 0.0 | 0.0 | 1.8 | (0.1) | (0.6) | (0.8) | 1.9 | 2.4 | 2.6 |
| | Total | 14.3 | 3.9 | 0.3 | 10.4 | 14.0 | 203.5 | 9.1 | 6.9 | 9.0 | 194.4 | 196.6 | 194.5 |
| | Ratio to personal deposits | | | | | | 19.0% | 0.6% | (1.1%) | (0.7%) | 18.4% | 20.1% | 19.7% |
| The Shinwa Bank (non-consolidated) | Investment trusts | 12.1 | 3.6 | 3.8 | 8.5 | 8.3 | 81.2 | 1.0 | 3.5 | 2.7 | 80.2 | 77.7 | 78.5 |
| | Individual insurance | 6.2 | (0.9) | (1.0) | 7.1 | 7.2 | 196.9 | 6.8 | 5.1 | 5.9 | 190.1 | 191.8 | 191.0 |
| | Foreign currency deposits | 0.0 | (0.1) | (3.3) | 0.1 | 3.3 | 4.5 | 0.0 | (1.3) | (1.6) | 4.5 | 5.8 | 6.1 |
| | Government bonds | 0.0 | 0.0 | (0.1) | 0.0 | 0.1 | 10.4 | (0.7) | (3.0) | (5.1) | 11.1 | 13.4 | 15.5 |
| | Total | 18.5 | 2.6 | (0.5) | 15.9 | 19.0 | 293.1 | 7.0 | 4.3 | 1.8 | 286.1 | 288.8 | 291.3 |
| | Ratio to personal deposits | | | | | | 20.1% | 0.1% | (0.3%) | (0.2%) | 20.0% | 20.4% | 20.3% |

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

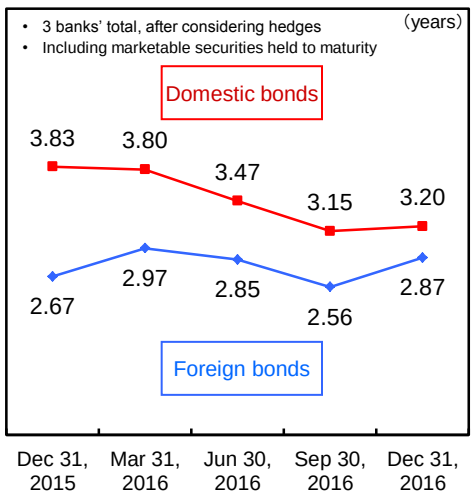
# (4) Marketable securities

FFG (consolidated)

## Unrealized gain




## Bond duration




(¥ mil.)

| | | Dec 31, 2016 | | | | Sep 30, 2016 | |
|---|---|---|---|---|---|---|---|
| | | Market value | change from Sep 30, 2016 | Unrealized gain(loss) | change from Sep 30, 2016 | Market value | Unrealized gain(loss) |
| FFG (consolidated) | Total | 3,272,861 | 125,882 | 171,708 | (11,885) | 3,146,979 | 183,593 |
| | Stocks | 148,371 | 18,013 | 82,895 | 17,942 | 130,358 | 64,953 |
| | Domestic bonds | 2,728,724 | 37,164 | 82,076 | (22,290) | 2,691,560 | 104,366 |
| | National government bonds | 2,008,307 | 3,656 | 70,440 | (20,444) | 2,004,651 | 90,884 |
| | Local government bonds | 71,165 | 1,032 | 1,385 | (224) | 70,133 | 1,609 |
| | Corporate bonds | 649,251 | 32,477 | 10,250 | (1,622) | 616,774 | 11,872 |
| | Foreign bonds and Others | 395,765 | 70,705 | 6,736 | (7,537) | 325,060 | 14,273 |
| The Bank of Fukuoka (consolidated) | Total | 2,247,464 | 124,565 | 138,372 | (6,186) | 2,122,899 | 144,558 |
| | Stocks | 134,060 | 16,009 | 80,016 | 15,937 | 118,051 | 64,079 |
| | Domestic bonds | 1,717,639 | 37,849 | 51,619 | (14,586) | 1,679,790 | 66,205 |
| | National government bonds | 1,166,474 | 1,851 | 43,562 | (13,316) | 1,164,623 | 56,878 |
| | Local government bonds | 44,484 | 1,323 | 986 | (125) | 43,161 | 1,111 |
| | Corporate bonds | 506,681 | 34,676 | 7,070 | (1,145) | 472,005 | 8,215 |
| | Foreign bonds and Others | 395,764 | 70,707 | 6,736 | (7,537) | 325,057 | 14,273 |
| The Kumamoto Bank (non-consolidated) | Total | 274,551 | (3,498) | 8,441 | (1,975) | 278,049 | 10,416 |
| | Stocks | 2,050 | 19 | 1,098 | 20 | 2,031 | 1,078 |
| | Domestic bonds | 272,499 | (3,516) | 7,342 | (1,995) | 276,015 | 9,337 |
| | National government bonds | 219,286 | (1,849) | 6,366 | (1,820) | 221,135 | 8,186 |
| | Local government bonds | 1,344 | (7) | 37 | (6) | 1,351 | 43 |
| | Corporate bonds | 51,867 | (1,662) | 938 | (168) | 53,529 | 1,106 |
| | Foreign bonds and Others | 1 | (2) | 0 | — | 3 | 0 |
| The Shinwa Bank (non-consolidated) | Total | 750,845 | 4,816 | 28,497 | (3,724) | 746,029 | 32,221 |
| | Stocks | 12,260 | 1,985 | 5,383 | 1,985 | 10,275 | 3,398 |
| | Domestic bonds | 738,585 | 2,831 | 23,114 | (5,709) | 735,754 | 28,823 |
| | National government bonds | 622,545 | 3,652 | 20,511 | (5,307) | 618,893 | 25,818 |
| | Local government bonds | 25,336 | (284) | 360 | (94) | 25,620 | 454 |
| | Corporate bonds | 90,702 | (537) | 2,241 | (308) | 91,239 | 2,549 |
| | Foreign bonds and Others | — | — | — | — | — | — |

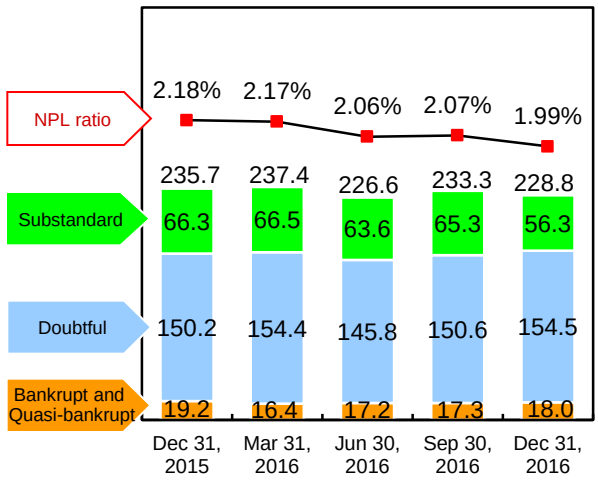
# 3. Non-performing loans

**（Direct write-off is adopted）**

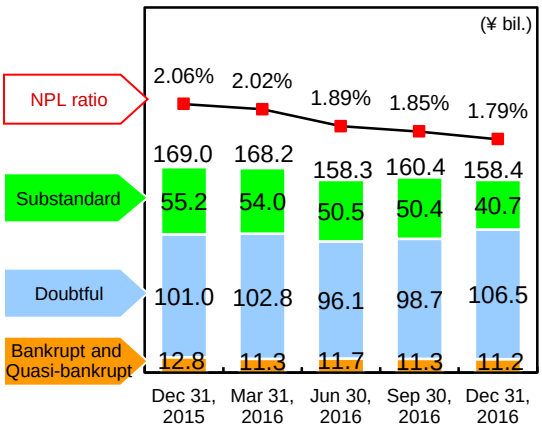
## 3 banks' total

(¥ bil.)

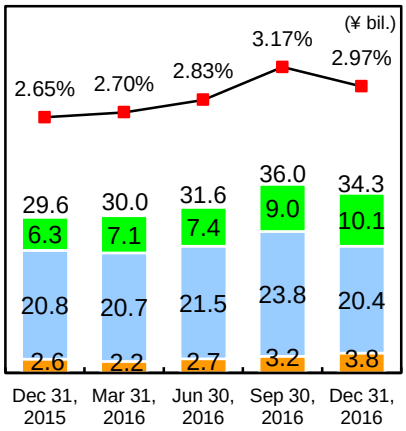
| | Dec 31, 2016 | change from Sep 30, 2016 | change from Dec 31, 2015 | Sep 30, 2016 | Dec 31, 2015 |
|---|---|---|---|---|---|
| ①NPLs under the FRL | 228.8 | (4.5) | (7.0) | 233.3 | 235.7 |
| Bankrupt and Quasi-bankrupt | 18.0 | 0.6 | (1.3) | 17.3 | 19.2 |
| Doubtful | 154.5 | 3.8 | 4.2 | 150.6 | 150.2 |
| Substandard | 56.3 | (9.0) | (9.9) | 65.3 | 66.3 |
| Normal customers | 11,229.3 | 209.6 | 694.5 | 11,019.8 | 10,534.9 |
| ②Total credits | 11,458.1 | 205.0 | 687.5 | 11,253.1 | 10,770.6 |
| Ratio of NPLs under the FRL to the total credits ①/② | 1.99% | (0.08%) | (0.19%) | 2.07% | 2.18% |



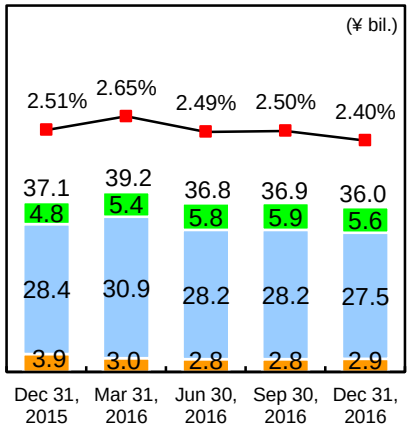

## The Bank of Fukuoka (non-consolidated)




## The Kumamoto Bank (non-consolidated)




## The Shinwa Bank (non-consolidated)




# 4. Interest rate spread (Domestic division)

(%)

| | 3 banks' total | | | The Bank of Fukuoka (non-consolidated) | | | The Kumamoto Bank (non-consolidated) | | | The Shinwa Bank (non-consolidated) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3Q FY2016 (9 months) | YoY change | 3Q FY2015 (9 months) | 3Q FY2016 (9 months) | YoY change | 3Q FY2015 (9 months) | 3Q FY2016 (9 months) | YoY change | 3Q FY2015 (9 months) | 3Q FY2016 (9 months) | YoY change | 3Q FY2015 (9 months) |
| (1) Average yield on interest earning assets | 1.11 | (0.08) | 1.19 | 1.08 | (0.08) | 1.16 | 1.34 | (0.07) | 1.41 | 1.14 | (0.04) | 1.18 |
| Loans and bills discounted ① | 1.19 | (0.11) | 1.30 | 1.14 | (0.10) | 1.24 | 1.48 | (0.10) | 1.58 | 1.31 | (0.08) | 1.39 |
| Securities | 0.82 | (0.04) | 0.86 | 0.87 | (0.06) | 0.93 | 0.71 | (0.01) | 0.72 | 0.74 | 0.03 | 0.71 |
| (2) Average yield on interest bearing liabilities | 0.70 | (0.08) | 0.78 | 0.63 | (0.10) | 0.73 | 0.95 | (0.07) | 1.02 | 0.85 | (0.04) | 0.89 |
| Deposits and CDs ② | 0.03 | (0.02) | 0.05 | 0.03 | (0.02) | 0.05 | 0.05 | (0.02) | 0.07 | 0.04 | (0.02) | 0.06 |
| External liabilities | 0.03 | (0.09) | 0.12 | 0.03 | (0.09) | 0.12 | 0.02 | (0.08) | 0.10 | 0.01 | (0.09) | 0.10 |
| (3) Difference between average yields on loans and deposits ①-② | 1.16 | (0.09) | 1.25 | 1.11 | (0.08) | 1.19 | 1.43 | (0.08) | 1.51 | 1.27 | (0.06) | 1.33 |
| (4) Average interest rate spread (1)-(2) | 0.41 | 0.00 | 0.41 | 0.45 | 0.02 | 0.43 | 0.39 | (0.00) | 0.39 | 0.29 | (0.00) | 0.29 |