August 4, 2017

Fukuoka Financial Group, Inc.

Financial Digest for the First Quarter of FY2017

Stock Exchange Listing:	Tokyo, Fukuoka (code:8354)
URL:	http://www.fukuoka-fg.com
Representative:	Takashige Shibato, President
For Inquiry:	Hiroshi Miyoshi, Executive Officer, Corporate Planning Division
Payment date of cash dividends:	—
Filing date of Financial Statements:	August 4, 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, 2017 to June 30, 2017)

(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	%
1Q FY2017	58,929	(5.9)	17,848	(17.8)	12,179	(16.2)
1Q FY2016	62,590	(3.2)	21,709	(15.9)	14,526	(13.8)

(Note) Comprehensive income 1Q FY2017: ¥14,991 million [4.0%] 1Q FY2016: ¥14,418 million [(29.3%)]

	Net Income per Share	Net Income per Share (Diluted)
	¥	¥
1Q FY2017	14.18	—
1Q FY2016	16.91	—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Own Capital Ratio
	¥Million	¥Million	%
June 30, 2017	19,007,720	721,463	3.7
March 31, 2017	18,113,049	712,058	3.9

(Reference) Own capital June 30, 2017: ¥721,459 million March 31, 2017: ¥712,049 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
	¥	¥	¥	¥	¥
FY2016	—	6.50	—	6.50	13.00
FY2017	—				
FY2017 (projection)		7.50	—	7.50	15.00

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

3. Consolidated Earnings Projections for Fiscal year 2017, (Year ending March 31, 2018)

(%: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 FY2017	35,000	8.0	24,500	16.5	28.52
FY2017	70,000	—	49,000	—	57.05

(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, 2017	As of Jun 30, 2017
(Assets)	資産の部		
Cash and due from banks	現金預け金	2,880,599	3,637,013
Call loans and bills bought	コールローン及び買入手形	500	2,404
Monetary claims bought	買入金銭債権	49,459	49,777
Trading assets	特定取引資産	1,701	1,642
Money held in trust	金銭の信託	10,697	3,504
Securities	有価証券	3,463,599	3,525,770
Loans and bills discounted	貸出金	11,428,299	11,472,697
Foreign exchanges	外国為替	10,352	7,285
Other assets	その他資産	127,348	164,628
Tangible fixed assets	有形固定資産	198,460	196,494
Intangible fixed assets	無形固定資産	15,220	15,547
Net defined benefit assets	退職給付に係る資産	12,671	12,956
Deferred tax assets	繰延税金資産	8,412	7,320
Customers' liabilities for acceptances and guarantees	支払承諾見返	40,008	42,376
Allowance for loan losses	貸倒引当金	(134,282)	(131,701)
Total assets	**資産の部合計**	18,113,049	19,007,720
(Liabilities)	負債の部		
Deposits	預金	13,207,675	13,353,855
Negotiable certificates of deposit	譲渡性預金	372,769	683,786
Call money and bills sold	コールマネー及び売渡手形	288,609	378,000
Payables under repurchase agreements	売現先勘定	100,949	105,230
Payables under securities lending transactions	債券貸借取引受入担保金	1,612,526	1,949,526
Trading liabilities	特定取引負債	0	—
Borrowed money	借用金	1,608,856	1,607,296
Foreign exchanges	外国為替	1,749	1,159
Short-term bonds payable	短期社債	5,000	5,000
Bonds payable	社債	30,000	30,000
Other liabilities	その他負債	102,499	100,039
Net defined benefit liability	退職給付に係る負債	899	907
Provision for losses on interest repayments	利息返還損失引当金	74	43
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	6,219	5,862
Provision for contingent liabilities losses	その他の偶発損失引当金	8	7
Reserves under the special laws	特別法上の引当金	18	16
Deferred tax liabilities	繰延税金負債	97	126
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	23,028	23,021
Acceptances and guarantees	支払承諾	40,008	42,376
Total liabilities	**負債の部合計**	17,400,991	18,286,256
(Net assets)	純資産の部		
Capital stock	資本金	124,799	124,799
Capital surplus	資本剰余金	94,156	94,146
Retained earnings	利益剰余金	344,527	351,141
Treasury stock	自己株式	(343)	(346)
Total shareholders' equity	株主資本合計	563,140	569,740
Valuation difference on available-for-sale securities	その他有価証券評価差額金	117,726	120,845
Deferred gains or losses on hedges	繰延ヘッジ損益	(12,660)	(13,525)
Revaluation reserve for land	土地再評価差額金	51,649	51,632
Remeasurements of defined benefit plans	退職給付に係る調整累計額	(7,805)	(7,233)
Total accumulated other comprehensive income	その他の包括利益累計額合計	148,909	151,719
Non-controlling interests	非支配株主持分	8	3
Total net assets	**純資産の部合計**	712,058	721,463
Total liabilities and net assets	**負債及び純資産の部合計**	18,113,049	19,007,720

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

Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	3 months ended Jun 30, 2016	3 months ended Jun 30, 2017
Ordinary income:	**経常収益**	62,590	58,929
Interest income	資金運用収益	41,566	42,851
Interest on loans and discounts	（うち貸出金利息）	33,040	33,421
Interest and dividends on securities	（うち有価証券利息配当金）	7,886	8,603
Fees and commissions	役務取引等収益	10,575	11,908
Trading income	特定取引収益	12	21
Other operating income	その他業務収益	7,526	1,484
Other income	その他経常収益	2,909	2,662
Ordinary expenses:	**経常費用**	40,880	41,080
Interest expenses	資金調達費用	4,306	4,947
Interest on deposits	（うち預金利息）	1,293	1,487
Fees and commissions payments	役務取引等費用	3,641	3,900
Other operating expenses	その他業務費用	56	2
General and administrative expenses	営業経費	32,360	30,747
Other expenses	その他経常費用	515	1,483
Ordinary profit	**経常利益**	21,709	17,848
Extraordinary income	特別利益	1	8
Gain on disposal of noncurrent assets	固定資産処分益	0	6
Transfer from reserve for financial products transaction liabilities	金融商品取引責任準備金取崩額	1	2
Extraordinary loss	特別損失	268	441
Loss on disposal of noncurrent assets	固定資産処分損	26	441
Impairment loss	減損損失	88	—
Other extraordinary loss	その他の特別損失	153	—
Income before income taxes:	**税金等調整前四半期純利益**	21,443	17,415
Current	法人税、住民税及び事業税	3,527	5,152
Deferred	法人税等調整額	3,393	98
Total income taxes	法人税等合計	6,920	5,251
Net income	四半期純利益	14,522	12,164
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する四半期純損失	(3)	(15)
Net income attributable to owners of the parent	**親会社株主に帰属する四半期純利益**	14,526	12,179

Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	3 months ended Jun 30, 2016	3 months ended Jun 30, 2017
Net income	四半期純利益	14,522	12,164
Other comprehensive income	その他の包括利益	(104)	2,826
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(5,430)	3,119
Deferred gains or losses on hedges	繰延ヘッジ損益	4,602	(864)
Remeasurements of defined benefit plans	退職給付に係る調整額	723	571
Total comprehensive income	四半期包括利益	14,418	14,991
(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	14,422	15,006
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	(3)	(15)

【 Reference 】
【 The Bank of Fukuoka 】
Non-consolidated Balance Sheets

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2017	As of Jun 30, 2017
(Assets)	資産の部		
Cash and due from banks	現金預け金	2,342,029	2,798,967
Call loans	コールローン	500	160,404
Monetary claims bought	買入金銭債権	30,904	31,510
Trading assets	特定取引資産	1,243	1,129
Money held in trust	金銭の信託	7,997	1,004
Securities	有価証券	2,453,539	2,519,378
Loans and bills discounted	貸出金	8,925,392	8,957,992
Foreign exchanges	外国為替	8,057	5,343
Other assets	その他資産	112,134	137,837
Tangible fixed assets	有形固定資産	153,055	151,585
Intangible fixed assets	無形固定資産	10,506	10,706
Prepaid pension expenses	前払年金費用	14,722	14,244
Customers' liabilities for acceptances and guarantees	支払承諾見返	30,860	33,628
Allowance for loan losses	貸倒引当金	(84,501)	(83,617)
Total assets	**資産の部合計**	14,006,440	14,740,115
(Liabilities)	負債の部		
Deposits	預金	9,641,386	9,695,387
Negotiable certificates of deposit	譲渡性預金	291,624	538,890
Call money	コールマネー	297,695	386,720
Payables under repurchase agreements	売現先勘定	100,949	105,230
Payables under securities lending transactions	債券貸借取引受入担保金	1,612,526	1,949,526
Trading liabilities	特定取引負債	0	—
Borrowed money	借用金	1,276,107	1,276,406
Foreign exchanges	外国為替	1,546	1,101
Bonds payable	社債	10,000	10,000
Other liabilities	その他負債	84,478	78,822
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	4,703	4,427
Provision for contingent liabilities losses	その他の偶発損失引当金	8	7
Deferred tax liabilities	繰延税金負債	4,737	5,591
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	23,028	23,021
Acceptances and guarantees	支払承諾	30,860	33,628
Total liabilities	**負債の部合計**	13,379,653	14,108,760
(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	351,750	352,979
Total shareholders' equity	株主資本合計	494,560	495,789
Valuation difference on available-for-sale securities	その他有価証券評価差額金	93,237	97,457
Deferred gains or losses on hedges	繰延ヘッジ損益	(12,660)	(13,525)
Revaluation reserve for land	土地再評価差額金	51,649	51,632
Total valuation and translation adjustments	評価・換算差額等合計	132,226	135,565
Total net assets	**純資産の部合計**	626,787	631,354
Total liabilities and net assets	**負債及び純資産の部合計**	14,006,440	14,740,115

【 The Bank of Fukuoka 】

Non-consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	3 months ended Jun 30, 2016	3 months ended Jun 30, 2017
Ordinary income:	**経常収益**	48,619	41,834
Interest income	資金運用収益	30,725	32,233
Interest on loans and discounts	（うち貸出金利息）	24,222	24,812
Interest and dividends on securities	（うち有価証券利息配当金）	5,993	6,720
Fees and commissions	役務取引等収益	7,745	8,329
Trading income	特定取引収益	5	1
Other operating income	その他業務収益	6,307	344
Other income	その他経常収益	3,835	925
Ordinary expenses:	**経常費用**	25,849	27,909
Interest expenses	資金調達費用	3,902	4,607
Interest on deposits	（うち預金利息）	866	1,067
Fees and commissions payments	役務取引等費用	3,621	3,920
Other operating expenses	その他業務費用	57	1
General and administrative expenses	営業経費	17,956	18,189
Other expenses	その他経常費用	311	1,191
Ordinary profit	**経常利益**	22,770	13,925
Extraordinary loss	特別損失	3	431
Loss on disposal of noncurrent assets	固定資産処分損	3	431
Income before income taxes:	**税引前四半期純利益**	22,766	13,493
Current	法人税、住民税及び事業税	3,831	4,208
Deferred	法人税等調整額	2,807	(436)
Total income taxes	法人税等合計	6,638	3,772
Net income	**四半期純利益**	16,128	9,721

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

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2017	As of Jun 30, 2017
(Assets)	資産の部		
Cash and due from banks	現金預け金	267,345	380,435
Call loans	コールローン	2,044	2,339
Securities	有価証券	270,370	266,998
Loans and bills discounted	貸出金	1,146,534	1,155,486
Foreign exchanges	外国為替	980	686
Other assets	その他資産	3,697	6,747
Tangible fixed assets	有形固定資産	17,238	17,146
Intangible fixed assets	無形固定資産	1,279	1,238
Prepaid pension expenses	前払年金費用	4,211	4,213
Deferred tax assets	繰延税金資産	4,453	4,357
Customers' liabilities for acceptances and guarantees	支払承諾見返	4,402	4,223
Allowance for loan losses	貸倒引当金	(16,068)	(15,522)
Total assets	**資産の部合計**	1,706,490	1,828,350
(Liabilities)	負債の部		
Deposits	預金	1,426,451	1,469,477
Negotiable certificates of deposit	譲渡性預金	12,949	12,851
Call money	コールマネー	—	79,000
Borrowed money	借用金	171,000	171,000
Foreign exchanges	外国為替	35	13
Other liabilities	その他負債	3,622	3,289
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	448	424
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	1,378	1,378
Acceptances and guarantees	支払承諾	4,402	4,223
Total liabilities	**負債の部合計**	1,620,286	1,741,658
(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	11,514	12,218
Total shareholders' equity	株主資本合計	79,208	79,912
Valuation difference on available-for-sale securities	その他有価証券評価差額金	5,900	5,684
Revaluation reserve for land	土地再評価差額金	1,094	1,094
Total valuation and translation adjustments	評価・換算差額等合計	6,994	6,778
Total net assets	**純資産の部合計**	86,203	86,691
Total liabilities and net assets	**負債及び純資産の部合計**	1,706,490	1,828,350

【 The Kumamoto Bank 】

Non-consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	3 months ended Jun 30, 2016	3 months ended Jun 30, 2017
Ordinary income:	**経常収益**	5,745	6,345
Interest income	資金運用収益	4,707	4,599
Interest on loans and discounts	（うち貸出金利息）	4,141	4,047
Interest and dividends on securities	（うち有価証券利息配当金）	516	505
Fees and commissions	役務取引等収益	1,008	1,262
Other operating income	その他業務収益	8	10
Other income	その他経常収益	21	473
Ordinary expenses:	**経常費用**	6,481	4,862
Interest expenses	資金調達費用	211	199
Interest on deposits	（うち預金利息）	188	198
Fees and commissions payments	役務取引等費用	911	956
Other operating expenses	その他業務費用	—	0
General and administrative expenses	営業経費	3,591	3,575
Other expenses	その他経常費用	1,767	130
Ordinary profit (loss)	**経常利益又は経常損失**	(736)	1,483
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	248	1
Loss on disposal of noncurrent assets	固定資産処分損	6	1
Impairment loss	減損損失	88	—
Other extraordinary loss	その他の特別損失	153	—
Income (loss) before income taxes:	**税引前四半期純利益又は税引前四半期純損失**	(985)	1,481
Current	法人税、住民税及び事業税	31	141
Deferred	法人税等調整額	(206)	233
Total income taxes	法人税等合計	(174)	375
Net income (loss)	**四半期純利益又は四半期純損失**	(810)	1,106

【 Reference 】

【 The Shinwa Bank 】

Non-consolidated Balance Sheets

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2017	As of Jun 30, 2017
(Assets)	資産の部		
Cash and due from banks	現金預け金	273,589	459,974
Call loans	コールローン	7,041	6,380
Trading account securities	商品有価証券	227	355
Securities	有価証券	747,387	746,575
Loans and bills discounted	貸出金	1,482,980	1,483,104
Foreign exchanges	外国為替	1,314	1,254
Other assets	その他資産	11,819	18,094
Tangible fixed assets	有形固定資産	45,949	45,575
Intangible fixed assets	無形固定資産	1,759	1,834
Prepaid pension expenses	前払年金費用	4,969	4,911
Customers' liabilities for acceptances and guarantees	支払承諾見返	4,661	4,445
Allowance for loan losses	貸倒引当金	(17,548)	(16,468)
Total assets	**資産の部合計**	2,564,151	2,756,038
(Liabilities)	負債の部		
Deposits	預金	2,168,117	2,218,662
Negotiable certificates of deposit	譲渡性預金	91,195	155,044
Call money	コールマネー	—	79,000
Borrowed money	借用金	160,916	159,008
Foreign exchanges	外国為替	167	45
Other liabilities	その他負債	4,610	4,916
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	1,067	1,010
Deferred tax liabilities	繰延税金負債	550	393
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	4,419	4,414
Acceptances and guarantees	支払承諾	4,661	4,445
Total liabilities	**負債の部合計**	2,435,705	2,626,940
(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	19,957	21,919
Total shareholders' equity	株主資本合計	93,714	95,676
Valuation difference on available-for-sale securities	その他有価証券評価差額金	20,117	18,874
Revaluation reserve for land	土地再評価差額金	14,613	14,547
Total valuation and translation adjustments	評価・換算差額等合計	34,731	33,421
Total net assets	**純資産の部合計**	128,445	129,097
Total liabilities and net assets	**負債及び純資産の部合計**	2,564,151	2,756,038

【 The Shinwa Bank 】

Non-consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	3 months ended Jun 30, 2016	3 months ended Jun 30, 2017
Ordinary income:	**経常収益**	10,511	10,006
Interest income	資金運用収益	6,382	6,326
Interest on loans and discounts	（うち貸出金利息）	4,877	4,780
Interest and dividends on securities	（うち有価証券利息配当金）	1,391	1,439
Fees and commissions	役務取引等収益	1,701	1,809
Other operating income	その他業務収益	21	23
Other income	その他経常収益	2,405	1,846
Ordinary expenses:	**経常費用**	6,744	6,627
Interest expenses	資金調達費用	282	246
Interest on deposits	（うち預金利息）	239	222
Fees and commissions payments	役務取引等費用	987	923
Other operating expenses	その他業務費用	—	0
General and administrative expenses	営業経費	5,366	5,296
Other expenses	その他経常費用	108	158
Ordinary profit	**経常利益**	3,766	3,378
Extraordinary income	特別利益	0	6
Gain on disposal of noncurrent assets	固定資産処分益	0	6
Extraordinary loss	特別損失	7	8
Loss on disposal of noncurrent assets	固定資産処分損	7	8
Income before income taxes:	**税引前四半期純利益**	3,759	3,376
Current	法人税、住民税及び事業税	(647)	417
Deferred	法人税等調整額	1,626	375
Total income taxes	法人税等合計	979	793
Net income	**四半期純利益**	2,780	2,582

Fukuoka Financial Group

Financial Digest for the First Quarter of FY2017

August 4, 2017

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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)			
	3 months ended Jun 30, 2017	Comparison	3 months ended Jun 30, 2016	3 months ended Jun 30, 2017	Comparison	3 months ended Jun 30, 2016	FY2016
Gross business profit	44,084	(4,555)	48,639	47,417	(4,259)	51,676	187,920
Net interest income	38,107	688	37,419	37,904	644	37,260	149,208
Net fees and commissions	5,600	666	4,934	8,008	1,074	6,934	27,705
Net trading income	1	(4)	5	21	9	12	108
Net other operating income	375	(5,904)	6,279	1,482	(5,987)	7,469	10,898
Gains (losses) on sales (redemptions) of bonds	0	(5,031)	5,031	0	(5,032)	5,032	2,486
Overhead expenses (-)	26,242	402	25,840	29,919	(1,362)	31,281	219,283
Business profit (before transfer to general reserve for possible loan losses)	17,841	(4,958)	22,799	17,498	(2,896)	20,394	(31,362)
① Transfer to general reserve for possible loan losses (-)	[(1,386)]	—	—	[(1,739)]	—	[(1,373)]	—
Business profit	17,841	(4,958)	22,799	17,498	(2,896)	20,394	(20,136)
Core business profit	17,840	73	17,767	17,497	2,135	15,362	(33,849)
Other operating profit (loss)	945	(2,056)	3,001	349	(966)	1,315	(14,305)
② Credit cost for disposal of non-performing loans (-)	(2,093)	2,073	(4,166)	(1,578)	996	(2,574)	12,242
Net transfer to specific reserve for possible loan losses (-)	[(621)]	—	[(2,396)]	[(88)]	—	[(1,950)]	14,015
Reversal of allowance for loan losses	2,007	(2,128)	4,135	1,461	(1,042)	2,503	—
Recoveries of written-off claims	256	72	184	256	72	184	1,230
Total credit cost ①+② (-)	(2,093)	2,073	(4,166)	(1,578)	996	(2,574)	1,016
Gains (losses) on stocks	766	759	7	766	755	11	3,024
Others	(1,914)	(742)	(1,172)	(1,995)	(724)	(1,271)	(5,087)
Ordinary profit	18,787	(7,013)	25,800	17,848	(3,861)	21,709	(34,441)
Extraordinary profit (loss)	(435)	(176)	(259)	(432)	(166)	(266)	(1,115)
Income (loss) before income taxes	18,351	(7,190)	25,541	17,415	(4,028)	21,443	(35,557)
Total income taxes (-)	4,940	(2,503)	7,443	5,251	(1,669)	6,920	18,849
Net income	13,411	(4,686)	18,097	12,164	(2,358)	14,522	(54,406)
Net income attributable to non-controlling interests (-)				(15)	(12)	(3)	(106)
Net income attributable to owners of the parent				12,179	(2,347)	14,526	(54,300)

<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 1Q of FY2016 and the 1Q of FY2017, 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.

■ 3 months Summary

Core business profit (3 banks' total) **¥17.8 billion** — Progress on FY2017 Projection 24.4%

- Increases of net interest income and net fees and commissions covered a decrease of net other operating income (excluding gains on sales of bonds). As a result, core business profit (3 banks' total) was ¥17.8 billion, which was at about the same level as a year earlier.
- We made progress largely as planned at a rate of 24.4% on the FY2017 projection (¥73.2 billion).

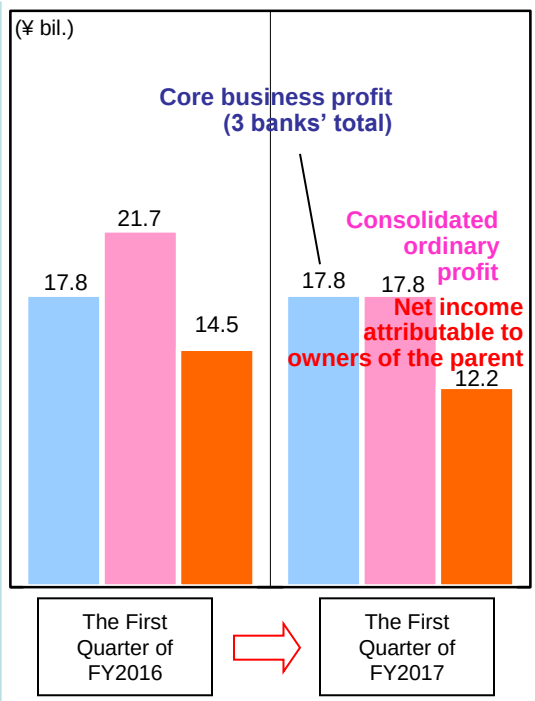
Consolidated ordinary profit **¥17.8 billion** — Progress on FY2017 Projection 25.5%

- Consolidated ordinary profit decreased ¥3.9 billion from a year earlier to ¥17.8 billion, mainly due to a decrease of gains on sales of bonds.

Net income attributable to owners of the parent **¥12.2 billion** — Progress on FY2017 Projection 24.9%

- As a result, net income attributable to owners of the parent decreased ¥2.3 billion from a year earlier to ¥12.2 billion.
- As with the result of core business profit, 24.9% progress on FY2017 projection (¥49.0 billion) was almost in line with our plan.

Gain and Loss



The Bank of Fukuoka (non-consolidated)

(¥ mil.)

	3 months ended Jun 30, 2017	3 months ended Jun 30, 2016	Comparison	FY2016
Gross business profit	32,380	37,202	(4,822)	129,488
Net interest income	27,627	26,823	804	107,913
Domestic	25,792	25,310	482	101,272
International	1,835	1,512	323	6,641
Net fees and commissions	4,409	4,123	286	15,087
Net trading income	1	5	(4)	16
Net other operating income	343	6,249	(5,906)	6,470
Gains (losses) on sales (redemptions) of bonds	0	5,031	(5,031)	2,893
Gains on foreign exchange transactions	204	(56)	260	1,294
Overhead expenses (-)	17,522	17,191	331	67,656
Business profit (before transfer to general reserve for possible loan losses)	14,857	20,011	(5,154)	61,831
① Transfer to general reserve for possible loan losses (-)	[(657)] —	[(2,931)] —	—	(11,380)
Business profit	14,857	20,011	(5,154)	73,212
Core business profit	14,857	14,979	(122)	58,938
Other operating profit (loss)	(932)	2,759	(3,691)	(13,106)
② Credit cost for disposal of non-performing loans (-)	(579)	(3,532)	2,953	10,934
Net transfer to specific reserve for possible loan losses (-)	[160] —	[(561)] —	—	12,613
Reversal of allowance for loan losses	▶ 497	▶ 3,492	(2,995)	—
Recoveries of written-off claims	217	139	78	950
Total credit cost ①+② (-)	(579)	(3,532)	2,953	(445)
Gains (losses) on stocks	44	7	37	1,482
Others	(1,556)	(781)	(775)	(3,654)
Ordinary profit	13,925	22,770	(8,845)	60,105
Extraordinary profit (loss)	(431)	(3)	(428)	(323)
Income (loss) before income taxes	13,493	22,766	(9,273)	59,781
Total income taxes (-)	3,772	6,638	(2,866)	15,631
Net income	9,721	16,128	(6,407)	44,150

The Kumamoto Bank (non-consolidated)

(¥ mil.)

	3 months ended Jun 30, 2017	3 months ended Jun 30, 2016	Comparison	FY2016
Gross business profit	4,716	4,601	115	19,051
Net interest income	4,400	4,496	(96)	17,746
Domestic	4,385	4,481	(96)	17,682
International	15	14	1	64
Net fees and commissions	305	96	209	1,373
Net other operating income	10	8	2	(68)
Gains (losses) on sales (redemptions) of bonds	(0)	0	(0)	(126)
Gains on foreign exchange transactions	10	8	2	57
Overhead expenses (-)	3,525	3,499	26	13,943
Business profit (before transfer to general reserve for possible loan losses)	1,190	1,101	89	5,107
① Transfer to general reserve for possible loan losses (-)	[(339)] —	1,621	(1,621)	795
Business profit	1,190	(520)	1,710	4,312
Core business profit	1,190	1,101	89	5,234
Other operating profit (loss)	292	(216)	508	(1,634)
② Credit cost for disposal of non-performing loans (-)	(445)	85	(530)	1,148
Net transfer to specific reserve for possible loan losses (-)	[(115)] —	71	(71)	1,081
Reversal of allowance for loan losses	▶ 455	—	455	—
Recoveries of written-off claims	13	15	(2)	82
Total credit cost ①+② (-)	(445)	1,707	(2,152)	1,943
Gains (losses) on stocks	—	—	—	91
Others	(152)	(130)	(22)	(577)
Ordinary profit	1,483	(736)	2,219	2,678
Extraordinary profit (loss)	(1)	(248)	247	(793)
Income (loss) before income taxes	1,481	(985)	2,466	1,884
Total income taxes (-)	375	(174)	549	417
Net income	1,106	(810)	1,916	1,467

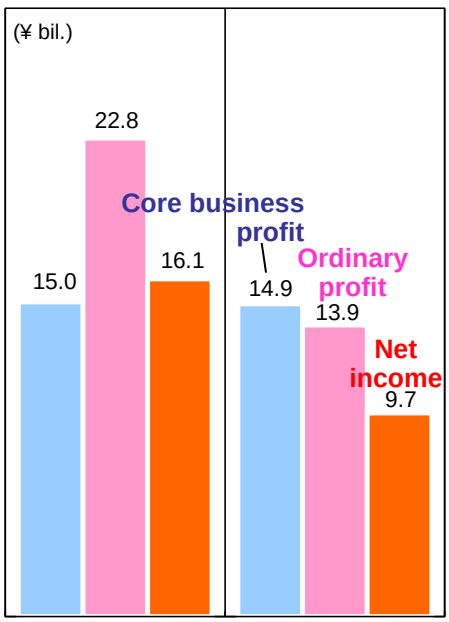
The Shinwa Bank (non-consolidated)

(¥ mil.)

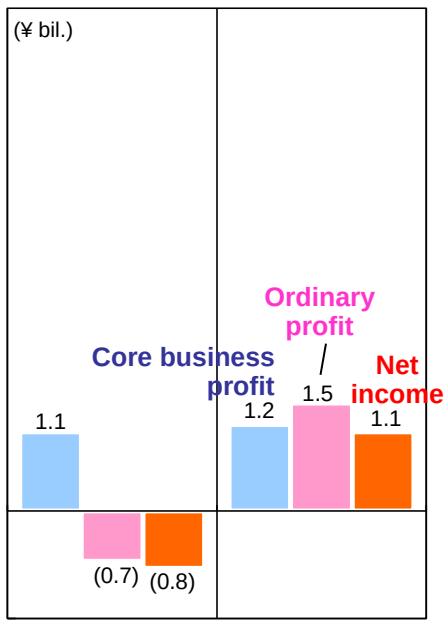
	3 months ended Jun 30, 2017	3 months ended Jun 30, 2016	Comparison	FY2016
Gross business profit	6,987	6,835	152	26,825
Net interest income	6,079	6,099	(20)	23,994
Domestic	6,053	6,075	(22)	23,884
International	25	24	1	110
Net fees and commissions	885	714	171	2,988
Net other operating income	22	21	1	(157)
Gains (losses) on sales (redemptions) of bonds	0	0	0	(280)
Gains on foreign exchange transactions	21	19	2	90
Overhead expenses (-)	5,194	5,149	45	19,943
Business profit (before transfer to general reserve for possible loan losses)	1,793	1,686	107	6,881
① Transfer to general reserve for possible loan losses (-)	[(388)] —	[(429)] —	—	[(1,856)] —
Business profit	1,793	1,686	107	6,881
Core business profit	1,792	1,686	106	7,162
Other operating profit (loss)	1,585	2,080	(495)	2,545
② Credit cost for disposal of non-performing loans (-)	(1,068)	(2,342)	1,274	(3,131)
Net transfer to specific reserve for possible loan losses (-)	[(666)] —	[(1,907)] —	—	[(1,136)] —
Reversal of allowance for loan losses	▶ 1,055	▶ 2,336	(1,281)	▶ 2,992
Recoveries of written-off claims	25	28	(3)	197
Total credit cost ①+② (-)	(1,068)	(2,342)	1,274	(3,131)
Gains (losses) on stocks	722	(0)	722	52
Others	(206)	(261)	55	(638)
Ordinary profit	3,378	3,766	(388)	9,427
Extraordinary profit (loss)	(2)	(7)	5	(84)
Income (loss) before income taxes	3,376	3,759	(383)	9,343
Total income taxes (-)	793	979	(186)	1,901
Net income	2,582	2,780	(198)	7,441

Gain and Loss

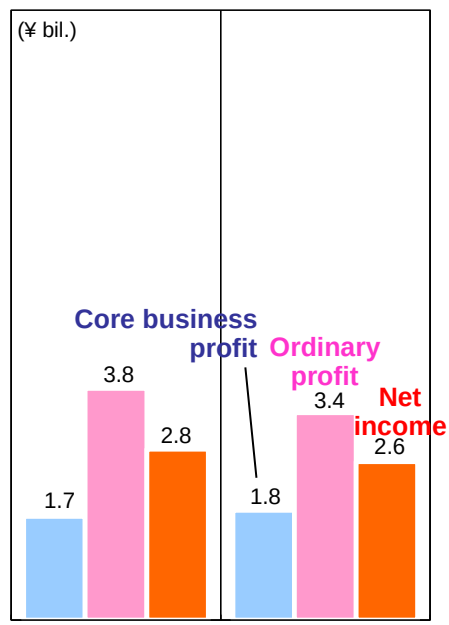
The Bank of Fukuoka (non-consolidated)



The Kumamoto Bank (non-consolidated)



The Shinwa Bank (non-consolidated)

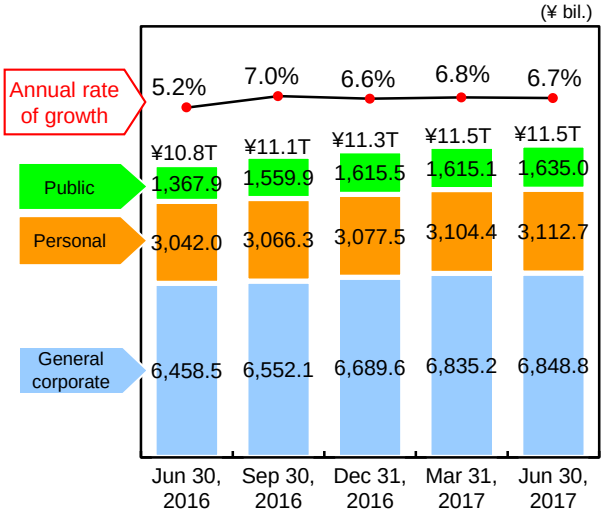


2. Assets and liabilities

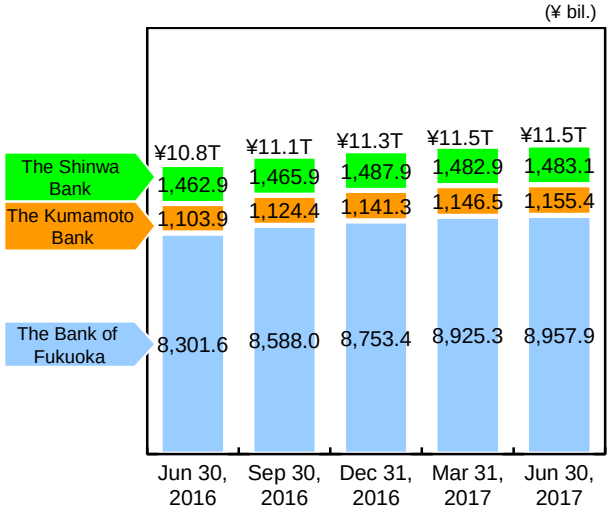
(1) Loans

3 banks' total

Loans classified by customer segment (Term-end balance)



Loans classified by bank (Term-end balance)



(¥ mil.)

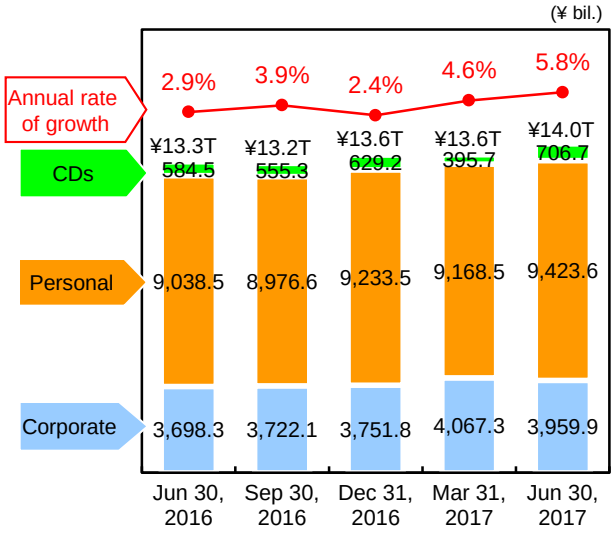
		Jun 30, 2017				Mar 31, 2017	Jun 30, 2016
		annual rate of growth		change from Mar 31, 2017	change from Jun 30, 2016		
3 banks' total	Total loans	6.7%	11,596,582	41,676	728,083	11,554,906	10,868,499
	Personal segment	2.3%	3,112,709	8,225	70,662	3,104,484	3,042,047
	Corporate segment	8.4%	8,483,873	33,454	657,422	8,450,419	7,826,451
	Personal loans	2.4%	3,009,581	8,686	70,992	3,000,895	2,938,589
	Housing loans	1.3%	2,692,529	3,162	35,220	2,689,367	2,657,309
	Consumer loans	21.5%	241,733	6,883	42,857	234,850	198,876
	Loans to small-and-medium-sized enterprises, etc. ratio	–	70.77%	(0.20%)	(0.67%)	70.97%	71.44%
The Bank of Fukuoka (non-consolidated)	Total loans	7.9%	8,957,992	32,600	656,347	8,925,392	8,301,645
	Personal segment	1.9%	2,217,227	2,675	41,931	2,214,552	2,175,296
	Corporate segment	10.0%	6,740,765	29,926	614,416	6,710,839	6,126,349
	Fukuoka prefecture	6.1%	6,696,593	(4,108)	382,086	6,700,701	6,314,507
	Personal loans	2.0%	2,148,513	2,749	41,650	2,145,764	2,106,863
	Housing loans	0.8%	1,922,871	(1,969)	16,146	1,924,840	1,906,725
	Consumer loans	23.6%	171,085	5,399	32,613	165,686	138,472
	Loans to small-and-medium-sized enterprises, etc. ratio	–	69.00%	0.05%	(1.08%)	68.95%	70.08%
The Kumamoto Bank (non-consolidated)	Total loans	4.7%	1,155,486	8,952	51,559	1,146,534	1,103,927
	Personal segment	5.3%	440,353	5,425	22,089	434,928	418,264
	Corporate segment	4.3%	715,133	3,528	29,470	711,605	685,663
	Kumamoto prefecture	5.3%	1,071,745	9,037	53,600	1,062,708	1,018,145
	Personal loans	5.4%	417,581	5,255	21,314	412,326	396,267
	Housing loans	4.1%	382,442	5,100	15,175	377,342	367,267
	Consumer loans	21.3%	28,487	754	4,998	27,733	23,489
	Loans to small-and-medium-sized enterprises, etc. ratio	–	84.84%	(0.88%)	0.44%	85.72%	84.40%
The Shinwa Bank (non-consolidated)	Total loans	1.4%	1,483,104	124	20,177	1,482,980	1,462,927
	Personal segment	1.5%	455,129	125	6,642	455,004	448,487
	Corporate segment	1.3%	1,027,975	(0)	13,536	1,027,975	1,014,439
	Nagasaki prefecture	3.0%	1,102,240	8,833	31,666	1,093,407	1,070,574
	Personal loans	1.8%	443,487	682	8,028	442,805	435,459
	Housing loans	1.0%	387,216	31	3,899	387,185	383,317
	Consumer loans	14.2%	42,161	730	5,246	41,431	36,915
	Loans to small-and-medium-sized enterprises, etc. ratio	–	70.51%	(1.23%)	1.09%	71.74%	69.42%

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥106.0 billion at the end of June 2016, ¥115.0 billion at the end of March 2017, and ¥112.0 billion at the end of June 2017).

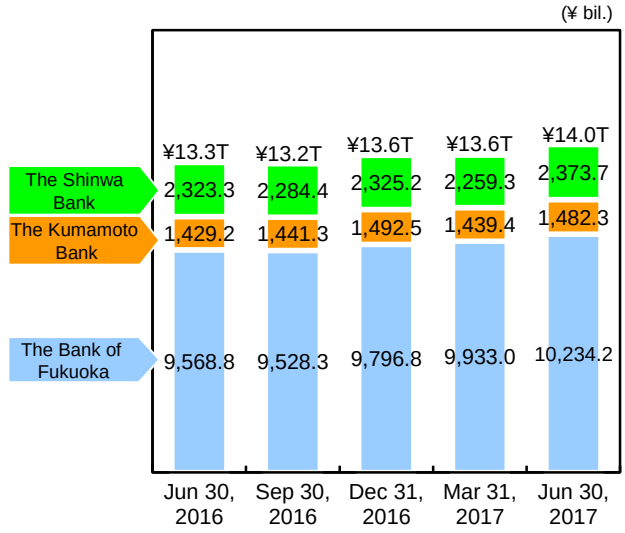
(2) Deposits

3 banks' total

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



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



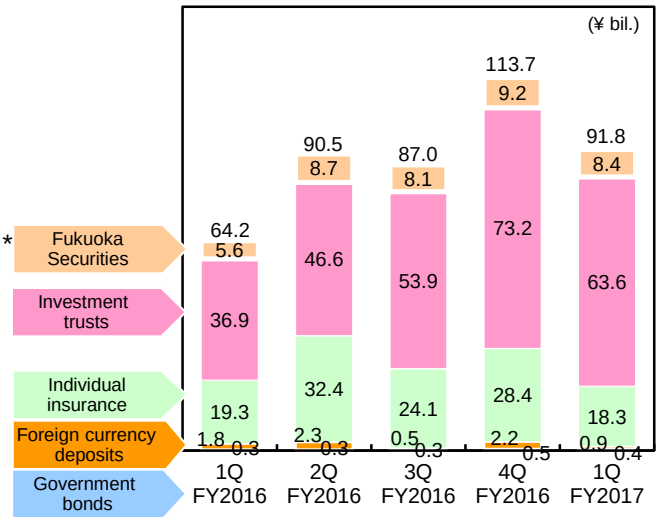
(¥ mil.)

		Jun 30, 2017 annual rate of growth	Jun 30, 2017	change from Mar 31, 2017	change from Jun 30, 2016	Mar 31, 2017	Jun 30, 2016
3 banks' total	Personal deposits	4.3%	9,423,620	255,034	385,068	9,168,586	9,038,552
	Corporate deposits	7.1%	3,959,906	(107,460)	261,578	4,067,366	3,698,328
	Total	5.1%	13,383,526	147,572	646,646	13,235,954	12,736,880
	Demand	7.4%	8,461,365	68,182	583,664	8,393,183	7,877,701
	Time	1.3%	4,922,160	79,392	62,983	4,842,768	4,859,177
	CDs	20.9%	706,785	311,017	122,213	395,768	584,572
	Deposits and CDs	5.8%	14,090,312	458,590	768,858	13,631,722	13,321,454
The Bank of Fukuoka (non-consolidated)	Personal deposits	4.9%	6,858,851	202,515	322,304	6,656,336	6,536,547
	Corporate deposits	8.7%	2,836,536	(148,514)	226,853	2,985,050	2,609,683
	Total	6.0%	9,695,387	54,001	549,157	9,641,386	9,146,230
	Demand	7.7%	6,419,634	5,736	457,594	6,413,898	5,962,040
	Time	2.9%	3,275,753	48,266	91,563	3,227,487	3,184,190
	CDs	27.5%	538,890	247,266	116,284	291,624	422,606
	Deposits and CDs	7.0%	10,234,278	301,268	665,441	9,933,010	9,568,837
	Fukuoka prefecture	6.3%	9,070,192	48,329	536,189	9,021,863	8,534,003
The Kumamoto Bank (non-consolidated)	Personal deposits	2.4%	1,079,239	14,754	24,944	1,064,485	1,054,295
	Corporate deposits	11.8%	390,238	28,273	41,157	361,965	349,081
	Total	4.7%	1,469,477	43,026	66,101	1,426,451	1,403,376
	Demand	8.8%	760,031	24,407	61,736	735,624	698,295
	Time	0.6%	709,445	18,619	4,365	690,826	705,080
	CDs	(50.4%)	12,851	(98)	(13,060)	12,949	25,911
	Deposits and CDs	3.7%	1,482,328	42,928	53,040	1,439,400	1,429,288
	Kumamoto prefecture	5.3%	1,376,681	44,382	69,765	1,332,299	1,306,916
The Shinwa Bank (non-consolidated)	Personal deposits	2.6%	1,485,530	37,765	37,820	1,447,765	1,447,710
	Corporate deposits	(0.9%)	733,132	12,781	(6,432)	720,351	739,564
	Total	1.4%	2,218,662	50,545	31,388	2,168,117	2,187,274
	Demand	5.3%	1,281,700	38,039	64,334	1,243,661	1,217,366
	Time	(3.4%)	936,962	12,507	(32,945)	924,455	969,907
	CDs	14.0%	155,044	63,849	18,989	91,195	136,055
	Deposits and CDs	2.2%	2,373,706	114,394	50,377	2,259,312	2,323,329
	Nagasaki prefecture	2.5%	1,964,116	46,346	47,203	1,917,770	1,916,913

(3) Asset management products

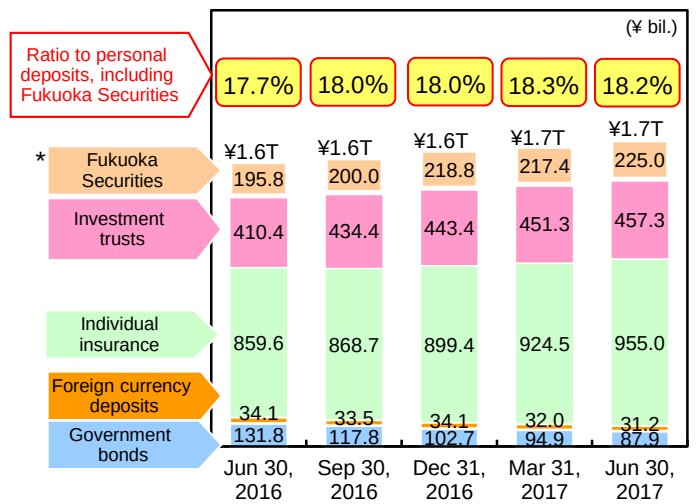
Group's total

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.)

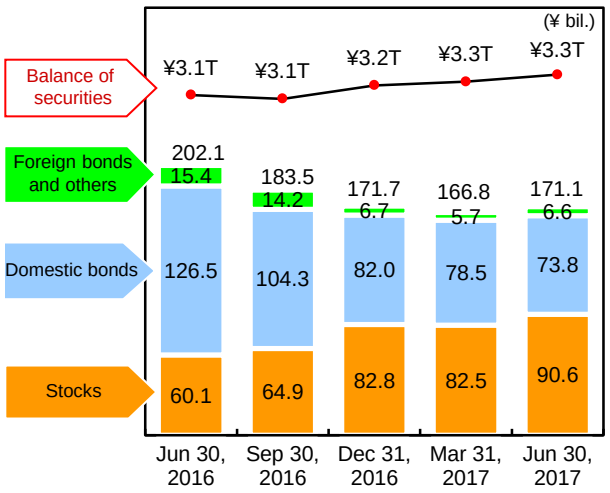
		Sales of asset management products					Outstanding balance of assets under management for individual customers				
		1Q FY2017 (3 months)	change from 4Q FY2016	change from 1Q FY2016	4Q FY2016 (3 months)	1Q FY2016 (3 months)	Jun 30, 2017	Change from Mar 31, 2017	Change from Jun 30, 2016	Mar 31, 2017	Jun 30, 2016
Group's total	Investment trusts	63.6	(9.6)	26.7	73.2	36.9	457.3	6.0	46.9	451.3	410.4
	Individual insurance	18.3	(10.1)	(1.0)	28.4	19.3	955.0	30.5	95.4	924.5	859.6
	Foreign currency deposits	0.9	(1.3)	(0.9)	2.2	1.8	31.2	(0.8)	(2.9)	32.0	34.1
	Government bonds	0.4	(0.1)	0.1	0.5	0.3	87.9	(7.0)	(43.9)	94.9	131.8
	Fukuoka Securities	8.4	(0.8)	2.8	9.2	5.6	225.0	7.6	29.2	217.4	195.8
	Total	91.8	(21.9)	27.6	113.7	64.2	1,756.5	36.2	124.7	1,720.3	1,631.8
	Ratio to personal deposits						18.2%	(0.1%)	0.5%	18.3%	17.7%
The Bank of Fukuoka (non-consolidated)	Investment trusts	39.2	(6.7)	14.0	45.9	25.2	303.0	5.1	30.1	297.9	272.9
	Individual insurance	9.9	(6.9)	(2.5)	16.8	12.4	611.0	20.2	60.1	590.8	550.9
	Foreign currency deposits	0.9	(1.2)	(0.6)	2.1	1.5	24.1	(0.5)	(1.4)	24.6	25.5
	Government bonds	0.4	(0.0)	0.1	0.4	0.3	77.4	(6.0)	(39.7)	83.4	117.1
	Total	50.5	(14.8)	11.1	65.3	39.4	1,015.7	18.8	49.1	996.9	966.6
	Ratio to personal deposits						14.8%	(0.2%)	0.0%	15.0%	14.8%
The Kumamoto Bank (non-consolidated)	Investment trusts	11.5	(1.5)	6.9	13.0	4.6	73.8	2.5	11.6	71.3	62.2
	Individual insurance	2.7	(1.2)	0.7	3.9	2.0	135.9	4.0	14.9	131.9	121.0
	Foreign currency deposits	0.0	(0.0)	(0.1)	0.0	0.1	2.9	(0.1)	(0.8)	3.0	3.7
	Government bonds	—	(0.0)	—	0.0	—	1.5	(0.1)	(0.7)	1.6	2.2
	Total	14.3	(2.8)	7.5	17.1	6.8	214.3	6.3	25.0	208.0	189.3
	Ratio to personal deposits						19.9%	0.4%	1.9%	19.5%	18.0%
The Shinwa Bank (non-consolidated)	Investment trusts	12.7	(1.5)	5.7	14.2	7.0	80.4	(1.6)	5.3	82.0	75.1
	Individual insurance	5.6	(2.0)	0.7	7.6	4.9	208.0	6.3	20.4	201.7	187.6
	Foreign currency deposits	0.0	(0.1)	(0.1)	0.1	0.1	4.0	(0.3)	(0.8)	4.3	4.8
	Government bonds	0.0	0.0	(0.0)	0.0	0.0	8.9	(0.8)	(3.4)	9.7	12.3
	Total	18.5	(3.5)	6.3	22.0	12.2	301.4	3.6	21.4	297.8	280.0
	Ratio to personal deposits						20.3%	(0.3%)	1.0%	20.6%	19.3%

<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.

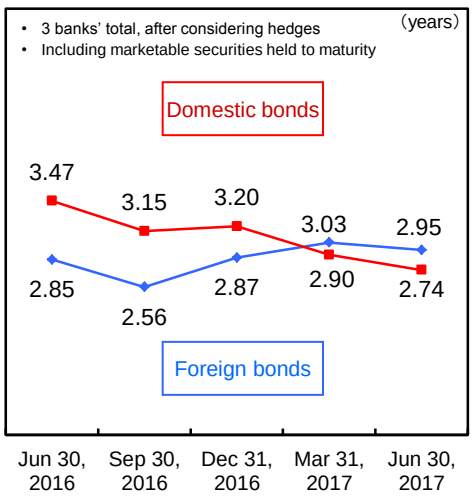
(4) Marketable securities

FFG (consolidated)

Unrealized gain



Bond duration



(¥ mil.)

		Jun 30, 2017				Mar 31, 2017	
		Market value	change from Mar 31, 2017	Unrealized gain(loss)	change from Mar 31, 2017	Market value	Unrealized gain(loss)
FFG (consolidated)	Total	3,373,321	66,019	171,133	4,262	3,307,302	166,871
	Stocks	155,770	8,210	90,627	8,060	147,560	82,567
	Domestic bonds	2,829,976	52,236	73,841	(4,685)	2,777,740	78,526
	National government bonds	2,103,985	43,542	64,580	(3,272)	2,060,443	67,852
	Local government bonds	86,316	6,928	1,040	(198)	79,388	1,238
	Corporate bonds	639,675	1,768	8,220	(1,216)	637,907	9,436
	Foreign bonds and Others	387,574	5,573	6,664	888	382,001	5,776
The Bank of Fukuoka (consolidated)	Total	2,362,055	70,244	140,152	6,396	2,291,811	133,756
	Stocks	139,180	6,931	85,469	6,780	132,249	78,689
	Domestic bonds	1,835,300	57,737	48,018	(1,272)	1,777,563	49,290
	National government bonds	1,279,163	49,784	41,766	(214)	1,229,379	41,980
	Local government bonds	58,518	5,619	720	(156)	52,899	876
	Corporate bonds	497,618	2,334	5,531	(902)	495,284	6,433
	Foreign bonds and Others	387,574	5,576	6,664	888	381,998	5,776
The Kumamoto Bank (non-consolidated)	Total	265,840	(3,372)	8,066	(353)	269,212	8,419
	Stocks	2,873	494	1,921	494	2,379	1,427
	Domestic bonds	262,966	(3,864)	6,145	(846)	266,830	6,991
	National government bonds	210,124	(3,797)	5,348	(749)	213,921	6,097
	Local government bonds	1,337	(5)	30	(4)	1,342	34
	Corporate bonds	51,504	(62)	766	(93)	51,566	859
	Foreign bonds and Others	0	(2)	0	—	2	0
The Shinwa Bank (non-consolidated)	Total	745,425	(852)	26,517	(1,781)	746,277	28,298
	Stocks	13,716	785	6,838	785	12,931	6,053
	Domestic bonds	731,709	(1,637)	19,678	(2,566)	733,346	22,244
	National government bonds	614,697	(2,445)	17,465	(2,309)	617,142	19,774
	Local government bonds	26,460	1,313	289	(37)	25,147	326
	Corporate bonds	90,552	(505)	1,922	(221)	91,057	2,143
	Foreign bonds and Others	—	—	—	—	—	—

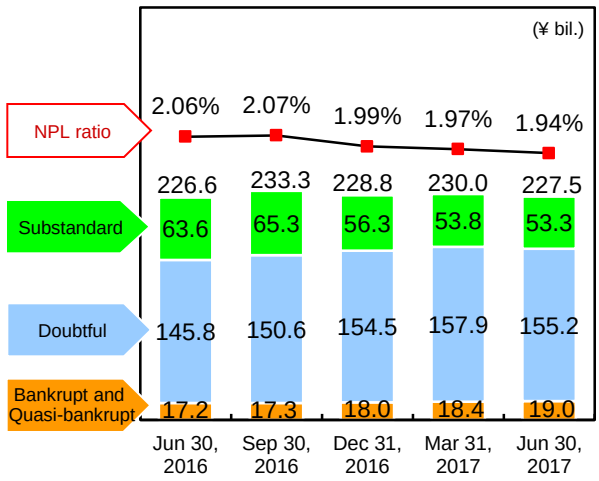
3. Non-performing loans

（Direct write-off is adopted）

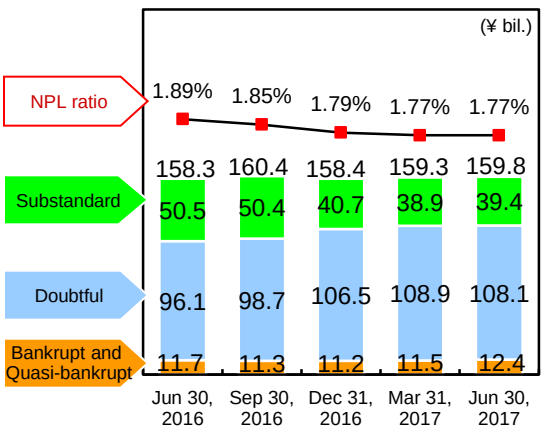
3 banks' total

(¥ bil.)

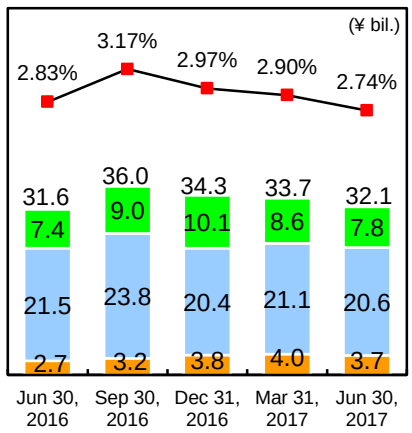
	Jun 30, 2017	change from Mar 31, 2017	change from Jun 30, 2016	Mar 31, 2017	Jun 30, 2016
①NPLs under the FRL	227.5	(2.5)	0.9	230.0	226.6
Bankrupt and Quasi-bankrupt	19.0	0.6	1.8	18.4	17.2
Doubtful	155.2	(2.7)	9.3	157.9	145.8
Substandard	53.3	(0.5)	(10.3)	53.8	63.6
Normal customers	11,442.9	48.9	719.7	11,394.0	10,723.2
②Total credits	11,670.4	46.3	720.6	11,624.1	10,949.8
Ratio of NPLs under the FRL to the total credits ①/②	1.94%	(0.03%)	(0.12%)	1.97%	2.06%



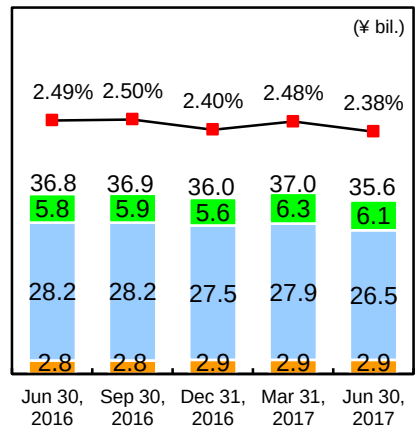
The Bank of Fukuoka (non-consolidated)



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)		
	1Q FY2017 (3 months)	YoY change	1Q FY2016 (3 months)	1Q FY2017 (3 months)	YoY change	1Q FY2016 (3 months)	1Q FY2017 (3 months)	YoY change	1Q FY2016 (3 months)	1Q FY2017 (3 months)	YoY change	1Q FY2016 (3 months)
(1) Average yield on interest earning assets	1.08	(0.06)	1.14	1.04	(0.07)	1.11	1.30	(0.08)	1.38	1.14	(0.03)	1.17
Loans and bills discounted ①	1.14	(0.09)	1.23	1.08	(0.09)	1.17	1.41	(0.11)	1.52	1.29	(0.05)	1.34
Securities	0.89	0.03	0.86	0.94	0.04	0.90	0.77	0.02	0.75	0.80	0.03	0.77
(2) Average yield on interest bearing liabilities	0.66	(0.09)	0.75	0.59	(0.09)	0.68	0.88	(0.12)	1.00	0.86	(0.02)	0.88
Deposits and CDs ②	0.03	(0.00)	0.03	0.03	0.00	0.03	0.05	(0.00)	0.05	0.04	(0.00)	0.04
External liabilities	0.00	(0.05)	0.05	0.00	(0.06)	0.06	(0.00)	(0.04)	0.04	(0.00)	(0.03)	0.03
(3) Difference between average yields on loans and deposits ①-②	1.11	(0.09)	1.20	1.05	(0.09)	1.14	1.36	(0.11)	1.47	1.25	(0.05)	1.30
(4) Average interest rate spread (1)-(2)	0.42	0.03	0.39	0.45	0.02	0.43	0.42	0.04	0.38	0.28	(0.01)	0.29