July 31, 2018

Fukuoka Financial Group, Inc.

Financial Digest for the First Quarter of FY2018

Stock Exchange Listing:	Tokyo, Fukuoka (code:8354)
URL:	https://www.fukuoka-fg.com/
Representative:	Takashige Shibato, President
For Inquiry:	Tomoyuki Ushijima, General Manager, Corporate Planning Division
Payment date of cash dividends:	—
Filing date of Financial Statements:	August 3, 2018 (scheduled)
Trading Accounts:	Established
Supplementary Materials:	Attached
IR Conference:	Not scheduled

(Notes) 1. This quarterly report is not subject to the quarterly review.
2. Amounts less than one million yen are omitted.

1. Cosolidated Financial Highlights (from April 1, 2018 to June 30, 2018)

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

	Ordinary Income		Ordinary Profit		Net Income attributable to owners of the parent	
	¥Million	%	¥Million	%	¥Million	%
1Q FY2018	60,579	2.8	20,331	13.9	14,183	16.5
1Q FY2017	58,929	(5.9)	17,848	(17.8)	12,179	(16.2)

(Note) Comprehensive income 1Q FY2018: ¥14,688 million [(2.0)%] 1Q FY2017: ¥14,991 million [4.0%]

	Net Income per Share	Net Income per Share (Diluted)
	¥	¥
1Q FY2018	16.51	—
1Q FY2017	14.18	—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Own Capital Ratio
	¥Million	¥Million	%
June 30, 2018	20,585,382	787,216	3.8
March 31, 2018	20,163,679	778,973	3.8

(Reference) Own capital June 30, 2018: ¥787,211 million March 31, 2018: ¥778,955 million

(Note) Own Capital Ratio = (Total net assets - Non-controlling interests) / Total assets * 100
This ratio is not based on the public notification of the capital adequacy ratio.

2. Dividend Payment

	Dividends declared per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Fiscal Year-end	Total
	¥	¥	¥	¥	¥
FY2017	—	7.50	—	7.50	15.00
FY2018	—				
FY2018 (projection)		8.50	—	8.50	17.00

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

3. Consolidated Earnings Projections for Fiscal year 2018, (Year ending March 31, 2019)

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

	Ordinary Profit		Net Income attributable to owners of the parent		Net Income per Share
	¥Million	%	¥Million	%	¥
Interim of FY2018	37,000	(7.9)	26,000	(7.0)	30.27
FY2018	74,500	4.0	52,000	5.3	60.54

(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, 2018	As of Jun 30, 2018
(Assets)	資産の部		
Cash and due from banks	現金預け金	4,174,081	4,310,876
Call loans and bills bought	コールローン及び買入手形	9,661	11,227
Monetary claims bought	買入金銭債権	63,784	63,912
Trading assets	特定取引資産	1,804	1,823
Money held in trust	金銭の信託	4,113	4,131
Securities	有価証券	3,331,309	3,366,072
Loans and bills discounted	貸出金	12,230,470	12,475,378
Foreign exchanges	外国為替	6,834	7,263
Other assets	その他資産	178,828	179,499
Tangible fixed assets	有形固定資産	196,289	195,793
Intangible fixed assets	無形固定資産	15,564	15,323
Net defined benefit assets	退職給付に係る資産	33,304	35,094
Deferred tax assets	繰延税金資産	3,572	3,852
Customers' liabilities for acceptances and guarantees	支払承諾見返	40,215	39,725
Allowance for loan losses	貸倒引当金	(126,155)	(124,593)
Total assets	**資産の部合計**	20,163,679	20,585,382
(Liabilities)	負債の部		
Deposits	預金	13,795,830	13,866,859
Negotiable certificates of deposit	譲渡性預金	282,524	563,307
Call money and bills sold	コールマネー及び売渡手形	1,315,936	1,229,861
Payables under repurchase agreements	売現先勘定	105,625	988,519
Payables under securities lending transactions	債券貸借取引受入担保金	2,140,301	1,270,600
Trading liabilities	特定取引負債	0	0
Borrowed money	借用金	1,521,762	1,664,998
Foreign exchanges	外国為替	1,181	1,570
Short-term bonds payable	短期社債	5,000	5,000
Bonds payable	社債	20,000	20,000
Other liabilities	その他負債	115,711	106,369
Net defined benefit liability	退職給付に係る負債	951	965
Provision for losses on interest repayments	利息返還損失引当金	48	18
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	5,939	5,491
Provision for contingent liabilities losses	その他の偶発損失引当金	7	9
Reserves under the special laws	特別法上の引当金	22	22
Deferred tax liabilities	繰延税金負債	10,627	11,825
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	23,020	23,020
Acceptances and guarantees	支払承諾	40,215	39,725
Total liabilities	**負債の部合計**	19,384,706	19,798,165
(Net assets)	純資産の部		
Capital stock	資本金	124,799	124,799
Capital surplus	資本剰余金	94,158	94,158
Retained earnings	利益剰余金	381,891	389,634
Treasury stock	自己株式	(364)	(368)
Total shareholders' equity	株主資本合計	600,485	608,223
Valuation difference on available-for-sale securities	その他有価証券評価差額金	131,493	132,424
Deferred gains or losses on hedges	繰延ヘッジ損益	(12,684)	(13,068)
Revaluation reserve for land	土地再評価差額金	51,631	51,631
Remeasurements of defined benefit plans	退職給付に係る調整累計額	8,029	7,999
Total accumulated other comprehensive income	その他の包括利益累計額合計	178,470	178,988
Non-controlling interests	非支配株主持分	17	4
Total net assets	**純資産の部合計**	778,973	787,216
Total liabilities and net assets	**負債及び純資産の部合計**	20,163,679	20,585,382

(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, 2017	3 months ended Jun 30, 2018
Ordinary income:	**経常収益**	58,929	60,579
Interest income	資金運用収益	42,851	44,239
Interest on loans and discounts	（うち貸出金利息）	33,421	33,492
Interest and dividends on securities	（うち有価証券利息配当金）	8,603	9,080
Fees and commissions	役務取引等収益	11,908	12,155
Trading income	特定取引収益	21	21
Other operating income	その他業務収益	1,484	1,757
Other income	その他経常収益	2,662	2,404
Ordinary expenses:	**経常費用**	41,080	40,247
Interest expenses	資金調達費用	4,947	5,179
Interest on deposits	（うち預金利息）	1,487	1,056
Fees and commissions payments	役務取引等費用	3,900	4,402
Other operating expenses	その他業務費用	2	2
General and administrative expenses	営業経費	30,747	29,679
Other expenses	その他経常費用	1,483	984
Ordinary profit	**経常利益**	17,848	20,331
Extraordinary income	特別利益	8	0
Gain on disposal of noncurrent assets	固定資産処分益	6	0
Transfer from reserve for financial products transaction liabilities	金融商品取引責任準備金取崩額	2	―
Extraordinary loss	特別損失	441	12
Loss on disposal of noncurrent assets	固定資産処分損	441	12
Income before income taxes:	**税金等調整前四半期純利益**	17,415	20,318
Current	法人税、住民税及び事業税	5,152	5,631
Deferred	法人税等調整額	98	516
Total income taxes	法人税等合計	5,251	6,147
Net income	四半期純利益	12,164	14,170
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する四半期純損失	(15)	(12)
Net income attributable to owners of the parent	**親会社株主に帰属する四半期純利益**	12,179	14,183

Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	3 months ended Jun 30, 2017	3 months ended Jun 30, 2018
Net income	四半期純利益	12,164	14,170
Other comprehensive income	その他の包括利益	2,826	517
Valuation difference on available-for-sale securities	その他有価証券評価差額金	3,119	930
Deferred gains or losses on hedges	繰延ヘッジ損益	(864)	(384)
Remeasurements of defined benefit plans	退職給付に係る調整額	571	(29)
Total comprehensive income	四半期包括利益	14,991	14,688
(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	15,006	14,700
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	(15)	(12)

Fukuoka Financial Group

Financial Digest for the First Quarter of FY2018

July 31, 2018

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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, 2018	Comparison	3 months ended Jun 30, 2017	3 months ended Jun 30, 2018	Comparison	3 months ended Jun 30, 2017	FY 2017
Gross business profit	45,017	933	44,084	48,589	1,172	47,417	188,882
Net interest income	39,246	1,139	38,107	39,060	1,156	37,904	152,080
Domestic	37,236	1,005	36,231	37,051	1,023	36,028	144,495
International	2,009	133	1,876	2,009	133	1,876	7,584
Net fees and commissions	5,158	(442)	5,600	7,752	(256)	8,008	32,043
Net trading income	1	0	1	21	0	21	84
Net other operating income	611	236	375	1,754	272	1,482	4,673
Gains (losses) on sales (redemptions) of bonds	17	17	0	17	17	0	(1,681)
Overhead expenses (-)	25,970	(272)	26,242	29,716	(203)	29,919	116,549
Business profit (before transfer to general reserve for possible loan losses)	19,047	1,206	17,841	18,873	1,375	17,498	72,332
① Transfer to general reserve for possible loan losses (-)	[(479)]	—	[(1,386)]	[(572)]	—	[(1,373)]	(1,255)
Business profit	19,047	1,206	17,841	18,873	1,375	17,498	73,587
Core business profit	19,030	1,190	17,840	18,855	1,358	17,497	74,013
Other operating profit (loss)	2,578	1,633	945	1,458	1,109	349	(1,951)
② Credit cost for disposal of non-performing loans (-)	(2,439)	(346)	(2,093)	(1,786)	(208)	(1,578)	751
Net transfer to specific reserve for possible loan losses (-)	[(1,937)]	—	[(621)]	[(1,161)]	—	[(88)]	1,693
Reversal of allowance for loan losses	2,417	410	2,007	1,733	272	1,461	—
Recoveries of written-off claims	181	(75)	256	181	(75)	256	1,308
Total credit cost ①+② (-)	(2,439)	(346)	(2,093)	(1,786)	(208)	(1,578)	(503)
Gains (losses) on stocks	301	(465)	766	(51)	(817)	766	1,844
Others	(162)	1,752	(1,914)	(277)	1,718	(1,995)	(3,045)
Ordinary profit	21,625	2,838	18,787	20,331	2,483	17,848	71,636
Extraordinary profit (loss)	(8)	427	(435)	(12)	420	(432)	(862)
Income (loss) before income taxes	21,617	3,266	18,351	20,318	2,903	17,415	70,774
Total income taxes (-)	5,844	904	4,940	6,147	896	5,251	21,443
Net income	15,773	2,362	13,411	14,170	2,006	12,164	49,330
Net income attributable to non-controlling interests (-)				(12)	3	(15)	(39)
Net income attributable to owners of the parent				14,183	2,004	12,179	49,369

<Notes> The notes described below are also applied to subsidiary banks (p7-8).
1. "( )"denotes minus.
2. Core business profit
= Business profit + Transfer to general reserve for possible loan losses − Gains (losses) on sales (redemptions) of bonds
3. When the total transfer from general and specific reserves for possible loan losses exceeds the transfer to them, the difference is posted as "reversal of allowance for loan losses" under the other operating profit. Numbers in square brackets are amounts before netting.

■ 3 months Summary

Core business profit (3 banks' total) **¥19.0 billion** — Progress on FY2018 Projection 25.0%

- Core business profit (3 banks' total) increased ¥1.2 billion from a year earlier to ¥19.0 mainly due to an increase of net interest income.
- We achieved progress of 25.0% towards the projection announced for this fiscal year (¥76.0 billion), which is roughly as planned.

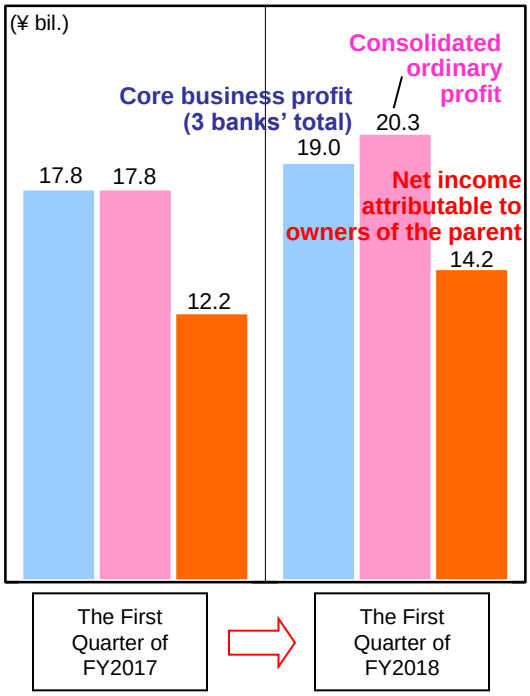
Consolidated ordinary profit **¥20.3 billion** — Progress on FY2018 Projection 27.3%

- Consolidated ordinary profit increased ¥2.5 billion from a year earlier to ¥20.3 billion mainly due to increases of core business profit and "others" listed under other operating profit (loss).

Net income attributable to owners of the parent **¥14.2 billion** — Progress on FY2018 Projection 27.3%

- As a result, net income attributable to owners of the parent increased ¥2.0 billion from a year earlier to ¥14.2 billion.
- We achieved steady progress of 27.3% towards the projection announced for this fiscal year (¥52.0 billion).

Gain and Loss



The Bank of Fukuoka (non-consolidated)

(¥ mil.)

	3 months ended Jun 30, 2018	3 months ended Jun 30, 2017	Comparison	FY 2017
Gross business profit	33,359	32,380	979	127,272
Net interest income	28,711	27,627	1,084	110,891
Domestic	26,753	25,792	961	103,473
International	1,957	1,835	122	7,418
Net fees and commissions	4,075	4,409	(334)	16,600
Net trading income	1	1	0	6
Net other operating income	570	343	227	(226)
Gains (losses) on sales (redemptions) of bonds	0	0	0	(1,621)
Overhead expenses (-)	17,075	17,522	(447)	67,600
Business profit (before transfer to general reserve for possible loan losses)	16,283	14,857	1,426	59,671
① Transfer to general reserve for possible loan losses (-)	[(160)]	[(657)]	—	(767)
Business profit	16,283	14,857	1,426	60,439
Core business profit	16,283	14,857	1,426	61,293
Other operating profit (loss)	2,111	(932)	3,043	(3,429)
② Credit cost for disposal of non-performing loans (-)	(1,929)	(579)	(1,350)	1,985
Net transfer to specific reserve for possible loan losses (-)	[(1,791)]	[160]	—	2,800
Reversal of allowance for loan losses	▶ 1,951	▶ 497	1,454	—
Recoveries of written-off claims	89	217	(128)	1,066
Total credit cost ①+② (-)	(1,929)	(579)	(1,350)	1,217
Gains (losses) on stocks	163	44	119	723
Others	18	(1,556)	1,574	(2,168)
Ordinary profit	18,395	13,925	4,470	57,009
Extraordinary profit (loss)	(0)	(431)	431	(529)
Income (loss) before income taxes	18,395	13,493	4,902	56,480
Total income taxes (-)	5,239	3,772	1,467	16,051
Net income	13,156	9,721	3,435	40,428

The Kumamoto Bank (non-consolidated)

(¥ mil.)

	3 months ended Jun 30, 2018	3 months ended Jun 30, 2017	Comparison	FY 2017
Gross business profit	4,769	4,716	53	19,515
Net interest income	4,473	4,400	73	17,675
Domestic	4,455	4,385	70	17,613
International	17	15	2	61
Net fees and commissions	286	305	(19)	1,792
Net other operating income	9	10	(1)	47
Gains (losses) on sales (redemptions) of bonds	0	(0)	0	(7)
Overhead expenses (-)	3,598	3,525	73	13,933
Business profit (before transfer to general reserve for possible loan losses)	1,170	1,190	(20)	5,581
① Transfer to general reserve for possible loan losses (-)	[49]	[(339)]	—	[(240)]
Business profit	1,170	1,190	(20)	5,581
Core business profit	1,170	1,190	(20)	5,588
Other operating profit (loss)	132	292	(160)	876
② Credit cost for disposal of non-performing loans (-)	(271)	(445)	174	(830)
Net transfer to specific reserve for possible loan losses (-)	[(297)]	[(115)]	—	[(515)]
Reversal of allowance for loan losses	▶ 247	▶ 455	(208)	▶ 756
Recoveries of written-off claims	50	13	37	128
Total credit cost ①+② (-)	(271)	(445)	174	(830)
Gains (losses) on stocks	—	—	—	366
Others	(138)	(152)	14	(320)
Ordinary profit	1,303	1,483	(180)	6,457
Extraordinary profit (loss)	(0)	(1)	1	(35)
Income (loss) before income taxes	1,303	1,481	(178)	6,421
Total income taxes (-)	302	375	(73)	1,432
Net income	1,001	1,106	(105)	4,989

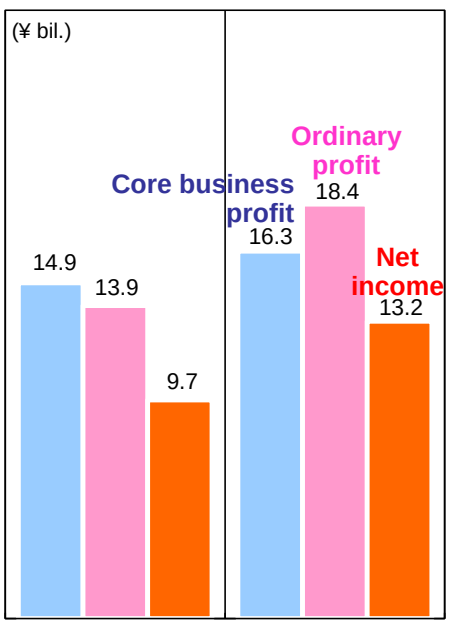
The Shinwa Bank (non-consolidated)

(¥ mil.)

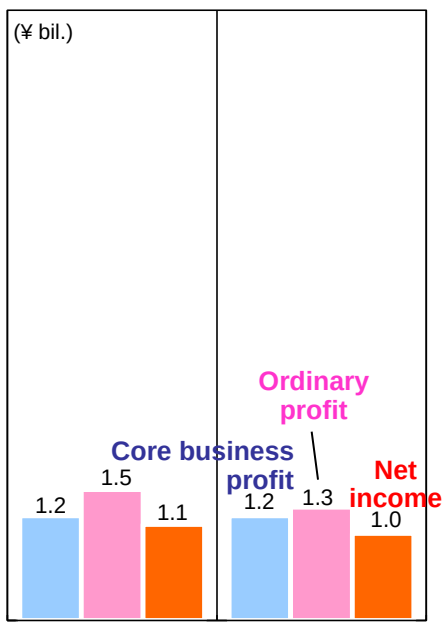
	3 months ended Jun 30, 2018	3 months ended Jun 30, 2017	Comparison	FY 2017
Gross business profit	6,888	6,987	(99)	27,519
Net interest income	6,061	6,079	(18)	23,901
Domestic	6,027	6,053	(26)	23,796
International	34	25	9	104
Net fees and commissions	796	885	(89)	3,510
Net other operating income	30	22	8	108
Gains (losses) on sales (redemptions) of bonds	16	0	16	(52)
Overhead expenses (-)	5,296	5,194	102	20,027
Business profit (before transfer to general reserve for possible loan losses)	1,592	1,793	(201)	7,492
① Transfer to general reserve for possible loan losses (-)	[(368)]	[(388)]	—	[(322)]
Business profit	1,592	1,793	(201)	7,492
Core business profit	1,575	1,792	(217)	7,545
Other operating profit (loss)	334	1,585	(1,251)	3,717
② Credit cost for disposal of non-performing loans (-)	(238)	(1,068)	830	(3,372)
Net transfer to specific reserve for possible loan losses (-)	[151]	[(666)]	—	[(3,022)]
Reversal of allowance for loan losses	217	1,055	(838)	3,345
Recoveries of written-off claims	41	25	16	112
Total credit cost ①+② (-)	(238)	(1,068)	830	(3,372)
Gains (losses) on stocks	137	722	(585)	753
Others	(42)	(206)	164	(408)
Ordinary profit	1,926	3,378	(1,452)	11,209
Extraordinary profit (loss)	(8)	(2)	(6)	(390)
Income (loss) before income taxes	1,918	3,376	(1,458)	10,819
Total income taxes (-)	303	793	(490)	2,346
Net income	1,615	2,582	(967)	8,472

Gain and Loss

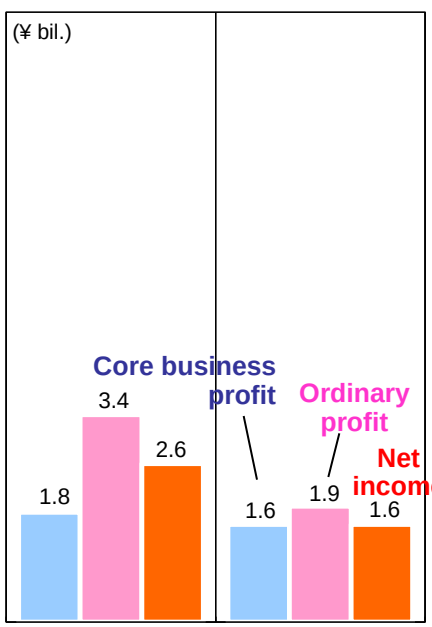
The Bank of Fukuoka (non-consolidated)



The Kumamoto Bank (non-consolidated)



The Shinwa Bank (non-consolidated)

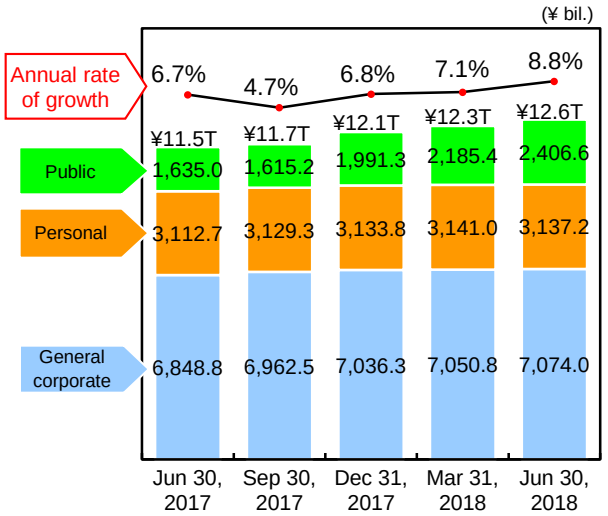


2. Assets and liabilities

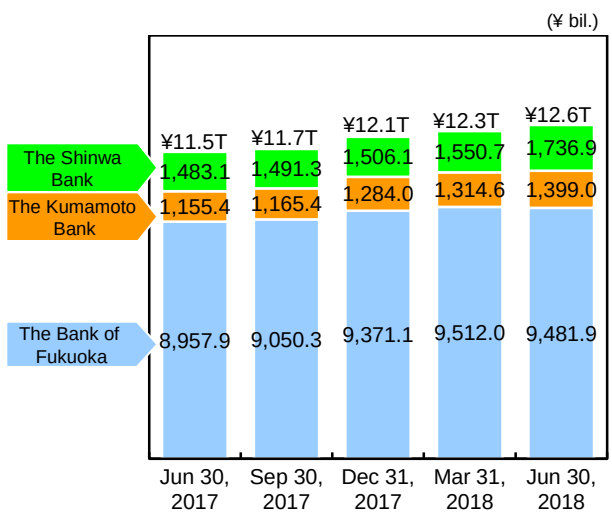
(1) Loans

3 banks' total

Loans classified by customer segment (Term-end balance)



Loans classified by bank (Term-end balance)



(¥ mil.)

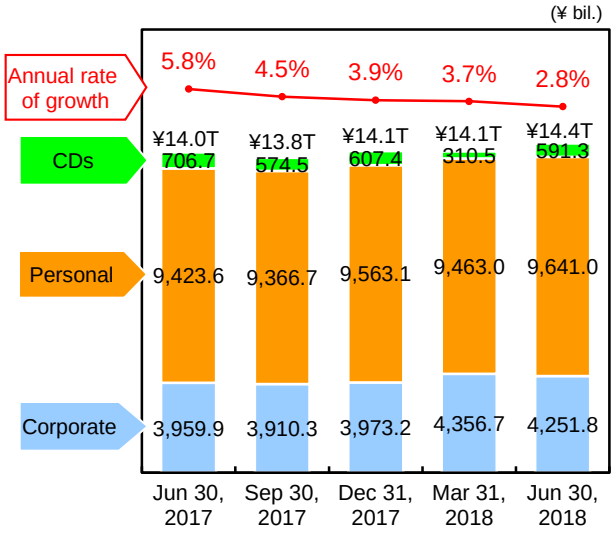
		Jun 30, 2018 annual rate of growth	Jun 30, 2018	change from Mar 31, 2018	change from Jun 30, 2017	Mar 31, 2018	Jun 30, 2017
3 banks' total	Total loans	8.8%	12,617,937	240,549	1,021,355	12,377,388	11,596,582
	Personal segment	0.8%	3,137,236	(3,808)	24,527	3,141,044	3,112,709
	Corporate segment	11.7%	9,480,700	244,357	996,827	9,236,343	8,483,873
	Personal loans	0.8%	3,033,276	(175)	23,695	3,033,451	3,009,581
	Housing loans	0.4%	2,703,130	(618)	10,601	2,703,748	2,692,529
	Consumer loans	7.6%	260,197	2,298	18,464	257,899	241,733
	Loans to small-and-medium-sized enterprises, etc. ratio	–	66.90%	(1.26%)	(3.87%)	68.16%	70.77%
The Bank of Fukuoka (non-consolidated)	Total loans	5.8%	9,481,985	(30,061)	523,993	9,512,046	8,957,992
	Personal segment	0.2%	2,221,014	(6,752)	3,787	2,227,766	2,217,227
	Corporate segment	7.7%	7,260,971	(23,309)	520,206	7,284,280	6,740,765
	Fukuoka prefecture	1.5%	6,799,698	(21,177)	103,105	6,820,875	6,696,593
	Personal loans	0.1%	2,151,204	(5,196)	2,691	2,156,400	2,148,513
	Housing loans	(0.4%)	1,915,686	(5,782)	(7,185)	1,921,468	1,922,871
	Consumer loans	8.9%	186,287	1,942	15,202	184,345	171,085
	Loans to small-and-medium-sized enterprises, etc. ratio	–	67.30%	0.48%	(1.70%)	66.82%	69.00%
The Kumamoto Bank (non-consolidated)	Total loans	21.1%	1,399,028	84,425	243,542	1,314,603	1,155,486
	Personal segment	4.3%	459,258	3,649	18,905	455,609	440,353
	Corporate segment	31.4%	939,769	80,775	224,636	858,994	715,133
	Kumamoto prefecture	2.0%	1,093,316	9,527	21,571	1,083,789	1,071,745
	Personal loans	4.5%	436,495	5,321	18,914	431,174	417,581
	Housing loans	4.1%	398,307	5,480	15,865	392,827	382,442
	Consumer loans	8.3%	30,842	343	2,355	30,499	28,487
	Loans to small-and-medium-sized enterprises, etc. ratio	–	71.98%	(4.66%)	(12.86%)	76.64%	84.84%
The Shinwa Bank (non-consolidated)	Total loans	17.1%	1,736,924	186,185	253,820	1,550,739	1,483,104
	Personal segment	0.4%	456,964	(705)	1,835	457,669	455,129
	Corporate segment	24.5%	1,279,960	186,891	251,985	1,093,069	1,027,975
	Nagasaki prefecture	0.3%	1,105,601	(9,857)	3,361	1,115,458	1,102,240
	Personal loans	0.5%	445,577	(300)	2,090	445,877	443,487
	Housing loans	0.5%	389,137	(316)	1,921	389,453	387,216
	Consumer loans	2.2%	43,068	13	907	43,055	42,161
	Loans to small-and-medium-sized enterprises, etc. ratio	–	60.63%	(8.57%)	(9.88%)	69.20%	70.51%

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥112.0 billion at the end of June 2017, ¥126.5 billion at the end of March 2018, and ¥122.5 billion at the end of June 2018).

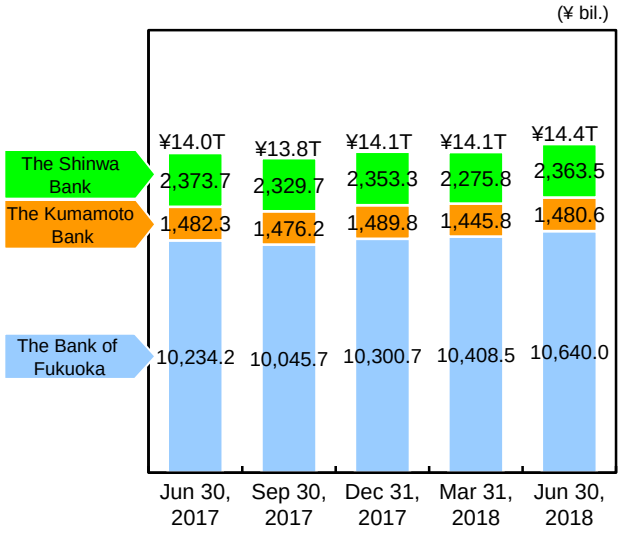
(2) Deposits

3 banks' total

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



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



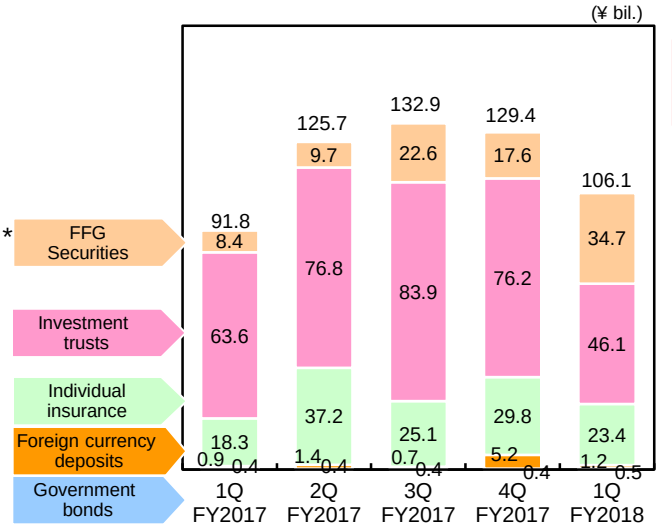
(¥ mil.)

		Jun 30, 2018 annual rate of growth	Jun 30, 2018	change from Mar 31, 2018	change from Jun 30, 2017	Mar 31, 2018	Jun 30, 2017
3 banks' total	Personal deposits	2.3%	9,641,038	177,963	217,418	9,463,075	9,423,620
	Corporate deposits	7.4%	4,251,886	(104,846)	291,980	4,356,732	3,959,906
	Total	3.8%	13,892,925	73,117	509,399	13,819,808	13,383,526
	Demand	8.3%	9,162,527	152,552	701,162	9,009,975	8,461,365
	Time	(3.9%)	4,730,397	(79,435)	(191,763)	4,809,832	4,922,160
	CDs	(16.3%)	591,305	280,782	(115,480)	310,523	706,785
	Deposits and CDs	2.8%	14,484,233	353,901	393,921	14,130,332	14,090,312
The Bank of Fukuoka (non-consolidated)	Personal deposits	2.9%	7,060,723	139,702	201,872	6,921,021	6,858,851
	Corporate deposits	10.7%	3,138,811	(123,271)	302,275	3,262,082	2,836,536
	Total	5.2%	10,199,534	16,430	504,147	10,183,104	9,695,387
	Demand	9.0%	6,996,926	94,461	577,292	6,902,465	6,419,634
	Time	(2.2%)	3,202,608	(78,030)	(73,145)	3,280,638	3,275,753
	CDs	(18.3%)	440,503	215,022	(98,387)	225,481	538,890
	Deposits and CDs	4.0%	10,640,038	231,453	405,760	10,408,585	10,234,278
	Fukuoka prefecture	4.8%	9,509,413	56,044	439,221	9,453,369	9,070,192
The Kumamoto Bank (non-consolidated)	Personal deposits	(0.1%)	1,078,413	11,580	(826)	1,066,833	1,079,239
	Corporate deposits	(2.5%)	380,327	23,092	(9,911)	357,235	390,238
	Total	(0.7%)	1,458,741	34,673	(10,736)	1,424,068	1,469,477
	Demand	6.2%	807,212	33,087	47,181	774,125	760,031
	Time	(8.2%)	651,528	1,585	(57,917)	649,943	709,445
	CDs	70.1%	21,865	44	9,014	21,821	12,851
	Deposits and CDs	(0.1%)	1,480,607	34,717	(1,721)	1,445,890	1,482,328
	Kumamoto prefecture	(0.5%)	1,370,428	33,722	(6,253)	1,336,706	1,376,681
The Shinwa Bank (non-consolidated)	Personal deposits	1.1%	1,501,902	26,681	16,372	1,475,221	1,485,530
	Corporate deposits	(0.1%)	732,748	(4,667)	(384)	737,415	733,132
	Total	0.7%	2,234,650	22,014	15,988	2,212,636	2,218,662
	Demand	6.0%	1,358,389	25,004	76,689	1,333,385	1,281,700
	Time	(6.5%)	876,261	(2,990)	(60,701)	879,251	936,962
	CDs	(16.8%)	128,937	65,716	(26,107)	63,221	155,044
	Deposits and CDs	(0.4%)	2,363,588	87,731	(10,118)	2,275,857	2,373,706
	Nagasaki prefecture	0.6%	1,975,774	11,704	11,658	1,964,070	1,964,116

(3) Asset management products

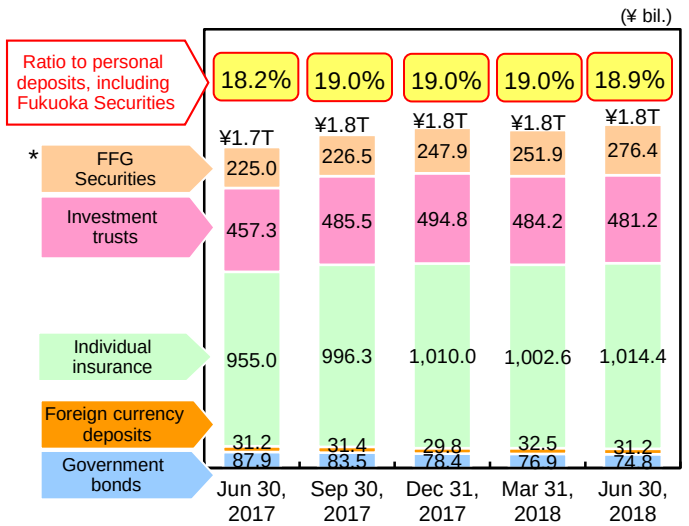
Group's total

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

		1Q FY2018 (3 months)	change from 1Q FY2017	1Q FY2017 (3 months)	FY2017 (12 months)
Group's total	Investment trusts	46.1	(17.5)	63.6	300.7
	Individual insurance	23.4	5.1	18.3	110.5
	Foreign currency deposits	1.2	0.3	0.9	8.3
	Government bonds	0.5	0.1	0.4	1.7
	FFG Securities	34.7	26.3	8.4	58.5
	Total	106.1	14.3	91.8	480.0
	Ratio to personal deposits				
The Bank of Fukuoka (non-consolidated)	Investment trusts	27.5	(11.7)	39.2	177.9
	Individual insurance	13.4	3.5	9.9	64.8
	Foreign currency deposits	1.1	0.2	0.9	7.9
	Government bonds	0.4	0.0	0.4	1.5
	Total	42.5	(8.0)	50.5	252.2
	Ratio to personal deposits				
The Kumamoto Bank (non-consolidated)	Investment trusts	9.5	(2.0)	11.5	56.0
	Individual insurance	3.7	1.0	2.7	17.7
	Foreign currency deposits	0.0	0.0	0.0	0.1
	Government bonds	0.0	0.0	—	0.0
	Total	13.3	(1.0)	14.3	74.0
	Ratio to personal deposits				
The Shinwa Bank (non-consolidated)	Investment trusts	9.0	(3.7)	12.7	66.7
	Individual insurance	6.3	0.7	5.6	27.9
	Foreign currency deposits	0.1	0.1	0.0	0.2
	Government bonds	0.0	0.0	0.0	0.1
	Total	15.5	(3.0)	18.5	95.1
	Ratio to personal deposits				

Outstanding balance of assets under management for individual customers

(¥ bil.)

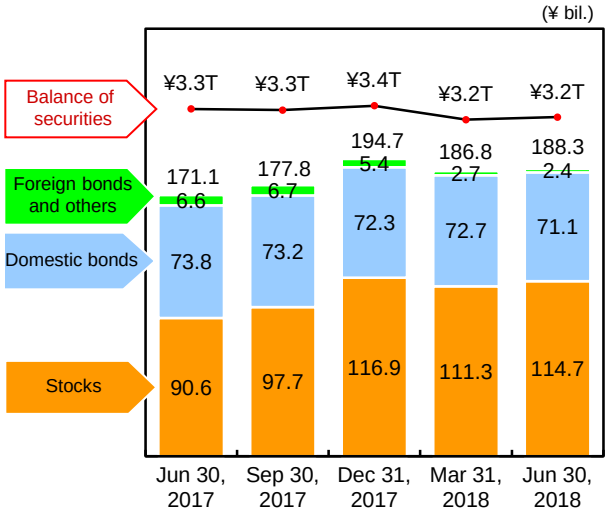
Jun 30, 2018	Change from Mar 31, 2018	Change from Jun 30, 2017	Mar 31, 2018	Jun 30, 2017
481.2	(3.0)	23.9	484.2	457.3
1,014.4	11.8	59.4	1,002.6	955.0
31.2	(1.3)	0.0	32.5	31.2
74.8	(2.1)	(13.1)	76.9	87.9
276.4	24.5	51.4	251.9	225.0
1,878.2	29.9	121.7	1,848.3	1,756.5
18.9%	(0.1%)	0.7%	19.0%	18.2%
314.6	(0.5)	11.6	315.1	303.0
650.5	6.2	39.5	644.3	611.0
25.4	(1.2)	1.3	26.6	24.1
65.4	(1.6)	(12.0)	67.0	77.4
1,056.0	2.9	40.3	1,053.1	1,015.7
15.0%	(0.2%)	0.2%	15.2%	14.8%
78.1	(1.9)	4.3	80.0	73.8
143.8	2.3	7.9	141.5	135.9
2.4	(0.1)	(0.5)	2.5	2.9
1.4	0.0	(0.1)	1.4	1.5
225.9	0.4	11.6	225.5	214.3
20.9%	(0.2%)	1.0%	21.1%	19.9%
88.4	(0.6)	8.0	89.0	80.4
220.1	3.4	12.1	216.7	208.0
3.3	0.0	(0.7)	3.3	4.0
7.9	(0.5)	(1.0)	8.4	8.9
319.8	2.3	18.4	317.5	301.4
21.3%	(0.2%)	1.0%	21.5%	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.

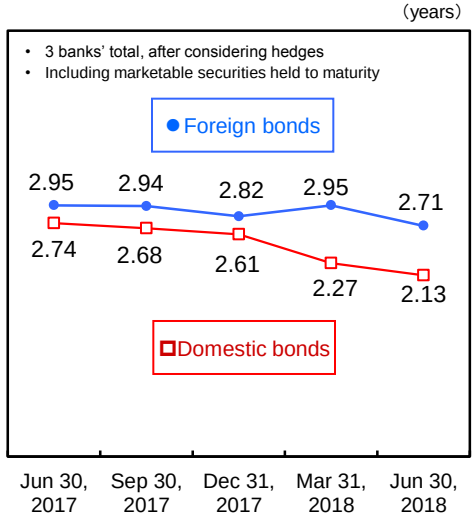
(4) Marketable securities

FFG (consolidated)

Unrealized gain



Bond duration



(¥ mil.)

		Jun 30, 2018				Mar 31, 2018	
		Market value	change from Mar 31, 2018	Unrealized gain(loss)	change from Mar 31, 2018	Market value	Unrealized gain(loss)
FFG (consolidated)	Total	3,258,149	34,640	188,386	1,513	3,223,509	186,873
	Stocks	180,091	3,219	114,793	3,422	176,872	111,371
	Domestic bonds	2,677,897	(5,123)	71,162	(1,541)	2,683,020	72,703
	National government bonds	1,994,968	(1,805)	63,999	(1,000)	1,996,773	64,999
	Local government bonds	88,431	(514)	805	(52)	88,945	857
	Corporate bonds	594,498	(2,803)	6,357	(489)	597,301	6,846
	Foreign bonds and Others	400,160	36,544	2,431	(367)	363,616	2,798
The Bank of Fukuoka (consolidated)	Total	2,336,972	55,356	160,360	4,246	2,281,616	156,114
	Stocks	161,791	4,777	107,573	4,627	157,014	102,946
	Domestic bonds	1,775,021	14,036	50,355	(14)	1,760,985	50,369
	National government bonds	1,252,856	14,861	45,793	394	1,237,995	45,399
	Local government bonds	61,346	(351)	518	(40)	61,697	558
	Corporate bonds	460,818	(474)	4,043	(368)	461,292	4,411
	Foreign bonds and Others	400,160	36,544	2,431	(367)	363,616	2,798
The Kumamoto Bank (non-consolidated)	Total	239,201	(10,004)	6,305	(599)	249,205	6,904
	Stocks	2,368	(222)	1,416	(221)	2,590	1,637
	Domestic bonds	236,833	(9,782)	4,889	(377)	246,615	5,266
	National government bonds	185,683	(9,267)	4,262	(331)	194,950	4,593
	Local government bonds	1,363	(2)	25	(1)	1,365	26
	Corporate bonds	49,786	(512)	602	(44)	50,298	646
	Foreign bonds and Others	–	–	–	–	–	–
The Shinwa Bank (non-consolidated)	Total	681,974	(10,712)	24,970	(2,487)	692,686	27,457
	Stocks	15,931	(1,336)	9,054	(1,336)	17,267	10,390
	Domestic bonds	666,043	(9,376)	15,916	(1,151)	675,419	17,067
	National government bonds	556,428	(7,399)	13,943	(1,063)	563,827	15,006
	Local government bonds	25,720	(161)	261	(11)	25,881	272
	Corporate bonds	83,893	(1,817)	1,711	(78)	85,710	1,789
	Foreign bonds and Others	–	–	–	–	–	–

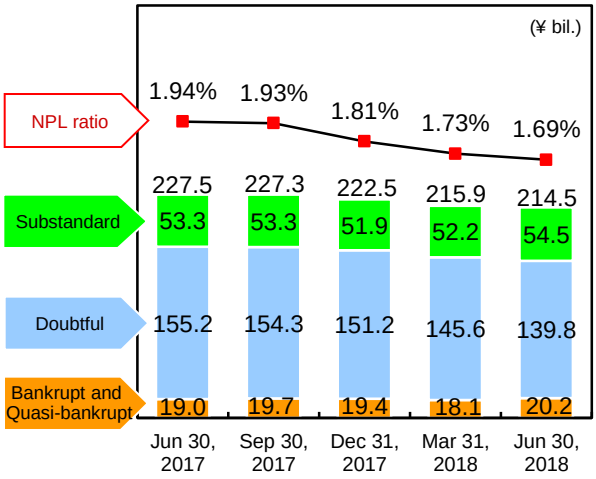
3. Non-performing loans

（Direct write-off is adopted）

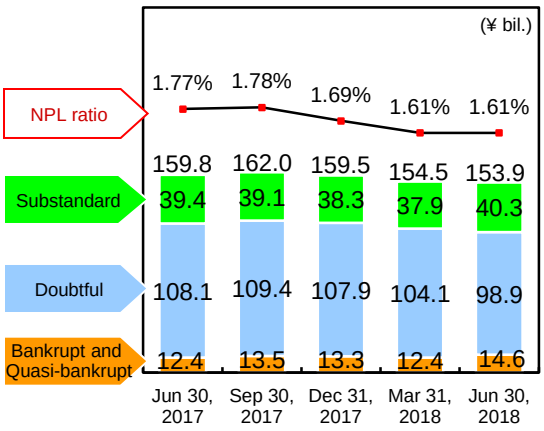
3 banks' total

(¥ mil.)

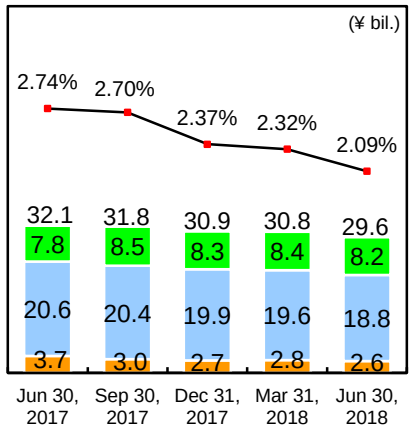
	Jun 30, 2018	change from Mar 31, 2018	change from Jun 30, 2017	Mar 31, 2018	Jun 30, 2017
NPLs under the FRL	214,468	(1,433)	(13,024)	215,901	227,492
Bankrupt and Quasi-bankrupt	20,160	2,102	1,126	18,058	19,034
Doubtful	139,803	(5,800)	(15,349)	145,603	155,152
Substandard	54,501	2,263	1,198	52,238	53,303
Ratio of NPLs under the FRL to the total credits	1.69%	(0.04%)	(0.25%)	1.73%	1.94%



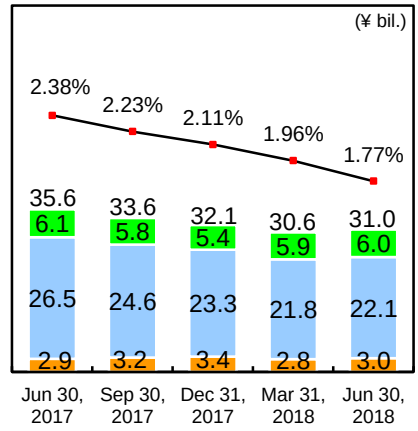
The Bank of Fukuoka (non-consolidated)



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 FY2018 (3 months)	YoY change	1Q FY2017 (3 months)	1Q FY2018 (3 months)	YoY change	1Q FY2017 (3 months)	1Q FY2018 (3 months)	YoY change	1Q FY2017 (3 months)	1Q FY2018 (3 months)	YoY change	1Q FY2017 (3 months)
(1) Average yield on interest earning assets	0.97	(0.11)	1.08	0.94	(0.10)	1.04	1.10	(0.20)	1.30	1.03	(0.11)	1.14
Loans and bills discounted ①	1.03	(0.11)	1.14	1.00	(0.08)	1.08	1.16	(0.25)	1.41	1.11	(0.18)	1.29
Securities	0.98	0.09	0.89	1.06	0.12	0.94	0.77	0.00	0.77	0.84	0.04	0.80
(2) Average yield on interest bearing liabilities	0.56	(0.10)	0.66	0.49	(0.10)	0.59	0.70	(0.18)	0.88	0.77	(0.09)	0.86
Deposits and CDs ②	0.00	(0.03)	0.03	0.00	(0.03)	0.03	0.01	(0.04)	0.05	0.00	(0.04)	0.04
External liabilities	(0.02)	(0.02)	0.00	(0.02)	(0.02)	0.00	(0.03)	(0.03)	(0.00)	(0.04)	(0.04)	(0.00)
(3) Difference between average yields on loans and deposits ①-②	1.03	(0.08)	1.11	1.00	(0.05)	1.05	1.15	(0.21)	1.36	1.11	(0.14)	1.25
(4) Average interest rate spread (1)-(2)	0.41	(0.01)	0.42	0.45	0.00	0.45	0.40	(0.02)	0.42	0.26	(0.02)	0.28