

# Fukuoka Financial Group, Inc.

Financial Digest for the Interim of FY2021



Stock Exchange Listing:	Tokyo, Fukuoka (code:8354)
URL:	<a href="https://www.fukuoka-fg.com">https://www.fukuoka-fg.com</a>
Representative:	Takashige Shibato, Chairman of the Board & President
For Inquiry:	Masahiro Fujii, General Manager, Corporate Planning Division
Payment date of cash dividends:	December 10, 2021 (scheduled)
Filing date of Financial Statements:	November 26, 2021 (scheduled)
Trading Accounts:	Established
Supplementary Materials:	Attached
IR Conference:	Scheduled (for institutional investors, analysts)

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

## 1. Consolidated Financial Highlights (from April 1, 2021 to September 30, 2021)

	Ordinary Income		Ordinary Profit		Net Income attributable to owners of the parent	
	¥Million	%	¥Million	%	¥Million	%
Interim of FY2021	139,689	(1.3)	40,488	5.3	27,948	6.4
Interim of FY2020	141,576	2.2	38,461	29.1	26,264	(80.6)

(Note) Comprehensive income Interim of FY2021: ¥27,229 million [(49.4)%] Interim of FY2020: ¥53,846 million [(62.8)%]

	Net Income per Share	Net Income per Share (Diluted)
Interim of FY2021	¥147.02	—
Interim of FY2020	138.15	—

### (2) Consolidated Financial Position

	Total Assets	Total Net Assets	Own Capital Ratio
	¥Million	¥Million	%
September 30, 2021	28,721,114	977,117	3.4
March 31, 2021	27,510,013	958,833	3.4

(Reference) Own capital September 30, 2021: ¥977,087 million March 31, 2021: ¥958,789 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
FY2020	¥—	¥42.50	¥—	¥42.50	¥85.00
FY2021	—	47.50	—	—	—
FY2021 (projection)	—	—	—	47.50	95.00

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

## 3. Consolidated Earnings Projections for Fiscal year 2021, (Year ending March 31, 2022)

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

	Ordinary Profit		Net Income attributable to owners of the parent		Net Income per Share
	¥Million	%	¥Million	%	¥
FY2021	78,000	29.1	53,000	18.7	278.80

(Note) Revision of earnings projections from the latest announcement: Yes

## 4. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(millions of Yen)

Item	科目 (Japanese)	As of Mar 31, 2021	As of Sep 30, 2021
(Assets)	資産の部		
Cash and due from banks	現金預け金	6,086,101	7,433,107
Call loans and bills bought	コールローン及び買入手形	—	5,596
Monetary claims bought	買入金銭債権	40,350	43,875
Trading assets	特定取引資産	1,506	1,310
Money held in trust	金銭の信託	19,215	20,053
Securities	有価証券	3,840,858	4,029,788
Loans and bills discounted	貸出金	17,145,879	16,825,976
Foreign exchanges	外国為替	17,304	11,305
Lease receivables and lease investment assets	リース債権及びリース投資資産	15,785	15,702
Other assets	その他資産	232,921	218,579
Tangible fixed assets	有形固定資産	206,521	203,963
Intangible fixed assets	無形固定資産	18,187	17,988
Net defined benefit assets	退職給付に係る資産	26,178	30,132
Deferred tax assets	繰延税金資産	15,884	13,954
Customers' liabilities for acceptances and guarantees	支払承諾見返	45,991	49,993
Allowance for loan losses	貸倒引当金	(202,675)	(200,214)
<b>Total assets</b>	<b>資産の部合計</b>	<b>27,510,013</b>	<b>28,721,114</b>
(Liabilities)	負債の部		
Deposits	預金	19,211,354	19,106,040
Negotiable certificates of deposit	譲渡性預金	277,130	608,220
Call money and bills sold	コールマネー及び売渡手形	1,698,137	2,037,902
Payables under repurchase agreements	売現先勘定	1,331,403	1,107,026
Payables under securities lending transactions	債券貸借取引受入担保金	1,025,930	1,212,929
Trading liabilities	特定取引負債	0	—
Borrowed money	借入金	2,735,073	3,384,940
Foreign exchanges	外国為替	2,177	1,509
Short-term bonds payable	短期社債	41,000	37,000
Bonds payable	社債	10,000	10,000
Other liabilities	その他負債	140,820	157,312
Net defined benefit liability	退職給付に係る負債	1,142	1,164
Provision for losses on interest repayments	利息返還損失引当金	22	—
Provision for losses from reimbursement of inactive accounts	睡眠預金払戻損失引当金	7,239	6,549
Provision for contingent liabilities losses	その他の偶発損失引当金	0	—
Reserves under the special laws	特別法上の引当金	24	24
Deferred tax liabilities	繰延税金負債	800	462
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	22,929	22,921
Acceptances and guarantees	支払承諾	45,991	49,993
<b>Total liabilities</b>	<b>負債の部合計</b>	<b>26,551,179</b>	<b>27,743,997</b>
(Net assets)	純資産の部		
Capital stock	資本金	124,799	124,799
Capital surplus	資本剰余金	141,387	141,426
Retained earnings	利益剰余金	543,245	562,218
Treasury stock	自己株式	(2,453)	(2,456)
<b>Total shareholders' equity</b>	<b>株主資本合計</b>	<b>806,978</b>	<b>825,987</b>
Valuation difference on available-for-sale securities	その他有価証券評価差額金	112,506	116,825
Deferred gains or losses on hedges	繰延ヘッジ損益	(16,814)	(21,401)
Revaluation reserve for land	土地再評価差額金	51,422	51,405
Remeasurements of defined benefit plans	退職給付に係る調整累計額	4,696	4,270
<b>Total accumulated other comprehensive income</b>	<b>その他の包括利益累計額合計</b>	<b>151,811</b>	<b>151,099</b>
Non-controlling interests	非支配株主持分	43	30
<b>Total net assets</b>	<b>純資産の部合計</b>	<b>958,833</b>	<b>977,117</b>
<b>Total liabilities and net assets</b>	<b>負債及び純資産の部合計</b>	<b>27,510,013</b>	<b>28,721,114</b>

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

## Consolidated Statements of Income

(millions of Yen)

Item	科目 (Japanese)	6 months ended Sep 30, 2020	6 months ended Sep 30, 2021
<b>Ordinary income:</b>	<b>経常収益</b>	141,576	139,689
Interest income	資金運用収益	94,930	95,773
Interest on loans and discounts	(うち貸出金利息)	74,559	73,928
Interest and dividends on securities	(うち有価証券利息配当金)	18,441	19,686
Fees and commissions	役務取引等収益	26,537	29,991
Trading income	特定取引収益	249	664
Other operating income	その他業務収益	8,976	9,211
Other income	その他経常収益	10,882	4,047
<b>Ordinary expenses:</b>	<b>経常費用</b>	103,114	99,200
Interest expenses	資金調達費用	7,206	5,217
Interest on deposits	(うち預金利息)	714	373
Fees and commissions payments	役務取引等費用	11,895	12,256
Other operating expenses	その他業務費用	3,988	8,057
General and administrative expenses	営業経費	74,600	69,505
Other expenses	その他経常費用	5,423	4,163
<b>Ordinary profit</b>	<b>経常利益</b>	38,461	40,488
Extraordinary income	特別利益	256	12
Gain on disposal of noncurrent assets	固定資産処分益	250	12
Transfer from reserve for financial products transaction liabilities	金融商品取引責任準備金取崩額	5	—
Extraordinary loss	特別損失	308	406
Loss on disposal of noncurrent assets	固定資産処分損	114	269
Impairment loss	減損損失	193	137
<b>Income before income taxes:</b>	<b>税金等調整前中間純利益</b>	38,409	40,094
Current	法人税、住民税及び事業税	7,379	10,025
Deferred	法人税等調整額	4,798	2,145
Total income taxes	法人税等合計	12,178	12,170
Net income	中間純利益	26,231	27,924
Net loss attributable to non-controlling interests (-)	非支配株主に帰属する中間純損失	(32)	(24)
<b>Net income attributable to owners of the parent</b>	<b>親会社株主に帰属する中間純利益</b>	26,264	27,948

## Consolidated Statements of Comprehensive Income

(millions of Yen)

Item	科目 (Japanese)	6 months ended Sep 30, 2020	6 months ended Sep 30, 2021
Net income	中間純利益	26,231	27,924
Other comprehensive income	その他の包括利益	27,615	(694)
Valuation difference on available-for-sale securities	その他有価証券評価差額金	23,724	4,318
Deferred gains or losses on hedges	繰延ヘッジ損益	3,404	(4,586)
Remeasurements of defined benefit plans	退職給付に係る調整額	486	(426)
Total comprehensive income	中間包括利益	53,846	27,229
(Breakdown)	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る中間包括利益	53,879	27,253
Comprehensive income attributable to non-controlling interests	非支配株主に係る中間包括利益	(32)	(24)

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

Interim of FY2020

(millions of Yen)

Item	科目 (Japanese)	Shareholders' equity				
		株主資本				
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		資本金	資本剰余金	利益剰余金	自己株式	株主資本合計
Balance as of Mar 31, 2020	当期首残高	124,799	141,418	514,682	(2,446)	778,454
Changes during the period:	当中間期変動額					
Dividends from surplus	剰余金の配当			(8,079)		(8,079)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益			26,264		26,264
Acquisition of treasury stock	自己株式の取得				(2)	(2)
Disposition of treasury stock	自己株式の処分		(0)		0	0
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		40			40
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)					
Total changes during the period	当中間期変動額合計	—	40	18,184	(2)	18,222
Balance as of Sep 30, 2020	当中間期末残高	124,799	141,458	532,867	(2,448)	796,677

		Accumulated other comprehensive income					Non-controlling interests	Total net assets
		その他の包括利益累計額						
		Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
		その他有価証券評価差額金	繰延ヘッジ損益	土地再評価差額金	退職給付に係る調整累計額	その他の包括利益累計額合計		
Balance as of Mar 31, 2020	当期首残高	65,358	(32,547)	51,495	(9,721)	74,584	23	853,062
Changes during the period:	当中間期変動額							
Dividends from surplus	剰余金の配当							(8,079)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益							26,264
Acquisition of treasury stock	自己株式の取得							(2)
Disposition of treasury stock	自己株式の処分							0
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							40
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)	23,724	3,404	—	486	27,615	(23)	27,592
Total changes during the period	当中間期変動額合計	23,724	3,404	—	486	27,615	(23)	45,815
Balance as of Sep 30, 2020	当中間期末残高	89,082	(29,142)	51,495	(9,234)	102,199	—	898,877

## Interim of FY2021

(millions of Yen)

Item	科目 (Japanese)	Shareholders' equity				
		株主資本				
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		資本金	資本剰余金	利益剰余金	自己株式	株主資本合計
Balance as of Mar 31, 2021	当期首残高	124,799	141,387	543,245	(2,453)	806,978
Cumulative effects of changes in accounting policies	会計方針の変更による累積的影響額			(913)		(913)
Restated balance	会計方針の変更を反映した当期首残高	124,799	141,387	542,332	(2,453)	806,065
Changes during the period:	当中間期変動額					
Dividends from surplus	剰余金の配当			(8,079)		(8,079)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益			27,948		27,948
Acquisition of treasury stock	自己株式の取得				(3)	(3)
Transfer from revaluation reserve for land	土地再評価差額金の取崩			17		17
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減		39			39
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)					
Total changes during the period	当中間期変動額合計	—	39	19,886	(3)	19,922
Balance as of Sep 30, 2021	当中間期末残高	124,799	141,426	562,218	(2,456)	825,987

		Accumulated other comprehensive income					Non-controlling interests	Total net assets
		その他の包括利益累計額						
		Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
		その他有価証券評価差額金	繰延ヘッジ損益	土地再評価差額金	退職給付に係る調整累計額	その他の包括利益累計額合計	非支配株主持分	純資産合計
Balance as of Mar 31, 2021	当期首残高	112,506	(16,814)	51,422	4,696	151,811	43	958,833
Cumulative effects of changes in accounting policies	会計方針の変更による累積的影響額							(913)
Restated balance	会計方針の変更を反映した当期首残高	112,506	(16,814)	51,422	4,696	151,811	43	957,920
Changes during the period:	当中間期変動額							
Dividends from surplus	剰余金の配当							(8,079)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益							27,948
Acquisition of treasury stock	自己株式の取得							(3)
Transfer from revaluation reserve for land	土地再評価差額金の取崩							17
Increase of consolidated subsidiaries	連結子会社の増資による持分の増減							39
Net changes of items other than shareholders' equity	株主資本以外の項目の当中間期変動額(純額)	4,318	(4,586)	(17)	(426)	(711)	(13)	(725)
Total changes during the period	当中間期変動額合計	4,318	(4,586)	(17)	(426)	(711)	(13)	19,197
Balance as of Sep 30, 2021	当中間期末残高	116,825	(21,401)	51,405	4,270	151,099	30	977,117

# Financial Digest for the Interim of FY2021

November 10, 2021

Contents		Page
<b>1</b> Gain and loss	.....	7~9
<b>2</b> Assets and liabilities		
(1) Loans	.....	10
(2) Deposits	.....	11
(3) Asset management products	.....	12
(4) Marketable securities	.....	13
<b>3</b> Non-performing loans	.....	14
<b>4</b> Overhead expenses・Credit cost	.....	14
<b>5</b> Capital adequacy ratio	.....	15
<b>6</b> Projections	.....	15

**[3 banks' total]:**

The sum of non-consolidated figures of the Bank of Fukuoka, the Kumamoto Bank, and the Juhachi-Shinwa Bank (Note) The former Shinwa Bank and the former Eighteenth Bank merged on October 1, 2020, forming the Juhachi-Shinwa Bank. Figures of both banks before the merger were simply added up for this report.

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

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

# 1. Gain and loss

	3 banks' total			FFG (consolidated)		
	6 months ended Sep 30, 2021	Comparison	6 months ended Sep 30, 2020	6 months ended Sep 30, 2021	Comparison	6 months ended Sep 30, 2020
Gross business profit	102,603	1,827	100,776	110,110	2,507	107,603
Net interest income	92,440	2,694	89,746	90,556	2,832	87,724
Domestic	85,425	1,473	83,952	83,765	1,664	82,101
International	7,015	1,222	5,793	6,790	1,167	5,623
Net fees and commissions	12,150	3,045	9,105	17,735	3,094	14,641
Net trading income	1	(2)	3	664	415	249
Net other operating income	(1,988)	(3,908)	1,920	1,154	(3,834)	4,988
Gains (losses) on sales (redemptions) of bonds	(3,322)	(3,871)	549	(3,319)	(3,842)	523
Overhead expenses (-)	57,912	(3,644)	61,556	70,085	(3,776)	73,861
Business profit (before transfer to general reserve for possible loan losses)	44,691	5,471	39,220	40,025	6,283	33,742
① Transfer to general reserve for possible loan losses (-)	544	544	[(8,181)]	427	427	[(8,919)]
<b>Business profit</b>	<b>44,146</b>	<b>4,926</b>	<b>39,220</b>	<b>39,597</b>	<b>5,855</b>	<b>33,742</b>
<b>Core business profit</b> [41,900]	<b>48,013</b>	<b>9,343</b>	<b>38,670</b>	<b>43,344</b>	<b>10,126</b>	<b>33,218</b>
Core business profit (excluding gains (losses) on cancellation of investment trusts)	47,235	8,614	38,621	42,668	9,499	33,169
Other operating profit (loss)	4,504	(1,026)	5,530	890	(3,829)	4,719
② Credit cost for disposal of non-performing loans (-)	(199)	6,884	(7,083)	750	7,369	(6,619)
Net transfer to specific reserve for possible loan losses (-)	160	160	[(925)]	1,133	1,133	[(2,135)]
Reversal of allowance for loan losses	—	(7,255)	7,255	—	(6,784)	6,784
Recoveries of written-off claims	532	369	163	533	367	166
<b>Total credit cost ①+② (-)</b> [2,900]	<b>345</b>	<b>7,428</b>	<b>(7,083)</b>	<b>1,177</b>	<b>7,796</b>	<b>(6,619)</b>
Gains (losses) on stocks	4,892	2,179	2,713	2,602	102	2,500
Others	(587)	3,678	(4,265)	(961)	3,439	(4,400)
<b>Ordinary profit</b> [41,900]	<b>48,651</b>	<b>3,901</b>	<b>44,750</b>	<b>40,488</b>	<b>2,027</b>	<b>38,461</b>
Extraordinary profit (loss)	(333)	119	(452)	(393)	(341)	(52)
Income (loss) before income taxes	48,317	4,019	44,298	40,094	1,685	38,409
Total income taxes (-)	12,864	1,960	10,904	12,170	(8)	12,178
Net income [30,300]	<b>35,453</b>	<b>2,059</b>	<b>33,394</b>	<b>27,924</b>	<b>1,693</b>	<b>26,231</b>
Net income attributable to non-controlling interests (-)				(24)	8	(32)
<b>Net income attributable to owners of the parent</b> [24,500]				<b>27,948</b>	<b>1,684</b>	<b>26,264</b>

<Notes> The notes described below are also applied to subsidiary banks (p8-9).

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.

4. We changed presentation methods for FFG’s consolidated report from the third quarter of previous fiscal year, recombining figures for the past fiscal year. This resulted in changes of figures of gross business profit, net other operating income and overhead expenses.

Reference (¥ bil.)	Interim of FY2021	Interim of FY2020	Comparison
Net income (3 banks' total)	35.5	33.4	2.1
FFG non-consolidated	(4.2)	(8.2)	4.0
Profit (loss) of subsidiary companies (including Minna Bank)	(3.1)	2.1	(5.1)
Other consolidation adjustments	(0.2)	(0.9)	0.7
<b>FFG's consolidated interim net profit</b>	<b>27.9</b>	<b>26.3</b>	<b>1.7</b>

## ■ 6 months Summary

**Core business profit  
(3 banks' total)**

**¥48.0 billion**

➢ Core business profit increased ¥9.3 billion from a year earlier to ¥48.0 billion mainly due to increases in interest income and fees and commissions, as well as a decrease in overhead expenses.

**Consolidated ordinary profit**

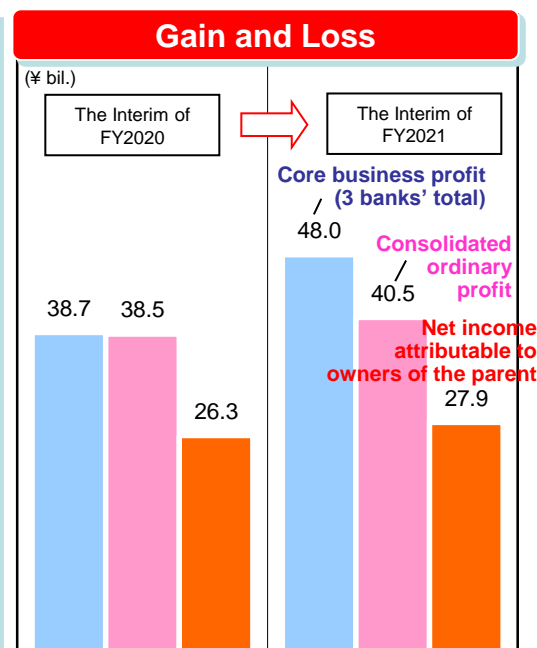
**¥40.5 billion**

➢ Even though credit cost increased, consolidated ordinary profit increased ¥2.0 billion from a year earlier to ¥40.5 billion mainly due to an increase in core business profit.

**Net income attributable  
to owners of the parent**

**¥27.9 billion**

➢ As a result, net income attributable to owners of the parent increased ¥1.7 billion from a year earlier to ¥27.9 billion.





## The Bank of Fukuoka (non-consolidated)

(¥ mil.)

	【 announced projections 】	6 months ended Sep 30, 2021	6 months ended Sep 30, 2020	Comparison
Gross business profit		68,721	66,258	2,463
Net interest income		60,815	57,629	3,186
Domestic		55,068	53,012	2,056
International		5,746	4,616	1,130
Net fees and commissions		8,981	6,828	2,153
Net trading income		1	3	(2)
Net other operating income		(1,076)	1,797	(2,873)
Gains (losses) on sales (redemptions) of bonds		(2,293)	298	(2,591)
Overhead expenses (-)		33,209	34,131	(922)
Business profit (before transfer to general reserve for possible loan losses)		35,511	32,127	3,384
① Transfer to general reserve for possible loan losses (-)	∴[24]	—	∴[(6,099)]	—
<b>Business profit</b>		∴ 35,511	∴ 32,127	∴ 3,384
<b>Core business profit</b> [34,600]		∴ 37,805	∴ 31,829	∴ 5,976
Core business profit (excluding gains (losses) on cancellation of investment trusts)		∴ 37,321	∴ 31,779	∴ 5,542
Other operating profit (loss)		∴ 3,446	∴ 5,442	(1,996)
② Credit cost for disposal of non-performing loans (-)		∴ (1,048)	∴ (3,986)	2,938
Net transfer to specific reserve for possible loan losses (-)		∴[(1,067)]	∴[2,009]	—
Reversal of allowance for loan losses		∴▶ 1,043	∴▶ 4,090	(3,047)
Recoveries of written-off claims		51	92	(41)
<b>Total credit cost ①+② (-)</b> [1,800]		∴ (1,048)	∴ (3,986)	∴ 2,938
Gains (losses) on stocks		2,224	2,571	(347)
Others		172	(1,115)	1,287
<b>Ordinary profit</b> [36,800]		∴ 38,957	∴ 37,570	∴ 1,387
Extraordinary profit (loss)		(115)	(8)	(107)
Income (loss) before income taxes		38,841	37,561	1,280
Total income taxes (-)		11,016	9,308	1,708
<b>Net income</b> [26,400]		∴ 27,825	∴ 28,253	∴ (428)

## The Kumamoto Bank (non-consolidated)

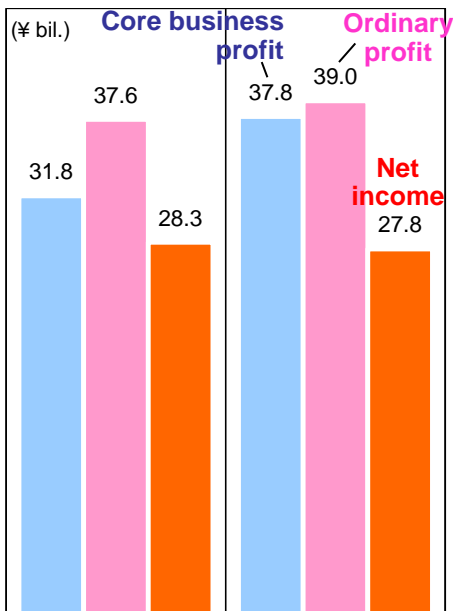
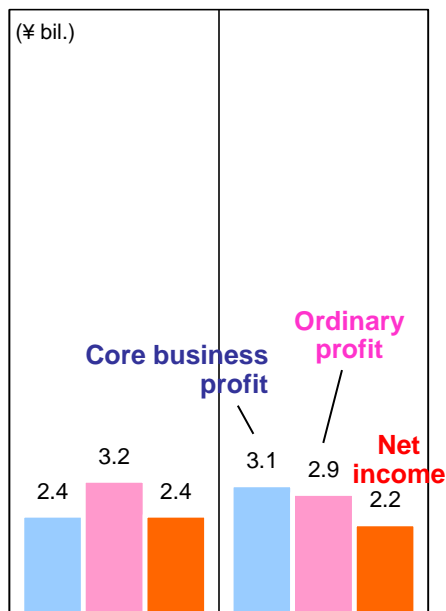
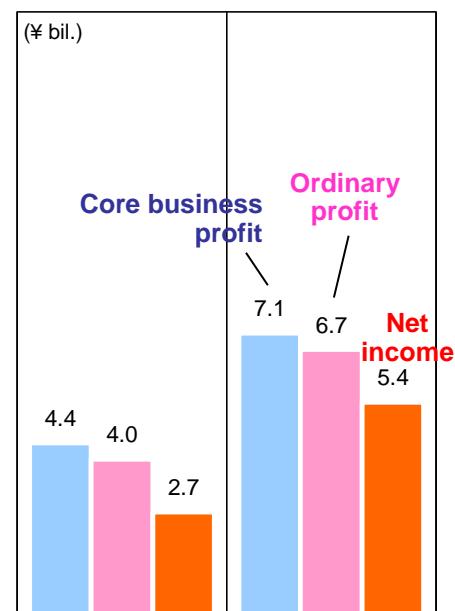
(¥ mil.)

	【 announced projections 】	6 months ended Sep 30, 2021	6 months ended Sep 30, 2020	Comparison
Gross business profit		9,661	9,233	428
Net interest income		8,957	8,936	21
Domestic		8,955	8,933	22
International		1	3	(2)
Net fees and commissions		659	256	403
Net other operating income		44	40	4
Gains (losses) on sales (redemptions) of bonds		13	14	(1)
Overhead expenses (-)		6,534	6,809	(275)
Business profit (before transfer to general reserve for possible loan losses)		3,127	2,423	704
① Transfer to general reserve for possible loan losses (-)	∴[(404)]	—	∴[(623)]	—
<b>Business profit</b>		∴ 3,127	∴ 2,423	∴ 704
<b>Core business profit</b> [2,500]		∴ 3,114	∴ 2,409	∴ 705
Core business profit (excluding gains (losses) on cancellation of investment trusts)		∴ 3,114	∴ 2,409	∴ 705
Other operating profit (loss)		∴ (179)	∴ 739	(918)
② Credit cost for disposal of non-performing loans (-)		∴ 9	∴ (1,076)	1,085
Net transfer to specific reserve for possible loan losses (-)		∴[387]	∴[(517)]	—
Reversal of allowance for loan losses		∴▶ 17	∴▶ 1,141	(1,124)
Recoveries of written-off claims		7	15	(8)
<b>Total credit cost ①+② (-)</b> [400]		∴ 9	∴ (1,076)	∴ 1,085
Gains (losses) on stocks		(3)	—	(3)
Others		(166)	(337)	171
<b>Ordinary profit</b> [2,000]		∴ 2,947	∴ 3,162	∴ (215)
Extraordinary profit (loss)		(35)	(32)	(3)
Income (loss) before income taxes		2,912	3,130	(218)
Total income taxes (-)		733	680	53
<b>Net income</b> [1,500]		∴ 2,178	∴ 2,449	∴ (271)

## The Juhachi-Shinwa Bank (non-consolidated)

	【 announced projections 】	6 months ended Sep 30, 2021	6 months ended Sep 30, 2020	Comparison
(¥ mil.)				
Gross business profit		24,221	25,284	(1,063)
Net interest income		22,668	23,181	(513)
Domestic		21,400	22,007	(607)
International		1,267	1,173	94
Net fees and commissions		2,510	2,021	489
Net other operating income		(957)	81	(1,038)
Gains (losses) on sales (redemptions) of bonds		(1,041)	236	(1,277)
Overhead expenses (-)		18,168	20,615	(2,447)
Business profit (before transfer to general reserve for possible loan losses)		6,052	4,668	1,384
① Transfer to general reserve for possible loan losses (-)		924	::[(1,458)] -	924
<b>Business profit</b>		5,128	:: 4,668	460
<b>Core business profit</b>	[4,900]	7,094	:: 4,432	2,662
Core business profit (excluding gains (losses) on cancellation of investment trusts)		6,799	:: 4,432	2,367
Other operating profit (loss)		1,617	:: (651)	2,268
② Credit cost for disposal of non-performing loans (-)		460	:: (2,020)	2,480
Net transfer to specific reserve for possible loan losses (-)		841	:: [(565)] -	841
Reversal of allowance for loan losses		-	:: 2,023	(2,023)
Recoveries of written-off claims		473	:: 55	418
<b>Total credit cost ①+② (-)</b>	[800]	1,384	:: (2,020)	3,404
Gains (losses) on stocks		2,671	:: 141	2,530
Others		(593)	:: (2,813)	2,220
<b>Ordinary profit</b>	[3,200]	6,746	:: 4,017	2,729
Extraordinary profit (loss)		(182)	:: (410)	228
Income (loss) before income taxes		6,563	:: 3,606	2,957
Total income taxes (-)		1,114	:: 915	199
<b>Net income</b>	[2,400]	5,449	:: 2,691	2,758

## Gain and Loss

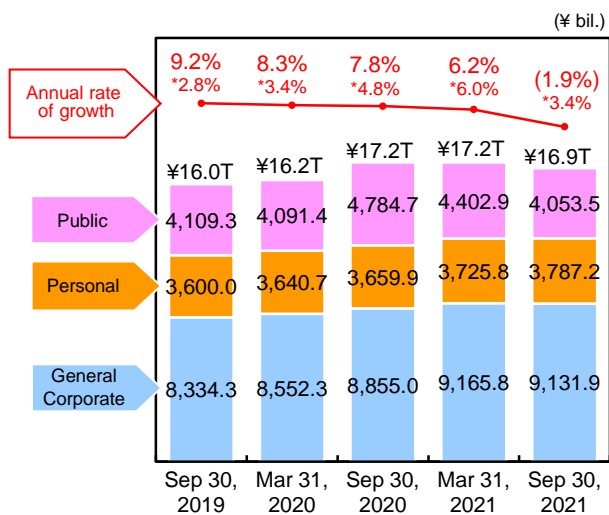
The Bank of Fukuoka  
(non-consolidated)The Kumamoto Bank  
(non-consolidated)The Juhachi-Shinwa Bank  
(non-consolidated)The Interim  
of FY2020The Interim  
of FY2021The Interim  
of FY2020The Interim  
of FY2021The Interim  
of FY2020The Interim  
of FY2021

## 2. Assets and liabilities

### (1) Loans

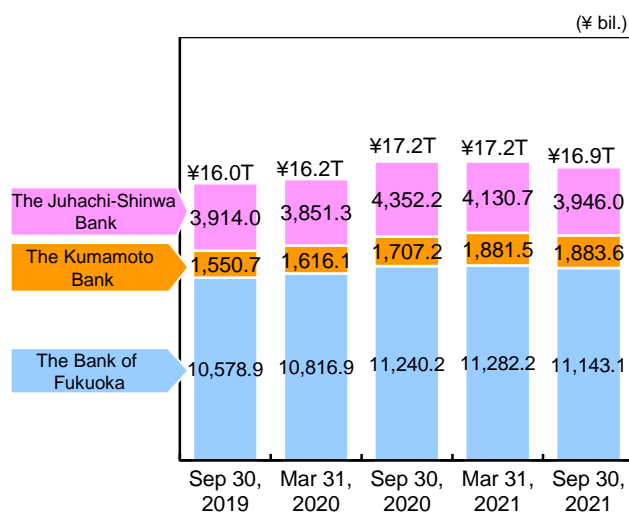
3 banks' total

Loans classified by customer segment  
(Term-end balance)



\* Annual rates, excluding loans to FFG and Government

Loans classified by bank  
(Term-end balance)



(¥ mil.)

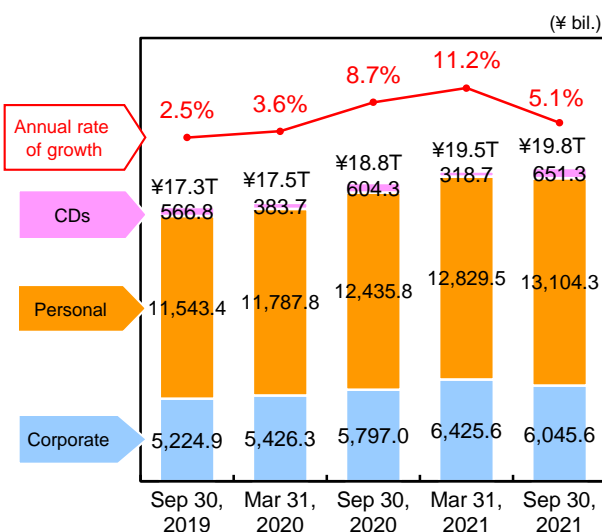
	Sep 30, 2021				Mar 31, 2021	Sep 30, 2020	
	annual rate of growth		change from Mar 31, 2021	change from Sep 30, 2020			
3 banks' total	Total loans	(1.9%)	16,972,772	(321,828)	(327,057)	17,294,600	17,299,829
	Personal segment	3.5%	3,787,263	61,463	127,309	3,725,800	3,659,954
	Corporate segment	(3.3%)	13,185,507	(383,290)	(454,365)	13,568,797	13,639,872
	General Corporate	3.1%	9,131,978	(33,889)	276,898	9,165,867	8,855,080
	Public Sector	(15.3%)	4,053,528	(349,400)	(731,262)	4,402,928	4,784,790
	Personal loans	3.4%	3,682,532	63,066	122,308	3,619,466	3,560,224
	Housing loans	3.8%	3,301,670	59,865	119,687	3,241,805	3,181,983
Consumer loans	0.5%	315,180	2,155	1,551	313,025	313,629	
The Bank of Fukuoka (non-consolidated)	Total loans	(0.9%)	11,143,129	(139,158)	(97,137)	11,282,287	11,240,266
	Personal segment	3.5%	2,389,247	43,492	80,348	2,345,755	2,308,899
	Corporate segment	(2.0%)	8,753,882	(182,649)	(177,484)	8,936,531	8,931,366
	General Corporate	4.6%	6,799,771	(17,137)	301,996	6,816,908	6,497,775
	Public Sector	(19.7%)	1,954,110	(165,512)	(479,481)	2,119,622	2,433,591
	Fukuoka prefecture	4.3%	7,720,144	(9,899)	321,230	7,730,043	7,398,914
	Personal loans	3.7%	2,323,308	45,394	83,457	2,277,914	2,239,851
Housing loans	4.1%	2,077,828	43,461	81,569	2,034,367	1,996,259	
Consumer loans	1.9%	202,135	2,080	3,795	200,055	198,340	
The Kumamoto Bank (non-consolidated)	Total loans	10.3%	1,883,635	2,046	176,341	1,881,589	1,707,294
	Personal segment	5.2%	533,794	12,228	26,596	521,566	507,198
	Corporate segment	12.5%	1,349,840	(10,182)	149,745	1,360,022	1,200,095
	General Corporate	0.4%	687,772	(5,402)	2,650	693,174	685,122
	Public Sector	28.6%	662,068	(4,780)	147,096	666,848	514,972
	Kumamoto prefecture	2.6%	1,269,609	17,915	32,725	1,251,694	1,236,884
	Personal loans	5.4%	512,834	12,226	26,278	500,608	486,556
Housing loans	5.7%	477,847	11,935	25,724	465,912	452,123	
Consumer loans	(0.9%)	29,705	19	(260)	29,686	29,965	
The Juhachi-Shinwa Bank (non-consolidated)	Total loans	(9.3%)	3,946,008	(184,716)	(406,261)	4,130,724	4,352,269
	Personal segment	2.4%	864,222	5,743	20,365	858,479	843,857
	Corporate segment	(12.2%)	3,081,785	(190,459)	(426,626)	3,272,244	3,508,411
	General Corporate	(1.7%)	1,644,435	(11,350)	(27,748)	1,655,785	1,672,183
	Public Sector	(21.7%)	1,437,350	(179,108)	(398,877)	1,616,458	1,836,227
	Nagasaki prefecture	0.4%	2,286,345	(9,201)	8,829	2,295,546	2,277,516
	Personal loans	1.5%	846,390	5,446	12,573	840,944	833,817
Housing loans	1.7%	745,995	4,469	12,394	741,526	733,601	
Consumer loans	(2.3%)	83,340	56	(1,984)	83,284	85,324	

<Note> The term-end balance of loans includes loans granted by the Bank of Fukuoka to FFG (¥123.3 billion at the end of September 2020, ¥123.3 billion at the end of March 2021, and ¥123.3 billion at the end of September 2021).

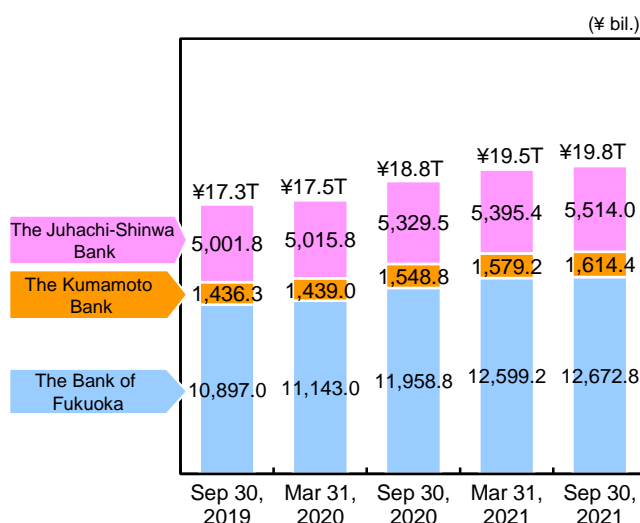
## (2) Deposits

3 banks' total

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



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

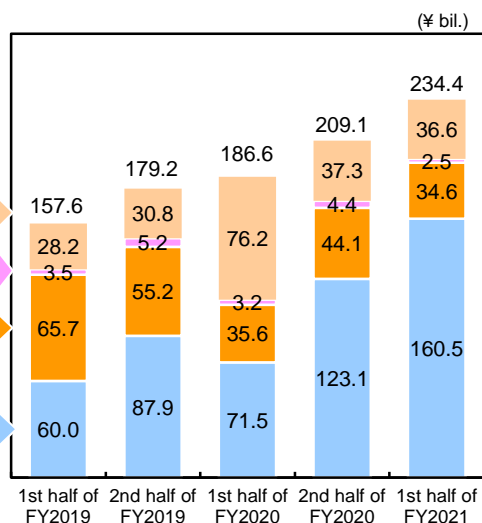


		Sep 30, 2021				Mar 31, 2021	Sep 30, 2020
		annual rate of growth		change from Mar 31, 2021	change from Sep 30, 2020		
3 banks' total	Personal deposits	5.4%	13,104,304	274,745	668,433	12,829,559	12,435,871
	Corporate deposits	4.3%	6,045,682	(379,985)	248,680	6,425,667	5,797,002
	Total	5.0%	19,149,987	(105,240)	917,112	19,255,227	18,232,875
	Demand	7.0%	13,953,821	(229,288)	916,475	14,183,109	13,037,346
	Time	0.0%	5,196,165	124,048	640	5,072,117	5,195,525
	CDs	7.8%	651,319	332,540	46,960	318,779	604,359
	Deposits and CDs	5.1%	19,801,308	227,301	964,073	19,574,007	18,837,235
The Bank of Fukuoka (non-consolidated)	Personal deposits	6.0%	8,339,485	199,388	474,870	8,140,097	7,864,615
	Corporate deposits	5.3%	3,935,116	(345,560)	197,450	4,280,676	3,737,666
	Total	5.8%	12,274,601	(146,172)	672,319	12,420,773	11,602,282
	Demand	7.0%	9,112,146	(257,323)	596,248	9,369,469	8,515,898
	Time	2.5%	3,162,455	111,151	76,072	3,051,304	3,086,383
	CDs	11.7%	398,287	219,840	41,733	178,447	356,554
	Deposits and CDs	6.0%	12,672,889	73,669	714,053	12,599,220	11,958,836
	Fukuoka prefecture	5.5%	11,427,968	(238,942)	595,910	11,666,910	10,832,058
The Kumamoto Bank (non-consolidated)	Personal deposits	4.3%	1,158,743	15,915	47,284	1,142,828	1,111,459
	Corporate deposits	4.2%	455,058	19,192	18,364	435,866	436,694
	Total	4.2%	1,613,802	35,107	65,648	1,578,695	1,548,154
	Demand	8.7%	1,063,603	24,385	85,088	1,039,218	978,515
	Time	(3.4%)	550,199	10,723	(19,439)	539,476	569,638
	CDs	(14.3%)	600	0	(100)	600	700
	Deposits and CDs	4.2%	1,614,402	35,107	65,548	1,579,295	1,548,854
	Kumamoto prefecture	4.4%	1,524,666	34,493	64,391	1,490,173	1,460,275
The Juhachi-Shinwa Bank (non-consolidated)	Personal deposits	4.2%	3,606,076	59,442	146,279	3,546,634	3,459,797
	Corporate deposits	2.0%	1,655,508	(53,617)	32,866	1,709,125	1,622,642
	Total	3.5%	5,261,584	5,825	179,145	5,255,759	5,082,439
	Demand	6.6%	3,778,072	3,650	235,139	3,774,422	3,542,933
	Time	(3.6%)	1,483,511	2,174	(55,993)	1,481,337	1,539,504
	CDs	2.2%	252,432	112,700	5,327	139,732	247,105
	Deposits and CDs	3.5%	5,514,017	118,525	184,472	5,395,492	5,329,545
	Nagasaki prefecture	4.0%	4,861,623	3,637	186,106	4,857,986	4,675,517

### (3) Asset management products

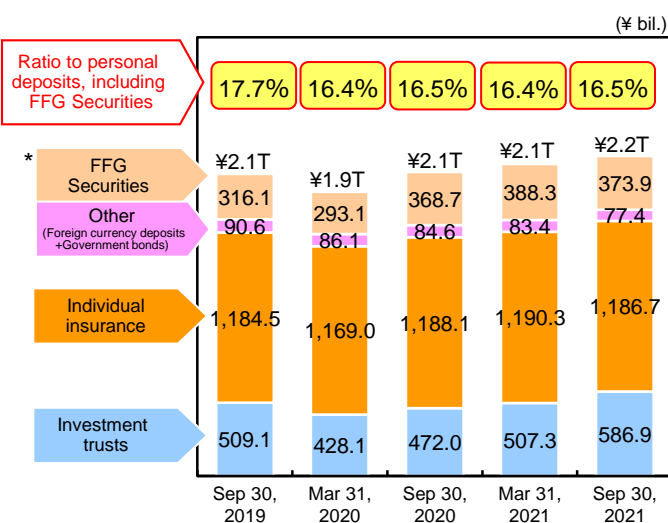
#### Group's total

#### Sales of asset management products



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

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



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

#### Sales of asset management products

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

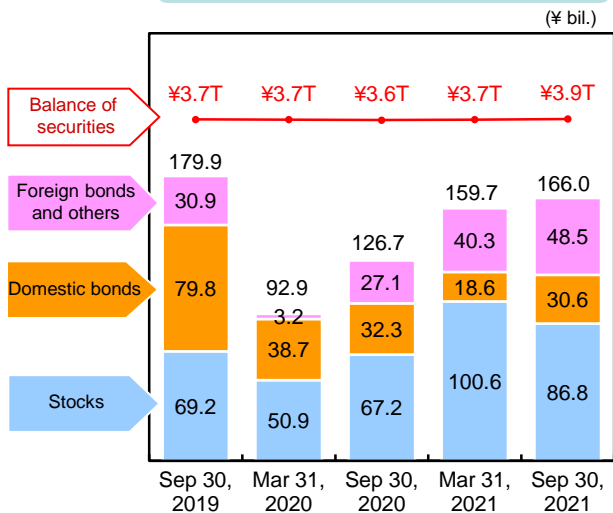
		1st half of FY2021			2nd half of FY2020 (6 months)	1st half of FY2020 (6 months)	Sep 30, 2021			Mar 31, 2021	Sep 30, 2020
		1st half of FY2021 (6 months)	change from 2nd half of FY2020	change from 1st half of FY2020			Change from Mar 31, 2021	Change from Sep 30, 2020			
Group's total	Investment trusts	160.5	37.4	89.0	123.1	71.5	586.9	79.6	114.9	507.3	472.0
	Individual insurance	34.6	(9.5)	(1.0)	44.1	35.6	1,186.7	(3.6)	(1.4)	1,190.3	1,188.1
	Foreign currency deposits	0.7	(2.0)	(1.4)	2.7	2.1	33.5	(2.9)	(0.8)	36.4	34.3
	Government bonds	1.8	0.1	0.8	1.7	1.0	43.8	(3.2)	(6.4)	47.0	50.2
	FFG Securities	36.6	(0.7)	(39.6)	37.3	76.2	373.9	(14.4)	5.2	388.3	368.7
	Total	234.4	25.3	47.8	209.1	186.6	2,225.1	55.7	111.6	2,169.4	2,113.5
Ratio to personal deposits							16.5%	0.1%	0.0%	16.4%	16.5%
The Bank of Fukuoka (non-consolidated)	Investment trusts	95.3	17.1	51.1	78.2	44.2	366.8	55.3	86.0	311.5	280.8
	Individual insurance	14.8	(3.7)	(2.0)	18.5	16.8	675.2	(0.5)	(2.9)	675.7	678.1
	Foreign currency deposits	0.5	(1.8)	(1.2)	2.3	1.7	25.0	(2.4)	(0.5)	27.4	25.5
	Government bonds	1.4	0.0	0.7	1.4	0.7	32.7	(1.8)	(4.8)	34.5	37.5
	Total	112.2	11.7	48.6	100.5	63.6	1,099.8	50.7	77.8	1,049.1	1,022.0
	Ratio to personal deposits							13.2%	0.3%	0.2%	12.9%
The Kumamoto Bank (non-consolidated)	Investment trusts	24.9	6.6	14.2	18.3	10.7	76.6	9.8	12.2	66.8	64.4
	Individual insurance	6.1	(2.1)	(1.0)	8.2	7.1	144.0	(0.7)	(1.7)	144.7	145.7
	Foreign currency deposits	0.0	(0.2)	(0.2)	0.2	0.2	2.5	(0.2)	(0.1)	2.7	2.6
	Government bonds	0.0	0.0	0.0	0.0	0.0	0.9	(0.1)	0.0	1.0	0.9
	Total	31.1	4.3	13.0	26.8	18.1	224.1	8.8	10.4	215.3	213.7
	Ratio to personal deposits							19.3%	0.5%	0.1%	18.8%
The Juhachi-Shinwa Bank (non-consolidated)	Investment trusts	40.2	13.7	23.7	26.5	16.5	143.4	14.5	16.8	128.9	126.6
	Individual insurance	13.6	(3.8)	2.1	17.4	11.5	367.4	(2.4)	3.2	369.8	364.2
	Foreign currency deposits	0.2	0.1	0.0	0.1	0.2	6.0	(0.2)	(0.2)	6.2	6.2
	Government bonds	0.3	0.0	0.1	0.3	0.2	10.2	(1.2)	(1.5)	11.4	11.7
	Total	54.4	10.1	25.8	44.3	28.6	527.1	10.5	18.2	516.6	508.9
	Ratio to personal deposits							14.6%	0.0%	(0.1%)	14.6%

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

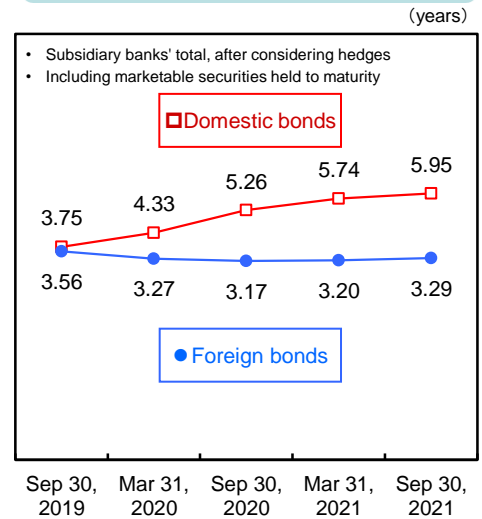
## (4) Marketable securities

FFG (consolidated)

## Unrealized gain



## Bond duration

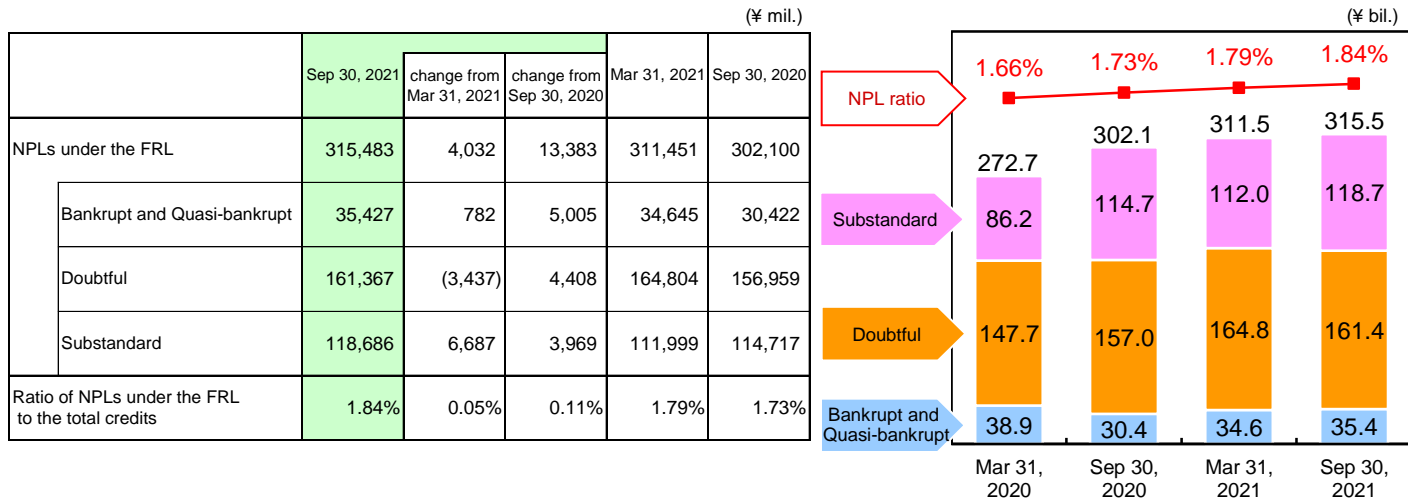


(¥ mil.)

		Sep 30, 2021						Mar 31, 2021		Sep 30, 2020	
		Market value	change from		Unrealized gain(loss)	change from		Market value	Unrealized gain(loss)	Market value	Unrealized gain(loss)
			Mar 31, 2021	Sep 30, 2020		Mar 31, 2021	Sep 30, 2020				
FFG (consolidated)	Total	3,952,091	192,013	348,946	166,056	6,338	39,314	3,760,078	159,718	3,603,145	126,742
	Stocks	181,605	(13,121)	20,746	86,818	(13,877)	19,597	194,726	100,695	160,859	67,221
	Domestic bonds	2,602,568	63,260	65,770	30,674	11,983	(1,718)	2,539,308	18,691	2,536,798	32,392
	National government bonds	1,982,088	91,442	120,959	29,180	11,208	(1,193)	1,890,646	17,972	1,861,129	30,373
	Local government bonds	152,273	(3,611)	(10,024)	140	77	(162)	155,884	63	162,297	302
	Corporate bonds	468,206	(24,572)	(45,164)	1,354	699	(362)	492,778	655	513,370	1,716
Foreign bonds and Others	1,167,918	141,875	262,431	48,562	8,231	21,434	1,026,043	40,331	905,487	27,128	
The Bank of Fukuoka (consolidated)	Total	2,627,047	180,351	326,367	137,403	1,848	25,336	2,446,696	135,555	2,300,680	112,067
	Stocks	142,509	(12,083)	16,465	78,730	(12,752)	15,450	154,592	91,482	126,044	63,280
	Domestic bonds	1,612,139	84,963	124,614	25,674	9,396	(119)	1,527,176	16,278	1,487,525	25,793
	National government bonds	1,303,039	101,360	158,164	24,872	8,986	299	1,201,679	15,886	1,144,875	24,573
	Local government bonds	65,445	(6,168)	(7,135)	10	71	(103)	71,613	(61)	72,580	113
	Corporate bonds	243,655	(10,229)	(26,415)	791	338	(315)	253,884	453	270,070	1,106
Foreign bonds and Others	872,398	107,472	185,288	32,998	5,203	10,005	764,926	27,795	687,110	22,993	
The Kumamoto Bank (non-consolidated)	Total	141,562	13,307	9,904	2,455	(88)	(529)	128,255	2,543	131,658	2,984
	Stocks	1,969	(226)	24	1,017	(225)	24	2,195	1,242	1,945	993
	Domestic bonds	134,630	8,570	4,918	1,463	163	(528)	126,060	1,300	129,712	1,991
	National government bonds	114,644	10,693	7,287	1,282	209	(422)	103,951	1,073	107,357	1,704
	Local government bonds	1,442	(6)	93	9	(1)	(3)	1,448	10	1,349	12
	Corporate bonds	18,543	(2,116)	(2,462)	172	(44)	(102)	20,659	216	21,005	274
Foreign bonds and Others	4,962	4,962	4,962	(25)	(25)	(25)	—	—	—	—	
The Juhachi-Shinwa Bank (consolidated)	Total	1,180,287	(3,654)	9,482	59,532	2,904	11,248	1,183,941	56,628	1,170,805	48,284
	Stocks	37,126	(812)	4,257	16,845	(899)	3,965	37,938	17,744	32,869	12,880
	Domestic bonds	852,603	(32,283)	(66,956)	17,359	1,069	(3,812)	884,886	16,290	919,559	21,171
	National government bonds	561,210	(22,620)	(47,686)	14,252	976	(3,169)	583,830	13,276	608,896	17,421
	Local government bonds	85,385	2,564	(2,981)	1,010	(128)	(329)	82,821	1,138	88,366	1,339
	Corporate bonds	206,007	(12,227)	(16,287)	2,096	221	(313)	218,234	1,875	222,294	2,409
Foreign bonds and Others	290,557	29,441	72,181	25,327	2,734	11,094	261,116	22,593	218,376	14,233	

### 3. Non-performing loans (Direct write-off is adopted)

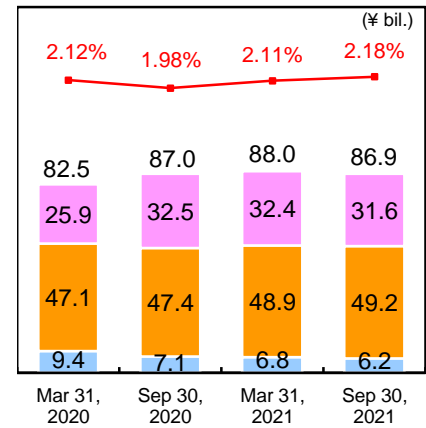
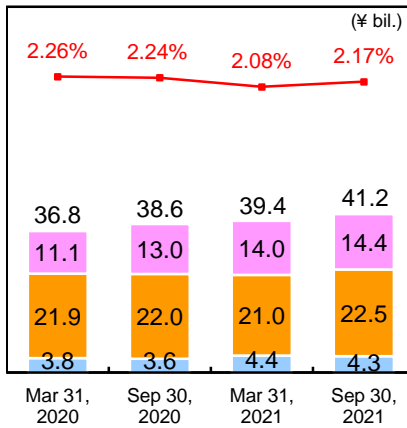
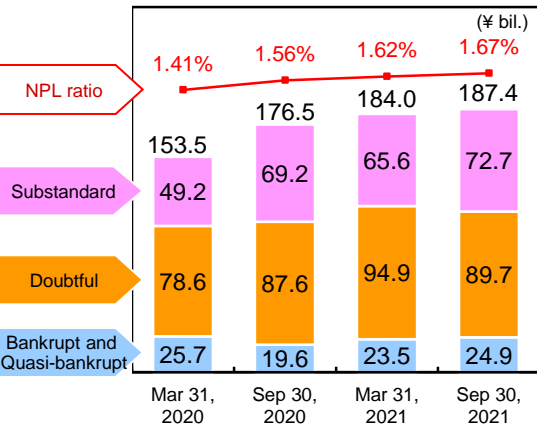
3 banks' total



The Bank of Fukuoka  
(non-consolidated)

The Kumamoto Bank  
(non-consolidated)

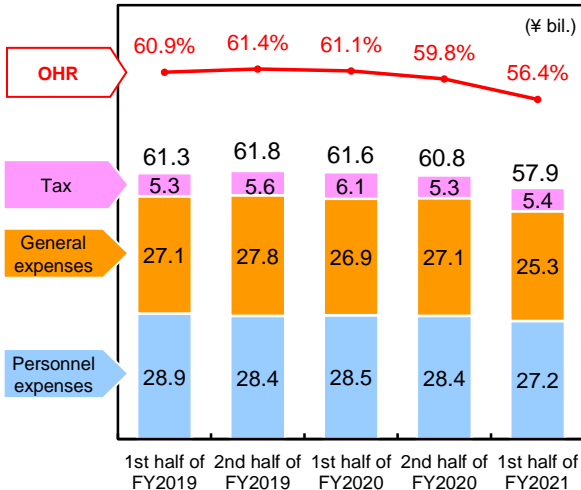
The Juhachi-Shinwa Bank  
(non-consolidated)



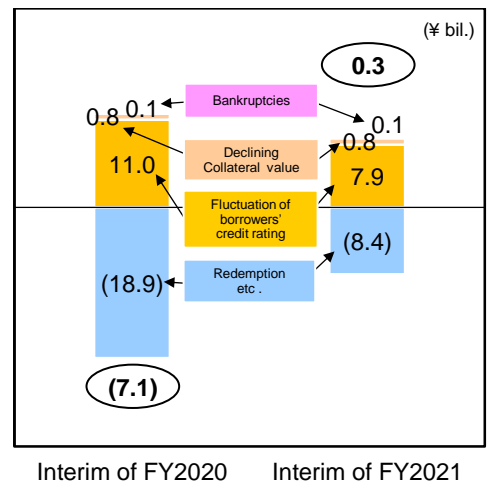
### 4. Overhead expenses • Credit cost

3 banks' total

Overhead expenses • OHR



Composition of credit cost



## 5. Capital adequacy ratio

FFG (consolidated)

The Domestic standard

- Consolidated capital adequacy ratio: 10.77%.
- Capital adequacy on its structure based on Pillar 3, market discipline, is disclosed on our website (<https://www.fukuoka-fg.com/investor/library/earnings.html>). (This information is Japanese only.)

	Sep 30, 2021 [preliminary]		Mar 31, 2021	Sep 30, 2020
	Change from Mar 31, 2021	Change from Sep 30, 2020		
①Total capital ratio ④/⑤	10.77%	0.09%	10.68%	10.92%
②Core capital	885,581	17,927	867,654	845,276
③Deduction	33,528	2,554	30,974	19,690
④Total capital ②-③	852,053	15,374	836,679	825,585
⑤Risk adjusted assets	7,907,445	77,977	7,829,468	7,554,234

(¥ mil.)

## 6. Projections

- Based on the interim financial results of FY2021, the business performance forecast was revised as follows.

FFG (consolidated)

	FY2021 Projection	Interim Results	FY2020
			Results
Consolidated ordinary profit	78.0	40.5	60.4
FFG(consolidated)Net income	53.0	27.9	44.6

(¥ bil.)

	FY2021 Projection	FY2020
		Simple total
Net income(3 banks' total)	68.4	57.3
Consolidation adjustments	(15.4)	(12.7)
FFG(consolidated)Net income	53.0	44.6

(¥ bil.)

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

	FY2021 (Projection)				Comparison	FY2020
	3 banks' total	The Bank of Fukuoka	The Kumamoto Bank	The Juhachi-Shinwa Bank		3 banks' total
Core business profit	94.0	73.6	6.4	14.0	14.3	79.7
Ordinary profit	94.2	76.6	5.7	11.9	20.6	73.6
Net income	68.4	55.1	4.2	9.1	11.1	57.3
Credit cost (-)	3.2	0.7	0.4	2.1	2.9	0.3

(¥ bil.)

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