

# Financial Highlights

## First Quarter of FY2023

**August 2023**

# Profit & Loss Summary

(\* Figures rounded to nearest unit)

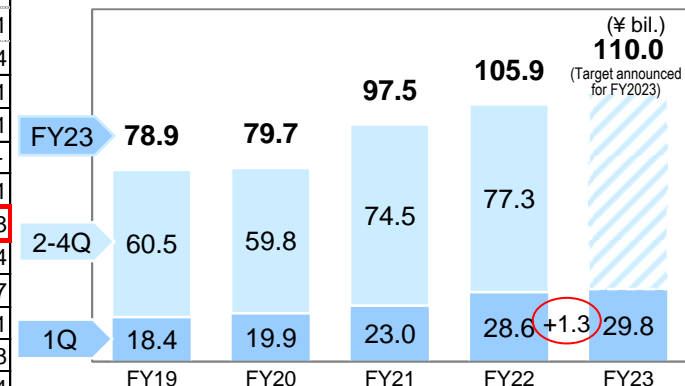
## Profit & loss (3 banks total)

(¥. bil)

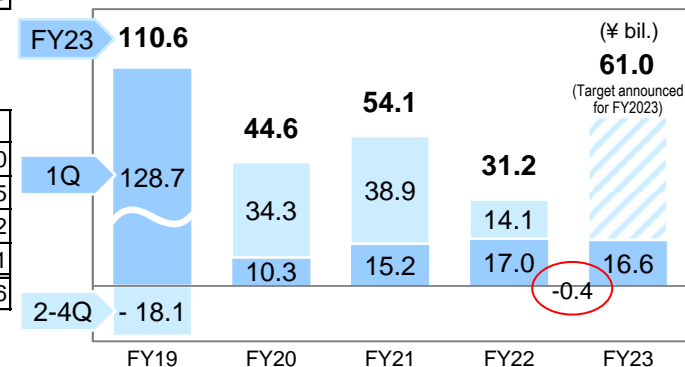
	3 banks non-consolidated total		Bank of Fukuoka (non-consolidated)		Kumamoto Bank (non-consolidated)		Juhachi-Shinwa Bank (non-consolidated)		
	23/1Q	YoY chg.	23/1Q	YoY chg.	23/1Q	YoY chg.	23/1Q	YoY chg.	
	[FY projected]								
Gross business profit	58.1	1.0	39.3	-0.3	5.3	0.3	13.5	1.0	
Net interest income	51.1	2.2	33.8	1.1	5.1	0.4	12.2	0.7	
Domestic	48.6	4.5	31.4	2.6	5.1	0.4	12.1	1.6	
International	2.5	-2.3	2.4	-1.5	0.0	0.0	0.1	-0.9	
Non-interest income	7.0	-1.2	5.5	-1.4	0.2	-0.1	1.3	0.3	
Net fees and commissions	6.7	0.4	5.0	0.5	0.2	-0.0	1.4	-0.0	
Specified trading income + other income (excl. bonds)	0.3	-1.4	0.5	-1.3	-0.0	-0.0	-0.1	-0.1	
Bond-related income	-0.0	-0.2	-0.0	-0.6	-	-	-0.0	0.4	
Expenses (-)	28.3	-0.1	16.8	0.0	3.2	0.1	8.3	-0.1	
Real net business profit	29.8	1.0	22.5	-0.3	2.0	0.2	5.3	1.1	
General reserve for possible loan losses (-)	-0.2	0.1	0.0	-0.2	-	0.1	-	-	
Business profit	30.0	1.0	22.5	-0.2	2.0	0.2	5.3	1.1	
Core net business profit	[110.0]	29.8	1.3	22.5	0.3	2.0	0.2	5.3	0.8
Non-recurring gains (losses)	-0.8	0.4	-1.2	0.3	0.0	0.3	0.7	-0.4	
Ordinary profit	[110.0]	29.3	1.3	21.3	0.2	2.0	0.5	5.9	0.7
Extraordinary gains (losses)	-0.0	0.0	-0.0	-0.0	-0.0	0.0	-0.0	0.1	
Income (loss) before income taxes	29.2	1.4	21.3	0.2	2.0	0.5	5.9	0.8	
Income taxes (-)	7.6	0.2	5.6	-0.3	0.5	0.1	1.5	0.4	
Net income	[80.9]	21.6	1.2	15.7	0.4	1.5	0.3	4.4	0.4
Credit cost (-)	[6.0]	1.6	1.1	1.9	0.4	-0.1	-0.2	-0.2	1.0

- ▶ Core net business profit increased 1.3 billion yen year-on-year due in part to an increase in net interest income and net fees and commissions. (Progress on FY2023 projection: 27.1%)
- ▶ Consolidated net income decreased 0.4 billion yen year-on-year, mainly due to an increase in FFG non-consolidated expenses, especially DX investment, and an increase in credit cost. (Progress on FY2023 projection: 27.2%)

## Core net business profit (3 banks total)



## FFG consolidated net income



## Profit & loss (FFG consolidated)

	23/1Q	YoY chg.	
Gross business profit	62.5	1.4	
Real net business profit	25.7	-0.0	
Core net business profit	25.7	-0.0	
Ordinary profit	[90.0]	23.9	-0.4
Consolidated net income*	[61.0]	16.6	-0.4

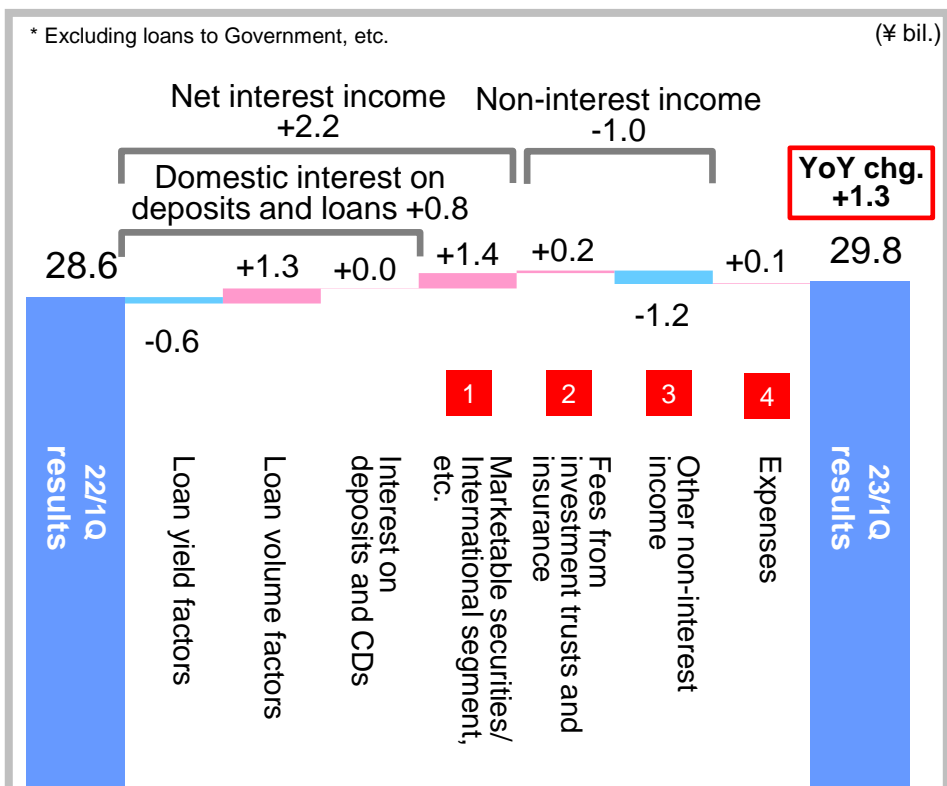
Consolidation adjustments

	23/1Q	YoY chg.
FFG non-consolidated	-3.6	-1.0
Adjustment related to Minna Bank	-2.1	-0.5
Subsidiary gains (losses)	0.9	-0.2
Other consolidation adjustments	-0.2	0.1
Consolidation adjustment	-5.0	-1.6

\* Refers to net income attributable to owners of the parent.

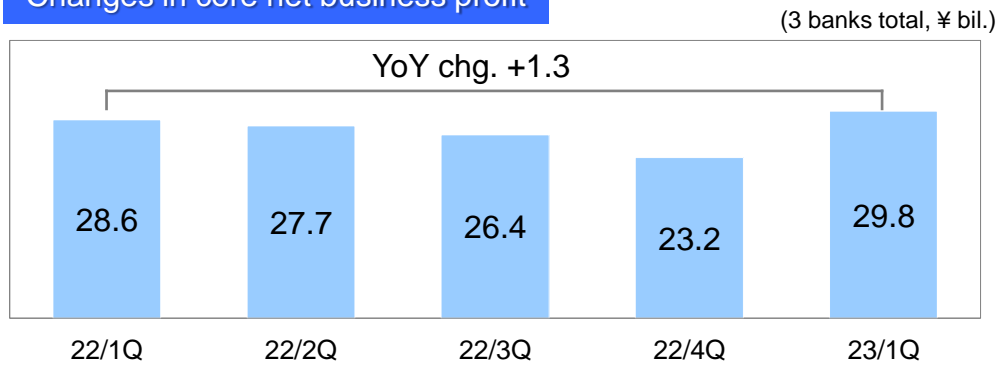
# Core Net Business Profit

## Core net business profit, year-on-year change

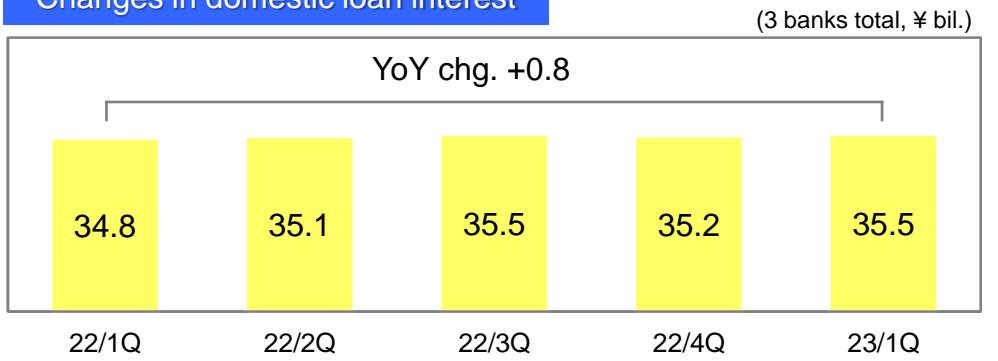


- 1** Domestic securities: +0.8, Domestic, others: +2.9, International division: -2.3
- 2** Investment trusts: +0.1, Insurance: +0.1
- 3** Corporate-related fees: +0.4, Gains (losses) on foreign exchange derivatives: -1.4, etc.
- 4** Personnel expenses: +0.2, Non-personnel expenses: -0.1, Taxes: -0.0

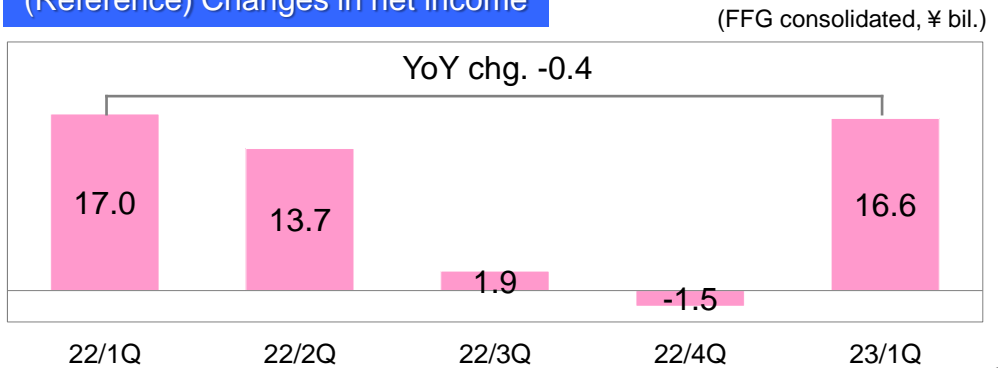
## Changes in core net business profit



## Changes in domestic loan interest



## (Reference) Changes in net income

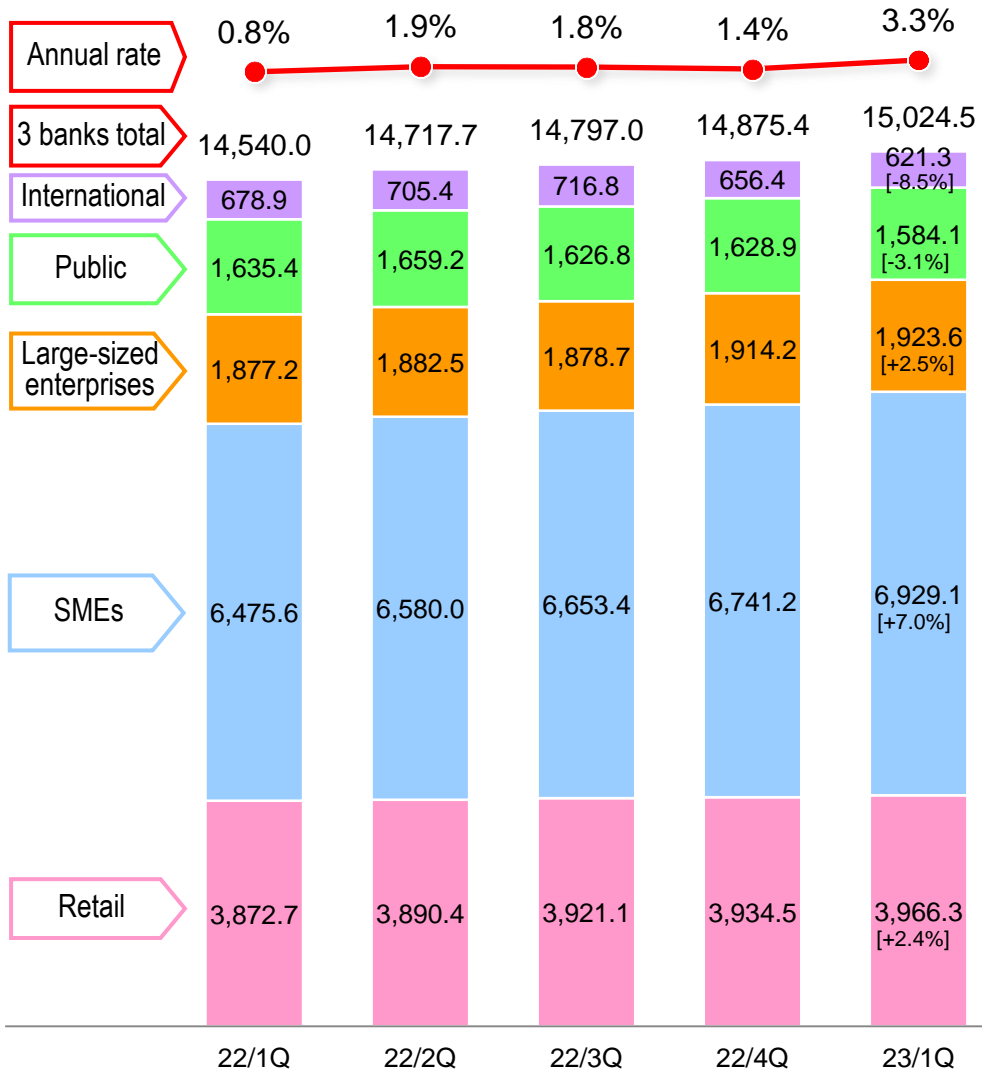


# Total Loans

## Total loans (average balance) (3 banks total)

(¥ bil.)

\* Excluding loans to FFG and Government, etc.



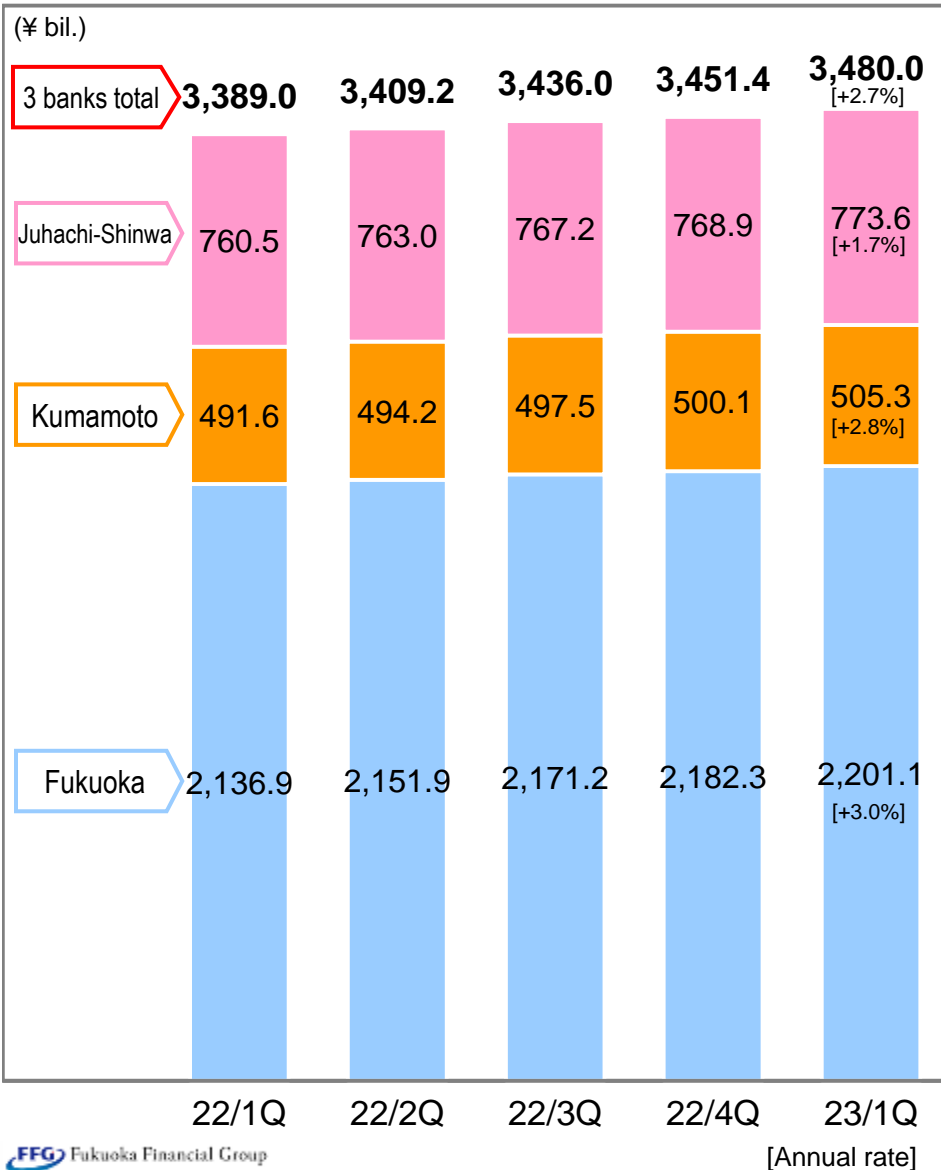
(¥ bil.)

		22/1Q	22/2Q	22/3Q	22/4Q	23/1Q	
Bank of Fukuoka	Total loans (average balance)	10,139.7	10,286.4	10,350.2	10,388.5	10,506.9	
	Annual rate	0.7%	2.3%	2.1%	1.4%	3.6%	Annual rate
	Retail	2,448.1	2,461.0	2,482.9	2,494.3	2,515.8	2.8%
	SMEs	4,612.4	4,696.3	4,739.5	4,795.7	4,937.2	7.0%
	Large-sized enterprises	1,429.0	1,441.9	1,438.5	1,465.0	1,475.9	3.3%
	Public	995.2	1,008.9	1,000.9	1,001.1	978.2	-1.7%
International	654.7	678.2	688.3	632.2	599.6	-8.4%	
Kumamoto Bank	Total loans (average balance)	1,371.2	1,381.2	1,385.6	1,399.4	1,401.7	
	Annual rate	2.0%	1.9%	1.1%	1.7%	2.2%	Annual rate
	Retail	546.8	549.9	554.3	556.8	562.5	2.9%
	SMEs	631.2	634.1	639.0	649.2	648.5	2.7%
	Large-sized enterprises	56.2	53.3	52.2	52.3	53.4	-5.0%
	Public	136.9	143.6	140.0	141.0	137.0	0.1%
International	-	-	-	-	-	-	
Juhachi-Shinwa Bank	Total loans (average balance)	3,029.0	3,050.1	3,061.0	3,087.4	3,115.8	
	Annual rate	0.6%	0.7%	1.2%	1.4%	2.9%	Annual rate
	Retail	877.7	879.4	883.8	883.4	887.9	1.2%
	SMEs	1,232.0	1,249.5	1,274.8	1,296.2	1,343.2	9.0%
	Large-sized enterprises	391.9	387.2	388.0	396.8	394.2	0.6%
	Public	503.1	506.6	485.9	486.7	468.7	-6.8%
International	24.1	27.1	28.5	24.1	21.6	-10.4%	

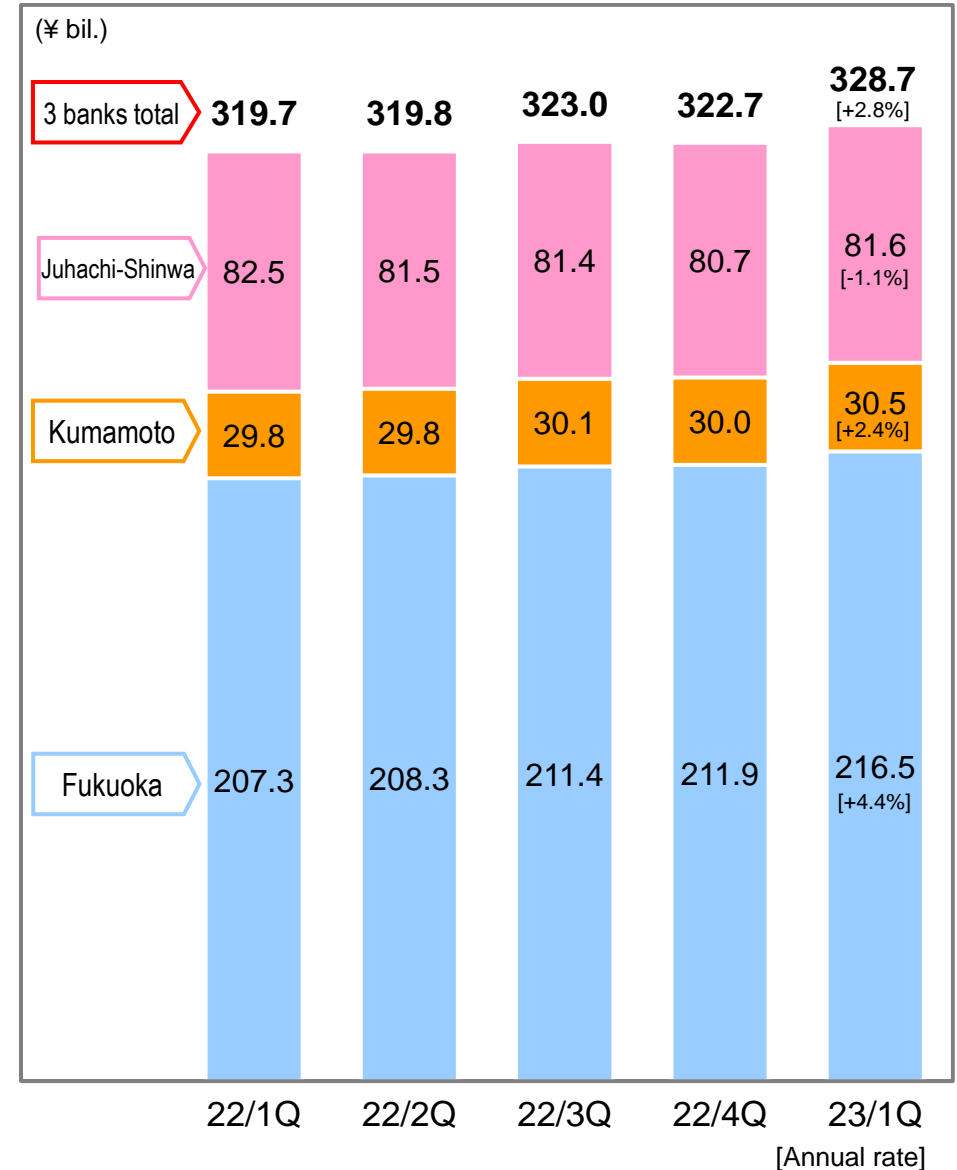
Figures in square brackets [ ] are annualized by sector

# Retail Loans

## Housing loans (average balance) (3 banks total)



## Consumer loans (average balance) (3 banks total)



# Deposits + CDs

## Deposits + CDs (average balance) (3 banks total)



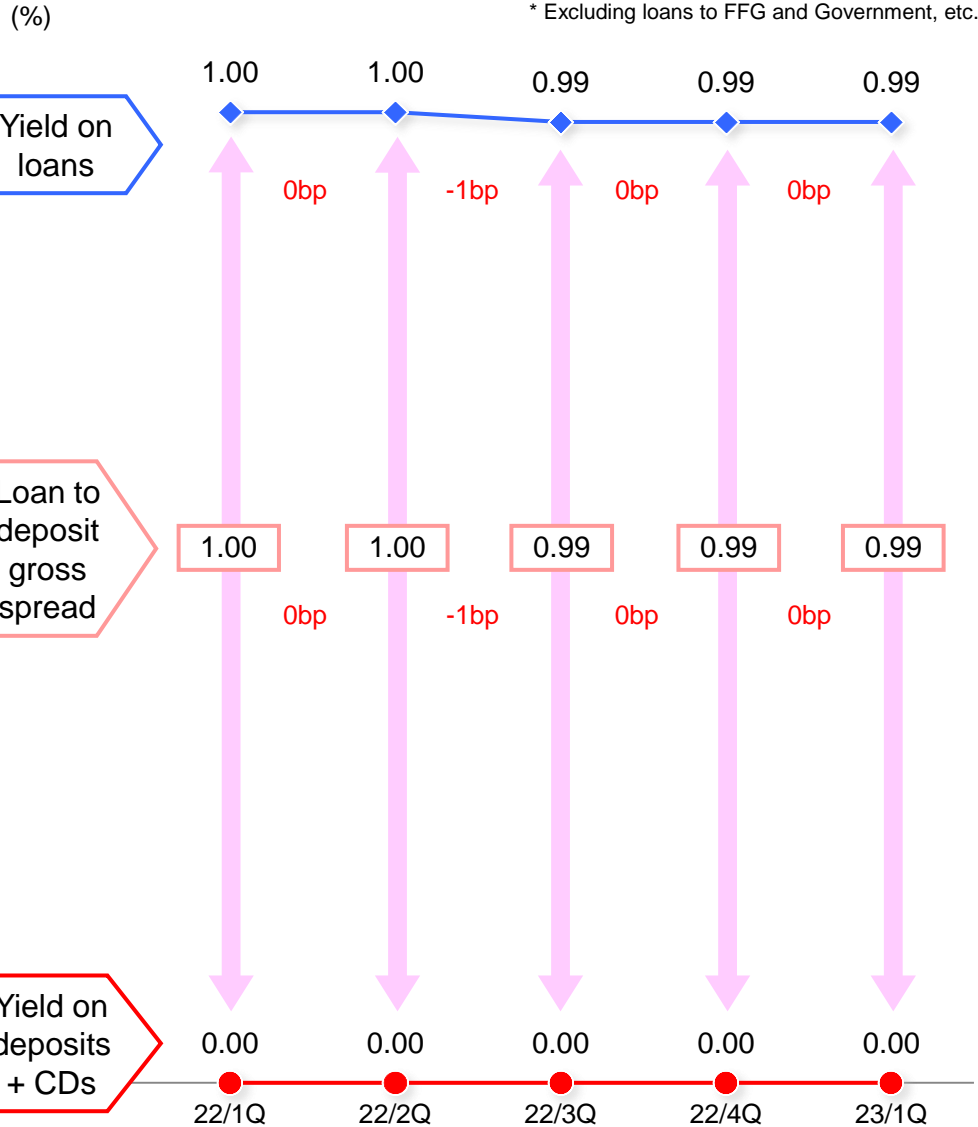
(¥ bil.)

		22/1Q	22/2Q	22/3Q	22/4Q	23/1Q	
<b>Bank of Fukuoka</b>	Deposits + CDs (average balance)	13,446.7	13,448.9	13,393.2	13,313.3	13,629.0	(Annual rate)
	(Annual rate)	6.1%	4.6%	4.1%	2.2%	1.4%	(Annual rate)
	Retail	8,556.9	8,678.9	8,711.0	8,764.7	8,778.6	2.6%
	Corporate	3,423.6	3,370.1	3,385.5	3,349.0	3,503.9	2.3%
	Public	723.6	767.9	619.5	643.5	653.2	-9.7%
	CDs	456.8	371.3	373.2	314.0	469.7	2.8%
Foreign currency deposits	285.6	260.4	303.8	242.0	223.4	-21.8%	
<b>Kumamoto Bank</b>	Deposits + CDs (average balance)	1,640.8	1,645.8	1,647.1	1,647.8	1,658.5	(Annual rate)
	(Annual rate)	1.7%	2.0%	1.6%	1.7%	1.1%	(Annual rate)
	Retail	1,179.6	1,189.8	1,190.7	1,197.4	1,200.9	1.8%
	Corporate	424.2	413.9	414.9	409.5	424.5	0.1%
	Public	33.8	39.2	38.8	38.2	30.1	-11.0%
	CDs	0.6	0.6	0.6	0.6	0.9	58.3%
Foreign currency deposits	2.6	2.1	2.0	2.0	2.0	-22.2%	
<b>Juhachi-Shinwa Bank</b>	Deposits + CDs (average balance)	5,720.4	5,723.5	5,673.5	5,594.1	5,780.3	(Annual rate)
	(Annual rate)	3.8%	2.8%	2.6%	1.7%	1.0%	(Annual rate)
	Retail	3,686.4	3,723.6	3,727.8	3,734.3	3,741.7	1.5%
	Corporate	1,415.4	1,377.5	1,373.1	1,363.6	1,425.4	0.7%
	Public	353.4	336.3	324.2	308.0	383.6	8.5%
	CDs	257.3	278.6	240.1	179.4	221.0	-14.1%
Foreign currency deposits	7.7	7.3	8.1	8.6	8.4	8.7%	

\* Figures in square brackets [ ] are annualized by sector

# Yield and Spread

## Domestic deposit loan gross margin (3 banks total)



(%)

	22/1Q	22/2Q	22/3Q	22/4Q	23/1Q
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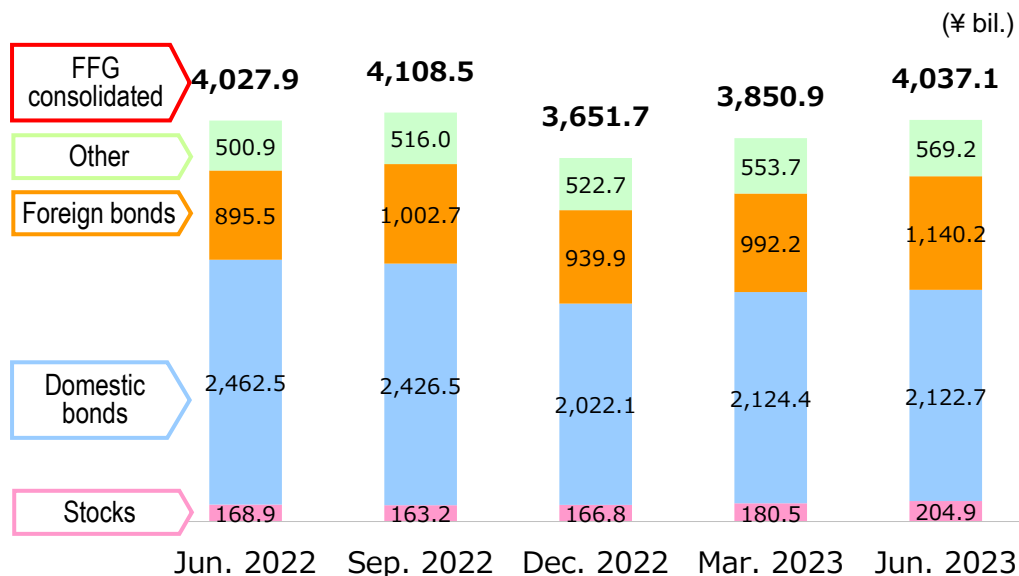
Bank of Fukuoka	Yield on loans (A)	0.96	0.96	0.96	0.96	0.95
	Change from previous quarter	0bp	0bp	0bp	0bp	-1bp
Yield on deposits + CDs (B)	0.00	0.00	0.00	0.00	0.00	
	Change from previous quarter	0bp	0bp	0bp	0bp	
Loan to deposit spread (A-B)	0.96	0.96	0.96	0.96	0.95	
	Change from previous quarter	0bp	0bp	0bp	-1bp	

Kumamoto Bank	Yield on loans (A)	1.18	1.17	1.17	1.17	1.16
	Change from previous quarter	-1bp	0bp	0bp	0bp	-1bp
Yield on deposits + CDs (B)	0.00	0.00	0.00	0.00	0.00	
	Change from previous quarter	0bp	0bp	0bp	0bp	
Loan to deposit spread (A-B)	1.18	1.17	1.17	1.17	1.16	
	Change from previous quarter	-1bp	0bp	0bp	-1bp	

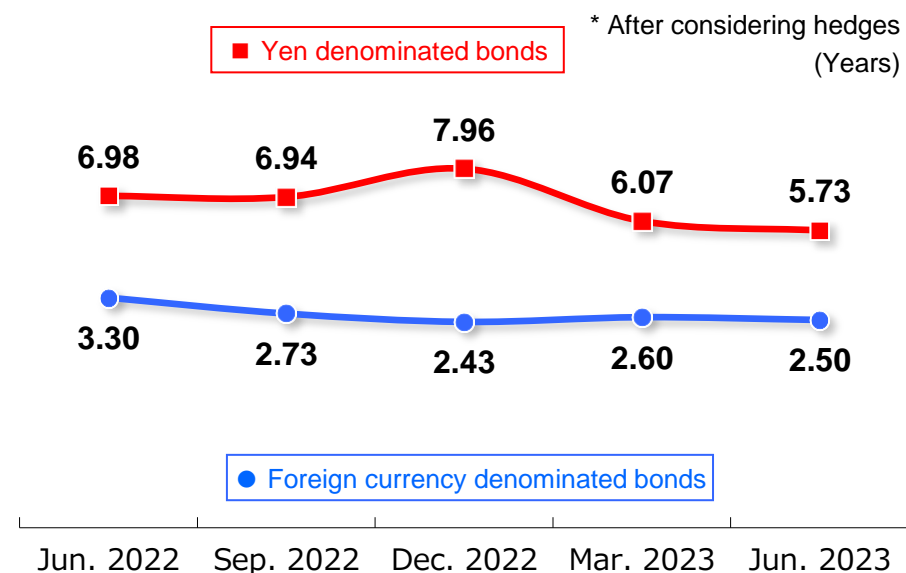
Juhachi-Shinwa Bank	Yield on loans (A)	1.05	1.04	1.04	1.03	1.02
	Change from previous quarter	-1bp	0bp	-1bp	-1bp	
Yield on deposits + CDs (B)	0.00	0.00	0.00	0.00	0.00	
	Change from previous quarter	0bp	0bp	0bp	0bp	
Loan to deposit spread (A-B)	1.05	1.04	1.04	1.03	1.02	
	Change from previous quarter	-1bp	0bp	-1bp	-1bp	

# Securities

## Other securities (FFG consolidated)



## Bond duration



## Unrealized gains (losses) on other securities (FFG consolidated)

(¥ bil.)	Jun. 2022	Sep. 2022	Dec. 2022	Mar. 2023	Jun. 2023
Stocks	+71.4	+65.1	+69.8	+82.7	+106.9
Domestic bonds	- 49.4	- 64.8	- 117.1	- 64.4	- 55.0
Foreign bonds	- 44.3	- 79.8	- 47.8	- 17.9	- 32.8
Other	- 5.7	- 17.0	- 18.5	- 10.6	+0.2
<b>Total</b>	<b>- 28.2</b>	<b>- 96.7</b>	<b>- 113.6</b>	<b>- 10.2</b>	<b>+19.4</b>
(After considering hedges)	(-4.7)	(-54.9)	(-68.4)	(+7.8)	(+40.2)

## Gains (losses) on securities (3 banks total)

(¥ bil.)	22/1Q	22/2Q	22/3Q	22/4Q	23/1Q
Stocks	0.0	1.2	2.0	0.2	1.6
Bonds	0.2	-4.9	-17.2	-16.3	-0.0
<b>Total</b>	<b>0.2</b>	<b>-3.7</b>	<b>-15.2</b>	<b>-16.1</b>	<b>1.5</b>

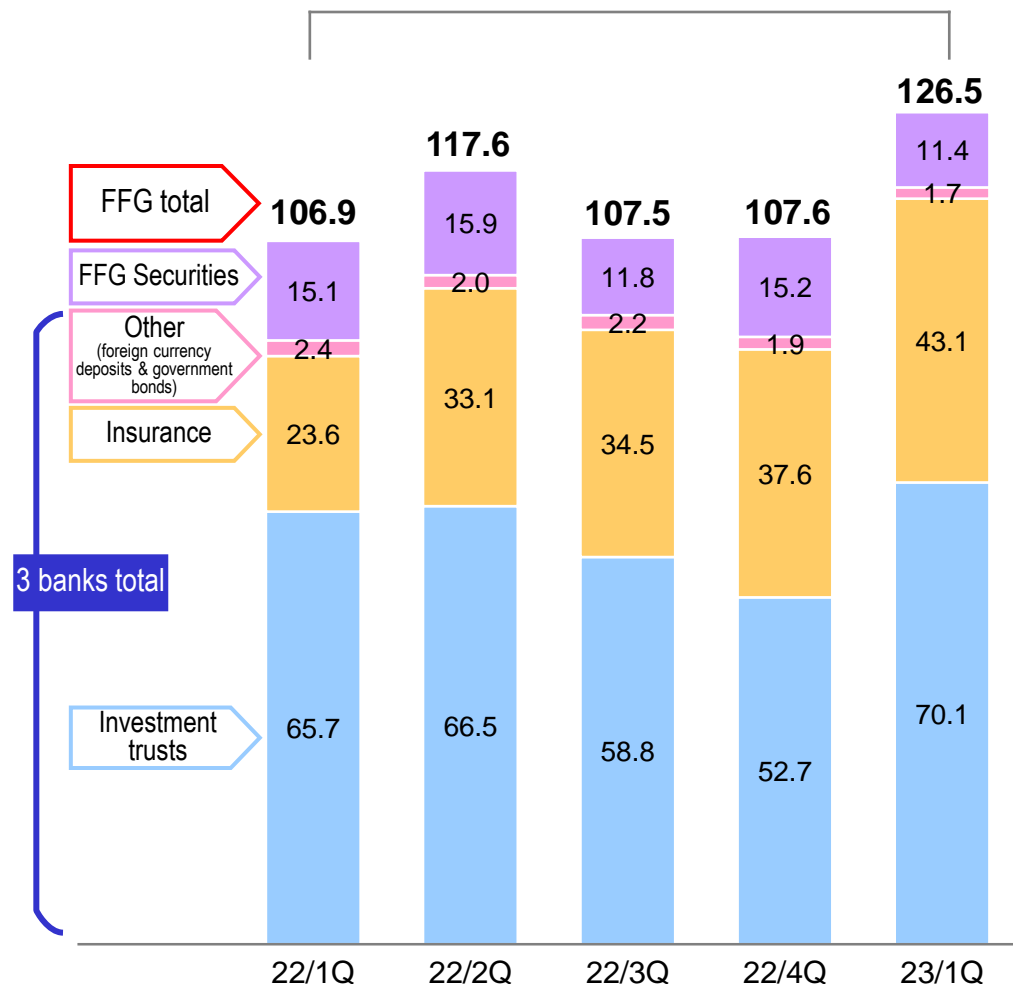


# Asset Management Products

Asset management product sales

(¥ bil.)

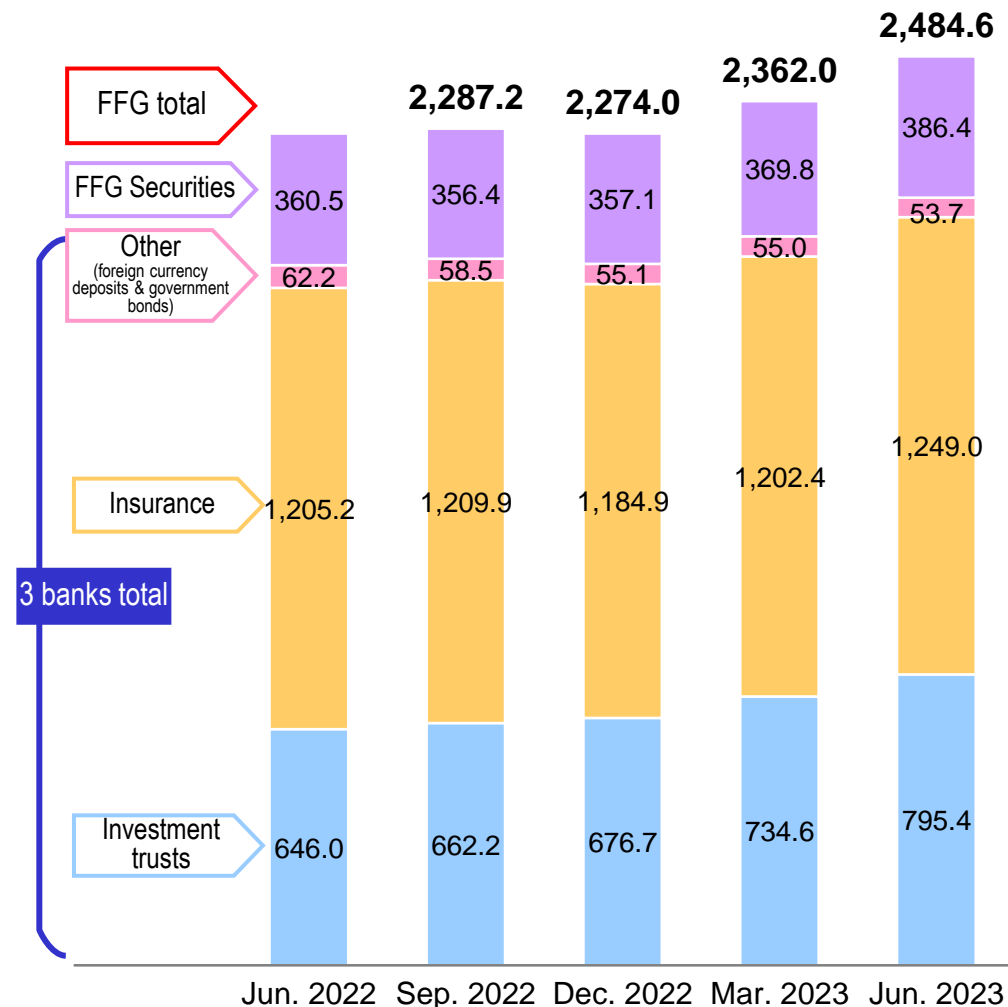
YoY chg. +19.6



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

Balance of assets under management for individual customers

(¥ bil.)



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

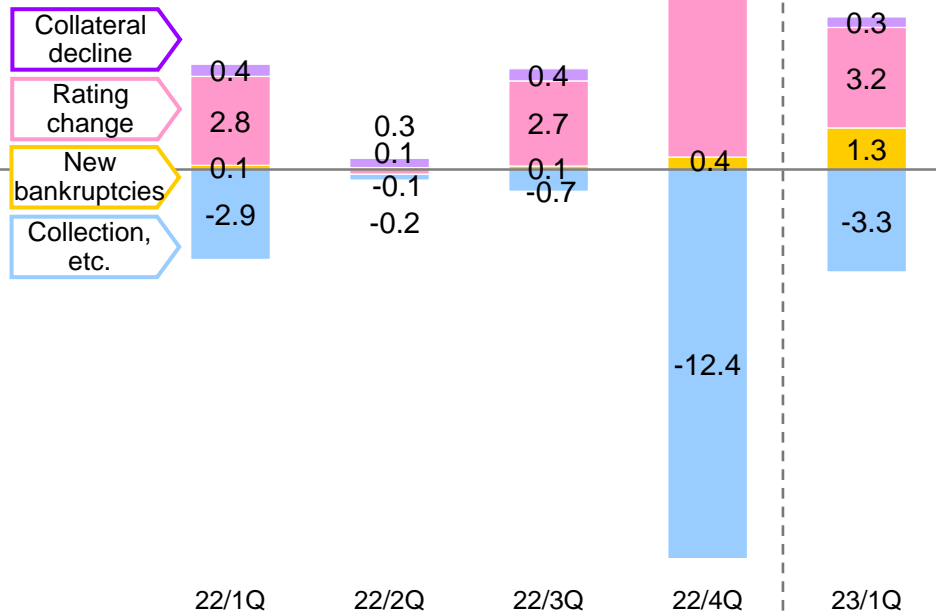
# Credit Cost & NPL

## Credit cost (3 banks total)

(¥ bil.)

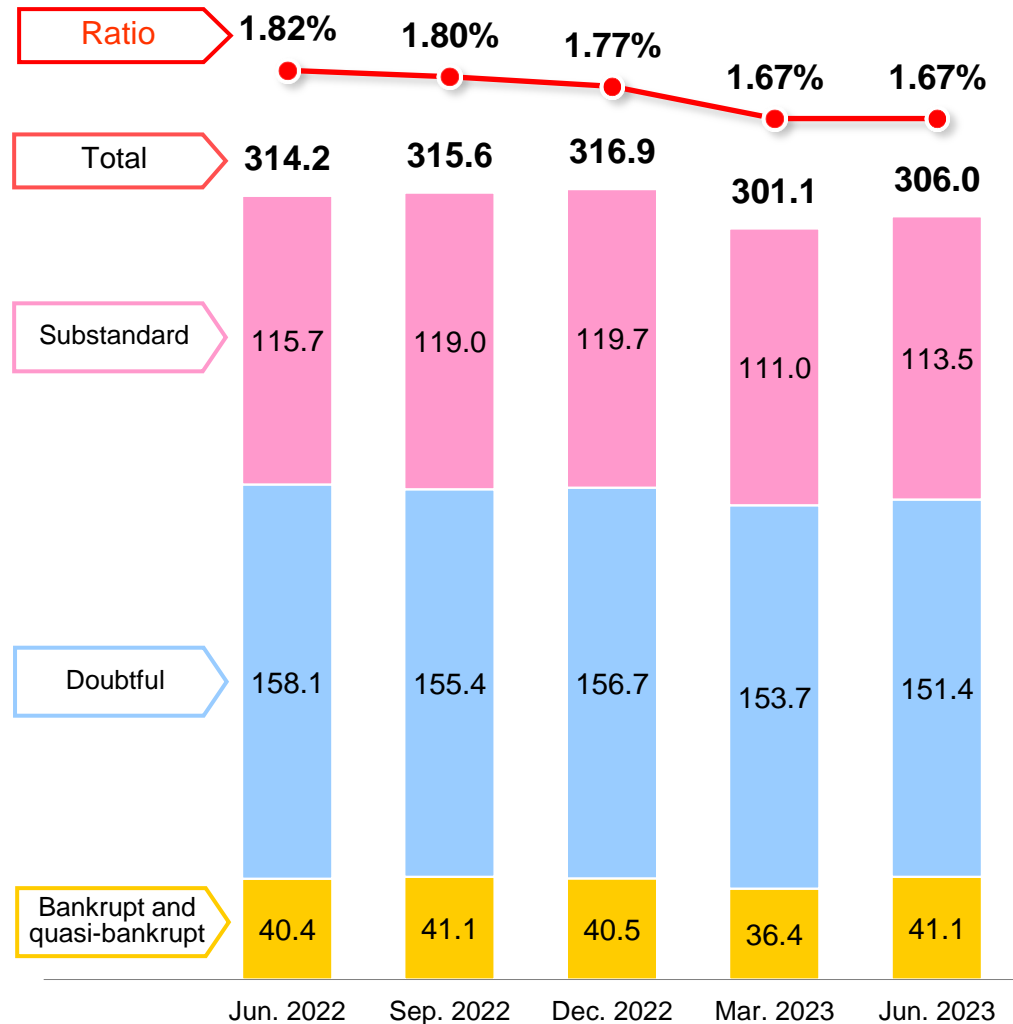
FY2022				FY2023
1Q	2Q	3Q	4Q	1Q
0.5	0.0	2.5	0.1	1.6

Cumulative total for fiscal year  
3.1 billion yen (transfer)



## Non-performing loans & ratio (3 banks total)

(¥ bil.)



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