

Financial Highlights

Third Quarter of FY2022

January 2023

Profit & Loss Summary

(* Figures rounded to nearest unit)

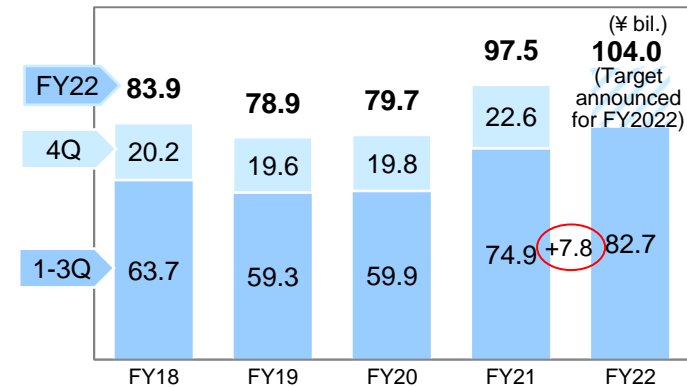
Profit & loss (3 banks total)

(\ bil.)

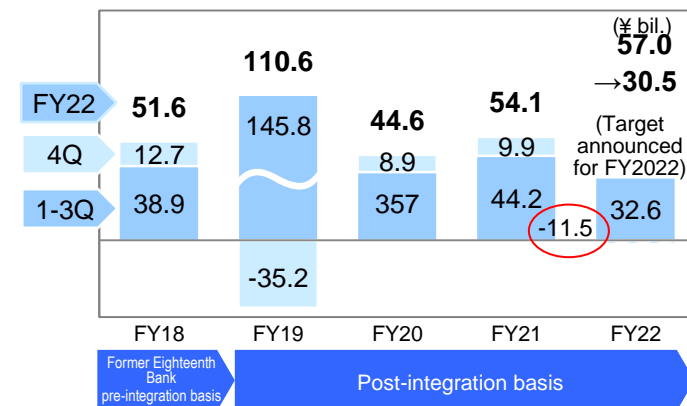
	3 banks non-consolidated total		Bank of Fukuoka (non-consolidated)		Kumamoto Bank (non-consolidated)		Juhachi-Shinwa Bank (non-consolidated)		
	22/3Q	YoY chg.	22/3Q	YoY chg.	22/3Q	YoY chg.	22/3Q	YoY chg.	
Gross business profit	143.7	-15.5	97.3	-10.1	15.5	0.6	30.9	-6.0	
Net interest income	141.9	1.1	94.9	1.9	14.1	0.3	33.0	-1.1	
Domestic	130.2	0.3	84.9	0.9	14.0	0.3	31.3	-0.9	
International	11.7	0.8	10.0	1.0	0.0	0.0	1.7	-0.3	
Non-interest income	1.7	-16.6	2.4	-12.0	1.4	0.3	-2.0	-4.9	
Net fees and commissions	19.7	1.1	14.6	0.7	1.4	0.3	3.7	0.2	
Specified trading income + other income (excl. bonds)	4.0	1.6	3.7	1.5	0.0	-0.0	0.2	0.1	
Bond-related income	-21.9	-19.3	-16.0	-14.2	0.0	-0.0	-6.0	-5.1	
Expenses (-)	82.9	-4.0	49.2	-0.9	9.4	-0.4	24.3	-2.7	
Real net business profit	60.8	-11.5	48.1	-9.2	6.1	1.0	6.6	-3.2	
General reserve for possible loan losses (-)	1.4	1.3	-0.5	-0.5	0.2	0.2	-	-1.0	
Business profit	59.4	-12.7	48.5	-8.7	5.9	0.8	6.6	-2.3	
Core net business profit	[104.0]	82.7	7.8	64.1	5.0	6.1	1.0	12.6	1.8
Non-recurring gains (losses)	1.0	-2.7	-2.8	-5.8	-0.3	-0.4	2.4	1.0	
Ordinary profit	[99.6]	60.3	-15.5	45.8	-14.6	5.5	0.4	9.0	-1.2
Extraordinary gains (losses)	-0.3	0.1	-0.0	0.1	-0.0	-0.0	-0.3	0.1	
Income (loss) before income taxes	60.0	-15.3	45.7	-14.5	5.5	0.3	8.8	-1.2	
Income taxes (-)	15.0	-5.2	12.1	-4.8	1.3	0.0	1.5	-0.4	
Net income	[73.2]	45.0	-10.1	33.6	-9.6	4.2	0.3	7.2	-0.8
Credit cost (-)	[3.5]	3.0	2.1	4.5	5.0	0.3	0.6	-1.8	-3.4

- ▶ Core net business profit increased 7.8 billion yen year-on-year due in part to an increase in net interest income and net fees and commissions and a decrease in expenses (Progress on FY2022 projection: 79.5%)
- ▶ Consolidated net income decreased 11.5 billion yen year-on-year, mainly due to a decrease in government bonds and other bond-related income. (Progress on FY2022 projection: 57.3%)
→ Earnings projections have been revised based on actual results (see P10)

Core net business profit (3 banks total)



FFG consolidated net income



Profit & loss (FFG consolidated)

	22/3Q	YoY chg.	
Gross business profit	155.3	-15.6	
Real net business profit	49.8	-15.1	
Core net business profit	72.9	5.2	
Ordinary profit	[83.0]	47.3	-16.7
Consolidated net income*	[57.0]	32.6	-11.5

Consolidation adjustments

	22/3Q	YoY chg.
FFG non-consolidated	-8.1	-1.4
Adjustment related to Minna Bank	-5.4	-1.3
Subsidiary gains (losses)	3.2	2.6
Other consolidation adju	-2.1	-1.3
Consolidation adjustmer	-12.3	-1.4

Former Eighteenth Bank pre-integration basis

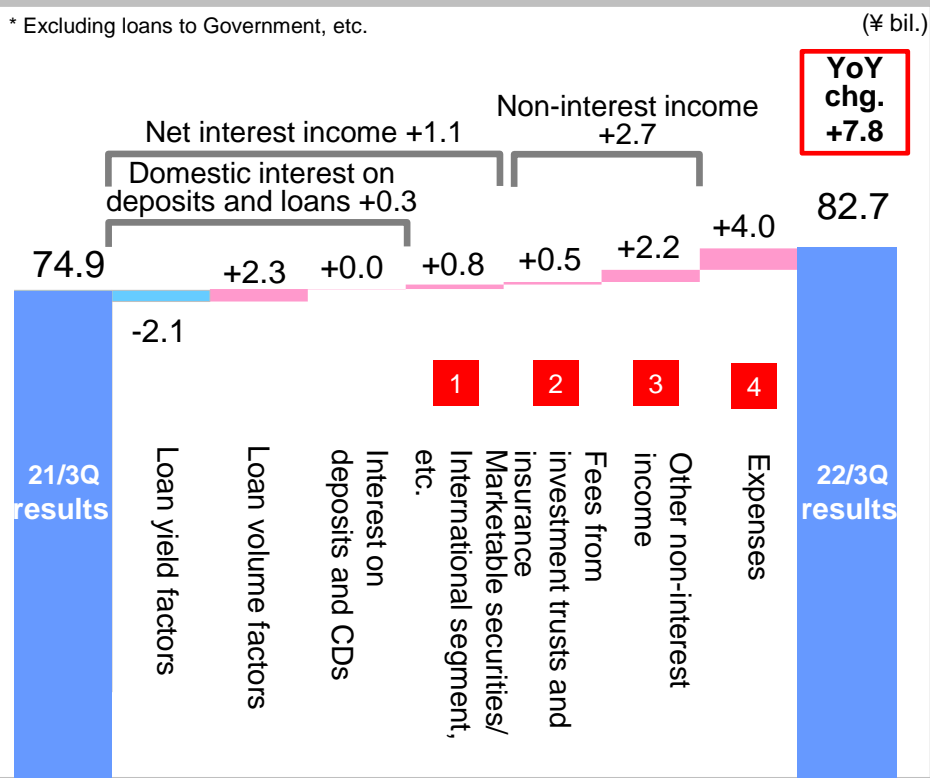
Post-integration basis

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

Core Net Business Profit

Core net business profit, year-on-year change

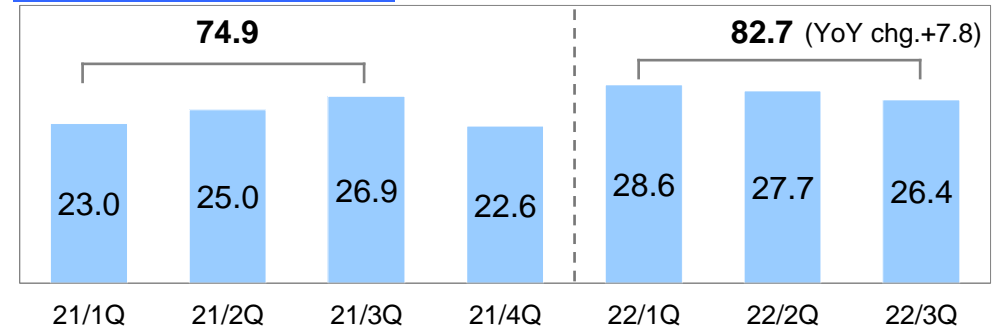
* Excluding loans to Government, etc.



1	Domestic securities: -3.5, Domestic, others: +3.6, International division, etc.: +0.8
2	Investment trusts: -0.8, Insurance: +1.3
3	Corporate-related fees: +0.8, Gains (losses) on foreign exchange derivatives: +1.6, etc.
4	Personnel expenses: +1.0, Non-personnel expenses: +2.7, Taxes: +0.3

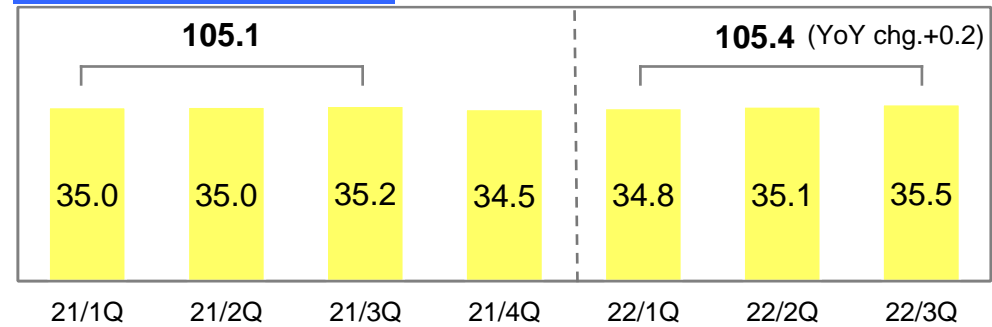
Changes in core net business profit

(3 banks total, ¥ bil.)



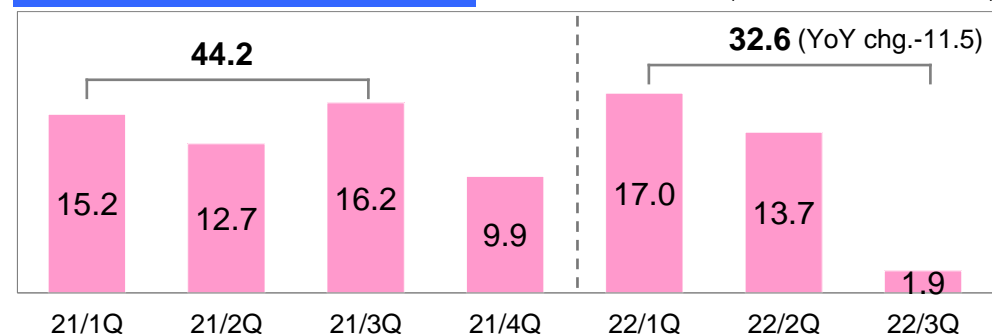
Changes in domestic loan interest

(3 banks total, ¥ bil.)



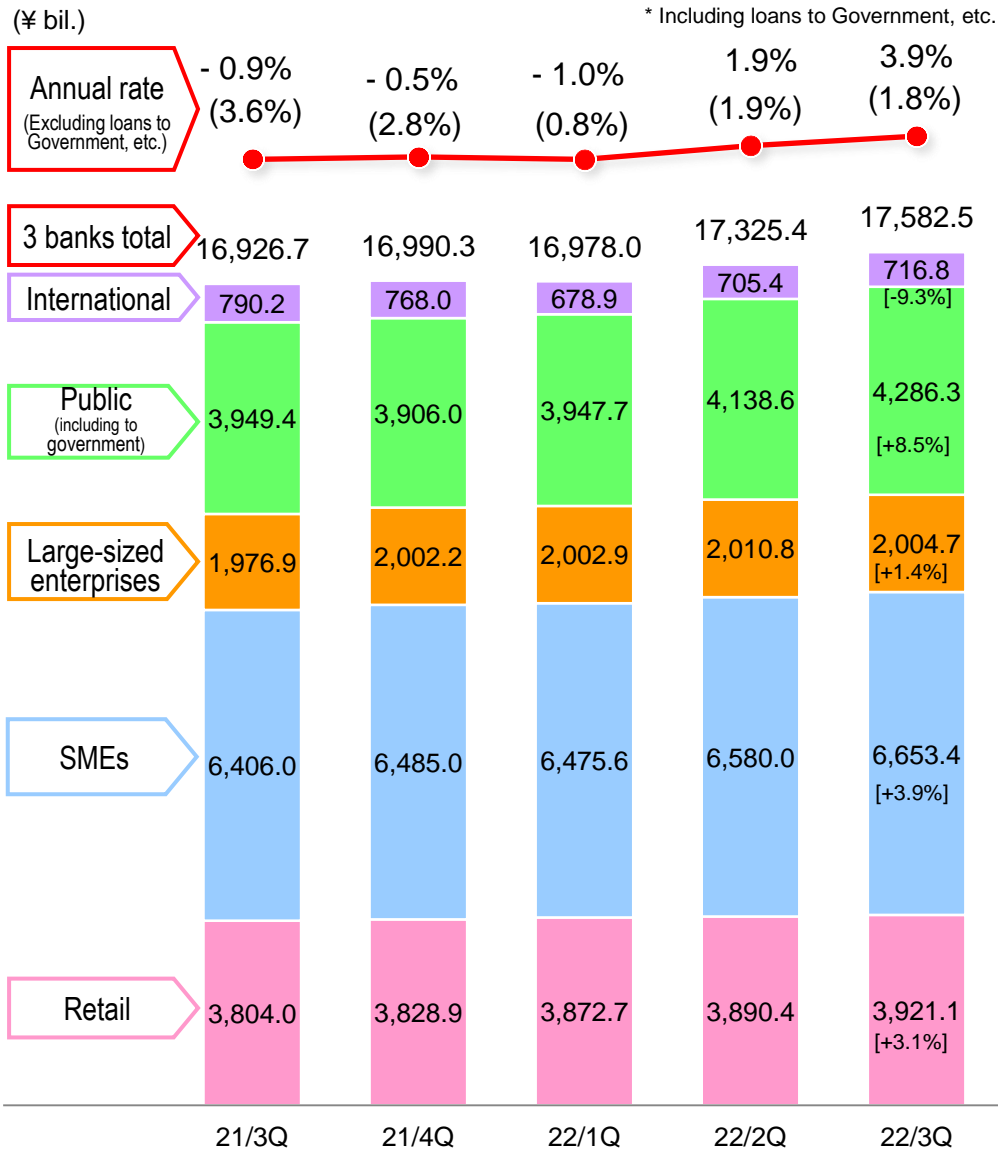
(Reference) Changes in net income

(FFG consolidated, ¥ bil.)



Total Loans

Total loans (average balance) (3 banks total)



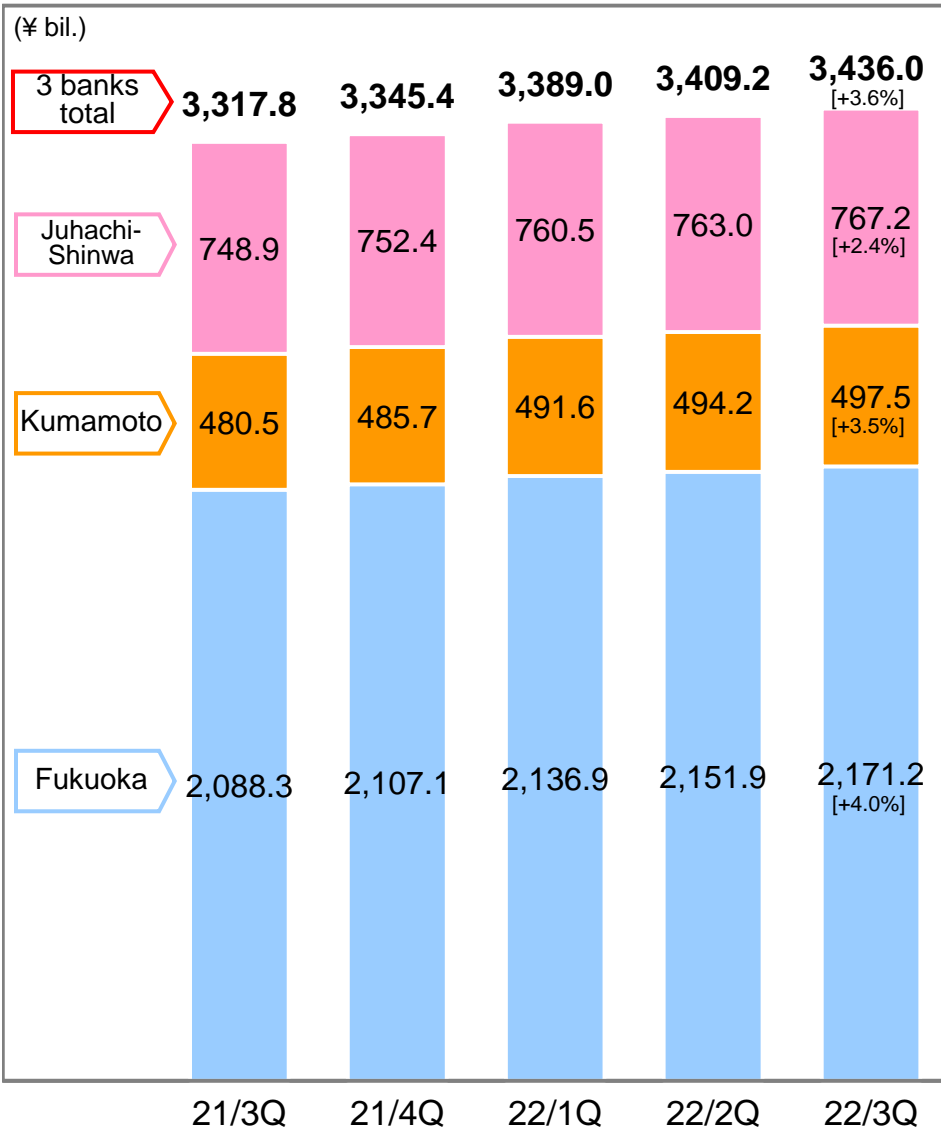
(¥ bil.)

	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q		
Bank of Fukuoka	Total loans (average balance)	11,172.7	11,511.5	11,640.0	11,584.4	11,570.2	
	Annual rate	0.1%	3.3%	3.7%	3.9%	3.6%	Annual rate
	Retail	2,400.0	2,418.1	2,448.1	2,461.0	2,482.9	3.5%
	SMEs	4,534.8	4,603.0	4,612.4	4,696.3	4,739.5	4.5%
	Large-sized enterprises	1,528.1	1,550.0	1,554.7	1,570.2	1,564.4	2.4%
	Public	1,938.7	2,194.3	2,369.8	2,178.6	2,094.9	8.1%
International	771.0	745.9	654.7	678.2	688.3	-10.7%	
Kumamoto Bank	Total loans (average balance)	1,823.7	1,817.8	1,896.8	1,919.7	1,966.1	
	Annual rate	5.2%	-1.2%	2.7%	2.0%	7.8%	Annual rate
	Retail	536.3	540.7	546.8	549.9	554.3	3.4%
	SMEs	635.0	636.8	631.2	634.1	639.0	0.6%
	Large-sized enterprises	58.9	58.8	56.2	53.3	52.2	-11.4%
	Public	593.4	581.4	662.5	682.1	720.4	21.4%
International	-	-	-	-	-	-	
Juhachi-Shinwa Bank	Total loans (average balance)	3,930.2	3,660.8	3,441.2	3,821.2	4,046.1	
	Annual rate	-6.3%	-10.8%	-15.8%	-3.7%	2.9%	Annual rate
	Retail	867.6	870.0	877.7	879.4	883.8	1.9%
	SMEs	1,236.1	1,245.1	1,232.0	1,249.5	1,274.8	3.1%
	Large-sized enterprises	389.8	393.2	391.9	387.2	388.0	-0.5%
	Public	1,417.3	1,130.2	,915.3	1,277.8	1,470.9	3.8%
International	19.2	22.1	24.1	27.1	28.5	48.4%	

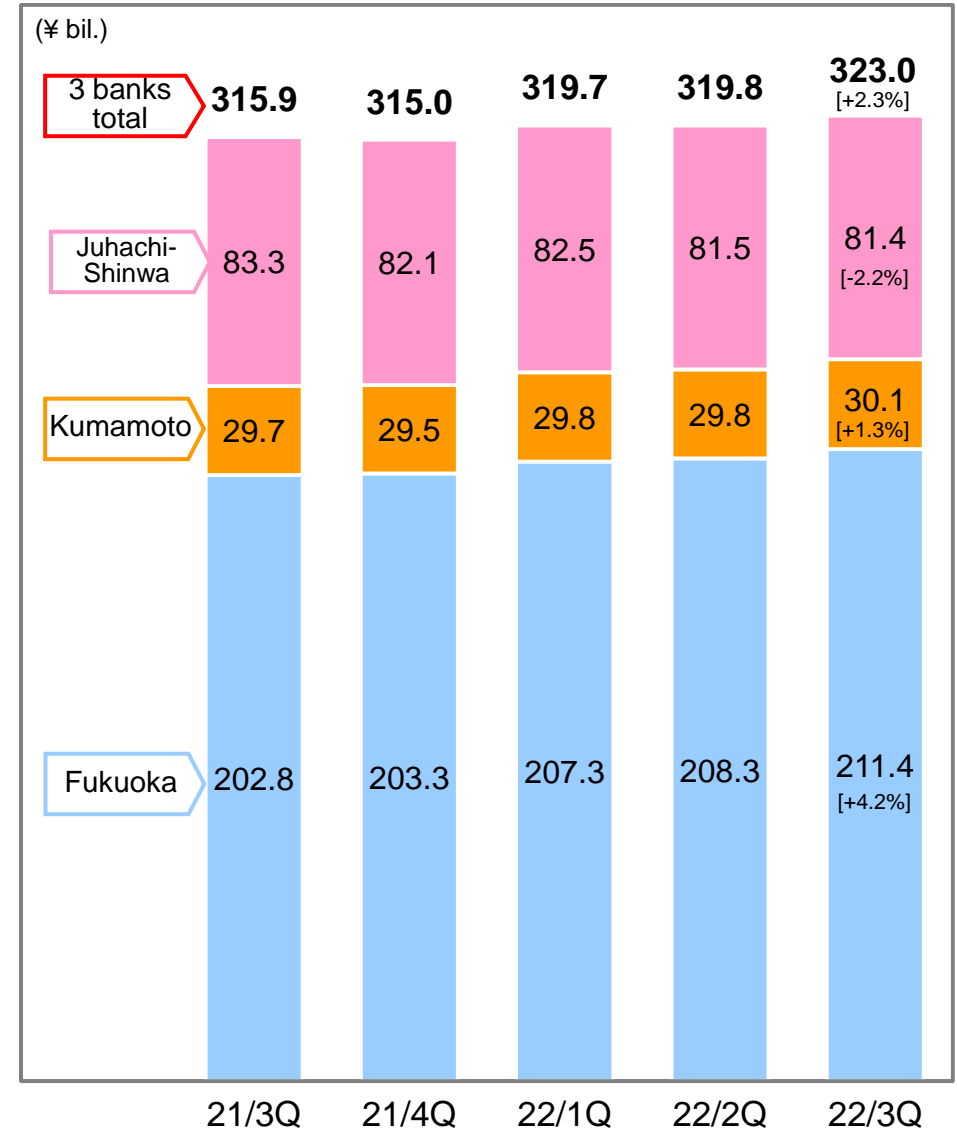
Figures in square brackets [] are annualized by sector

Retail Loans

Housing loans (average balance) (3 banks total)

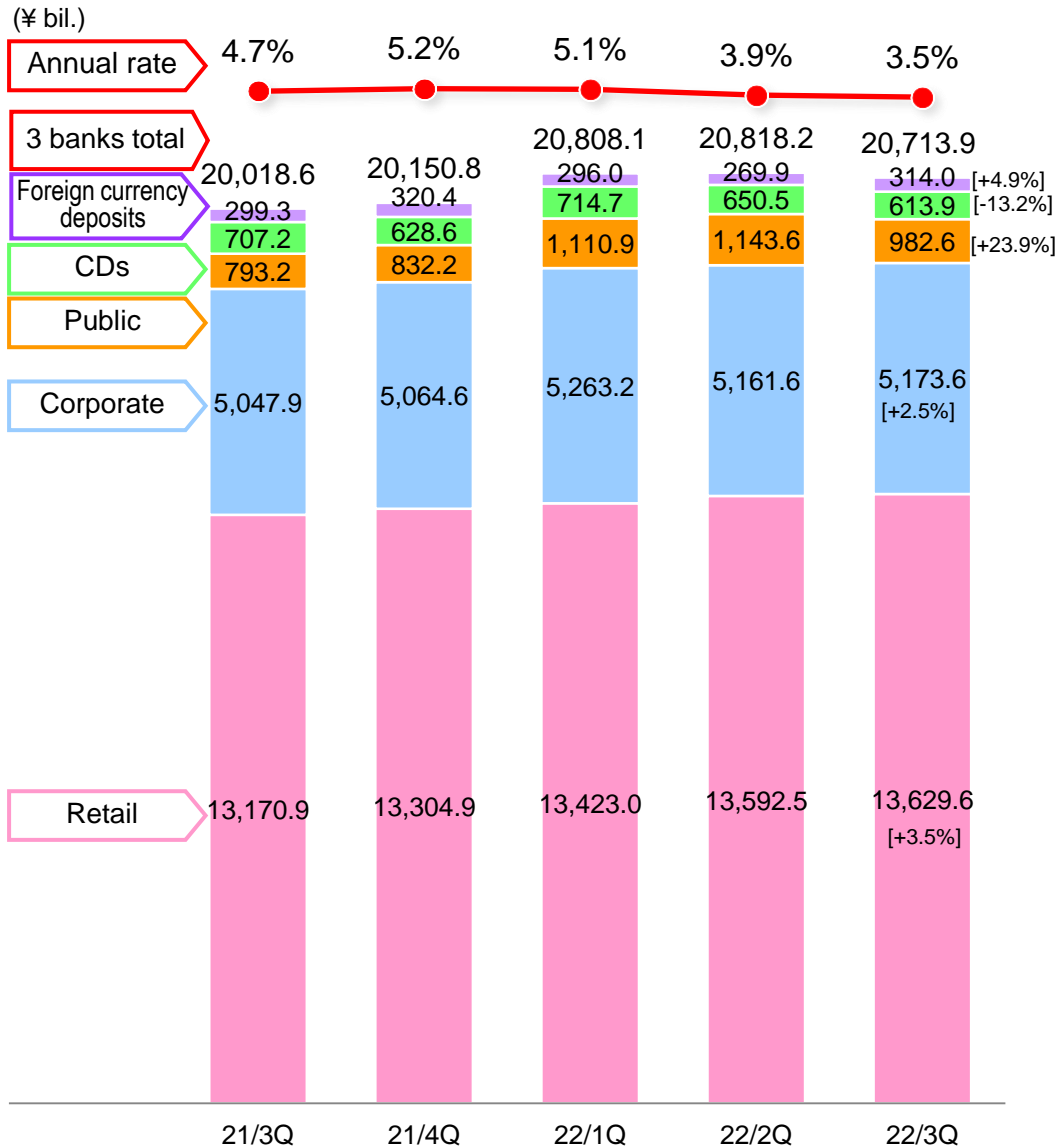


Consumer loans (average balance) (3 banks total)



Deposits + CDs

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



(\ bil.)

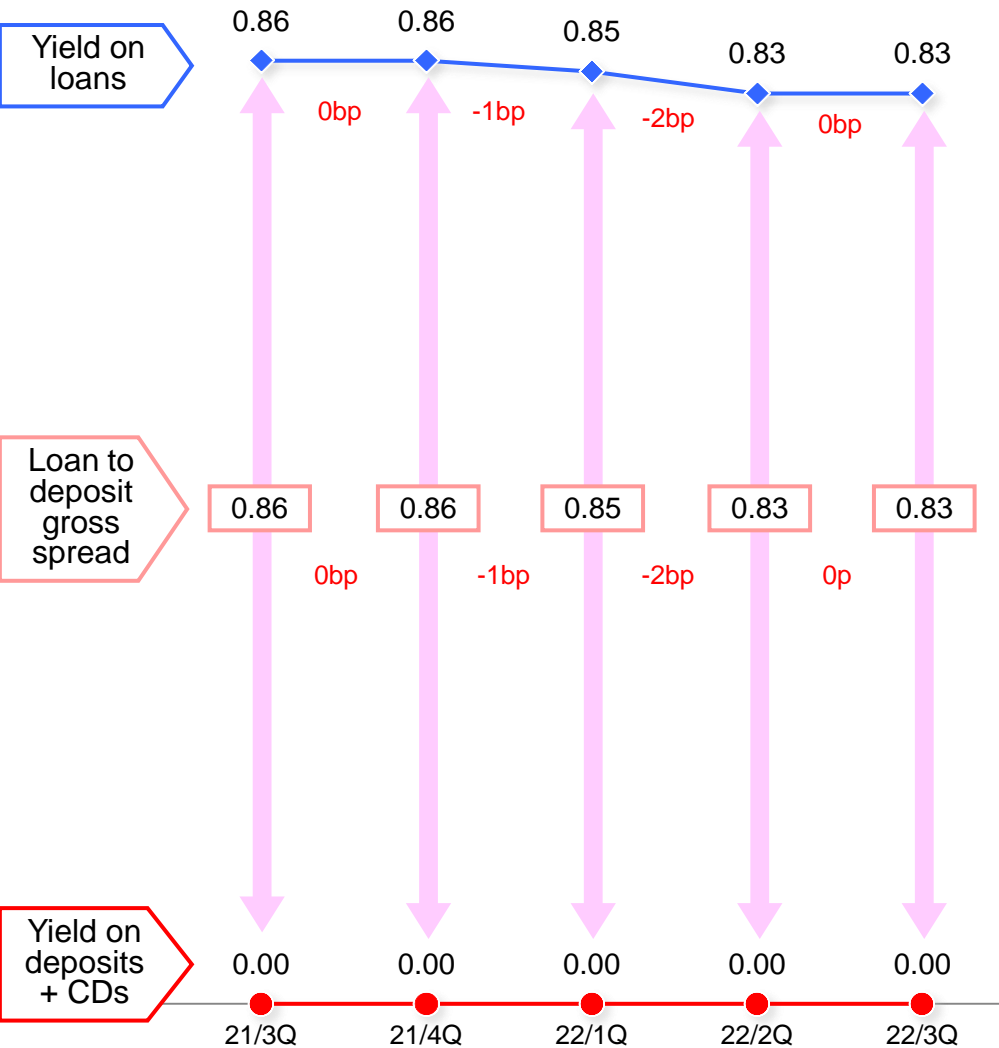
	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q		
Bank of Fukuoka	Deposits + CDs (average balance)	12,867.2	13,028.3	13,446.7	13,448.9	13,393.2	
	(Annual rate)	5.7%	6.8%	6.1%	4.6%	4.1%	(Annual rate)
	Retail	8,384.3	8,485.5	8,556.9	8,678.9	8,711.0	3.9%
	Corporate	3,288.9	3,304.7	3,423.6	3,370.1	3,385.5	2.9%
	Public	448.0	491.7	723.6	767.9	619.5	38.3%
	CDs	459.4	437.9	456.8	371.3	373.2	-18.8%
Foreign currency deposits	286.5	308.3	285.6	260.4	303.8	6.1%	
Kumamoto Bank	Deposits + CDs (average balance)	1,621.6	1,620.9	1,640.8	1,645.8	1,647.1	
	(Annual rate)	3.4%	2.5%	1.7%	2.0%	1.6%	(Annual rate)
	Retail	1,162.5	1,169.0	1,179.6	1,189.8	1,190.7	2.4%
	Corporate	414.5	407.9	424.2	413.9	414.9	0.1%
	Public	40.6	40.2	33.8	39.2	38.8	-4.5%
	CDs	0.6	0.6	0.6	0.6	0.6	0.0%
Foreign currency deposits	3.2	3.1	2.6	2.1	2.0	-37.6%	
Juhachi-Shinwa Bank	Deposits + CDs (average balance)	5,529.7	5,501.6	5,720.4	5,723.5	5,673.5	
	(Annual rate)	2.9%	2.4%	3.8%	2.8%	2.6%	(Annual rate)
	Retail	3,624.0	3,650.2	3,686.4	3,723.6	3,727.8	2.9%
	Corporate	1,344.4	1,351.9	1,415.4	1,377.5	1,373.1	2.1%
	Public	304.4	300.2	353.4	336.3	324.2	6.5%
	CDs	247.2	190.0	257.3	278.6	240.1	-2.9%
Foreign currency deposits	9.5	9.0	7.7	7.3	8.1	-14.8%	

* Figures in square brackets [] are annualized by sector

Yield and Spread

Domestic deposit loan gross margin (3 banks total)

(%) * Including loans to Government, etc.



(%)

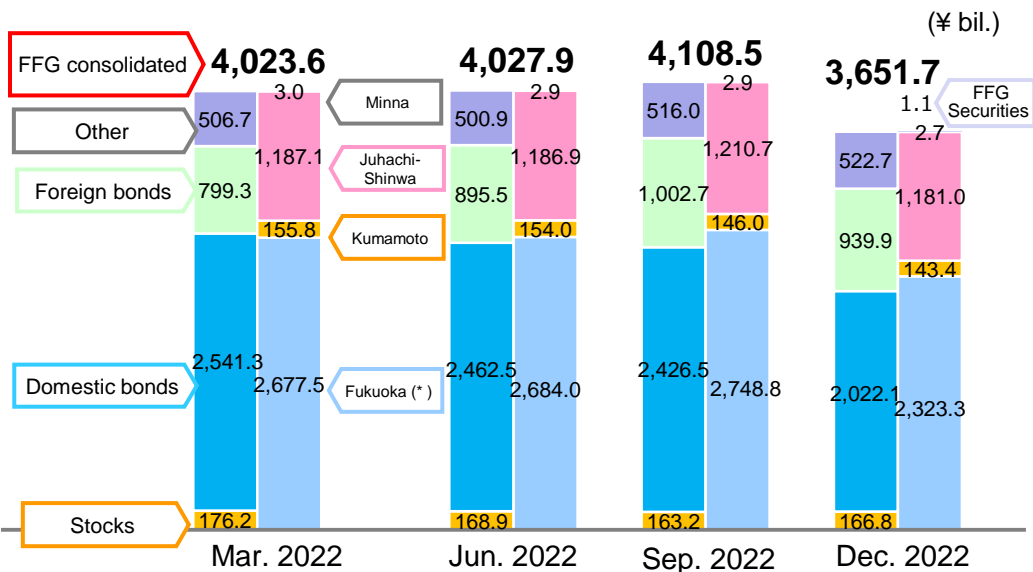
	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	
Bank of Fukuoka	Yield on loans (A)	0.87	0.85	0.83	0.84	0.85
	<i>Change from previous quarter</i>		-2bp	-2bp	1bp	1bp
	Yield on deposits + CDs (B)	0.00	0.00	0.00	0.00	0.00
<i>Change from previous quarter</i>		0bp	0bp	0bp	0bp	
Loan to deposit spread (A-B)	0.87	0.85	0.83	0.84	0.85	
<i>Change from previous quarter</i>		-2bp	-2bp	1bp	1bp	

	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	
Kumamoto Bank	Yield on loans (A)	0.90	0.90	0.86	0.83	0.83
	<i>Change from previous quarter</i>		0bp	-4bp	-3bp	0bp
	Yield on deposits + CDs (B)	0.00	0.00	0.00	0.00	0.00
<i>Change from previous quarter</i>		0bp	0bp	0bp	0bp	
Loan to deposit spread (A-B)	0.90	0.90	0.86	0.83	0.83	
<i>Change from previous quarter</i>		0bp	-4bp	-3bp	0bp	

	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q	
Juhachi-Shinwa Bank	Yield on loans (A)	0.82	0.87	0.92	0.81	0.78
	<i>Change from previous quarter</i>		5bp	5bp	-11bp	-3bp
	Yield on deposits + CDs (B)	0.00	0.00	0.00	0.00	0.00
<i>Change from previous quarter</i>		0bp	0bp	0bp	0bp	
Loan to deposit spread (A-B)	0.82	0.87	0.92	0.81	0.78	
<i>Change from previous quarter</i>		5bp	5bp	-11bp	-3bp	

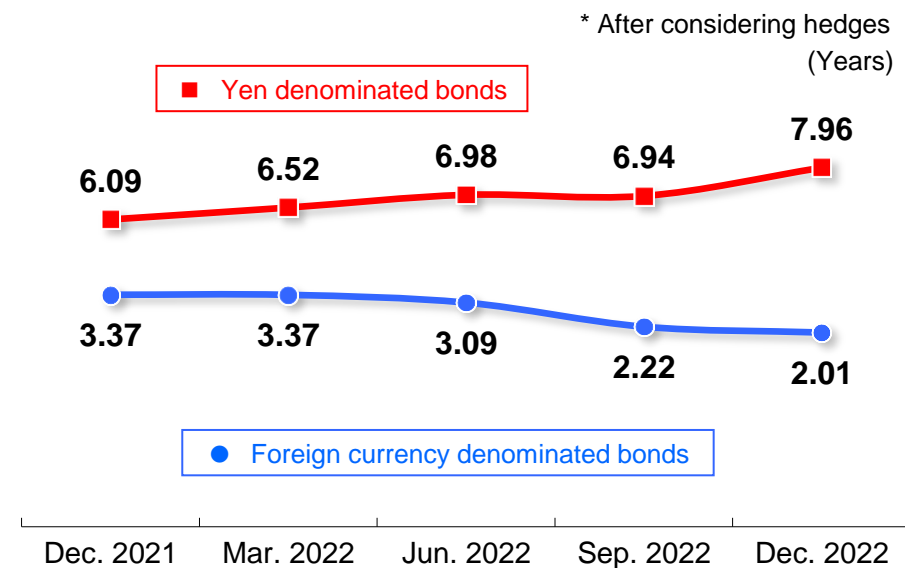
Securities

Other securities (FFG consolidated)



* Consolidated basis

Bond duration



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

(\ bil.)	Dec. 2021	Mar. 2022	Sep. 2022	Dec. 2022
Stocks	84.4	78.8	65.1	69.8
Domestic bonds	23.9	- 13.1	- 64.8	- 117.1
Foreign bonds	11.9	- 14.4	- 79.8	- 47.8
Other	33.2	18.6	- 17.0	- 18.5
Total	153.5	69.9	- 96.7	- 113.6

Gains (losses) on securities (3 banks total)

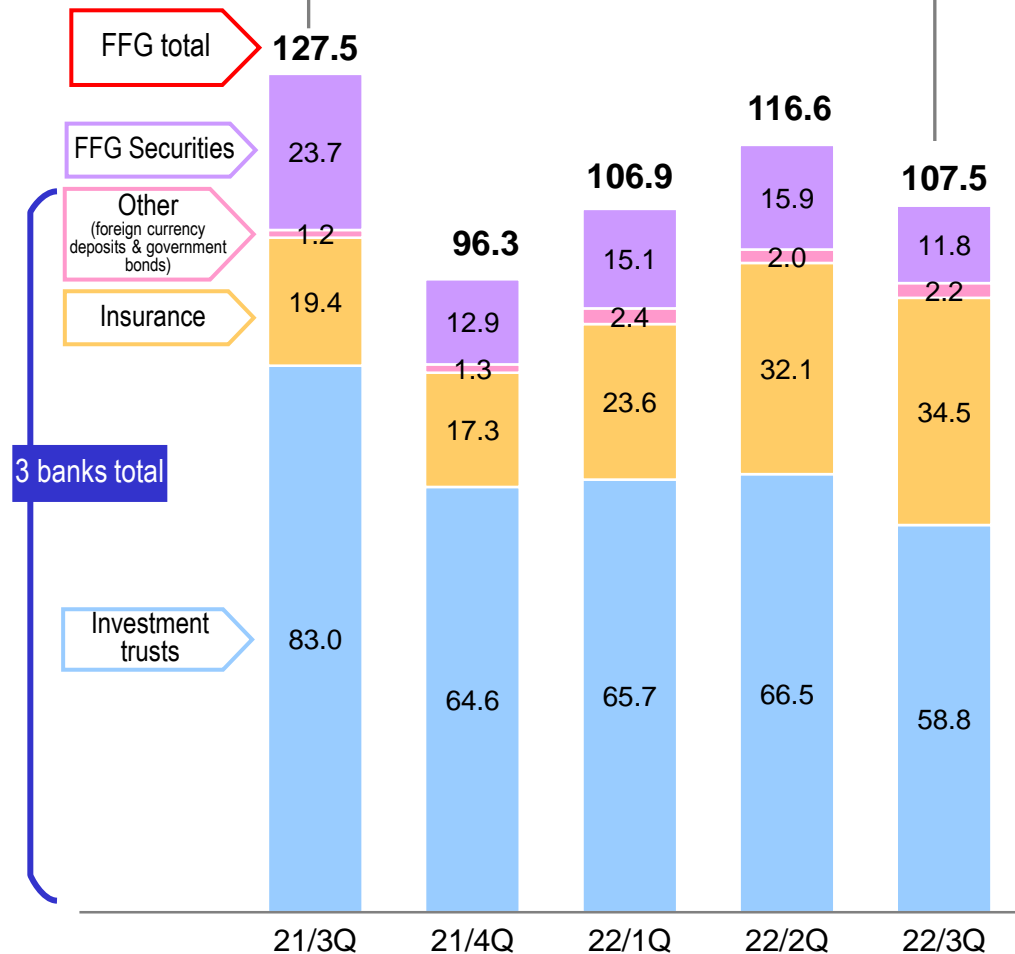
(\ bil.)	21/3Q	21/4Q	22/1Q	22/2Q	22/3Q
Stocks	0.5	- 0.2	0.0	1.2	2.0
Bonds	0.7	- 5.4	0.2	- 4.9	- 17.2
Total	1.2	- 5.6	0.2	- 3.7	- 15.2

Asset Management Products

Asset management product sales

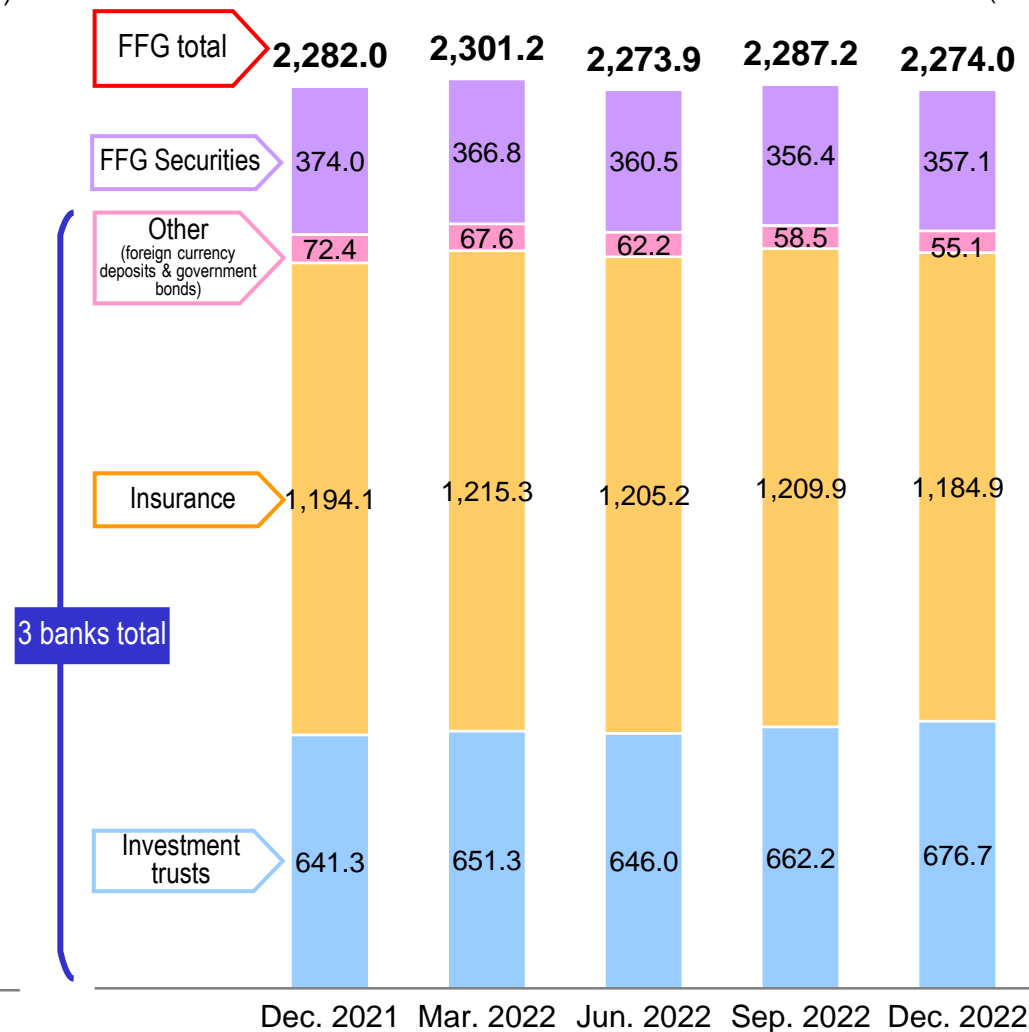
(¥ bil.)

YoY chg. -200



Balance of assets under management for individual customers

(¥ bil.)



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

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

Credit Cost & NPL

Credit cost (3 banks total)

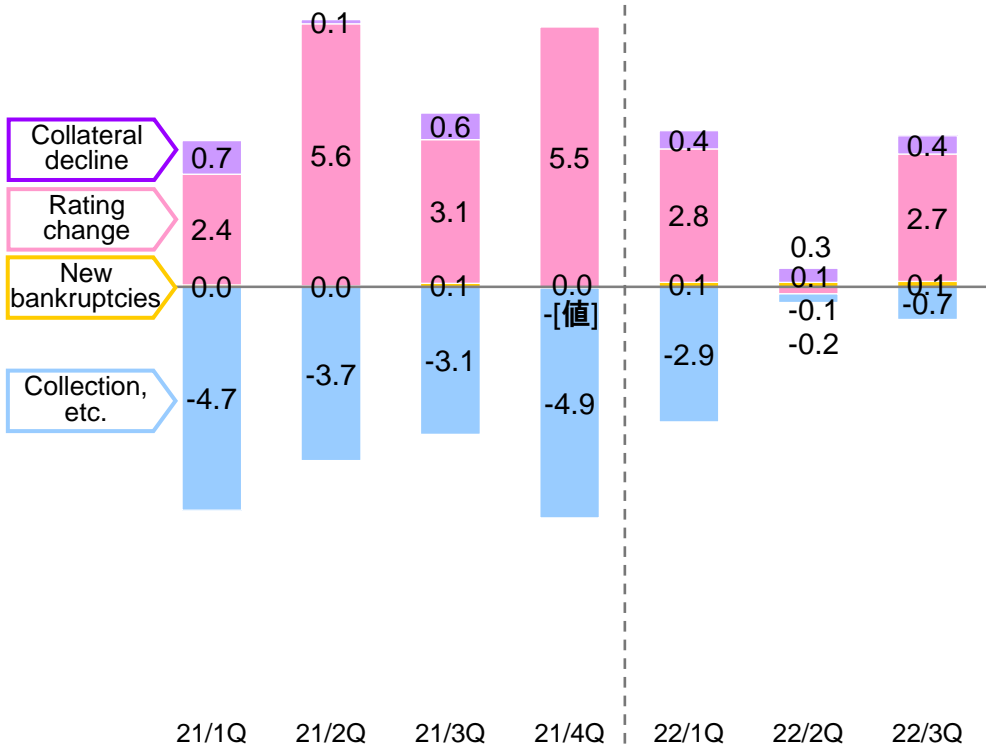
(¥ bil.)

FY2021			
1Q	2Q	3Q	4Q
-1.6	2.0	0.6	0.6

FY2022		
1Q	2Q	3Q
0.5	0.0	2.5

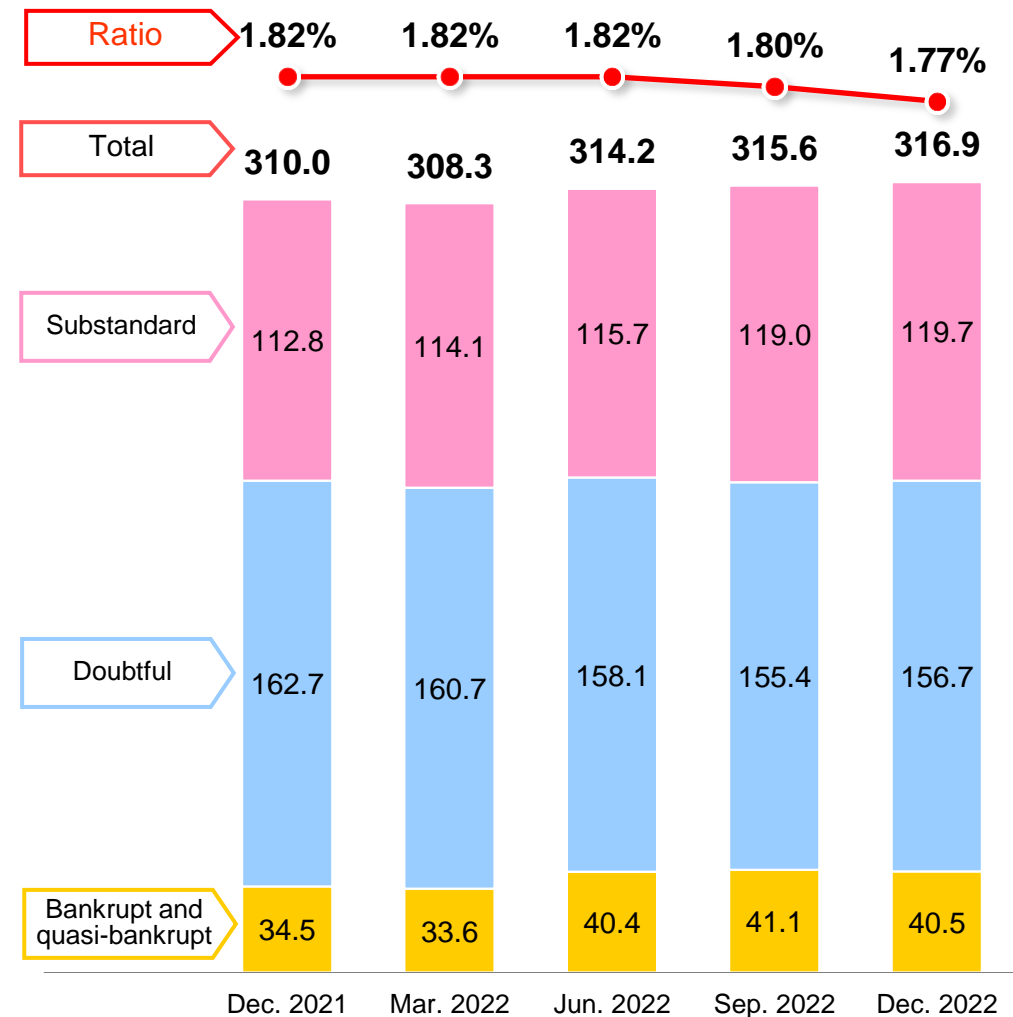
Cumulative total for fiscal year
1.5 billion yen (transfer)

Cumulative total for 3Q
3.0 billion yen (transfer)



Non-performing loans & ratio (3 banks total)

(¥ bil.)



Earnings Projections, etc.

- In securities management in the second half of FY2022, we are proceeding to restructure our portfolio, with a focus on foreign bonds. In consideration of current anticipated loss, we have revised our earnings projections for FY2022 as follows.

Earnings projections (FFG consolidated)

	FY2022 projection	Change from previous projection	YoY chg.	(¥ bil.)
Consolidated ordinary profit	45.0	-38.0	-31.1	FY2021 results 76.1
FFG consolidated net income	30.5	-26.5	-23.6	54.1

	FY2022 projection	Change from previous projection	YoY chg.	(¥ bil.)
Net income (3 banks total)	48.2	-25.0	-20.6	FY2021 results 68.8
Consolidation adjustment, etc.	-17.6	-1.5	-3.0	-14.7
FFG consolidated net income	30.5	-26.5	-23.6	54.1

Dividend projections for the fiscal year ending Mar. 31, 2023 (dividend per share)

	FY2022	Change from previous projection	YoY chg.
Interim (actual)	52.5 yen	-	5.0 yen
Final (projected)	52.5 yen	-	5.0 yen
Annual	105.0 yen	-	10.0 yen

* Since earnings, except for the loss associated with the portfolio restructure, have generally been in line with our projections, we anticipate we will be able to maintain our Medium-Term Management Plan targets for next fiscal year and beyond. As a consequence, we plan to pay the above amounts irrespective of the dividend table established by FFG.

Earnings projections (subsidiary banks)

	FY 2022 projection												FY2021 results
	3 banks non-consolidated total			Bank of Fukuoka (non-consolidated)			Kumamoto Bank (non-consolidated)			Juhachi-Shinwa Bank (non-consolidated)			
	Change from previous projection	YoY chg.	Change from previous projection	YoY chg.	Change from previous projection	YoY chg.	Change from previous projection	YoY chg.	Change from previous projection	YoY chg.	Change from previous projection	YoY chg.	
Core business profit	104.0	-	6.5	80.2	-	3.7	7.8	-	1.1	16.0	-	1.7	97.5
Ordinary profit	63.9	-35.7	-28.0	51.3	-26.2	-22.0	6.8	-	-0.0	5.9	-9.5	-5.8	91.9
Net income	48.2	-25.0	-20.6	37.7	-18.4	-15.1	5.1	-	-0.0	5.4	-6.6	-5.5	68.8
Credit cost (-)	3.5	-	2.0	3.9	-	3.4	0.7	-	1.6	1.1	-	-3.1	1.5

To be your Bank of choice



Fukuoka Financial Group

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Regarding statements about future earnings contained in this document, it should be noted that actual results could vary with respect to forecasts or targets as a consequence of changes in the business environment or other factors.

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