― To be your Bank of choice ―

Fukuoka Financial Group

Investor Meeting

― FFG Growth Strategies ―

October 2016

Fukuoka Financial Group

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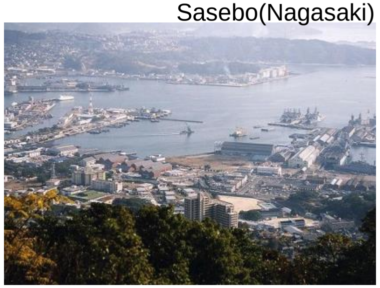
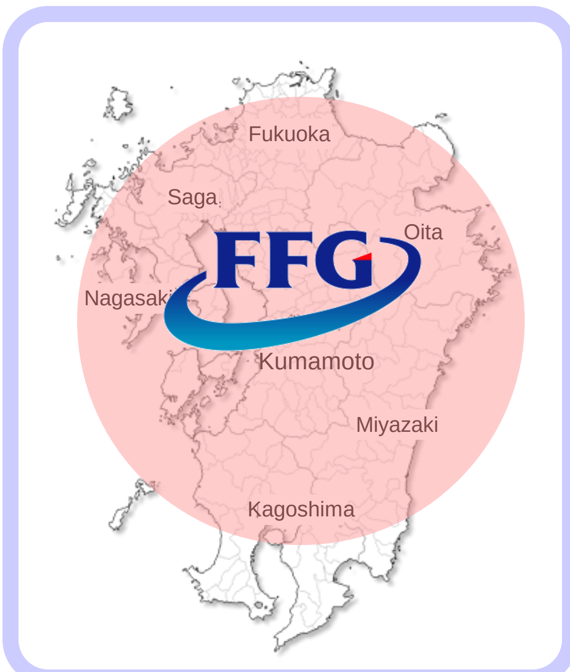
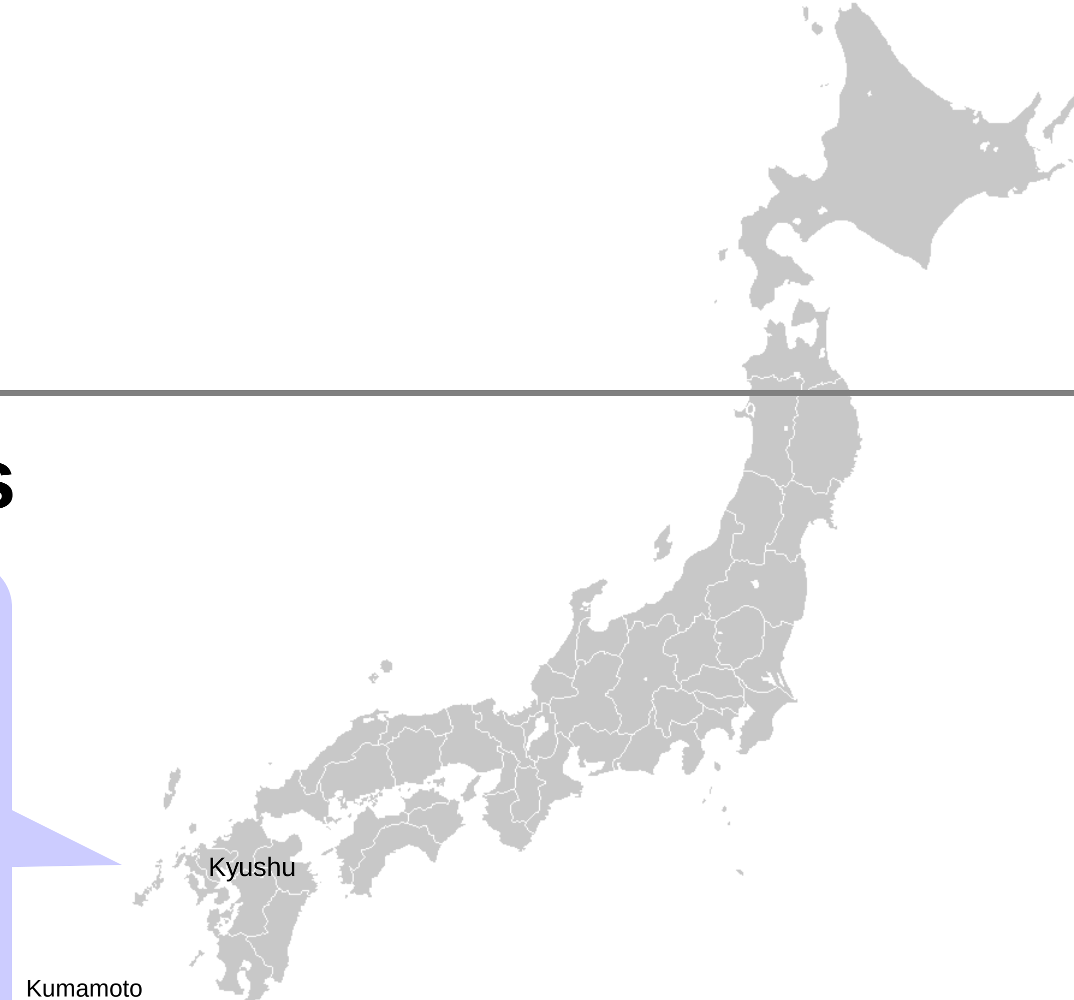
FFG Growth Strategies

Fukuoka

Sasebo(Nagasaki)







Kumamoto

An Overview of FFG

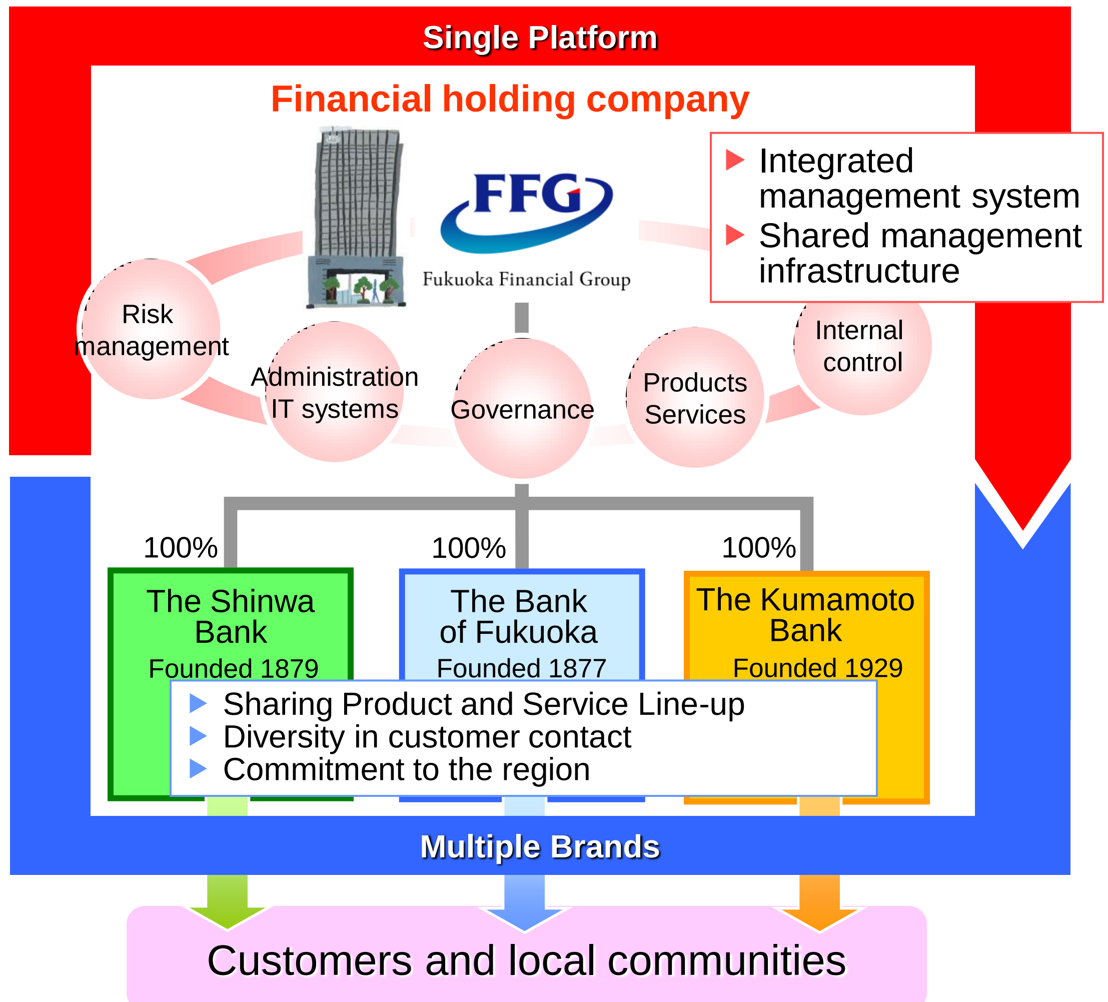
- FFG is a total financial group that includes 3 regional banks based in Kyushu and a securities company.
- Established the “Multiple Brands/Single Platform” management style best suited to the integration of Japanese regional banks.

Company Outline

(as of March 31, 2016)

Company name	**Fukuoka Financial Group, Inc.**
Head office	**Fukuoka City, Fukuoka Prefecture, Japan**
Established	**2007**
Shareholders’ equity	**635.7 billion yen**
Number of employees	**6,823**
Subsidiaries	**15 companies** **<Main subsidiaries>** **3 regional banks** **Securities company** **Credit card company** **Consulting firm**
Branches in Japan	**328 (including 321 in Kyushu)**
Overseas offices	**7** (China3, Taipei, Bangkok, Singapore, NY) *Ho Chi Minh-established in July, 2016
ATMs	**2,068**

Single Platform / Multiple Brands

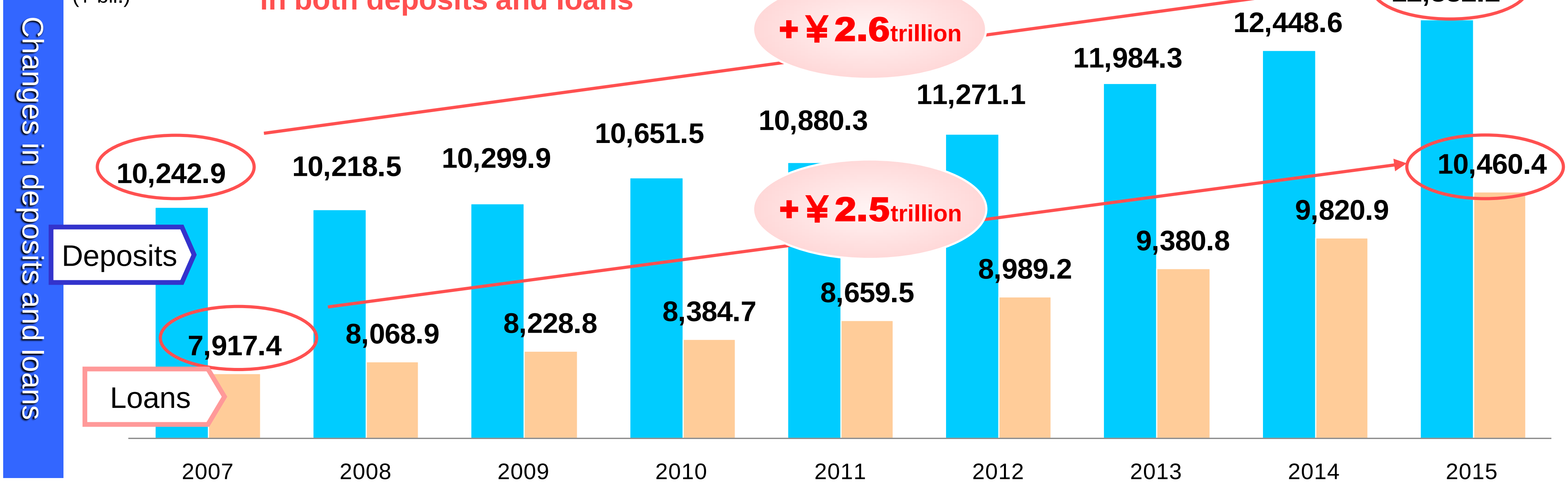


History of FFG

▶ Achievement of steady growth, including business expansion, while gradually progressing through phases over an nine-year period since management integration.

Phase	Preparation for growth	Switch to growth trends	Switch to stable earnings structure
Phase	**Run-up Phase (Adjustment)**	**Acceleration Phase (Cruising Speed)**	**Rapid Growth Phase (Top Speed)**
Mid-Term Plans	First Mid-Term Management Plan (Apr 2007 – Sep 2007) Second Mid-Term Management Plan (Oct 2007 – Mar 2010)	Third Mid-Term Management Plan(ABC Plan) (Apr 2010 – Mar 2013)	Fourth Mid-Term Management Plan (ABC Plan II) (Apr 2013 – Mar 2016)

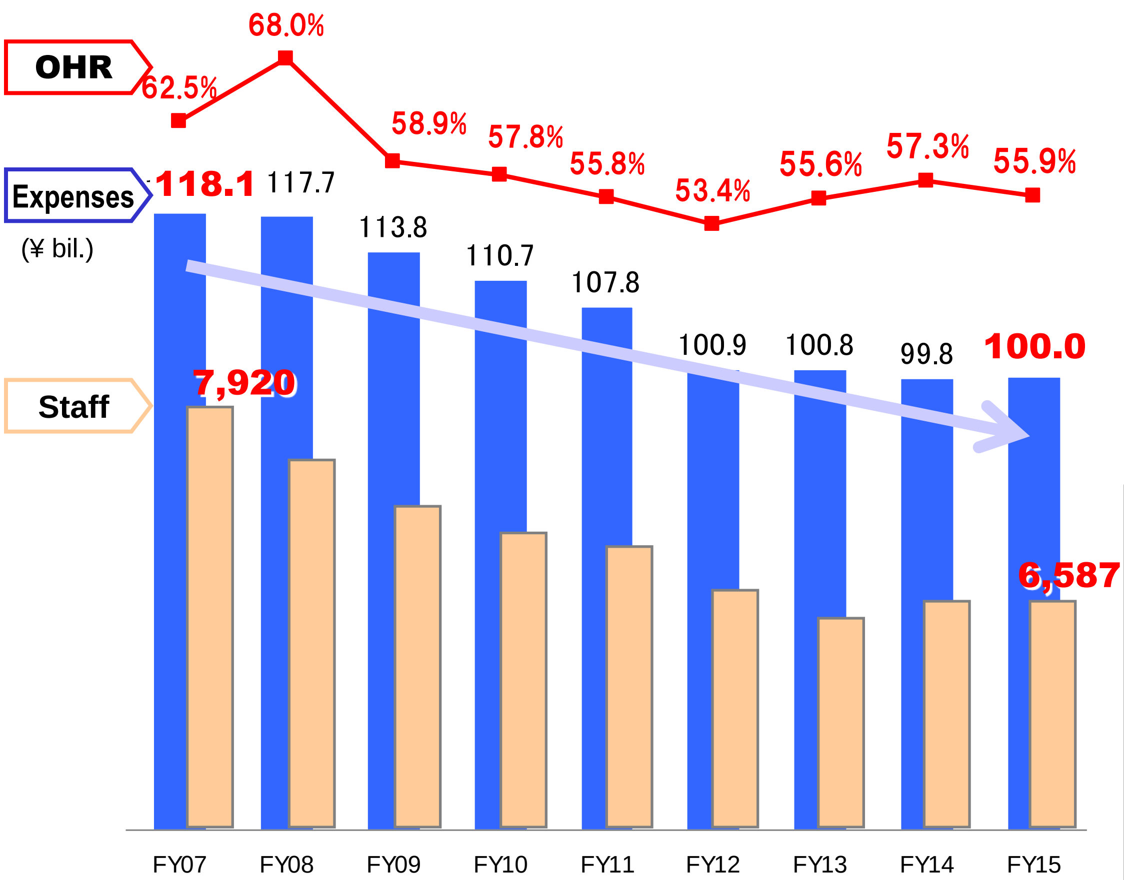
Increase of about ¥2.5 trillion in both deposits and loans



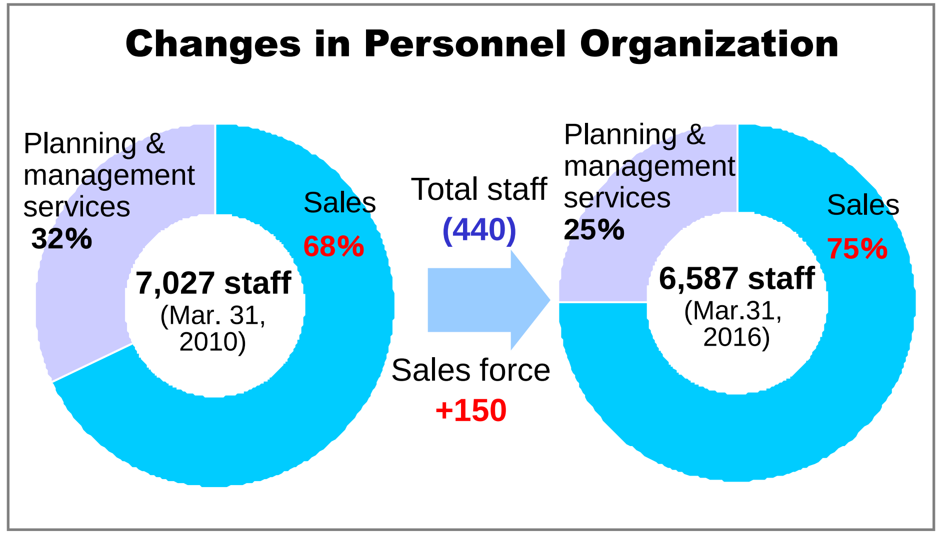
* Three banks total, average balance, Deposits = deposits + CDs.

Improving Profit Structure

▶ Improve profit structure by increasing management efficiency through the construction of a single platform



* 3 banks total
* OHR = Overhead expenses ÷ gross business profit



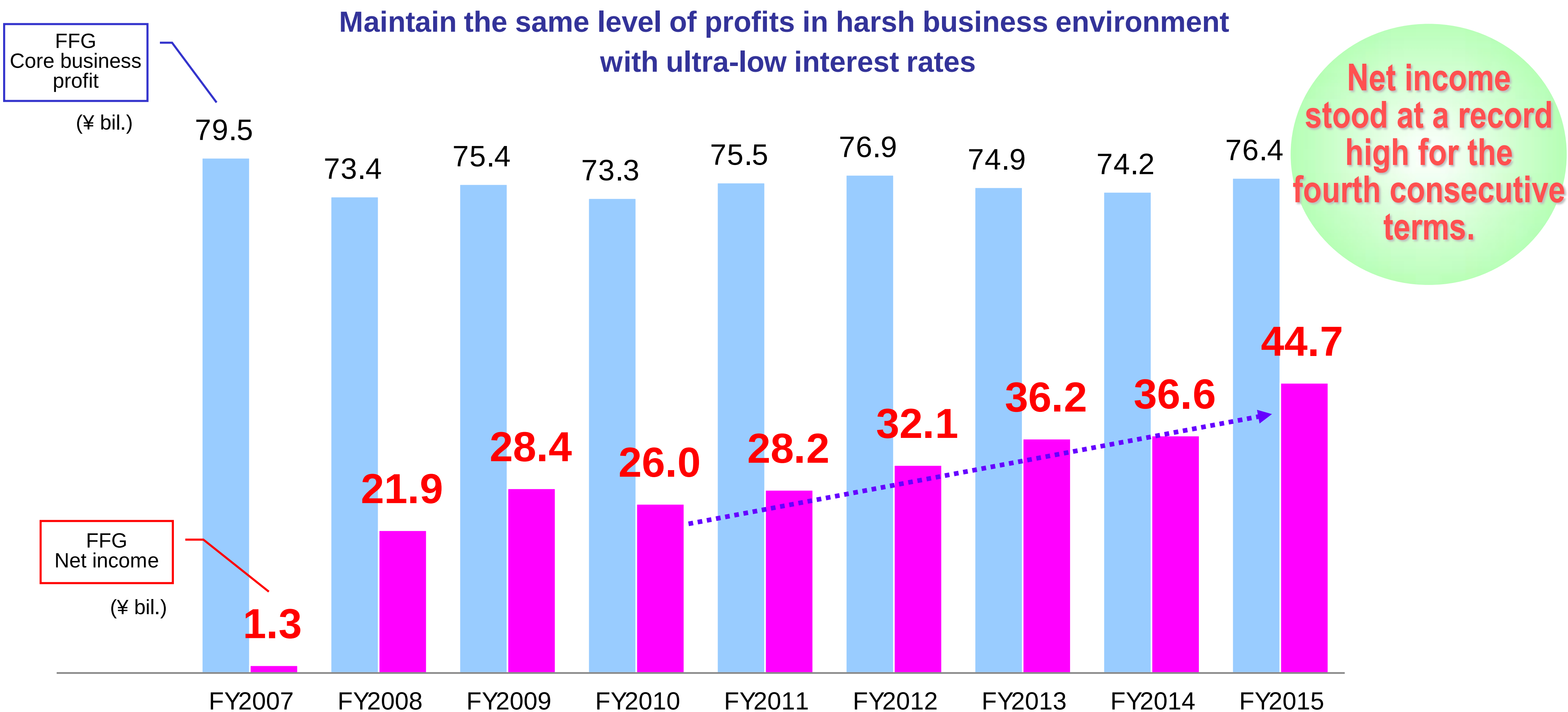
▶ Streamline management efficiency by merging and closing 50 branches and integrating administration systems, etc.

▶ 15% reduction in expenses

▶ Simultaneously reduce the number of staff and increase sales force

Changes in Business Results

▶ Consolidated net income showed a consecutive increase in profit for five terms and stood at a record high for four consecutive terms under a harsh business environment with ultra-low interest rates, as a result of improvements in profit structure following management integration.



*Core business profit : 3 banks total.
*Net income : FFG consolidated

Feature of Kyushu Economy

Well-Balanced Industry Grouping

10% share in Japan

Scale of Kyushu Economy		
GDP	44 trillion yen	9% *
Population	13.2 million	10% *
Business establishments	620 thousand	10% *

* Share in Japan

North

Center of " Car Island "

- Number of Passenger Cars produced in Kyushu is 1,350 thousand vehicles in 2015.
- **14.6%** share in Japan

Middle

Center of " Silicon Island "

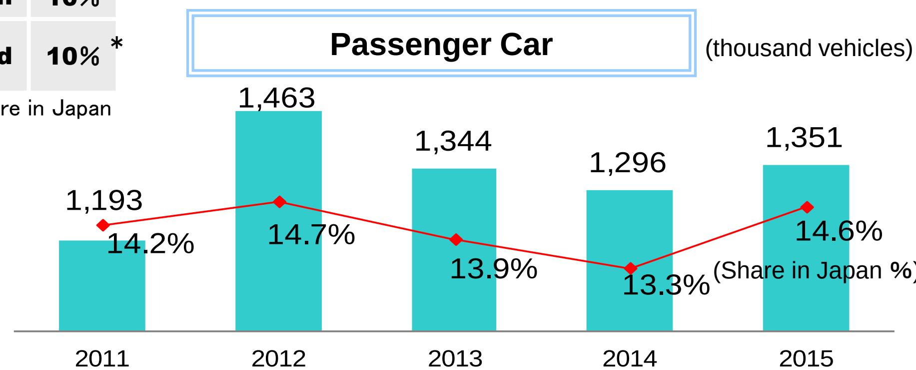
- Amount of Integrated Circuits produced in Kyushu is 628.3 billion yen in 2015.
- **27.0%** share in Japan

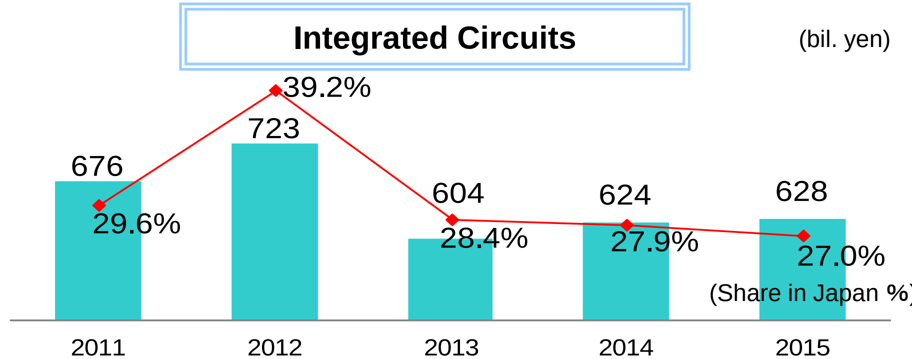
South

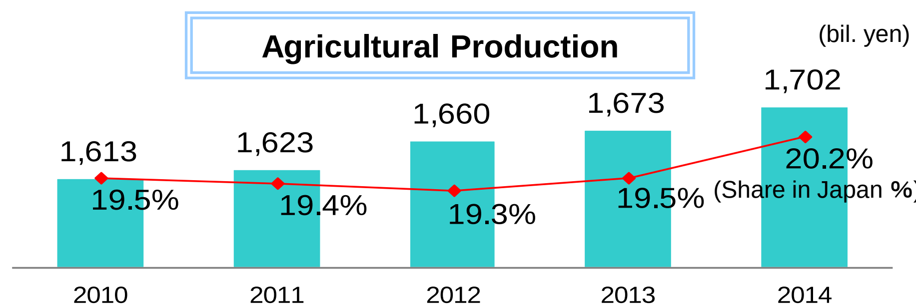
Center of " Food Island "

- Amount of Agricultural Output produced in Kyushu is 1.7 trillion in 2014.
- **20.2%** share in Japan

Industries in Kyushu



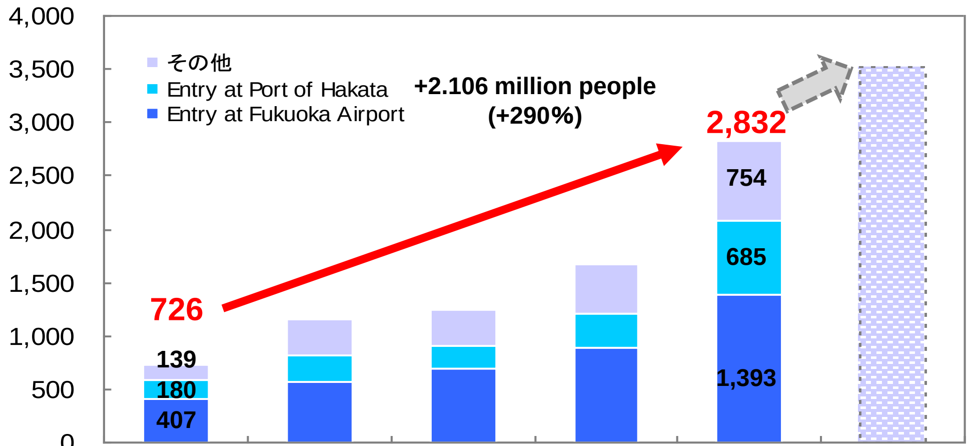




Source: Kyushu Bureau of Economy, Trade and Industry

Potential of Fukuoka Metropolitan Area

Number of Foreign Nationals Entering Kyushu

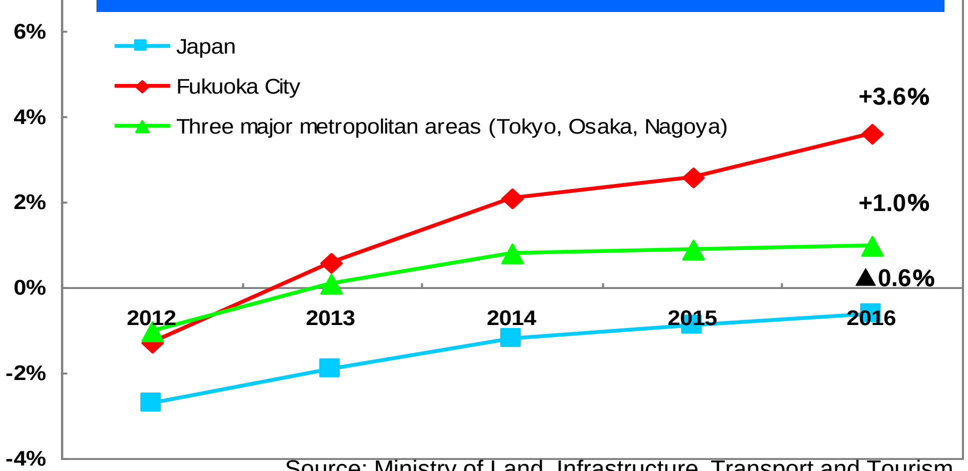


Number of cruise ships calling at Port of Hakata	2011	2012	2013	2014	2015	2016(E)
	26	61	26	85	245	335 expected

- ✓ There was about a 70% increase in the number of foreign people entering Japan through Kyushu compared with previous years, reaching a record high for the fourth year running.
- ✓ The number of cruise ships calling at Port of Hakata increased about nine-fold in four years. The number of foreign visitors to Kyushu is expected to continue to increase.
- ✓ The number of foreign people entering Japan via Fukuoka Airport and Port of Hakata was up over 70% compared with the previous year and topped two million for the first time.

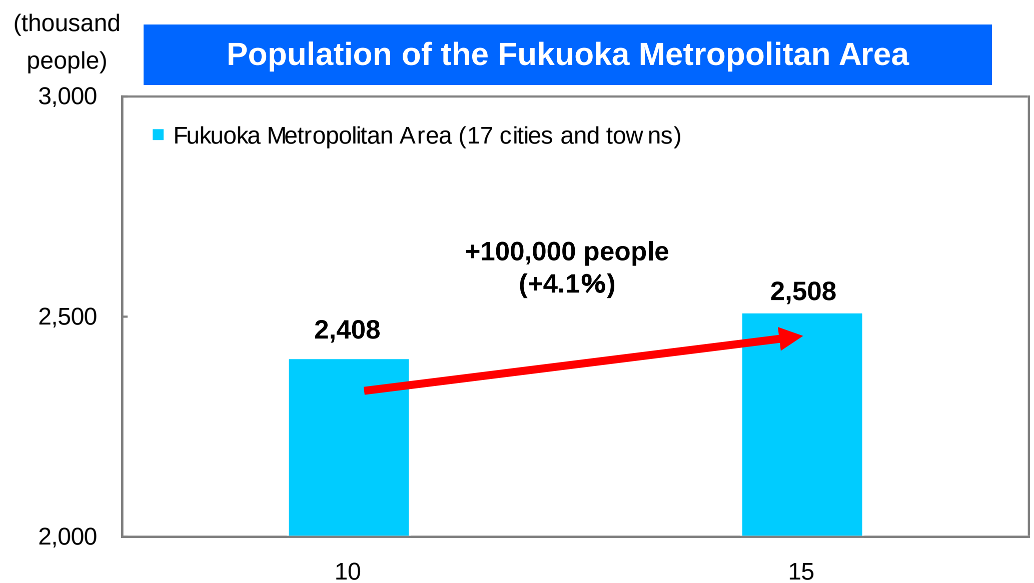
Source:
Kyushu District Transport Bureau, Ministry of Land, Infrastructure Transport and Tourism
Port & Airport Bureau, Fukuoka City Government

Rate of Change in Land Prices Compared with the Previous Year (All applications)



Source: Ministry of Land, Infrastructure, Transport and Tourism

Population of the Fukuoka Metropolitan Area

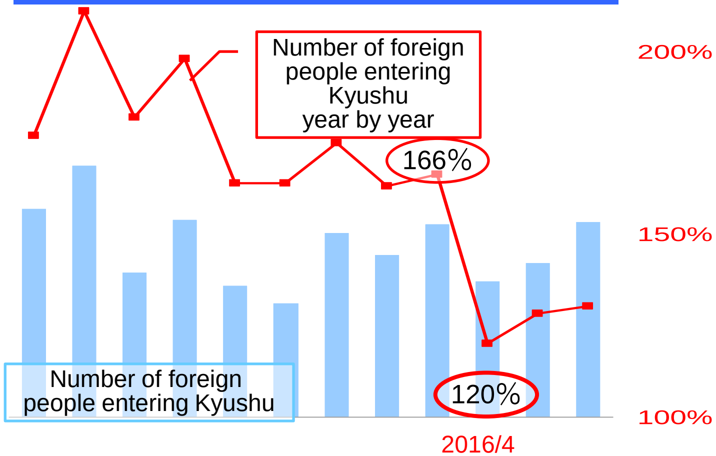


Source: Statistics Bureau, Ministry of Internal Affairs and Communications

Impact of the Kumamoto Earthquake

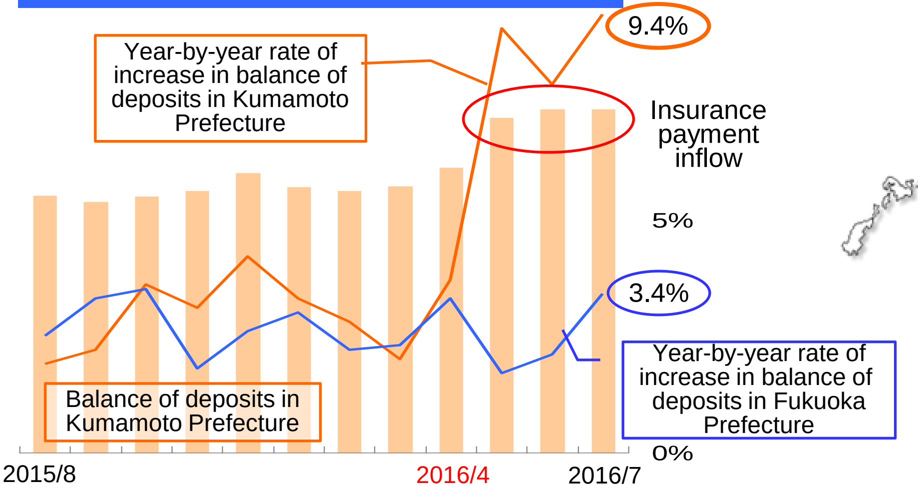
- There were significant local impacts immediately following the Kumamoto Earthquake, but a recovery is currently underway.
- Even when looking at trends in production and consumption, the impact on Fukuoka is limited.

Number of Foreign People Entering Kyushu in 2016

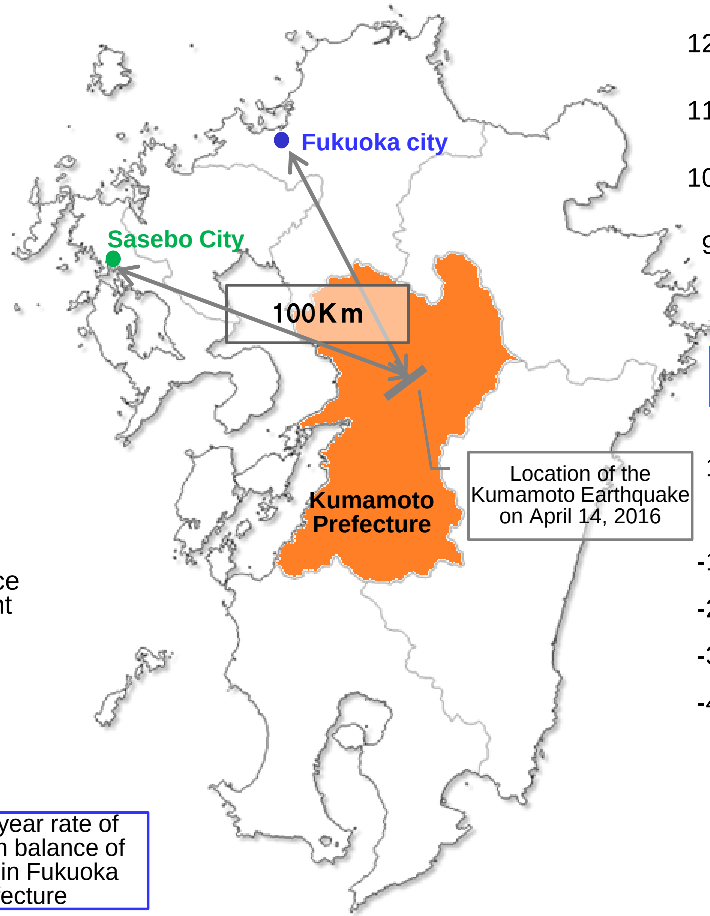


Source : Kyushu District Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism

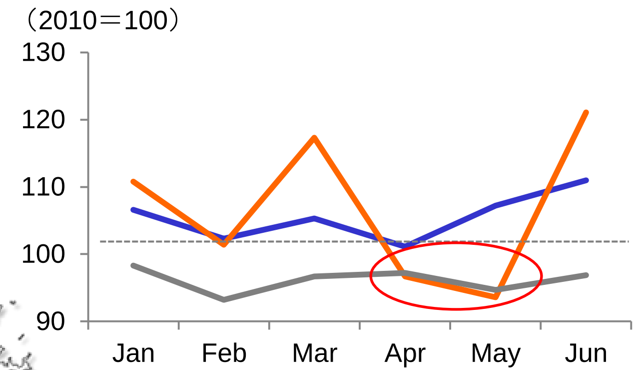
Changes in Balance of Deposits in Kumamoto Prefecture



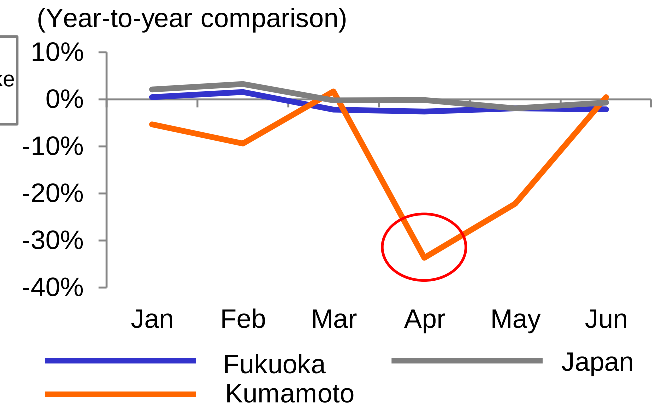
Source :Bank of Japan



Mining and Manufacturing Production Index in 2016



Department Stores and Supermarket Sales in 2016

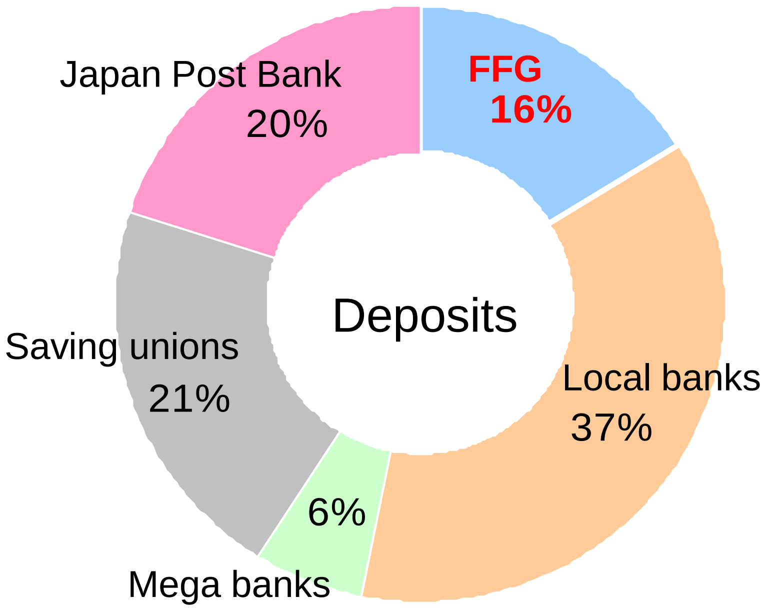


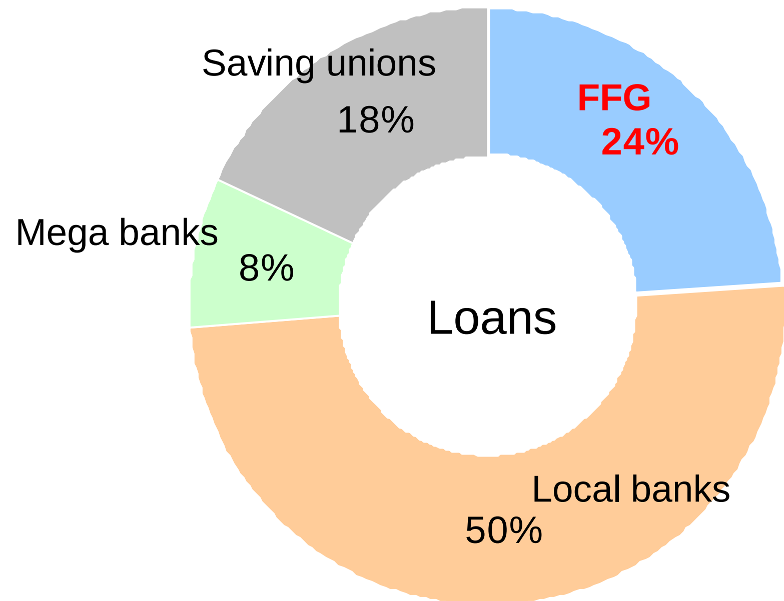
Source :
Ministry of Economy, Trade and Industry
Fukuoka Prefecture, Kumamoto Prefectural Government
Kyushu Bureau of Economy, Trade and Industry

FFG's Growth Potential

▶ Although FFG holds the top market share in Kyushu, there is still significant room for development.

Kyushu's Financial Market





Kyushu	JPY 77.3 trillion
FFG	JPY 12.5 trillion
Room for market development	JPY 64.8 trillion

Kyushu	JPY 38.5 trillion
FFG	JPY 9.0 trillion
Room for market development	JPY 29.5 trillion

(Source: FFG)

FFG's Long-term Vision

- We have positioned the next decade as a stage of "evolution" in which we take up the challenge in new, isolated areas anticipating and adapting to various changes amid a rapidly changing business environment.
- Achieve a sustained strong competitive edge and potential for growth setting a long-term vision of being "The Best Regional Bank.

FFG's progress since its establishment

1st - 4th Mid-Term Management Plans

Fifth Mid-Term Management Plan 1st Phase of "Evolution"

6th, 7th… Mid-Term Plans

9 years since establishment

Achieved Run-up → Acceleration → Significant Growth

Established FFG's fundamental management style

Toward the next decade

Stage of "Evolution"

Achieve a sustained strong competitive edge and potential for growth further evolving FFG's management style based on the management base built up so far

● External environment surrounding FFG

Changes in macro-environment

- Declining population and aging society
- Continuing low interest rates
- Trend away from saving and toward investment
- Progress of ICT technology (entry of firms from different sectors into the banking business

Increasing customer needs

- Asset succession and business succession needs
- Regional revitalization, support for business creation, cultivation of new industries
- Regional needs such as restructuring of industry
- Making full use of consulting function

Evolution

Long-term vision

Actively take up the challenge in new, isolated areas

+

Refine core businesses

The Best Regional Bank

Group Structure

Apr. 2007 Establishment of FFG

FUKUOKA BANK

KUMAMOTO BANK

Oct. 2007 Integration

SHINWA BANK +

Apr. 2017 Integration The Eighteenth Bank (planned)

18Bank

Apr. 2018 Merger The Shinwa Bank + The Eighteenth Bank (Planned)

New Bank

Management Strategy Options

- Amid a tough business environment, in order to support the local economy and achieve sustainable growth, regional financial institutions need to implement the optimal strategy from a variety of strategy options.
- FFG has implemented a number of strategy options in the past, and going forward, will continue to work to achieve its long-term vision by combining various strategies.

Strategy options

Stand-alone

- Structural reform
- Diversification of revenue sources
- Expansion of new business

✓ Value-added business

✓ Differentiation from other banks

- Strategic business alliances
- Complementary functions
- Mutual cooperation

✓ Improved competitiveness

✓ Risk-sharing

- Business integration via a holding company structure
- Mergers and subsidiary acquisition

✓ Maintenance and stabilization of financial systems

✓ Economy of scale

Business integration (alliance)

FFG's previous efforts

Reform of earnings structure

- Expansion of new business
- Financial services platform business: iBank(2016)

Alliances

- Sharing of systems (2003)
- Regional revitalization and invigoration network(2014)
- Kyushu ATM network (2009)

Business integration

- Establishment of FFG(2007)
- Business integration with the Eighteenth Bank (Planned 2017)

→

- Maintain and expand high-quality financial services
- Achieve a high degree of management efficiency
- Ensure greater risk-taking capacity
- Establish a rock-solid business foundation
- Offer a wide-area network

Fifth Mid-Term Management Plan: Aiming to be the Best Regional Bank

- We have launched Fifth Mid-Term Management Plan in this April.
- Setting four types of evolution as our basic strategies which are business model, human resources, group total power and brand power, we aim to be "The Best Regional Bank" achieving our long term vision, that is, "a sustained strong competitive edge and potential for growth" .

Fifth Mid-Term Management Plan
(April 2016～March 2019)

Long-term vision

The "Best Regional Bank" achieving a sustained strong competitive edge and potential for growth

Fundamental Principle

Achieve a virtuous cycle of "contribution to regional economic development" and "improvement of FFG corporate value"

4 Basic strategies

- Evolve business model
- Strengthen human resources
- Exercise group total power
- Build strong brand power

Target Management Indices	FY18 Plan	Change in 3 years
Net income (consolidated)	45 billion yen	+0.3 billion yen
ROE	5% or more	-
Average balance of total loans (3 banks total)	11.5 trillion yen	+about 1 trillion yen
Average balance of total deposits and CDs (3 banks total)	13.9 trillion yen	+about 1 trillion yen
Outstanding balance of assets under management for individual customers (3 banks + Fukuoka Securities total)	2 trillion yen	+about 0.7 trillion yen
Capital adequacy ratio	About 9%	-
OHR (consolidated)	About 60%	-

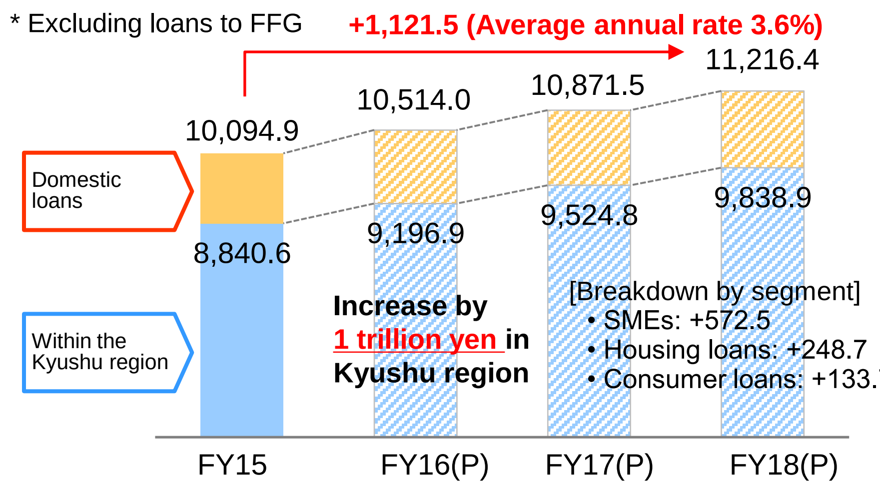
Build up Earnings from Loans

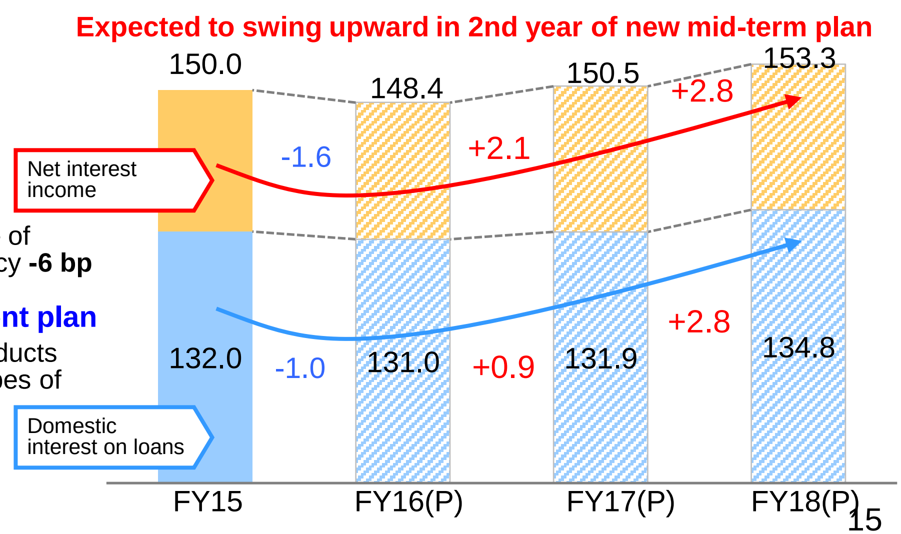
- Build up loans in the Kyushu region by about 1 trillion yen over 3 years, by expanding integrated services across Kyushu and by strengthening consulting services for business owners
- Both net interest income and domestic interest on loans will swing upward in 2nd year of new mid-term management plan.

Measures for building up loans

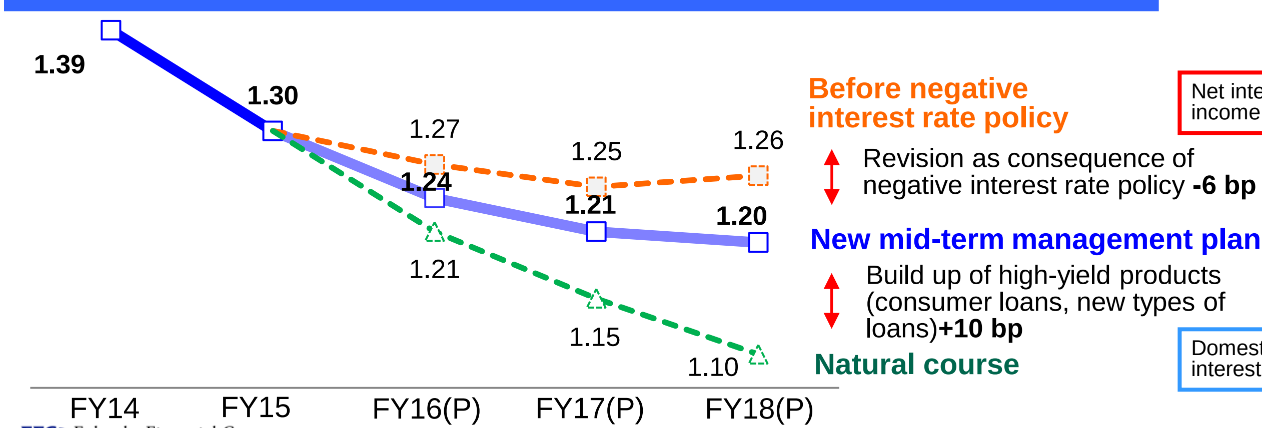
- Increase loans to small and medium-sized enterprises with a focus on the Kyushu region by strengthening consulting services for small- and medium-sized business owners.
  *Amount for fiscal 2016 (planned): 210 billion yen
- Discover potential loans through assessments of business potential
- Work on improving profitability, including overall banking services other than financing

Average balance of domestic loans / Net interest income / domestic interest on loans (Billion yen)





Yield on domestic loans (%)



Reform of Earnings Structure

▶ FFG is working to reform its earnings structure based on three pillars: “emphasizing the profitability of loans,” “increasing non-interest income,” and “stabilizing the consolidated revenue base,” as it aims to simultaneously improve ROE (profitability) and capital adequacy ratio (health) that are key management indicators.

Concept of reforming the earnings structure

Simultaneous improvement of profitability and health

1. Emphasis on “profitability” of loans — Build up profitable loans in contrast with risk-weighted assets

- From volume-oriented to profitability-oriented (use of RORA, etc.)
- Value-added business practices (consulting retail business)
- Accelerate a buildup of high-profit products (consumer loans, new-types of loans, etc.)

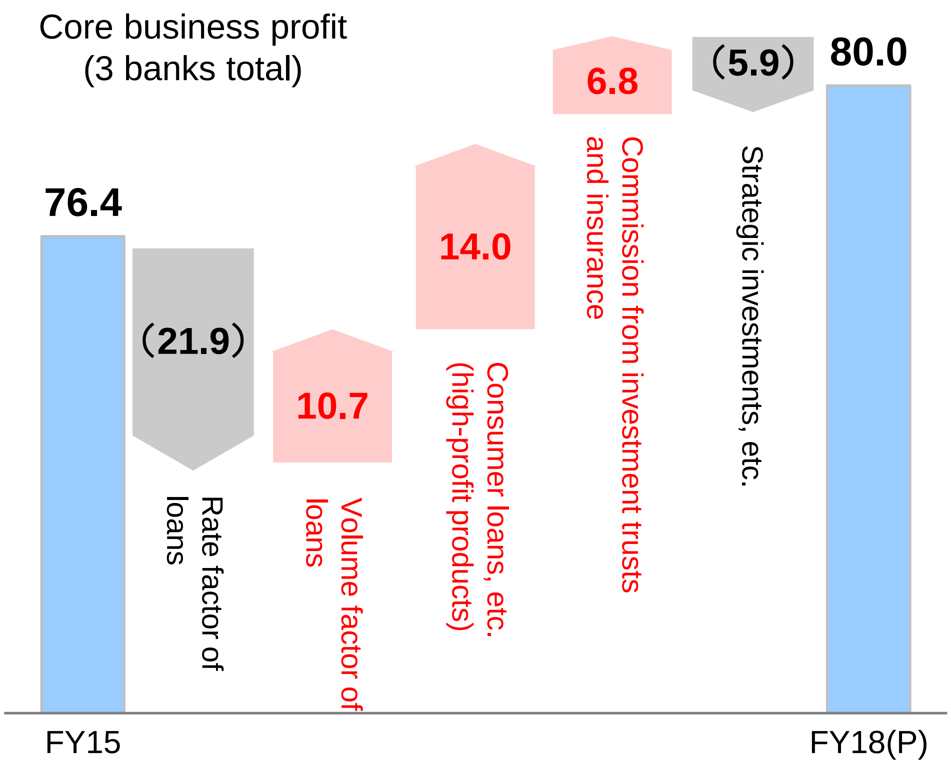
2. Increasing non-interest income — Strengthen business practices without utilizing risk-weighted assets

- Dramatic buildup of balance of and revenue from assets under management by intensifying business that targets high-net-worth individuals and transforming into asset-management business operation style
- Gain of corporate-related fees

3. Stabilization of consolidated revenue base — Build stable revenue base that can withstand changes in the business environment

- Provision of financial functions of the entire Group
- Deployment of Kyushu regional strategy based on potential
- Diversification and sophistication of market operations
- Control of expenses and investment

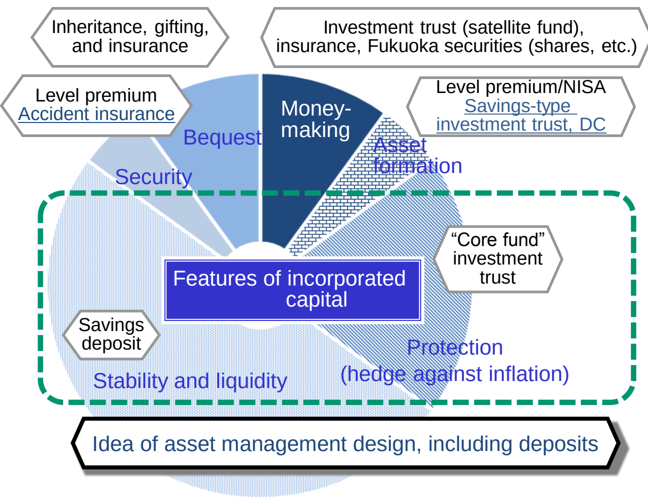
(billion yen)



Expansion of Asset-Management Business

▶ Shift to “asset-management business” operation style that is not limited within mere operational support, but can also respond to diversified financial needs (from asset formation to security, management, protection, and inheritance) all in one place.

Asset Management Business



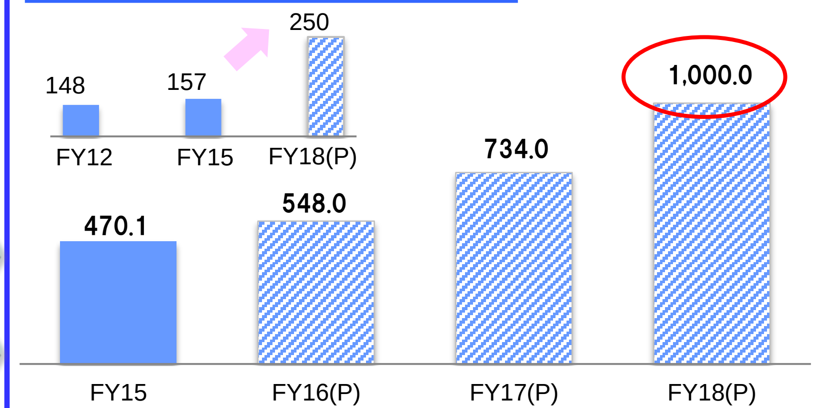
◆ Promote the “acquisition of new customers” and “in-depth banking transactions” targeting high-net worth individuals and the mass affluent, and build up investment trust and insurance balances

Investment trust	Insurance
New percentage↑	Acquisition of reserved funds (inheritance, guarantees, etc.)↑
Core percentage↑	Acquisition of level premium insurance↑
Yielding percentage↑	

Investment Trust Balance (billion yen)

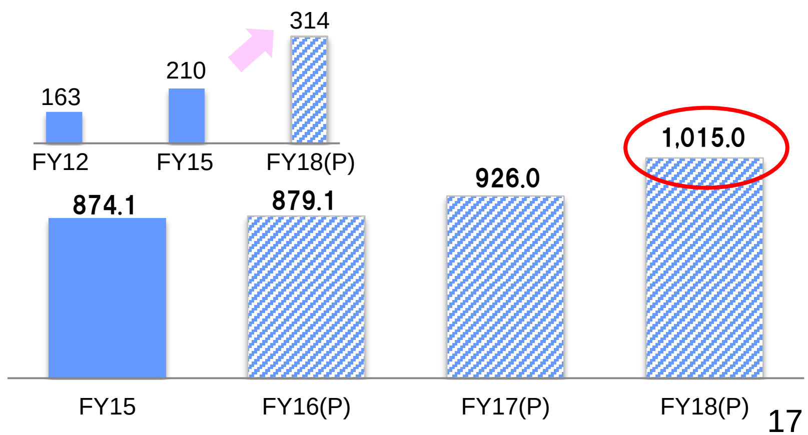
Number of investment trusts accounts (thousands)

* Includes Fukuoka Securities



Insurance Balance (bil. yen)

Number of insurance contracts (thousands)



Measures in Asset-Management Business

Introduce new products and services	● Extensive product lineup that can respond to all needs
Strengthen sales systems Strengthen cooperation with channels	● Strengthening of HQ front, Financial Consultant personnel ● Developing and advancing marketing techniques ● Development of omni-channels
Development of Human resources for Consulting	● Training at headquarters (300 people) ● Meister certification (150 people) (internal bank certification system)

Securities

▶ Promotion of risk control with the flexible use of operational and funding instruments in order to control fluctuations in earnings due to rising and falling interest rates.

Key Policy Initiatives

Yen-bond operations

- **Control reinvestment of redemption funds**
  ⇒ Secure risk-taking capacity in case interest rates rise
- **Effective use of significantly increased unrealized gains on bonds**
  ⇒ Supplement earnings in case interest rates decline

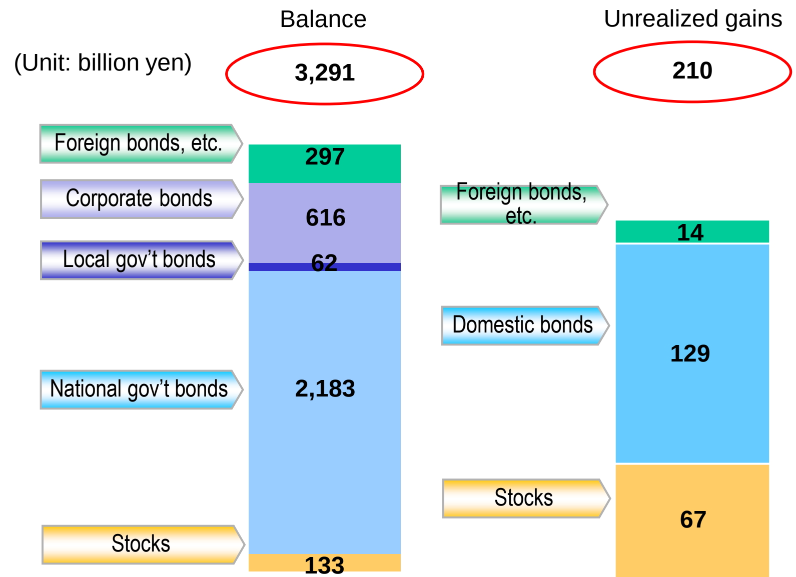
Diversification of investment

- **Active development of risk taking for investments other than domestic interest rate risks**
  ⇒ Working on credit-linked notes and funds

Capital transactions, etc.

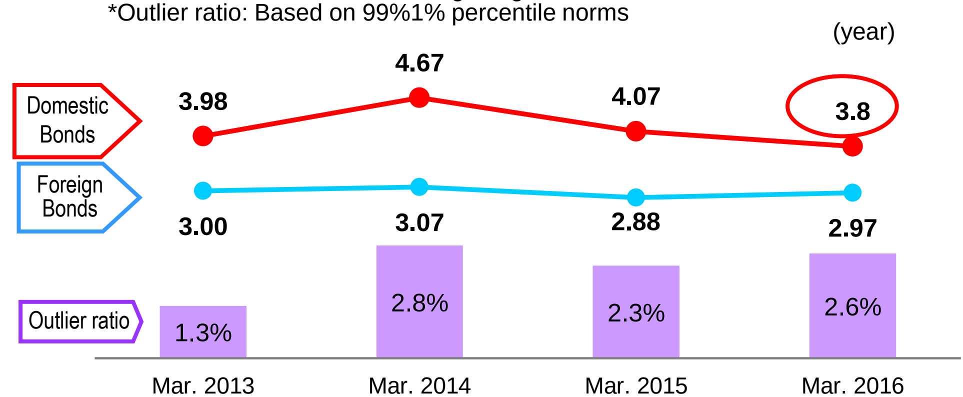
- **Funding with negative interest through short-term market transactions**
- **Guarantee international sector revenue through stable foreign currency funding**
  ⇒ Control liquidity risk and procurement costs with a suitable selection of procurement periods and methods

Securities balance/unrealized gains (end of March 2016)



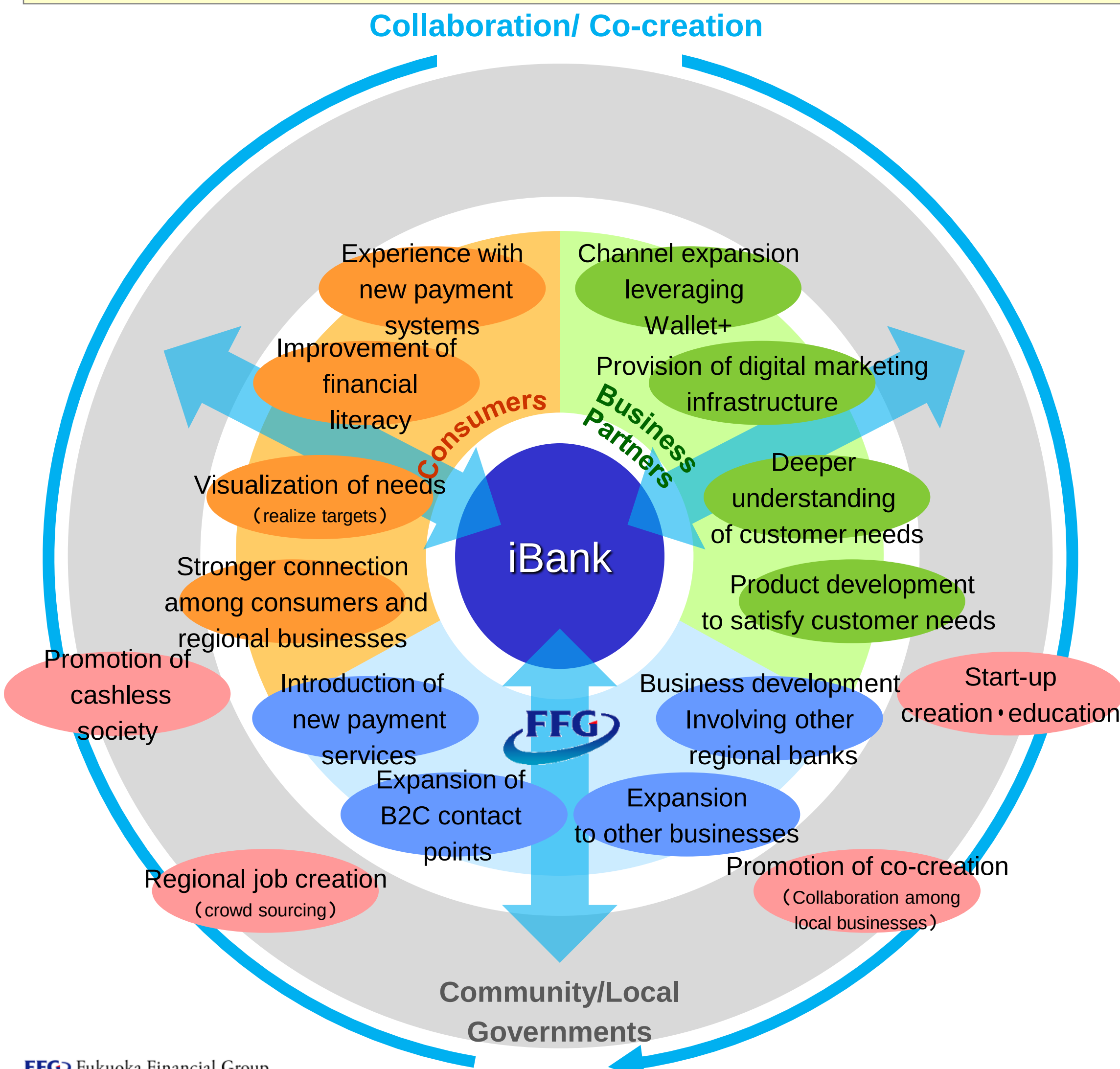
Bond duration and outlier ratio

*Bond Duration: After considering hedges
*Outlier ratio: Based on 99%1% percentile norms



iBank Concept

- We create the ecosystem which connects consumers, business partners and community/ local governments within their operat ing region.
- Key objective is to link potential consumers to local companies by grasping the potential needs of customers and stimulating c onsumption, and created the ecosystem which connects consumers, business partners and community/ local governments.



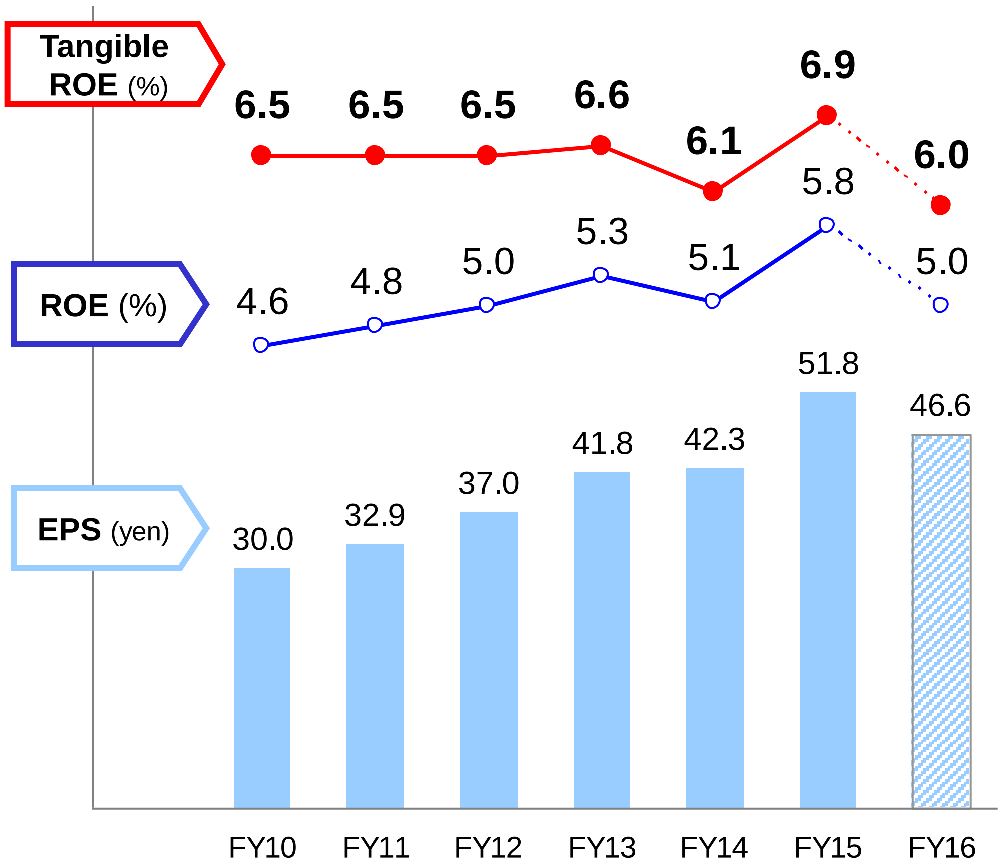
Wallet+'s Value

FFG	• Expand and lock in B2C businesses through collaboration with local companies. • Take a leading position among regional banks (to ensure advantage) by being first to the FinTech markets in response to deregulation.
Consumers (users)	• Spur potential needs ~experience a range of services from savings to purchase~ • Stronger connection among regional economies/societies leveraging digital capabilities.
Business partners	• Revitalize regional economies through promoting collaboration with local businesses • Create customer contacts and business opportunities which are not accessible by individual effort.
Community/ Local Governments	• Accelerate the inward flow of people and businesses through the realization and promotion of co-creative community • Create opportunities for people and businesses (employment generation within a region/fostering start-up businesses)

ROE & Shareholder Returns

- FFG aims to improve capital efficiency in the mid- and long-term by achieving reform in earnings structure and expanding our business base.
- Shareholder returns shall be conducted based on the balance between securing capital adequacy and enhancing capital efficiency for growth.

Capital Efficiency



*Tangible equity = Net assets – minority interests – intangible fixed assets

Dividend Policy

- Adopt a performance-based dividend formula
- Set table for dividend payout ratio of 30%

[Table of target dividends]

FFG consolidated net income*	Target dividend	Dividend payout ratio
50 - billion yen	17 yen	-29%
45 - 50 billion yen	15 yen	26-29%
40 - 45 billion yen	13 yen	25-28%
35 - 40 billion yen	12 yen	26-30%
30 - 35 billion yen	11 yen	27-32%
25 - 30 billion yen	10 yen	29-34%
20 - 25 billion yen	9 yen	31-39%
15 - 20 billion yen	8 yen	34-46%
Below 15 billion yen	7 yen	At least 40%

*Refers to the net income attributable to parent company shareholders

	FY10	FY11	FY12	FY13	FY14	FY15	FY16 (Plan)
Dividend	**¥8**	**¥8**	**¥10**	**¥12**	**¥12**	**¥13**	**¥13**
Payout ratio	**27%**	**25%**	**27%**	**29%**	**28%**	**25%**	**28%**

Projections for FY2016

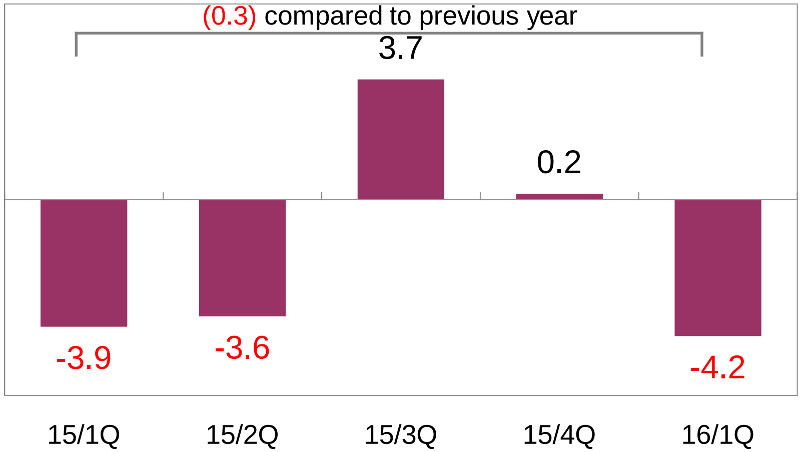
- FFG plans to achieve a core business profit of 71 billion yen and a net income of 40 billion yen in FY2016.
- The first quarter result was off to a good start with a progression rate of 36% for net income.

(¥ bil.)

3 banks total	Actual FY2015	Planned FY2016	YoY change	Actual FY2016 1Q	Progress
Gross business Profit	178.9	176.1	-2.8	48.6	28%
Net interest income	150.0	148.4	-1.6	37.4	25%
Domestic	143.1	143.1	0	35.9	25%
Non-interest income	28.9	27.7	-1.2	11.2	40%
Net fees & commissions	21.9	21.9	-0.1	4.9	22%
Overhead expenses	100.0	102.1	2.2	25.8	25%
Business profit	78.9	74.0	-4.9	22.8	31%
Core business profit	76.4	71.0	-5.3	17.8	25%
Ordinary profit	81.9	70.2	-11.8	25.8	37%
Net income	56.1	50.6	-5.5	18.1	36%
Credit cost	-3.6	3.0	6.6	-4.2	-
FFG consolidated					
Ordinary profit	71.4	61.5	-9.9	21.7	35%
Net income	44.7	40.0	-4.7	14.5	36%
EPS (Yen)	51.8	46.6	-5.2	16.9	

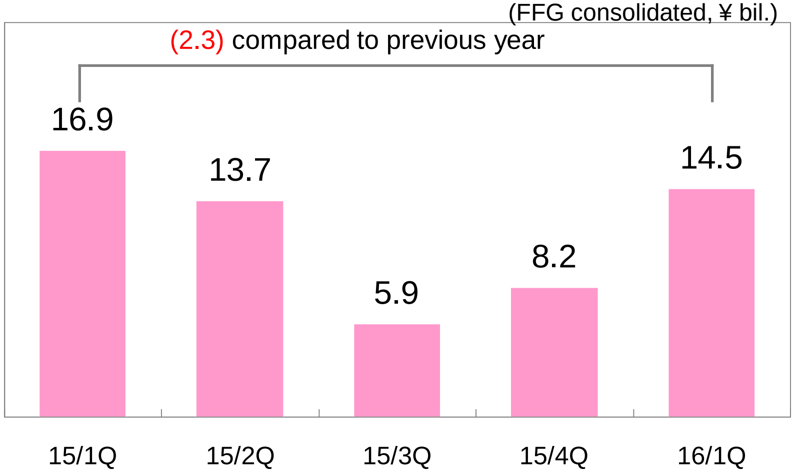
《Changes in Credit Cost》

(3 banks total, ¥ bil.)



《Changes in Quarterly Net Incomes》

(FFG consolidated, ¥ bil.)



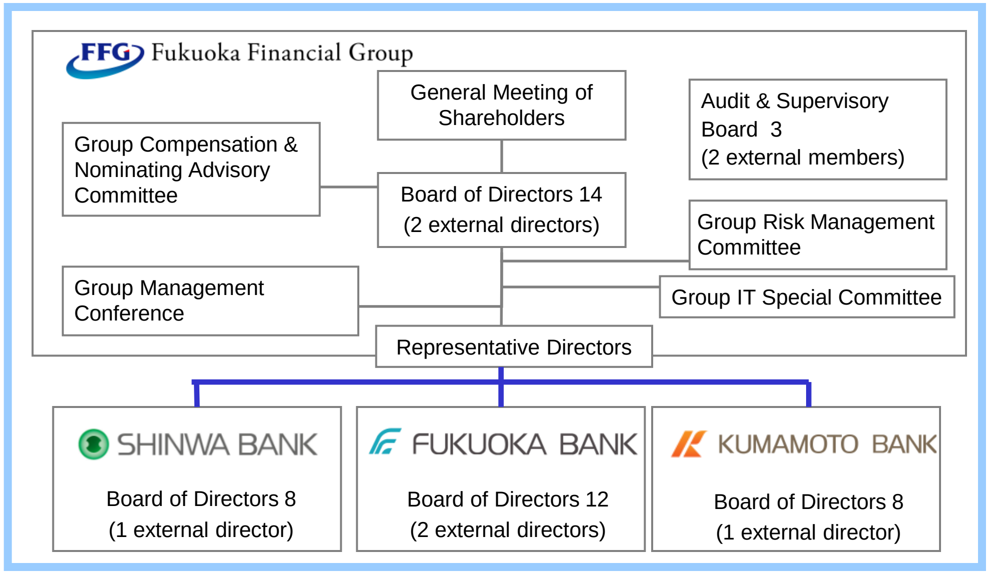
Part II

About Fukuoka Financial Group

Corporate Data

Corporate Governance

As of June 30, 2016



【Senior Management】

Masaaki Tani
FFG Chairman
Bank of Fukuoka Chairman

Takashige Shibato
FFG President
Bank of Fukuoka President

Takashi Yoshikai
FFG Deputy President
Bank of Fukuoka Deputy President

Ei Takeshita
FFG Director
Kumamoto Bank President

Syunsuke Yoshizawa
FFG Director
Shinwa Bank President

External Directors

Masahiko Fukasawa
FFG, Bank of Fukuoka External Director
Alix Partners Asia LLC Joint Supervisor of Asian Region and Joint Representative of Japan

Hideaki Takahashi
FFG, Bank of Fukuoka External Director
Keio Univ. Professor

- External Directors have been introduced in 2006.
- Mr. Fukasawa possesses extensive practical experience and specialized knowledge in consulting on management strategy and business revitalization of a wide variety of companies.
- Mr. Takahashi had a career as a senior vice president in NCR Corporation. He is an expert on ICT.

Credit Ratings

	R&I *1	JCR *2	Moody's *3
FFG	A+	A	—
Bank of Fukuoka	AA-	A+	Baa1
Kumamoto Bank	A+	A	—
Shinwa Bank	A+	A	—

＊1 Issuer rating ＊2 Senior long-term credit rating ＊3 Long-term deposit rating

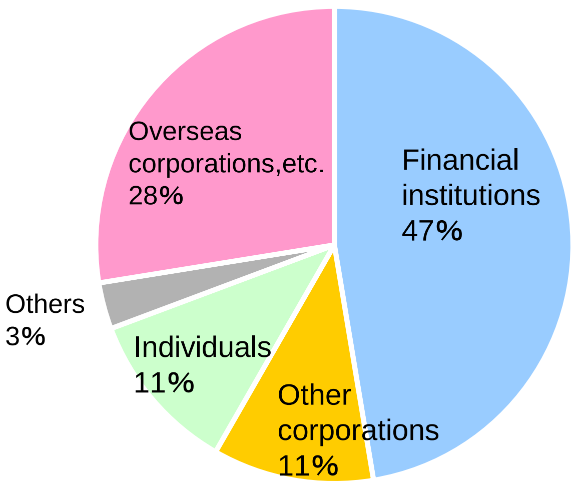
Stock Data

as of March 31, 2016

Share Information

	Common stock	Type1 preferred stock
Number of authorized shares	1,800,000,000	18,878,000
Number of shares Issued	859,761,868	18,742,000
Number of Shareholders	26,022	506

Composition of Shareholders



Major Shareholders

(thousands of shares)

Major Shareholders	Shares held	Ratio*
Japan Trustee Services Bank,Ltd.(Trust account)	60,995	6.94%
The Master Trust Bank of Japan,Ltd.(Trust account)	45,760	5.20%
Japan Trustee Services Bank,Ltd.(Trust account 9)	29,194	3.32%
Nippon Life Insurance Company	17,722	2.01%
Meiji Yasuda Life Insurance Company	17,719	2.01%
Sumitomo Life Insurance Company	17,419	1.98%
The Dai-Ichi Life Insurance Company, Limited	17,315	1.97%
Trust & Custody Services Bank, Ltd. (Trust Collateral Account)	13,720	1.56%
Japan Trustee Services Bank,Ltd.(Trust account 4)	12,155	1.38%
STATE STREET BANK WEST CLIENT-TREATY 505234	11,571	1.31%

*Ratio of shares held to issued number of shares

(yen)

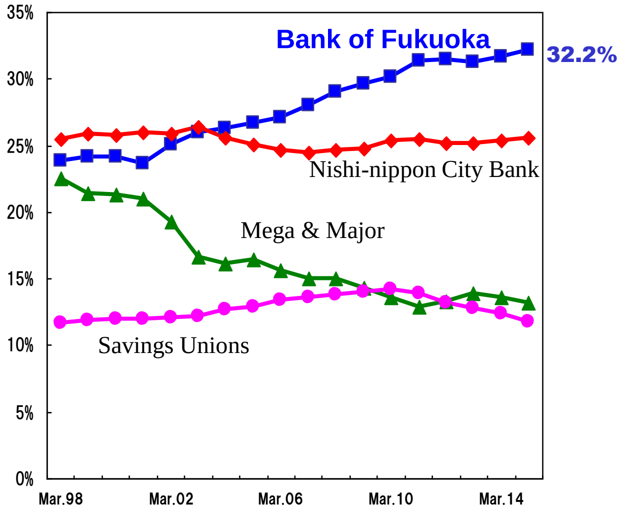
	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
EPS	25.30	32.82	29.94	32.62	37.01	41.82	42.29	51.75
BPS	588	645	658	712	774	798	865	902
ROE	4.3%	5.3%	4.6%	4.7%	4.9%	5.2%	5.1%	5.8%
ROTE	6.7%	7.9%	6.5%	6.5%	6.5%	6.6%	6.1%	6.9%

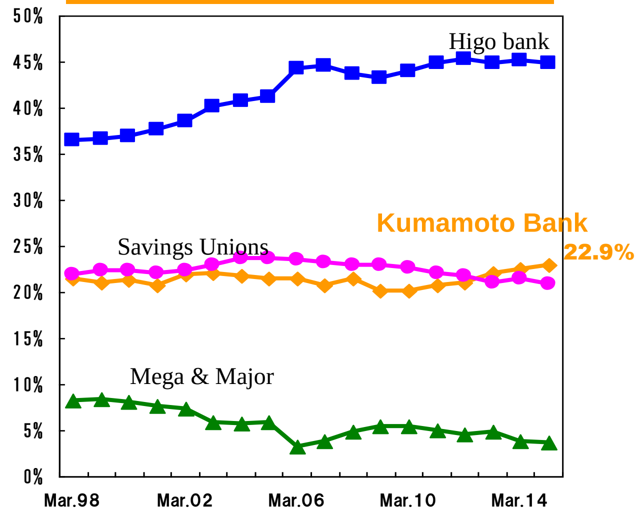
*ROTE: Tangible ROE

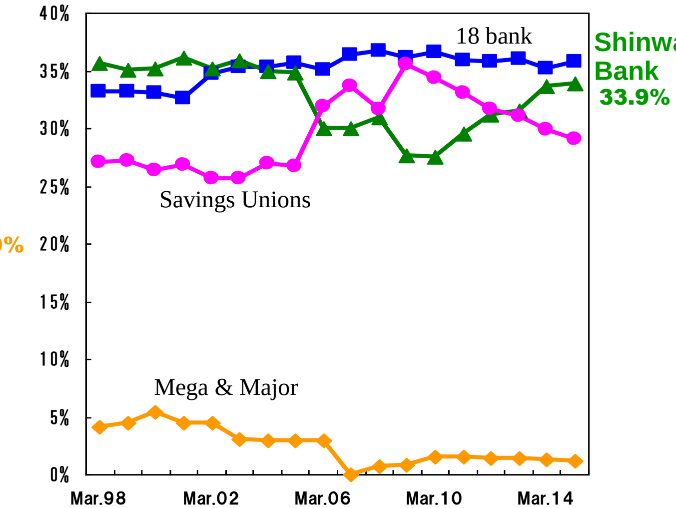
Market Share of Subsidiary Banks

Fukuoka Prefecture | Kumamoto Prefecture | Nagasaki Prefecture

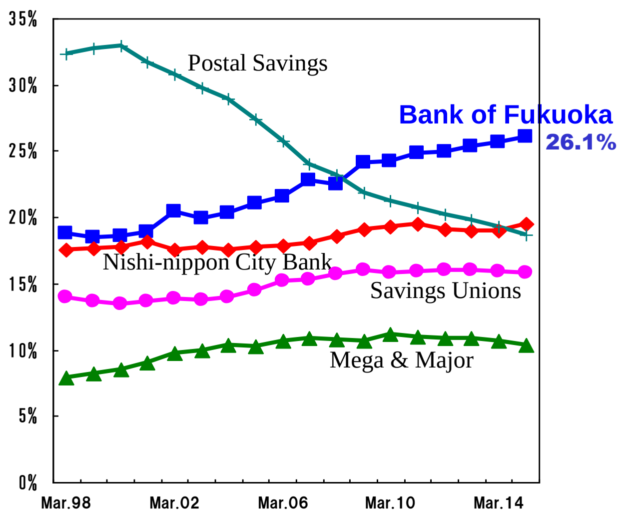
Share of loans

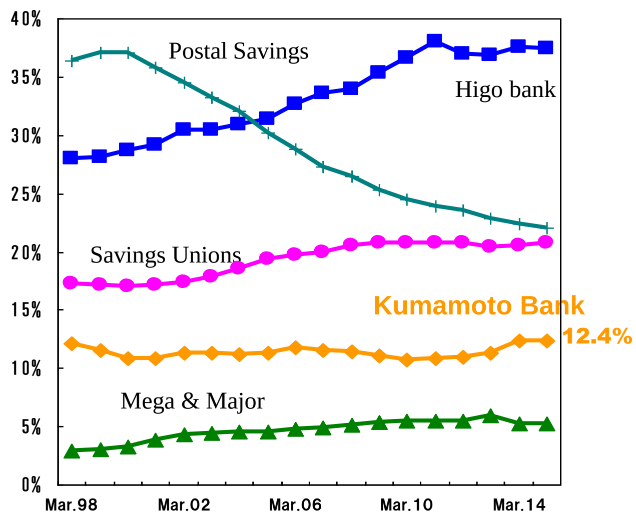


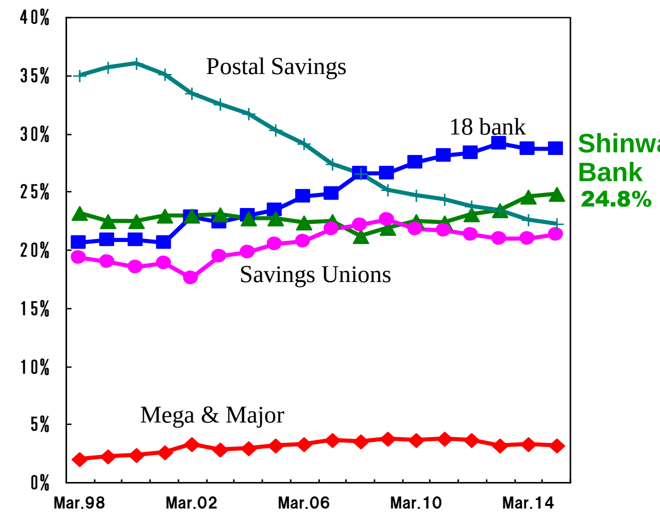




Share of deposits & CDs







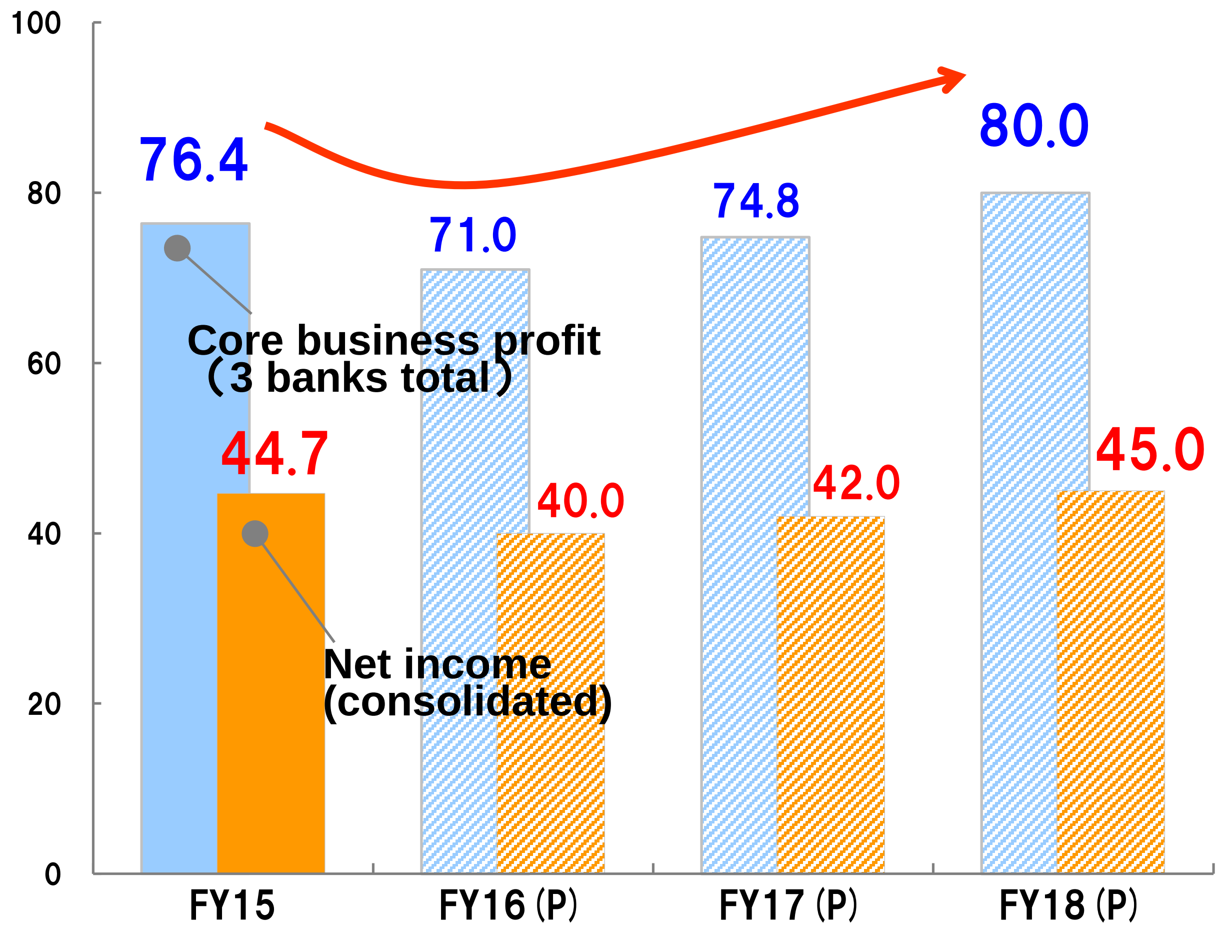
Source: Monthly Kinyu Journal

Part Ⅲ

Projected Figures of Fifth Mid-Term Management Plan

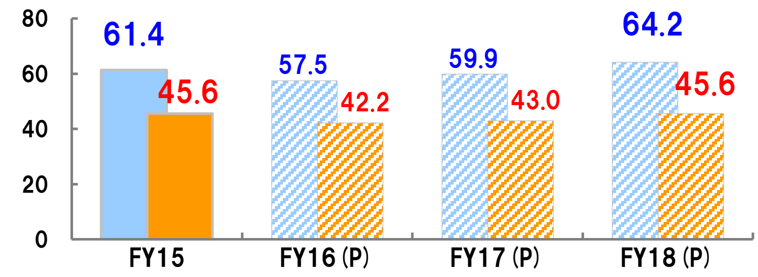
Projected Figures (1)

FFG

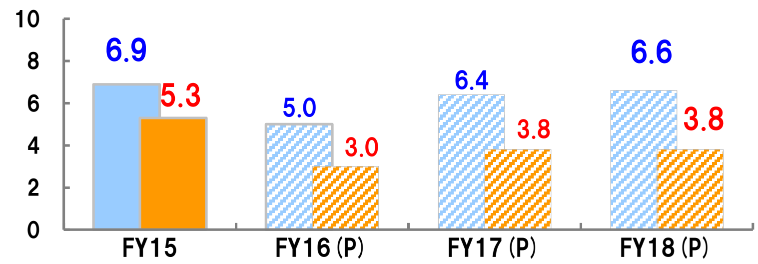


(bil. yen)

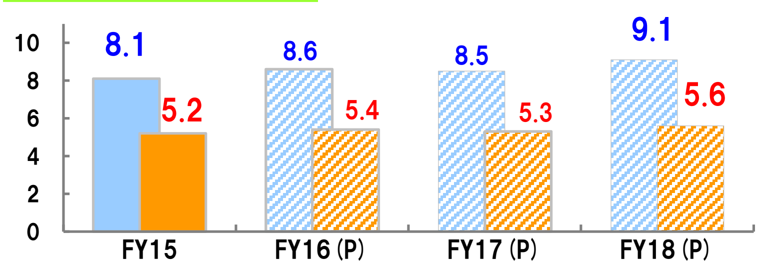
Bank of Fukuoka



Kumamoto Bank



Shinwa Bank



Assumed scenario

(%)

	FY16(P)		FY17(P)		FY18(P)	
	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half
O/N	▲0.00	⇒	⇒	⇒	⇒	⇒
LIBOR3M	▲0.01	⇒	⇒	⇒	⇒	⇒
SWAP2Y	▲0.18	⇒	⇒	⇒	⇒	⇒
SWAP5Y	▲0.14	⇒	⇒	⇒	⇒	⇒
SWAP10Y	0.09	⇒	⇒	⇒	⇒	⇒

Projected Figures (2)

Gain & Loss

(bil. Yen)	FY2015 3 banks total	FY2015 Fukuoka	FY2015 Kumamoto	FY2015 Shinwa	FY2018 (P) 3 banks total	FY2018 (P) Fukuoka	FY2018 (P) Kumamoto	FY2018 (P) Shinwa	Change in 3 years 3 banks total	Change in 3 years Fukuoka	Change in 3 years Kumamoto	Change in 3 years Shinwa
Gross business profit	178.9	129.5	20.8	28.7	186.5	136.1	20.6	29.7	+7.6	+6.7	-0.2	+1.0
Net interest income	150.0	107.7	18.2	24.1	153.3	110.8	18.3	24.1	+3.3	+3.1	+0.2	+0.0
Non-interest income	28.9	21.7	2.6	4.6	33.2	25.3	2.3	5.6	+4.3	+3.6	-0.3	+1.0
Bond-related income	2.6	2.0	0.1	0.5	3.0	3.0	0.0	0.0	+0.4	+1.0	-0.1	-0.5
Overhead expences	-100.0	-66.1	-13.8	-20.1	-103.6	-68.9	-14.0	-20.6	-3.6	-2.9	-0.2	-0.5
Business profit	78.9	63.4	7.0	8.5	82.9	67.2	6.6	9.1	+4.0	+3.8	-0.4	+0.6
Core business profit	76.4	61.4	6.9	8.1	80.0	64.2	6.6	9.1	+3.6	+2.9	-0.3	+1.0
Ordinary profit	81.9	66.8	7.4	7.7	76.9	64.5	5.0	7.4	-5.0	-2.3	-2.3	-0.4
Net income	**56.1**	**45.6**	**5.3**	**5.2**	**55.0**	**45.6**	**3.8**	**5.6**	**-1.1**	**-0.0**	**-1.5**	**+0.4**
Credit cost	3.6	1.8	1.0	0.8	-7.0	-5.0	-1.0	-1.0	-10.6	-6.8	-2.0	-1.8
Consolidation adjustment	-11.4				-9.9				+1.4			
Condolidated net income*	**44.7**				**45.0**				**+0.3**			

*Net income attributable to owners of the parent

Reference

	FY2015 3 banks total	FY2015 Fukuoka	FY2015 Kumamoto	FY2015 Shinwa	FY2018 (P) 3 banks total	FY2018 (P) Fukuoka	FY2018 (P) Kumamoto	FY2018 (P) Shinwa
Capital adequacy ratio *1	8.75%	8.76%	10.00%	8.83%	About 9%	Mid 8%	About 10%	Low 9%
OHR	63.7%	51.8%	66.7%	71.4%	About 60%	About 50%	About 68%	About 69%
ROE (consolidated)	5.8%				5% or more			

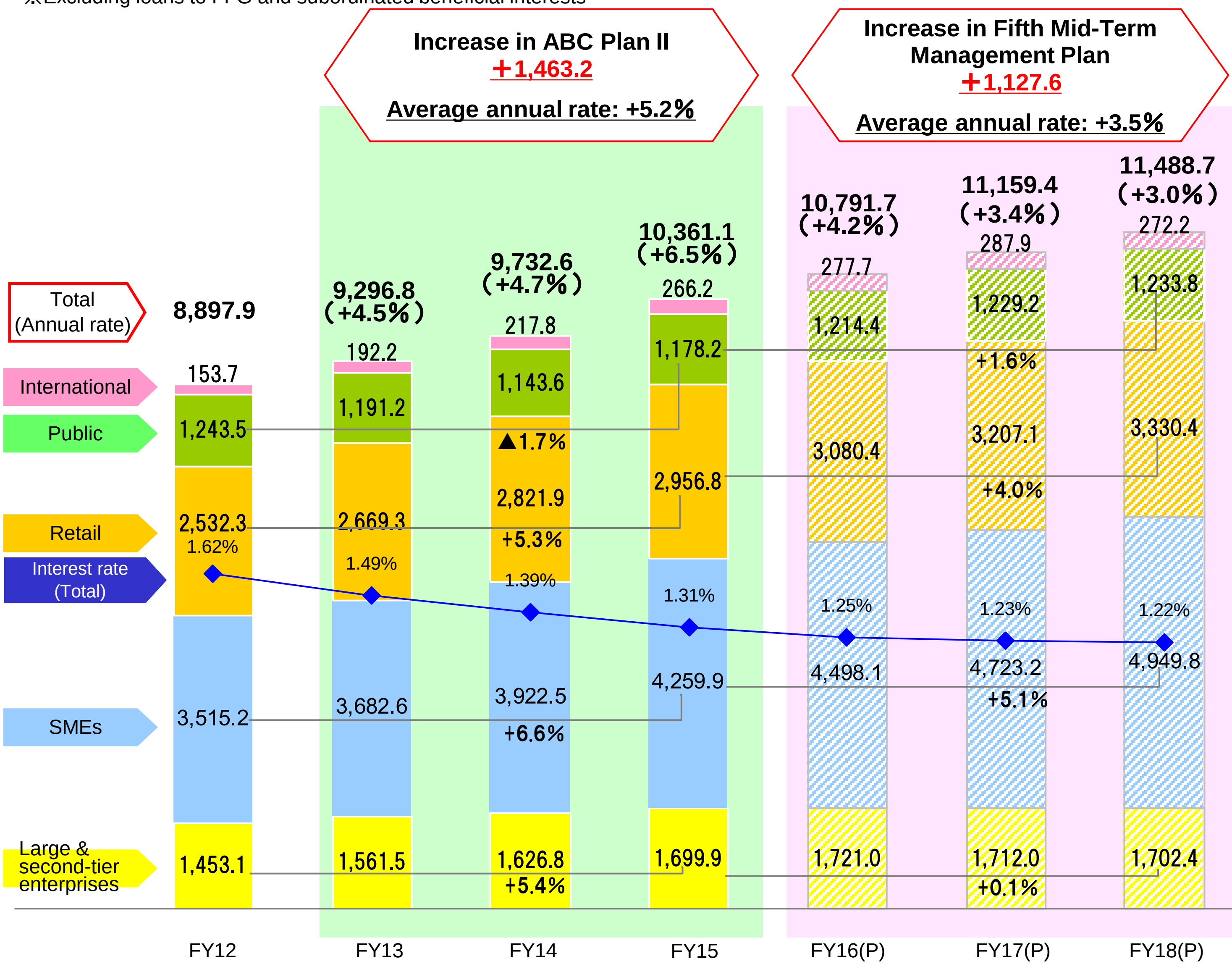
*1 Transitional measure, FFG and Bank of Fukuoka on consolidated basis

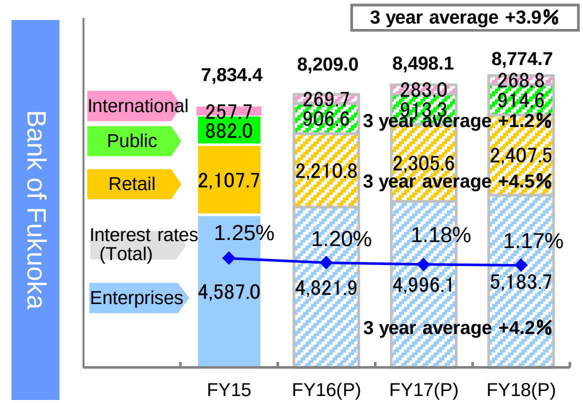
Loans

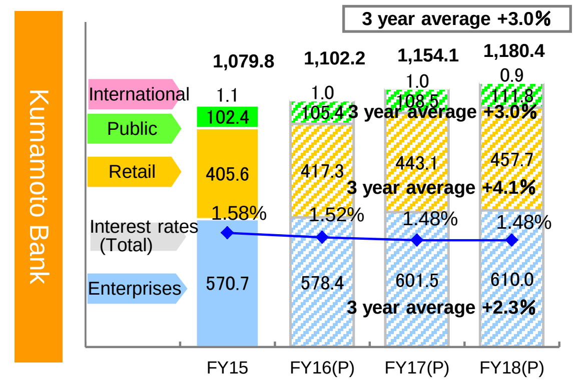
Average balance of loans (3 banks total)

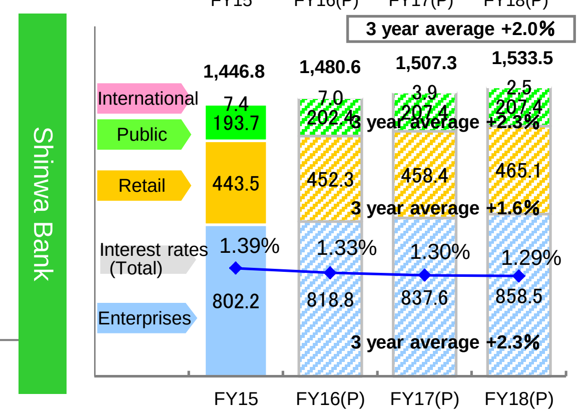
(bil. yen)

※Excluding loans to FFG and subordinated beneficial interests





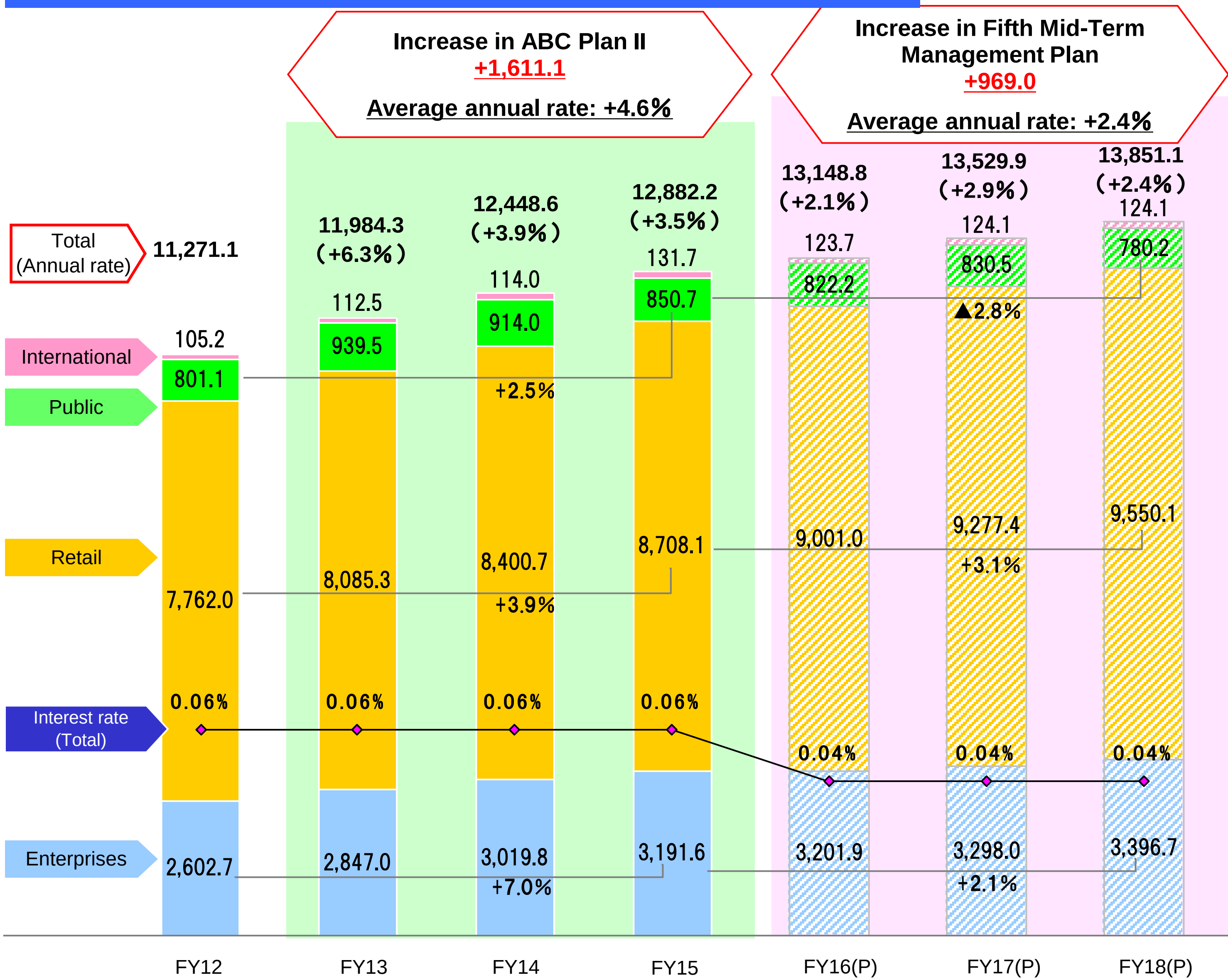


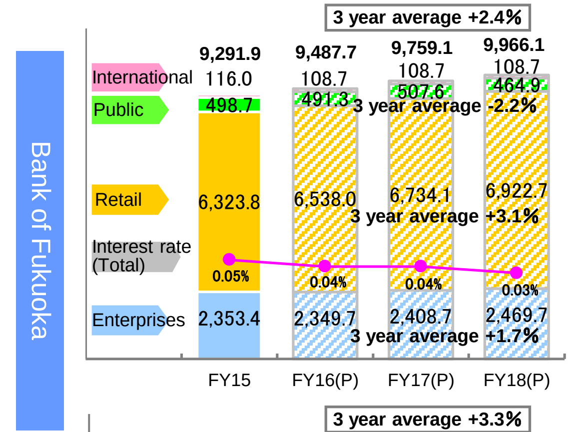


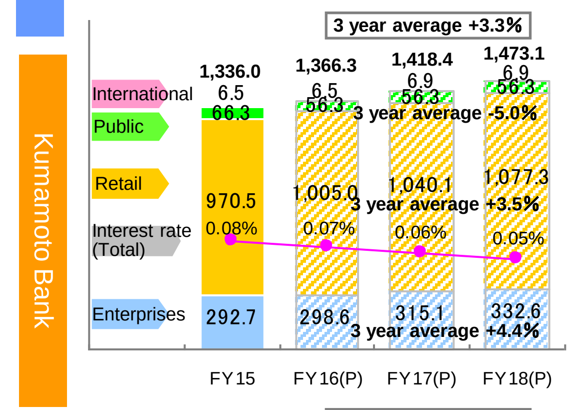
Deposits & CDs

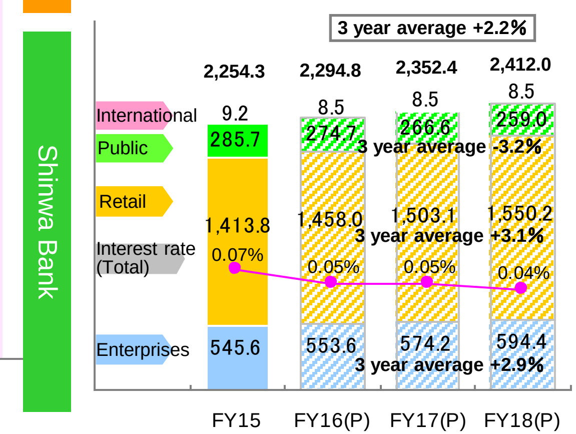
Average balance of deposits & CDs (3 banks total)

(bil. yen)





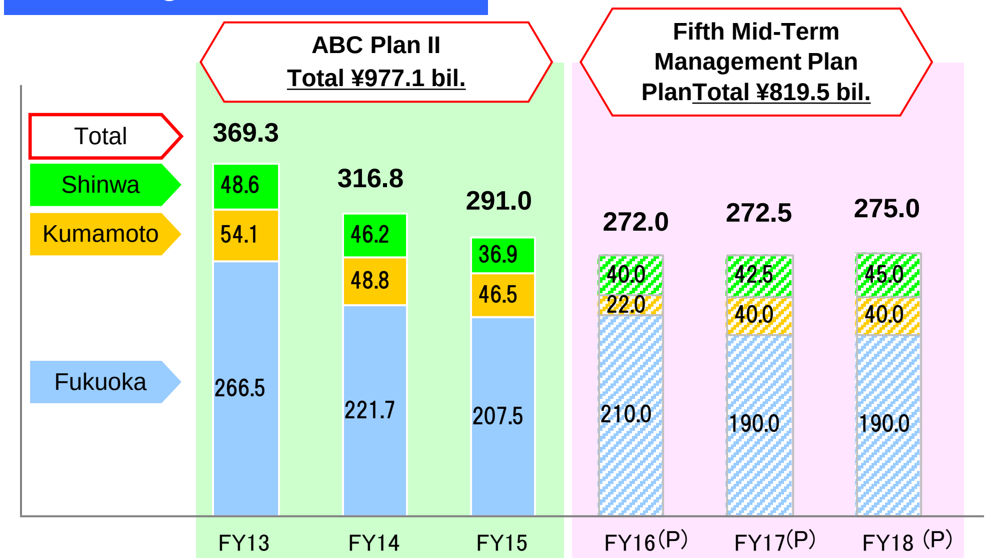




Major Products

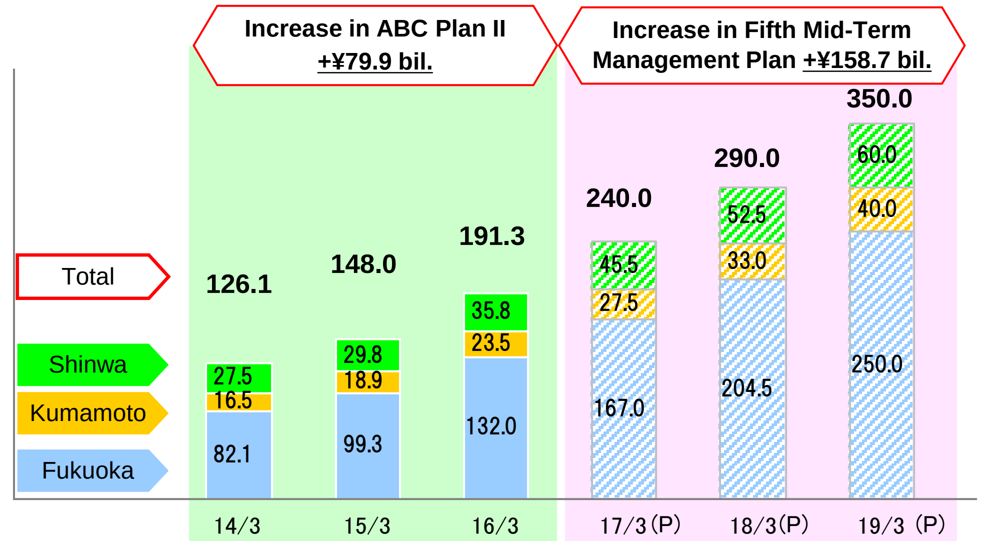
Housing loans execution

(bil. yen)



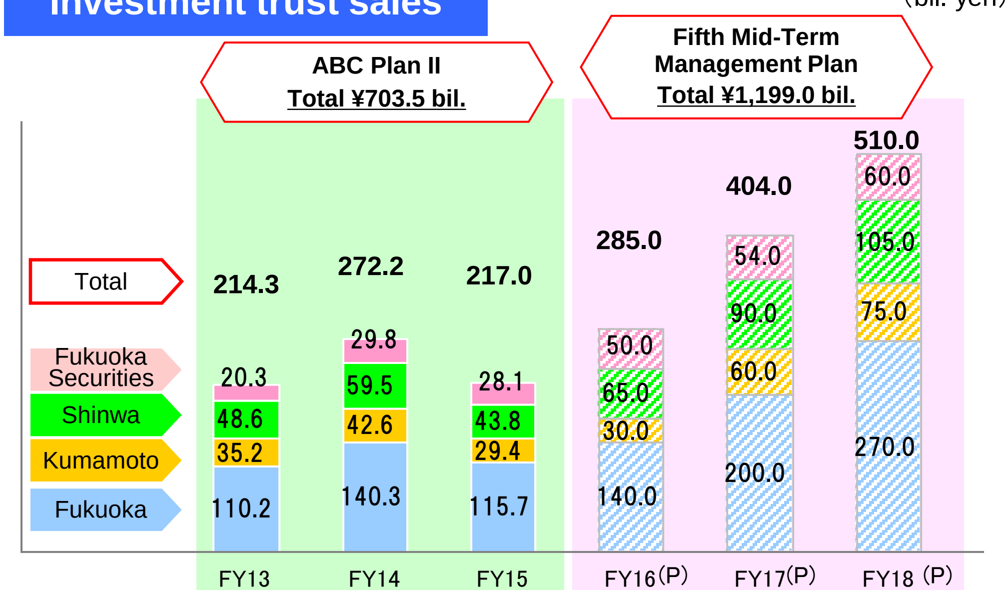
Consumer loans balance

(bil. yen)



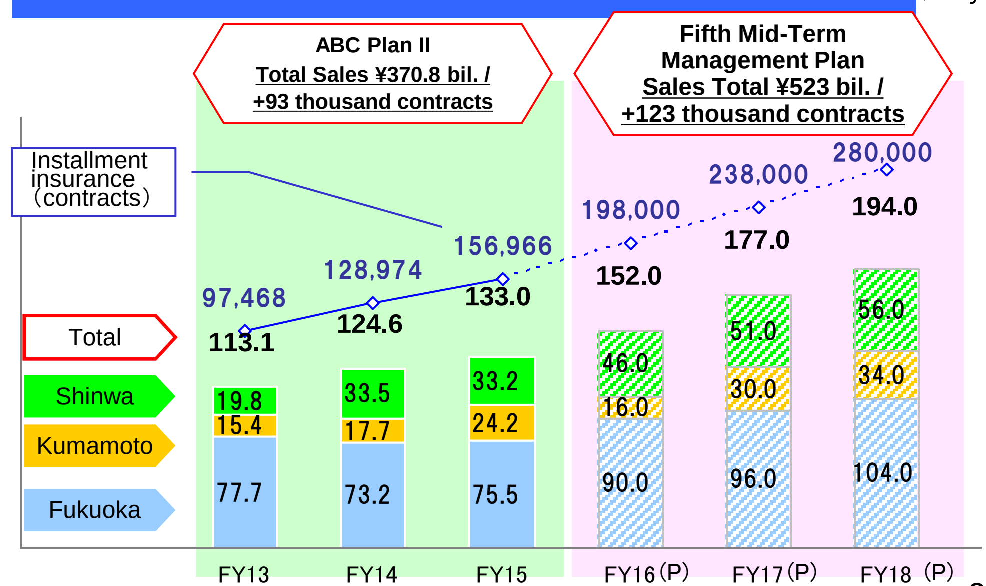
Investment trust sales

(bil. yen)



Insurance sales (total sales & number of contracts)

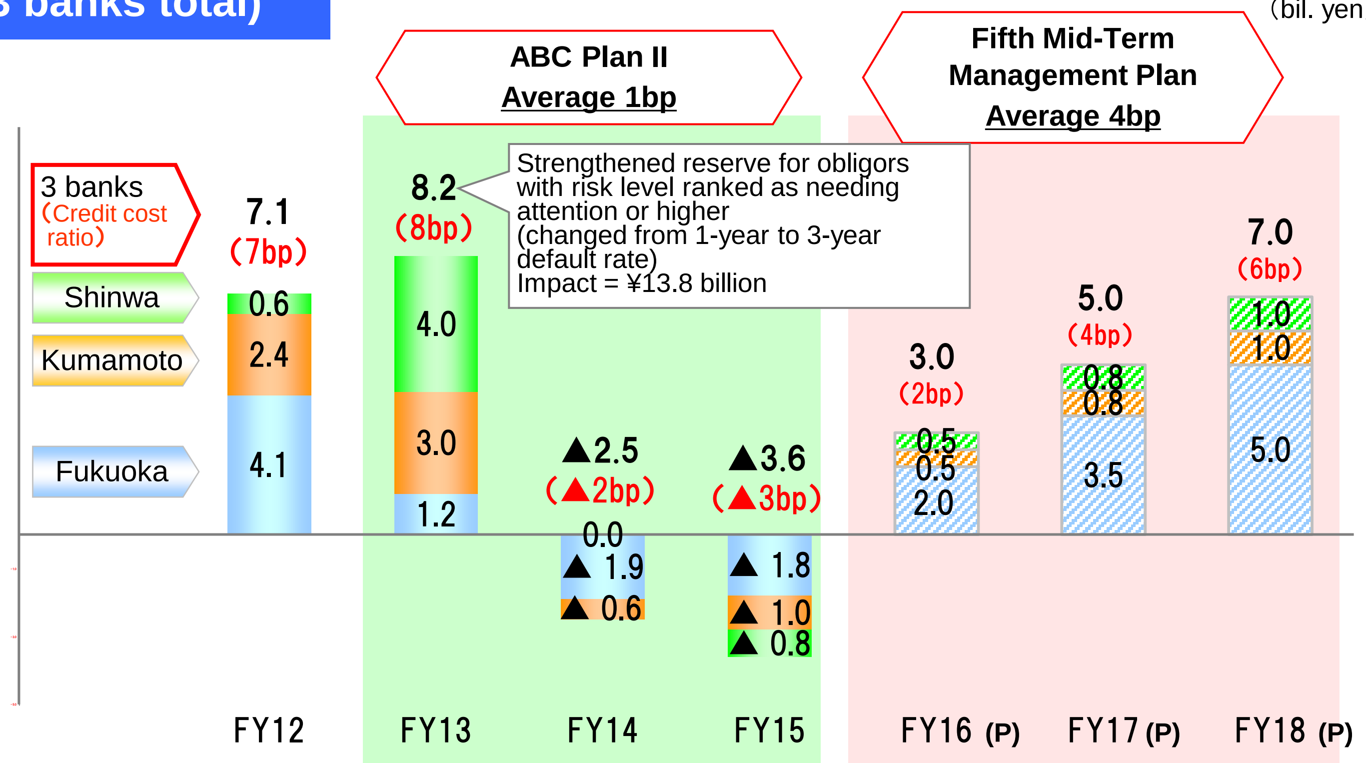
(bil. yen)



※For individuals only ※Excluding Installment insurance with one-time payment

Credit Cost

Credit cost (3 banks total)



Credit cost ratio	ABC Plan II			Average in ABC Plan	Fifth Mid-Term Management Plan		
	FY13	FY14	FY15		FY16(P)	FY17(P)	FY18(P)
Fukuoka	1bp	▲2bp	▲2bp	▲1bp	2bp	4bp	6bp
Kumamoto	31bp	▲5bp	▲8bp	6bp	5bp	7bp	9bp
Shinwa	29bp	0bp	▲5bp	8bp	3bp	5bp	7bp

Part Ⅳ

Financial Data

Financial results for FY2015

Profit & Loss (3 banks total)

(¥ bil.)

[Comparison to Projections of Nov. 10, 2014]	3 banks non-consolidated total FY2015	YoY Chg.	Bank of Fukuoka (non-consolidated) FY2015	YoY Chg.	Kumamoto Bank (non-consolidated) FY2015	YoY Chg.	Shinwa Bank (non-consolidated) FY2015	YoY Chg.
Gross business profit	178.9	4.7	129.5	4.9	20.8	0.5	28.7	(0.7)
Net interest income	150.0	0.4	107.7	0.9	18.2	(0.0)	24.1	(0.5)
Domestic	143.1	0.7	100.9	1.2	18.1	(0.0)	24.1	(0.5)
International	6.9	(0.3)	6.8	(0.3)	0.0	0.0	0.0	(0.0)
Non-interest income	28.9	4.3	21.7	4.0	2.6	0.5	4.6	(0.2)
Net fees and commissions	21.9	1.0	15.7	0.8	2.4	0.6	3.9	(0.4)
Specified trade income	4.4	1.0	4.0	1.3	0.1	(0.1)	0.3	(0.2)
Bond-related income	2.6	2.3	2.0	1.8	0.1	0.1	0.5	0.4
Overhead expenses	100.0	0.2	66.1	0.3	13.8	0.2	20.1	(0.3)
Actual Business Profit	78.9	4.5	63.4	4.6	7.0	0.3	8.5	(0.4)
Transfer to general reserve for possible loan losses	–	–	–	–	–	–	–	(1.2)
Business profit	78.9	4.5	63.4	4.6	7.0	0.3	8.5	0.8
Core business profit (except for market related profit [loss]) [-0.6]	**76.4**	**2.2**	**61.4**	**2.8**	**6.9**	**0.2**	**8.1**	**(0.8)**
Other operating profit (loss)	3.0	3.1	3.4	3.2	0.4	0.4	- 0.8	(1.7)
Ordinary profit [-3.7]	81.9	7.6	66.8	7.8	7.4	0.7	7.7	(1.0)
Extraordinary profit (loss)	- 2.1	0.8	- 1.6	(0.5)	- 0.0	0.1	- 0.5	1.3
Income (loss) before income taxes	79.8	8.4	65.2	7.3	7.4	0.8	7.3	0.3
Income taxes	23.7	0.2	19.6	(2.0)	2.1	3.6	2.0	(1.4)
Net income [-0.9]	**56.1**	**8.2**	**45.6**	**9.3**	**5.3**	**(2.7)**	**5.2**	**1.7**
Credit cost [-1.9]	-3.6	(1.1)	- 1.8	0.1	- 1.0	(0.4)	- 0.8	(0.9)

Profit & Loss (FFG consolidated)

Gross business profit	190.1	+ 4.4
Actual business profit	69.0	+ 3.7
Core business profit	66.4	+ 1.7
Ordinary profit [-3.6]	71.4	+ 10.7
Consolidated net income [+0.7]	**44.7**	**+ 8.1**

Consolidation adjustments

	FY2015	YoY Chg.
FFG non-consolidated income	-6.5	0.2
Amortization of goodwill	-9.2	0.0
Subsidiary income	4.2	0.3
Others	0.1	-0.5
Total Consolidation adjustments	-11.4	-0.1

Point1 Net interest income increased (the first time since FFG's establishment)

- Net interest income increased ¥0.4 billion over FY2015, due to the increase in loans volume and build-up of consumer loans making up for the effect of the decline of interest rates. Also an increase of investment in government bonds contributed.
- It was the first time increase since FFG was established.

Point2 Core business profit increased (the first time in three periods)

- Core business profit increased ¥2.2 billion over FY2015, due to the increase in net interest and non-interest income (except bond-related income: +¥2 billion) ,and the control of overhead expenses unchanged from FY2014.
- It was the first time increase in three years.

Point3 Consolidated net income was a record high (four consecutive periods)

- Consolidated net income was a record high for four consecutive periods, due to the increase in core business profit over FY2014, the refund of credit cost and the profit from the sale of securities, etc.

Projections for FY2016

Profit & Loss (3 banks total)

(¥ bil.)

	3 banks non-consolidated total		Bank of Fukuoka (non-consolidated)		Kumamoto Bank (non-consolidated)		Shinwa Bank (non-consolidated)	
	P:FY16	YoY Chg.	P:FY16	YoY Chg.	P:FY16	YoY Chg.	P:FY16	YoY Chg.
Gross business profit	176.1	(2.8)	128.1	(1.4)	19.2	(1.5)	28.8	0.2
Net interest income	148.4	(1.6)	106.6	(1.1)	17.8	(0.3)	24.0	(0.1)
Domestic	143.1	(0.0)	101.4	0.5	17.8	(0.4)	23.9	(0.1)
International	5.3	(1.6)	5.3	(1.6)	0.1	0.0	0.0	(0.0)
Non-interest income	27.7	(1.2)	21.4	(0.3)	1.4	(1.2)	4.8	0.3
Net fees and commissions	21.9	(0.1)	16.0	0.3	1.3	(1.1)	4.6	0.7
Supecified trade income	2.9	(1.5)	2.5	(1.5)	0.1	(0.0)	0.3	0.0
Bond-related income	3.0	0.4	3.0	1.0	0.0	(0.1)	0.0	(0.5)
Overhead expenses	102.1	2.2	67.6	1.6	14.2	0.5	20.3	0.1
Actual Business Profit	74.0	(4.9)	60.4	(3.0)	5.0	(2.0)	8.6	0.0
Core business profit	71.0	(5.3)	57.5	(3.9)	5.0	(1.9)	8.6	0.5
Ordinary profit	70.2	(11.8)	59.5	(7.3)	3.9	(3.5)	6.8	(0.9)
Net income	50.6	(5.5)	42.2	(3.4)	3.0	(2.3)	5.4	0.2
Credit cost	3.0	6.6	2.0	3.8	0.5	1.5	0.5	1.3

Profit & Loss (FFG consolidated)

Gross business profit	190.3	0.2
Actual business profit	66.8	(2.1)
Core business profit	63.9	(2.5)
Ordinary profit	61.5	(9.9)
Consolidated net income	40.0	(4.7)

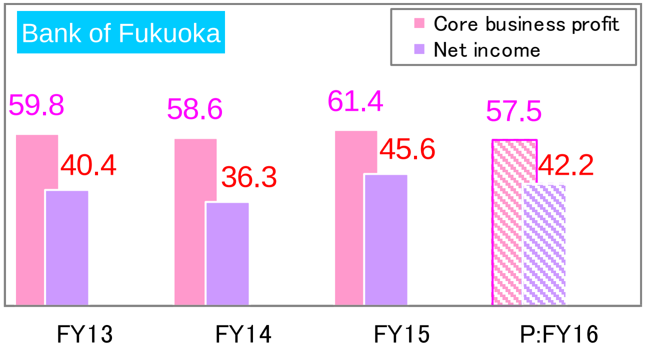
Consolidation adjustments

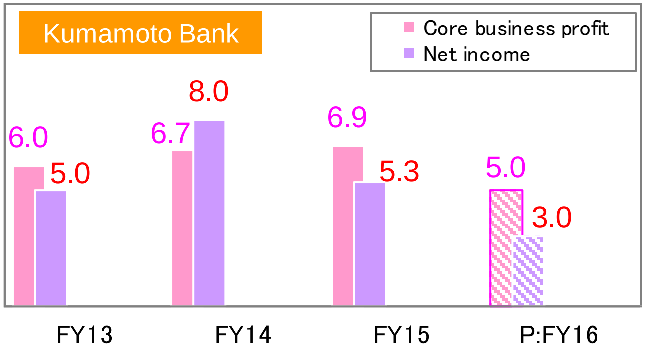
	P:FY16	YoY Chg.
FFG non-consolidated income	-5.9	0.5
Amortization of goodwill	-9.2	0.0
Subsidiary income	4.3	0.0
Others	0.3	0.2
Total Consolidation adjustments	-10.6	0.8

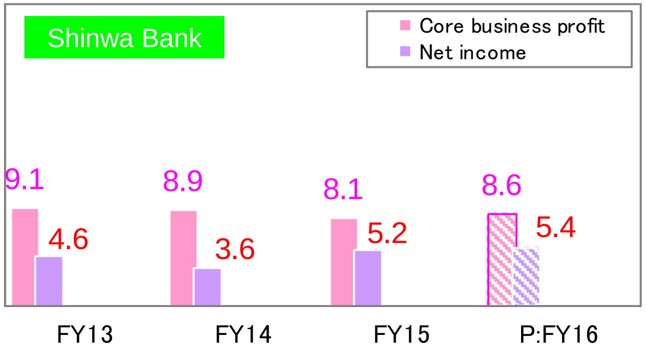
* Consolidated net income is Net income attributable to owners of the parent

Profit & Loss (By bank)

(¥ bil.)

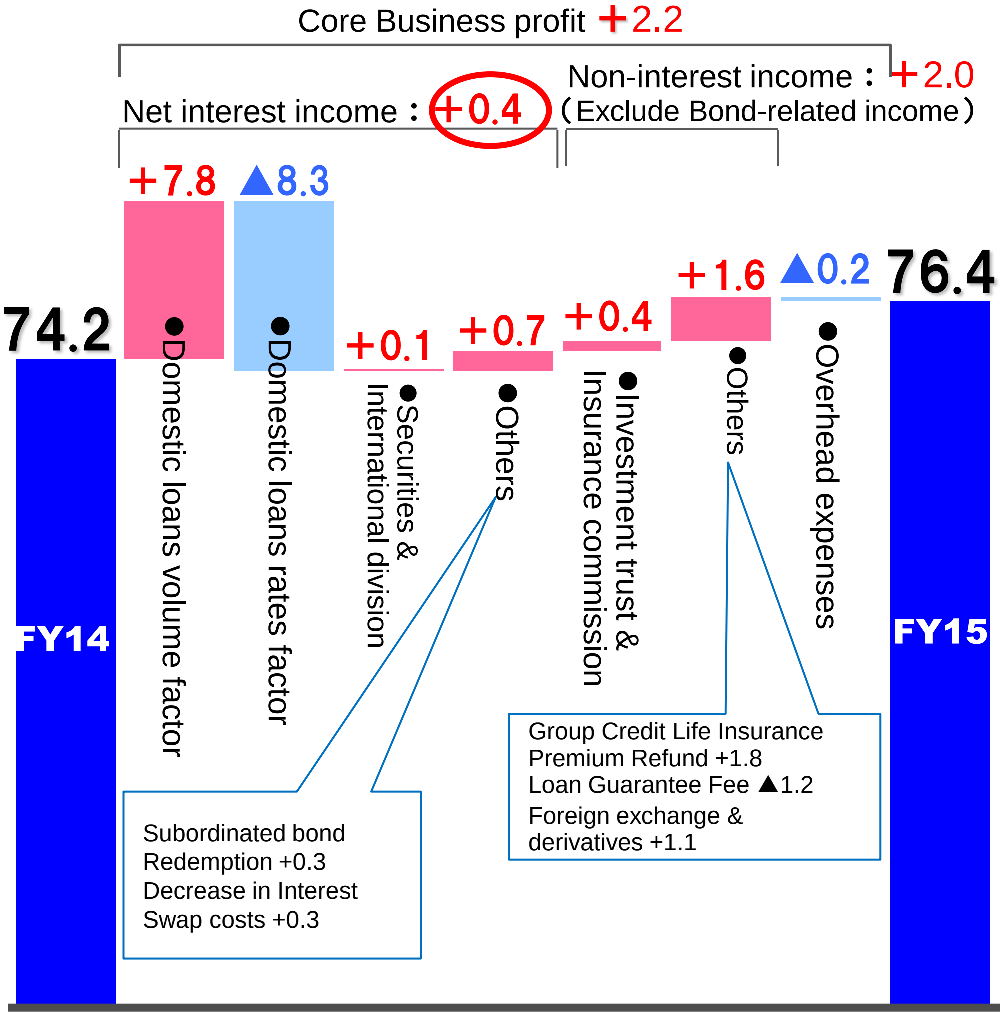




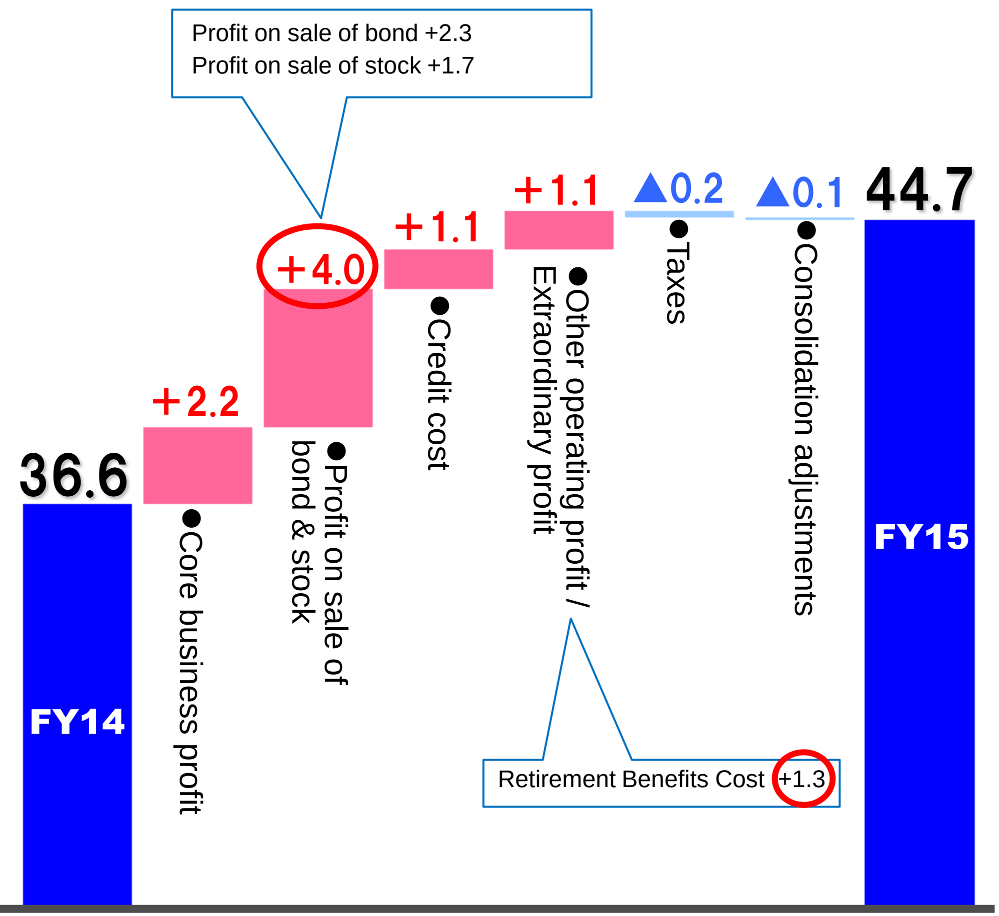


Transition of Top Line / Bottom Line

Top Line(Core business profit)(YoY Chg.)



Bottom Line(Consolidated net income)(YoY Chg.)



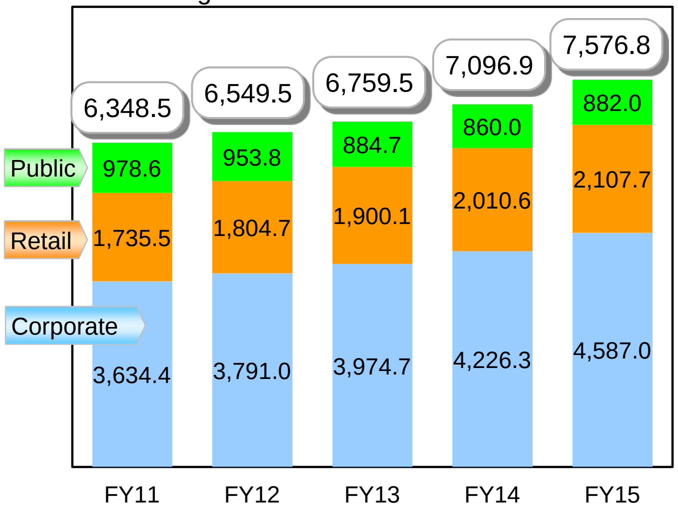
Loans (By Bank)

Average loan balance by customer segment

(¥ bil.)

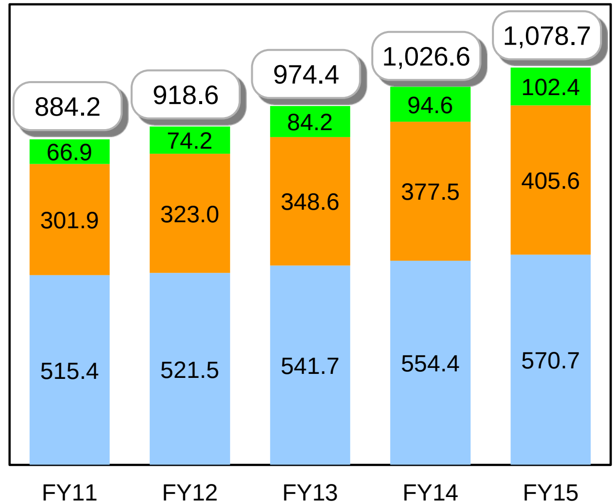
Bank of Fukuoka

* Excluding loans to FFG



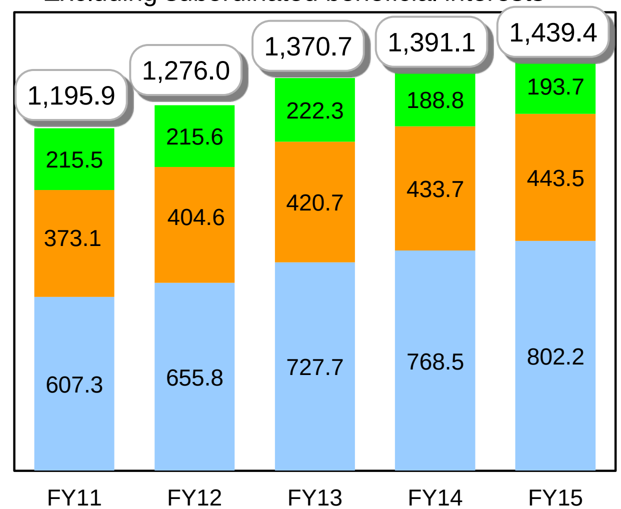
Kumamoto Bank

* Excluding subordinated beneficial interests



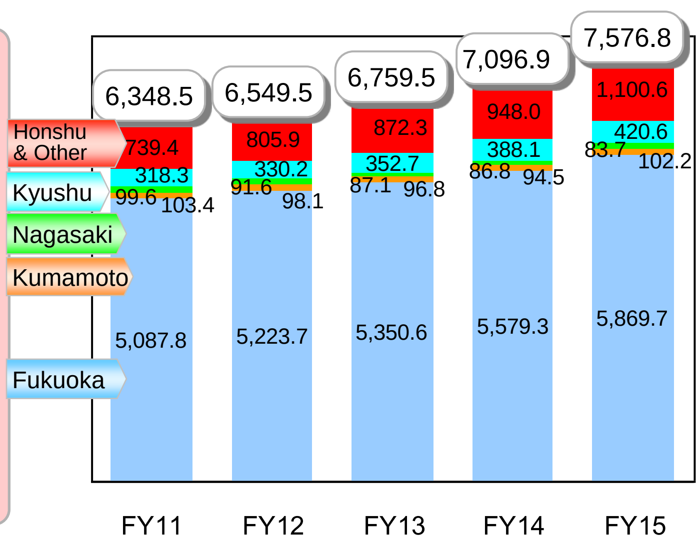
Shinwa Bank

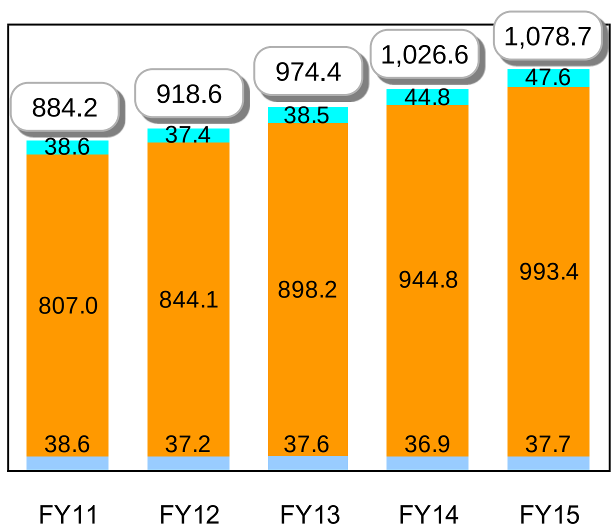
* Excluding subordinated beneficial interests

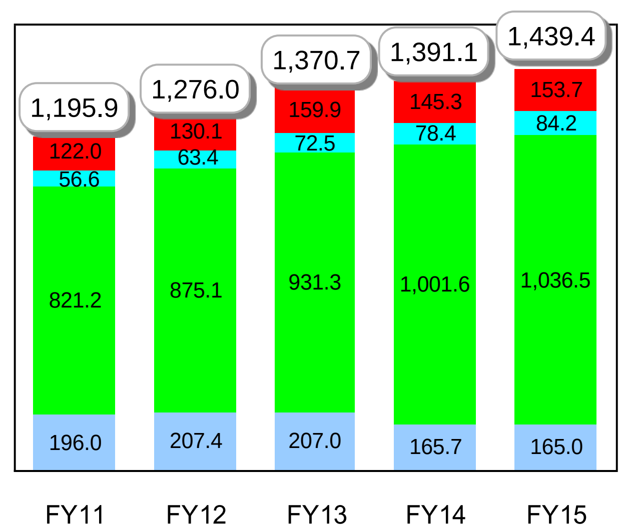


Average loan balance by region

(¥ bil.)







Loan Portfolio (Classified by Industry)

(¥ bil.)

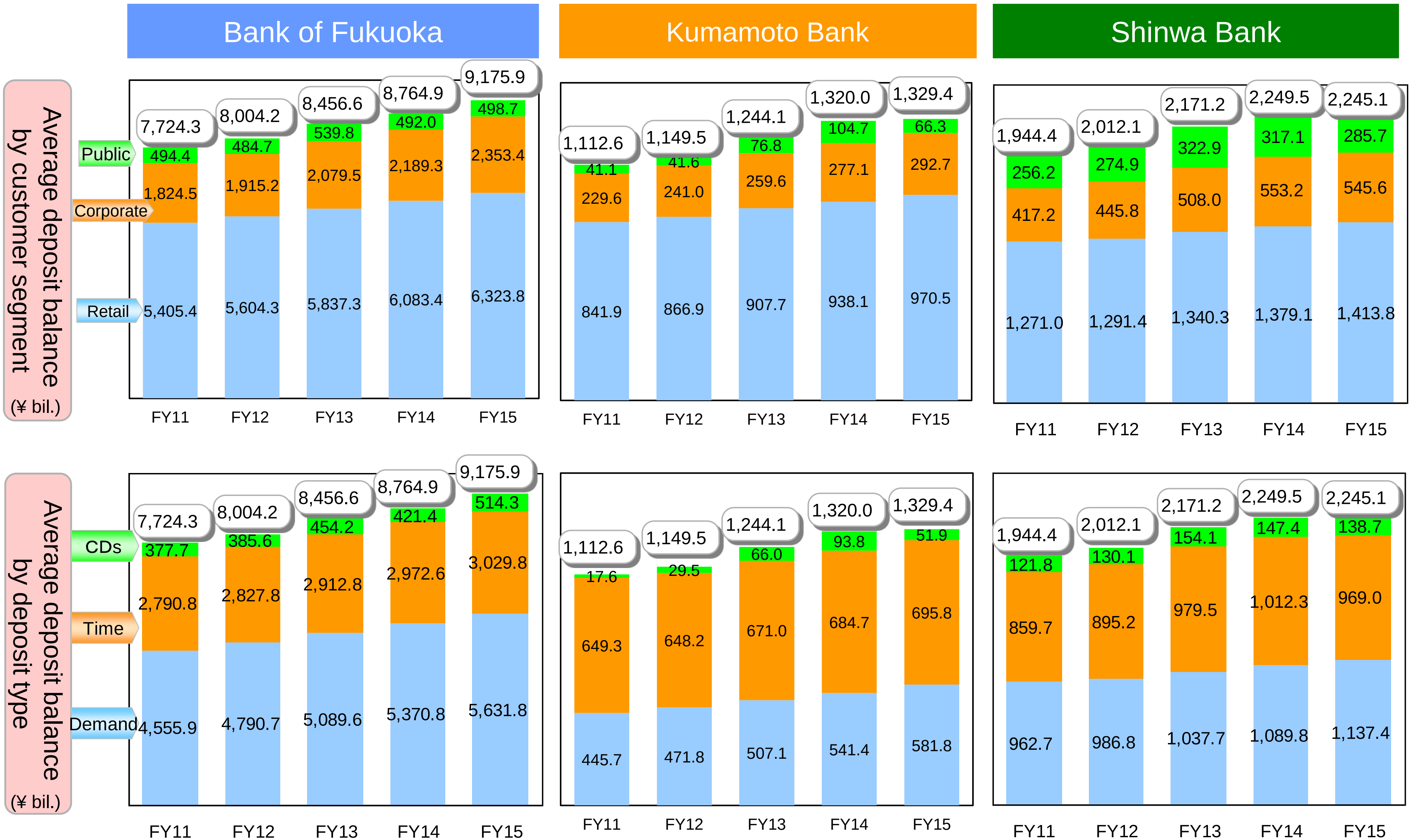
Classification by industry (¥ bil.)

	Mar. 31, 2016								Change from Mar. 31, 2015			
	Total		Fukuoka(BOF)		Kumamoto(KMB)		Shinwa(SWB)		Total	BOF	KMB	SWB
Domestic Loans	10,821.2	100.0%	8,260.6	100.0%	1,095.3	100.0%	1,465.2	100.0%	511.0	497.3	12.5	1.1
Manufacturing	702.4	6.5%	534.4	6.5%	49.2	4.5%	118.7	8.1%	(1.6)	11.0	(8.7)	(3.9)
Agriculture and Forestry	22.7	0.2%	15.0	0.2%	5.3	0.5%	2.2	0.2%	(1.3)	(0.2)	(0.7)	(0.5)
Fishery	21.0	0.2%	14.4	0.2%	1.7	0.2%	4.9	0.3%	2.2	2.4	(0.6)	0.4
Mining, quarrying and gravel	18.5	0.2%	13.2	0.2%	0.6	0.1%	4.6	0.3%	8.2	8.0	(0.1)	0.2
Construction	287.7	2.7%	187.7	2.3%	42.5	3.9%	57.4	3.9%	23.7	24.9	(3.1)	2.0
Electricity, Gas, Heat Supply and Water	210.8	1.9%	169.4	2.0%	12.0	1.1%	29.2	2.0%	30.4	19.5	2.4	8.4
Information and Communications	66.6	0.6%	52.1	0.6%	5.1	0.5%	9.2	0.6%	(5.8)	(4.6)	(0.4)	(0.9)
Transport and postal service	553.8	5.1%	494.2	6.0%	14.1	1.3%	45.4	3.1%	52.3	48.6	(1.4)	5.1
Wholesale and retail trade	1,081.1	10.0%	871.5	10.5%	87.0	7.9%	122.5	8.4%	(5.4)	4.1	(6.9)	(2.5)
Finance and Insurance	463.9	4.3%	439.0	5.3%	5.8	0.5%	18.9	1.3%	(9.0)	14.5	(1.6)	(21.9)
Real Estate and leasing	2,116.0	19.6%	1,670.5	20.2%	211.9	19.3%	233.5	15.9%	170.7	165.1	4.4	1.2
(Real Estate)	1,919.2	17.7%	1,510.4	18.3%	202.7	18.5%	206.1	14.1%	181.2	165.4	7.5	8.5
Services	1,087.5	10.0%	772.2	9.3%	145.5	13.3%	169.7	11.6%	54.6	55.3	2.2	(3.0)
Government, local public sector	1,162.4	10.7%	865.4	10.5%	96.9	8.8%	200.0	13.7%	72.4	57.5	4.7	10.2
Others	3,026.1	28.0%	2,160.9	26.2%	417.0	38.1%	448.1	30.6%	119.6	91.2	22.4	6.0

Risk monitored loans, classified by industry (¥ bil.)

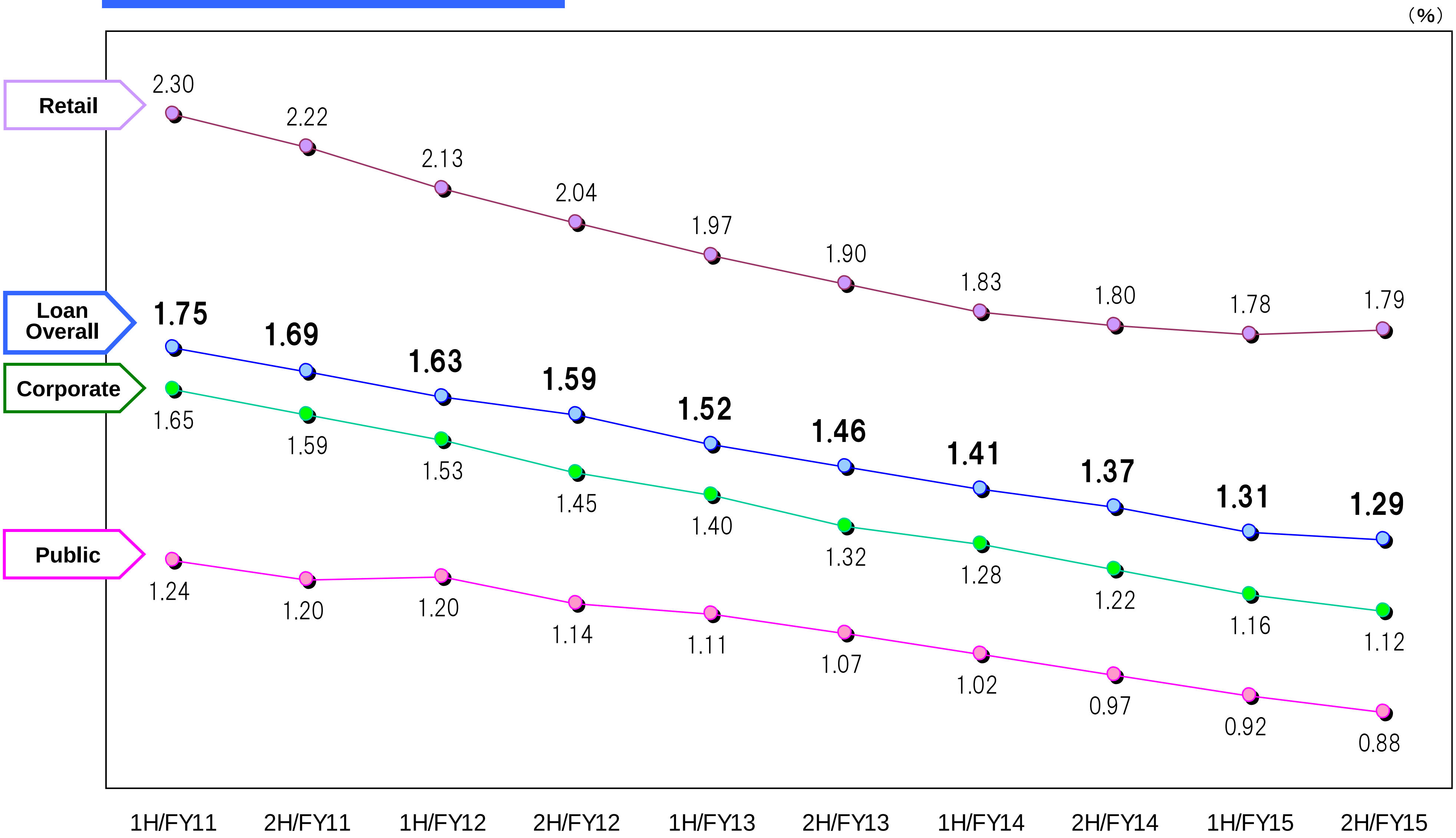
	Mar. 31, 2016								Change from Mar. 31, 2015			
	Total		Fukuoka(BOF)		Kumamoto(KMB)		Shinwa(SWB)		Total	BOF	KMB	SWB
Domestic Loans	235.7	100.0%	167.0	100.0%	29.9	100.0%	38.8	100.0%	(7.3)	(8.2)	0.6	0.4
Manufacturing	31.4	13.3%	22.4	13.4%	2.5	8.6%	6.4	16.5%	0.3	(0.4)	0.3	0.4
Agriculture and Forestry	3.2	1.4%	2.8	1.7%	0.2	1.0%	0.0	0.2%	(0.2)	(0.2)	(0.1)	(0.0)
Fishery	0.5	0.2%	0.4	0.3%	0.0	0.3%	0.0	0.1%	(0.1)	(0.1)	(0.1)	(0.0)
Mining, quarrying and gravel	0.2	0.1%	0.1	0.1%	0.0	0.2%	0.0	0.0%	(0.8)	(0.2)	(0.0)	(0.6)
Construction	13.2	5.6%	9.1	5.5%	1.3	4.5%	2.7	7.2%	(1.8)	(0.7)	0.2	(1.2)
Electricity, Gas, Heat Supply and Water	0.0	0.0%	-	-	0.0	0.0%	-	-	(1.9)	(1.9)	0.0	-
Information and Communications	1.1	0.5%	0.3	0.2%	0.3	1.2%	0.4	1.0%	0.0	(0.0)	(0.0)	0.1
Transport and postal service	16.0	6.8%	12.3	7.4%	2.0	6.7%	1.7	4.4%	3.3	2.0	1.3	(0.0)
Wholesale and retail trade	52.0	22.1%	37.0	22.2%	5.4	18.3%	9.5	24.7%	(0.8)	(0.8)	(0.8)	0.9
Finance and Insurance	4.3	1.8%	4.0	2.4%	0.2	1.0%	-	-	(0.1)	(0.1)	0.0	-
Real Estate and leasing	35.1	14.9%	24.5	14.7%	5.5	18.5%	5.0	13.0%	(2.8)	(1.4)	(1.2)	(0.2)
(Real Estate)	34.8	14.8%	24.3	14.6%	5.3	17.9%	5.0	13.0%	(2.9)	(1.5)	(1.3)	(0.2)
Services	56.9	24.2%	40.1	24.0%	8.3	28.0%	8.4	21.7%	(2.2)	(4.5)	0.9	1.3
Government, local public sector	-	-	-	-	-	-	-	-	-	-	-	-
Others	21.3	9.1%	13.5	8.1%	3.5	11.7%	4.3	11.2%	(0.2)	0.1	(0.1)	(0.1)

Deposits & CDs (By Bank)

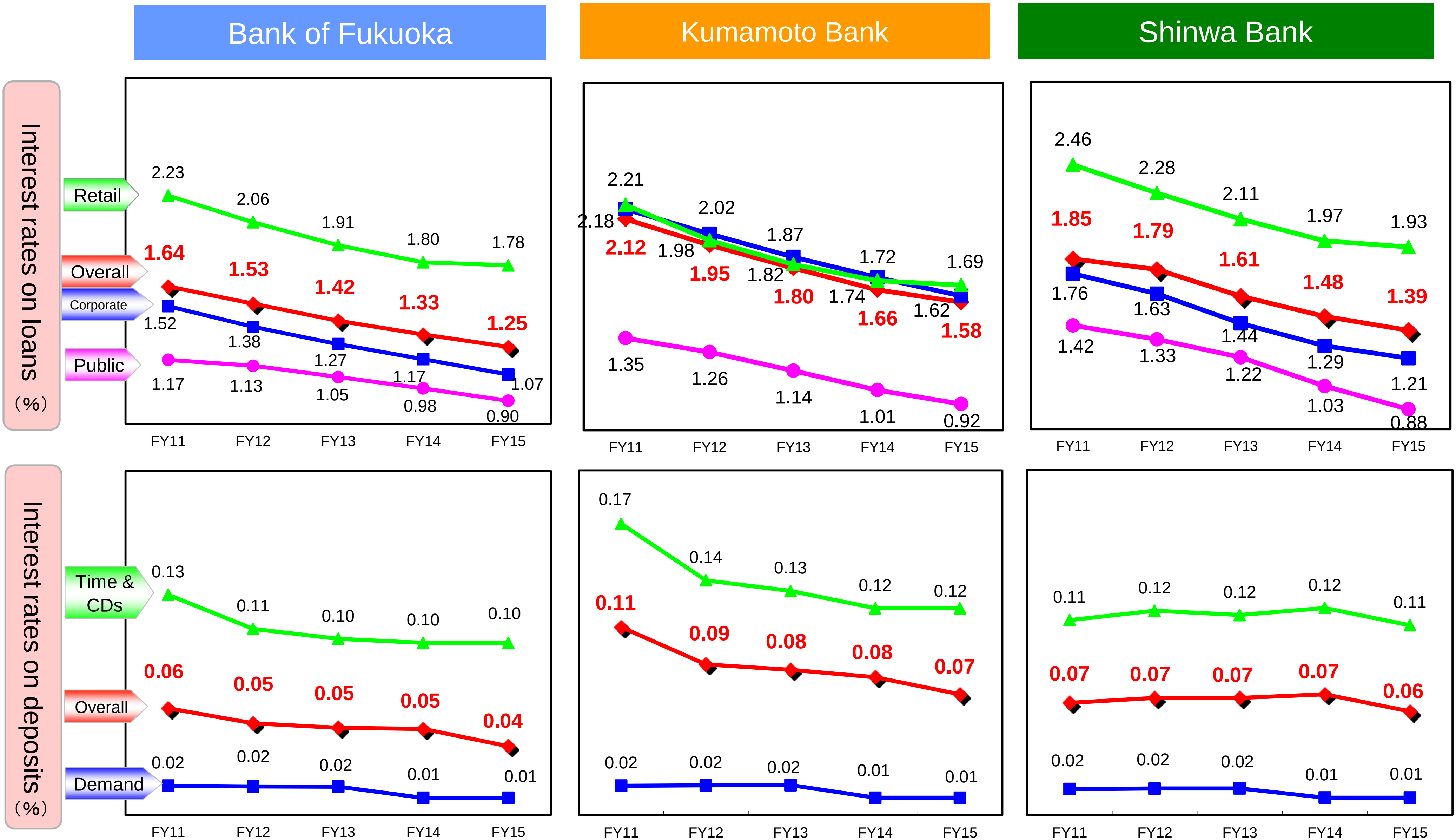


Interest Rates (Domestic loan)

3 banks total



Interest Rates (By Bank)



Breakdown of Loans and Deposits & CDs by Interest Rate

Domestic Loans (As of Mar. 31, 2016)

			3 banks total	Bank of Fukuoka	Kumamoto Bank	Shinwa Bank
	Based on short-term prime rate		7.9%	7.5%	9.8%	8.8%
	Short-term spread		7.9%	9.1%	2.9%	4.9%
Short-term loan			15.8%	16.6%	12.7%	13.7%
		Based on flexible prime rate	27.1%	25.1%	44.9%	24.7%
		Money market loan	13.8%	15.8%	3.5%	10.4%
	Long-term fluctuation		40.9%	40.9%	48.4%	35.1%
		fixed-rate mortgage loan	8.4%	8.4%	6.4%	10.4%
	Long-term fixed		43.3%	42.5%	38.9%	51.1%
Long-term loan			84.2%	83.4%	87.3%	86.3%
Total			100.0%	100.0%	100.0%	100.0%

Portfolio By Base Rate

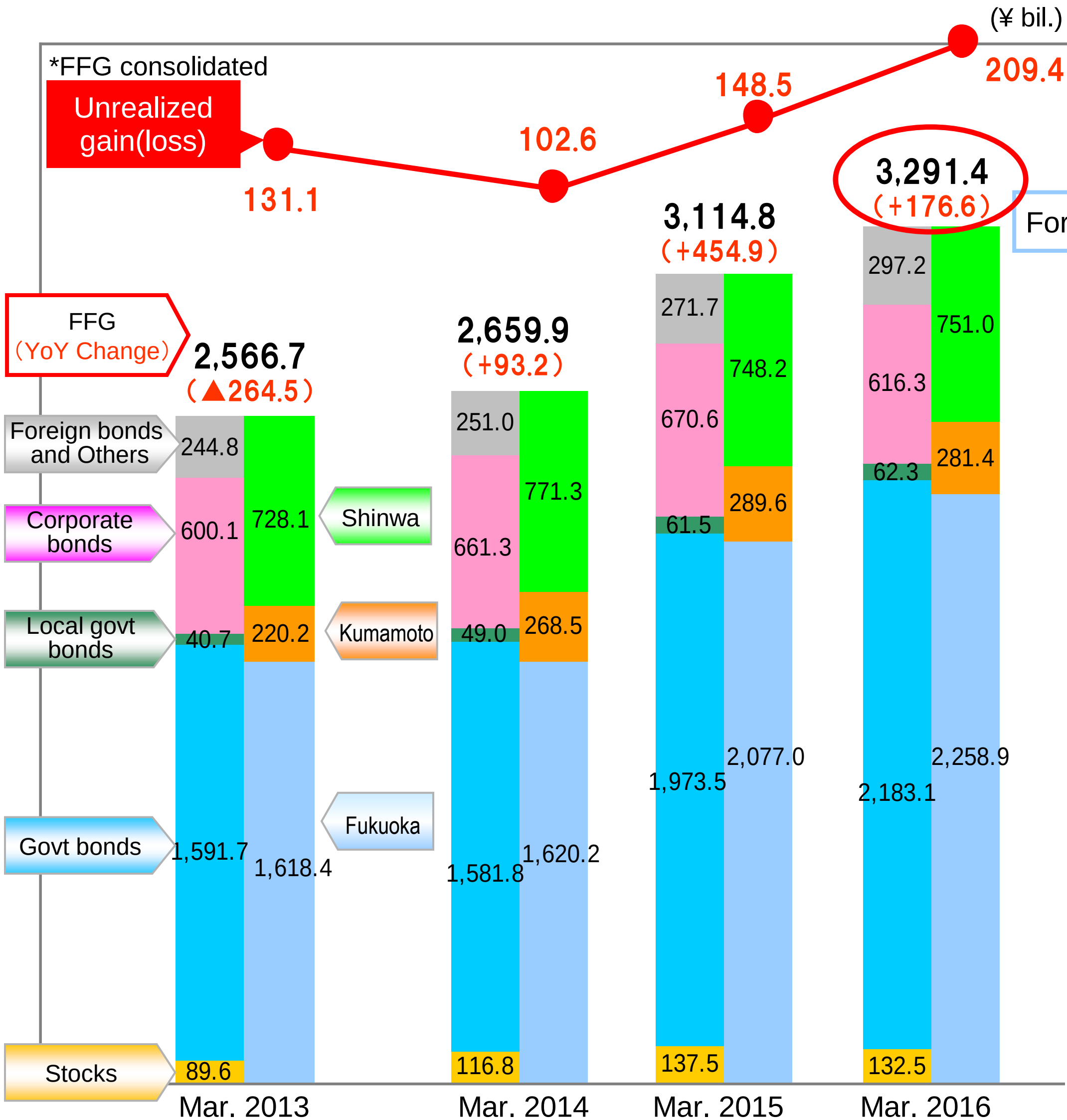
Short Term Prime Rate	34.9%	32.5%	54.6%	33.2%
Short Term Flexible Prime Rate	21.7%	24.9%	6.4%	15.4%
Long Term Prime Rate	0.1%	0.1%	0.1%	0.3%
Fixed Rate	43.3%	42.5%	38.9%	51.1%
Total	100.0%	100.0%	100.0%	100.0%

Domestic Deposits (As of Mar. 31, 2016)

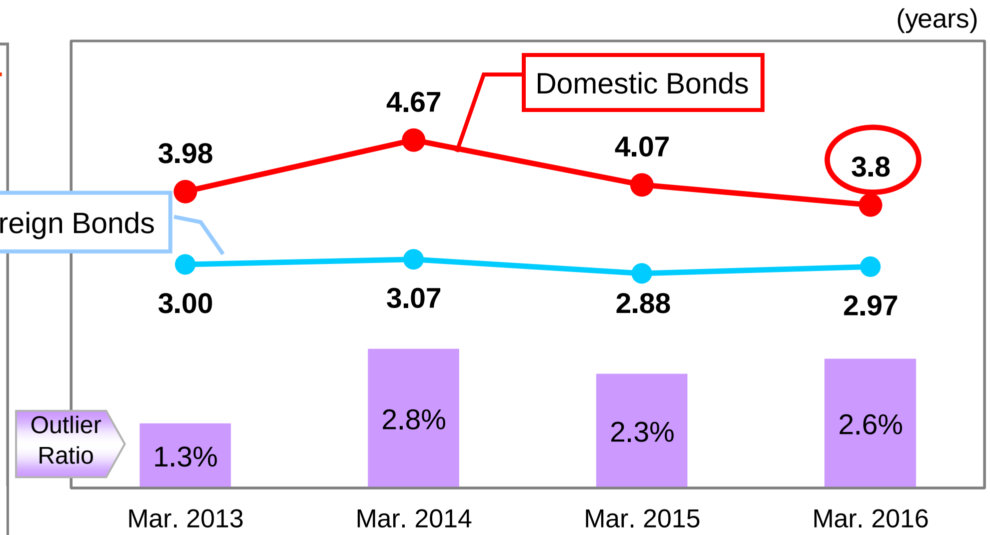
			3 banks total	Bank of Fukuoka	Kumamoto Bank	Shinwa Bank
	Interest		49.2%	52.5%	40.3%	40.8%
	Non-interest		11.3%	12.0%	5.4%	11.7%
Floating deposit			60.5%	64.5%	45.7%	52.5%
		Core deposit	28.7%	26.6%	43.2%	29.0%
		Large deposit	7.8%	6.0%	8.6%	14.7%
	Time and savings deposit		36.5%	32.6%	51.8%	43.7%
	Negotiable deposit		3.0%	2.9%	2.5%	3.8%
Time and saving deposit & Negotiable deposit			39.5%	35.5%	54.3%	47.5%
Total			100.0%	100.0%	100.0%	100.0%

Securities

Securities portfolio

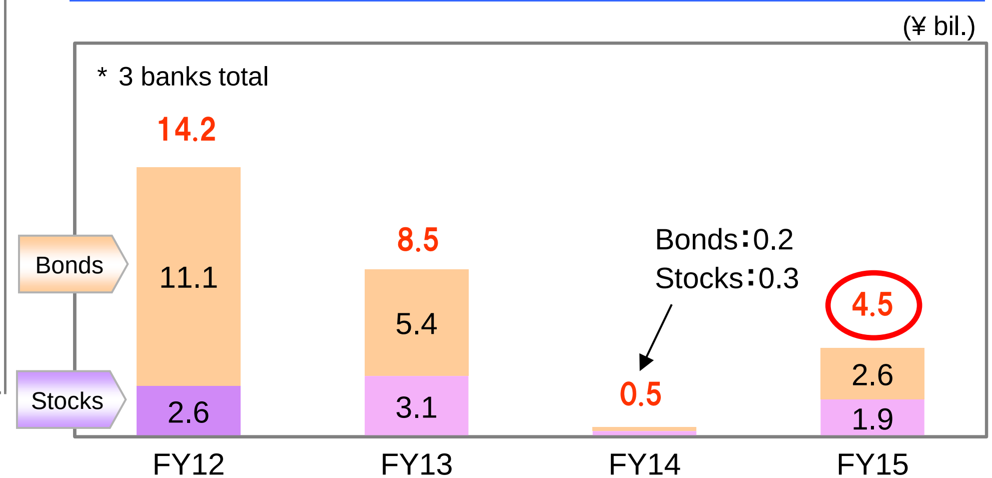


Bond duration & Outlier Ratio



*Bond Duration : After considering hedges
*Outlier Ratio : Based on 99%1% percentile norms

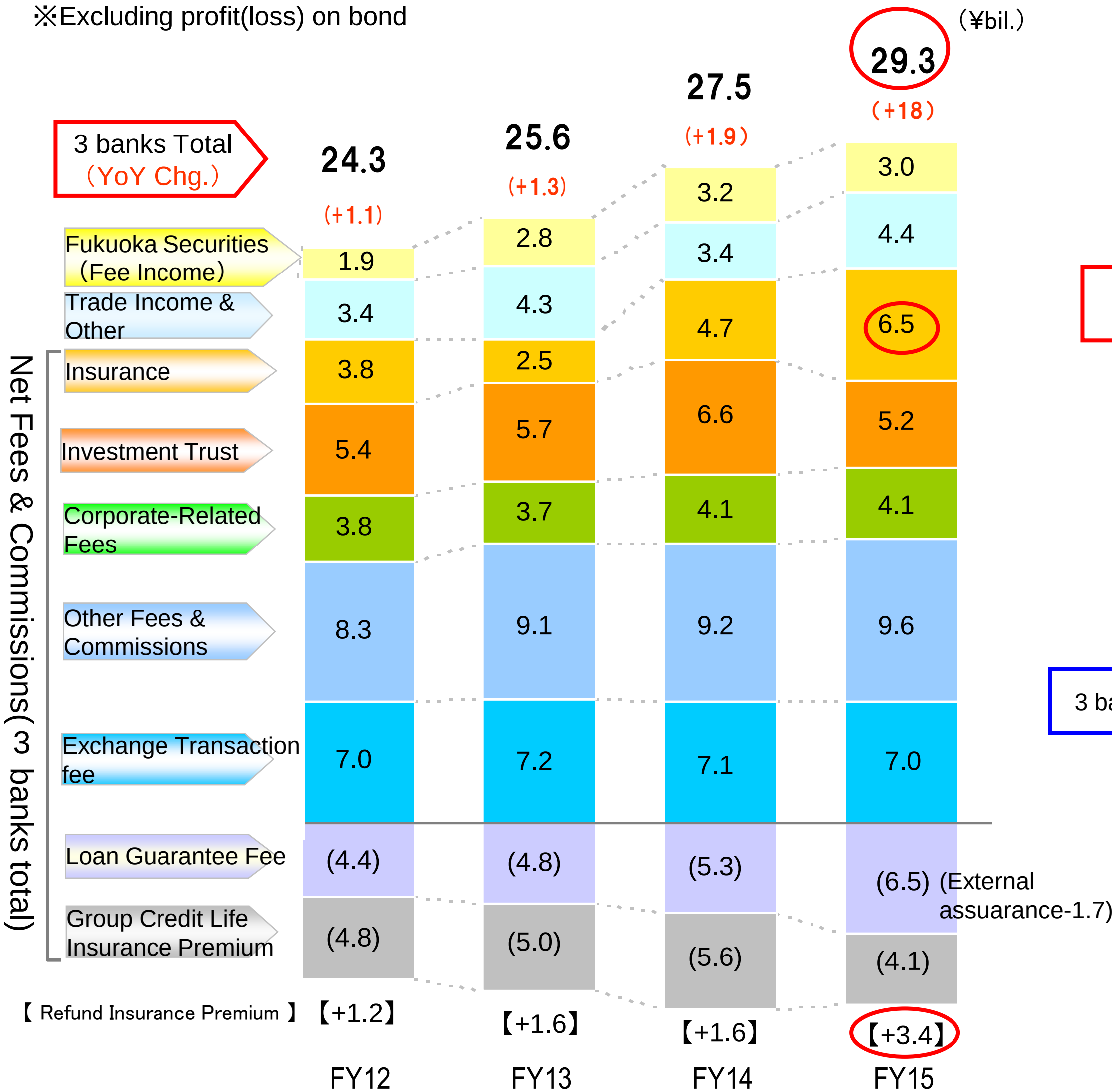
Securities-related profit & loss



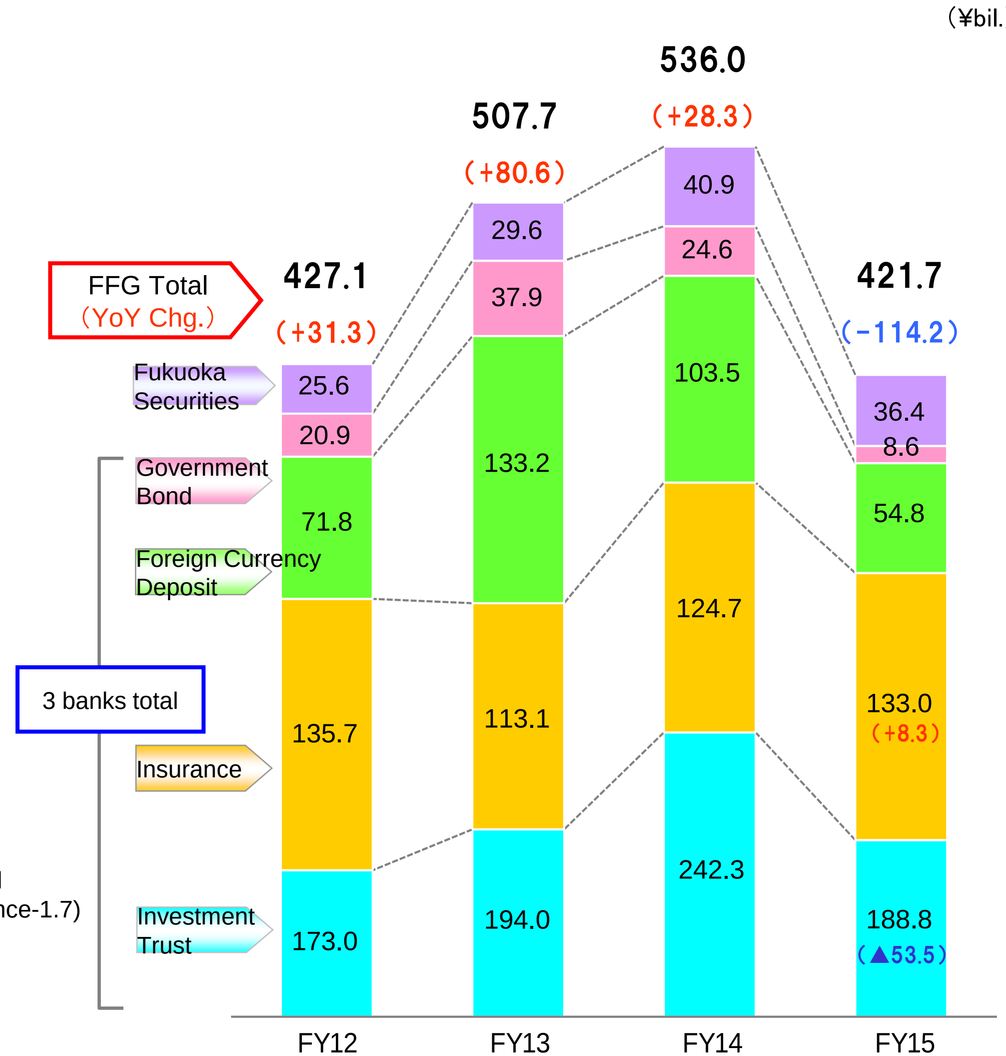
Non-interest Income

Non-Interest Income (3 Banks & Fukuoka Securities Total)

※Excluding profit(loss) on bond

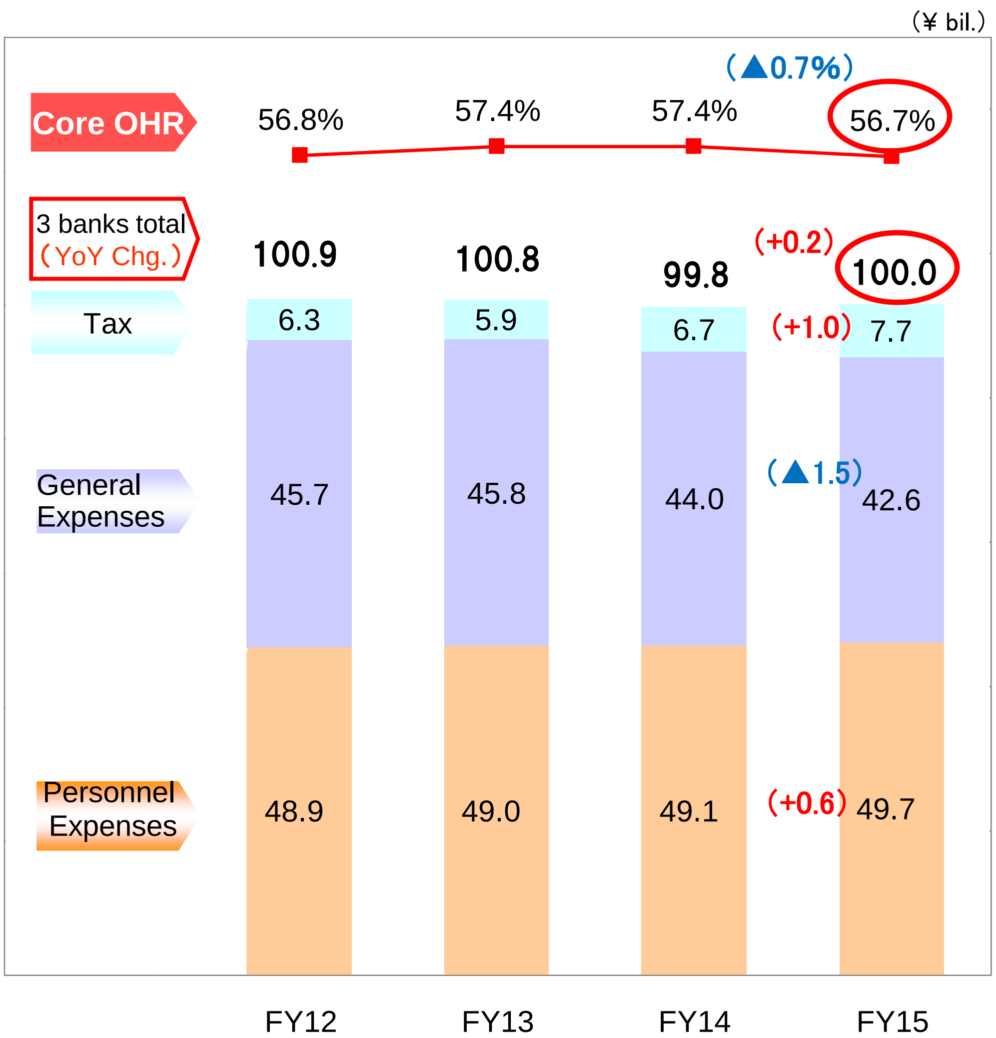


Asset Management Products Sales



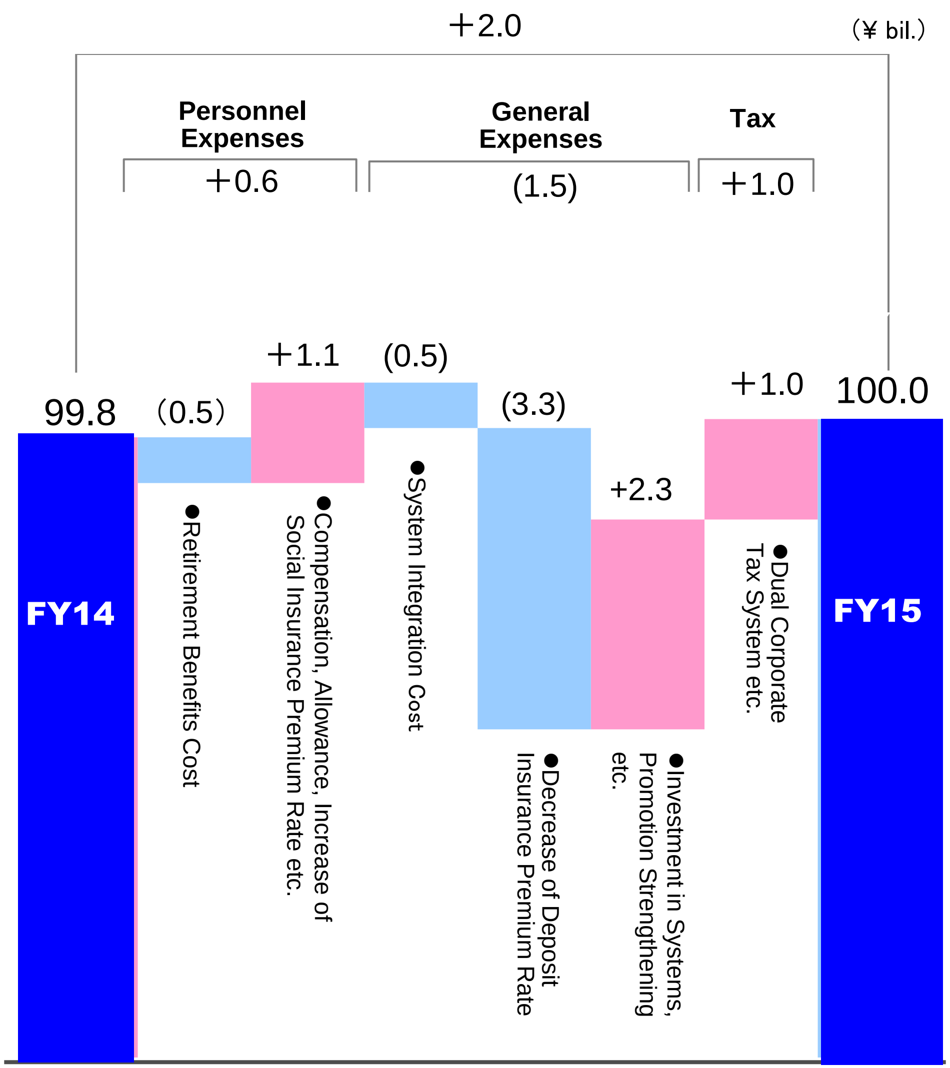
Overhead Expenses

By Category / OHR (3 banks total)



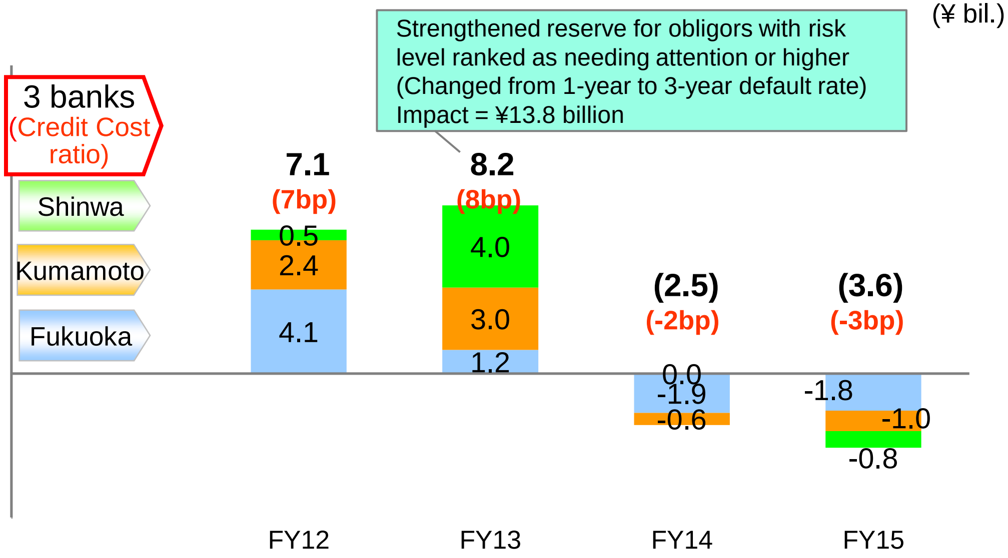
＊Core OHR=Overhead Expenses / (Gross Business Profit – Bond Related Profit(Loss))

FY15 Factor of Increasing and Decreasing (YoY Chg.)

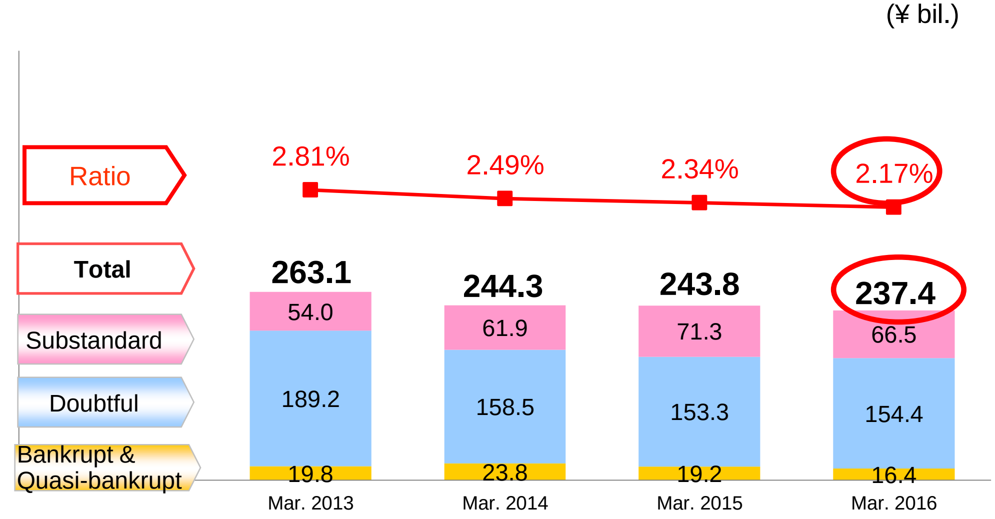


Credit Cost & NPL

Credit Cost (3 banks total)



Non-Performing Loans & Ratio (3 banks total)



* After partial write-off

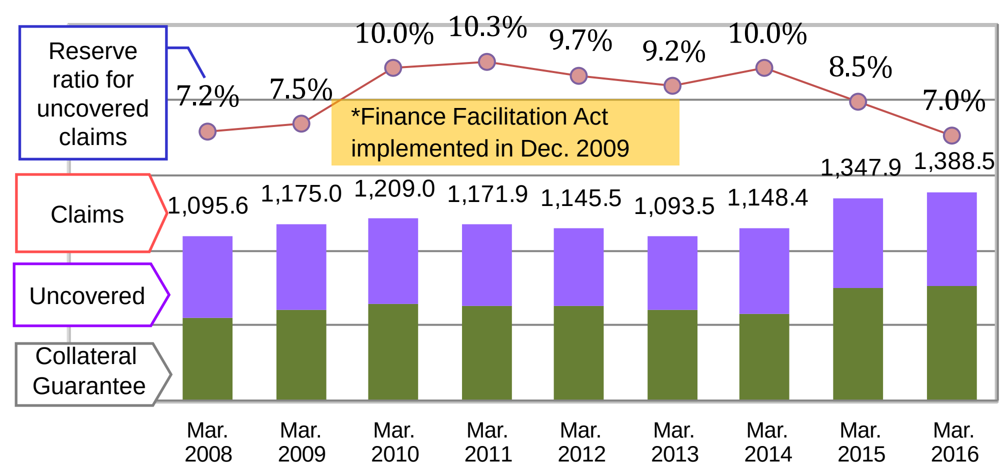
■ FY2015 Credit cost breakdown

(¥ bil.)

		3 banks	YoY chg.	BOF	YoY chg.	KMB	YoY chg.	SWB	YoY chg.
Increasing factors	New bankruptcies	1.5	1.0	1.3	0.9	0.1	0.0	0.1	0.0
	Downgrade	17.1	(2.1)	9.7	(3.4)	2.4	(0.3)	4.9	1.6
	Collateral decline	2.0	0.8	1.3	0.6	0.4	(0.1)	0.3	0.2
	Other	0.3	(0.2)	0.2	(0.2)	0.0	(0.0)	0.1	(0.0)
	Subtotal	20.8	(0.6)	12.5	(2.1)	2.9	(0.3)	5.4	1.8
Decreasing factors	Upgrade	(7.4)	(0.9)	(4.5)	0.3	(1.2)	(0.7)	(1.7)	(0.6)
	Changes of default ratio	(6.1)	1.2	(4.0)	1.1	(1.0)	0.1	(1.1)	0.0
	Redemption, etc	(10.9)	(0.8)	(5.8)	0.7	(1.7)	0.6	(3.4)	(2.1)
	Subtotal	(24.4)	(0.5)	(14.3)	2.1	(3.9)	0.0	(6.2)	(2.6)
Total		(3.6)	(1.1)	(1.8)	0.1	(1.0)	(0.4)	(0.8)	(0.9)

Status of other watch obligors

(¥ bil.)



Status of reserves & coverage：Bank of Fukuoka

Under Watch Obligors

● Covered ratio for claims disclosed pursuant to the Financial Reconstruction Act : **75.5%**

March 31, 2016 ( ) : March 31, 2015

(¥ bil.)

Borrower's status	Claims A	Collateral Guarantee B	Uncovered C =A-B	Reserves D	Reserved ratio for claims D/A	Reserved ratio for claims DCF	Reserved ratio for uncovered claims D/C	Reserved ratio for uncovered claims DCF	Covered ratio (B+D)/A
Bankrupt	3.6	9.0	2.3	2.3	(21.9%) 20.7%	–	(100%) 100%	–	(100%) 100%
Quasi-bankrupt	7.7								
Doubtful	102.8	48.2	54.6	42.1	(41.7%) 40.9%	(78.6%) 75.0%	(77.7%) 77.1%	(96.1%) 95.7%	(88.0%) 87.8%
Substandard	54.0	13.8	40.2	11.5	(22.8%) 21.4%	(31.0%) 28.8%	(30.6%) 28.7%	(38.9%) 38.1%	(48.3%) 46.9%
Disclosed claims	168.2	71.0	97.2	56.0	(33.9%) 33.3%	(59.0%) 54.3%	(58.2%) 57.6%	(72.9%) 70.5%	(75.7%) 75.5%
Watch obligors except substandard	1,004.5	553.6	450.9	31.6	(3.5%) 3.1%	(16.5%) 13.2%	(7.8%) 7.0%	(32.2%) 26.2%	(59.5%) 58.3%
Watch obligors	1,058.5	567.4	491.1	43.1	(4.6%) 4.1%	(19.4%) 16.5%	(10.0%) 8.8%	(34.0%) 29.6%	(58.8%) 57.7%
Under watch obligors	1,172.6	624.5	548.1	87.6	(8.2%) 7.5%	(32.3%) 28.6%	(17.7%) 16.0%	(51.9%) 47.3%	(62.0%) 60.7%

Status of reserves & coverage：Kumamoto Bank

Under Watch Obligors

●Covered ratio for claims disclosed pursuant to the Financial Reconstruction Act : **77.2%**

March 31, 2016 ( ) : March 31, 2015

(¥ bil.)

Borrower's status	Claims A	Collateral Guarantee B	Uncovered C =A-B	Reserves D	Reserved ratio for claims D/A	Reserved ratio for claims DCF	Reserved ratio for uncovered claims D/C	Reserved ratio for uncovered claims DCF	Covered ratio (B+D)/A
Bankrupt	0.3	1.8	0.3	0.3	(16.3%) 15.2%	–	(100%) 100%	–	(100%) 100%
Quasi-bankrupt	1.9								
Doubtful	20.7	10.6	10.1	7.0	(30.2%) 33.8%	(57.4%) 61.5%	(65.9%) 69.4%	(95.1%) 95.0%	(84.4%) 85.1%
Substandard	7.1	2.1	5.1	1.3	(16.3%) 18.3%	(37.7%) 38.4%	(23.9%) 25.8%	(49.2%) 45.3%	(47.9%) 47.3%
Disclosed claims	30.0	14.5	15.5	8.6	(26.1%) 28.8%	(55.6%) 57.1%	(55.0%) 55.8%	(89.6%) 83.4%	(78.6%) 77.2%
Watch obligors except substandard	181.3	103.9	77.4	5.4	(4.3%) 3.0%	(23.3%) 16.4%	(10.0%) 7.0%	(36.5%) 33.8%	(61.1%) 60.3%
Watch obligors	188.4	106.0	82.5	6.7	(4.7%) 3.6%	(24.2%) 21.6%	(10.7%) 8.2%	(37.5%) 37.8%	(60.7%) 59.8%
Under watch obligors	211.3	118.4	92.9	14.1	(7.4%) 6.7%	(36.4%) 41.6%	(16.9%) 15.2%	(57.8%) 68.3%	(63.6%) 62.7%

Status of reserves & coverage：Shinwa Bank

Under Watch Obligors

● Covered ratio for claims disclosed pursuant to the Financial Reconstruction Act : **82.1%**

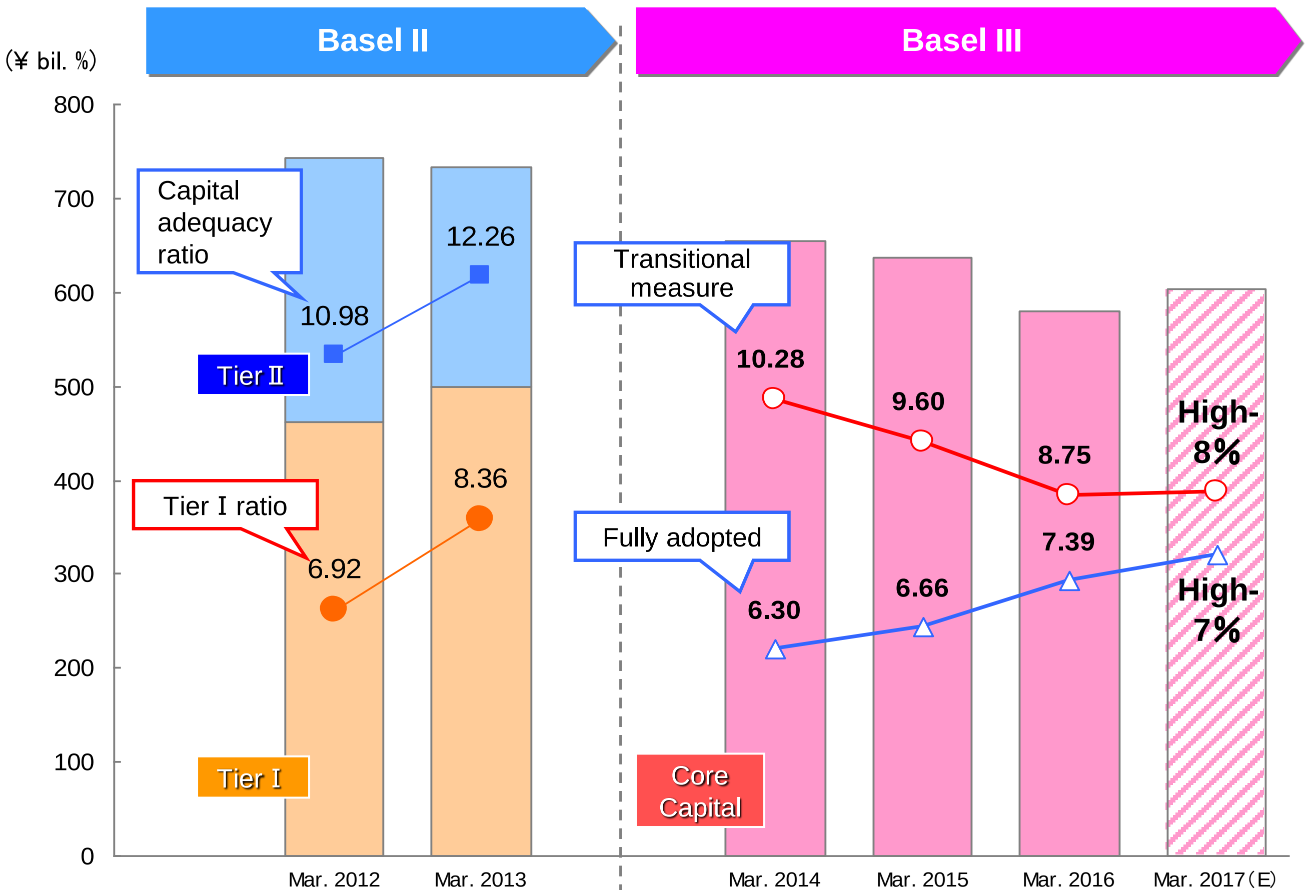
March 31, 2016 ( ) : March 31, 2015

(¥ bil.)

Borrower's status	Claims A	Collateral Guarantee B	Uncovered C =A-B	Reserves D	Reserved ratio for claims D/A	Reserved ratio for claims DCF	Reserved ratio for uncovered claims D/C	Reserved ratio for uncovered claims DCF	Covered ratio (B+D)/A
Bankrupt	0.9	2.3	0.6	0.6	(12.6%) 21.5%	–	(100%) 100%	–	(100%) 100%
Quasi-bankrupt	2.1								
Doubtful	30.9	15.3	15.6	11.9	(35.0%) 38.5%	(71.0%) 71.4%	(74.9%) 76.2%	(95.8%) 96.2%	(88.3%) 88.0%
Substandard	5.4	1.3	4.1	0.8	(18.5%) 14.6%	(27.2%) 27.0%	(24.7%) 19.0%	(38.2%) 35.8%	(43.4%) 38.0%
Disclosed claims	39.2	18.9	20.3	13.3	(30.3%) 33.9%	(60.6%) 66.3%	(61.9%) 65.4%	(82.6%) 89.2%	(81.3%) 82.1%
Watch obligors except substandard	202.7	107.9	94.9	6.9	(4.6%) 3.4%	(26.4%) 22.0%	(9.9%) 7.3%	(35.5%) 30.5%	(57.9%) 56.6%
Watch obligors	208.1	109.1	99.0	7.7	(5.0%) 3.7%	(26.6%) 22.4%	(10.6%) 7.8%	(36.0%) 31.0%	(57.4%) 56.1%
Under watch obligors	242.0	126.8	115.2	20.2	(8.6%) 8.3%	(42.9%) 42.1%	(18.3%) 17.5%	(58.0%) 57.5%	(61.5%) 60.7%

Capital Adequacy Ratio

Capital adequacy ratio (FFG consolidated)



* Domestic Standard
* Credit risk measurement: Foundation IRB
* Operational risk measurement: Standardized approach

Breakdown of the capital (FFG consolidated) (¥ bil.)

Items		Mar, 31 2016
Fundamental items		687.6
	Capital stock (Common stock)	620.7
	Reserves	6.6
	Preferred stock (Bond type) — Former Capital	9.4
	Preferred securities — Former Capital	0
	Subordinated debt — Former Capital	30
	Revaluation reserve for land	26.9
	Others	-6
Adjusting items		-107.9
	Goodwill	-104
	Deferred tax assets	-0.2
	Assets related to retirement benefits	-0.4
	Others	-3.3
Core Capital		579.7

Risk Asset	6,624.8

【Reference】
Basel Ⅲ International Standard (Mar. 31, 2016)

Common Equity Tier1 ratio	**10.01%**

※Preliminary calculation as fully adopted

Consolidated Balance Sheets

(￥bil.)

	Mar.31,2015	Mar.31,2016	Comparison		Mar.31,2015	Mar.31,2016	Comparison
Loans and bills discounted	10,213	10,707	＋493	Deposits and NCD	12,682	12,983	＋300
Domestic short-term loan	1,648	1,669	＋21	Domestic floating deposits	7,279	7,563	＋285
Domestic long-term loan	8,401	8,885	＋484	Domestic time and saving deposits	4,625	4,714	＋88
Foreign currency loan	105	140	＋35	Foreign currency deposits	112	151	＋39
Securities	3,269	3,446	＋177	Borrowed money	1,239	1,341	＋103
JGB	1,974	2,183	＋210	Subordinated loan	25	20	(5)
Foreign bonds and others	274	294	＋20	Borrowed money from BOJ	1,210	1,319	＋109
Tangible fixed assets	192	194	＋2	Bonds payable	98	40	(58)
Intangible fixed assets	124	116	(8)	Others	865	1,257	＋392
Goodwill	113	104	(9)	Total liabirities	14,884	15,621	＋738
Others	1,864	1,943	＋79	Total net assets	778	785	＋7
Total assets	15,662	16,406	＋744	Total liabirities and net assets	15,662	16,406	＋744

Part Ⅴ

Our Mother Market “Kyushu”

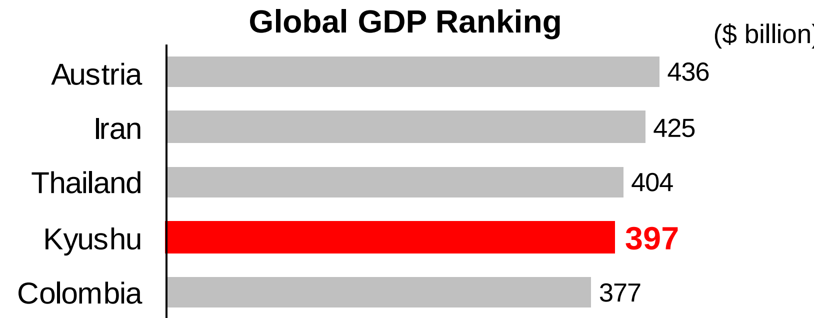
Potential of our local "Kyushu"

- New sources of growth are emerging in Kyushu, and there is ample opportunity for the island to develop markets overseas, mainly in other parts of Asia.
- FFG's development is tied to the economic development of Kyushu.

Potential for Kyushu's economy

Same economic size as Thailand

- GDP ¥ 43.9 trillion (9%)
- Population: 13.17 million (10%)
- Businesses: 620,000 (10%)



Source: Kyushu Economic Status 2016, Kyushu Bureau of Economy, Trade and Industry

Integration of Regional economy

- 20% increase in flow of people between Fukuoka and Kagoshima since the opening of all lines of the Kyushu Shinkansen in 2011.
- Higashi-Kyushu Expressway, Kyushu Shinkansen (West Kyushu route)
- Runway expansion at Fukuoka Airport

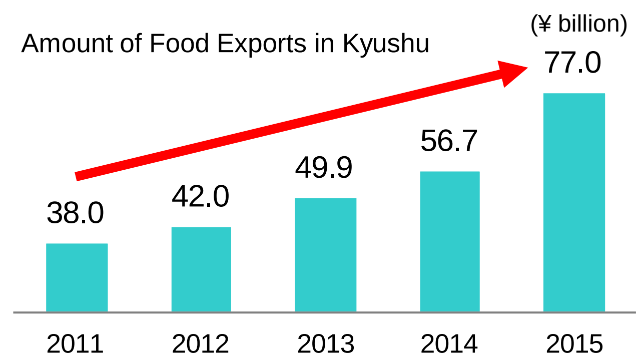
New seeds for growth

- Special Zones (Fukuoka City and Kitakyushu City)
- Hydrogen energy
- Third generation organic electroluminescence (EL) materials

Start-up café (Fukuoka City)

Needs from Asia

- Number of incoming foreign nationals reached record high
- Exports of food items doubled in four years

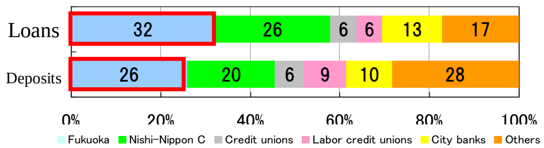


(Source: Moji Customs)

Financial Map of Kyushu (Regional Bank & Regional Bank Ⅱ)

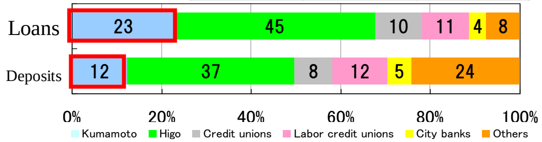
Fukuoka pref.

Population	Number of business establishments	Deposits
5,060,000 people	233,000 Establishments	32.7 trillion yen



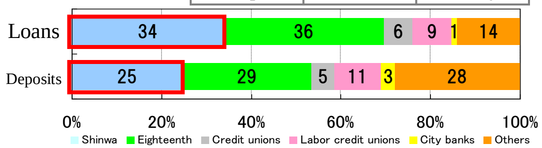
Kumamoto pref.

Population	Number of business establishments	Deposits
1,810,000 People	82,000 Establishments	10.0 trillion yen



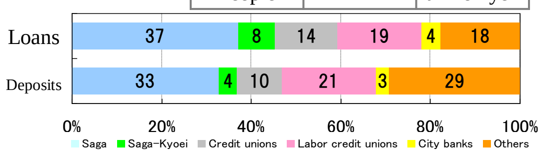
Nagasaki pref.

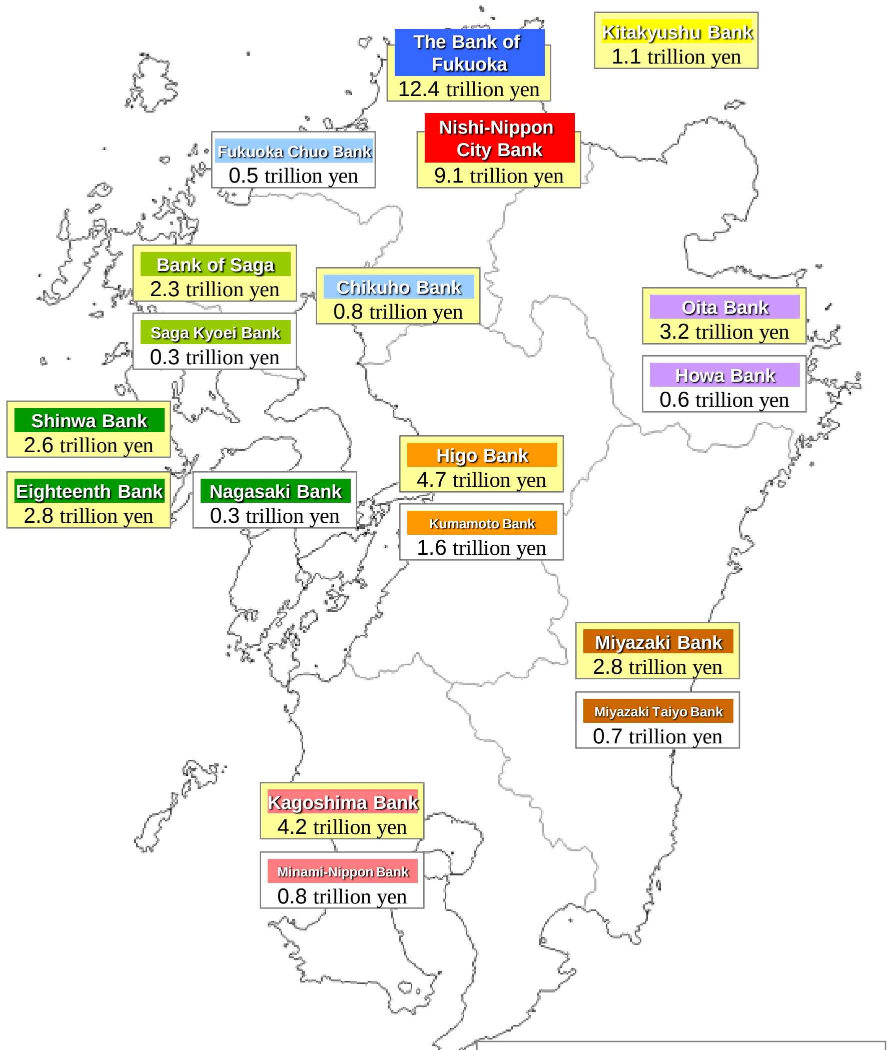
Population	Number of business establishments	deposits
1,410,000 People	67,000 establishments	7.8 trillion yen



Saga pref.

Population	Number of business establishments	deposits
840,000 People	40,000 Establishments	4.8 trillion yen



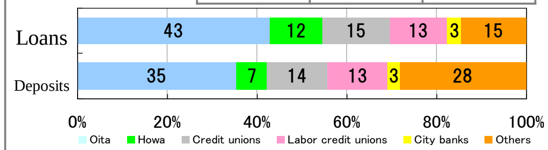


××Bank
××trillion yen ← Total assets
As of Mar.31, 2016

Source : Financial Digests

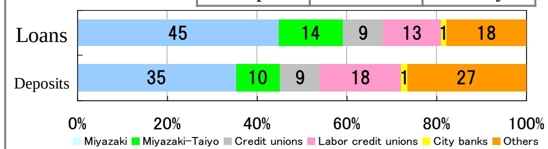
Oita pref.

Population	Number of business establishments	deposits
1,180,000 People	58,000 Establishments	7.1 trillion yen



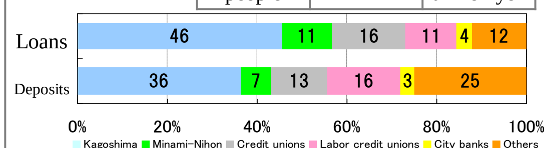
Miyazaki pref.

Population	Number of business establishments	Deposits
1,130,000 People	56,000 Establishments	5.5 trillion yen



Kagoshima pref.

Population	Number of business establishments	deposits
1,690,000 people	83,000 establishments	8.8 trillion yen



Kyushu as a Whole

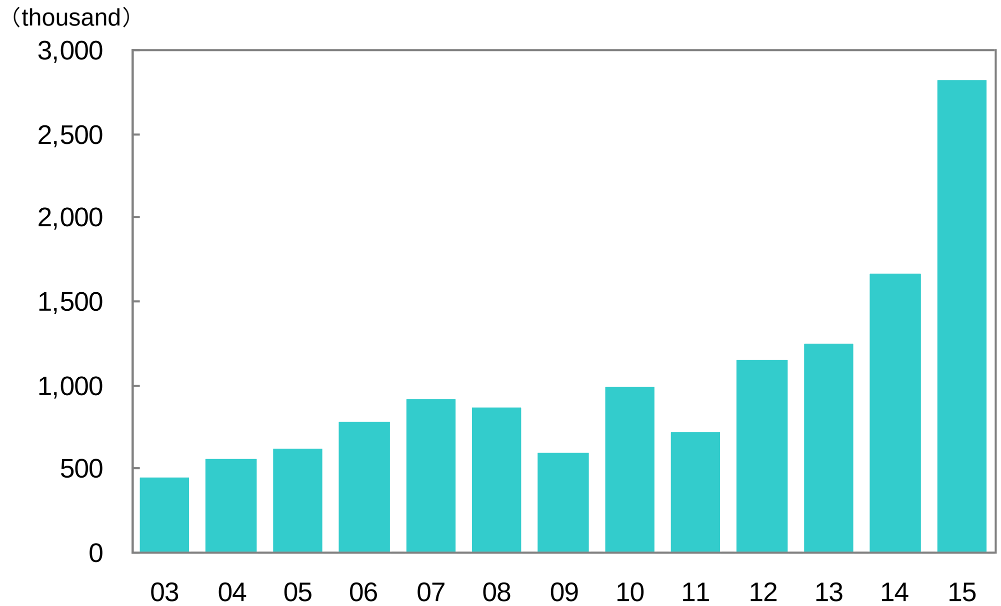
Population	Number of business establishments	deposits
13,120,000 people	619,000 establishments	77.3 trillion yen

Source: 2014 Economic Census for Business Activity, Ministry of Economy, Trade and Industry

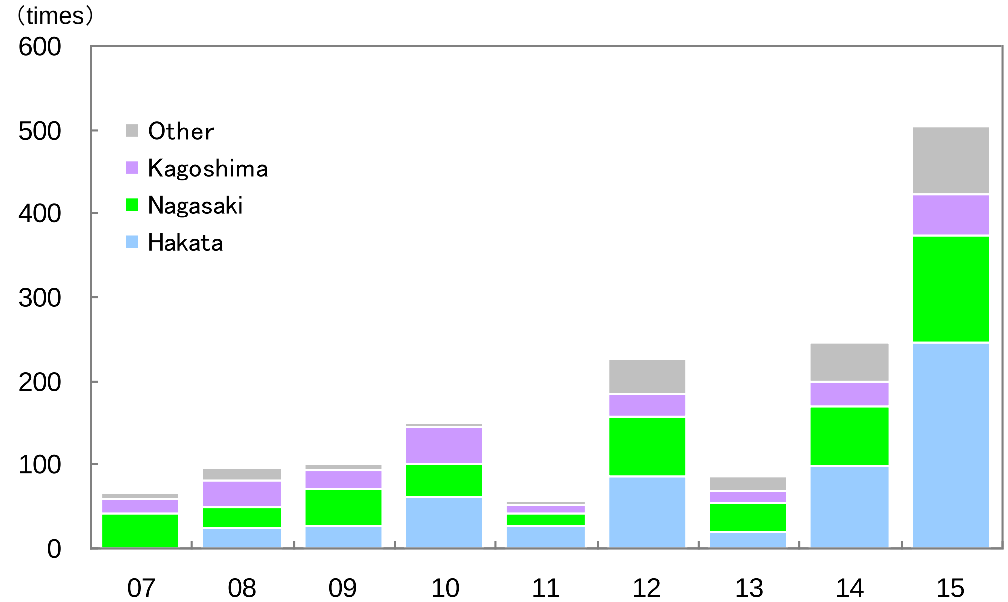
Source: Monthly Kinyu Journal

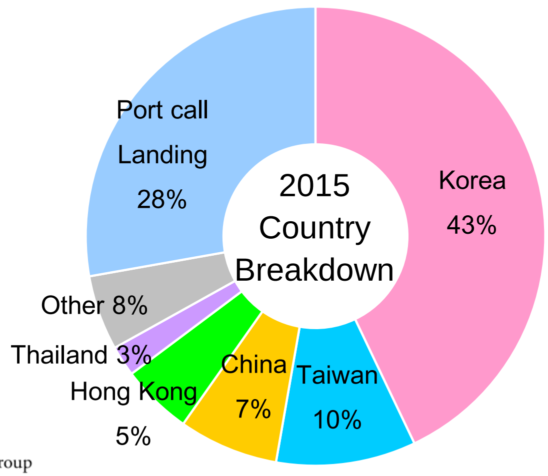
Inbound effect on Kyushu

The number of Foreign travelers entering Kyushu



The number of foreign cruise port call to Kyushu





＜Ranking in Japan＞

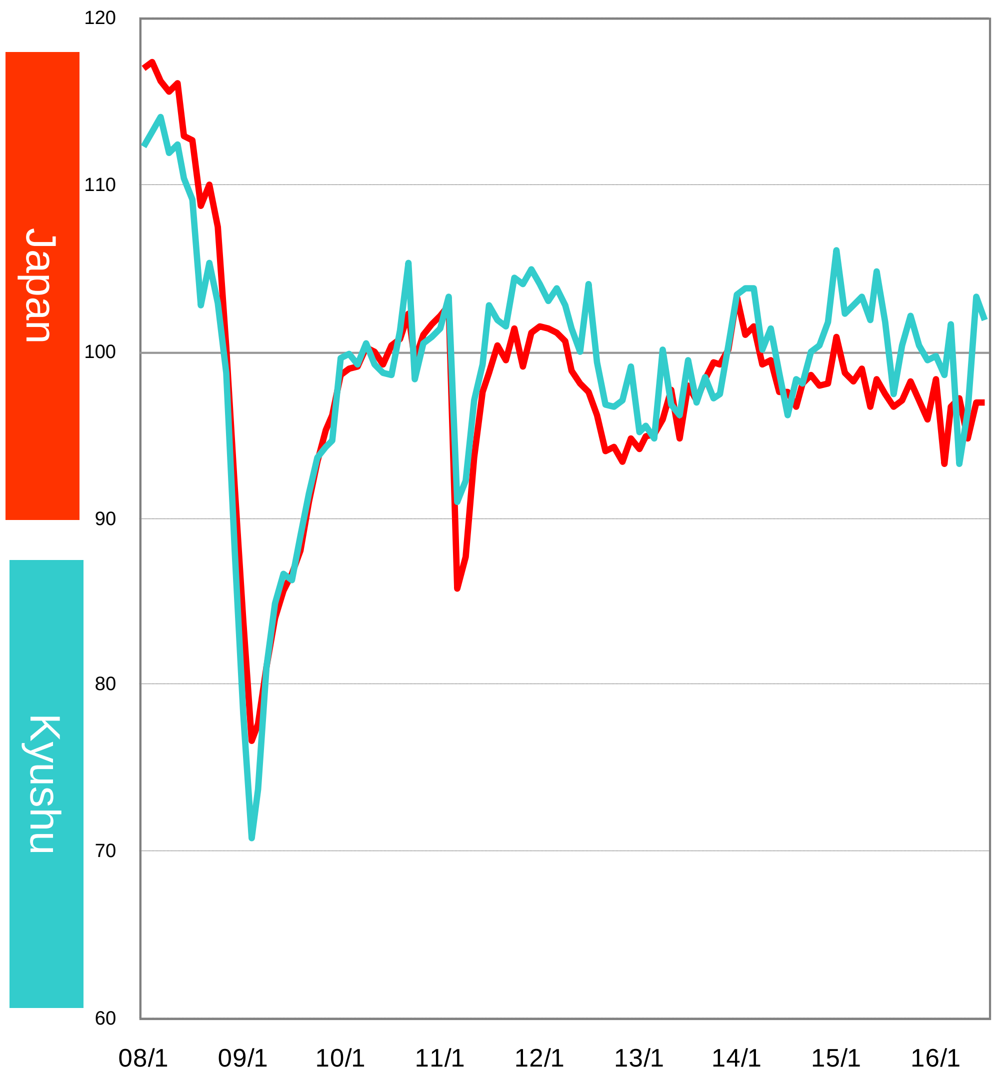
Rank	Port	times	YoY
1	Hakata	245	+146
2	Nagasaki	128	+58
3	Naha	105	+37
4	Ishigaki	79	+10
5	Kagoshima	51	+22

Costa Atlantica

Source : Kyushu District Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism

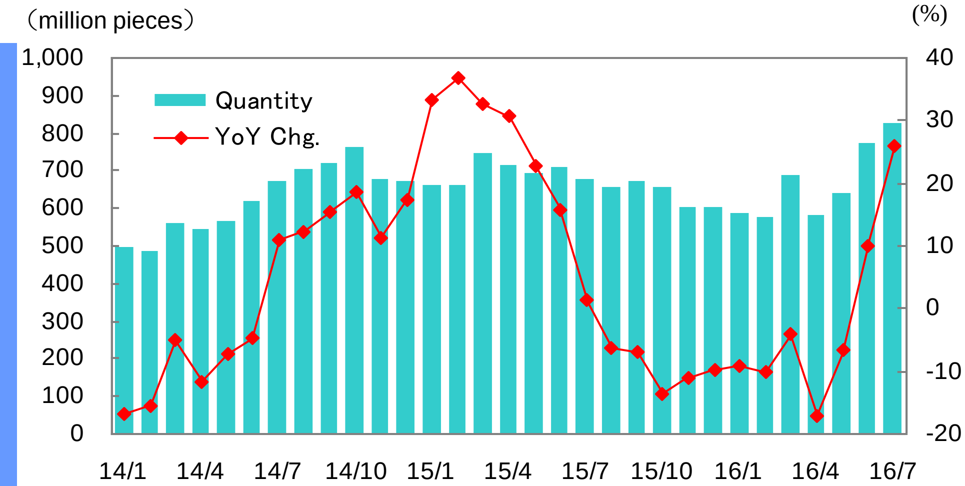
Industrial Production Trends

Industrial production index　(2010＝100)

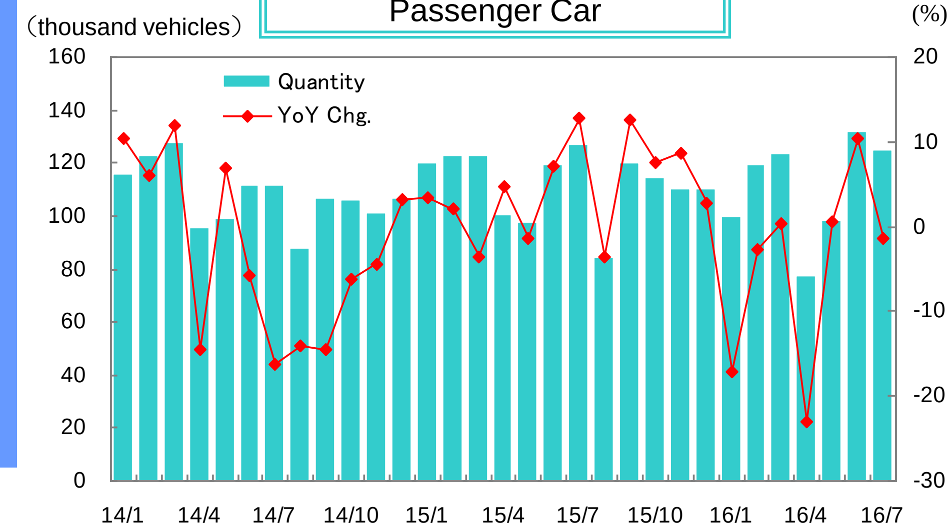


【Kyushu】 Main Industry trends

Integrated Circuits



Passenger Car



Source:Kyushu Bureau of Economy,Trade and Industry

Land Price Trends

Volatility of standard land prices

<Published Land Prices for 2015>

(Unit: %)

	Residential land			Commercial land		
	2015	2016	Change	2015	2016	Change
Japan	- 0.4	- 0.2	0.2	- 0.0	0.9	0.9
Tokyo Area	0.4	0.6	0.2	2.0	2.7	0.7
3 major metropolitan areas	0.4	0.5	0.1	1.8	2.9	1.1
Fukuoka	0.1	0.5	0.4	0.0	1.1	1.1
Saga	- 2.5	- 1.8	0.7	- 3.2	- 2.4	0.8
Nagasaki	- 1.5	- 1.1	0.4	- 1.3	- 0.6	0.7
Kumamoto	- 0.4	0.1	0.5	- 1.2	- 0.2	1.0
Oita	- 1.2	- 0.7	0.5	- 2.0	- 0.8	1.2
Miyazaki	- 1.2	- 0.9	0.3	- 2.9	- 2.1	0.8
Kagoshima	- 2.8	- 2.3	0.5	- 3.3	- 2.7	0.6
Yamaguchi	- 1.9	- 1.3	0.6	- 2.8	- 1.8	1.0

Source:Ministry of Land, Infrastructure, Transport and Tourism

Volatility of standard land prices in major cities in Fukuoka Pref.

	Residential land		Commercial land	
	2015	2016	2015	2016
Fukuoka City	2.2	2.8	3.8	5.9
Kitakyushu City	- 1.2	- 0.9	- 1.5	- 1.0

Volatility of standard land prices in major cities in Kumamoto Pref.

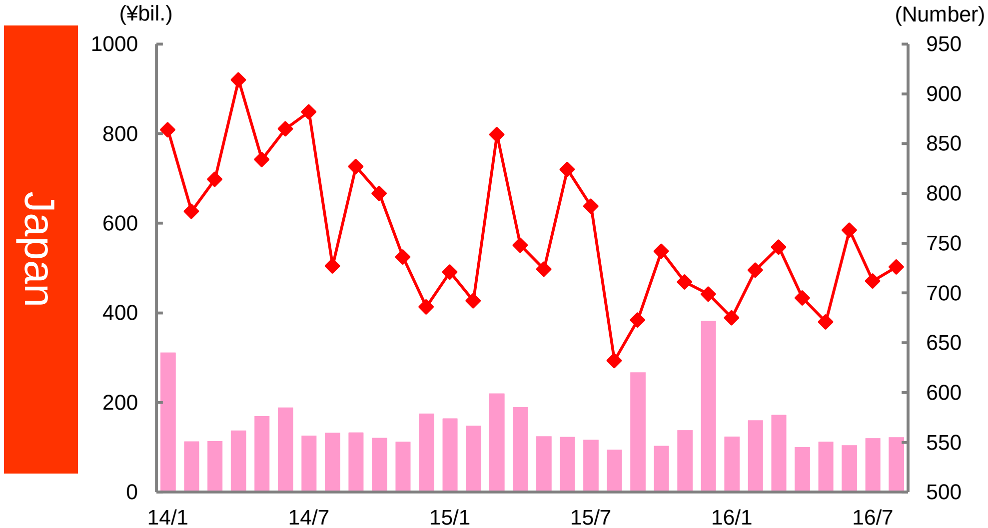
	Residential land		Commercial land	
	2015	2016	2015	2016
Kumamoto City	0.3	0.6	- 0.1	1.1
Yatsushiro City	- 2.2	- 1.7	- 2.5	- 2.1

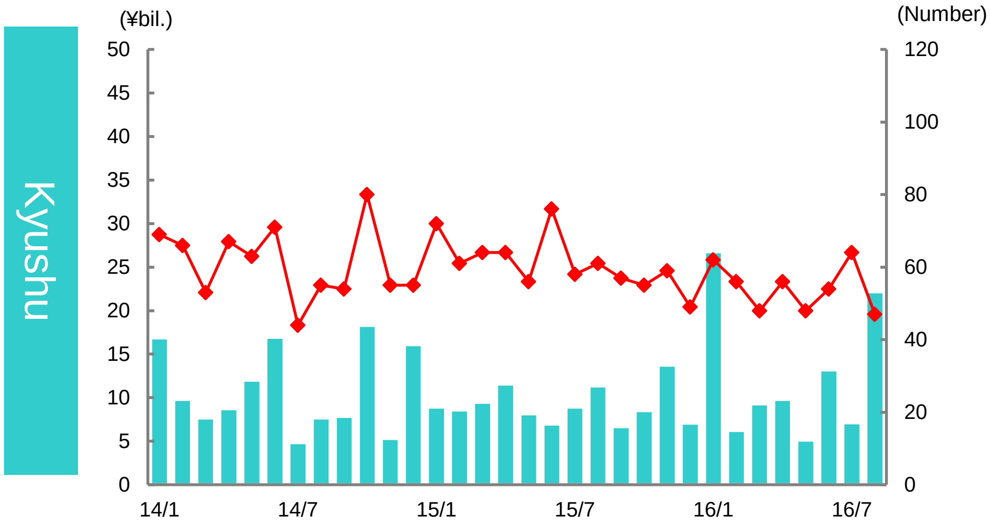
Volatility of standard land prices in major cities in Nagasaki Pref.

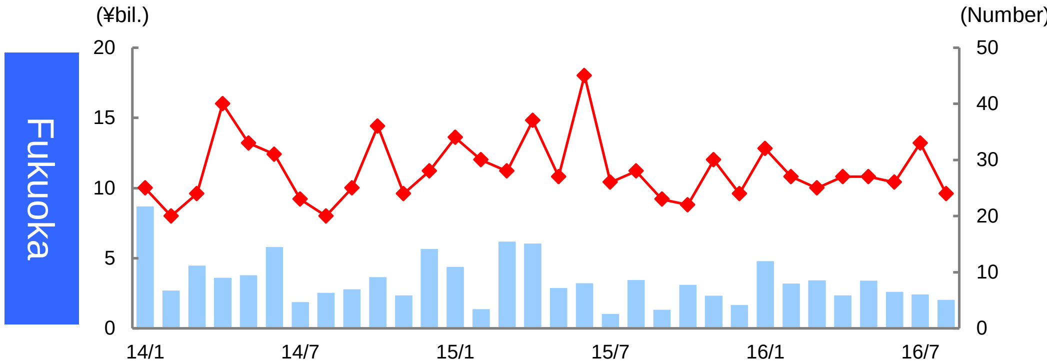
	Residential land		Commercial land	
	2015	2016	2015	2016
Nagasaki City	- 1.3	- 0.8	1.1	1.6
Sasebo City	- 1.0	- 0.6	- 0.9	- 0.2

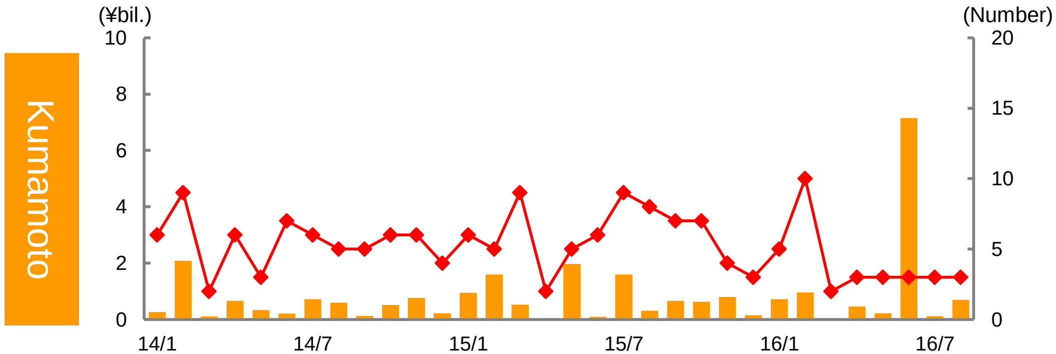
Corporate Bankruptcies

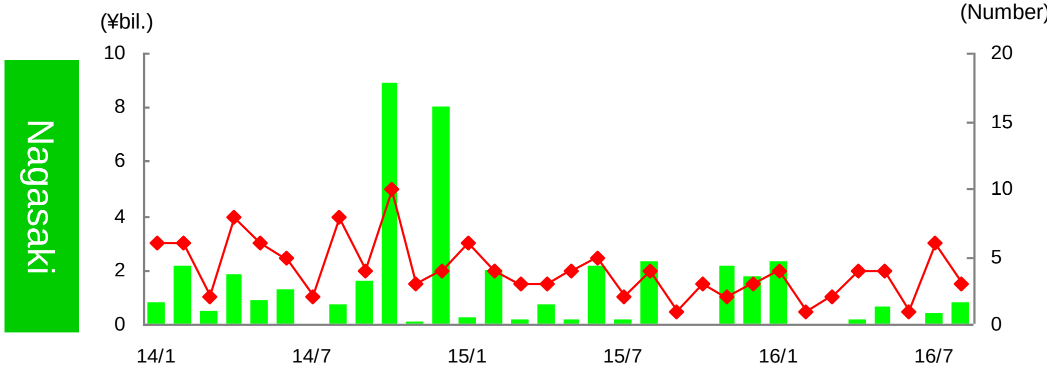
Left Axis ：The total debts / Bar graph
Right Axis：The number of bankruptcies / Line graph







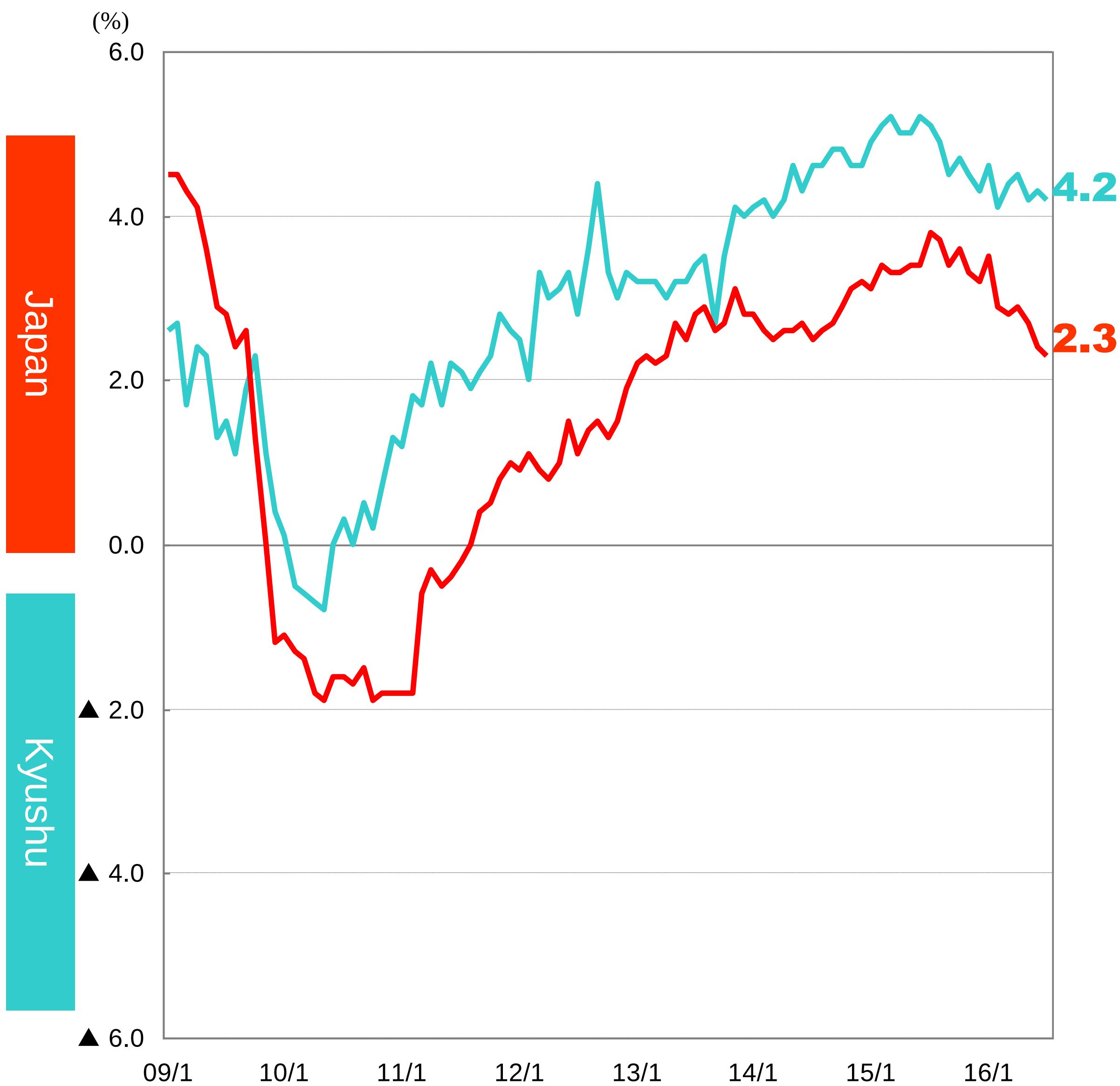


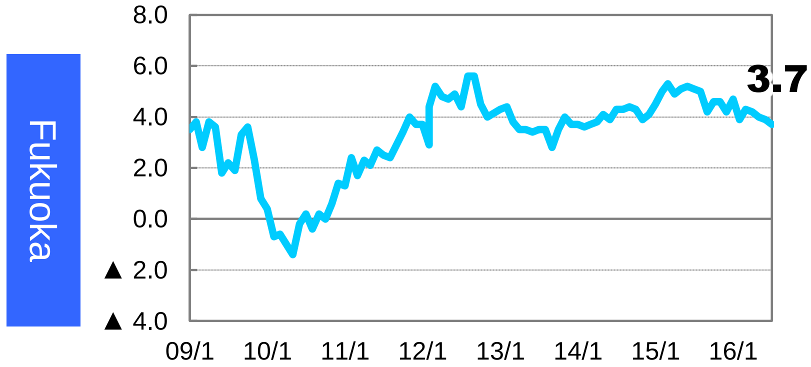


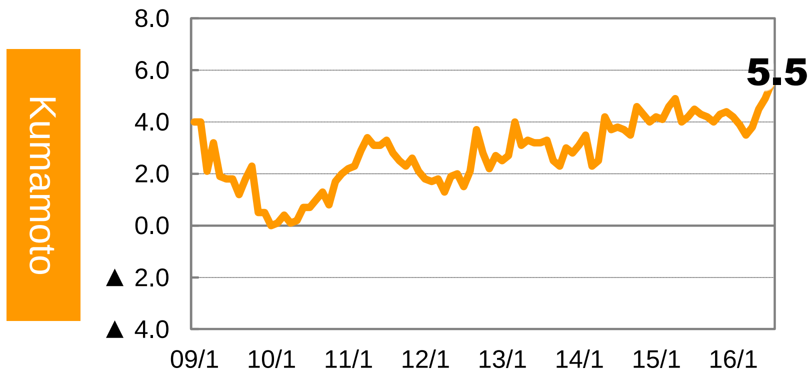
Source: Tokyo Shoko Research

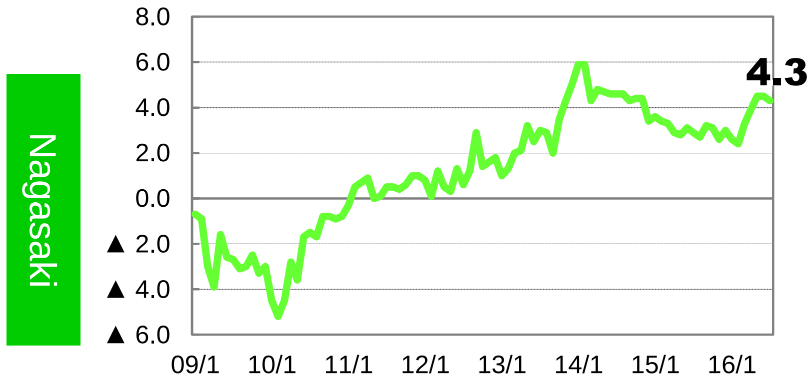
Loans

Rate of increase of Bank Loans（YoY Change, Monthly)





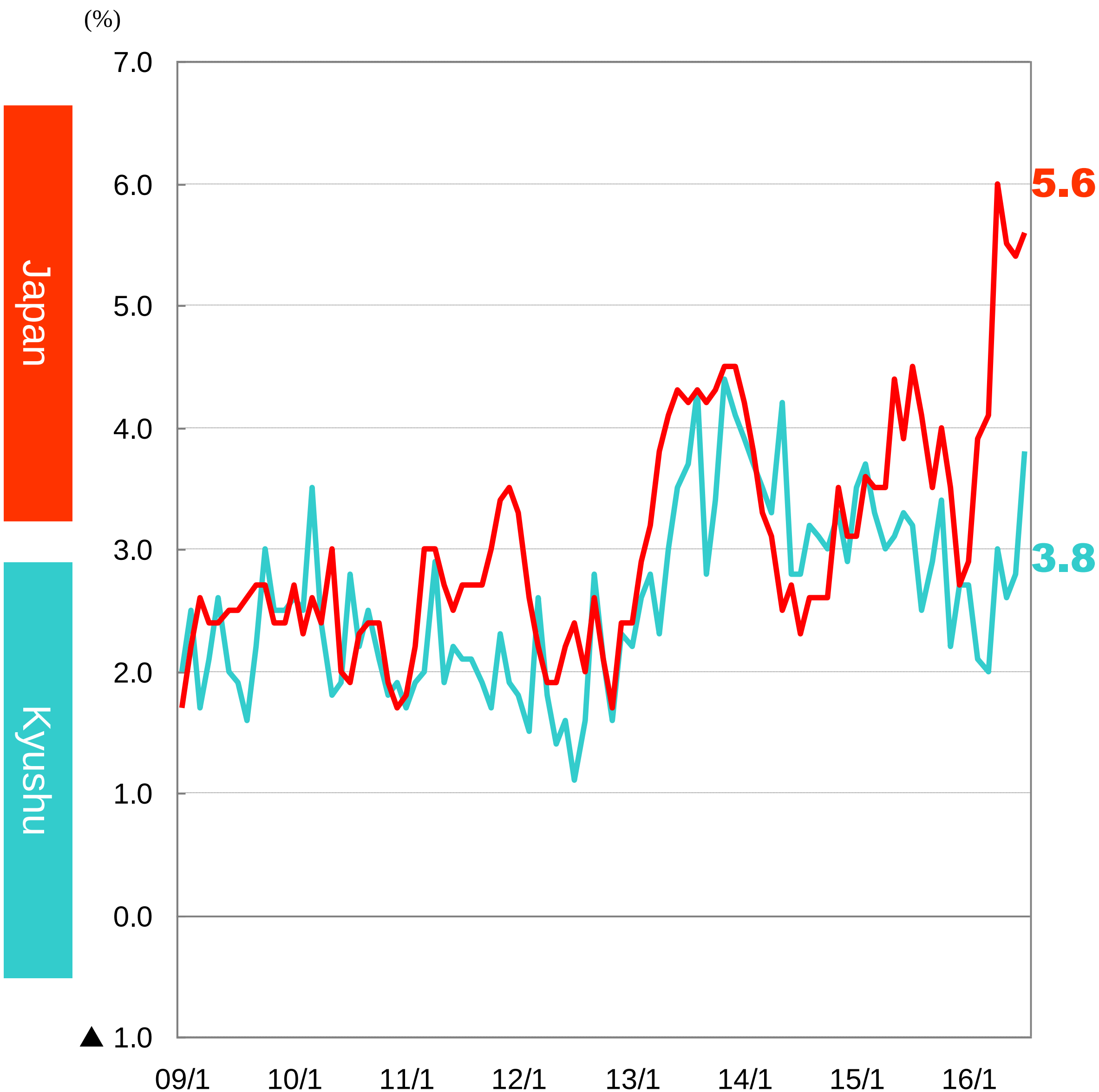


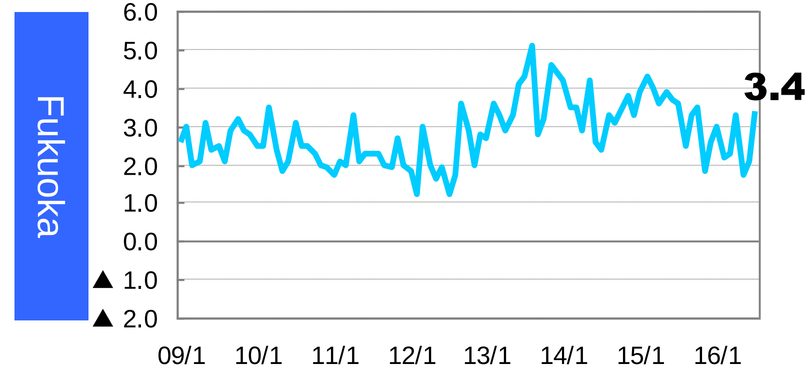


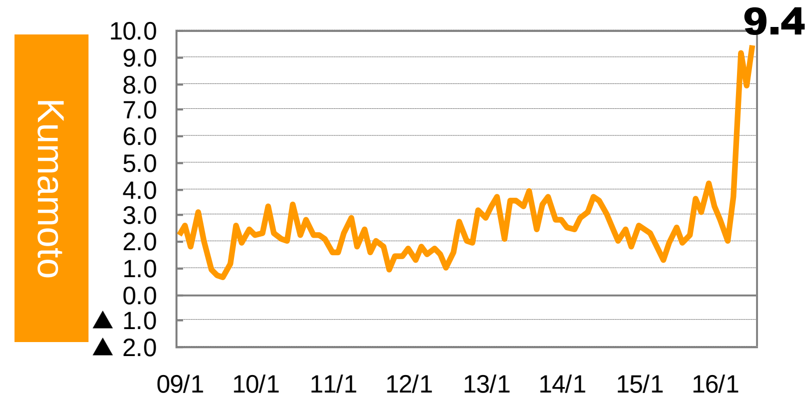
Source : Bank of Japan

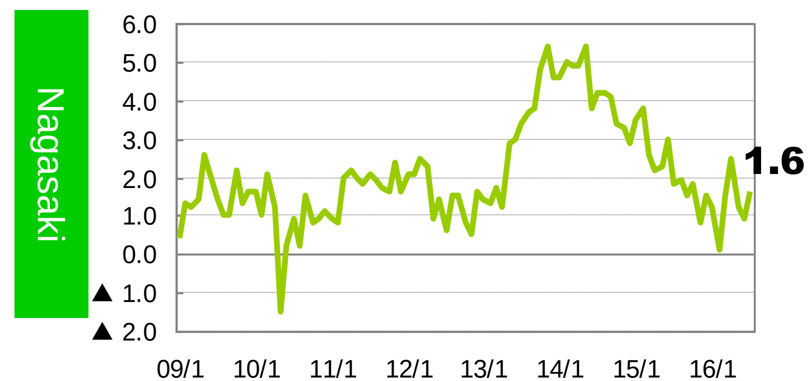
Deposits

Rate of increase of Bank Deposits（YoY Change, Monthly)









Source : Bank of Japan

Forward-Looking Statements

Thank you for your time today for our presentation.
We need to remind you of the risks involved in forward-looking statements as a legal requirement.
The statements in this presentation, including certain statements made in response to questions, regarding FFG's projected financials, operational figures, and other matters that are not historical facts are forward-looking statements.

You should be aware that our actual results may differ materially from those projected in the forward-looking statements on the future performance of FFG. Those statements are based on management's expectations, assumptions, estimates, projections and beliefs in light of information currently available to us.

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Fukuoka Financial Group