

## Mebuki Financial Group, Inc.

Financial Results for the Third Quarter of Fiscal Year 2018, ending March 31, 2019

Stock Exchange Listing: Tokyo (code: 7167)  
 URL: <http://www.mebuki-fg.co.jp/>  
 Representative: Ritsuo Sasajima, President  
 For Inquiry: Toshihiko Ono, General Manager of Corporate Planning Dept.  
 Filing date of Financial Statements: February 13, 2019 (scheduled)

(Japanese yen amounts of less than 1 million or the first decimal place have been rounded down.)

**1. Financial Highlights (from April 1, 2018 to December 31, 2018)**

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

	Ordinary Income		Ordinary Profit		Net Income attributable to owners of the parent	
	¥Million	%	¥Million	%	¥Million	%
Third quarter						
Ended December 31, 2018	220,477	12.7	54,442	(4.8)	37,868	(2.6)
Ended December 31, 2017	195,598	29.5	57,191	33.5	38,879	(74.6)

(Note) Comprehensive Income Third quarter of FY2018: ¥9,813 million [(85.4)%] Third quarter of FY2017: ¥67,591 million [(55.5)%]

	Net Income per Share	Net Income per Share (Diluted)
Third quarter	¥	¥
Ended December 31, 2018	32.25	32.23
Ended December 31, 2017	33.00	32.99

## (2) Consolidated Financial Conditions

	Total Assets	Net Assets	Capital Assets to Total Assets
Third quarter	¥Million	¥Million	%
Ended December 31, 2018	17,242,465	883,025	5.1
Fiscal year 2017	16,769,883	888,139	5.2

(Reference) Capital assets Third quarter of FY2018: ¥882,792 million FY2017: ¥887,923 million

(Note) "Capital assets to total assets" represents ("Net assets"- "Equity warrants"- "Non-controlling interests") / "Total assets" at the end of each period. The ratio above is not the one based on the regulation of Capital Adequacy Ratio.

**2. Cash Dividends for Shareholders**

	Cash Dividends per Share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
Fiscal year	¥	¥	¥	¥	¥
Ended March 31, 2018	—	5.50	—	5.50	11.00
Ending March 31, 2019	—	5.50	—		
Ending March 31, 2019 (Forecast)				5.50	11.00

(Note) 1. Revisions of released cash dividend forecasts : No

**3. Consolidated Earnings Forecasts for Fiscal Year 2018, ending March 31, 2019**

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

	Ordinary Profit		Net Income Attributable to Owners of the Parent		Net Income per Share
	¥Million	%	¥Million	%	¥
Fiscal Year ending March 31, 2019	65,000	2.3	45,000	4.4	38.33

(Note) Revisions of released consolidated earnings forecasts : No

\*Notes

- (1) Material changes in consolidated subsidiaries during the period (changes in specific subsidiaries accompanied by changes in scope of consolidation): No
- (2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements : No
- (3) Changes in accounting principles, accounting estimates and restatement
- ① Changes in accounting principles in accordance with changes in accounting standard, etc.: No
  - ② Other changes in accounting principles: No
  - ③ Changes in accounting estimates: No
  - ④ Restatement: No
- (4) Number of issued shares (common stock)
- ① Number of issued shares (including treasury stock):

December 31, 2018	1,179,055,218 shares	March 31, 2018	1,179,055,218 shares
-------------------	----------------------	----------------	----------------------
  - ② Number of treasury stock:

December 31, 2018	5,971,576 shares	March 31, 2018	1,183,162 shares
-------------------	------------------	----------------	------------------
  - ③ Average number of shares:

For the nine months ended December 31, 2018	1,174,015,013 shares
For the nine months ended December 31, 2017	1,177,834,181 shares

Statement relating to the status of the quarterly review procedures

This quarterly report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Law.

Explanation for proper use of forecasts and other notes

The above forecasts are based on the information which is presently available and the certain assumptions which are considered to be reasonable. Actual results may differ from those forecasts depending on various future factors.

# Financial Results for the Third Quarter of Fiscal Year 2018, Ending March 31, 2019

## ----- Contents -----

I	Quarterly Consolidated Financial Information	
	1. Quarterly Consolidated Balance Sheet	1
	2. Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	3
	3. Note for the Assumption of Going Concern	4
	4. Note for Material Changes in Shareholders' Equity	4
II	【Reference】 Quarterly Non-consolidated Financial Information of the main consolidated subsidiaries	
	1. Quarterly Non-consolidated Financial Information of The Joyo Bank, Ltd.	5
	2. Quarterly Non-consolidated Financial Information of The Ashikaga Bank, Ltd.	8
III	Financial Data for the Third Quarter of Fiscal Year 2018 ending March 31, 2019	
	1. Income Status	11
	2. Interest Rate Spread (Domestic operations)	15
	3. Gains and Losses on Securities	16
	4. Unrealized Valuation Gains (Losses)	17
	5. Disclosed Claims under the Financial Revitalization Law	18
	6. Loans and Deposits	19
	7. Consumer loans / Loans to SMEs	19

# I Quarterly Consolidated Financial Information

## 1. Quarterly Consolidated Balance Sheet

Item	(Japanese)	(Millions of yen)	
		As of Mar. 31, 2018	As of Dec. 31, 2018
<b>Assets</b>	<b>(資産の部)</b>		
Cash and due from banks	現金預け金	1,708,734	1,906,965
Call loans and bills bought	コールローン及び買入手形	14,636	11,241
Monetary claims bought	買入金銭債権	15,388	15,879
Trading assets	特定取引資産	12,539	13,471
Securities	有価証券	4,176,768	4,268,161
Loans and bills discounted	貸出金	10,497,976	10,641,669
Foreign exchanges	外国為替	6,416	8,511
Lease receivable and investments in lease	リース債権及びリース投資資産	56,620	59,635
Other assets	その他資産	187,737	211,716
Tangible fixed assets	有形固定資産	115,146	114,792
Intangible fixed assets	無形固定資産	14,801	17,025
Asset for retirement benefits	退職給付に係る資産	15,428	18,362
Deferred tax assets	繰延税金資産	2,119	2,805
Customers' liabilities for acceptances and guarantees	支払承諾見返	24,902	25,399
Allowance for loan losses	貸倒引当金	(79,324)	(73,162)
Reserve for devaluation of investment securities	投資損失引当金	(9)	(9)
<b>Total Assets</b>	<b>資産の部合計</b>	<b>16,769,883</b>	<b>17,242,465</b>
<b>Liabilities</b>	<b>(負債の部)</b>		
Deposits	預金	13,977,912	14,239,104
Negotiable certificates of deposit	譲渡性預金	272,640	402,370
Call money and bills sold	コールマネー及び売渡手形	340,540	137,035
Payables under repurchase agreements	売現先勘定	26,314	68,335
Payables under securities lending transactions	債券貸借取引受入担保金	158,149	329,483
Trading liabilities	特定取引負債	504	712
Borrowed money	借入金	877,856	954,038
Foreign Exchanges	外国為替	708	765
Bonds	社債	5,000	5,000
Bonds with warrant attached	新株予約権付社債	31,881	33,270
Due to trust account	信託勘定借	11	317
Other liabilities	その他負債	114,060	123,979
Provision for directors' bonuses	役員賞与引当金	129	—
Liability for retirement benefits	退職給付に係る負債	6,014	5,867
Provision for directors' retirement benefits	役員退職慰労引当金	63	55
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	3,781	3,229
Provision for contingent loss	偶発損失引当金	1,603	2,450
Provision for point card certificates	ポイント引当金	294	308
Provision for loss on interest repayment	利息返還損失引当金	13	19
Reserves under special laws	特別法上の引当金	2	2
Deferred tax liabilities	繰延税金負債	28,789	17,274
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	9,226	9,193
Negative goodwill	負ののれん	1,343	1,224
Acceptances and guarantees	支払承諾	24,902	25,399
<b>Total liabilities</b>	<b>負債の部合計</b>	<b>15,881,743</b>	<b>16,359,439</b>

(Millions of yen)

Item	(Japanese)	As of Mar. 31, 2018	As of Dec. 31, 2018
<b>Net Assets</b>	<b>(純資産の部)</b>		
Capital stock	資 本 金	117,495	117,495
Capital surplus	資 本 剰 余 金	148,541	148,545
Retained earnings	利 益 剰 余 金	489,697	514,704
Treasury stock	自 己 株 式	(8)	(2,026)
<b>Total shareholders' equity</b>	<b>株 主 資 本 合 計</b>	<b>755,725</b>	<b>778,718</b>
Unrealized gains on available-for-sale securities	そ の 他 有 価 証 券 評 価 差 額 金	120,727	92,124
Deferred gains (losses) on hedges	繰 延 ヘ ッ ジ 損 益	(56)	(274)
Land revaluation surplus	土 地 再 評 価 差 額 金	14,182	14,116
Defined retirement benefit plans	退 職 給 付 に 係 る 調 整 累 計 額	(2,656)	(1,891)
<b>Total accumulated other comprehensive income</b>	<b>そ の 他 の 包 括 利 益 累 計 額 合 計</b>	<b>132,197</b>	<b>104,073</b>
Equity warrants	新 株 予 約 権	216	233
<b>Total net assets</b>	<b>純 資 産 の 部 合 計</b>	<b>888,139</b>	<b>883,025</b>
<b>Total liabilities and net assets</b>	<b>負 債 及 び 純 資 産 の 部 合 計</b>	<b>16,769,883</b>	<b>17,242,465</b>

(Note) Figures are rounded down to the nearest million.

## 2. Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

### (1) Quarterly Consolidated Statement of Income

(Millions of yen)

Item	(Japanese)	For the 9 months ended Dec.31,2017	For the 9 months ended Dec.31,2018
<b>Ordinary income</b>	<b>経常収益</b>	<b>195,598</b>	<b>220,477</b>
Interest income	資金運用収益	120,644	131,090
Interest on loans and bills discounts	(うち貸出金利息)	85,557	85,613
Interest and dividends on securities	(うち有価証券利息配当金)	34,191	44,432
Trust fees	信託報酬	22	27
Fees and commissions	役務取引等収益	37,635	39,262
Trading income	特定取引収益	2,721	1,842
Other ordinary income	その他業務収益	3,750	2,595
Other income	その他経常収益	30,823	45,659
<b>Ordinary expenses</b>	<b>経常費用</b>	<b>138,406</b>	<b>166,034</b>
Interest expenses	資金調達費用	10,387	12,071
Interest on deposits	(うち預金利息)	2,510	4,394
Fees and commissions payments	役務取引等費用	9,818	10,123
Other business expenses	その他業務費用	1,708	11,700
General and administrative expenses	営業経費	90,250	89,631
Other operating expenses	その他経常費用	26,241	42,507
<b>Ordinary profit</b>	<b>経常利益</b>	<b>57,191</b>	<b>54,442</b>
<b>Extraordinary income</b>	<b>特別利益</b>	<b>140</b>	<b>70</b>
Gains on disposal of non-current assets	固定資産処分益	140	70
<b>Extraordinary losses</b>	<b>特別損失</b>	<b>1,327</b>	<b>444</b>
Losses on disposal of fixed assets	固定資産処分損	278	177
Impairment loss	減損損失	1,049	266
<b>Income before income taxes</b>	<b>税金等調整前四半期純利益</b>	<b>56,004</b>	<b>54,069</b>
Income taxes-current	法人税、住民税及び事業税	16,529	16,350
Income taxes-deferred	法人税等調整額	594	(149)
<b>Total income taxes</b>	<b>法人税等合計</b>	<b>17,124</b>	<b>16,200</b>
<b>Net income</b>	<b>四半期純利益</b>	<b>38,879</b>	<b>37,868</b>
<b>Net income attributable to owners of the parent</b>	<b>親会社株主に帰属する四半期純利益</b>	<b>38,879</b>	<b>37,868</b>

(Note) Figures are rounded down to the nearest million.

## (2) Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

Item	(Japanese)	For the 9 months ended Dec.31,2017	For the 9 months ended Dec.31,2018
<b>Net income</b>	<b>四 半 期 純 利 益</b>	<b>38,879</b>	<b>37,868</b>
<b>Other comprehensive income</b>	<b>そ の 他 の 包 括 利 益</b>	<b>28,711</b>	<b>(28,055)</b>
Unrealized gains on available-for-sale securities	そ の 他 有 価 証 券 評 価 差 額 金	26,706	(28,603)
Deferred gains (losses) on hedges	繰 延 ヘ ッ ジ 損 益	(4)	(218)
Land revaluation surplus	土 地 再 評 価 差 額 金	468	2
Defined retirement benefit plan	退 職 給 付 に 係 る 調 整 額	1,540	764
<b>Comprehensive income</b>	<b>四 半 期 包 括 利 益</b>	<b>67,591</b>	<b>9,813</b>
	(内訳)		
Comprehensive income attributable to owners of the parent	親 会 社 株 主 に 係 る 四 半 期 包 括 利 益	67,591	9,813

## 3. Note for the Assumption of Going Concern

Not applicable.

## 4. Note for Material Changes in Shareholders' Equity

Not applicable.

II 【Reference】Quarterly Non-consolidated Financial Information of the main consolidated subsidiaries

1. Quarterly Non-consolidated Financial Information of The Joyo Bank, Ltd.

(1) Financial Highlights (from April 1, 2018 to December 31, 2018)

① Non-consolidated Operating Results (%: Changes from the corresponding period of the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income	
	¥Million	%	¥Million	%	¥Million	%
Third quarter						
Ended December 31, 2018	118,573	14.3	35,495	3.7	24,968	5.8
Ended December 31, 2017	103,723	(4.7)	34,228	0.7	23,585	(0.4)

② Non-consolidated Financial Conditions

	Total Assets	Net Assets	Capital Assets to Total Assets
Third quarter	¥Million	¥Million	%
Ended December 31, 2018	10,409,610	592,014	5.6
Fiscal year 2017	10,053,746	599,683	5.9

(Reference) Capital assets Third quarter of FY2018: ¥592,014 million FY2017: ¥599,683 million

(Note) “Capital assets to total assets” represents (“Net assets”-“Equity warrants”) / “Total assets” at the end of each period.

The ratio above is not the one based on the regulation of Capital Adequacy Ratio.



## (2) Non-consolidated Balance Sheet (The Joyo Bank, Ltd.)

(Millions of yen)

Item	(Japanese)	As of Mar. 31, 2018	As of Dec. 31, 2018
<b>Assets</b>	<b>(資産の部)</b>		
Cash and due from banks	現金預け金	968,263	1,040,961
Call loans and bills bought	コールポート	13,786	9,764
Monetary claims bought	買入金銭債権	7,447	7,541
Trading assets	特定取引資産	8,526	10,419
Securities	有価証券	2,802,591	2,947,493
Loans and bills discounted	貸出金	6,063,500	6,187,386
Foreign exchanges	外国為替	3,341	3,661
Other assets	その他資産	77,320	95,729
Tangible fixed assets	有形固定資産	81,764	79,652
Intangible fixed assets	無形固定資産	9,153	8,626
Asset for retirement benefits	前払年金費用	6,495	6,370
Customers' liabilities for acceptances and guarantees	支払承諾見返	46,564	44,578
Allowance for loan losses	貸倒引当金	(35,002)	(32,567)
Reserve for devaluation of investment securities	投資損失引当金	(9)	(9)
<b>Total Assets</b>	<b>資産の部合計</b>	<b>10,053,746</b>	<b>10,409,610</b>
<b>Liabilities</b>	<b>(負債の部)</b>		
Deposits	預金	8,509,025	8,645,602
Negotiable certificates of deposit	譲渡性預金	67,249	199,039
Call money and bills sold	コールマネー	65,340	36,792
Payables under repurchase agreements	売現先勘定	26,314	57,453
Payables under securities lending transactions	債券貸借取引受入担保金	61,535	59,519
Trading liabilities	特定取引負債	504	712
Borrowed money	借入金	579,167	673,158
Foreign Exchanges	外国為替	451	425
Bonds	社債	5,000	5,000
Due to trust account	信託勘定借	11	317
Other liabilities	その他負債	38,513	49,379
Income tax payable	(未払法人税等)	2,109	1,461
Lease obligations	(リース債務)	2,301	1,822
Other liabilities	(その他の負債)	34,102	46,095
Provision for directors' bonuses	役員賞与引当金	65	—
Liability for retirement benefits	退職給付引当金	8,638	8,385
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	2,838	2,408
Provision for point card certificates	ポイント引当金	85	140
Provision for contingent loss	偶発損失引当金	946	963
Deferred tax liabilities	繰延税金負債	33,260	25,204
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	8,546	8,513
Acceptances and guarantees	支払承諾	46,564	44,578
<b>Total liabilities</b>	<b>負債の部合計</b>	<b>9,454,062</b>	<b>9,817,596</b>

(Millions of yen)

Item	(Japanese)	As of Mar. 31, 2018	As of Dec. 31, 2018
<b>Net assets</b>	<b>(純資産の部)</b>		
Capital stock	資 本 金	85,113	85,113
Capital surplus	資 本 剰 余 金	58,574	58,574
Legal capital surplus	資 本 準 備 金	58,574	58,574
Retained earnings	利 益 剰 余 金	319,555	332,792
Legal retained earnings	利 益 準 備 金	55,317	55,317
Other retained earnings	そ の 他 利 益 剰 余 金	264,238	277,475
Reserve for advanced depreciation of non-current assets	( 固 定 資 産 圧 縮 積 立 金 )	1,106	1,078
General Reserve	( 別 途 積 立 金 )	222,432	222,432
Retained earnings brought forward	( 繰 越 利 益 剰 余 金 )	40,699	53,964
<b>Total shareholders' equity</b>	<b>株 主 資 本 合 計</b>	<b>463,242</b>	<b>476,479</b>
Unrealized gains on available-for-sale securities	そ の 他 有 価 証 券 評 価 差 額 金	123,847	103,174
Deferred gains (losses) on hedges	繰 延 ヘ ッ ジ 損 益	(31)	(198)
Land revaluation surplus	土 地 再 評 価 差 額 金	12,625	12,559
<b>Total valuation and translation adjustments</b>	<b>評 価 ・ 換 算 差 額 等 合 計</b>	<b>136,441</b>	<b>115,535</b>
<b>Total net assets</b>	<b>純 資 産 の 部 合 計</b>	<b>599,683</b>	<b>592,014</b>
<b>Total liabilities and net assets</b>	<b>負 債 及 び 純 資 産 の 部 合 計</b>	<b>10,053,746</b>	<b>10,409,610</b>

## (3)Non-Consolidated Statement of Income (The Joyo Bank, Ltd.)

(Millions of yen)

Item	(Japanese)	For the 9 months ended Dec.31,2017	For the 9 months ended Dec.31,2018
<b>Ordinary income</b>	<b>経 常 収 益</b>	<b>103,723</b>	<b>118,573</b>
Interest income	資 金 運 用 収 益	71,301	74,344
Interest on loans and bills discounts	( うち 貸 出 金 利 息 )	47,548	48,076
Interest and dividends on securities	( うち 有 価 証 券 利 息 配 当 金 )	23,245	25,605
Trust fees	信 託 報 酬	22	27
Fees and commissions	役 務 取 引 等 収 益	18,520	19,155
Trading income	特 定 取 引 収 益	312	141
Other ordinary income	そ の 他 業 務 収 益	2,822	1,233
Other income	そ の 他 経 常 収 益	10,743	23,669
<b>Ordinary expenses</b>	<b>経 常 費 用</b>	<b>69,495</b>	<b>83,077</b>
Interest expenses	資 金 調 達 費 用	6,130	5,828
Interest on deposits	( うち 預 金 利 息 )	1,689	2,820
Fees and commissions payments	役 務 取 引 等 費 用	5,456	6,003
Other business expenses	そ の 他 業 務 費 用	1,560	8,121
General and administrative expenses	営 業 経 費	52,112	50,249
Other operating expenses	そ の 他 経 常 費 用	4,234	12,874
<b>Ordinary profit</b>	<b>経 常 利 益</b>	<b>34,228</b>	<b>35,495</b>
<b>Extraordinary income</b>	<b>特 別 利 益</b>	<b>140</b>	<b>70</b>
<b>Extraordinary losses</b>	<b>特 別 損 失</b>	<b>929</b>	<b>220</b>
<b>Income before income taxes</b>	<b>税 引 前 四 半 期 純 利 益</b>	<b>33,439</b>	<b>35,346</b>
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	8,986	9,528
Income taxes-deferred	法 人 税 等 調 整 額	867	848
<b>Total income taxes</b>	<b>法 人 税 等 合 計</b>	<b>9,854</b>	<b>10,377</b>
<b>Net income</b>	<b>四 半 期 純 利 益</b>	<b>23,585</b>	<b>24,968</b>

## 2. Quarterly Non-consolidated Financial Information of The Ashikaga Bank, Ltd.

### (1) Financial Highlights (from April 1, 2018 to December 31, 2018)

#### ① Non-consolidated Operating Results (%: Changes from the corresponding period of the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income	
	¥Million	%	¥Million	%	¥Million	%
Third quarter						
Ended December 31, 2018	81,701	11.6	20,958	(24.3)	26,389	38.5
Ended December 31, 2017	73,196	0.0	27,714	1.2	19,041	(18.3)

#### ② Non-consolidated Financial Conditions

	Total Assets	Net Assets	Capital Assets to Total Assets
	¥Million	¥Million	%
Third quarter			
Ended December 31, 2018	6,928,439	330,278	4.7
Fiscal year 2017	6,764,543	322,287	4.7

(Reference) Capital assets      Third quarter of FY2018: ¥330,278 million      FY2017: ¥322,287 million

(Note) “Capital assets to total assets” represents (“Net assets”-“Equity warrants”) / “Total assets” at the end of each period.

The ratio above is not the one based on the regulation of Capital Adequacy Ratio.

## (2) Non-consolidated Balance Sheet (The Ashikaga Bank, Ltd.)

(Millions of yen)

Item	(Japanese)	As of Mar. 31, 2018	As of Dec. 31, 2018
<b>Assets</b>	<b>(資産の部)</b>		
Cash and due from banks	現金預け金	740,378	865,816
Call loans and bills bought	コールローン	849	1,476
Monetary claims bought	買入金銭債権	7,941	8,338
Trading account securities	商品有価証券	4,012	3,052
Securities	有価証券	1,391,021	1,338,181
Loans and bills discounted	貸出金	4,517,299	4,583,023
Foreign exchanges	外国為替	3,074	4,849
Other assets	その他資産	69,504	75,135
Tangible fixed assets	有形固定資産	27,001	28,686
Intangible fixed assets	無形固定資産	5,207	8,005
Asset for retirement benefits	前払年金費用	18,310	20,134
Deferred tax Assets	繰延税金資産	4,005	8,182
Customers' liabilities for acceptances and guarantees	支払承諾見返	10,219	14,091
Allowance for loan losses	貸倒引当金	(34,283)	(30,534)
<b>Total Assets</b>	<b>資産の部合計</b>	<b>6,764,543</b>	<b>6,928,439</b>
<b>Liabilities</b>	<b>(負債の部)</b>		
Deposits	預金	5,529,812	5,658,836
Negotiable certificates of deposit	譲渡性預金	279,440	268,380
Call money and bills sold	コールマネー	275,200	100,243
Payables under repurchase agreements	売現先勘定	—	10,882
Payables under securities lending transactions	債券貸借取引受入担保金	96,613	269,963
Borrowed money	借入金	222,366	244,310
Foreign Exchanges	外国為替	256	339
Other liabilities	その他負債	26,562	28,722
Income tax payable	(未払法人税等)	1,320	703
Lease obligations	(リース債務)	13	10
Other liabilities	(その他の負債)	25,228	28,009
Provision for directors' bonuses	役員賞与引当金	54	—
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	943	821
Provision for contingent loss	偶発損失引当金	656	1,487
Provision for point card certificates	ポイント引当金	130	82
Acceptances and guarantees	支払承諾	10,219	14,091
<b>Total liabilities</b>	<b>負債の部合計</b>	<b>6,442,255</b>	<b>6,598,161</b>

(Millions of yen)

Item	(Japanese)	As of Mar. 31, 2018	As of Dec. 31, 2018
<b>Net assets</b>	<b>(純資産の部)</b>		
Capital stock	資 本 金	135,000	135,000
Retained earnings	利 益 剰 余 金	157,188	176,527
Legal retained earnings	利 益 準 備 金	22,007	23,417
Other retained earnings	そ の 他 利 益 剰 余 金	135,180	153,109
Retained earnings brought forward	(繰越利益剰余金)	135,180	153,109
<b>Total shareholders' equity</b>	<b>株 主 資 本 合 計</b>	<b>292,188</b>	<b>311,527</b>
Unrealized gains on available-for-sale securities	そ の 他 有 価 証 券 評 価 差 額 金	30,123	18,827
Deferred gains (losses) on hedges	繰 延 ヘ ッ ジ 損 益	(24)	(76)
<b>Total valuation and translation adjustments</b>	<b>評 価 ・ 換 算 差 額 等 合 計</b>	<b>30,098</b>	<b>18,751</b>
<b>Total net assets</b>	<b>純 資 産 の 部 合 計</b>	<b>322,287</b>	<b>330,278</b>
<b>Total liabilities and net assets</b>	<b>負 債 及 び 純 資 産 の 部 合 計</b>	<b>6,764,543</b>	<b>6,928,439</b>

## (3)Non-Consolidated Statement of Income(The Ashikaga Bank, Ltd.)

(Millions of yen)

Item	(Japanese)	For the 9 months ended Dec.31,2017	For the 9 months ended Dec.31,2018
<b>Ordinary income</b>	<b>経 常 収 益</b>	<b>73,196</b>	<b>81,701</b>
Interest income	資 金 運 用 収 益	53,374	60,271
Interest on loans and discounts	(うち貸出金利息)	37,180	36,719
Interest and dividends on securities	(うち有価証券利息配当金)	15,817	23,181
Fees and commissions	役 務 取 引 等 収 益	15,509	16,260
Other ordinary income	そ の 他 業 務 収 益	941	2,859
Other income	そ の 他 経 常 収 益	3,370	2,310
<b>Ordinary expenses</b>	<b>経 常 費 用</b>	<b>45,482</b>	<b>60,743</b>
Interest expenses	資 金 調 達 費 用	3,343	5,702
Interest on deposits	(うち預金利息)	871	1,624
Fees and commissions payments	役 務 取 引 等 費 用	5,437	5,340
Other business expenses	そ の 他 業 務 費 用	47	5,013
General and administrative expenses	営 業 経 費	35,006	36,423
Other operating expenses	そ の 他 経 常 費 用	1,646	8,264
<b>Ordinary profit</b>	<b>経 常 利 益</b>	<b>27,714</b>	<b>20,958</b>
<b>Extraordinary income</b>	<b>特 別 利 益</b>	<b>0</b>	<b>12,018</b>
<b>Extraordinary losses</b>	<b>特 別 損 失</b>	<b>384</b>	<b>259</b>
<b>Income before income taxes</b>	<b>税 引 前 四 半 期 純 利 益</b>	<b>27,329</b>	<b>32,717</b>
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	6,235	5,651
Income taxes-deferred	法 人 税 等 調 整 額	2,052	677
<b>Total income taxes</b>	<b>法 人 税 等 合 計</b>	<b>8,287</b>	<b>6,328</b>
<b>Net income</b>	<b>四 半 期 純 利 益</b>	<b>19,041</b>	<b>26,389</b>

III Financial Data for the Third Quarter of Fiscal Year 2018 ending March 31, 2019

1. Income Status

【Mebuki Financial Group, Inc. (Consolidated basis)】

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Consolidated gross profit	連 結 粗 利 益	140,922	(1,937)	142,860	183,399
Net interest income	資 金 利 益	119,018	8,762	110,256	146,353
Net fees and commissions	役 務 取 引 等 利 益	29,166	1,326	27,840	37,020
Net trading income	特 定 取 引 利 益	1,842	(878)	2,721	3,669
Net other business income	そ の 他 業 務 利 益	(9,105)	(11,147)	2,042	(3,642)
General and administrative expenses	営 業 経 費	89,631	(619)	90,250	120,427
Credit related costs	与 信 関 係 費 用	7,362	2,148	5,213	10,108
Write-off of loans	貸 出 金 償 却	7,296	3,924	3,371	4,517
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	[4,071]	—	4,126	7,658
Transfer to general allowance for loan losses	一 般 貸 倒 引 当 金 繰 入 額	[4,260]	—	(1,530)	(755)
Reversal of allowance for loan losses	貸 倒 引 当 金 戻 入 益	189	189	—	—
Other credit related costs	そ の 他 の 与 信 関 係 費 用	255	1,009	(754)	(1,312)
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	9,019	654	8,365	7,709
Equity in gains (losses) of affiliated companies	持 分 法 に よ る 投 資 損 益	—	—	—	—
Others	そ の 他	1,493	63	1,430	2,948
Ordinary profit 【FY2018; 65,000】	経 常 利 益 【 通 常 期 65,000 】	54,442	(2,748)	57,191	63,521
Extraordinary income(losses)	特 別 損 益	(373)	813	(1,187)	(1,182)
Income before income taxes	税 金 等 調 整 前 四 半 期 純 利 益	54,069	(1,934)	56,004	62,338
Income taxes-current	法 人 税 、 住 民 税 及 び 事 業 税	16,350	(179)	16,529	20,182
Income taxes-deferred	法 人 税 等 調 整 額	(149)	(744)	594	(913)
Total income taxes	法 人 税 等 合 計	16,200	(923)	17,124	19,269
Net income	四 半 期 純 利 益	37,868	(1,011)	38,879	43,069
Net income attributable to noncontrolling interests	非 支 配 株 主 に 帰 属 す る 四 半 期 純 利 益	—	—	—	—
Net income attributable to owners of the parent 【FY2018; 45,000】	親 会 社 株 主 に 帰 属 す る 四 半 期 純 利 益 【 通 常 期 45,000 】	37,868	(1,011)	38,879	43,069

(Note) 1. Consolidated gross business profit=(Interest income – Interest expenses)+(Fees and commissions income+Trust Fee – Fees and commissions expenses)+(Trading income – Trading expenses)+(Other business income – Other business expenses)

2. Figures in square brackets in the table above are forecasts of ordinary profit and net income attributable to owners of the parent.

(注) 1. 連結粗利益=(資金運用収益-資金調達費用)+(役員取引等収益+信託報酬-役員取引等費用)+(特定取引収益-特定取引費用)+ (その他業務収益-その他業務費用)

2. 経常利益、親会社株主に帰属する四半期純利益の業績予想値を【】内に記載しております。

Reference

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Consolidated net business income (before general allowance for loan losses)	連 結 業 務 純 益 ( 一 般 貸 倒 引 繰 入 前 )	52,434	(2,432)	54,867	65,982
Consolidated net business income	連 結 業 務 純 益	52,434	(3,962)	56,397	66,738

(Note) Consolidated net business income

= Consolidated gross profit – General and administrative expenses(excluding non-recurrent expense) – Transfer to general allowance for loan losses

(注) 連結業務純益=連結粗利益-営業経費(除く臨時費用分)-一般貸倒引当金繰入額

Number of Consolidated Companies

(Number of companies)

	(Japanese)	As of Dec. 31, 2018		As of Dec. 31, 2017 (B)	(Reference) As of Mar 31, 2018
		(A)	(A)-(B)		
Number of Consolidated Subsidiaries	連 結 子 会 社 数	14	—	14	14
Number of affiliated companies applicable to the equity method	持 分 法 適 用 会 社 数	—	—	—	—

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017	(Reference) FY2017
		(A)	(A)-(B)	(B)	
Gross business profit	業 務 粗 利 益	138,286	(2,542)	140,829	180,767
Net interest income	資 金 利 益	123,084	7,882	115,202	153,749
Net fees and commissions	役 務 取 引 等 利 益	24,100	941	23,159	30,820
Net trading income	特 定 取 引 等 利 益	141	(171)	312	373
Net other business income	そ の 他 業 務 利 益	(9,041)	(11,196)	2,154	(4,176)
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	(11,082)	(11,845)	763	(6,485)
Expenses (excluding non-recurrent expense)	経 費 ( 除 く 臨 時 処 理 分 )	85,543	668	84,875	113,599
Personnel expenses	人 件 費	45,593	690	44,903	59,789
Non-personnel expenses	物 件 費	34,126	(152)	34,278	46,640
Taxes	税 金	5,823	130	5,693	7,168
Net business income (before general allowance for loan losses)	業 務 純 益 ( 一 般 貸 引 繰 入 前 )	52,743	(3,211)	55,954	67,168
(excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	63,825	8,634	55,191	73,653
Net transfer to general allowance for loan losses①	一 般 貸 倒 引 当 金 繰 入 額 ①	[4,198]	1,892	(1,892)	(1,428)
Net business income	業 務 純 益	52,743	(5,103)	57,846	68,597
Net non-recurrent gains/losses	臨 時 損 益	3,710	(385)	4,095	(372)
Disposal of non-performing loans②	不 良 債 権 処 理 額 ②	5,729	112	5,616	9,388
Write-off of loans	貸 出 金 償 却	5,883	3,697	2,185	3,034
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	[3,515]	(3,912)	3,912	7,360
Losses on sales of loans	貸 出 金 売 却 損	29	(14)	44	46
Transfer to provision for contingent losses	偶 発 損 失 引 当 金 繰 入 額	915	836	79	104
Reversal of allowance for loan losses	貸 倒 引 当 金 戻 入 益	682	682	—	—
Recoveries of written-off claims	償 却 債 権 取 立 益	1,026	(4)	1,031	1,583
Other	そ の 他	610	184	425	426
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	10,197	(1,398)	11,595	10,516
Other non-recurrent gains/losses	そ の 他 臨 時 損 益	(757)	1,125	(1,883)	(1,501)
Ordinary profit	経 常 利 益	56,453	(5,488)	61,942	68,224
Extraordinary income/losses	特 別 損 益	11,610	12,783	(1,172)	(1,145)
(Of which, dividends receivable from affiliated companies)	う ち 関 係 会 社 受 取 配 当 金	12,000	12,000	—	—
Income before income taxes	税 引 前 四 半 期 純 利 益	68,063	7,294	60,769	67,078
Income taxes-current	法 人 税 、 住 民 税 及 び 事 業 税	15,179	(42)	15,222	18,260
Income taxes-deferred	法 人 税 等 調 整 額	1,526	(1,392)	2,919	1,950
Total income taxes	法 人 税 等 合 計	16,706	(1,435)	18,141	20,211
Net Income	四 半 期 純 利 益	51,357	8,729	42,627	46,867
Credit related costs (①+②)	与 信 関 係 費 用 ( ① + ② )	5,729	2,004	3,724	7,959

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017	(Reference) FY2017
		(A)	(A)-(B)	(B)	
Gross business profit	業 務 粗 利 益	74,951	(4,881)	79,832	100,485
Net interest income	資 金 利 益	68,516	3,345	65,171	85,819
Net fees and commissions	役 務 取 引 等 利 益	13,180	93	13,086	16,926
Net trading income	特 定 取 引 等 利 益	141	(171)	312	373
Net other business income	そ の 他 業 務 利 益	(6,887)	(8,148)	1,261	(2,634)
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	(7,622)	(8,276)	653	(3,889)
Expenses (excluding non-recurrent expense)	経 費 ( 除 く 臨 時 処 理 分 )	49,211	(720)	49,932	66,375
Personnel expenses	人 件 費	25,512	190	25,322	33,658
Non-personnel expenses	物 件 費	20,646	(725)	21,372	28,781
Taxes	税 金	3,051	(185)	3,237	3,934
Net business income (before general allowance for loan losses)	業 務 純 益 ( 一 般 貸 引 繰 入 前 )	25,739	(4,160)	29,900	34,110
(excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	33,362	4,116	29,246	37,999
Net transfer to general allowance for loan losses①	一 般 貸 倒 引 当 金 繰 入 額 ①	— [949] —	746	(746)	(302)
Net business income	業 務 純 益	25,739	(4,906)	30,646	34,413
Net non-recurrent gains/losses	臨 時 損 益	9,755	6,173	3,582	2,526
Disposal of non-performing loans②	不 良 債 権 処 理 額 ②	2,264	(1,355)	3,619	5,230
Write-off of loans	貸 出 金 償 却	3,366	1,696	1,669	2,353
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	— [258] —	(2,285)	2,285	3,643
Losses on sales of loans	貸 出 金 売 却 損	12	12	—	—
Transfer to provision for contingent losses	偶 発 損 失 引 当 金 繰 入 額	37	91	(54)	(42)
Reversal of allowance for loan losses	貸 倒 引 当 金 戻 入 益	690	690	—	—
Recoveries of written-off claims	償 却 債 権 取 立 益	834	127	707	1,150
Other	そ の 他	373	(52)	425	426
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	12,743	3,640	9,103	9,481
Other non-recurrent gains/losses	そ の 他 臨 時 損 益	(724)	1,177	(1,901)	(1,724)
Ordinary profit	経 常 利 益	35,495	1,267	34,228	36,939
Extraordinary income/losses	特 別 損 益	(149)	639	(788)	(536)
(Of which, dividends receivable from affiliated companies)	う ち 関 係 会 社 受 取 配 当 金	—	—	—	—
Income before income taxes	税 引 前 四 半 期 純 利 益	35,346	1,906	33,439	36,403
Income taxes-current	法 人 税 、 住 民 税 及 び 事 業 税	9,528	541	8,986	10,360
Income taxes-deferred	法 人 税 等 調 整 額	848	(18)	867	529
Total income taxes	法 人 税 等 合 計	10,377	523	9,854	10,890
Net Income	四 半 期 純 利 益	24,968	1,382	23,585	25,513
Credit related costs (①+②)	与 信 関 係 費 用 ( ① + ② )	2,264	(609)	2,873	4,927



【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017	(Reference) FY2017
		(A)	(A)-(B)	(B)	
Gross business profit	業 務 粗 利 益	63,335	2,338	60,997	80,282
Net interest income	資 金 利 益	54,568	4,537	50,031	67,929
Net fees and commissions	役 務 取 引 等 利 益	10,920	847	10,072	13,893
Net trading income	特 定 取 引 等 利 益	—	—	—	—
Net other business income	そ の 他 業 務 利 益	(2,153)	(3,047)	893	(1,541)
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	(3,459)	(3,568)	109	(2,595)
Expenses (excluding non-recurrent expense)	経 費 ( 除 く 臨 時 処 理 分 )	36,331	1,388	34,942	47,223
Personnel expenses	人 件 費	20,081	500	19,580	26,131
Non-personnel expenses	物 件 費	13,479	572	12,906	17,859
Taxes	税 金	2,771	315	2,455	3,233
Net business income (before general allowance for loan losses)	業 務 純 益 ( 一 般 貸 引 繰 入 前 )	27,003	949	26,054	33,058
(excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	30,462	4,517	25,945	35,654
Net transfer to general allowance for loan losses①	一 般 貸 倒 引 当 金 繰 入 額 ①	(3,249)	(2,103)	(1,146)	(1,126)
Net business income	業 務 純 益	30,252	3,052	27,200	34,184
Net non-recurrent gains/losses	臨 時 損 益	(9,294)	(9,808)	513	(2,899)
Disposal of non-performing loans②	不 良 債 権 処 理 額 ②	6,714	4,717	1,996	4,158
Write-off of loans	貸 出 金 償 却	2,517	2,001	516	681
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	3,257	1,629	1,627	3,717
Losses on sales of loans	貸 出 金 売 却 損	16	(27)	44	46
Transfer to provision for contingent losses	偶 発 損 失 引 当 金 繰 入 額	878	745	133	146
Reversal of allowance for loan losses	貸 倒 引 当 金 戻 入 益	—	—	—	—
Recoveries of written-off claims	償 却 債 権 取 立 益	191	(132)	324	433
Other	そ の 他	236	236	(0)	(0)
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	(2,546)	(5,038)	2,492	1,035
Other non-recurrent gains/losses	そ の 他 臨 時 損 益	(33)	(51)	18	223
Ordinary profit	経 常 利 益	20,958	(6,756)	27,714	31,284
Extraordinary income/losses	特 別 損 益	11,759	12,144	(384)	(609)
(Of which, dividends receivable from affiliated companies)	う ち 関 係 会 社 受 取 配 当 金	12,000	12,000	—	—
Income before income taxes	税 引 前 四 半 期 純 利 益	32,717	5,388	27,329	30,675
Income taxes-current	法 人 税 、 住 民 税 及 び 事 業 税	5,651	(584)	6,235	7,900
Income taxes-deferred	法 人 税 等 調 整 額	677	(1,374)	2,052	1,420
Total income taxes	法 人 税 等 合 計	6,328	(1,959)	8,287	9,320
Net Income	四 半 期 純 利 益	26,389	7,347	19,041	21,354
Credit related costs (①+②)	与 信 関 係 費 用 ( ① + ② )	3,465	2,614	850	3,032

## 2. Interest Rate Spread (Domestic operations)

### 【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(%)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Average yield on interest earning assets ①	資金運用利回	1.07	0.05	1.02	1.02
Average yield on loans and bills discounted	貸出金利回	1.03	(0.04)	1.07	1.07
Average yield on securities	有価証券利回	1.40	0.27	1.13	1.14
Average yield on interest bearing liabilities ②	資金調達原価	0.71	(0.04)	0.75	0.75
Average yield on deposits and negotiable certificates of deposit	預金等利回	0.00	(0.01)	0.01	0.00
Average yield on call money and borrowed money	外部負債利回	(0.02)	(0.01)	(0.01)	(0.01)
Average interest rate spread (①-②)	総資金利鞘	0.36	0.09	0.27	0.27

### 【The Joyo Bank, Ltd. (Non-consolidated basis)】

(%)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Average yield on interest earning assets ①	資金運用利回	0.98	0.00	0.98	0.97
Average yield on loans and bills discounted	貸出金利回	1.00	(0.03)	1.03	1.02
Average yield on securities	有価証券利回	1.06	0.04	1.02	0.96
Average yield on interest bearing liabilities ②	資金調達原価	0.68	(0.06)	0.74	0.74
Average yield on deposits and negotiable certificates of deposit	預金等利回	0.00	0.00	0.00	0.00
Average yield on call money and borrowed money	外部負債利回	(0.03)	(0.02)	(0.01)	(0.01)
Average interest rate spread (①-②)	総資金利鞘	0.30	0.06	0.24	0.23

### 【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Average yield on interest earning assets ①	資金運用利回	1.19	0.11	1.08	1.10
Average yield on loans and bills discounted	貸出金利回	1.07	(0.07)	1.14	1.13
Average yield on securities	有価証券利回	2.14	0.82	1.32	1.47
Average yield on interest bearing liabilities ②	資金調達原価	0.77	0.01	0.76	0.77
Average yield on deposits and negotiable certificates of deposit	預金等利回	0.01	0.00	0.01	0.01
Average yield on call money and borrowed money	外部負債利回	(0.01)	0.00	(0.01)	(0.01)
Average interest rate spread (①-②)	総資金利鞘	0.42	0.10	0.32	0.33

### 3. Gains and Losses on Securities

#### (1) Gains and losses on bond transactions

【Total (The Jojo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Gains/losses on bond transactions	国債等債券損益	(11,082)	(11,845)	763	(6,485)
Gains on sales	売却益	1,862	(421)	2,284	2,456
Gains on redemption	償還益	—	—	—	—
Losses on sales	売却損	12,945	11,424	1,521	8,937
Losses on redemption	償還損	—	—	—	3
Write-offs	償却	—	—	—	—

【The Jojo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Gains/losses on bond transactions	国債等債券損益	(7,622)	(8,276)	653	(3,889)
Gains on sales	売却益	309	(1,825)	2,134	2,249
Gains on redemption	償還益	—	—	—	—
Losses on sales	売却損	7,932	6,451	1,480	6,138
Losses on redemption	償還損	—	—	—	—
Write-offs	償却	—	—	—	—

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Gains/losses on bond transactions	国債等債券損益	(3,459)	(3,568)	109	(2,595)
Gains on sales	売却益	1,553	1,403	149	206
Gains on redemption	償還益	—	—	—	—
Losses on sales	売却損	5,013	4,972	40	2,798
Losses on redemption	償還損	—	—	—	3
Write-offs	償却	—	—	—	—

#### (2) Gains and losses related to stocks, etc.

【Total (The Jojo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Gains/losses related to stocks, etc.	株式等関係損益	10,197	(1,398)	11,595	10,516
Gains on sales	売却益	23,383	11,315	12,067	14,788
Losses on sales	売却損	12,874	12,403	470	4,270
Write-offs	償却	311	310	0	0

【The Jojo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Gains/losses related to stocks, etc.	株式等関係損益	12,743	3,640	9,103	9,481
Gains on sales	売却益	21,596	12,177	9,418	12,093
Losses on sales	売却損	8,540	8,226	314	2,612
Write-offs	償却	311	311	0	0

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 9 months ended Dec.31,2018		For the 9 months ended Dec.31,2017 (B)	(Reference) FY2017
		(A)	(A)-(B)		
Gains/losses related to stocks, etc.	株式等関係損益	(2,546)	(5,038)	2,492	1,035
Gains on sales	売却益	1,787	(862)	2,649	2,694
Losses on sales	売却損	4,333	4,177	156	1,658
Write-offs	償却	0	(0)	0	0

4. Unrealized Valuation Gains (Losses)

【Mebuki Financial Group, Inc. (Consolidated basis)】

(Millions of yen)

		As of Dec. 31, 2018					As of Sep.30, 2018			
		Carrying Amount	Unrealized valuation gains (losses)				Carrying Amount	Unrealized valuation gains (losses)		
			(A)	(A-B)	Valuation gains	Valuation losses		(B)	Valuation gains	Valuation losses
Held-to-maturity	満期保有目的	165,604	763	1,048	907	143	164,794	(285)	734	1,019
	Bonds	165,604	763	1,048	907	143	164,794	(285)	734	1,019
	Others	—	—	—	—	—	—	—	—	—
Available-for-sale	その他有価証券	4,080,201	130,627	(33,502)	187,092	56,465	4,080,933	164,129	217,269	53,139
	Stocks	276,379	130,650	(31,160)	136,175	5,525	308,903	161,811	164,779	2,968
	Bonds	2,238,413	17,275	7,269	17,811	536	2,232,781	10,005	14,024	4,019
	Others	1,565,408	(17,298)	(9,610)	33,104	50,403	1,539,248	(7,687)	38,464	46,152
Total	合計	4,245,805	131,390	(32,454)	187,999	56,609	4,245,728	163,844	218,004	54,159
	Stocks	276,379	130,650	(31,160)	136,175	5,525	308,903	161,811	164,779	2,968
	Bonds	2,404,018	18,038	8,317	18,719	680	2,397,576	9,720	14,759	5,038
	Others	1,565,408	(17,298)	(9,610)	33,104	50,403	1,539,248	(7,687)	38,464	46,152

(Note) 1. "Available-for-sale" is valued at market price. Consequently, figures in the above table show the differences between the acquisition cost and the balance sheet amount.

2. In addition to securities, figures in the above include the trust beneficial rights recognized as "Monetary claims bought".

(注) 1. 「その他有価証券」については時価評価しておりますので、上記の表上は、貸借対照表計上額と取得価額との差額を計上しております。

2. 「有価証券」のほか、「買入金銭債権」中の信託受益権も含めております。

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

		As of Dec. 31, 2018					As of Sep.30, 2018			
		Carrying Amount	Unrealized valuation gains (losses)				Carrying Amount	Unrealized valuation gains (losses)		
			(A)	(A-B)	Valuation gains	Valuation losses		(B)	Valuation gains	Valuation losses
Held-to-maturity	満期保有目的	151,841	12,018	774	12,062	43	150,757	11,243	11,292	49
	Bonds	151,841	12,018	774	12,062	43	150,757	11,243	11,292	49
	Others	—	—	—	—	—	—	—	—	—
Available-for-sale	その他有価証券	4,079,974	171,858	(35,297)	219,517	47,658	4,080,676	207,156	251,368	44,212
	Stocks	276,151	151,327	(32,081)	152,750	1,422	308,646	183,408	184,393	985
	Bonds	2,238,413	31,984	6,529	32,076	92	2,232,781	25,454	27,095	1,640
	Others	1,565,408	(11,452)	(9,746)	34,691	46,143	1,539,248	(1,706)	39,880	41,586
Total	合計	4,231,815	183,877	(34,523)	231,580	47,702	4,231,434	218,400	262,661	44,261
	Stocks	276,151	151,327	(32,081)	152,750	1,422	308,646	183,408	184,393	985
	Bonds	2,390,254	44,002	7,304	44,139	136	2,383,539	36,698	38,388	1,689
	Others	1,565,408	(11,452)	(9,746)	34,691	46,143	1,539,248	(1,706)	39,880	41,586

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

		As of Dec. 31, 2018					As of Sep.30, 2018			
		Carrying Amount	Unrealized valuation gains (losses)				Carrying Amount	Unrealized valuation gains (losses)		
			(A)	(A-B)	Valuation gains	Valuation losses		(B)	Valuation gains	Valuation losses
Held-to-maturity	満期保有目的	77,941	809	158	850	41	76,868	650	689	39
	Bonds	77,941	809	158	850	41	76,868	650	689	39
	Others	—	—	—	—	—	—	—	—	—
Available-for-sale	その他有価証券	2,850,901	146,869	(29,399)	171,754	24,885	2,849,407	176,269	197,715	21,445
	Stocks	234,022	123,997	(25,317)	125,400	1,402	259,429	149,315	150,294	978
	Bonds	1,702,796	16,905	4,670	16,917	12	1,699,038	12,234	13,670	1,436
	Others	914,083	5,966	(8,752)	29,436	23,470	890,940	14,719	33,750	19,030
Total	合計	2,928,843	147,678	(29,241)	172,605	24,926	2,926,276	176,920	198,405	21,484
	Stocks	234,022	123,997	(25,317)	125,400	1,402	259,429	149,315	150,294	978
	Bonds	1,780,737	17,714	4,829	17,768	53	1,775,906	12,885	14,360	1,475
	Others	914,083	5,966	(8,752)	29,436	23,470	890,940	14,719	33,750	19,030

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

		As of Dec. 31, 2018					As of Sep.30, 2018			
		Carrying Amount	Unrealized valuation gains (losses)				Carrying Amount	Unrealized valuation gains (losses)		
			(A)	(A-B)	Valuation gains	Valuation losses		(B)	Valuation gains	Valuation losses
Held-to-maturity	満期保有目的	73,899	11,209	616	11,211	2	73,889	10,593	10,603	9
	Bonds	73,899	11,209	616	11,211	2	73,889	10,593	10,603	9
	Others	—	—	—	—	—	—	—	—	—
Available-for-sale	その他有価証券	1,229,072	24,989	(5,898)	47,762	22,773	1,231,268	30,887	53,653	22,766
	Stocks	42,129	27,329	(6,763)	27,349	20	49,217	34,093	34,099	6
	Bonds	535,617	15,078	1,859	15,158	80	533,742	13,219	13,424	204
	Others	651,325	(17,418)	(993)	5,254	22,673	648,308	(16,425)	6,129	22,555
Total	合計	1,302,972	36,198	(5,282)	58,974	22,776	1,305,158	41,480	64,256	22,776
	Stocks	42,129	27,329	(6,763)	27,349	20	49,217	34,093	34,099	6
	Bonds	609,517	26,288	2,475	26,370	82	607,632	23,813	24,027	214
	Others	651,325	(17,418)	(993)	5,254	22,673	648,308	(16,425)	6,129	22,555

5. Disclosed Claims under the Financial Revitalization Law

【Mebuki Financial Group, Inc. (Consolidated basis)】

(Millions of yen)

	(Japanese)	As of Dec. 31, 2018			As of Sep.30, 2018 (B)	As of Mar. 31, 2018 (C)
		(A)	(A-B)	(A-C)		
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	16,944	470	249	16,474	16,695
Doubtful claims	危険債権	122,315	(4,410)	(8,244)	126,725	130,559
Claims requiring supervision	要管理債権	35,422	(1,128)	(2,352)	36,550	37,774
Subtotal	小計 ①	174,682	(5,068)	(10,347)	179,751	185,030
Normal claims	正常債権	10,667,512	120,295	175,166	10,547,216	10,492,346
Total	合計 ②	10,842,195	115,227	164,819	10,726,967	10,677,376
Ratio of disclosed claims towards the balance of Loans	貸出金等残高に占める比率 ① / ②	1.61%	(0.06%)	(0.12%)	1.67%	1.73%

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

	(Japanese)	As of Dec. 31, 2018			As of Sep.30, 2018 (B)	As of Mar. 31, 2018 (C)
		(A)	(A-B)	(A-C)		
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	16,019	726	413	15,293	15,606
Doubtful claims	危険債権	122,191	(4,396)	(8,234)	126,587	130,425
Claims requiring supervision	要管理債権	35,422	(1,128)	(2,352)	36,550	37,774
Subtotal	小計 ①	173,633	(4,798)	(10,173)	178,432	183,806
Normal claims	正常債権	10,826,132	121,765	221,262	10,704,367	10,604,870
Total	合計 ②	10,999,766	116,967	211,089	10,882,799	10,788,677
Ratio of disclosed claims towards the balance of Loans	貸出金等残高に占める比率 ① / ②	1.57%	(0.06%)	(0.13%)	1.63%	1.70%

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	As of Dec. 31, 2018			As of Sep.30, 2018 (B)	As of Mar. 31, 2018 (C)
		(A)	(A-B)	(A-C)		
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	5,857	(831)	(876)	6,688	6,733
Doubtful claims	危険債権	61,769	(1,666)	(3,599)	63,436	65,369
Claims requiring supervision	要管理債権	19,419	(438)	(398)	19,857	19,817
Subtotal	小計 ①	87,046	(2,936)	(4,873)	89,982	91,920
Normal claims	正常債権	6,223,214	59,359	138,913	6,163,855	6,084,301
Total	合計 ②	6,310,260	56,422	134,039	6,253,837	6,176,221
Ratio of disclosed claims towards the balance of Loans	貸出金等残高に占める比率 ① / ②	1.37%	(0.06%)	(0.11%)	1.43%	1.48%

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	As of Dec. 31, 2018			As of Sep.30, 2018 (B)	As of Mar. 31, 2018 (C)
		(A)	(A-B)	(A-C)		
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	10,162	1,557	1,289	8,605	8,872
Doubtful claims	危険債権	60,421	(2,729)	(4,634)	63,151	65,056
Claims requiring supervision	要管理債権	16,003	(689)	(1,954)	16,692	17,957
Subtotal	小計 ①	86,587	(1,861)	(5,299)	88,449	91,886
Normal claims	正常債権	4,602,918	62,406	82,349	4,540,512	4,520,569
Total	合計 ②	4,689,505	60,544	77,050	4,628,961	4,612,455
Ratio of disclosed claims towards the balance of Loans	貸出金等残高に占める比率 ① / ②	1.84%	(0.07%)	(0.15%)	1.91%	1.99%

## 6. Loans and Deposits

### 【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

		(Japanese)	As of Dec. 31, 2018			As of Sep.30, 2018 (B)	As of Mar. 31, 2018 (C)
			(A)	(A-B)	(A-C)		
Deposits	(Term-end balance)	預金 ( 末 残 )	14,304,439	198,081	265,601	14,106,357	14,038,837
	(Average balance)	預金 ( 平 残 )	14,061,627	4,830	399,123	14,056,797	13,662,504
Loans and bills discounted	(Term-end balance)	貸出金 ( 末 残 )	10,770,410	111,009	189,609	10,659,401	10,580,800
	(Average balance)	貸出金 ( 平 残 )	10,596,814	45,819	230,790	10,550,995	10,366,023

### 【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

		(Japanese)	As of Dec. 31, 2018			As of Sep.30, 2018 (B)	As of Mar. 31, 2018 (C)
			(A)	(A-B)	(A-C)		
Deposits	(Term-end balance)	預金 ( 末 残 )	8,645,602	88,318	136,577	8,557,284	8,509,025
	(Average balance)	預金 ( 平 残 )	8,526,850	(3,545)	227,020	8,530,395	8,299,829
Loans and bills discounted	(Term-end balance)	貸出金 ( 末 残 )	6,187,386	56,782	123,886	6,130,604	6,063,500
	(Average balance)	貸出金 ( 平 残 )	6,107,481	23,078	80,874	6,084,403	6,026,607

### 【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

		(Japanese)	As of Dec. 31, 2018			As of Sep.30, 2018 (B)	As of Mar. 31, 2018 (C)
			(A)	(A-B)	(A-C)		
Deposits	(Term-end balance)	預金 ( 末 残 )	5,658,836	109,763	129,024	5,549,073	5,529,812
	(Average balance)	預金 ( 平 残 )	5,534,777	8,375	172,102	5,526,401	5,362,674
Loans and bills discounted	(Term-end balance)	貸出金 ( 末 残 )	4,583,023	54,226	65,723	4,528,796	4,517,299
	(Average balance)	貸出金 ( 平 残 )	4,489,332	22,740	149,916	4,466,592	4,339,416

## 7. Consumer loans / Loans to SMEs

### 【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

		(Japanese)	As of Dec. 31, 2018			As of Sep.30, 2018 (B)	As of Mar. 31, 2018 (C)
			(A)	(A-B)	(A-C)		
Consumer loans		消費者ローン残高	4,466,167	51,663	141,720	4,414,504	4,324,447
Of which, housing-related loans		うち住宅関連ローン残高	4,304,870	50,490	135,848	4,254,380	4,169,021
Housing loans		住宅ローン残高	3,345,751	51,810	129,143	3,293,941	3,216,608
Apartment loans		アパートローン残高	956,265	(1,422)	5,847	957,688	950,417
Asset building loans		資産形成ローン	2,853	102	857	2,750	1,995
Loans to SME and Individual customers (SMEs)		中小企業等貸出金残高	7,869,203	78,949	249,840	7,790,254	7,619,362
Ratio of loans to SMEs		中小企業等貸出比率	73.06%	-0.02%	1.05%	73.08%	72.01%

### 【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

		(Japanese)	As of Dec. 31, 2018			As of Sep.30, 2018 (B)	As of Mar. 31, 2018 (C)
			(A)	(A-B)	(A-C)		
Consumer loans		消費者ローン残高	2,482,819	24,864	65,271	2,457,955	2,417,547
Of which, housing-related loans		うち住宅関連ローン残高	2,387,546	24,239	61,508	2,363,306	2,326,037
Housing loans		住宅ローン残高	1,616,207	25,845	55,692	1,590,362	1,560,515
Apartment loans		アパートローン残高	768,485	(1,708)	4,958	770,193	763,526
Asset building loans		資産形成ローン	2,853	102	857	2,750	1,995
Loans to SME and Individual customers (SMEs)		中小企業等貸出金残高	4,231,871	33,037	125,572	4,198,834	4,106,298
Ratio of loans to SMEs		中小企業等貸出比率	68.39%	-0.09%	0.67%	68.48%	67.72%

### 【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

		(Japanese)	As of Dec. 31, 2018			As of Sep.30, 2018 (B)	As of Mar. 31, 2018 (C)
			(A)	(A-B)	(A-C)		
Consumer loans		消費者ローン残高	1,983,348	26,799	76,448	1,956,549	1,906,900
Of which, housing-related loans		うち住宅関連ローン残高	1,917,324	26,250	74,339	1,891,073	1,842,984
Housing loans		住宅ローン残高	1,729,544	25,964	73,450	1,703,579	1,656,093
Apartment loans		アパートローン残高	187,780	285	888	187,494	186,891
Loans to SME and Individual customers (SMEs)		中小企業等貸出金残高	3,637,331	45,911	124,267	3,591,420	3,513,064
Ratio of loans to SMEs		中小企業等貸出比率	79.36%	0.06%	1.60%	79.30%	77.76%

# Financial Results for the Third Quarter of FY2018

February 6, 2019

---

Highlights	2
------------	---

---

## Financial Results for 3Q18

Main Points of 3Q18 Financial Results	3
Core Gross Business Profit	4
Loans and Deposits (Average Balance / Average Yield)	5
Loans	6-8
Deposits	9
Customer Assets under Custody	10
Securities	11-12
Status of Integration Synergy	13

\*Unless otherwise mentioned, figures are on non-consolidated basis



# Highlights

## Results for 3Q18

\*1 Attributable to owners of the parent

Consolidated net income<sup>\*1</sup> of Mebuki FG is ¥37.8bn, representing a 84.1% progress toward the full-year forecast.

Core net business income on a simple-sum basis of the two banking subsidiaries is ¥63.8 bn representing a 93.1% progress toward the full-year forecast.

Synergy effect arising from the business integration for 3Q18 was ¥5.9 bn, representing a 112.2% progress toward the full-year forecast for FY18 of ¥5.3 bn.

## Forecast for FY18

Though the results for 3Q18 surpassed their initial forecast, due to uncertain market trends, the forecast for FY2018 remains unchanged from that announced on May 11, 2018.

Consolidated Ordinary Profit	¥65.0 bn (+¥1.4 bn YoY)
Consolidated Net Income <sup>*2</sup>	¥45.0 bn (+¥1.9 bn YoY)

\*2 Attributable to owners of the parent

## Shareholder Returns for FY18

For FY18, in line with an earnings distribution policy<sup>\*3</sup>, annual dividend forecast is ¥11.00 per share, made up of an interim dividend and year-end dividend of ¥5.50 each, being unchanged from the previous fiscal year.

\*3 Aim to continue stable dividend returns while taking into account both the maintenance of solid capital levels for the future growth and the appropriate distribution of profits to our shareholders.

Total payout ratio   33.3% <sup>*4</sup> (scheduled)
--

\*4 Total payout includes not only ¥11.0 of annual dividend but also ¥2.08 bn ( 5mil shares) of treasury stocks repurchased in May, 2018.

# Main Points of 3Q18 Financial Results

## Mebuki FG (Consolidated)

## (¥bn) Joyo and Ashikaga (Non-consolidated)

(¥bn)

	3Q18	YoY Chg	vs Forecast
Ordinary profit	54.4	-2.7	83.7%
Net income attributable to owners of the parent	(1) 37.8	-1.0	84.1%

Consolidation adjustment	
	(2)-(1) -16.5bn
Dividends receivable from affiliated companies (-12.0bn)	
Adjustments related to securities (-3.9bn)	
Interest expenses of subordinated loans, expenses, etc.	

## Two banking subsidiaries and group companies

	3Q18	YoY Chg	vs Forecast
Net income	(2) 54.4	+8.6	87.8%

Net Income of group companies other than banking subsidiaries	¥3.0bn
---	--------

	3Q18						vs Forecast		
	J+A		Joyo		Ashikaga		J+A	Joyo	Ashikaga
	Result	YoY Chg	Result	YoY Chg	Result	YoY Chg			
Gross business profit	138.2	-2.5	74.9	-4.8	63.3	+2.3	76.6%	74.5%	79.1%
(Net Gross business profit)	149.3	+9.3	82.5	+3.3	66.7	+5.9	81.3%	79.7%	83.4%
Net interest income	123.0	+7.8	68.5	+3.3	54.5	+4.5	82.3%	81.0%	83.9%
Net fees and commissions	24.1	+0.9	13.1	+0.0	10.9	+0.8	76.5%	75.3%	78.0%
Net other business income and Net trading income	-8.8	-11.3	-6.7	-8.3	-2.1	-3.0	-	-	-
(o/w gains/losses on bond transactions)	-11.0	-11.8	-7.6	-8.2	-3.4	-3.5	-	-	-
Expenses	85.5	+0.6	49.2	-0.7	36.3	+1.3	74.3%	74.5%	74.1%
o/w Personnel expenses	45.5	+0.6	25.5	+0.1	20.0	+0.5	75.7%	75.9%	75.4%
o/w Non-personnel expenses	34.1	-0.1	20.6	-0.7	13.4	+0.5	71.8%	72.9%	70.2%
Net business income (before general allowance for loan losses)	52.7	-3.2	25.7	-4.1	27.0	+0.9	80.5%	74.6%	87.1%
Core net business income	63.8	+8.6	33.3	+4.1	30.4	+4.5	93.1%	88.9%	98.2%
Net transfer to general allowance for loan losses (a)	-	+1.8	-	+0.7	-3.2	-2.1	-	-	-
<b>Net business income</b>	<b>52.7</b>	<b>-5.1</b>	<b>25.7</b>	<b>-4.9</b>	<b>30.2</b>	<b>+3.0</b>	<b>79.3%</b>	<b>72.5%</b>	<b>97.5%</b>
Net non-recurrent gains/losses	3.7	-0.3	9.7	+6.1	-9.2	-9.8	-	-	-
o/w Disposal of non-performing loans (b)	5.7	+0.1	2.2	-1.3	6.7	+4.7	-	-	-
o/w Gains/losses related to stocks, etc	10.1	-1.3	12.7	+3.6	-2.5	-5.0	-	-	-
<b>Ordinary profit</b>	<b>56.4</b>	<b>-5.4</b>	<b>35.4</b>	<b>+1.2</b>	<b>20.9</b>	<b>-6.7</b>	<b>85.5%</b>	<b>92.1%</b>	<b>76.2%</b>
Extraordinary income/losses	11.6	+12.7	-0.1	+0.6	11.7	+12.1	-	-	-
Income taxes	16.7	-1.4	10.3	+0.5	6.3	-1.9	-	-	-
<b>Net income</b>	<b>51.3</b>	<b>+8.7</b>	<b>24.9</b>	<b>+1.3</b>	<b>26.3</b>	<b>+7.3</b>	<b>89.3%</b>	<b>94.2%</b>	<b>85.1%</b>
Credit related costs (a)+(b)	5.7	+2.0	2.2	-0.6	3.4	+2.6	114.5%	75.4%	173.2%

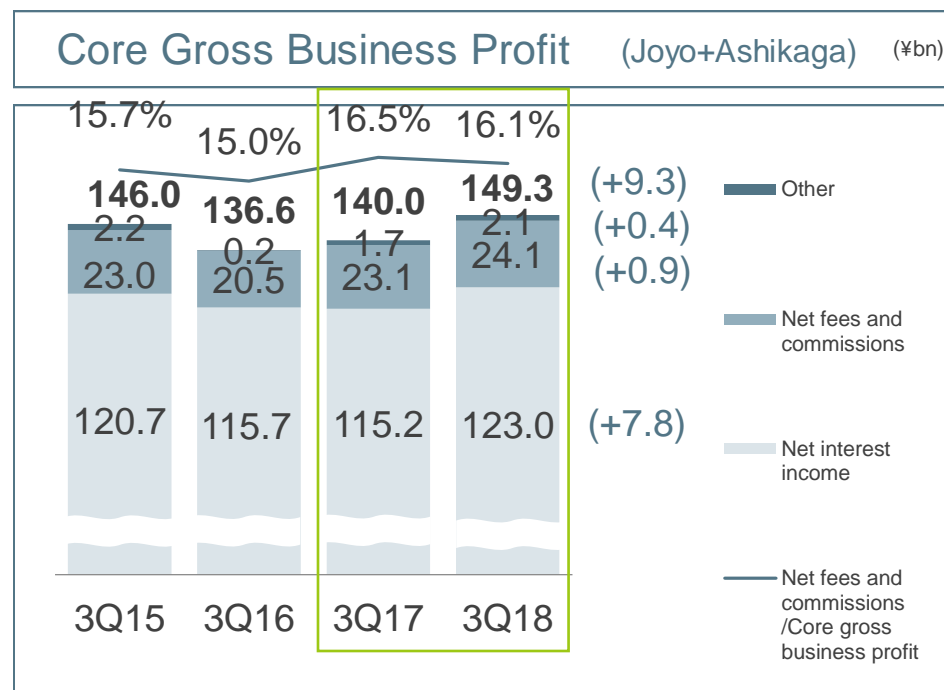
# Core Gross Business Profit

(Gross Business Profit excl. Gains/Losses on Bond Transactions)

Core gross business profit increased ¥9.3 bn YoY

Interest and dividends on securities and commissions from corporate customers and customer assets under custody increased

\*Figures in parentheses are changes on a year on year basis



Reference | Gains on Cancellation of Private Offering Investment Trusts among Interests and Dividends on Securities (¥bn)

	FY16	FY17	3Q17	3Q18	YoY Chg
Joyo	1.7	1.0	0.7	1.6	+0.9
Ashikaga	3.6	4.4	2.2	8.6	+6.3
<b>J + A</b>	<b>5.4</b>	<b>5.4</b>	<b>2.8</b>	<b>10.3</b>	<b>+7.3</b>

## Change of Interest Income (¥bn)

**Joyo**

	Factor	YoY Chg	Domestic (Chg. in Nil)		Overseas (Chg. in Nil)	
			Chg. in Factors	Chg. in Factors		
Interest on loans and bills discounted	Avg	+0.8	+0.6	(+¥85.5bn)	+0.2	(+¥11.5bn)
	Yield	-0.3	-1.2	(-2.8bp)	+0.9	(+94.2bp)
Interest on deposits (-)		+1.1	-0.0	—	+1.2	—
Interest and dividend on securities	Avg	+1.5	+1.6	(+¥214.3bn)	-0.1	(-¥6.5bn)
	Yield	+0.7	+0.7	(+4.6bp)	-0.0	(-0.1bp)
Market investments and borrowings (-)		-1.5	-0.4	—	-1.1	—
<b>Total</b>		<b>+3.3</b>	<b>+2.3</b>		<b>+0.9</b>	

**Ashikaga**

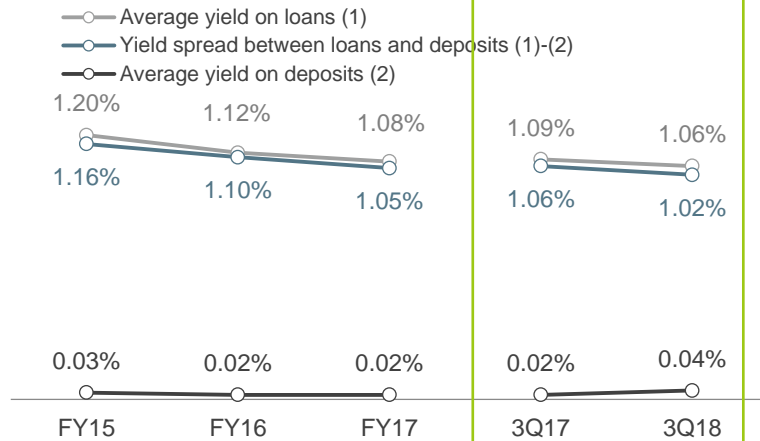
	Factor	YoY Chg.	Domestic (Chg. in Nil)		Overseas (Chg. in Nil)	
			Chg. in Factors	Chg. in Factors		
Interest on loans and bills discounted	Avg	+1.4	+1.4	(+¥173.3bn)	+0.0	(+¥4.5bn)
	Yield	-1.9	-2.0	(-6.3bp)	+0.1	(+82.6bp)
Interest on deposits (-)		+0.7	-0.1	—	+0.8	—
Interest and dividend on securities	Avg	-0.4	-1.2	(-¥75.4bn)	+0.7	(+¥36.1bn)
	Yield	+7.8	+7.0	(+81.6bp)	+0.7	(+43.2bp)
Market investments and borrowings (-)		+1.6	-0.0	—	+1.6	—
<b>Total</b>		<b>+4.5</b>	<b>+5.3</b>		<b>-0.7</b>	

# Average Yield on Loans and Deposits, Securities Margin

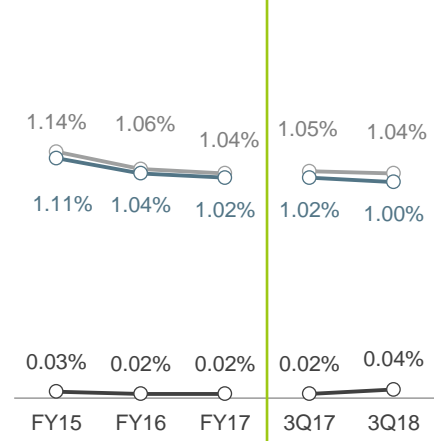
\*Figures in parentheses are changes on a year on year basis

## Average Yield on Loans and Deposits

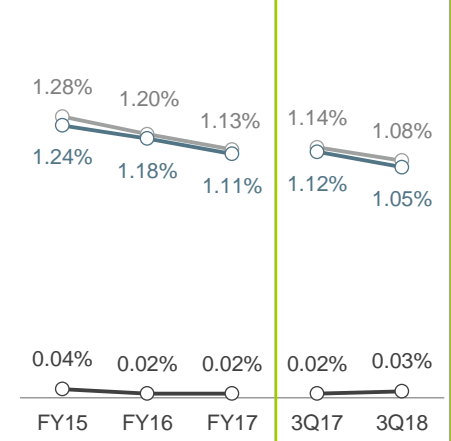
### Joyo + Ashikaga



### Joyo Bank

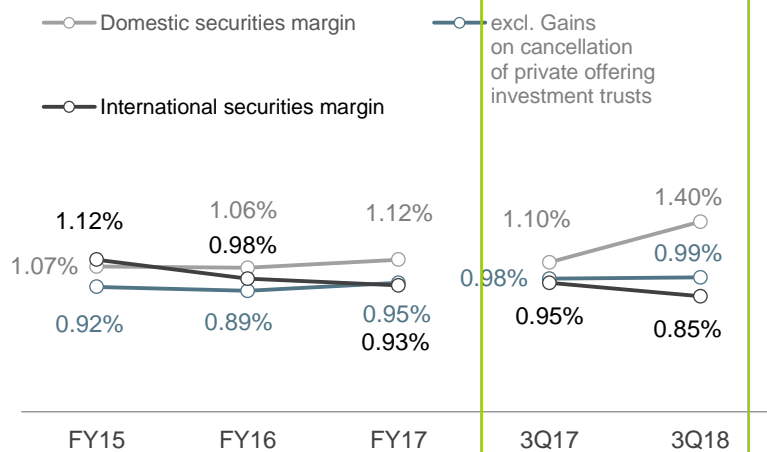


### Ashikaga Bank

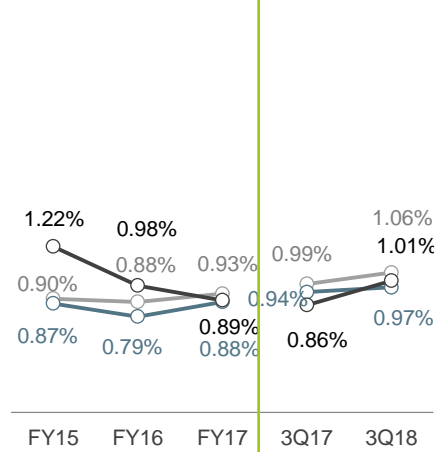


## Securities Margin\* (Domestic and International)

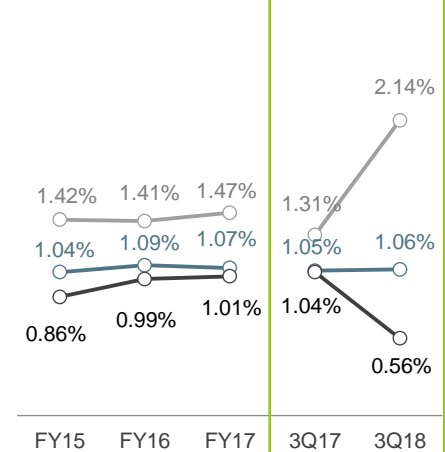
### Joyo + Ashikaga



### Joyo Bank



### Ashikaga Bank



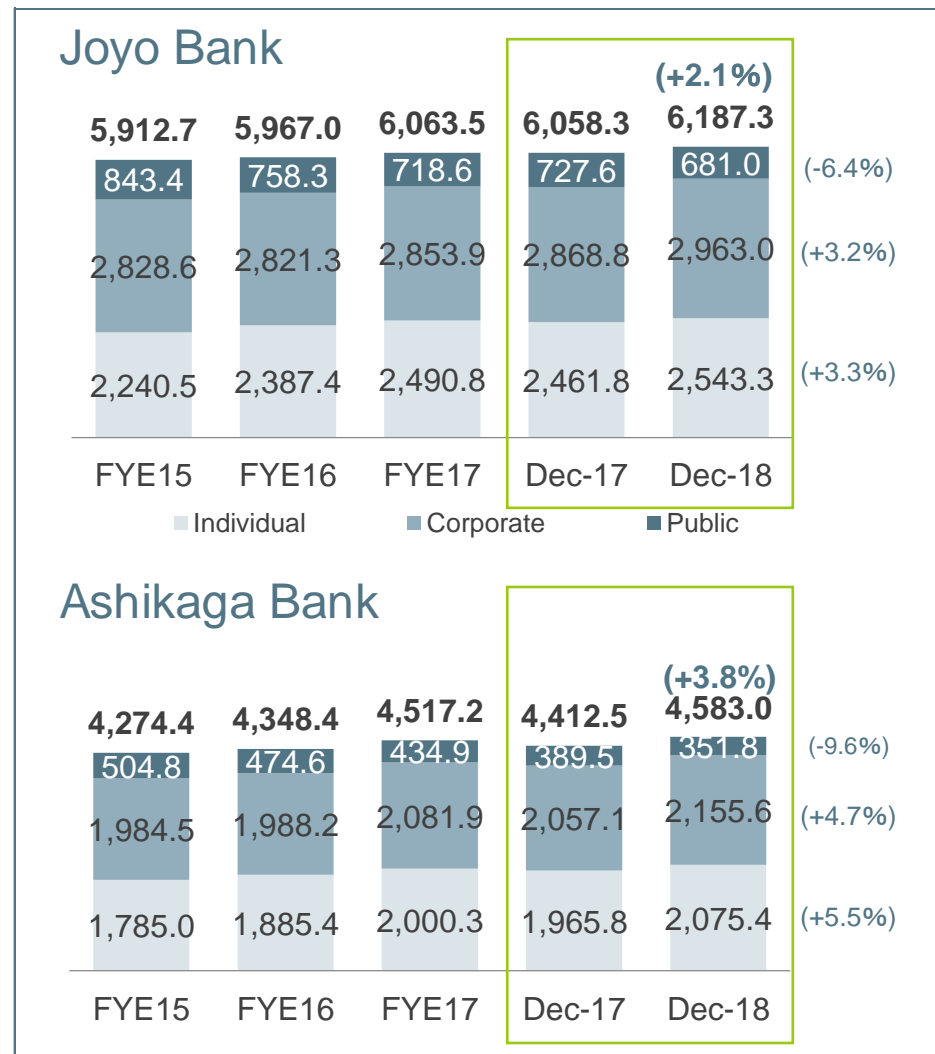
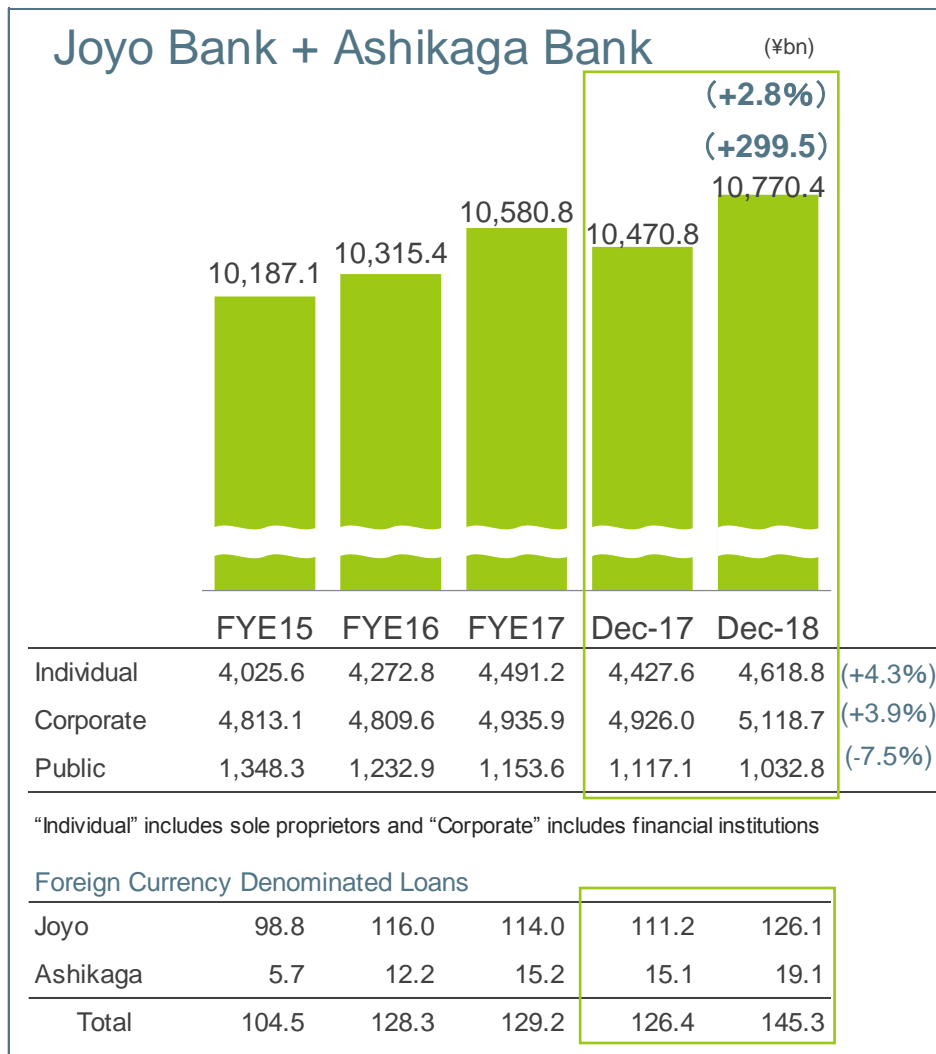
\*Securities Margin=(Securities income-Securities funding costs)/Avg. securities

# Loans (1) Term-end Balance

\*Figures in parentheses are changes on a year on year basis

Loans to individual customers increased by ¥191.1 bn (+4.3%) and housing related loans increased by ¥200.1 bn (+4.8%) YoY

Loans to corporate customers increased by ¥192.6 bn (+3.9%) and loans to local corporate customers increased ¥84.7bn (+2.7%) YoY



# Loans (2) Individual Housing Related / Unsecured

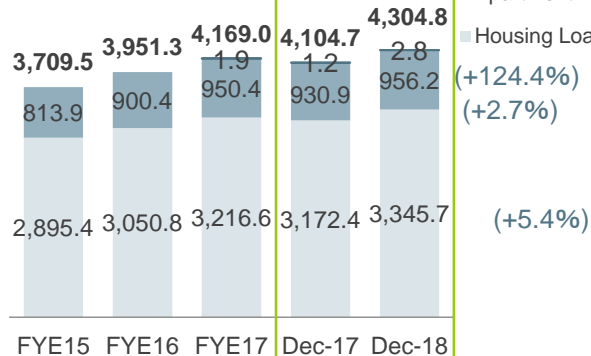
\*Figures in parentheses are changes on a year on year basis

## Housing Related Loans Term-end Balance

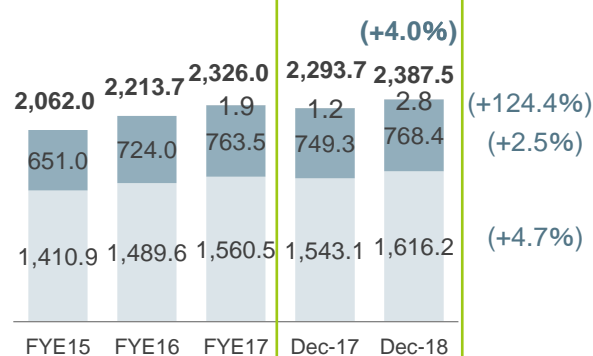
(¥bn)

### Joyo + Ashikaga (+4.8%)

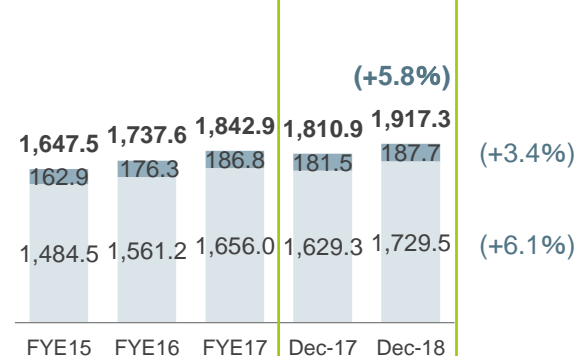
- Asset building loans<sup>(\*)</sup>
- Apartment Loans
- Housing Loans



### Joyo



### Ashikaga



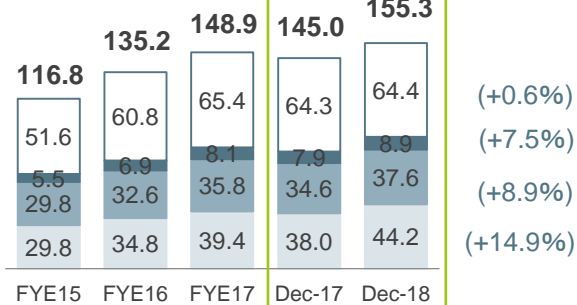
(\*) Asset Building Loans: A product intended for individuals (wage earners/ self-employed) with a certain amount of income, and designed to meet asset building needs from rent acquired mainly for condominiums in the Tokyo metropolitan area (offered by Joyo only)

## Unsecured Loans Term-end Balance

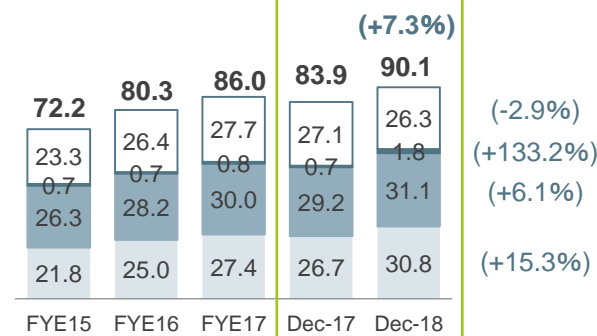
(¥bn)

### Joyo + Ashikaga (+7.1%)

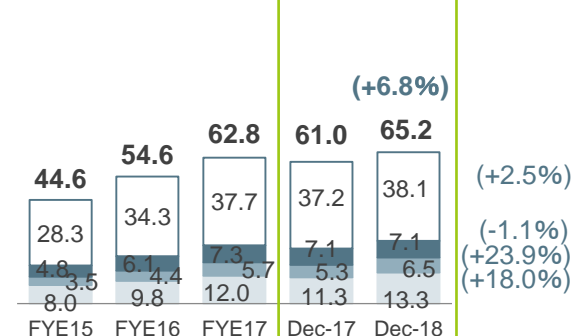
- Card Loans
- Free Loans
- Educational Loans
- Car Loans



### Joyo



### Ashikaga



\* Credit cards are not included in "Card Loans"

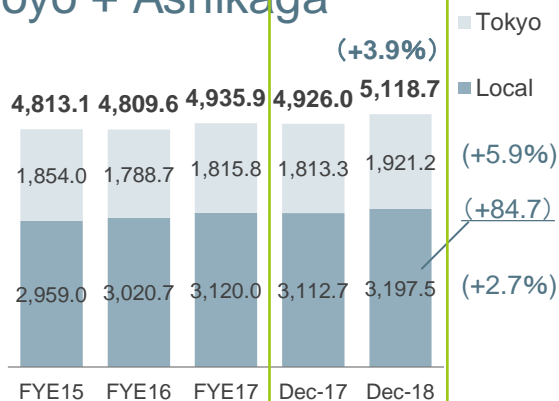
# Loans (3) Corporate by Area / Company Size

\*Figures in parentheses are changes on a year on year basis

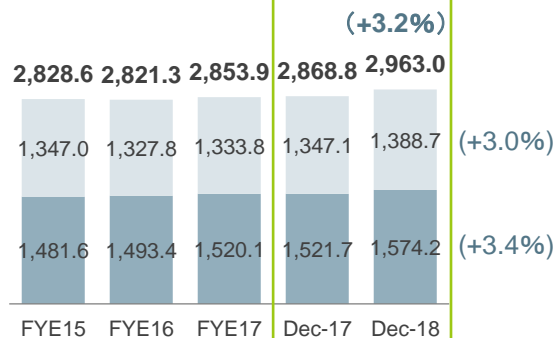
## Term-end Balance by Area

(¥bn)

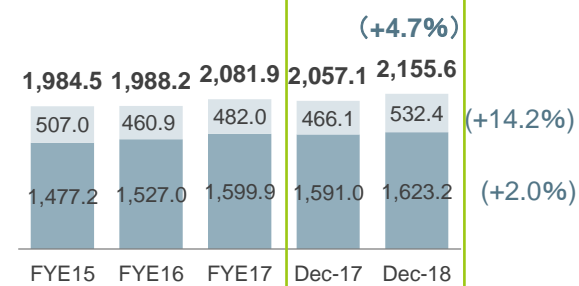
### Joyo + Ashikaga



### Joyo



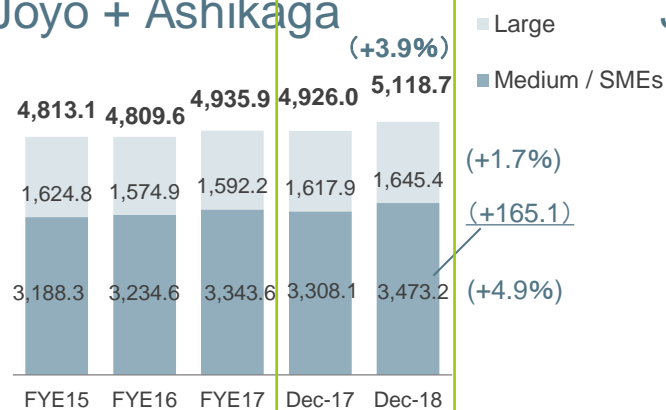
### Ashikaga



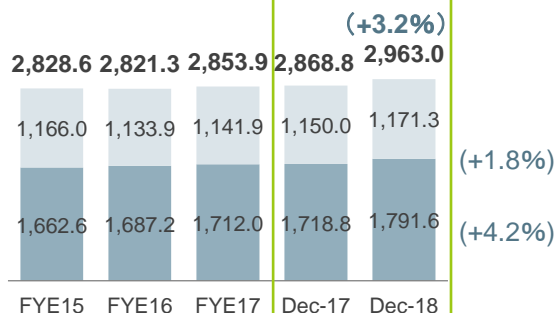
## Term-end Balance by Company Size

(¥bn)

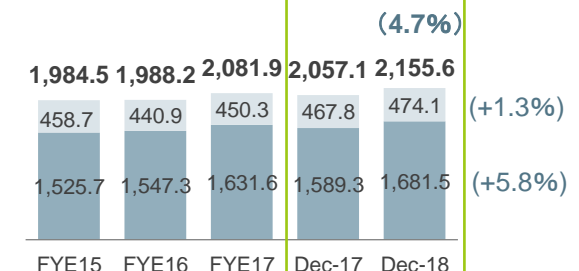
### Joyo + Ashikaga



### Joyo



### Ashikaga



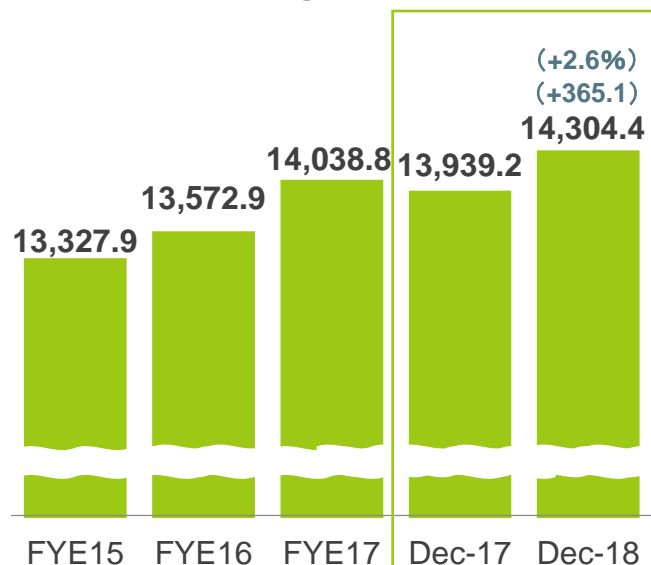
# Deposits Term-end Balance

\*Figures in parentheses are changes on a year on year basis

Deposits of individual and corporate customers have been on the rise  
(Individual customers : +2.6%, Corporate customers : +2.9%)

## Joyo Bank + Ashikaga Bank

(¥bn)



	FYE15	FYE16	FYE17	Dec-17	Dec-18	Change (%)
Individual	9,502.6	9,762.1	10,103.6	10,187.4	10,455.3	(+2.6%)
Corporate	3,020.8	3,062.8	3,158.8	3,177.6	3,270.3	(+2.9%)
Public	804.4	748.0	776.3	574.2	578.7	(+0.7%)

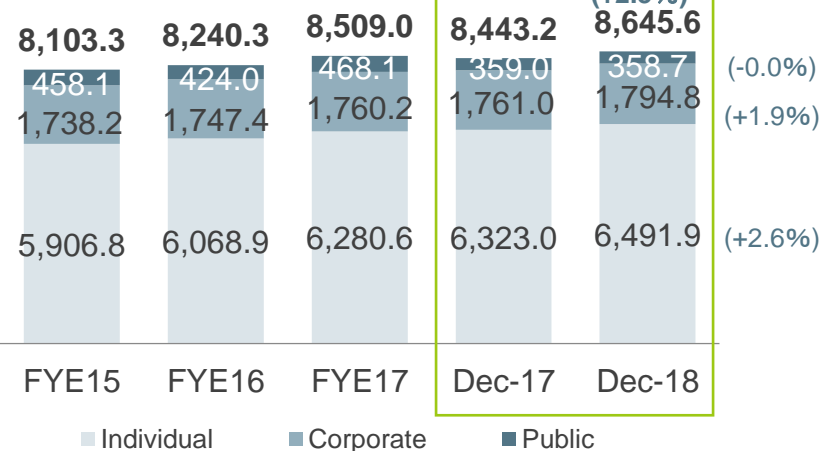
\*1 "Corporate" includes financial institutions.

\*2 Foreign currency deposits include foreign currency deposits hedged by forward exchange contracts, offshore deposits, and so forth.

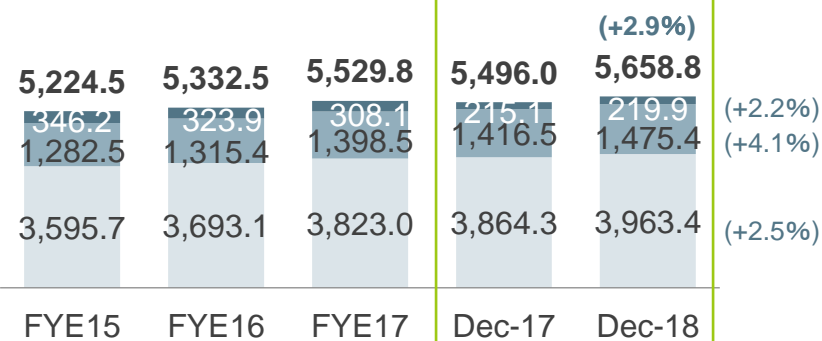
### Foreign Currency Deposits

	FYE15	FYE16	FYE17	Dec-17	Dec-18
Joyo	111.4	140.7	199.1	209.5	224.2
Ashikaga	16.3	24.8	76.0	62.5	84.2
Total	127.7	165.6	275.2	272.1	308.4

## Joyo Bank



## Ashikaga Bank

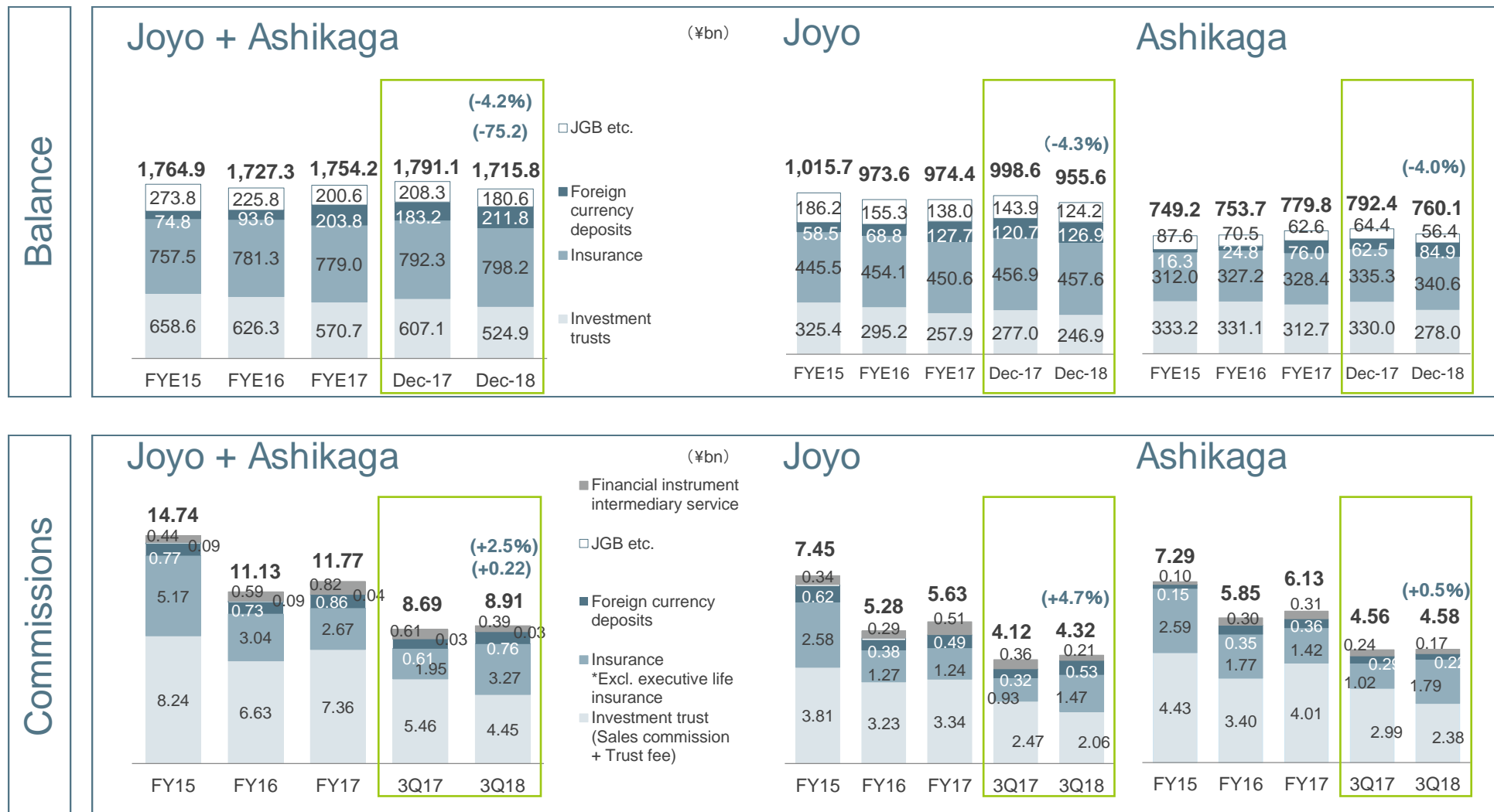




# Customer Assets under Custody

\*Figures in parentheses are changes on a year on year basis

The amount decreased by 4.2% YoY due to investment trusts  
 Commissions increased 2.5% YoY mainly due to sales of insurance

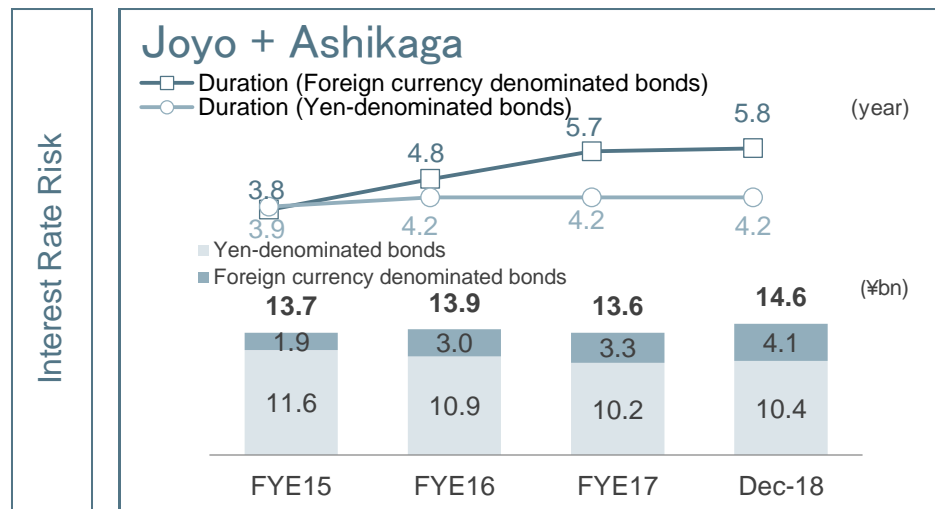
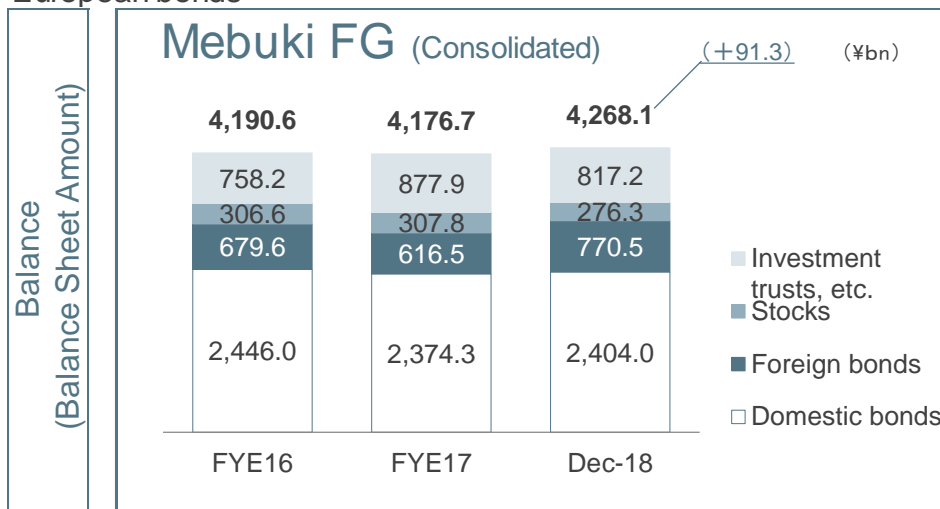


# Securities (1)

\*Figures in parentheses are changes on a year on year basis

While government bond balances declined due to redemption, domestic bond balances have been maintained through purchasing of municipal bonds

Regarding foreign bonds, reduced US Treasury bonds based on the outlook of US policy interest rates, and increased the balance of mainly European bonds



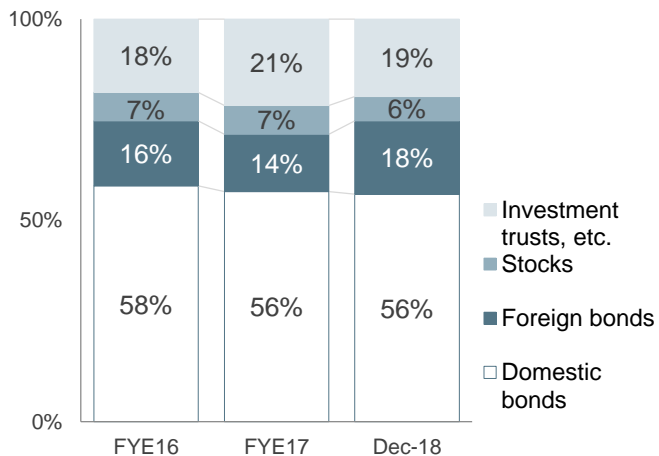
**Foreign Bonds / Investment Trusts**

		(¥bn)			
Book value as of Dec. 31 2018		J + A	Joyo	Ashi-kaga	Details
Foreign Bonds		778.2	472.2	306.0	-
	o/w Gov. Bond, Gov. Guaranteed Bonds, etc.	347.1	254.3	92.8	Reduced U.S treasury bonds, increased European bonds
	o/w Corporate Bond	325.1	112.0	213.1	Bonds rated A or above account for more than 90% of total
	o/w Ginnie Mae	18.2	18.2	-	RMBS issued by U.S governmental public corporations
	Others	87.6	87.6	-	Floating bonds centering on CLO (only highest tranches)
Investment Trusts etc.		811.8	449.1	362.7	-
	o/w Equity-related	238.9	184.5	54.4	Control risks using bear funds
	o/w REIT	71.1	52.2	18.8	Invest in diversified REIT considering yield and liquidity
	Others	501.8	212.3	289.4	Improve risk-return profile of entire portfolio considering correlation with other assets

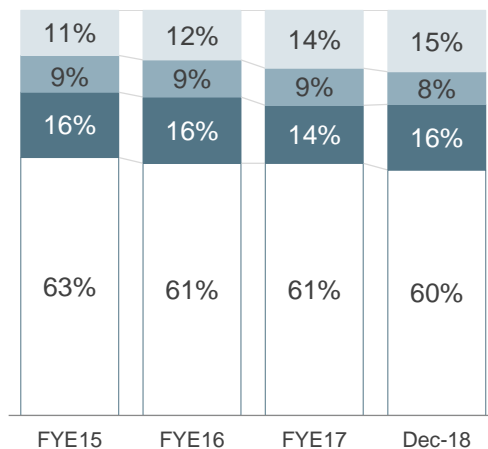
# Securities (2)

Portfolio Allocation  
(Balance Sheet Amount Basis)

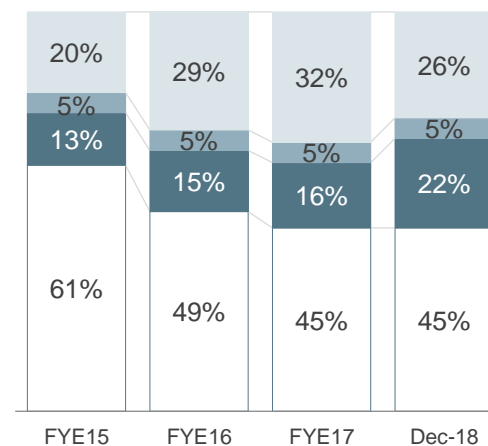
## Mebuki FG (Consolidated)



## Joyo Bank (Non-Consolidated)

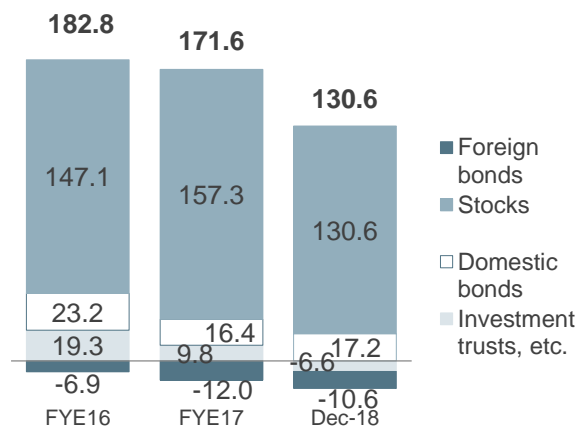


## Ashikaga Bank (Non-Consolidated)

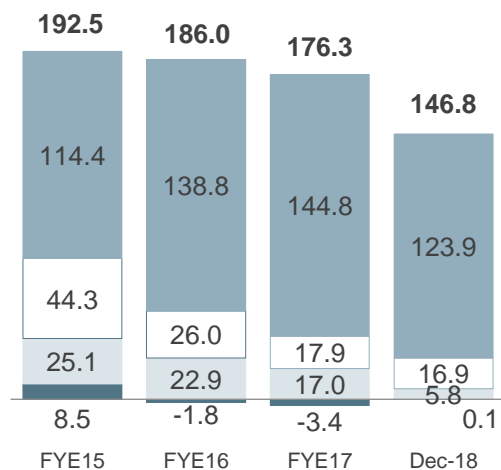


Unrealized Valuation Gains/Losses  
on Available for Sale Securities

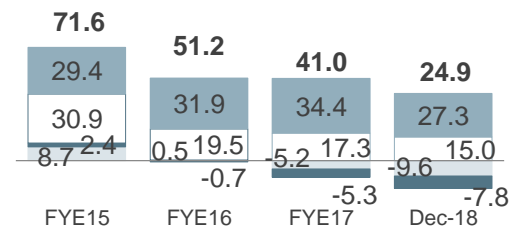
## Mebuki FG (Consolidated)



## Joyo Bank (Non-Consolidated)



## Ashikaga Bank (Non-Consolidated) (¥bn)



# Integration Synergy Results and Forecast

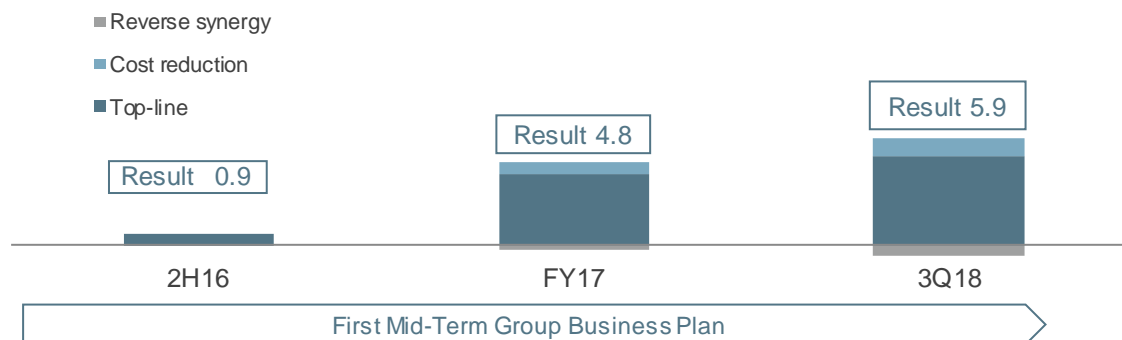
Synergy effect for 3Q18 is ¥5.9bn representing progress of 112% towards FY18 forecast of ¥5.3bn

(¥bn)

## Synergy Effects on the Statement of Income \*before Tax

Amount (Progress)

FY18 Forecast	+5.3bn
3Q18 Result	+5.9bn(Progress112%)



## FY18 (3Q Result / Forecast)

(¥bn)

Items	FY18 Forecast	3Q Result	Progress	Details
Loans				• Sales promotion based on wide area network → Co-financing, Syndicate loans, Customer referral, and Lending to growth industries (Medical and nursing care) • Utilization of Mebuki Lease • Share know-how for non-face-to-face sales (Unsecured loans)
Corporate services	2.02	1.93	95.6%	• Joint development of online application housing loans, Joint sales of housing loans for women
Financial assets under custody	1.04	0.53	51.0%	• Share sales promotion know-how • Utilization of Mebuki Securities
Securities	1.23	1.34	109.4%	• Investment in new areas and diversification of funding method based on both banking subsidiaries' investment experience • Joint investment • Enhancement of investment and controlling method through sharing of analysis method (Monitoring, etc.)
Others (Channel / international)	0.74	1.76	236.7%	• New branch openings • Enhance staff in important regions • Promote cross-border loans • Utilize Joyo's know-how of dual currency deposit service (Ashikaga) • Foreign currency deposit campaigns
Cost reductions	1.14	1.14	99.7%	• Joint cost reduction and cost effectiveness evaluation • Strengthen price negotiation power through information sharing • Share know-how to improve branch operation efficiency • Integrate operation center in Tokyo • Joint issuance of bills/check paper and bank cards
Cost Increases / Reverse synergy	-0.85	-0.72	—	• Lower transfer fee between both banks to the inter-branch rate • System migration expenses
Total	5.33	5.99	112.2%	

## Inquiries

Mebuki Financial Group, Inc. Corporate Planning Department

TEL +81-29-300-2869 | +81-29-300-2603

E-mail [ir@mebuki-fg.co.jp](mailto:ir@mebuki-fg.co.jp)

URL <http://www.mebuki-fg.co.jp/>

This document has been prepared for information purposes only and does not form part of a solicitation to sell or purchase any securities.

Information contained herein may be changed or revised without prior notice.

This document may contain forward-looking statements as to future results of operations. No forward-looking statement can be guaranteed and actual results of operations may differ from those projected.