

The Hiroshima Bank, Ltd.

Financial results for the 1st Quarter of FY2009, ending March 31, 2010

Stock exchange listing :	Tokyo (Code : 8379)
URL :	http://www.hirogin.co.jp/
Representative :	Isao Sumihiro, President
For inquiry :	Koji Ikeda, Managing director and General manager of Management Planning Division
Filing date of Financial statements :	August 6, 2009
Trading accounts :	Established

(Consolidated basis)

1. Financial Highlights (for the 1st quarter, from April 1, to June 30, 2009)

(1) Consolidated Operating Results

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

	Ordinary Income 経常収益		Ordinary Profit 経常利益		Net Income 四半期純利益	
	¥ Million	%	¥ Million	%	¥ Million	%
1st Quarter Ended Jun.30,2009	33,505	(-12.8)	3,274	(-65.5)	3,466	(-38.5)
Ended Jun.30,2008	38,402	(—)	9,490	(—)	5,636	(—)

	Net Income per share 1株当り四半期純利益	Net Income per share (Diluted) 1株当り四半期純利益 (潜在株式調整後)
	¥	¥
1st Quarter Ended Jun.30,2009	5.61	—
Ended Jun.30,2008	9.03	—

(2) Consolidated Financial Condition

	Total Assets 総資産	Net Assets 純資産	Net assets to total assets 自己資本比率	Net assets per share 1株当り純資産
			%	¥
1st Quarter ended Jun.30,2009	6,246,722	288,103	4.1	417.02
Fiscal Year 2008	6,228,006	266,943	3.8	383.15

(Reference) Capital assets 1st quarter ended Jun.30,2009 : ¥ 257,691million Fiscal year 2008 : ¥ 236,770 million

(Note) 「 Net assets to total assets 」 ・ ・ (Net assets – Minority interests) / Total assets (at fiscal term end)

2. Cash Dividends for shareholders

(Record date) (基準日)	1st Quarter - end 第1四半期末	2nd Quarter - end 第2四半期末	3rd Quarter - end 第3四半期末	Fiscal year - end 期末	Annual 年間
	¥	¥	¥	¥	¥
Fiscal Year 2008	-	3.50	-	3.50	7.00
Fiscal Year 2009	-				
Fiscal Year 2009(projection)		2.50	-	2.50	5.00

(Note) Revisions of dividend projections during the first quarter ・ ・ None

3. Consolidated Earnings Projections for FY 2009, ending March, 2010

	Ordinary income 経常収益		Ordinary Profit 経常利益		Net Income 当期純利益		Net Income per Share 1株当り当期純利益
	¥million	%	¥million	%	¥million	%	¥
Six months ending September 30, 2009	66,800	(-14.4)	7,000	(183.3)	3,900	(256.8)	6.31
Fiscal year ending March 31, 2010	134,200	(-14.9)	15,400	(10.0)	8,500	(18.3)	13.76

(Note) Revisions of earnings projections during the first quarter ・ ・ None

4. Others

- (1) Material changes in consolidated subsidiaries during the period ••None
(changes in specific subsidiaries accompanied by changes in scope of consolidation)
- (2) Adoption of simplified accounting methods and specified accounting methods for the preparation of quarterly consolidated financial statements ••Applied
(Note:For more details, please refer to “Qualitative Information and Financial Statements” 4. Others on page 3)
- (3) Changes in accounting principles, procedures and presentation in preparation of the quarterly consolidated financial statements
Changes in accordance with changes in accounting principle ••None
Other ••None

(4) Number of Issued Shares (Common Stock)

Number of issued shares (including treasury stock)

June 30, 2009	625,266,342 shares	March 31, 2009	625,266,342 shares
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Number of treasury stock

June 30, 2009	7,329,011 shares	March 31, 2009	7,311,121 shares
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Average number of issued shares

For the three months ended June 30, 2009	617,944,430 shares
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For the three months ended June 30, 2008	623,995,723 shares
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【Qualitative Information and Financial Statements】

1. Qualitative information related to the Consolidated results of operations

Financial results for the first quarter of FY2009 ending March 31, 2010 were as follows ;

Ordinary income decreased by ¥4,897 million from the corresponding period of FY2008 to ¥33,505 million, mainly due to decrease in interest income including interest on loans, interest and dividend on securities, and decrease in fees and commission income. Ordinary expenses increased by ¥1,320 million from the corresponding period of FY2008 to ¥30,231 million, mainly due to increase in disposal and write-off of non-performing loans.

As a result, ordinary profit decreased by ¥6,216 million from the corresponding period of FY2008 to ¥3,274 million, and net income decreased by ¥2,170 million from the corresponding period of FY2008, to ¥3,466 million.

2. Qualitative information related to the Consolidated financial conditions

Figures for the Bank's major accounts were as follows ;

The balance of loans and bills discounted as of June 30, 2009 decreased by ¥97.8 billion from the previous year-end to ¥4,329.5 billion due to decrease in corporate loans.

The balance of deposits as of June 30, 2009 increased by ¥62.0 billion from the previous year-end to ¥5,474.8 billion, reflecting increase in personal deposits.

The balance of securities held increased by ¥4.4 billion from the previous year-end to 1,387.0 billion, reflecting increase in Japanese Government bond.

3. Qualitative information related to the Consolidated earning projections

There are no change to our earning projections for FY2009 ending March 31, 2010 released on May 15, 2009.

(Note)

The above projections are based on information which is presently available, and assumptions coming from the judgment, assessment, and recognition of facts at this moment.

Actual results may differ from those projections depending on various future factors (changes in domestic and international economy, market situation of interest rates, and value of stocks etc.)

4. Others

(1) Material changes in consolidated subsidiaries during the period • • Not applicable

(changes in specific subsidiaries accompanied by changes in scope of consolidation)

(2) Adoption of simplified accounting methods and specified accounting methods for the preparation of quarterly consolidated financial statements • • Applied

(Allowance for loan losses)

Except for claims on “bankrupt” , “quasi-bankrupt” , and “doubtful” loans for which allowance are already provided in specific amounts, allowance for loan losses are provided based on loan loss ratio applied at March 31, 2009.

(3) Changes in accounting principles, procedures and presentation in preparation of the quarterly consolidated financial statements • • Not applicable

(4) Other accounting policy

(Method of evaluation for “available-for-sale securities”)

Because the market prices of floating Japanese Government bonds as of June 30, 2009 cannot be deemed as fair values due to the current market environment, we evaluated such bonds based on reasonable estimates.

This resulted a ¥15,533 million increase in balance of “Securities” , a ¥6,368 million decrease in balance of “Deferred tax assets” , and ¥9,164 million increase in balance of “Net unrealized holding gains (losses) on securities available for sale”.

5. Quarterly Consolidated Financial Statements
(1) Consolidated Quarterly Balance Sheets

(JPY million)

Item	科目 (Japanese only)	As of June 30, 2009	As of March 31, 2009
Assets	(資 産 の 部)		
Cash and due from banks	現 金 預 け 金	147,581	125,465
Call loans and bills purchased	コ ー ル ロ ー ン 及 び 買 入 手 形	49,917	23,569
Financial receivables purchased	買 入 金 銭 債 権	25,156	25,682
Trading assets	特 定 取 引 資 産	38,300	32,166
Money held in trust	金 銭 の 信 託	1,282	1,245
Securities	有 価 証 券	1,387,096	1,382,684
Loans and bills discounted	貸 出 金	4,329,575	4,427,308
Foreign exchanges	外 国 為 替	3,086	3,800
Other assets	そ の 他 資 産	114,492	48,163
Tangible fixed assets	有 形 固 定 資 産	85,494	85,287
Intangible fixed assets	無 形 固 定 資 産	8,976	9,204
Deferred tax assets	繰 延 税 金 資 産	48,761	63,306
Customer's liabilities for acceptances and guarantees	支 払 承 諾 見 返	43,743	44,062
Allowance for possible loan losses	貸 倒 引 当 金	-36,742	-43,939
Total assets	資 産 の 部 合 計	6,246,722	6,228,006
Liabilities	(負 債 の 部)		
Deposits	預 金	5,268,165	5,262,826
Negotiable certificates of deposit	譲 渡 性 預 金	206,710	150,024
Call money and bills sold	コ ー ル マ ネ ー 及 び 売 渡 手 形	40,199	67,013
Deposit received for bonds lending/borrowing transactions	債 券 貸 借 取 引 受 入 担 保 金	50,418	47,558
Trading liabilities	特 定 取 引 負 債	35,190	28,915
Borrowed money	借 用 金	91,632	145,444
Foreign exchanges	外 国 為 替	99	239
Bonds payable	社 債	155,000	147,000
Due to trust account	信 託 勘 定 借	128	169
Other liabilities	そ の 他 負 債	47,052	47,416
Reserve for bonus for directors and corporate auditors	役 員 賞 与 引 当 金	-	32
Allowance for severance and retirement benefits	退 職 給 付 引 当 金	91	89
Reserve for retirement benefits of directors and corporate auditors	役 員 退 職 慰 労 金	761	852
Reserve for reimbursement of dormant deposits	睡 眠 預 金 払 戻 損 失 引 当 金	922	922
Reserve for point loyalty programs	ポ イ ン ト 引 当 金	103	95
Deferred tax liabilities for land revaluation reserve	再 評 価 に 係 る 繰 延 税 金 負 債	18,400	18,400
Acceptances and guarantees	支 払 承 諾	43,743	44,062
Total liabilities	負 債 の 部 合 計	5,958,619	5,961,063
Net assets	(純 資 産 の 部)		
Common stock	資 本 金	54,573	54,573
Capital surplus	資 本 剰 余 金	30,635	30,635
Retained earnings	利 益 剰 余 金	161,490	160,187
Treasury stock	自 己 株 式	-3,022	-3,015
Total stockholders' equity	株 主 資 本 合 計	243,677	242,381
Net unrealized holding gains on securities available for sale	そ の 他 有 価 証 券 評 価 差 額 金	-8,342	-27,897
Net deferred (gains) losses on hedging instruments, net of tax	繰 延 ハ ッ ジ 損 益	-1,585	-1,654
Land revaluation reserve, net of tax	土 地 再 評 価 差 額 金	23,941	23,941
Foreign currency translation adjustments	為 替 換 算 調 整 勘 定	0	0
Total valuation and translation adjustments	評 価 ・ 為 替 換 算 差 額 等 合 計	14,013	-5,610
Minority interests	少 数 株 主 持 分	30,412	30,172
Total net assets	純 資 産 の 部 合 計	288,103	266,943
Total liabilities and net assets	負 債 及 び 純 資 産 の 部 合 計	6,246,722	6,228,006

(2) Consolidated Quarterly Statements of Income

(JPY million)

Item	科目 (Japanese only)	1st Quarter of FY2008	1st Quarter of FY2009
Ordinary income	経常収益	38,402	33,505
Interest income	資金運用収益	29,351	25,367
Interest on loans and discounts	(うち貸出金利息)	22,238	20,474
Interest and dividends on securities	(うち有価証券利息配当金)	6,401	4,614
Trust fees	信託報酬	30	32
Fees and commissions	役務取引等収益	6,540	5,634
Trading income	特定取引収益	157	71
Other ordinary income	その他業務収益	1,065	2,109
Other income	その他経常収益	1,257	289
Ordinary expenses	経常費用	28,911	30,231
Interest expenses	資金調達費用	6,030	4,457
Interest on deposits	(うち預金利息)	4,080	2,865
Fees and commissions payments	役務取引等費用	2,122	2,251
Other ordinary expenses	その他業務費用	1,070	1,437
General and administrative expenses	営業経費	15,878	15,881
Other expenses	その他経常費用	3,808	6,203
Ordinary profit	経常利益	9,490	3,274
Extraordinary income	特別利益	-	2,232
Gains on dispositions of fixed assets	固定資産処分益	-	2,226
Recoveries of written-off claims	償却債権取立益	-	5
Extraordinary losses	特別損失	31	48
losses on dispositions of fixed assets	固定資産処分損	-	39
Impairment losses	減損損失	-	6
Other extraordinary losses	その他の特別損失	31	2
Income before income taxes and others	税金等調整前四半期純利益	9,458	5,457
Provision for income taxes and others	法人税、住民税及び事業税	3,977	825
Deferred income taxes	法人税等調整額	-394	926
Minority interests	少数株主利益	239	239
Net income	四半期純利益	5,636	3,466

【Supplementary Information】

For Financial results for the 1st Quarter of FY2009, ending March 31, 2010

1. Summary of income(Non-consolidated)

【Real banking profit】

Real banking profit decreased by ¥2.6 billion compared with the corresponding period of previous fiscal year. Core gross banking profit decreased by 3.4 billion compared with the corresponding period of the previous year mainly due to a decrease in net interest income of 2.3 billion reflecting a decrease in balance of loans and a decrease in net fees and commissions.

Expenses decreased by ¥0.1 billion compared with the corresponding period of previous fiscal year to ¥15.3 billion.

【Ordinary profit】

Ordinary profit decreased by ¥6.3 billion compared with the corresponding period of previous fiscal year to ¥2.8 billion due to a decrease in gains on stocks. As the result, Net income also decreased by ¥2.2 billion compared with the corresponding period of previous fiscal year to ¥3.3 billion

		(JPY billion)				
(Japanese)	For the 3 months ended Jun.30, 2009	For the 3 months ended Jun.30, 2008	(A)-(B)	Interim FY2009(C) (Announced projection)	(A) / (C)	
	(A)	(B)				
Intrest income(net)	資 金 利 益	20.7	23.0	-2.3		
Fees and commissions(net)	役 務 取 引 等 利 益	3.2	4.2	-1.0		
Trading income(net)	特 定 取 引 利 益	0.0	0.2	-0.2		
Other operating income(net)	そ の 他 業 務 利 益	0.6	0.5	0.1		
Core gross banking profit	コ ア 業 務 粗 利 益	24.5	27.9	-3.4		
(-)General and administrative expense	経 費	15.3	15.4	-0.1		
Core banking profit	コ ア 業 務 純 益	9.2	12.5	-3.3		
Gains(Losses) from securities	債 券 関 係 損 益	0.2	-0.5	0.7		
Real Banking Profit	実 質 業 務 純 益	9.4	12.0	-2.6	17.9 53%	
(-)General reserve for possible loan losses	一 般 貸 倒 引 当 金 繰 入	-	-0.3	0.3		
(-)Write-off/Disposal of non-performing loans	不 良 債 権 処 理 額	5.6	3.7	1.9		
Gains(Losses) on stocks	株 式 関 係 損 益	-0.2	0.7	-0.9		
Ordinary profit	経 常 利 益	2.8	9.1	-6.3	6.4 44%	
Recoveries of specific reserve for possible loan losses	貸 倒 引 当 金 戻 入 益	2.2	-	2.2		
Extraordinary profit	特 別 利 益	2.2	0.0	2.2		
Income before income taxes	税 引 前 四 半 期 純 利 益	5.0	9.1	-4.1		
Income taxes(Current&Deffered)	法 人 税 等	1.7	3.5	-1.8		
Net income	四 半 期 純 利 益	3.3	5.5	-2.2	3.8 87%	

2. Loans (Term-end balance)

We continued to positively respond to the financial needs of corporate and individual customers.

		(JPY billion)				
Item	科目 (Japanese only)	As of Jun. 30 2009 (a)	(a) - (b)	As of Jun. 30 2008 (b)	(reference) As of Mar 31, 2009	
Loans	貸 出 金	4,329.5	-27.4	4,356.9	4,427.3	
Corporate loans	事 業 性 貸 出 等	3,242.1	-53.9	3,296.0	3,346.1	
under the guarantee by CGA *	う ち 保 証 協 会 保 証 付 貸 出	297.9	34.6	263.3	297.7	
Personal loans	個 人 口 ー ン	1,087.4	26.5	1,060.9	1,081.2	
Housing loans	住 宅 口 ー ン	780.8	30.3	750.5	772.0	
Other loans	そ の 他 口 ー ン	306.6	-3.8	310.4	309.2	

* CGA stands for Credit Guarantee Association

2. Deposits (Term-end balance)

(JPY billion)

Item	科目 (Japanese only)	As of Jun. 30 2009		As of Jun.30 2008 (b)	(reference) As of Mar.31 2009
		(a)	(a) - (b)		
Deposits *	預 金 等	5,475.9	59.5	5,416.4	5,413.8
Personal deposits	個 人 預 金	3,787.9	137.2	3,650.7	3,712.8
Corporate deposits	法 人 預 金	1,435.5	-31.3	1,466.8	1,428.1
Local government / Financial institutions	公 金 ・ 金 融 預 金	252.5	-46.4	298.9	272.9

* Deposits includes NCD

3. Retail assets (Term-end balance)

We provided a full range of financial products and financial services, as well as a campaign to customers for salary and pension payments and other household needs .

(JPY billion)

Item	科目 (Japanese only)	As of Jun. 30 2009		As of Jun.30 2008 (b)	(reference) As of Mar.31 2009
		(a)	(a) - (b)		
Retail assets	個 人 預 り 資 産 残 高	4,620.0	171.8	4,448.2	4,528.4
Personal deposits	個 人 預 金	3,787.9	137.2	3,650.7	3,712.8
Public bonds	公 共 債	274.1	-6.9	281.0	275.7
Investment trust	投 資 信 託	283.6	1.5	282.1	276.3
Annuity insurance	年 金 保 険	227.6	26.6	201.0	219.9
Securities brokerage etc.	証 券 仲 介 他	46.8	13.4	33.4	43.7

* Personal deposits includes NCD

4. Securities (Unrealized gains(losses)of securities)

(JPY billion)

Item	科目 (Japanese only)	As of Jun. 30 2009		As of Jun.30 2008 (b)	(reference) As of Mar.31 2009
		(a)	(a) - (b)		
Other securities	そ の 他 有 価 証 券	-14.2	-7.9	-6.3	-47.3
Stocks	株 式	7.0	-25.0	32.0	-10.1
Bonds	債 券	7.3	26.6	-19.3	2.9
Others	そ の 他	-28.5	-9.5	-19.0	-40.1

5. Capital adequacy ratio (Consolidated)

(JPY billion)

Item	科目 (Japanese only)	As of Jun. 30 2009		As of Jun.30 2008 (b)	(reference) As of Mar.31 2009
		(a)	(a) - (b)		
Capital adequacy ratio	連 結 自 己 資 本 比 率	11.48%	0.90%	10.58%	10.96%
Tier1 ratio	連 結 Tier1 比 率	7.29%	0.32%	6.97%	7.07%
Amount of Capital	連 結 自 己 資 本 額	430.8	18.6	412.2	418.6
Tier1 capital	連 結 Tier1 額	273.6	2.0	271.6	270.2

6. Capital adequacy ratio (Non-Consolidated)

(JPY billion)

Item	科目 (Japanese only)	As of Jun. 30 2009		As of Jun.30 2008 (b)	(reference) As of Mar.31 2009
		(a)	(a) - (b)		
Capital adequacy ratio	単 体 自 己 資 本 比 率	11.76%	0.91%	10.85%	11.24%
Tier1 ratio	単 体 Tier1 比 率	7.22%	0.33%	6.89%	7.00%
Amount of Capital	単 体 自 己 資 本 額	442.0	18.3	423.7	429.9
Tier1 capital	単 体 Tier1 額	271.4	2.3	269.1	268.1

7. Disclosed claims under the Financial Reconstruction Law (Non-consolidated)

(JPY billion)

Item	科目 (Japanese only)	As of Jun. 30 2009		As of Jun.30 2008 (b)	(reference) As of Mar.31 2009
		(a)	(a) - (b)		
Total claims under the FRL	不良債権開示額	112.8	-5.0	117.8	128.4
Bankrupt and quasi-bankrupt claims	破産更生債権等	31.7	15.5	16.2	26.1
Doubtful claims	危険債権	62.8	-12.5	75.3	86.8
Substandard claims	要管理債権	18.4	-7.9	26.3	15.5
Non-performing loan ratio	不良債権比率	2.53%	-0.09%	2.62%	2.82%

This is an English translation of the Japanese original. Please be advised that there may be some disparities due to such things as differences in nuance that are inherent to the difference in languages although the English translation is prepared to mirror the Japanese original as accurately as possible.

This material contains forward-looking statements. These statements are not represented as providing a guarantee of the Bank's future performance, and actual results may be subject to risks and uncertainties.

Please note that future performance may be different from the views presented here owing to changes in the operating environments and other factors.