

# The Hiroshima Bank, Ltd.

Financial results for the 3rd Quarter of FY2010, ending March 31, 2011 [Japanese GAAP]

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 :	February 4, 2011
Trading accounts :	Established

## ( Consolidated basis )

### 1. Financial Highlights ( for the 3rd quarter, from April 1, to December 31, 2010 )

#### (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	%
3rd Quarter Ended Dec.31,2010	111,960	( 8.9 )	21,090	( 29.3 )	12,318	( 29.5 )
Ended Dec.31,2009	102,795	( -11.4 )	16,308	( 81.7 )	9,515	( 98.1 )

	Net Income per share 1株当たり四半期純利益	Net Income per share ( Diluted ) 1株当たり四半期純利益( 潜在株式調整後 )
	¥	¥
3rd Quarter Ended Dec.31,2010	19.95	19.95
Ended Dec.31,2009	15.40	—

#### (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株当たり純資産
	¥ Million	¥ Million	%	¥
3rd Quarter ended Dec.31,2010	6,341,927	312,695	4.5	457.17
Fiscal Year 2009	6,365,855	302,919	4.3	441.70

( Reference ) Capital assets 3rd quarter ended Dec.31,2010 : ¥282,220 million Fiscal year 2009 : ¥272,746 million

( Note ) 「 Net assets to total assets 」 ・ ・ ( Net assets – Subscription rights for shares – 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 2009	-	2.50	-	2.50	5.00
Fiscal Year 2010	-	2.50	-	-	-
Fiscal Year 2010(Forecasts)	-	-	-	2.50	5.00

( Note ) Revisions of dividend forecasts during the third quarter ・ ・ None

### 3. Consolidated Earnings Forecasts for FY 2010, ending March 31, 2011

	Ordinary income 経常収益		Ordinary Profit 経常利益		Net Income 当期純利益		Net Income per Share 1株当たり当期純利益
	¥million	%	¥million	%	¥million	%	¥
Fiscal year ending March 31, 2011	140,600	( 1.3 )	25,600	( 33.2 )	14,400	( 30.0 )	23.33

( Note ) Revisions of earnings forecasts during the third quarter ・ ・ None

**4. Others**(Note:For more details, please refer to “2.Others” on page 3 )

- (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
- (3) Changes in accounting principles, procedures and presentation in preparation of the quarterly consolidated financial statements  
Changes in accordance with changes in accounting principle   ••Applied  
Other   ••None

(4) Number of Issued Shares ( Common Stock )

Number of issued shares ( including treasury stock )			
December 31, 2010	625,266,342 shares	March 31, 2010	625,266,342 shares
Number of treasury stock			
December 31, 2010	7,951,185 shares	March 31, 2010	7,767,981 shares
Average number of issued shares			
For the nine months ended December 31, 2010		617,361,212 shares	
For the nine months ended December 31, 2009		617,885,535 shares	

# 【Qualitative Information and Financial Statements】

## 1. Qualitative information related to the Consolidated results of operations

### (1) Qualitative information related to the Consolidated results of operations

Financial results for the third quarter of FY2010 ending March 31, 2011 were as follows ;

Ordinary income increased by ¥9,165 million from the corresponding period of FY2009 to ¥111,960 million, mainly due to increase in fees from sales of insurance and increase in gains on sales of bonds in spite of decrease in interest income including interest on loans. Ordinary expenses increased by ¥4,383 million from the corresponding period of FY2009 to ¥90,870 million, mainly due to increase in losses on sales of bonds and stocks.

As a result, ordinary profit increased by ¥4,782 million from the corresponding period of FY2009 to ¥21,090 million, and net income increased by ¥2,803 million from the corresponding period of FY2009 to ¥12,318 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 December 31, 2010 increased by ¥28.7 billion from the previous year-end to ¥4,382.7 billion due to increase in loans to both corporate and personal.

The balance of deposits ( including NCD ) as of December 31, 2010 increased by ¥53.1 billion from the previous year-end to ¥5,652.9 billion, reflecting increase in personal and corporate deposits.

The balance of securities held decreased by ¥124.6 billion from the previous year-end to ¥1,412.7 billion, reflecting decrease in foreign bonds.

### (3) Qualitative information related to the Consolidated earning forecasts

There are no change to our earning forecasts for FY2010 ending March 31, 2011 released on November,12 2010.

(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.)

## 2. Others

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

### (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 September 30, 2010.

### (3) Changes in accounting principles, procedures and presentation in preparation of the quarterly consolidated financial statements • •Applied

From the first quarter of FY2010 ending March 31, 2011, Hiroshima Bank applies the “Accounting Standard for Equity Method of Accounting for Investment”(Accounting Standards Board of Japan [ASBJ] Statement No.16 of March 10, 2008) and the “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”(ASBJ PITF No.24 of March 10, 2008).

Application of new methods produces no impact on consolidated financial statements for the third quarter of FY2010.

(Application of “Accounting Standard for Asset Retirement Obligations”)

From the first quarter of FY2010 ending March 31, 2011, Hiroshima Bank applies the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No.18 of March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations”(ASBJ Guidance No.21 of March 31, 2008).

As a result, ordinary profit and income before income taxes decreased ¥18 million and ¥76 million, respectively. The change in asset retirement obligations due to commencement of the new accounting standards is ¥209 million.

(Quarterly consolidated statements of operations)

Based on the “Accounting Standard for Consolidated Financial Statements”(ASBJ Statement No.22 of December 26, 2008), Hiroshima Bank applies the “Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements”(Cabinet Office Ordinance No.5, March 24, 2009). As a result, “Income before minority interests” is included in the consolidated financial statements for the third quarter of FY2010 ending March 31, 2011.

#### (4) Additional information

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

Because the market prices of floating Japanese Government bonds as of December 31, 2010 cannot be deemed as fair values due to the current market environment, we evaluated such bonds based on reasonable estimates.

This resulted ¥8,569 million increase in balance of “Securities” , ¥3,513 million decrease in balance of “Deferred tax assets” , and ¥5,056 million increase in balance of “Net unrealized holding gains (losses) on securities available for sale”.

(Segment information)

From the first quarter of FY 2010, Hiroshima Bank group applies the “Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information”(ASBJ Statement No.17 of March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information”(ASBJ Guidance No.20 of March 21, 2009).

For the nine month period ended December 31, 2010, the segment information is omitted since our group was operating a single segment of the banking business

#### (5) Going Concern Assumption

None

### 3. Quarterly Consolidated Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

Item	科目 (Japanese only)	As of December 31, 2010	As of March 31, 2010
<b>Assets</b>	( 資 産 の 部 )		
Cash and due from banks	現 金 預 け 金	177,366	151,438
Call loans and bills purchased	コ ー ル ロ ー ン 及 び 買 入 手 形	119,385	76,086
Financial receivables purchased	買 入 金 銭 債 権	9,627	19,374
Trading assets	特 定 取 引 資 産	53,348	36,970
Money held in trust	金 銭 の 信 託	154	1,180
Securities	有 価 証 券	1,412,773	1,537,366
Loans and bills discounted	貸 出 金	4,382,740	4,354,076
Foreign exchanges	外 国 為 替	4,350	3,524
Other assets	そ の 他 資 産	64,809	43,842
Tangible fixed assets	有 形 固 定 資 産	84,501	85,506
Intangible fixed assets	無 形 固 定 資 産	7,967	8,631
Deferred tax assets	繰 延 税 金 資 産	34,893	42,879
Customer's liabilities for acceptances and guarantees	支 払 承 諾 見 返	32,445	44,190
Allowance for possible loan losses	貸 倒 引 当 金	-42,434	-39,213
<b>Total assets</b>	<b>資 産 の 部 合 計</b>	<b>6,341,927</b>	<b>6,365,855</b>
<b>Liabilities</b>	( 負 債 の 部 )		
Deposits	預 金	5,465,309	5,438,458
Negotiable certificates of deposit	譲 渡 性 預 金	187,642	161,427
Call money and bills sold	コ ー ル マ ネ ー 及 び 売 渡 手 形	4,074	6,762
Deposit received for bonds lending/borrowing transactions	債 券 貸 借 取 引 受 入 担 保 金	-	88,564
Trading liabilities	特 定 取 引 負 債	50,676	33,899
Borrowed money	借 用 金	144,725	102,823
Foreign exchanges	外 国 為 替	161	300
Bonds payable	社 債	95,000	125,000
Due to trust account	信 託 勘 定 借	74	166
Other liabilities	そ の 他 負 債	29,494	40,802
Reserve for bonus for directors and corporate auditors	役 員 賞 与 引 当 金	-	41
Allowance for severance and retirement benefits	退 職 給 付 引 当 金	91	91
Reserve for retirement benefits of directors and corporate auditors	役 員 退 職 慰 労 金 引 当 金	8	920
Reserve for reimbursement of dormant deposits	睡 眠 預 金 払 戻 損 失 引 当 金	978	978
Reserve for point loyalty programs	ポ イ ン ト 引 当 金	170	108
Deferred tax liabilities for land revaluation reserve	再 評 価 に 係 る 繰 延 税 金 負 債	18,380	18,400
Acceptances and guarantees	支 払 承 諾	32,445	44,190
<b>Total liabilities</b>	<b>負 債 の 部 合 計</b>	<b>6,029,232</b>	<b>6,062,936</b>
<b>Net assets</b>	( 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	176,819	167,559
Treasury stock	自 己 株 式	-3,250	-3,182
Total stockholders' equity	株 主 資 本 合 計	258,778	249,586
Net unrealized holding gains on securities available for sale	そ の 他 有 価 証 券 評 価 差 額 金	1,491	865
Net deferred (gains) losses on hedging instruments, net of tax	繰 延 ハ ッ ジ 損 益	-1,961	-1,646
Land revaluation reserve, net of tax	土 地 再 評 価 差 額 金	23,912	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	23,442	23,160
New share reservation rights	新 株 予 約 権	62	-
Minority interests	少 数 株 主 持 分	30,412	30,172
Total net assets	純 資 産 の 部 合 計	312,695	302,919
<b>Total liabilities and net assets</b>	<b>負 債 及 び 純 資 産 の 部 合 計</b>	<b>6,341,927</b>	<b>6,365,855</b>

## (2) Consolidated Quarterly Statements of Income

(JPY million)

Item	科目 (Japanese only)	3rd Quarter of FY2009	3rd Quarter of FY2010
<b>Ordinary income</b>	<b>経常収益</b>	<b>102,795</b>	<b>111,960</b>
Interest income	資金運用収益	74,427	71,201
Interest on loans and discounts	(うち貸出金利息)	60,392	56,242
Interest and dividends on securities	(うち有価証券利息配当金)	13,085	14,076
Trust fees	信託報酬	128	114
Fees and commissions	役務取引等収益	17,535	17,838
Trading income	特定取引収益	466	585
Other ordinary income	その他業務収益	8,828	21,225
Other income	その他経常収益	1,408	995
<b>Ordinary expenses</b>	<b>経常費用</b>	<b>86,487</b>	<b>90,870</b>
Interest expenses	資金調達費用	12,727	9,804
Interest on deposits	(うち預金利息)	8,112	5,763
Fees and commissions payments	役務取引等費用	7,320	6,909
Other ordinary expenses	その他業務費用	5,194	16,158
General and administrative expenses	営業経費	46,623	45,485
Other expenses	その他経常費用	14,622	12,512
<b>Ordinary profit</b>	<b>経常利益</b>	<b>16,308</b>	<b>21,090</b>
<b>Extraordinary income</b>	<b>特別利益</b>	<b>20</b>	<b>4</b>
Gains on dispositions of fixed assets	固定資産処分益	-	0
Recoveries of written-off claims	償却債権取立益	20	4
<b>Extraordinary losses</b>	<b>特別損失</b>	<b>221</b>	<b>133</b>
losses on dispositions of fixed assets	固定資産処分損	147	72
Impairment losses	減損損失	43	1
Loss on adjustment for changes of accounting standard for asset retirement obligations	資産除去債務会計基準の適用に伴う影響額	-	58
Other extraordinary losses	その他の特別損失	30	0
<b>Income before income taxes and others</b>	<b>税金等調整前四半期純利益</b>	<b>16,107</b>	<b>20,961</b>
<b>Provision for income taxes and others</b>	<b>法人税、住民税及び事業税</b>	<b>4,932</b>	<b>175</b>
<b>Deffered income taxes</b>	<b>法人税等調整額</b>	<b>941</b>	<b>7,749</b>
<b>Total income taxes</b>	<b>法人税等合計額</b>	<b>5,874</b>	<b>7,924</b>
<b>Income before minority interests</b>	<b>少数株主損益調整前四半期純利益</b>		<b>13,036</b>
<b>Minority interests</b>	<b>少数株主利益</b>	<b>717</b>	<b>717</b>
<b>Net income</b>	<b>四半期純利益</b>	<b>9,515</b>	<b>12,318</b>

## 【Supplementary Information】

For Financial results for the 3rd Quarter of FY2010, ending March 31, 2011

### 1. Summary of income(Non-consolidated)

#### 【Core banking profit】

Core banking profit increased by ¥1.5 billion compared with the corresponding period of previous fiscal year. Core gross banking profit increased by ¥0.7 billion compared with the corresponding period of the previous year, mainly due to increase in net fees and commissions.

Expenses decreased by ¥0.8 billion compared with the corresponding period of previous fiscal year to ¥44.0 billion.

#### 【Ordinary profit】

Ordinary profit increased by ¥4.9 billion compared with the corresponding period of previous fiscal year to ¥20.0 billion due to an increase in core banking profit and a decrease in credit costs. As the result, net income also increased by ¥2.9 billion compared with the corresponding period of previous fiscal year to ¥12.0 billion.

		(JPY billion)			
(Japanese)	For the 9 months ended Dec.31, 2010 (A)	For the 9 months ended Dec.31, 2009 (B)	(A)-(B)	FY2010(C) (Announced projection)	(A)/(C)
Interest income(net)	資 金 利 益	60.6	60.9	-0.3	
Fees and commissions(net)	役 務 取 引 等 利 益	10.6	9.9	0.7	
Trading income(net)	特 定 取 引 利 益	0.6	0.5	0.1	
Other operating income(net)	そ の 他 業 務 利 益	1.7	1.5	0.2	
<b>Core gross banking profit</b>	<b>コ ア 業 務 粗 利 益</b>	<b>73.5</b>	<b>72.8</b>	<b>0.7</b>	
(-)General and administrative expense	経 費	44.0	44.8	-0.8	
<b>Core banking profit</b>	<b>コ ア 業 務 純 益</b>	<b>29.5</b>	<b>28.0</b>	<b>1.5</b>	
Gains(Losses) from securities	債 券 関 係 損 益	3.4	2.1	1.3	
<b>Real Banking Profit</b>	<b>実 質 業 務 純 益</b>	<b>32.9</b>	<b>30.1</b>	<b>2.8</b>	<b>42.8 77%</b>
(-)Credit costs	不 良 債 権 処 理 額	6.7	10.8	-4.1	
Gains(Losses) on stocks	株 式 関 係 損 益	-4.6	-1.5	-3.1	
<b>Ordinary profit</b>	<b>経 常 利 益</b>	<b>20.0</b>	<b>15.1</b>	<b>4.9</b>	<b>24.2 83%</b>
<b>Extraordinary profit</b>	<b>特 別 利 益</b>	<b>-0.2</b>	<b>-0.2</b>	<b>0.0</b>	
<b>Income before income taxes</b>	<b>税 引 前 四 半 期 純 利 益</b>	<b>19.8</b>	<b>14.9</b>	<b>4.9</b>	
Income taxes(Current&Deffered)	法 人 税 等	7.8	5.8	2.0	
<b>Net income</b>	<b>四 半 期 純 利 益</b>	<b>12.0</b>	<b>9.1</b>	<b>2.9</b>	<b>14.1 85%</b>

### 2. Loans (Term-end balance)

		(JPY billion)			
Item	科目 (Japanese only)	As of Dec. 31 2010 (a)	(a) - (b)	As of Dec.31 2009 (b)	(reference) As of Sep.30 2010
<b>Loans</b>	貸 出 金	4,382.7	21.0	4,361.7	4,340.3
Corporate loans	事 業 性 貸 出 等	3,269.8	6.1	3,263.7	3,230.3
Personal loans	個 人 口 一 ン	1,112.9	14.9	1,098.0	1,110.0
Housing loans	住 宅 口 一 ン	813.7	16.8	796.9	811.7
Other loans	そ の 他 口 一 ン	299.2	-1.9	301.1	298.3

### 3. Deposits (Term-end balance)

(JPY billion)

Item	科目 (Japanese only)	As of Dec. 31 2010		As of Dec. 31 2009 (b)	(reference) As of Sep. 30 2010
		(a)	(a) - (b)		
<b>Deposits *</b>	預 金 等	5,654.9	108.8	5,546.1	5,526.2
Personal deposits	個 人 預 金	3,884.1	32.1	3,852.0	3,797.2
Corporate deposits	法 人 預 金	1,560.3	81.7	1,478.6	1,515.5
Local government / Financial institutions	公 金 ・ 金 融 預 金	210.5	-5.0	215.5	213.5

\* Deposits include NCD

### 4. Retail assets (Term-end balance)

(JPY billion)

Item	科目 (Japanese only)	As of Dec. 31 2010		As of Dec. 31 2009 (b)	(reference) As of Sep. 30 2010
		(a)	(a) - (b)		
<b>Retail assets</b>	個 人 預 り 資 産 残 高	4,818.3	96.3	4,722.0	4,726.0
Personal deposits *	個 人 預 金	3,884.1	32.1	3,852.0	3,797.2
Public bonds	公 共 債	258.7	-9.5	268.2	260.9
Investment trust	投 資 信 託	302.7	6.4	296.3	304.1
Insurance	保 險	319.7	68.6	251.1	313.3
Securities brokerage etc.	証 券 仲 介 他	53.1	-1.3	54.4	50.5

\* Personal deposits include NCD

### 5. Securities (Unrealized gains(losses) on securities)

(JPY billion)

Item	科目 (Japanese only)	As of Dec. 31 2010		As of Dec. 31 2009 (b)	(reference) As of Sep. 30 2010
		(a)	(a) - (b)		
<b>Other securities</b>	そ の 他 有 価 証 券	2.5	7.3	-4.8	10.9
Stocks	株 式	-0.3	-0.2	-0.1	-5.9
Bonds	債 券	14.9	-2.1	17.0	33.1
Others	そ の 他	-12.1	9.6	-21.7	-16.3

### 6. Capital adequacy ratio (Consolidated)

(JPY billion)

Item	科目 (Japanese only)	As of Dec. 31 2010		As of Dec. 31 2009 (b)	(reference) As of Sep. 30 2010
		(a)	(a) - (b)		
<b>Capital adequacy ratio</b>	連 結 自 己 資 本 比 率	11.49%	0.11%	11.38%	11.47%
Tier1 ratio	連 結 Tier1 比 率	7.94%	0.51%	7.43%	7.88%
<b>Amount of Capital</b>	連 結 自 己 資 本 額	418.0	-7.6	425.6	412.5
Tier1 capital	連 結 Tier1 額	288.8	10.7	278.1	283.6

### 7. Capital adequacy ratio (Non-Consolidated)

(JPY billion)

Item	科目 (Japanese only)	As of Dec. 31 2010		As of Dec. 31 2009 (b)	(reference) As of Sep. 30 2010
		(a)	(a) - (b)		
<b>Capital adequacy ratio</b>	単 体 自 己 資 本 比 率	11.77%	0.12%	11.65%	11.75%
Tier1 ratio	単 体 Tier1 比 率	7.85%	0.50%	7.35%	7.79%
<b>Amount of Capital</b>	単 体 自 己 資 本 額	428.9	-7.8	436.7	423.5
Tier1 capital	単 体 Tier1 額	286.0	10.4	275.6	280.9



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

(JPY billion)

Item	科目 (Japanese only)	As of Dec. 31 2010		As of Dec. 31 2009 (b)	(reference) As of Sep. 30 2010
		(a)	(a) - (b)		
<b>Total claims under the FRL</b>	不良債権開示額	110.3	-5.5	115.8	110.1
Bankrupt and quasi-bankrupt claims	破産更生債権等	21.9	-6.6	28.5	24.7
Doubtful claims	危険債権	64.8	2.6	62.2	62.1
Substandard claims	要管理債権	23.5	-1.6	25.1	23.3
<b>Non-performing loan ratio</b>	不良債権比率	2.46%	-0.12%	2.58%	2.48%

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.