

The Hiroshima Bank, Ltd.

Financial results for the 3rd 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 :	February 5, 2010
Trading accounts :	Established

(Consolidated basis)

1. Financial Highlights (for the 3rd quarter, from April 1, to December 31, 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	%
3rd Quarter Ended Dec.31,2009	102,795	(-11.4)	16,308	(81.7)	9,515	(98.1)
Ended Dec.31,2008	115,988	(—)	8,977	(—)	4,802	(—)

	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)
	¥	¥
3rd Quarter Ended Dec.31,2009	15.40	—
Ended Dec.31,2008	7.72	—

(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
	¥ Million	¥ Million	%	¥
3rd Quarter ended Dec.31,2009	6,282,655	297,916	4.3	433.02
Fiscal Year 2008	6,228,006	266,943	3.8	383.15

(Reference) Capital assets 3rd quarter ended Dec.31,2009 : ¥ 267,504million 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	-	2.50	-		
Fiscal Year 2009(projection)				2.50	5.00

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

3. Consolidated Earnings Projections for FY 2009, ending March 31, 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	%	¥
Fiscal year ending March 31, 2010	134,500	(-14.7)	19,000	(35.7)	10,800	(50.3)	17.48

(Note) Revisions of earnings projections during the third 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)				
December 31, 2009	625,266,342 shares	March 31, 2009	625,266,342 shares	
Number of treasury stock				
December 31, 2009	7,505,259 shares	March 31, 2009	7,311,121 shares	
Average number of issued shares				
For the nine months ended December 31, 2009		617,885,535 shares		
For the nine months ended December 31, 2008		622,252,202 shares		

【Qualitative Information and Financial Statements】

1. Qualitative information related to the Consolidated results of operations

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

Ordinary income decreased by ¥13,193million from the corresponding period of FY2008 to ¥102,795 million, mainly due to decrease in interest income including interest on loans, interest and dividend on securities, and decrease in fees from sales of annuity insurance. Ordinary expenses decreased by ¥20,524 million from the corresponding period of FY2008 to ¥86,487 million, mainly due to decrease in disposal and write-off of non-performing loans and decrease in allowance for possible loan losses.

As a result, ordinary profit increased by ¥7,331 million from the corresponding period of FY2008 to ¥16,308 million, and net income increased by ¥4,713 million from the corresponding period of FY2008, to ¥9,515 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, 2009 decreased by ¥65.6 billion from the previous year-end to ¥4,361.7 billion due to decrease in money demand by deterioration of real economy.

The balance of deposits (including NCD) as of December 31, 2009 increased by ¥131.7 billion from the previous year-end to ¥5,544.5 billion, reflecting increase in personal deposits.

The balance of securities held decreased by ¥67.8 billion from the previous year-end to 1,314.8 billion, reflecting decrease 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 November,13 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 September 30, 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 December 31, 2009 cannot be deemed as fair values due to the current market environment, we evaluated such bonds based on reasonable estimates.

This resulted ¥14,069 million increase in balance of “Securities” , ¥5,768 million decrease in balance of “Deferred tax assets” , and ¥8,301 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 December 31, 2009	As of March 31, 2009
Assets	(資 産 の 部)		
Cash and due from banks	現 金 預 け 金	174,280	125,465
Call loans and bills purchased	コ ー ル ロ ー ン 及 び 買 入 手 形	127,865	23,569
Financial receivables purchased	買 入 金 銭 債 権	23,771	25,682
Trading assets	特 定 取 引 資 産	44,487	32,166
Money held in trust	金 銭 の 信 託	1,283	1,245
Securities	有 価 証 券	1,314,898	1,382,684
Loans and bills discounted	貸 出 金	4,361,738	4,427,308
Foreign exchanges	外 国 為 替	3,354	3,800
Other assets	そ の 他 資 産	89,475	48,163
Tangible fixed assets	有 形 固 定 資 産	85,644	85,287
Intangible fixed assets	無 形 固 定 資 産	8,682	9,204
Deferred tax assets	繰 延 税 金 資 産	45,006	63,306
Customer's liabilities for acceptances and guarantees	支 払 承 諾 見 返	41,506	44,062
Allowance for possible loan losses	貸 倒 引 当 金	-39,339	-43,939
Total assets	資 産 の 部 合 計	6,282,655	6,228,006
Liabilities	(負 債 の 部)		
Deposits	預 金	5,362,776	5,262,826
Negotiable certificates of deposit	譲 渡 性 預 金	181,745	150,024
Call money and bills sold	コ ー ル マ ネ ー 及 び 売 渡 手 形	8,251	67,013
Deposit received for bonds lending/borrowing transactions	債 券 貸 借 取 引 受 入 担 保 金	77,647	47,558
Trading liabilities	特 定 取 引 負 債	41,450	28,915
Borrowed money	借 用 金	91,736	145,444
Foreign exchanges	外 国 為 替	153	239
Bonds payable	社 債	125,000	147,000
Due to trust account	信 託 勘 定 借	115	169
Other liabilities	そ の 他 負 債	33,908	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	89	89
Reserve for retirement benefits of directors and corporate auditors	役 員 退 職 慰 労 金 引 当 金	878	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	157	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	41,506	44,062
Total liabilities	負 債 の 部 合 計	5,984,739	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	165,995	160,187
Treasury stock	自 己 株 式	-3,085	-3,015
Total stockholders' equity	株 主 資 本 合 計	248,118	242,381
Net unrealized holding gains on securities available for sale	そ の 他 有 価 証 券 評 価 差 額 金	-2,793	-27,897
Net deferred (gains) losses on hedging instruments, net of tax	繰 延 ハ ッ ジ 損 益	-1,762	-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	19,385	-5,610
Minority interests	少 数 株 主 持 分	30,412	30,172
Total net assets	純 資 産 の 部 合 計	297,916	266,943
Total liabilities and net assets	負 債 及 び 純 資 産 の 部 合 計	6,282,655	6,228,006

(2) Consolidated Quarterly Statements of Income

(JPY million)

Item	科目 (Japanese only)	3rd Quarter of FY2008	3rd Quarter of FY2009
Ordinary income	経 常 収 益	115,988	102,795
Interest income	資 金 運 用 収 益	85,696	74,427
Interest on loans and discounts	(うち貸出金利息)	67,096	60,392
Interest and dividends on securities	(うち有価証券利息配当金)	16,907	13,085
Trust fees	信 託 報 酬	116	128
Fees and commissions	役 務 取 引 等 収 益	18,343	17,535
Trading income	特 定 取 引 収 益	970	466
Other ordinary income	そ の 他 業 務 収 益	7,177	8,828
Other income	そ の 他 経 常 収 益	3,683	1,408
Ordinary expenses	経 常 費 用	107,011	86,487
Interest expenses	資 金 調 達 費 用	18,180	12,727
Interest on deposits	(うち預金利息)	11,667	8,112
Fees and commissions payments	役 務 取 引 等 費 用	6,749	7,320
Other ordinary expenses	そ の 他 業 務 費 用	11,837	5,194
General and administrative expenses	営 業 経 費	47,066	46,623
Other expenses	そ の 他 経 常 費 用	23,177	14,622
Ordinary profit	経 常 利 益	8,977	16,308
Extraordinary income	特 別 利 益	17	20
Gains on dispositions of fixed assets	固 定 資 産 処 分 益	8	-
Recoveries of written-off claims	償 却 債 権 取 立 益	9	20
Extraordinary losses	特 別 損 失	293	221
losses on dispositions of fixed assets	固 定 資 産 処 分 損	198	147
Impairment losses	減 損 損 失	92	43
Other extraordinary losses	そ の 他 の 特 別 損 失	2	30
Income before income taxes and others	税金等調整前四半期純利益	8,701	16,107
Provision for income taxes and others	法人税、住民税及び事業税	7,806	4,932
Deferred income taxes	法人税等調整額	-4,625	941
Minority interests	少数株主利益	717	717
Net income	四 半 期 純 利 益	4,802	9,515

【Supplementary Information】

For Financial results for the 3rd Quarter of FY2009, ending March 31, 2010

1. Summary of income(Non-consolidated)

【Real banking profit】

Real banking profit increased by ¥1.5 billion compared with the corresponding period of previous fiscal year. Core gross banking profit decreased by 8.0 billion compared with the corresponding period of the previous year mainly due to a decrease in net interest income of ¥5.8 billion reflecting a decrease in balance of loans and a decrease in net fees and commissions.

Expenses decreased by ¥0.9 billion compared with the corresponding period of previous fiscal year to ¥44.8 billion.

【Ordinary profit】

Ordinary profit increased by ¥7.0 billion compared with the corresponding period of previous fiscal year to ¥15.1 billion reflecting a decrease in write-off/disposal of non-performing loans. As the result, Net income increased by ¥4.3 billion compared with the corresponding period of previous fiscal year to ¥9.1 billion.

		(JPY billion)			
(Japanese)	For the 9 months ended Dec.31, 2009	For the 9 months ended Dec.31, 2008	(A)-(B)	FY2009(C) (Announced projection)	(A)/(C)
	(A)	(B)			
Intrest income(net)	資 金 利 益	60.9	66.7	-5.8	
Fees and commissions(net)	役 務 取 引 等 利 益	9.9	11.2	-1.3	
Trading income(net)	特 定 取 引 利 益	0.5	1.0	-0.5	
Other operating income(net)	そ の 他 業 務 利 益	1.5	1.9	-0.4	
Core gross banking profit	コ ア 業 務 粗 利 益	72.8	80.8	-8.0	
(-)General and administrative expense	経 費	44.8	45.7	-0.9	
Core banking profit	コ ア 業 務 純 益	28.0	35.1	-7.1	
Gains(Losses) from securities	債 券 関 係 損 益	2.1	-6.5	8.6	
Real Banking Profit	実 質 業 務 純 益	30.1	28.6	1.5	37.8 80%
(-)Credit costs	不 良 債 権 処 理 額	10.8	19.3	-8.5	
Gains(Losses) on stocks	株 式 関 係 損 益	-1.5	0.1	-1.6	
Ordinary profit	経 常 利 益	15.1	8.1	7.0	17.5 86%
Extraordinary profit	特 別 利 益	-0.2	-0.3	0.1	
Income before income taxes	税 引 前 四 半 期 純 利 益	14.9	7.8	7.1	
Income taxes(Current&Deffered)	法 人 税 等	5.7	3.0	2.7	
Net income	四 半 期 純 利 益	9.1	4.8	4.3	10.5 87%

2. Loans (Average balance)

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

		(JPY billion)			
Item	科目 (Japanese only)	Apr.1 to Dec. 31 2009(a)	(a) - (b)	Apr.1 to Dec. 31 2008(b)	(reference) 1st half of 2009
Loans	貸 出 金	4,385.7	1.3	4,384.4	4,401.5
Corporate loans	事 業 性 貸 出 等	3,295.3	-25.1	3,320.4	3,314.1
under the guarantee by CGA *	う ち 保 証 協 会 保 証 付 貸 出	299.5	32.5	267.0	298.6
Personal loans	個 人 口 ー ン	1,090.4	26.4	1,064.0	1,087.4
Housing loans	住 宅 口 ー ン	782.8	30.2	752.6	778.8
Other loans	そ の 他 口 ー ン	307.6	-3.8	311.4	308.6

* CGA stands for Credit Guarantee Association

2. Deposits (Average balance)

(JPY billion)

Item	科目 (Japanese only)	Apr.1 to Dec. 31 2009(a)		Apr.1 to Dec. 31 2008(b)	(reference) 1st half of 2009
		(a)	(a) - (b)		
Deposits *	預 金 等	5,462.7	146.8	5,315.9	5,461.3
Personal deposits	個 人 預 金	3,762.4	140.8	3,621.6	3,750.5
Corporate deposits	法 人 預 金	1,429.4	19.7	1,409.7	1,428.4
Local government / Financial institutions	公 金 ・ 金 融 預 金	270.9	-13.7	284.6	282.4

* 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 Dec. 31 2009		As of Dec. 31 2008 (b)	(reference) As of Sep. 30 2009
		(a)	(a) - (b)		
Retail assets	個 人 預 り 資 産 残 高	4,722.0	161.1	4,560.9	4,594.7
Personal deposits	個 人 預 金	3,852.0	91.7	3,760.3	3,744.6
Public bonds	公 共 債	268.2	-10.0	278.2	272.1
Investment trust	投 資 信 託	296.3	21.0	275.3	290.2
Annuity insurance	年 金 保 険	251.1	44.0	207.1	236.5
Securities brokerage etc.	証 券 仲 介 他	54.4	14.4	40.0	51.3

* Personal deposits includes NCD

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

(JPY billion)

Item	科目 (Japanese only)	As of Dec. 31 2009		As of Dec. 31 2008 (b)	(reference) As of Sep. 30 2009
		(a)	(a) - (b)		
Other securities	そ の 他 有 価 証 券	-4.8	25.7	-30.5	-8.2
Stocks	株 式	0.1	-1.1	1.0	1.7
Bonds	債 券	17.0	8.3	8.7	13.6
Others	そ の 他	-21.7	18.5	-40.2	-23.5

5. Capital adequacy ratio (Consolidated)

(JPY billion)

Item	科目 (Japanese only)	As of Dec. 31 2009		As of Dec. 31 2008 (b)	(reference) As of Sep. 30 2009
		(a)	(a) - (b)		
Capital adequacy ratio	連 結 自 己 資 本 比 率	11.38%	0.63%	10.75%	11.36%
Tier1 ratio	連 結 Tier1 比 率	7.43%	0.47%	6.96%	7.39%
Amount of Capital	連 結 自 己 資 本 額	425.6	8.7	416.9	420.4
Tier1 capital	連 結 Tier1 額	278.1	8.2	269.9	273.7

6. Capital adequacy ratio (Non-Consolidated)

(JPY billion)

Item	科目 (Japanese only)	As of Dec. 31 2009		As of Dec. 31 2008 (b)	(reference) As of Sep. 30 2009
		(a)	(a) - (b)		
Capital adequacy ratio	単 体 自 己 資 本 比 率	11.65%	0.63%	11.02%	11.64%
Tier1 ratio	単 体 Tier1 比 率	7.35%	0.47%	6.88%	7.31%
Amount of Capital	単 体 自 己 資 本 額	436.7	8.4	428.3	431.7
Tier1 capital	単 体 Tier1 額	275.6	8.1	267.5	271.4

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

(JPY billion)

Item	科目 (Japanese only)	As of Dec. 31 2009		As of Dec. 31 2008	(reference) As of Sep. 30 2009
		(a)	(a) - (b)	(b)	
Total claims under the FRL	不良債権開示額	115.8	-13.7	129.5	120.3
Bankrupt and quasi-bankrupt claims	破産更生債権等	28.5	4.3	24.2	31.2
Doubtful claims	危険債権	62.2	-26.4	88.6	70.0
Substandard claims	要管理債権	25.1	8.4	16.7	19.1
Non-performing loan ratio	不良債権比率	2.58%	-0.27%	2.85%	2.72%

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.