

# The Hiroshima Bank, Ltd.

Financial results for the 1st Quarter of FY2011, ending March 31, 2012 [Japanese GAAP]

Stock exchange listing :	Tokyo ( Code : 8379 )
URL :	http://www.hirogin.co.jp/
Representative :	Isao Sumihiro, President
For inquiry :	Toshio Heya, General manager of Management Planning Division
Filing date of Financial statements :	August 5, 2011
Trading accounts :	Established

## ( Consolidated basis )

### 1. Financial Highlights ( for the 1st quarter, from April 1, to June 30, 2011 )

#### (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.30,2011	31,602	( -10.7 )	8,141	( -1.2 )	5,195	( 5.6 )
Ended Jun.30,2010	35,403	( 5.7 )	8,236	( 151.6 )	4,920	( 42.0 )

( Note ) Comprehensive Income: (a) for the three months ended June 30, 2011 ¥8,157 million (28.6%)

(b) for the three months ended June 30, 2010 ¥6,341 million (-%)

	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 )
	¥	¥
1st Quarter Ended Jun.30,2011	8.42	8.41
Ended Jun.30,2010	7.97	—

#### (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	%	¥
1st Quarter ended June.30,2011	6,574,122	315,701	4.3	461.90
Fiscal Year 2010	6,389,807	309,011	4.4	451.60

( Reference ) Capital assets 1st quarter ended Jun.30,2011 : ¥ 285,173 million Fiscal year 2010 : ¥ 278,745 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 2010	-	2.50	-	2.50	5.00
Fiscal Year 2011	-				
Fiscal Year 2011 (Forecasts)		2.50	-	2.50	5.00

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

### 3. Consolidated Earnings Forecasts for FY 2011, ending March 31, 2012

	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	%	¥
Six months ending September 30, 2011	61,700	( -14.8 )	12,500	( -0.0 )	7,300	( 2.7 )	11.82
Fiscal year ending March 31, 2012	126,000	( -13.2 )	27,300	( 10.7 )	15,700	( 14.0 )	25.43

( 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 specified accounting methods for the preparation of quarterly consolidated financial statements   ••None
- (3) Changes in accounting policies, procedures, presentation rules, etc  
Changes in accounting policies due to revision of accounting standards   ••None  
Changes in accounting policies due to reasons other than   ••None  
Changes in accounting estimates••None  
Restatements ••None

(4) Number of Issued Shares ( Common Stock )

Number of issued shares ( including treasury stock )

June 30, 2011	625,266,342 shares	March 31, 2011	625,266,342 shares
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Number of treasury stock

June 30, 2011	7,868,365 shares	March 31, 2011	8,029,945 shares
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Average number of issued shares

For the three months ended June 30, 2011	617,244,879 shares
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For the three months ended June 30, 2010	617,416,175 shares
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# 【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 first quarter of FY2011 ending March 31, 2012 were as follows ;

Ordinary income decreased by ¥3,801 million from the corresponding period of FY2010 to ¥31,602 million, mainly due to decrease in interest income including interest on loans and decrease in gains on sales of bonds. Ordinary expenses decreased by ¥3,706 million from the corresponding period of FY2010 to ¥23,461 million, mainly due to decrease in interest on deposits, decrease in losses on sales of stocks ,and decrease in credit costs.

As a result, ordinary profit decreased by ¥95 million from the corresponding period of FY2010 to ¥8,141 million, and net income increased by ¥275 million from the corresponding period of FY2010 to ¥5,195 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, 2011 decreased by ¥26 billion from the previous year-end to ¥4,339.0 billion due to decrease in loans.

The balance of deposits ( including NCD ) as of June 30, 2011 increased by ¥130.9 billion from the previous year-end to ¥5,853.6 billion, reflecting increase in personal and corporate deposits.

The balance of securities held increased by ¥43.1 billion from the previous year-end to ¥1,621.8 billion, reflecting increase in Japanese Government Bonds.

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

There are no change to our earning forecasts for FY2011 ending March 31, 2012 released on May 13, 2011.

(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 specified accounting methods for the preparation of quarterly consolidated financial statements

••Not applicable

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

### (4) Additional information

(“Accounting Standard for Accounting Changes and Error Corrections” , “Guidance on Accounting Standard for Accounting Changes and Error Corrections”, and “Practical Guidelines for Accounting Standard for Financial Instruments”)

Hiroshima Bank has adopted “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No.24, issued on December 14,2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections”(ASBJ Guidance No.24, issued on December 14, 2009) for changes in accounting policies and corrections of figures on and after April 1,2011.

Hiroshima Bank records “Gains on reversal of reserve for possible loan losses” and “Recoveries of written-off claims” as “other income”, based on “Practical Guidelines for Accounting Standard for Financial Instruments”(JICPA Audit System Committee Report No.14, revised March 29, 2011). However, the figures for the three months ended June 30, 2010, are stated in the previous method.

(Accounting for the Employee Stock Ownership Plan (ESOP) )

Following a resolution of the Board of Directors at a meeting held on May 13, 2011, Hiroshima Bank decided to introduce a Employees Stock Ownership Plan.

Hiroshima Bank is guaranteeing the ESOP's debt related to the acquisition of the Company's shares and , in accordance with a conservative perspective emphasizing actual economic conditions, Hiroshima Bank and the ESOP trust are treated as a single entity for accounting purposes. With respect to the number of treasury stock, the number of the Company's shares held by the Trust Account has been included in the number of treasury stock. The stock in Hiroshima Bank held by the trust and other assets, liabilities, profits and losses are accounted for in the financial statements.

(Method of evaluation for "available-for-sale securities" )

Because the market prices of floating Japanese Government bonds as of June 30, 2011 cannot be deemed as fair values due to the current market environment, we evaluated such bonds based on reasonable estimates.

This resulted ¥5,248 million increase in balance of "Securities" , ¥2,151 million decrease in balance of "Deferred tax assets" , and ¥3,096 million increase in balance of "Net unrealized holding gains (losses) on securities available for sale".

(5) Going Concern Assumption

None

### 3. Quarterly Consolidated Financial Statements

#### (1) Consolidated Quarterly Balance Sheets

Item	科目 (Japanese only)	As of March 31, 2011	As of June 30, 2011
<b>Assets</b>	( 資 産 の 部 )		
Cash and due from banks	現 金 預 け 金	183,245	141,068
Call loans and bills purchased	コ ー ル ロ ー ン 及 び 買 入 手 形	14,334	240,910
Financial receivables purchased	買 入 金 銭 債 権	8,253	7,932
Trading assets	特 定 取 引 資 産	45,718	44,811
Money held in trust	金 銭 の 信 託	156	155
Securities	有 価 証 券	1,578,777	1,621,835
Loans and bills discounted	貸 出 金	4,365,097	4,339,017
Foreign exchanges	外 国 為 替	9,379	6,181
Other assets	そ の 他 資 産	66,266	55,919
Tangible fixed assets	有 形 固 定 資 産	85,630	85,272
Intangible fixed assets	無 形 固 定 資 産	8,016	7,747
Deffered tax assets	繰 延 税 金 資 産	36,866	34,373
Customer's liabilities for acceptances and guarantees	支 払 承 諾 見 返 金	33,703	32,176
Allowance for possible loan losses	貸 倒 引 当 金	-45,637	-43,279
<b>Total assets</b>	<b>資 産 の 部 合 計</b>	<b>6,389,807</b>	<b>6,574,122</b>
<b>Liabilities</b>	( 負 債 の 部 )		
Deposits	預 金	5,558,790	5,598,091
Negotiable certificates of deposit	譲 渡 性 預 金	163,951	255,546
Deposit received for bonds lending/borrowing transactions	債 券 貸 借 取 引 受 入 担 保 金	8,926	-
Trading liabilities	特 定 取 引 負 債	42,959	42,372
Borrowed money	借 用 金	126,389	112,914
Foreign exchanges	外 国 為 替	644	2,238
Bonds payable	社 債	95,000	95,000
Due to trust account	信 託 勘 定 借 債	98	56
Other liabilities	そ の 他 負 債	30,693	100,452
Allowance for severance and retirement benefits	退 職 給 付 引 当 金	88	73
Reserve for retirement benefits of directors and corporate auditors	役 員 退 職 慰 労 金 引 当 金	9	9
Reserve for reimbursement of dormant deposits	睡 眠 預 金 払 戻 損 失 引 当 金	1,047	1,047
Reserve for point loyalty programs	ポ イ ン ト 引 当 金	114	62
Deffered tax liabilities for land revaluation reserve	再 評 価 に 係 る 繰 延 税 金 負 債	18,380	18,380
Acceptances and guarantees	支 払 承 諾	33,703	32,176
<b>Total liabilities</b>	<b>負 債 の 部 合 計</b>	<b>6,080,796</b>	<b>6,258,421</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	178,277	181,916
Treasury stock	自 己 株 式	-3,278	-3,212
Total stockholders' equity	株 主 資 本 合 計	260,207	263,913
Net unrealized holding gains on securities available for sale	そ の 他 有 価 証 券 評 価 差 額 金	-3,561	-734
Net deffered (gains)losses on hedging instruments, net of tax	繰 延 ヘ ッ ジ 損 益	-1,813	-1,917
Land revaluation reserve, net of tax	土 地 再 評 価 差 額 金	23,912	23,912
Foreign currency translation adjustments	為 替 換 算 調 整 勘 定	0	0
Total accumulated other comprehensive income	そ の 他 の 包 括 利 益 累 計 額 合 計	18,537	21,260
New share reservation rights	新 株 予 約 権	93	115
Minority interests	少 数 株 主 持 分	30,172	30,412
Total net assets	純 資 産 の 部 合 計	309,011	315,701
<b>Total liabilities and net assets</b>	<b>負 債 及 び 純 資 産 の 部 合 計</b>	<b>6,389,807</b>	<b>6,574,122</b>

## (2) Consolidated Quarterly Statements of Income

(JPY million)

Item	科目 (Japanese only)	1st Quarter of FY2010	1st Quarter of FY2011
<b>Ordinary income</b>	<b>経常収益</b>	<b>35,403</b>	<b>31,602</b>
Interest income	資金運用収益	24,173	22,418
Interest on loans and discounts	(うち貸出金利息)	18,944	17,717
Interest and dividends on securities	(うち有価証券利息配当金)	4,933	4,431
Trust fees	信託報酬	39	29
Fees and commissions	役務取引等収益	6,076	5,686
Trading income	特定取引収益	126	40
Other ordinary income	その他業務収益	4,275	2,273
Other income	その他経常収益	711	1,154
<b>Ordinary expenses</b>	<b>経常費用</b>	<b>27,167</b>	<b>23,461</b>
Interest expenses	資金調達費用	3,436	2,808
Interest on deposits	(うち預金利息)	2,053	1,609
Fees and commissions payments	役務取引等費用	2,146	1,822
Other ordinary expenses	その他業務費用	787	957
General and administrative expenses	営業経費	15,485	15,093
Other expenses	その他経常費用	5,310	2,778
<b>Ordinary profit</b>	<b>経常利益</b>	<b>8,236</b>	<b>8,141</b>
<b>Extraordinary income</b>	<b>特別利益</b>	<b>0</b>	<b>-</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	0	-
<b>Extraordinary losses</b>	<b>特別損失</b>	<b>71</b>	<b>5</b>
losses on dispositions of fixed assets	固定資産処分損	12	5
Impairment losses	減損損失	-	0
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	-
<b>Income before income taxes and others</b>	<b>税金等調整前四半期純利益</b>	<b>8,165</b>	<b>8,135</b>
<b>Provision for income taxes and others</b>	<b>法人税、住民税及び事業税</b>	<b>763</b>	<b>2,101</b>
<b>Deferred income taxes</b>	<b>法人税等調整額</b>	<b>2,242</b>	<b>599</b>
<b>Total income taxes</b>	<b>法人税等合計</b>	<b>3,005</b>	<b>2,700</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>5,159</b>	<b>5,434</b>
<b>Minority interests</b>	<b>少数株主利益</b>	<b>239</b>	<b>239</b>
<b>Net income</b>	<b>四半期純利益</b>	<b>4,920</b>	<b>5,195</b>

## (3) Consolidated Quarterly Statements of Comprehensive Income

Item	科目 (Japanese only)	1st Quarter of FY2010	1st Quarter of FY2011
<b>Income before minority interests</b>	<b>少数株主損益調整前四半期純利益</b>	<b>5,159</b>	<b>5,434</b>
<b>Other comprehensive income</b>			
Net unrealized holdings gains on securities available for sale	その他有価証券評価差額金	1,541	2,828
Net deferred (gains) losses on hedge instruments, net of tax	繰延ヘッジ損益	-359	-104
Foreign currency translation adjustments	為替換算調整勘定	0	0
Share of other comprehensive income of associates accounted for by equity method	持分法適用会社に対する持分相当額	-1	-1
Total other comprehensive income	その他の包括利益	1,181	2,722
<b>Total comprehensive income</b>	<b>四半期包括利益</b>	<b>6,341</b>	<b>8,157</b>
Comprehensive income attributable to shareholders of the parent	親会社株主に係る四半期包括利益	6,101	7,918
Comprehensive income attributable to minority interests	少数株主に係る四半期包括利益	239	239

## 【Supplementary Information】

For Financial results for the 1st Quarter of FY2011, ending March 31, 2012

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

#### 【Core banking profit】

Core banking profit decreased by ¥0.7 billion compared with the corresponding period of previous fiscal year. Core gross banking profit decreased by ¥1.0 billion compared with the corresponding period of the previous year, mainly due to decrease in interest income.

Expenses decreased by ¥0.3 billion compared with the corresponding period of previous fiscal year to ¥14.6 billion.

#### 【Ordinary profit】

Ordinary profit is the same as the previous fiscal year. Net income increased by ¥0.3 billion compared with the corresponding period of previous fiscal year to ¥5.1 billion.

		(JPY billion)				
(Japanese)		For the 3 months ended June.30, 2011	For the 3 months ended Jun.30, 2010	(A)-(B)	FY2011(C) (Announced (A) / (C) projection)	
		(A)	(B)			
Interest income(net)	資 金 利 益	19.4	20.5	-1.1		
Fees and commissions(net)	役 務 取 引 等 利 益	3.8	3.8	0.0		
Trading income(net)	特 定 取 引 利 益	0.0	0.1	-0.1		
Other operating income(net)	そ の 他 業 務 利 益	0.7	0.5	0.2		
<b>Core gross banking profit</b>	<b>コ ア 業 務 粗 利 益</b>	<b>23.9</b>	<b>24.9</b>	<b>-1.0</b>		
(-)General and administrative expense	経 費	14.6	14.9	-0.3		
<b>Core banking profit</b>	<b>コ ア 業 務 純 益</b>	<b>9.3</b>	<b>10.0</b>	<b>-0.7</b>		
Gains(Losses) from securities	債 券 関 係 損 益	0.7	2.9	-2.2		
<b>Real Banking Profit</b>	<b>実 質 業 務 純 益</b>	<b>10.0</b>	<b>12.9</b>	<b>-2.9</b>	<b>18.1</b>	<b>55%</b>
(-)Credit costs	与 信 費 用	0.1	2.0	-1.9		
Gains(Losses) on stocks	株 式 関 係 損 益	-1.4	-2.5	1.1		
<b>Ordinary profit</b>	<b>経 常 利 益</b>	<b>7.8</b>	<b>7.8</b>	<b>0.0</b>	<b>11.8</b>	<b>66%</b>
<b>Extraordinary profit</b>	<b>特 別 利 益</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
<b>Income before income taxes</b>	<b>税 引 前 四 半 期 純 利 益</b>	<b>7.8</b>	<b>7.8</b>	<b>0.0</b>		
Income taxes(Current&Deffered)	法 人 税 等	2.7	3.0	-0.3		
<b>Net income</b>	<b>四 半 期 純 利 益</b>	<b>5.1</b>	<b>4.8</b>	<b>0.3</b>	<b>7.1</b>	<b>72%</b>

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

		(JPY billion)				
Item	科目 (Japanese only)	As of Jun. 30 2011		As of Jun.30 2010	(reference) As of Mar.31 2011	
		(a)	(a) - (b)	(b)		
<b>Loans</b>	貸 出 金	4,339.0	11.8	4,327.2		4,365.0
Corporate loans	事 業 性 貸 出 等	3,231.5	11.9	3,219.6		3,253.5
Personal loans	個 人 口 一 ン	1,107.5	-0.1	1,107.6		1,111.5
Housing loans	住 宅 口 一 ン	804.7	-4.3	809.0		808.1
Other loans	そ の 他 口 一 ン	302.8	4.2	298.6		303.4

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

(JPY billion)

Item	科目 (Japanese only)	As of Jun. 30 2011		As of Jun.30 2010 (b)	(reference) As of Mar.31 2011
		(a)	(a) - (b)		
<b>Deposits *</b>	預 金 等	5,855.5	237.1	5,618.4	5,724.9
Personal deposits	個 人 預 金	3,956.9	98.2	3,858.7	3,870.0
Corporate deposits	法 人 預 金	1,610.6	85.8	1,524.8	1,548.6
Local government / Financial institutions	公 金 ・ 金 融 預 金	288.0	53.1	234.9	306.3

\* Deposits include NCD

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

(JPY billion)

Item	科目 (Japanese only)	As of Jun. 30 2011		As of Jun.30 2010 (b)	(reference) As of Mar.31 2011
		(a)	(a) - (b)		
<b>Retail assets</b>	個 人 預 り 資 産 残 高	4,899.4	128.7	4,770.7	4,805.8
Personal deposits *	個 人 預 金	3,956.9	98.2	3,858.7	3,870.0
Public bonds	公 共 債	234.3	-29.2	263.5	244.1
Investment trust	投 資 信 託	306.9	4.2	302.7	303.5
Insurance	保 險	339.5	44.2	295.3	330.3
Securities brokerage etc.	証 券 仲 介 他	61.8	11.3	50.5	57.9

\* Personal deposits include NCD

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

(JPY billion)

Item	科目 (Japanese only)	As of Jun.30 2011		As of Jun.30 2010 (b)	(reference) As of Mar.31 2011
		(a)	(a) - (b)		
<b>Other securities</b>	そ の 他 有 価 証 券	-1.3	-5.3	4.0	-6.1
Stocks	株 式	-2.6	0.8	-3.4	-3.3
Bonds	債 券	13.8	-13.4	27.2	10.1
Others	そ の 他	-12.5	7.3	-19.8	-12.9

### 6. Capital adequacy ratio (Consolidated)

(JPY billion)

Item	科目 (Japanese only)	As of Jun.30 2011		As of Jun.30 2010 (b)	(reference) As of Mar.31 2011
		(a)	(a) - (b)		
<b>Capital adequacy ratio</b>	連 結 自 己 資 本 比 率	11.87%	0.52%	11.35%	11.66%
Tier1 ratio	連 結 Tier1 比 率	8.26%	0.46%	7.80%	8.07%
<b>Amount of Capital</b>	連 結 自 己 資 本 額	422.6	11.4	411.2	417.5
Tier1 capital	連 結 Tier1 額	294.0	11.1	282.9	288.7

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

(JPY billion)

Item	科目 (Japanese only)	As of Jun.30 2011		As of Jun.30 2010 (b)	(reference) As of Mar.31 2011
		(a)	(a) - (b)		
<b>Capital adequacy ratio</b>	単 体 自 己 資 本 比 率	12.15%	0.52%	11.63%	11.94%
Tier1 ratio	単 体 Tier1 比 率	8.15%	0.44%	7.71%	7.96%
<b>Amount of Capital</b>	単 体 自 己 資 本 額	433.4	11.2	422.2	428.3
Tier1 capital	単 体 Tier1 額	290.8	10.6	280.2	285.6



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

(JPY billion)

Item	科目 (Japanese only)	As of Jun. 30 2011		As of Jun.30 2010	(reference) As of Mar.31 2011
		(a)	(a) - (b)	(b)	
<b>Total claims under the FRL</b>	不良債権開示額	109.9	-2.1	112.0	115.8
Bankrupt and quasi-bankrupt claims	破産更生債権等	21.0	-5.5	26.5	20.2
Doubtful claims	危険債権	63.2	0.3	62.9	70.5
Substandard claims	要管理債権	25.7	3.1	22.6	25.2
<b>Non-performing loan ratio</b>	不良債権比率	2.48%	-0.05%	2.53%	2.60%

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.