

Financial Results for Fiscal 2012
(From April 1, 2012 to March 31, 2013)

THE HIROSHIMA BANK, LTD.

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Consolidated Financial Information for Fiscal 2012

1. Consolidated Balance Sheets

Item	Millions of yen	
	As of March 31, 2012	As of March 31, 2013
ASSETS		
Cash and due from banks	¥ 139,329	¥ 153,183
Call loans and bills purchased	14,033	17,720
Financial receivables purchased	6,072	4,887
Trading assets	32,046	15,585
Money held in trust	156	156
Securities	1,813,177	2,060,603
Loans and bills discounted	4,467,066	4,645,163
Foreign exchanges	4,471	4,599
Other assets	59,257	58,483
Tangible fixed assets	84,833	84,698
Intangible fixed assets	8,242	8,405
Deferred tax assets	28,693	13,443
Customers' liabilities for acceptances and guarantees	38,159	40,644
Reserve for possible loan losses	(44,864)	(45,928)
Total Assets	¥6,650,677	¥7,061,647
LIABILITIES AND NET ASSETS		
Liabilities		
Deposits	¥5,762,456	¥5,930,851
Negotiable certificates of deposit	125,870	200,799
Call money and bills sold	22,552	33,695
Deposits received for bonds lending / borrowing transactions	83,516	141,426
Trading liabilities	29,805	13,212
Borrowed money	132,110	155,263
Foreign exchanges	597	350
Bonds	70,000	70,000
Due to trust account	67	64
Other liabilities	40,744	91,452
Allowance for severance and retirement benefits	70	68
Reserve for retirement benefits of directors and corporate auditors	13	20
Reserve for reimbursement of deposits	1,084	1,248
Reserve for point loyalty programs	72	67
Deferred tax liabilities for land revaluation reserve	16,141	16,130
Acceptances and guarantees	38,159	40,644
Total liabilities	¥6,323,265	¥6,695,296
Net Assets		
Common stock	¥ 54,573	¥ 54,573
Capital surplus	30,635	30,635
Retained earnings	188,989	202,865
Common stock in treasury	(2,882)	(2,204)
Total stockholders' equity	271,316	285,869
Net unrealized holding gains on securities available for sale	1,570	25,809
Net deferred losses on hedging instruments, net of tax	(2,001)	(1,874)
Land revaluation reserve, net of tax	26,152	26,132
Foreign currency translation adjustments	(0)	(0)
Total accumulated other comprehensive income	25,721	50,067
Subscription rights to shares	202	241
Minority interests	30,172	30,172
Total net assets	327,411	366,351
Total liabilities and net assets	¥6,650,677	¥7,061,647

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Item	Millions of yen	
	FY2011	FY2012
Operating income	¥130,151	¥132,381
Interest income	89,133	86,953
Interest on loans and discounts	70,463	68,192
Interest and dividends on securities	17,186	16,946
Trust fees	121	108
Fees and commissions	24,513	24,741
Trading income	443	582
Other operating income	11,547	11,640
Other income	4,391	8,353
Operating expenses	102,358	100,173
Interest expenses	11,175	9,997
Interest on deposits	5,767	4,637
Fees and commissions	9,107	8,903
Other operating expenses	4,228	4,043
General and administrative expenses	59,892	56,713
Other expenses	17,955	20,514
Operating profits	27,793	32,207
Extraordinary gains	—	102
Extraordinary losses	201	466
Losses on dispositions of fixed assets	189	248
Impairment losses	11	217
Income before income taxes and others	27,591	31,844
Provision for income taxes and others	8,086	11,950
Deferred income taxes	4,685	1,530
Total income taxes	12,771	13,481
Income before minority interests	14,819	18,362
Minority interests	957	957
Net income	¥ 13,862	¥ 17,405

Consolidated Statements of Comprehensive Income

Item	Millions of yen	
	FY2011	FY2012
Income before minority interests	¥14,819	¥18,362
Other comprehensive income	7,183	24,365
Net unrealized holding gains on securities available for sale	5,129	24,238
Net deferred (gains) losses on hedging	(188)	127
Land revaluation reserve, net of tax	2,239	(0)
Foreign currency translation adjustment for affiliated company accounted for the equity-method	(0)	0
Amount equivalent to interest	3	0
Comprehensive income	22,003	42,728
Comprehensive income attributable to owners of the parent	21,046	41,771
Comprehensive income attributable to minority interests	957	957

3. Consolidated Statements of Stockholders' Equity

Item	Millions of yen	
	FY2011	FY2012
STOCKHOLDERS' EQUITY		
Common stock		
Balance at the start of current period	¥ 54,573	¥ 54,573
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	¥ 54,573	¥ 54,573
Capital surplus		
Balance at the start of current period	¥ 30,635	¥ 30,635
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	¥ 30,635	¥ 30,635
Retained earnings		
Balance at the start of current period	¥178,277	¥188,989
Changes of items during the period		
Dividends from surplus	(3,088)	(3,404)
Net income	13,862	17,405
Disposal of common stock in treasury	(61)	(145)
Reversal of land revaluation reserve, net of tax	0	19
Total changes of items during the period	10,712	13,875
Balance at the end of current period	¥188,989	¥202,865
Common stock in treasury		
Balance at the start of current period	¥ (3,278)	¥ (2,882)
Changes of items during the period		
Purchases of common stock in treasury	(40)	(51)
Disposal of common stock in treasury	436	729
Total changes of items during the period	396	677
Balance at the end of current period	¥ (2,882)	¥ (2,204)
Total stockholders' equity		
Balance at the start of current period	¥260,207	¥271,316
Changes of items during the period		
Dividends from surplus	(3,088)	(3,404)
Net income	13,862	17,405
Purchases of common stock in treasury	(40)	(51)
Disposal of common stock in treasury	374	584
Reversal of land revaluation reserve, net of tax	0	19
Total changes of items during the period	11,108	14,553
Balance at the end of current period	¥271,316	¥285,869
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Net unrealized holding gains (losses) on securities available for sale		
Balance at the start of current period	¥ (3,561)	¥ 1,570
Changes of items during the period		
Net changes of items other than stockholders' equity	5,132	24,238
Total changes of items during the period	5,132	24,238
Balance at the end of current period	¥ 1,570	¥ 25,809

Item	Millions of yen	
	FY2011	FY2012
Net deferred losses on hedging instruments, net of tax		
Balance at the start of current period	¥ (1,813)	¥ (2,001)
Changes of items during the period		
Net changes of items other than stockholders' equity	(188)	127
Total changes of items during the period	(188)	127
Balance at the end of current period	¥ (2,001)	¥ (1,874)
Land revaluation reserve, net of tax		
Balance at the start of current period	¥ 23,912	¥ 26,152
Changes of items during the period		
Net changes of items other than stockholders' equity	2,239	(19)
Total changes of items during the period	2,239	(19)
Balance at the end of current period	¥ 26,152	¥ 26,132
Foreign currency translation adjustments		
Balance at the start of current period	¥ (0)	¥ (0)
Changes of items during the period		
Net changes of items other than stockholders' equity	(0)	0
Total changes of items during the period	(0)	0
Balance at the end of current period	¥ (0)	¥ (0)
Total accumulated other comprehensive income		
Balance at the start of current period	¥ 18,537	¥ 25,721
Changes of items during the period		
Net changes of items other than stockholders' equity	7,183	24,346
Total changes of items during the period	7,183	24,346
Balance at the end of current period	¥ 25,721	¥ 50,067
SUBSCRIPTION RIGHTS TO SHARES		
Balance at the start of current period	¥ 93	¥ 202
Changes of items during the period		
Net changes of items other than stockholders' equity	108	39
Total changes of items during the period	108	39
Balance at the end of current period	¥ 202	¥ 241
MINORITY INTERESTS		
Balance at the start of current period	¥ 30,172	¥ 30,172
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	¥ 30,172	¥ 30,172
TOTAL NET ASSETS		
Balance at the start of current period	¥309,011	¥327,411
Changes of items during the period		
Dividends from surplus	(3,088)	(3,404)
Net income	13,862	17,405
Purchases of common stock in treasury	(40)	(51)
Disposal of common stock in treasury	374	584
Reversal of land revaluation reserve, net of tax	0	19
Net changes of items other than stockholders' equity	7,291	24,386
Total changes of items during the period	18,400	38,939
Balance at the end of current period	¥327,411	¥366,351

Non-Consolidated Financial Information for Fiscal 2012

1. Non-Consolidated Balance Sheets

Item	Millions of yen	
	As of March 31, 2012	As of March 31, 2013
ASSETS		
Cash and due from banks	¥ 139,329	¥ 153,163
Call loans	14,033	17,720
Financial receivables purchased	6,072	4,887
Trading assets	32,046	15,585
Money held in trust	156	156
Securities	1,812,950	2,064,280
Loans and bills discounted	4,467,066	4,645,163
Foreign exchanges	4,471	4,599
Other assets	58,723	57,329
Tangible fixed assets	84,807	84,679
Intangible fixed assets	8,230	8,392
Deferred tax assets	28,611	14,169
Customers' liabilities for acceptances and guarantees	38,159	40,644
Reserve for possible loan losses	(44,808)	(45,842)
Reserve for investment losses	—	(5,359)
Total Assets	¥6,649,852	¥7,059,572
LIABILITIES AND NET ASSETS		
Liabilities		
Deposits	¥5,764,606	¥5,932,538
Negotiable certificates of deposit	126,010	200,964
Call money	22,552	33,695
Deposits received for bonds lending/borrowing transactions	83,516	141,426
Trading liabilities	29,805	13,212
Borrowed money	162,810	185,963
Foreign exchanges	597	350
Bonds	70,000	70,000
Due to trust account	67	64
Other liabilities	40,780	91,432
Reserve for reimbursement of deposits	1,084	1,248
Reserve for point loyalty programs	72	67
Deferred tax liabilities for land revaluation reserve	16,141	16,130
Acceptances and guarantees	38,159	40,644
Total liabilities	¥6,356,205	¥6,727,738
Net Assets		
Common stock	¥ 54,573	¥ 54,573
Capital surplus	30,634	30,634
Capital reserve	30,634	30,634
Retained earnings	185,303	198,520
Legal earned reserve	40,153	40,153
Other retained earnings	145,150	158,366
Voluntary reserve	131,604	141,604
Earned surplus brought forward	13,546	16,762
Common stock in treasury	(2,776)	(2,191)
Total stockholders' equity	267,736	281,537
Net unrealized holding gains on securities available for sale	1,558	25,796
Net deferred losses on hedging instruments, net of taxes	(2,001)	(1,874)
Land revaluation reserve, net of tax	26,152	26,132
Total valuation and translation adjustments	25,708	50,054
Subscription rights to shares	202	241
Total net assets	293,646	331,834
Total liabilities and net assets	¥6,649,852	¥7,059,572

2. Non-Consolidated Statements of Income

Item	Millions of yen	
	FY2011	FY2012
Operating income	¥128,875	¥131,738
Interest income	89,135	87,016
Interest on loans and discounts	70,463	68,192
Interest and dividends on securities	17,188	17,008
Trust fees	121	108
Fees and commissions	23,527	24,034
Trading income	443	582
Other operating income	11,547	11,640
Other income	4,098	8,355
Operating expenses	102,678	102,084
Interest expense	12,158	10,962
Interest on deposits	5,767	4,637
Fees and commissions	8,606	8,699
Other operating expenses	4,228	4,043
General and administrative expenses	59,745	56,534
Other expenses	17,940	21,844
Operating profits	26,197	29,653
Extraordinary gains	—	102
Extraordinary losses	174	465
Income before income taxes and others	26,022	29,290
Provision for income taxes and others	7,989	11,824
Deferred income taxes	4,644	722
Total income taxes	12,633	12,547
Net income	¥ 13,389	¥ 16,743

3. Non-Consolidated Statements of Stockholders' Equity

Item	Millions of yen	
	FY2011	FY2012
STOCKHOLDERS' EQUITY		
Common stock		
Balance at the start of current period	¥ 54,573	¥ 54,573
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	¥ 54,573	¥ 54,573
Capital surplus		
Capital reserve		
Balance at the start of current period	¥ 30,634	¥ 30,634
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	¥ 30,634	¥ 30,634
Total capital surplus		
Balance at the start of current period	¥ 30,634	¥ 30,634
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	¥ 30,634	¥ 30,634
Retained earnings		
Legal earned		
Balance at the start of current period	¥ 40,153	¥ 40,153
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	¥ 40,153	¥ 40,153
Other retained earnings		
Voluntary reserve		
Balance at the start of current period	¥121,604	¥131,604
Changes of items during the period		
Voluntary reserve	10,000	10,000
Total changes of items during the period	10,000	10,000
Balance at the end of current period	¥131,604	¥141,604
Earned surplus brought forward		
Balance at the start of current period	¥ 13,307	¥ 13,546
Changes of items during the period		
Dividends from surplus	(3,088)	(3,404)
Voluntary reserve	(10,000)	(10,000)
Net income	13,389	16,743
Disposal of common stock in treasury	(61)	(141)
Reversal of land revaluation reserve, net of tax	0	19
Total changes of items during the period	239	3,216
Balance at the end of current period	¥ 13,546	¥ 16,762
Total retained earnings		
Balance at the start of current period	¥175,064	¥185,303
Changes of items during the period		
Dividends from surplus	(3,088)	(3,404)
Voluntary reserve	—	—
Net income	13,389	16,743
Disposal of common stock in treasury	(61)	(141)
Reversal of land revaluation reserve, net of tax	0	19
Total changes of items during the period	10,239	13,216
Balance at the end of current period	¥185,303	¥198,520
Common stock in treasury		
Balance at the start of current period	¥ (3,172)	¥ (2,776)
Changes of items during the period		
Purchases of common stock in treasury	(40)	(11)
Disposal of common stock in treasury	436	596
Total changes of items during the period	396	585
Balance at the end of current period	¥ (2,776)	¥ (2,191)

Item	Millions of yen	
	FY2011	FY2012
Total stockholders' equity		
Balance at the start of current period	¥257,100	¥267,736
Changes of items during the period		
Dividends from surplus	(3,088)	(3,404)
Net income	13,389	16,743
Purchases of common stock in treasury	(40)	(11)
Disposal of common stock in treasury	374	454
Reversal of land revaluation, net of tax	0	19
Total changes of items during the period	10,635	13,801
Balance at the end of current period	¥267,736	¥281,537
VALUATION AND TRANSLATION ADJUSTMENTS		
Net unrealized gains (losses) on securities available for sale, net of taxes		
Balance at the start of current period	¥ (3,570)	¥ 1,558
Changes of items during the period		
Net changes of items other than stockholders' equity	5,129	24,238
Total changes of items during the period	5,129	24,238
Balance at the end of current period	¥ 1,558	¥25,796
Net deferred gains (losses) on hedging instruments, net of taxes		
Balance at the start of current period	¥ (1,813)	¥ (2,001)
Changes of items during the period		
Net changes of items other than stockholders' equity	(188)	127
Total changes of items during the period	(188)	127
Balance at the end of current period	¥ (2,001)	¥ (1,874)
Land valuation and translation adjustments, net of tax		
Balance at the start of current period	¥ 23,912	¥ 26,152
Changes of items during the period		
Net changes of items other than stockholders' equity	2,239	(19)
Total changes of items during the period	2,239	(19)
Balance at the end of current period	¥ 26,152	¥ 26,132
Total valuation and translation adjustments		
Balance at the start of current period	¥ 18,528	¥ 25,708
Changes of items during the period		
Net changes of items other than stockholders' equity	7,179	24,346
Total changes of items during the period	7,179	24,346
Balance at the end of current period	¥ 25,708	¥ 50,054
SUBSCRIPTION RIGHTS TO SHARES		
Balance at the start of current period	¥ 93	¥ 202
Changes of items during the period		
Net changes of items other than shareholders' equity	108	39
Total changes of item during the period	108	39
Balance at the end of current period	¥ 202	¥ 241
TOTAL NET ASSETS		
Balance at the start of current period	¥275,723	¥293,646
Changes of items during the period		
Dividends from surplus	(3,088)	(3,404)
Net income	13,389	16,743
Purchases of common stock in treasury	(40)	(11)
Disposal of common stock in treasury	374	454
Reversal of land revaluation, net of tax	0	19
Net changes of items other than stockholders' equity	7,288	24,386
Total changes of items during the period	17,923	38,187
Balance at the end of current period	¥293,646	¥331,834

Financial Data for Fiscal 2012

1. Income Status

(Non-Consolidated)

Item	Millions of yen		
	FY2012 (A)	(A) - (B)	FY2011 (B)
Gross banking profit	¥99,677	¥ (107)	¥99,784
Core gross banking profit	93,934	(1,190)	95,124
Domestic gross banking profit	90,870	(462)	91,332
Core gross banking profit	85,558	(1,852)	87,410
Interest income	70,172	(1,940)	72,112
Fees and commissions	15,049	435	14,614
Trading income	147	(2)	149
Other operating income	5,500	1,043	4,457
Gains (losses) from securities	5,311	1,389	3,922
International gross banking profit	8,807	356	8,451
Core gross banking profit	8,375	661	7,714
Interest income	5,882	1,017	4,865
Fees and commissions	393	(36)	429
Trading income	434	141	293
Other operating income	2,096	(766)	2,862
Gains (losses) from securities	431	(306)	737
Expenses	55,052	(2,762)	57,814
Personnel expenses	29,267	(924)	30,191
Non-personnel expenses	23,232	(1,767)	24,999
Taxes	2,553	(70)	2,623
Banking profit (before transfer to general reserve for possible loan losses)	44,624	2,655	41,969
Core banking profit *1	38,881	1,572	37,309
Transfer to general reserve for possible loan losses (i)	(192)	1,232	(1,424)
Banking profit (after transfer to general reserve for possible loan losses) *2	44,817	1,423	43,394
Gains (losses) on bonds	5,743	1,084	4,659
Gains on sales of bonds	9,786	898	8,888
Losses on sales of bonds	3,630	17	3,613
Write-off amount of bonds	413	(201)	614
Non-recurrent gains (losses)	(15,163)	2,033	(17,196)
Gains (losses) on stocks	(1,244)	3,777	(5,021)
Gains on sales of stocks	5,420	3,449	1,971
Losses on sales of stocks	5,560	827	4,733
Write-off amount of stocks	1,104	(1,155)	2,259
Gains (losses) from securities	4,498	4,859	(361)
Disposal of non-performing loans (ii)	8,534	(2,039)	10,573
Write-off amount of loans	3,512	1,121	2,391
Net transfer to specific reserve for possible loan losses	4,608	455	4,153
Losses on sales of loans to credit	494	(3,779)	4,273
Reversal of reserve for possible loan losses	—	—	—
Recoveries of written-off claims	80	(164)	244
Credit cost ((i) + (ii))	8,342	(807)	9,149
Other non-recurrent gains (losses)	(5,384)	(3,782)	(1,602)
Operating profits	29,653	3,456	26,197
Extraordinary gains (losses)	(363)	(189)	(174)
Net gains (losses) from fixed assets	(363)	(189)	(174)
Gains on dispositions of fixed assets	102	102	—
Losses on dispositions of fixed assets	248	86	162
Impairment losses	217	206	11
Income before income taxes and others	29,290	3,268	26,022
Provision for income taxes and others	11,824	3,835	7,989
Deferred income taxes	722	(3,922)	4,644
Net income taxes	12,547	(86)	12,633
Net income	¥16,743	¥3,354	¥13,389

Notes 1. Core banking profit excludes gains/ (losses) from securities, transfer to general reserve for possible loan losses.

2. Banking profit excludes transfer to general reserve for possible loan losses.

(Consolidated)

Item	Millions of yen		
	FY2012 (A)	(A) - (B)	FY2011 (B)
Consolidated gross banking profit	¥101,082	¥ (167)	¥101,249
Interest income	76,956	(1,002)	77,958
Fees and commissions	15,945	417	15,528
Trading income	582	139	443
Other operating income	7,597	278	7,319
General and administrative expenses	56,713	(3,179)	59,892
Credit cost	8,379	(783)	9,162
Write-off amount of loans	3,512	1,121	2,391
Net transfer to specific reserve for possible loan losses	4,639	475	4,164
Net transfer to general reserve for possible loan losses	(192)	1,232	(1,424)
Losses on sales of loans to credit	499	(3,777)	4,276
Reversal of reserve for possible loan losses	—	—	—
Recoveries of write-off claims	80	(164)	244
Gains (losses) on stocks	(1,244)	3,777	(5,021)
Equity in gains (losses) of affiliated companies	(3,991)	(4,278)	287
Others	1,454	1,123	331
Operating profits	32,207	4,414	27,793
Extraordinary gains (losses)	(363)	(162)	(201)
Income before income taxes and others	31,844	4,253	27,591
Provision for income taxes and others	11,950	3,864	8,086
Deferred income taxes	1,530	(3,155)	4,685
Net income taxes	13,481	710	12,771
Income before minority interests	18,362	3,543	14,819
Minority interests	957	—	957
Net income	¥ 17,405	¥3,543	¥ 13,862

Note: Consolidated gross banking profit = (Interest income - Interest expenses) + (Fees and commissions income - Fees and commissions expenses) + (Trading income - Trading expenses) + (Other operating income - Other operating expenses)

[Reference: Consolidated Core Banking Profit]

Item	Millions of yen		
	FY2012 (A)	(A) - (B)	FY2011 (B)
Consolidated core banking profit	¥40,113	¥1,478	¥38,635

Note: Consolidated core banking profit = Consolidated gross banking profit - Expenses - gains/ (losses) from securities

[Reference: Number of Consolidated Subsidiaries]

Item	Number of companies		
	FY2012 (A)	(A) - (B)	FY2011 (B)
Number of consolidated subsidiaries	6	—	6
Number of affiliated companies applicable to the equity method	5	—	5

2. Banking Profit

(Non-Consolidated)

Item	Millions of yen		
	FY2012 (A)	(A) - (B)	FY2011 (B)
Core banking profit	¥38,881	¥1,572	¥37,309
Per head (in thousands of yen)	12,891	778	12,113
Banking profit (before transfer to general reserve for possible loan losses)	44,624	2,655	41,969
Per head (in thousands of yen)	14,795	1,169	13,626
Banking profit	44,817	1,423	43,394
Per head (in thousands of yen)	¥14,859	771	¥14,088

3. Interest Rate Spread [Domestic Operations]

(Non-Consolidated)

Item	%		FY2011 (B)
	FY2012 (A)	(A) - (B)	
Average yield on interest earnings assets (i)	1.27	(0.09)	1.36
Average yield on loans and bills discounted	1.51	(0.09)	1.60
Average yield on securities	0.79	(0.14)	0.93
Average yield on interest bearing liabilities (ii)	1.02	(0.10)	1.12
Average yield on deposits and negotiable certificates of deposit	0.07	(0.02)	0.09
Average interest rate spread on loans and deposits	0.52	—	0.52
Average interest rate spread ((i) - (ii))	0.25	0.01	0.24

4. Gains and Losses on Securities

(Non-Consolidated)

Item	Millions of yen		
	FY2012 (A)	(A) - (B)	FY2011 (B)
Gains (losses) on bonds (National government bonds, etc.)	¥5,743	¥1,084	¥4,659
Gains on sales	9,786	898	8,888
Losses on sales	3,630	17	3,613
Write-offs	413	(201)	614

Item	Millions of yen		
	FY2012 (A)	(A) - (B)	FY2011 (B)
Gains (losses) on stocks	¥(1,244)	¥3,777	¥(5,021)
Gains on sales	5,420	3,449	1,971
Losses on sales	5,560	827	4,733
Write-offs	1,104	(1,155)	2,259

5. Capital Adequacy Ratio

(Non-Consolidated)

Item	Billions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Capital adequacy ratio	12.10%	0.04%	12.06%
Tier I capital adequacy ratio	8.45%	0.18%	8.27%
Tier I (i)	309.9	13.5	296.4
Tier II (ii)	133.9	(2.5)	136.4
Land revaluation reserve included as qualifying capital	19.0	—	19.0
Subordinated loans (bonds)	92.0	(3.0)	95.0
Deduction (iii)	—	(0.7)	0.7
Investment in the capital of other financial institutions	—	—	—
Capital ((i) + (ii) - (iii))	443.8	11.7	432.1
Risk assets	3,666.5	85.9	3,580.6
Total required capital	¥ 146.6	¥ 3.4	¥ 143.2

Total required capital = (Value of the denominator used in the capital adequacy ratio formula) × 4%

(Consolidated)

Item	Billions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Capital adequacy ratio	11.94%	0.15%	11.79%
Tier I capital adequacy ratio	8.57%	0.18%	8.39%
Tier I (i)	314.2	14.3	299.9
Tier II (ii)	133.9	(2.4)	136.3
Land revaluation reserve included as qualifying capital	19.0	—	19.0
Subordinated loans	92.0	(3.0)	95.0
Deduction (iii)	10.2	(4.7)	14.9
Investment in the capital of other financial institutions	10.2	(3.9)	14.1
Capital ((i) + (ii) - (iii))	437.9	16.5	421.4
Risk assets	3,665.5	92.2	3,573.3
Total required capital	¥ 146.6	¥ 3.7	¥ 142.9

Total required capital = (Value of the denominator used in the capital adequacy ratio formula) × 4%

Outlier Measurement

Item	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Outlier measurement	4.1%	(5.4)%	9.5%

Measurement = Percentile method

6. Return on Equity

(Non-Consolidated)

Item	%		
	FY2012 (A)	(A) - (B)	FY2011 (B)
Core banking profit basis	12.44	(0.67)	13.11
Banking profit basis (before transfer to general reserve for possible loan losses)	14.27	(0.48)	14.75
Banking profit basis	14.34	(0.91)	15.25
Net income basis	5.35	0.65	4.70

ROE = $\frac{\text{Core banking profit (Banking profit (before transfer to general reserve for possible loan losses) or (Banking profit) or (Net income))}{(\text{Net assets at beginning of period excludes subscription rights to shares} + \text{Net assets at term-end excludes subscription rights to shares})/2}$

7. Deferred Tax Assets

(Non-Consolidated)

Item	Millions of yen	
	FY2012	FY2011
Breakdown of cause of deferred tax assets and liabilities		
Deferred tax assets		
Reserve for possible loan losses	¥25,813	¥26,392
Write-down of securities	1,035	2,048
Depreciation	933	843
Others	6,378	4,795
Deferred tax assets	34,160	34,079
Valuation allowance	(2,229)	(942)
Subtotal deferred tax assets	31,931	33,137
Deferred tax liability		
Allowance for severance and retirement benefits	(3,573)	(2,643)
Losses and gains on securities contributed to severance and retirement benefit trust	(1,098)	(1,728)
Net unrealized holding gains on securities	(13,089)	(154)
Subtotal deferred tax liability	(17,761)	(4,525)
Net deferred tax assets	¥14,169	¥28,611

(Consolidated)

Item	Millions of yen	
	FY2012	FY2011
Breakdown of cause of deferred tax assets and liabilities		
Deferred tax assets		
Reserve for possible loan losses	¥25,845	¥26,413
Write-down of securities	1,035	2,048
Depreciation	933	843
Others	5,619	4,855
Deferred tax assets	33,434	34,161
Valuation allowance	(2,229)	(942)
Subtotal deferred tax assets	31,205	33,219
Deferred tax liability		
Allowance for severance and retirement benefits	(3,573)	(2,643)
Losses and gains on securities contributed to severance and retirement benefit trust	(1,098)	(1,728)
Net unrealized holding gains on securities	(13,089)	(154)
Subtotal deferred tax liability	(17,761)	(4,525)
Net deferred tax assets	¥13,443	¥28,693

8. Market Value of Securities

(Consolidated)

Held to maturity securities: Not applicable.

[Other Securities]

Item	Millions of yen		
	As of March 31, 2013		
	Consolidated balance sheet amount (A)	Acquisition cost (B)	Net unrealized gains (losses) (A) - (B)
Other securities with unrealized gains			
Stocks	¥ 51,582	¥ 31,838	¥19,744
Bonds	1,363,613	1,342,944	20,669
National government bonds	1,057,108	1,044,683	12,425
Local government bonds	154,908	149,683	5,225
Corporate bonds	151,596	148,577	3,018
Others	253,223	239,491	13,732
Subtotal	1,668,419	1,614,273	54,145
Other securities with unrealized losses			
Stocks	36,186	43,320	(7,133)
Bonds	214,936	215,473	(537)
National government bonds	199,718	199,787	(69)
Local government bonds	—	—	—
Corporate bonds	15,218	15,686	(467)
Others	133,079	139,253	(6,174)
Subtotal	384,201	398,047	(13,845)
Total	¥2,052,621	¥2,012,321	¥40,300

Item	Millions of yen		
	As of March 31, 2012		
	Consolidated balance sheet amount (A)	Acquisition cost (B)	Net unrealized gains (losses) (A) - (B)
Other securities with unrealized gains			
Stocks	¥ 37,483	¥ 22,945	¥14,537
Bonds	1,324,264	1,311,316	12,947
National government bonds	1,044,990	1,037,251	7,738
Local government bonds	146,745	143,205	3,540
Corporate bonds	132,527	130,859	1,668
Others	143,704	140,342	3,362
Subtotal	1,505,452	1,474,605	30,846
Other securities with unrealized losses			
Stocks	42,069	54,684	(12,615)
Bonds	133,415	134,842	(1,426)
National government bonds	98,984	99,364	(379)
Local government bonds	4,844	4,847	(3)
Corporate bonds	29,586	30,630	(1,044)
Others	122,980	137,358	(14,377)
Subtotal	298,465	326,885	(28,419)
Total	¥1,803,918	¥1,801,491	¥ 2,427

9. Objected Retirement Benefit Obligation and Retirement Benefit Costs

(Consolidated)

(1)•Hiroshima Bank has adopted Lump-sum retirement plan, Defined-Benefit corporate pension plan and Defined contribution pension plan.

•Domestic corporate subsidiaries.

(2) Objected Retirement Benefit Obligation

Item		Millions of yen	
		FY2012	FY2011
Objected Retirement benefit obligation	(A)	¥(43,475)	¥(44,321)
Fair value of plan assets	(B)	74,736	64,126
Non-savings retirement benefit debt	(C)=(A)+(B)	31,260	19,805
Unappropriated costs of accounting record change	(D)	—	—
Unrecognized actuarial loss	(E)	(1,748)	6,771
Unrecognized prior service cost	(F)	—	—
Sub total	(G)=(C)+(D)+(E)+(F)	¥ 29,512	¥ 26,577
Prepared pension cost	(H)	29,581	26,648
Allowance for severance and retirement benefits	(G)–(H)	(68)	(70)

(3) Retirement Benefit Costs

Item	Millions of yen	
	FY2012	FY2011
Service Cost	¥1,042	¥1,039
Interest Cost	884	902
Expected return on plan assets	(2,565)	(2,163)
Amortization of prior service cost	—	—
Recognized actuarial loss	1,215	1,665
Other retirement cost	303	319
Retirement benefit costs	881	1,764

(4) Calculation of Objected Retirement Benefit Obligation

Item	FY2012	FY2011
Discount rate	2.0%	2.0%
Expected return on plan assets rate	4.0%	4.0%
Allocation method of Retirement benefit cost	Fixed amount standard of period	Fixed amount standard of period
Amortizing years of prior service cost	1 year	1 year
Amortizing years of recognized actuarial loss	14 years	14 years
Amortizing years of accounting record change	Amortization in FY2001	Amortization in FY2001

[Loans and Other Assets Information]

1. Loans Outstanding

(1) Breakdown of Loans Outstanding for Our Hometown Area (Non-Consolidated)

Loans outstanding (average balance)	Billions of yen		
	FY2012 (A)	(A) - (B)	FY2011 (B)
Loans outstanding in Hiroshima Prefecture	¥3,183.3	¥ 61.9	¥3,121.4
Loans outstanding in Okayama Prefecture	243.6	7.1	236.5
Loans outstanding in Yamaguchi Prefecture	149.2	3.4	145.8
Loans outstanding in Ehime Prefecture	319.5	14.6	304.9
Loans outstanding except for our Hometown Area	653.9	27.8	626.1
Total	¥4,549.5	¥114.8	¥4,434.7

Note: Hometown Area means Hiroshima, Okayama, Yamaguchi, and Ehime Prefecture.

Loans outstanding (term-end balance)	Billions of yen		
	As of March 31, 2013 (A)	(A) - (B)	As of March 31, 2012 (B)
Loans outstanding in Hiroshima Prefecture	¥3,243.9	¥106.2	¥3,137.7
Loans outstanding in Okayama Prefecture	248.7	13.3	235.4
Loans outstanding in Yamaguchi Prefecture	148.7	0.2	148.5
Loans outstanding in Ehime Prefecture	340.3	27.9	312.4
Loans outstanding except for our Hometown Area	663.5	30.5	633.0
Total	¥4,645.1	¥178.1	¥4,467.0

Note: Hometown Area means Hiroshima, Okayama, Yamaguchi, and Ehime Prefecture.

(2) Individual Loans (Non-Consolidated)

Item	Billions of yen		
	As of March 31, 2013 (A)	(A) - (B)	As of March 31, 2012 (B)
Individual loans	¥1,174.8	¥39.6	¥1,135.2
Housing loans	832.8	17.8	815.0
Other loans	342.0	21.8	320.2

(3) Breakdown of Individual Loans for Our Hometown Area (Non-Consolidated)

Item	Billions of yen		
	As of March 31, 2013 (A)	(A) - (B)	As of March 31, 2012 (B)
Individual loans in Hiroshima Prefecture	¥993.8	¥25.4	¥968.4
Individual loans in Okayama Prefecture	98.2	7.5	90.7
Individual loans in Yamaguchi Prefecture	54.6	3.8	50.8
Individual loans in Ehime Prefecture	21.4	2.0	19.4

(4) Loans Outstanding to Small-and Medium-Sized Businesses and Individuals (Non-Consolidated)

Item	Billions of yen		
	As of March 31, 2013 (A)	(A) - (B)	As of March 31, 2012 (B)
Loans outstanding to small-and medium-sized businesses and individuals	¥3,131.5	¥80.1	¥3,051.4
Ratio to total loans and bill discounted	67.4%	(0.9)%	68.3%

(5) Breakdown of Loans Outstanding to Small-and Medium-Sized Businesses and Individuals for Our Hometown Area (Non-Consolidated)

Item	Billions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Loans outstanding to small-and medium-sized businesses and individuals in Hiroshima Prefecture	¥2,292.6	¥40.7	¥2,251.9
Loans outstanding to small-and medium-sized businesses and individuals in Okayama Prefecture	214.0	11.2	202.8
Loans outstanding to small-and medium-sized businesses and individuals in Yamaguchi Prefecture	133.1	2.2	130.9
Loans outstanding to small-and medium-sized businesses and individuals in Ehime Prefecture	299.4	26.0	273.4

(6) Breakdown of Loans Outstanding Insured by the Association for Our Hometown Area (Non-Consolidated)

Item	Billions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Loans outstanding insured by the Association in Hiroshima Prefecture	¥234.7	¥(8.4)	¥243.1
Loans outstanding insured by the Association in Okayama Prefecture	17.8	(1.0)	18.8
Loans outstanding insured by the Association in Yamaguchi Prefecture	11.6	0.3	11.3
Loans outstanding insured by the Association in Ehime Prefecture	7.9	0.5	7.4

2.Risk Managed Loans

(Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Loans to debtors legally bankrupt	¥ 2,521	¥ (192)	¥ 2,713
Other delinquent loans	77,306	(1,204)	78,510
Loans past due 3 months or more	3,346	(212)	3,558
Restructured loans	26,526	9,688	16,838
Total risk managed loans	¥109,702	¥8,081	¥101,621

(Consolidated)

Item	Millions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Loans to debtors legally bankrupt	¥ 2,521	¥ (192)	¥ 2,713
Other delinquent loans	77,306	(1,204)	78,510
Loans past due 3 months or more	3,346	(212)	3,558
Restructured loans	26,526	9,688	16,838
Total risk managed loans	¥109,702	¥8,081	¥101,621

Notes: Hiroshima Bank adopts partial direct write-off.

Hiroshima Bank has adopted the uniform non-accrual loan accounting method for loans to customers in the self-assessment categories.

3. Reserve for Possible Loan Losses

(Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Reserve for possible loan losses	¥45,842	¥1,034	¥44,808
General reserve for possible loan losses	24,217	(193)	24,410
Specific reserve for possible loan losses	21,624	1,226	20,398
Reserve for specific foreign borrowers/countries	—	—	—

(Consolidated)

Item	Millions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Reserve for possible loan losses	¥45,928	¥1,064	¥44,864
General reserve for possible loan losses	24,217	(193)	24,410
Specific reserve for possible loan losses	21,710	1,256	20,454
Reserve for specific foreign borrowers/countries	—	—	—

4. Ratio to Reserve for Total Risk Managed Loans

(Non-Consolidated)

Item	%		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Before partial direct write-off	53.7	(2.8)	56.5
After partial direct write-off	41.7	(2.2)	43.9

(Consolidated)

Item	%		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Before partial direct write-off	53.7	(2.8)	56.5
After partial direct write-off	41.7	(2.2)	43.9

5. Problem Loans Disclosed under the Financial Revitalization Law

(Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Loans to bankrupt and quasi-bankrupt loans	¥ 17,074	¥(1,940)	¥ 19,014
Doubtful loans	65,276	(498)	65,774
Substandard loans	29,873	9,476	20,397
Total (i)	¥112,224	¥ 7,038	¥105,186

6. Coverage of Problem Loans Disclosed under the Financial Revitalization Law

(Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2013 (A)	(A) - (B)	As of March 31, 2012 (B)
Coverage amount (ii)	¥91,146	¥2,978	¥88,168
Portion covered by reserve (iii)	26,813	2,522	24,291
Portion covered by collateral	64,332	456	63,876
Specific reserve for loan losses	—	—	—
Coverage ratio to disclosed totals (ii)/(i)	81.2%	(2.6)%	83.8%
Coverage ratio before partial direct write-off	85.1%	(2.3)%	87.4%
Excluding collateral and guarantees (iv)	47,892	6,582	41,310
Coverage ratio (iii)/(iv)	56.0%	(2.8)%	58.8%
Ratio to total loans outstanding	2.37%	0.06%	2.31%

7. Loans to Entities Overseas by Country

(1) Loans to Asian Countries (Non-Consolidated)

Not applicable.

(2) Loans to Latin American Countries (Non-Consolidated)

Not applicable.

8. Loan Portfolio

(1) Classification of Loans by Type of Industry

(Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2013 (A)	(A) - (B)	As of March 31, 2012 (B)
Domestic (excluding JOM account)	¥4,645,163	¥178,097	¥4,467,066
Manufacturing	773,397	8,871	764,526
Agriculture/Forestry	2,968	111	2,857
Fishery	618	(85)	703
Mining/Quarrying of stone/Gravel	391	(63)	454
Construction	144,748	(4,464)	149,212
Electricity, gas and water	73,955	10,296	63,659
Telecommunication	39,545	(1,440)	40,985
Transportation/Postal activities	205,070	(2,362)	207,432
Wholesale/Retail services	492,038	(6,904)	498,942
Financial and insurance services	283,906	30,444	253,462
Retail estate/Goods rental and leasing	674,134	17,709	656,425
Services	336,267	(7,558)	343,825
Municipal government	387,728	61,173	326,555
Others	1,230,388	72,369	1,158,019

**(2) Breakdown of Classification of Loans by Type of Industry for Our Hometown Area
(Non-Consolidated)**

Item	Billions of yen			
	Hiroshima Prefecture	Okayama Prefecture	Yamaguchi Prefecture	Ehime Prefecture
Total	¥3,243.9	¥248.7	¥148.7	¥340.3
Manufacturing	442.9	42.1	25.3	45.5
Agriculture/Forestry	2.0	0.3	0.2	0.2
Fishery	0.6	0.0	—	0.0
Mining/Quarrying of stone/Gravel	0.3	0.0	0.1	—
Construction	108.8	13.5	9.4	3.9
Electricity, gas and water	60.0	0.3	0.2	0.5
Telecommunication	26.4	1.6	0.5	0.0
Transportation/Postal activities	93.6	5.0	6.8	56.4
Wholesale/Retail services	352.7	37.2	22.9	25.5
Financial and insurance services	187.0	3.0	0.0	1.3
Retail estate/Goods rental and leasing	438.8	49.4	15.5	16.9
Services	233.4	26.4	16.5	17.9
Municipal government	375.5	4.5	2.9	—
Others	921.9	65.4	48.4	172.2

**(3) Classification of Risk Managed Loans by Type of Industry
(Non-Consolidated)**

Item	Millions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Domestic (excluding JOM account)	¥109,702	¥8,081	¥101,621
Manufacturing	27,022	1,832	25,190
Agriculture/Forestry	119	9	110
Fishery	33	(18)	51
Mining/Quarrying of stone/Gravel	138	(44)	182
Construction	14,643	(784)	15,427
Electricity, gas and water	—	—	—
Telecommunication	430	31	399
Transportation/Postal activities	4,468	875	3,593
Wholesale/Retail services	10,958	(682)	11,640
Financial and insurance services	278	(52)	330
Retail estate/Goods rental and leasing	17,649	(544)	18,193
Services	15,868	(980)	16,848
Municipal government	—	—	—
Others	18,089	8,438	9,651

[Deposits and Other Liabilities Information]

1. Deposits Outstanding

(1) Breakdown of Deposits Outstanding for Our Hometown Area

Deposits outstanding (average balance)	Billions of yen		
	FY2012 (A)	(A) - (B)	FY2011 (B)
Deposits outstanding in Hiroshima Prefecture	¥5,150.8	¥147.1	¥5,003.7
Deposits outstanding in Okayama Prefecture	273.5	3.4	270.1
Deposits outstanding in Yamaguchi Prefecture	182.6	(1.7)	184.3
Deposits outstanding in Ehime Prefecture	163.6	(7.9)	171.5
Deposits outstanding except for our Hometown Area	164.5	(1.3)	165.8
Total	¥5,935.0	¥139.6	¥5,795.4

Note: Hometown Area means Hiroshima, Okayama, Yamaguchi and Ehime Prefecture.
Deposits outstanding includes negotiable certificates of deposit.

Deposits outstanding (term-end balance)	Billions of yen		
	As of March 31, 2013 (A)	(A) - (B)	As of March 31, 2012 (B)
Deposits outstanding in Hiroshima Prefecture	¥5,345.6	¥236.6	¥5,109.0
Deposits outstanding in Okayama Prefecture	277.8	2.7	275.1
Deposits outstanding in Yamaguchi Prefecture	182.9	0.5	182.4
Deposits outstanding in Ehime Prefecture	160.0	(5.9)	165.9
Deposits outstanding except for our Hometown Area	167.2	9.0	158.2
Total	¥6,133.5	¥242.9	¥5,890.6

Note: Hometown Area means Hiroshima, Okayama, Yamaguchi and Ehime Prefecture.
Deposits outstanding includes negotiable certificates of deposit.

2. Individual Custody Assets

(1) Outstanding Individual Custody Assets (Non-Consolidated)

Outstanding individual custody assets	Billions of yen		
	As of March 31, 2013 (A)	(A) - (B)	As of March 31, 2012 (B)
Outstanding individual custody assets	¥5,002.1	¥90.4	¥4,911.7
Individual deposits	4,057.7	93.1	3,964.6
Public bonds (National government bonds, etc.)	170.9	(30.3)	201.2
Investment trusts	284.6	(6.3)	290.9
Insurance	402.9	26.5	376.4
Foreign bonds, and derivative bonds, etc.	86.0	7.4	78.6

Note: Individual deposits includes negotiable certificates of deposit.

(2) Breakdown of Outstanding Individual Custody Assets for Our Hometown Area

	Billions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Hiroshima Prefecture			
Outstanding individual custody assets	¥4,478.3	¥ 99.9	¥4,378.4
Individual deposits	3,635.4	101.2	3,534.2
Public bonds (National government bonds, etc.)	149.3	(26.2)	175.5
Investment trusts	253.6	(3.3)	256.9
Insurance	363.9	22.4	341.5
Foreign bonds, and derivative bonds, etc.	76.1	5.8	70.3

	Billions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Okayama Prefecture			
Outstanding individual custody assets	¥224.9	¥(2.5)	¥227.4
Individual deposits	181.9	(3.1)	185.0
Public bonds (National government bonds, etc.)	7.9	(1.6)	9.5
Investment trusts	14.5	(0.7)	15.2
Insurance	16.9	2.0	14.9
Foreign bonds, and derivative bonds, etc.	3.7	0.9	2.8

	Billions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Yamaguchi Prefecture			
Outstanding individual custody assets	¥167.5	¥(1.6)	¥169.1
Individual deposits	133.7	0.4	133.3
Public bonds (National government bonds, etc.)	7.3	(1.5)	8.8
Investment trusts	10.1	(1.8)	11.9
Insurance	13.9	1.0	12.9
Foreign bonds, and derivative bonds, etc.	2.5	0.3	2.2

	Billions of yen		
	As of March 31, 2013		As of March 31, 2012 (B)
	(A)	(A) - (B)	
Ehime Prefecture			
Outstanding individual custody assets	¥85.5	¥(4.0)	¥89.5
Individual deposits	67.1	(3.9)	71.0
Public bonds (National government bonds, etc.)	4.4	(1.0)	5.4
Investment trusts	5.0	(0.2)	5.2
Insurance	6.9	1.0	5.9
Foreign bonds, and derivative bonds, etc.	2.1	0.1	2.0