

Financial Results for Fiscal 2019  
(From April 1, 2019 to March 31, 2020)

THE HIROSHIMA BANK, LTD.

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# Consolidated Financial Information for Fiscal 2019

## 1. Consolidated Balance Sheets

Item	Millions of yen	
	As of March 31, 2019	As of March 31, 2020
<b>ASSETS</b>		
Cash and due from banks	¥1,432,022	¥1,472,936
Call loans and bills purchased	19,953	6,711
Financial receivables purchased	7,813	7,820
Trading assets	5,839	6,241
Money held in trust	10,312	9,971
Securities	1,175,920	1,125,896
Loans and bills discounted	6,020,840	6,483,336
Foreign exchanges	7,536	34,990
Other assets	91,384	113,677
Tangible fixed assets	95,392	93,446
Buildings	13,207	11,861
Land	61,365	56,646
Lease assets	591	563
Construction in progress	4,514	5,330
Other tangible fixed assets	15,713	19,044
Intangible fixed assets	9,530	9,244
Software	7,319	7,018
Other intangible fixed assets	2,211	2,225
Net defined benefit asset	65,106	70,853
Deferred tax assets	734	705
Customers' liabilities for acceptances and guarantees	43,479	36,470
Reserve for possible loan losses	(33,194)	(33,692)
<b>Total assets</b>	<b>¥8,952,671</b>	<b>¥9,438,609</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Deposits	¥7,253,828	¥7,529,577
Negotiable certificates of deposit	210,327	161,708
Call money and bills sold	—	100,000
Payables under repurchase agreements	88,521	79,420
Deposits received for bonds lending / borrowing transactions	260,108	321,008
Trading liabilities	3,856	3,814
Borrowed money	516,331	641,035
Foreign exchanges	339	3,502
Due to trust account	23	32
Other liabilities	60,935	61,004
Net defined benefit liability	39	43
Reserve for retirement benefits of directors and corporate auditors	23	29
Reserve for reimbursement of dormant deposits	3,558	2,530
Reserve for point loyalty programs	120	142
Provision for share-based benefit	341	547
Reserve for loss on Head Office reconstruction	846	—
Reserve for dismantling costs for fixed assets	—	1,177
Reserves under special laws	39	38
Deferred tax liabilities	8,947	861
Deferred tax liabilities for land revaluation reserve	13,610	13,605
Acceptances and guarantees	43,479	36,470
<b>Total liabilities</b>	<b>8,465,280</b>	<b>8,956,552</b>
<b>Net Assets</b>		
Common stock	54,573	54,573
Capital surplus	30,740	30,740
Retained earnings	329,367	347,714
Common stock in treasury	(1,040)	(998)
<b>Total stockholders' equity</b>	<b>413,641</b>	<b>432,030</b>
Net unrealized holding gains on securities available for sale	35,676	15,010
Net deferred gains (losses) on hedging instruments, net of tax	(2,016)	(5,025)
Land valuation and translation adjustments, net of tax	27,792	27,781
Remeasurements of defined benefit plans	12,121	12,084
<b>Total accumulated other comprehensive income</b>	<b>73,574</b>	<b>49,850</b>
Stock acquisition rights	176	176
<b>Total net assets</b>	<b>487,391</b>	<b>482,057</b>
<b>Total liabilities and net assets</b>	<b>¥8,952,671</b>	<b>¥9,438,609</b>

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

## Consolidated Statements of Income

Item	Millions of yen	
	FY2018	FY2019
<b>Operating income</b>	¥121,238	¥127,149
Interest income	75,528	75,813
Interest on loans and discounts	62,142	62,256
Interest and dividends on securities	11,186	11,598
Interest on call loans and bills purchased	391	283
Interest on deposits with banks	368	368
Other interest income	1,437	1,306
Trust fees	152	189
Fees and commissions	29,677	28,255
Trading income	2,749	3,212
Other operating income	7,400	10,242
Other income	5,729	9,435
Recoveries of written-off claims	0	8
Other	5,729	9,427
<b>Operating expenses</b>	84,192	88,153
Interest expenses	8,530	8,396
Interest on deposits	2,156	1,881
Interest on negotiable certificates of deposit	62	53
Interest on call money and bills sold	(100)	(36)
Interest on payables under repurchase agreement	1,973	1,780
Interest on bonds lending / borrowing transactions	843	567
Interest on borrowings and rediscounts	749	729
Other interest expenses	2,846	3,422
Fees and commissions	9,443	10,057
Other operating expenses	3,417	4,933
General and administrative expenses	58,044	57,345
Other expenses	4,756	7,420
Transfer to reserve for possible loan losses	37	2,859
Other	4,719	4,561
<b>Operating profits</b>	37,045	38,996
<b>Extraordinary gains</b>	4	9
Gains on dispositions of fixed assets	2	8
Transfer from reserve for financial products transaction liabilities	1	1
<b>Extraordinary losses</b>	316	3,579
Losses on dispositions of fixed assets	186	202
Impairment losses	130	2,306
Transfer to reserve for dismantling costs for fixed assets	—	1,070
<b>Income before income taxes and others</b>	36,733	35,425
Provision for income taxes and others	8,559	8,698
Deferred income taxes	2,591	2,457
<b>Total income taxes</b>	11,151	11,155
<b>Net income</b>	25,581	24,270
<b>Net income attributable to owners of the parent</b>	¥ 25,581	¥ 24,270

## Consolidated Statements of Comprehensive Income

Item	Millions of yen	
	FY2018	FY2019
<b>Net income</b>	¥ 25,581	¥ 24,270
<b>Other comprehensive income (loss)</b>	(10,086)	(23,712)
Net unrealized holding gains (losses) on securities available for sale, net of tax	(12,719)	(20,662)
Net deferred gains (losses) on hedging instruments, net of tax	(1,469)	(3,008)
Remeasurements of defined benefit plans	4,105	(37)
Share of other comprehensive income (loss) of affiliated companies accounted for by equity method	(3)	(3)
<b>Comprehensive income</b>	¥ 15,494	¥ 557
<b>Comprehensive income attributable to owners of the parent</b>	¥ 15,494	¥ 557

## 3. Consolidated Statements of Stockholders' Equity

Item	Millions of yen				
	FY2018				
	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Common stock in treasury	Total stockholders' equity
<b>Balance at the beginning of current period</b>	¥54,573	¥30,746	¥309,747	¥(1,260)	¥393,807
<b>Changes of items during the period</b>					
Dividends from surplus			(5,932)		(5,932)
Net income attributable to owners of the parent			25,581		25,581
Purchase of common stock in treasury				(0)	(0)
Disposal of common stock in treasury		(6)		220	214
Reversal of land revaluation reserve			(28)		(28)
Net changes of items other than shareholders' equity					
<b>Total changes of items during the period</b>	—	(6)	19,620	220	19,833
<b>Balance at the end of current period</b>	¥54,573	¥30,740	¥329,367	¥(1,040)	¥413,641

Item	Millions of yen						
	FY2018						
	Accumulated other comprehensive income (loss)						
	Net unrealized holding gains (losses) on securities available for sale, net of tax	Net deferred gains (losses) on hedging instruments, net of tax	Land valuation and translation adjustments, net of tax	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Stock acquisition rights	Total net assets
<b>Balance at the beginning of current period</b>	¥ 48,399	¥ (547)	¥27,763	¥ 8,016	¥ 83,632	¥ 308	¥477,748
<b>Changes of items during the period</b>							
Dividends from surplus							(5,932)
Net income attributable to owners of the parent							25,581
Purchase of common stock in treasury							(0)
Disposal of common stock in treasury							214
Reversal of land revaluation reserve							(28)
Net changes of items other than shareholders' equity	(12,722)	(1,469)	28	4,105	(10,058)	(131)	(10,190)
<b>Total changes of items during the period</b>	(12,722)	(1,469)	28	4,105	(10,058)	(131)	9,643
<b>Balance at the end of current period</b>	¥ 35,676	¥(2,016)	¥27,792	¥12,121	¥ 73,574	¥ 176	¥487,391

Item	Millions of yen				
	FY2019				
	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Common stock in treasury	Total stockholders' equity
<b>Balance at the beginning of current period</b>	¥54,573	¥30,740	¥329,367	¥(1,040)	¥413,641
<b>Changes of items during the period</b>					
Dividends from surplus			(5,934)		(5,934)
Net income attributable to owners of the parent			24,270		24,270
Purchase of common stock in treasury				(0)	(0)
Disposal of common stock in treasury		(0)		42	42
Reversal of land revaluation reserve			10		10
Net changes of items other than shareholders' equity					
<b>Total changes of items during the period</b>	—	(0)	18,346	41	18,388
<b>Balance at the end of current period</b>	¥54,573	¥30,740	¥347,714	¥ (998)	¥432,030

Item	Millions of yen						
	FY2019						
	Accumulated other comprehensive income (loss)						
	Net unrealized holding gains (losses) on securities available for sale, net of tax	Net deferred gains (losses) on hedging instruments, net of tax	Land valuation and translation adjustments, net of tax	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Stock acquisition rights	Total net assets
<b>Balance at the beginning of current period</b>	¥ 35,676	¥(2,016)	¥27,792	¥12,121	¥ 73,574	¥176	¥487,391
<b>Changes of items during the period</b>							
Dividends from surplus							(5,934)
Net income attributable to owners of the parent							24,270
Purchase of common stock in treasury							(0)
Disposal of common stock in treasury							42
Reversal of land revaluation reserve							10
Net changes of items other than shareholders' equity	(20,666)	(3,008)	(10)	(37)	(23,723)	—	(23,723)
<b>Total changes of items during the period</b>	(20,666)	(3,008)	(10)	(37)	(23,723)	—	(5,334)
<b>Balance at the end of current period</b>	¥ 15,010	¥(5,025)	¥27,781	¥12,084	¥ 49,850	¥176	¥482,057

## 4. Consolidated Statements of Cash Flows

Item	Millions of yen	
	FY2018	FY2019
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥ 36,733	¥ 35,425
Depreciation of premise, equipment and others	4,678	4,664
Impairment losses of fixed assets	130	2,306
Share of loss (profit) of entities accounted for using equity method	(148)	(150)
Net change in reserve for possible loan losses	(2,235)	498
Net change in defined benefit asset	(10,498)	(5,747)
Net change in defined benefit liability	(3)	4
Net change in reserve for executive retirement benefits	(3)	6
Net change in reserve for reimbursement of dormant deposits	(888)	(1,027)
Net change in reserve for point loyalty programs	(9)	21
Net change in provision for share-based benefit	165	206
Net change in reserves under special laws	(1)	(1)
Net change in reserve for loss on Head Office reconstruction	(1,140)	(846)
Net change in reserve for dismantling costs for fixed assets	—	1,177
Interest income	(75,528)	(75,813)
Interest expense	8,530	8,396
Net change in securities transactions	(6,041)	(9,317)
Net change in dispositions of fixed assets	158	194
Net change in trading assets	7	(401)
Net change in trading liabilities	(166)	(42)
Net change in loans	(159,043)	(462,496)
Net change in deposits	82,903	275,748
Net change in negotiable certificates of deposits	(59,802)	(48,618)
Net change in borrowed money excluding subordinated loans	(69,219)	124,704
Net change in due from banks other than from the BANK OF JAPAN	894	(1,932)
Net change in call loans and bills bought	(1,819)	13,234
Net change in call money and bills sold	(72,807)	90,899
Net change in deposits received for bonds lending/borrowing transactions	(2,750)	60,900
Net change in foreign exchanges (assets)	205	(27,454)
Net change in foreign exchanges (liabilities)	115	3,162
Interest received	78,156	80,810
Interest paid	(9,131)	(8,685)
Other – net	3,254	(10,993)
Subtotal	(255,303)	48,834
Income taxes paid	(8,873)	(7,587)
<b>Net cash provided by (used in) operating activities</b>	<b>(264,177)</b>	<b>41,247</b>
<b>Cash flows from investing activities:</b>		
Purchases of securities	(430,007)	(570,180)
Proceeds from sales of securities	306,396	423,695
Proceeds from maturity of securities	326,020	155,049
Increase in money held in trust	(2,079)	(22)
Decrease in money held in trust	23	364
Purchases of tangible fixed assets	(5,539)	(2,369)
Purchases of intangible fixed assets	(2,763)	(2,731)
Proceeds from sales of tangible fixed assets	2	5
Payments for retirement of tangible fixed assets	(33)	(46)
<b>Net cash provided by investing activities</b>	<b>192,018</b>	<b>3,762</b>
<b>Cash flows from financing activities:</b>		
Dividends paid	(5,934)	(5,938)
Purchases of treasury stock	(0)	(0)
Proceeds from sales of treasury stock	0	0
Payments of lease liabilities	(72)	(74)
<b>Net cash used in financing activities</b>	<b>(6,008)</b>	<b>(6,013)</b>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>(94)</b>	<b>(15)</b>
<b>Net change in cash and cash equivalents</b>	<b>(78,260)</b>	<b>38,981</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>1,502,680</b>	<b>1,424,420</b>
<b>Cash and cash equivalents at the end of year</b>	<b>¥1,424,420</b>	<b>¥1,463,401</b>

# Non-Consolidated Financial Information for Fiscal 2019

## 1. Non-Consolidated Balance Sheets

Item	Millions of yen	
	As of March 31, 2019	As of March 31, 2020
<b>ASSETS</b>		
Cash and due from banks	¥1,430,685	¥1,471,326
Cash	80,884	77,713
Due from banks	1,349,800	1,393,612
Call loans	19,953	6,711
Financial receivables purchased	6,253	6,313
Trading assets	5,830	6,235
Trading account securities	1,039	1,135
Trading-related financial derivatives	4,790	5,099
Money held in trust	162	171
Securities	1,186,499	1,136,265
National government bonds	317,344	319,928
Local government bonds	118,210	132,915
Corporate bonds	204,858	236,467
Stocks	123,525	93,373
Other securities	422,560	353,581
Loans and bills discounted	6,014,683	6,479,709
Bills discounted	26,744	21,193
Loans on bills	136,199	121,577
Loans on deeds	5,121,712	5,559,988
Overdrafts	730,025	776,949
Foreign exchanges	7,536	34,990
Due from foreign banks (our accounts)	5,621	33,474
Foreign bills bought	402	406
Foreign bills receivable	1,512	1,108
Other assets	83,600	106,427
Domestic exchange settlement account, debit	7	1
Prepaid expenses	389	757
Accrued income	5,794	5,099
Initial margins of futures markets	186	1,429
Derivatives other than for trading-assets	7,085	7,931
Cash collateral paid for financial instruments	11,792	26,885
Other	58,343	64,322
Tangible fixed assets	94,890	92,974
Buildings	13,054	11,738
Land	61,363	56,644
Lease assets	588	561
Construction in progress	4,514	5,330
Other tangible fixed assets	15,369	18,699
Intangible fixed assets	9,431	9,119
Software	7,251	6,931
Other intangible fixed assets	2,180	2,188
Prepaid pension cost	47,538	53,340
Deferred tax assets	—	4,965
Customers' liabilities for acceptances and guarantees	41,996	35,232
Reserve for possible loan losses	(31,101)	(31,848)
<b>Total assets</b>	<b>¥8,917,961</b>	<b>¥9,411,933</b>



Item	Millions of yen	
	As of March 31, 2019	As of March 31, 2020
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Deposits	¥7,262,941	¥7,541,559
Current deposits	463,704	461,586
Ordinary deposits	4,070,507	4,367,218
Saving deposits	67,774	71,074
Deposits at notice	32,914	21,884
Time deposits	2,251,652	2,193,569
Installment savings	29	27
Other deposits	376,357	426,198
Negotiable certificates of deposit	216,099	167,491
Call money	—	100,000
Payables under repurchase agreements	88,521	79,420
Deposits received for bonds lending / borrowing transactions	260,108	321,008
Trading liabilities	3,856	3,814
Trading-related financial derivatives	3,856	3,814
Borrowed money	514,289	639,493
Borrowings from other banks	514,289	639,493
Foreign exchanges	339	3,502
Foreign bills sold	155	3,348
Foreign bills payable	184	154
Due to trust account	23	32
Other liabilities	41,563	41,541
Domestic exchange settlement account, credit	2,193	465
Income taxes payable	2,709	3,747
Accrued expenses	5,597	5,420
Unearned revenue	932	1,746
Reserve for interest on installment savings	1	1
Derivatives other than for trading-liabilities	10,399	13,528
Cash collateral received for financial instruments	2,372	4,019
Lease obligations	618	592
Asset retirement obligations	326	338
Other	16,410	11,680
Reserve for reimbursement of dormant deposits	3,558	2,530
Reserve for point loyalty programs	79	94
Provision for share-based benefit	341	547
Reserve for loss on Head Office reconstruction	846	—
Reserve for dismantling costs for fixed assets	—	1,177
Deferred tax liabilities	3,501	—
Deferred tax liabilities for land revaluation reserve	13,610	13,605
Acceptances and guarantees	41,996	35,232
Total liabilities	8,451,677	8,951,052
<b>Net Assets</b>		
Common stock	54,573	54,573
Capital surplus	30,739	30,739
Capital reserve	30,634	30,634
Other capital surplus	105	105
Retained earnings	320,376	338,614
Legal earned reserve	40,153	40,153
Other retained earnings	280,223	298,461
Voluntary reserve	254,604	273,604
Earned surplus brought forward	25,619	24,857
Common stock in treasury	(1,026)	(984)
Total stockholders' equity	404,663	422,943
Net unrealized holding gains (losses) on securities available for sale, net of tax	35,668	15,005
Net deferred gains (losses) on hedging instruments, net of tax	(2,016)	(5,025)
Land valuation and translation adjustments, net of tax	27,792	27,781
Total valuation and translation adjustments	61,444	37,762
Stock acquisition rights	176	176
Total net assets	466,283	460,881
Total liabilities and net assets	¥8,917,961	¥9,411,933

## 2. Non-Consolidated Statements of Income

Item	Millions of yen	
	FY2018	FY2019
<b>Operating income</b>	¥114,930	¥120,938
Interest income	76,643	76,662
Interest on loans and discounts	61,790	61,982
Interest and dividends on securities	12,682	12,765
Interest on call loans	391	283
Interest on deposits with banks	367	367
Other interest income	1,411	1,262
Trust fees	152	189
Fees and commissions	24,430	23,760
Fees and commissions on domestic and foreign exchanges	7,386	7,380
Other fees and commissions	17,043	16,379
Trading income	469	750
Gains on trading account securities transactions	138	105
Income from trading-related financial derivatives transactions	330	644
Other operating income	7,385	10,223
Gains on foreign exchange transactions	2,184	1,735
Gains on sales of bonds	5,200	8,488
Other	0	0
Other income	5,849	9,352
Reversal of reserve for possible loan losses	253	—
Recoveries of written-off claims	0	8
Gains on sales of stocks	4,227	8,571
Other	1,368	773
<b>Operating expenses</b>	78,980	83,454
Interest expense	8,487	8,358
Interest on deposits	2,156	1,881
Interest on negotiable certificates of deposit	62	54
Interest on call money	(100)	(36)
Interest on payables under repurchase agreement	1,973	1,780
Interest on bonds lending / borrowing transactions	843	567
Interest on borrowings and rediscounts	709	693
Interest on interest swaps	2,493	2,316
Other interest expenses	348	1,101
Fees and commissions	9,983	10,855
Fees and commissions on domestic and foreign exchanges	2,685	2,792
Other fees and commissions	7,298	8,062
Other operating expenses	3,417	4,933
Losses on sales of bonds	3,268	4,839
Write-off amount of bonds	104	—
Expenses on trading-related financial derivatives transactions	44	93
Other	—	0
General and administrative expenses	52,625	52,138
Other expenses	4,465	7,168
Transfer to reserve for possible loan losses	—	2,791
Write-off amount of loans	3,043	1,141
Losses on sales of stocks	259	1,160
Write-off amount of stocks	250	1,741
Other	912	333
<b>Operating profits</b>	35,949	37,484
<b>Extraordinary gains</b>	2	181
Gains on dispositions of fixed assets	2	8
Gain on extinguishment of tie-in shares	—	173
<b>Extraordinary losses</b>	238	3,538
Losses on dispositions of fixed assets	138	174
Impairment losses	99	2,294
Transfer to reserve for dismantling costs for fixed assets	—	1,070
<b>Income before income taxes and others</b>	35,713	34,127
Provision for income taxes and others	7,735	7,934
Deferred income taxes	2,590	2,031
<b>Total income taxes</b>	10,325	9,966
<b>Net income</b>	¥ 25,388	¥ 24,161

## 3. Non-Consolidated Statements of Stockholders' Equity

Item	Millions of yen							
	FY2018							
	Stockholders' equity							
	Common stock	Capital surplus			Legal earned reserve	Retained earnings		
Capital reserve		Other capital surpluses	Total capital surplus	Voluntary reserve		Earned surplus brought forward		
Balance at the beginning of current period	¥54,573	¥30,634	¥111	¥30,745	¥40,153	¥233,604	¥ 27,191	¥300,948
<b>Changes of items during the period</b>								
Dividends from surplus							(5,932)	(5,932)
Voluntary reserve						21,000	(21,000)	—
Net income							25,388	25,388
Purchase of common stock in treasury								
Disposal of common stock in treasury			(6)	(6)				
Reversal of land revaluation reserve							(28)	(28)
Net changes of items other than shareholders' equity								
<b>Total changes of items during the period</b>	—	—	(6)	(6)	—	21,000	(1,572)	19,427
Balance at the end of current period	¥54,573	¥30,634	¥105	¥30,739	¥40,153	¥254,604	¥ 25,619	¥320,376

Item	Millions of yen							
	FY2018							
	Stockholders' equity		Valuation and translation adjustments					
	Common stock in treasury	Total stockholders' equity	Net unrealized holding gains (losses) on securities available for sale, net of tax	Net deferred gains (losses) on hedging instruments, net of tax	Land valuation and translation adjustments, net of tax	Total valuation and translation adjustments	Stock acquisition rights	Total net assets
Balance at the beginning of current period	¥(1,246)	¥385,022	¥ 48,387	¥ (547)	¥27,763	¥ 75,604	¥ 308	¥460,934
<b>Changes of items during the period</b>								
Dividends from surplus		(5,932)						(5,932)
Voluntary reserve		—						—
Net income		25,388						25,388
Purchase of common stock in treasury	(0)	(0)						(0)
Disposal of common stock in treasury	220	214						214
Reversal of land revaluation reserve		(28)						(28)
Net changes of items other than shareholders' equity			(12,719)	(1,469)	28	(14,160)	(131)	(14,292)
<b>Total changes of items during the period</b>	220	19,641	(12,719)	(1,469)	28	(14,160)	(131)	5,348
Balance at the end of current period	¥(1,026)	¥404,663	¥ 35,668	¥(2,016)	¥27,792	¥ 61,444	¥ 176	¥466,283

Millions of yen								
FY2019								
Item	Stockholders' equity					Retained earnings		
	Common stock	Capital surplus			Legal earned reserve	Other retained earnings		Total retained earnings
		Capital reserve	Other capital surpluses	Total capital surplus		Voluntary reserve	Earned surplus brought forward	
<b>Balance at the beginning of current period</b>	¥54,573	¥30,634	¥105	¥30,739	¥40,153	¥254,604	¥ 25,619	¥320,376
<b>Changes of items during the period</b>								
Dividends from surplus							(5,934)	(5,934)
Voluntary reserve						19,000	(19,000)	—
Net income							24,161	24,161
Purchase of common stock in treasury								
Disposal of common stock in treasury			(0)	(0)				
Reversal of land revaluation reserve							10	10
Net changes of items other than shareholders' equity								
<b>Total changes of items during the period</b>	—	—	(0)	(0)	—	19,000	(761)	18,238
<b>Balance at the end of current period</b>	¥54,573	¥30,634	¥105	¥30,739	¥40,153	¥273,604	¥ 24,857	¥338,614

Millions of yen								
FY2019								
Item	Stockholders' equity		Valuation and translation adjustments					Total net assets
	Common stock in treasury	Total stockholders' equity	Net unrealized holding gains (losses) on securities available for sale, net of tax	Net deferred gains (losses) on hedging instruments, net of tax	Land valuation and translation adjustments, net of tax	Total valuation and translation adjustments	Stock acquisition rights	
<b>Balance at the beginning of current period</b>	¥(1,026)	¥404,663	¥ 35,668	¥(2,016)	¥27,792	¥ 61,444	¥176	¥466,283
<b>Changes of items during the period</b>								
Dividends from surplus		(5,934)						(5,934)
Voluntary reserve		—						—
Net income		24,161						24,161
Purchase of common stock in treasury	(0)	(0)						(0)
Disposal of common stock in treasury	42	42						42
Reversal of land revaluation reserve		10						10
Net changes of items other than shareholders' equity			(20,662)	(3,008)	(10)	(23,682)	—	(23,682)
<b>Total changes of items during the period</b>	41	18,280	(20,662)	(3,008)	(10)	(23,682)	—	(5,402)
<b>Balance at the end of current period</b>	¥ (984)	¥422,943	¥ 15,005	¥(5,025)	¥27,781	¥ 37,762	¥176	¥460,881

# Financial Data for Fiscal 2019

## 1. Income Status

(Non-Consolidated)

Item	Millions of yen		
	FY2019 (A)	(A) – (B)	FY2018 (B)
Gross banking profit (i)	¥87,438	¥ 246	¥87,192
Core gross banking profit (ii): ((i) – (iv) – (vi))	83,790	(1,574)	85,364
Domestic gross banking profit (iii)	73,143	(5,469)	78,612
Core gross banking profit ((iii) – (iv))	73,518	(2,386)	75,904
Interest income	60,536	(936)	61,472
Fees and commissions	12,954	(1,390)	14,344
Trading income	105	(33)	138
Other operating income	(452)	(3,108)	2,656
Gains (losses) from securities (iv)	(374)	(3,081)	2,707
International gross banking profit (v)	14,294	5,715	8,579
Core gross banking profit ((v) – (vi))	10,271	812	9,459
Interest income	7,766	1,083	6,683
Fees and commissions	140	(114)	254
Trading income	644	314	330
Other operating income	5,742	4,431	1,311
Gains (losses) from securities (vi)	4,023	4,902	(879)
Expenses (vii)	52,705	(30)	52,735
Personnel expenses	26,615	(773)	27,388
Non-personnel expenses	22,575	497	22,078
Taxes	3,514	246	3,268
Banking profit (before transfer to general reserve for possible loan losses) (viii): ((i) – (vii))	34,732	276	34,456
Core banking profit ((ii) – (vii))	31,084	(1,545)	32,629
Core net business income (excluding gains (losses) on cancellation of investment trust)	31,084	(1,545)	32,629
Transfer to general reserve for possible loan losses (ix)	368	368	—
Banking profit (after transfer to general reserve for possible loan losses) (x): ((viii) – (ix))	34,364	(92)	34,456
Gains (losses) on bonds (xi): ((iv) + (vi))	3,648	1,821	1,827
Gains on sales of bonds	8,488	3,288	5,200
Losses on sales of bonds	4,839	1,571	3,268
Write-off amount of bonds	—	(104)	104
Non-recurrent gains (losses) (xii): ((xiii) – (xiv) + (xx))	3,120	1,628	1,492
Gains (losses) on stocks (xiii)	5,668	1,951	3,717
Gains on sales of stocks	8,571	4,344	4,227
Losses on sales of stocks	1,160	901	259
Write-off amount of stocks	1,741	1,491	250
Gains (losses) from securities ((xi) + (xiii))	9,317	3,772	5,545
Disposal of non-performing loans (xiv): ((xv) + (xvi) + (xvii) – (xviii) – (xix))	3,867	724	3,143
Write-off amount of loans (xv)	1,141	(1,902)	3,043
Net transfer to specific reserve for possible loan losses (xvi)	2,422	2,422	—
Losses on sales of loans to credit (xvii)	311	(42)	353
Reversal of reserve for possible loan losses (xviii)	—	(253)	253
Recoveries of written-off claims (xix)	8	8	0
Credit cost ((ix) + (xiv))	4,235	1,092	3,143
Other non-recurrent gains (losses) (xx)	1,318	400	918
Operating profits (xxi): ((x) + (xii))	37,484	1,535	35,949
Extraordinary gains (losses) (xxii)	(3,356)	(3,121)	(235)
Net gains (losses) from fixed assets	(2,460)	(2,225)	(235)
Gains on dispositions of fixed assets	8	6	2
Losses on dispositions of fixed assets	174	36	138
Impairment losses	2,294	2,195	99
Gain on extinguishment of tie-in shares	173	173	—
Transfer to reserve for dismantling costs for fixed assets	1,070	1,070	—
Income before income taxes and others (xxiii): ((xxi) + (xxii))	34,127	(1,586)	35,713
Provision for income taxes and others (xxiv)	7,934	199	7,735
Deferred income taxes (xxv)	2,031	(559)	2,590
Net income taxes (xxvi): ((xxiv) + (xxv))	9,966	(359)	10,325
Net income ((xxiii) – (xxvi))	¥24,161	¥(1,227)	¥25,388

## (Consolidated)

Item	Millions of yen		
	FY2019 (A)	(A) – (B)	FY2018 (B)
Consolidated gross banking profit (i)	¥94,326	¥ 209	¥94,117
Interest income	67,416	418	66,998
Fees and commissions	18,388	(1,998)	20,386
Trading income	3,212	463	2,749
Other operating income	5,308	1,325	3,983
General and administrative expenses (ii)	57,345	(699)	58,044
Credit cost (iii): ((iv) + (v) + (vi) + (vii) – (viii))	4,484	806	3,678
Write-off amount of loans (iv)	1,147	(1,904)	3,051
Net transfer to specific reserve for possible loan losses (v)	2,568	2,231	337
Net transfer to general reserve for possible loan losses (vi)	290	589	(299)
Losses on sales of loans to credit (vii)	486	(103)	589
Recoveries of write-off claims (viii)	8	8	0
Gains (losses) on stocks (ix)	5,668	1,951	3,717
Equity in gains (losses) of affiliated companies (x)	150	2	148
Others (xi)	680	(105)	785
Operating profits (xii): ((i) – (ii) – (iii) + (ix) + (x) + (xi))	38,996	1,951	37,045
Extraordinary gains (losses) (xiii)	(3,570)	(3,258)	(312)
Impairment losses	2,306	2,176	130
Transfer to reserve for dismantling costs for fixed assets	1,070	1,070	—
Income before income taxes and others (xiv): ((xii) + (xiii))	35,425	(1,308)	36,733
Provision for income taxes and others (xv)	8,698	139	8,559
Deferred income taxes (xvi)	2,457	(134)	2,591
Net income taxes (xvii): ((xv) + (xvi))	11,155	4	11,151
Net income ((xiv) – (xvii))	24,270	(1,311)	25,581
Net income attributable to owners of the parent	¥24,270	¥(1,311)	¥25,581

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		
	FY2019 (A)	(A) – (B)	FY2018 (B)
Consolidated core banking profit	¥32,781	¥(1,370)	¥34,151

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

## [Reference: Number of Consolidated Subsidiaries]

Item	Number of companies		
	FY2019 (A)	(A) – (B)	FY2018 (B)
Number of consolidated subsidiaries	6	(1)	7
Number of affiliated companies applicable to the equity method	1	—	1

## 2. Banking Profit

(Non-Consolidated)

Item	Millions of yen		
	FY2019 (A)	(A) – (B)	FY2018 (B)
Core banking profit	¥31,084	¥(1,545)	¥32,629
Per head (in thousands of yen)	9,805	(507)	10,312
Banking profit (before transfer to general reserve for possible loan losses)	34,732	276	34,456
Per head (in thousands of yen)	10,956	66	10,890
Banking profit	34,364	(92)	34,456
Per head (in thousands of yen)	10,840	(50)	10,890

## 3. Interest Rate Spread

(Non-Consolidated)

[All Branches]

Item	%		
	FY2019 (A)	(A) – (B)	FY2018 (B)
Average yield on interest earnings assets (i)	1.01	(0.04)	1.05
Average yield on loans and bills discounted	0.98	(0.05)	1.03
Average yield on securities	1.13	0.08	1.05
Average yield on interest bearing liabilities (ii)	0.69	(0.03)	0.72
Average yield on deposits and negotiable certificates of deposit	0.02	—	0.02
Average interest rate spread on loans and deposits	0.28	(0.02)	0.30
Average interest rate spread ((i) – (ii))	0.32	(0.01)	0.33

[Domestics Operations]

Item	%		
	FY2019 (A)	(A) – (B)	FY2018 (B)
Average yield on interest earnings assets (i)	0.87	(0.04)	0.91
Average yield on loans and bills discounted	0.89	(0.06)	0.95
Average yield on securities	1.00	0.11	0.89
Average yield on interest bearing liabilities (ii)	0.63	(0.02)	0.65
Average yield on deposits and negotiable certificates of deposit	0.01	—	0.01
Average interest rate spread on loans and deposits	0.20	(0.04)	0.24
Average interest rate spread ((i) – (ii))	0.24	(0.02)	0.26

## 4. Return on Equity

(Non-Consolidated)

Item	%		
	FY2019 (A)	(A) – (B)	FY2018 (B)
Core banking profit basis	6.70	(0.34)	7.04
Banking profit basis (before transfer to general reserve for possible loan losses)	7.49	0.06	7.43
Banking profit basis	7.41	(0.02)	7.43
Net income basis	5.21	(0.26)	5.47

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

## 5. Capital Adequacy Ratio (Domestic Standard)

Capital adequacy ratio is calculated on both a consolidated basis and on a non-consolidated basis according to the calculation formula specified under “the standards for judgment of the appropriateness of equity capital sufficiency based on assets, etc., held by banks pursuant to the provisions of Article 14-2 of the Banking Act” (FSA’s Notice No. 19 of 2006).

In addition, Hiroshima Bank used the foundation internal ratings-based approach in the calculation of credit risk assets and the gross profit allotment approach in the calculation of the operational risk value.

For the equity capital structure, please see the homepage of Hiroshima Bank. (<https://www.hirogin.co.jp/>)

### (Non-Consolidated)

Item	Billions of yen		
	As of March 31, 2020		As of March 31, 2019 (B)
	(A)	(A) – (B)	
Base items related to core capital (i)	¥ 441.4	¥ 15.4	¥ 426.0
Adjustment items related to core capital (ii)	51.7	5.2	46.5
Capital (iii): (i) – (ii)	389.6	10.1	379.5
Sum of risk assets, etc. (iv)	3,675.6	158.2	3,517.4
Capital adequacy ratio: (iii) / (iv)	10.59%	(0.20)%	10.79%

### (Consolidated)

Item	Billions of yen		
	As of March 31, 2020		As of March 31, 2019 (B)
	(A)	(A) – (B)	
Base items related to core capital (i)	¥ 462.8	¥ 15.5	¥ 447.3
Adjustment items related to core capital (ii)	63.4	5.3	58.1
Capital (iii): (i) – (ii)	399.3	10.2	389.1
Sum of risk assets, etc. (iv)	3,664.6	131.1	3,533.5
Capital adequacy ratio: (iii) / (iv)	10.89%	(0.12)%	11.01%

## 6. Gains (Losses) on Valuation of Securities

### (Non-Consolidated)

Item	Billions of yen							
	As of March 31, 2020 (A)				As of March 31, 2019 (B)			
	Valuation gains (losses)	(A) – (B)	Valuation gains	Valuation losses	Valuation gains (losses)	Valuation gains	Valuation losses	
Held-to-maturity	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	
Other securities	20.8	(29.8)	38.7	17.9	50.6	64.6	13.9	
Stocks	22.2	(24.1)	28.8	6.6	46.3	50.0	3.6	
Bonds	5.1	(4.9)	6.2	1.0	10.0	10.0	0.0	
Others	(6.5)	(0.8)	3.6	10.1	(5.7)	4.5	10.3	
Total	¥20.8	¥(29.8)	¥38.7	¥17.9	¥50.6	¥64.6	¥13.9	

Note: Unlisted stocks, etc. are not included in the above table because it is recognized that it is extremely difficult to determine their market value.



# [Loans and Other Assets Information]

## 1. Loans Outstanding

(Non-Consolidated)

### (1) Breakdown of Loans Outstanding

Loans outstanding (average balance)	Billions of yen		
	FY2019 (A)	(A) – (B)	FY2018 (B)
Loans	¥6,317.9	¥329.9	¥5,988.0
Corporate loans	4,735.1	258.5	4,476.6
Individual loans	1,582.7	71.4	1,511.3
Housing loans	1,009.1	33.9	975.2
Other loans	573.6	37.6	536.0

Loans outstanding (term-end balance)	Billions of yen		
	As of March 31, 2020 (A)	(A) – (B)	As of March 31, 2019 (B)
Loans	¥6,479.7	¥465.1	¥6,014.6
Corporate loans	4,860.4	393.7	4,466.7
Individual loans	1,619.2	71.3	1,547.9
Housing loans	1,029.7	38.2	991.5
Other loans	589.4	33.1	556.3

### (2) Loans Outstanding to Small- and Medium-Sized Businesses

Item	Billions of yen		
	As of March 31, 2020 (A)	(A) – (B)	As of March 31, 2019 (B)
Loans outstanding to small- and medium-sized businesses	¥4,272.1	¥198.2	¥4,073.9
Ratio to total loans and bill discounted	65.9%	(1.8)%	67.7%

Notes: 1. Loans outstanding to small- and medium-sized businesses.

2. Loans that are denominators of the ratio to total loans and bills discounted excluding JOM account.

## 2. Risk Managed Loans

(Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2020 (A)	(A) – (B)	As of March 31, 2019 (B)
Loans to debtors legally bankrupt	¥ 1,269	¥ 105	¥ 1,164
Other delinquent loans	49,038	1,644	47,394
Loans past due 3 months or more	2,429	(1,326)	3,755
Restructured loans	15,167	439	14,728
Total risk managed loans	¥67,905	¥ 862	¥67,043

(Consolidated)

Item	Millions of yen		
	As of March 31, 2020 (A)	(A) – (B)	As of March 31, 2019 (B)
Loans to debtors legally bankrupt	¥ 1,304	¥ 104	¥ 1,200
Other delinquent loans	49,038	1,644	47,394
Loans past due 3 months or more	2,429	(1,326)	3,755
Restructured loans	15,167	439	14,728
Total risk managed loans	¥67,939	¥ 861	¥67,078

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, 2020		As of March 31, 2019 (B)
	(A)	(A) – (B)	
Reserve for possible loan losses	¥31,848	¥747	¥31,101
General reserve for possible loan losses	16,377	369	16,008
Specific reserve for possible loan losses	15,471	379	15,092
Reserve for specific foreign borrowers/countries	—	—	—

(Consolidated)

Item	Millions of yen		
	As of March 31, 2020		As of March 31, 2019 (B)
	(A)	(A) – (B)	
Reserve for possible loan losses	¥33,692	¥498	¥33,194
General reserve for possible loan losses	16,839	291	16,548
Specific reserve for possible loan losses	16,853	208	16,645
Reserve for specific foreign borrowers/countries	—	—	—

### 4. Ratio to Reserve for Total Risk Managed Loans

(Non-Consolidated)

Item	%		
	As of March 31, 2020		As of March 31, 2019 (B)
	(A)	(A) – (B)	
Before partial direct write-off	56.6	0.4	56.2
After partial direct write-off	46.7	0.4	46.3

(Consolidated)

Item	%		
	As of March 31, 2020		As of March 31, 2019 (B)
	(A)	(A) – (B)	
Before partial direct write-off	56.6	0.3	56.3
After partial direct write-off	46.7	0.4	46.3

### 5. Problem Loans Disclosed under the Financial Revitalization Law

(Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2020		As of March 31, 2019 (B)
	(A)	(A) – (B)	
Loans to bankrupt and quasi-bankrupt loans	¥ 6,119	¥ 194	¥ 5,925
Doubtful loans	46,122	454	45,668
Substandard loans	17,596	(888)	18,484
Total (i)	¥69,839	¥(238)	¥70,077

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

(Non-Consolidated)

Item	Millions of yen		As of March 31, 2019 (B)
	As of March 31, 2020 (A)	(A) – (B)	
Coverage amount (ii)	¥48,649	¥(2,379)	¥51,028
Portion covered by reserve (iii)	18,516	151	18,365
Portion covered by collateral	30,133	(2,530)	32,663
Specific reserve for loan losses	—	—	—
Coverage ratio to disclosed totals (ii)/(i)	69.6%	(3.2)%	72.8%
Coverage ratio before partial direct write-off	75.2%	(2.5)%	77.7%
Excluding collateral and guarantees (iv)	39,706	2,293	37,413
Coverage ratio (iii)/(iv)	46.6%	(2.5)%	49.1%
Ratio to total loans outstanding	1.06%	(0.09)%	1.15%

## 7. Loans to Entities Overseas by Country

(Non-Consolidated)

### (1) Loans to Asian Countries

Not applicable.

### (2) Loans to Latin American Countries

Not applicable.

## 8. Loan Portfolio

(Non-Consolidated)

### (1) Classification of Loans by Type of Industry

Item	Millions of yen		As of March 31, 2019 (B)
	As of March 31, 2020 (A)	(A) – (B)	
Domestic (excluding JOM account)	¥6,479,709	¥465,026	¥6,014,683
Manufacturing	747,896	(2,681)	750,577
Agriculture/Forestry	6,297	1,440	4,857
Fishery	1,314	(65)	1,379
Mining/Quarrying of stone/Gravel	4,214	(494)	4,708
Construction	174,537	3,496	171,041
Electricity, gas and water	219,399	28,509	190,890
Telecommunication	22,836	4,017	18,819
Transportation/Postal activities	325,114	14,727	310,387
Wholesale/Retail services	547,341	27,638	519,703
Financial and insurance services	271,714	(23,046)	294,760
Retail estate/Goods rental and leasing	1,073,237	62,111	1,011,126
Services	412,536	6,422	406,114
Municipal government	1,050,558	239,807	810,751
Others	1,622,704	103,145	1,519,559

Note: Others are included in the following loans.

Item	Millions of yen		As of March 31, 2019 (B)
	As of March 31, 2020 (A)	(A) – (B)	
Individual	¥1,180,021	¥42,256	¥1,137,765
Ship chartering industry (nonresidents)	395,697	56,313	339,384

Note: Ship chartering industry (nonresidents) refers primarily to foreign subsidiaries of domestic ship chartering companies.

Ship related loans, including loans to the ship chartering industry (domestic and nonresidents and shipbuilding companies, amounted to 702,259 million yen as of March 31, 2020.

**(2) Classification of Risk Managed Loans by Type of Industry**

Item	Millions of yen		
	As of March 31, 2020		As of March 31, 2019 (B)
	(A)	(A) – (B)	
Domestic (excluding JOM account)	¥67,905	¥ 862	¥67,043
Manufacturing	19,324	1,791	17,533
Agriculture/Forestry	657	593	64
Fishery	0	0	0
Mining/Quarrying of stone/Gravel	40	(7)	47
Construction	4,241	(1,318)	5,559
Electricity, gas and water	430	430	—
Telecommunication	481	75	406
Transportation/Postal activities	528	(129)	657
Wholesale/Retail services	10,465	1,354	9,111
Financial and insurance services	800	(3)	803
Retail estate/Goods rental and leasing	8,538	(1,466)	10,004
Services	10,914	559	10,355
Municipal government	—	—	—
Others	11,481	(1,016)	12,497

**9. Deposits Outstanding**

(Non-Consolidated)

**Breakdown of Deposits Outstanding**

Deposits outstanding (average balance)	Billions of yen		
	FY2019 (A)	(A) – (B)	FY2018 (B)
Deposits and NCD	¥7,707.8	¥239.5	¥7,468.3
Corporate deposits	2,318.5	79.3	2,239.2
Individual deposits	4,933.6	146.6	4,787.0
Public and finance institution deposits	455.6	13.6	442.0

Deposits outstanding (term-end balance)	Billions of yen		
	As of March 31, 2020 (A)	(A) – (B)	As of March 31, 2019 (B)
Deposits and NCD	¥7,709.0	¥230.0	¥7,479.0
Corporate deposits	2,358.0	73.5	2,284.5
Individual deposits	4,999.8	168.5	4,831.3
Public and finance institution deposits	351.1	(11.9)	363.0