

Financial Results for Fiscal 2020

(From April 1, 2020 to March 31, 2021)

Hirogin Holdings, Inc.

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Consolidated Financial Information for Fiscal 2020

1. Consolidated Balance Sheets

Item	Millions of yen
	As of March 31, 2021
ASSETS	
Cash and due from banks	¥ 2,580,736
Call loans and bills purchased	942
Financial receivables purchased	7,533
Trading assets	6,501
Money held in trust	45,727
Securities	1,479,829
Loans and bills discounted	6,480,841
Foreign exchanges	15,463
Lease receivables and investments in leases	60,231
Other assets	129,018
Tangible fixed assets	110,904
Buildings	32,609
Land	57,242
Lease assets	2,031
Construction in progress	285
Other tangible fixed assets	18,734
Intangible fixed assets	9,308
Software	6,947
Goodwill	675
Other intangible fixed assets	1,685
Net defined benefit asset	85,864
Deferred tax assets	1,487
Customers' liabilities for acceptances and guarantees	36,251
Reserve for possible loan losses	(41,072)
Total assets	¥11,009,572
LIABILITIES AND NET ASSETS	
Liabilities	
Deposits	¥ 8,344,597
Negotiable certificates of deposit	325,478
Payables under repurchase agreements	255,685
Deposits received for bonds lending / borrowing transactions	382,445
Trading liabilities	3,607
Borrowed money	1,024,872
Foreign exchanges	1,985
Due to trust account	47
Other liabilities	90,468
Net defined benefit liability	670
Reserve for retirement benefits of directors and corporate auditors	96
Reserve for reimbursement of dormant deposits	1,745
Reserve for point loyalty programs	137
Provision for share-based benefit	609
Reserve for dismantling costs for fixed assets	768
Reserves under special laws	28
Deferred tax liabilities	9,588
Deferred tax liabilities for land revaluation reserve	13,605
Acceptances and guarantees	36,251
Total liabilities	10,492,691
Net Assets	
Common stock	60,000
Capital surplus	25,209
Retained earnings	361,215
Common stock in treasury	(1,311)
Total stockholders' equity	445,112
Net unrealized holding gains on securities available for sale	27,327
Net deferred gains (losses) on hedging instruments, net of tax	(1,938)
Land valuation and translation adjustments, net of tax	27,781
Remeasurements of defined benefit plans	18,348
Total accumulated other comprehensive income	71,519
Stock acquisition rights	126
Non-controlling interests	121
Total net assets	516,880
Total liabilities and net assets	¥11,009,572

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

Consolidated Statements of Income

Item	Millions of yen
	FY2020
Operating income	¥115,478
Interest income	71,390
Interest on loans and discounts	58,832
Interest and dividends on securities	10,132
Interest on call loans and bills purchased	7
Interest on deposits with banks	486
Other interest income	1,931
Trust fees	128
Fees and commissions	28,852
Trading income	4,134
Other operating income	5,552
Other income	5,418
Recoveries of written-off claims	1
Other	5,417
Operating expenses	84,435
Interest expenses	4,585
Interest on deposits	1,249
Interest on negotiable certificates of deposit	41
Interest on call money and bills sold	(10)
Interest on payables under repurchase agreement	420
Interest on bonds lending / borrowing transactions	81
Interest on borrowings and rediscounts	630
Other interest expenses	2,172
Fees and commissions	9,456
Other operating expenses	797
General and administrative expenses	57,800
Other expenses	11,796
Transfer to reserve for possible loan losses	9,736
Other	2,060
Operating profits	31,042
Extraordinary gains	481
Gains on dispositions of fixed assets	14
Transfer from reserve for financial products transaction liabilities	9
Gain on step acquisitions	86
Gain on reversal of reserve for fixed asset dismantling costs	371
Extraordinary losses	589
Losses on dispositions of fixed assets	149
Impairment losses	439
Income before income taxes and others	30,934
Provision for income taxes and others	10,360
Deferred income taxes	(1,000)
Total income taxes	9,360
Net income	21,574
Net income attributable to owners of the parent	¥ 21,574

Consolidated Statements of Comprehensive Income

Item	Millions of yen
	FY2020
Net income	¥21,574
Other comprehensive income	21,668
Net unrealized holding gains on securities available for sale, net of tax	12,322
Net deferred gains on hedging instruments, net of tax	3,086
Remeasurements of defined benefit plans	6,264
Share of other comprehensive loss of affiliated companies accounted for by equity method	(4)
Comprehensive income	¥43,243
Comprehensive income attributable to owners of the parent	¥43,243

3. Consolidated Statements of Stockholders' Equity

Item	Millions of yen				
	FY2020				
	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Common stock in treasury	Total stockholders' equity
Balance at the beginning of current period	¥54,573	¥30,740	¥347,714	¥ (998)	¥432,030
Changes of items during the period					
Changes by stock transfers	5,426	(5,426)			—
Dividends from surplus			(7,964)		(7,964)
Net income attributable to owners of the parent			21,574		21,574
Purchase of common stock in treasury				(789)	(789)
Disposal of common stock in treasury		3		259	262
Retirement of common stock in treasury		(108)	(108)	216	—
Net changes of items other than shareholders' equity					
Total changes of items during the period	5,426	(5,531)	13,501	(313)	13,082
Balance at the end of current period	¥60,000	¥25,209	¥361,215	¥(1,311)	¥445,112

Item	Millions of yen							
	FY2020							
	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	Non-controlling interests	Total net assets
Balance at the beginning of current period	¥15,010	¥(5,025)	¥27,781	¥12,084	¥49,850	¥176	¥ —	¥482,057
Changes of items during the period								
Changes by stock transfers								—
Dividends from surplus								(7,964)
Net income attributable to owners of the parent								21,574
Purchase of common stock in treasury								(789)
Disposal of common stock in treasury								262
Retirement of common stock in treasury								—
Net changes of items other than shareholders' equity	12,317	3,086	—	6,264	21,668	(49)	121	21,741
Total changes of items during the period	12,317	3,086	—	6,264	21,668	(49)	121	34,823
Balance at the end of current period	¥27,327	¥(1,938)	¥27,781	¥18,348	¥71,519	¥126	¥121	¥516,880

4. Consolidated Statements of Cash Flows

Item	Millions of yen	
	FY2020	
Cash flows from operating activities:		
Income before income taxes and minority interests	¥	30,934
Depreciation of premise, equipment and others		4,709
Impairment losses of fixed assets		439
Share of loss (profit) of entities accounted for using equity method		(181)
Loss (gain) on step acquisitions		(86)
Net change in reserve for possible loan losses		6,853
Net change in defined benefit asset		(15,011)
Net change in defined benefit liability		3
Net change in reserve for executive retirement benefits		9
Net change in reserve for reimbursement of dormant deposits		(785)
Net change in reserve for point loyalty programs		(4)
Net change in provision for share-based benefit		61
Net change in reserves under special laws		(9)
Net change in reserve for dismantling costs for fixed assets		(408)
Interest income		(71,390)
Interest expense		4,585
Net change in securities transactions		(7,730)
Net change in dispositions of fixed assets		135
Net change in trading assets		(260)
Net change in trading liabilities		(206)
Net change in loans		(61,449)
Net change in deposits		818,469
Net change in negotiable certificates of deposits		163,769
Net change in borrowed money excluding subordinated loans		383,836
Net change in due from banks other than from the BANK OF JAPAN		(1,192)
Net change in call loans and bills bought		6,056
Net change in call money and bills sold		76,264
Net change in deposits received for bonds lending/borrowing transactions		61,437
Net change in foreign exchanges (assets)		19,526
Net change in foreign exchanges (liabilities)		(1,516)
Interest received		77,497
Interest paid		(4,794)
Other – net		5,579
Subtotal		1,495,141
Income taxes paid		(8,803)
Net cash provided by operating activities		1,486,338
Cash flows from investing activities:		
Purchases of securities		(831,611)
Proceeds from sales of securities		430,328
Proceeds from maturity of securities		88,936
Increase in money held in trust		(35,811)
Decrease in money held in trust		8
Purchases of tangible fixed assets		(19,977)
Purchases of intangible fixed assets		(2,342)
Proceeds from sales of tangible fixed assets		799
Payments for retirement of tangible fixed assets		(14)
Purchases of stocks of subsidiaries resulting in change in scope of consolidation		(719)
Net cash used in investing activities		(370,404)
Cash flows from financing activities:		
Dividends paid		(7,957)
Purchases of treasury stock		(789)
Proceeds from sales of treasury stock		0
Payments of lease liabilities		(564)
Net cash used in financing activities		(9,312)
Effect of foreign exchange rate changes on cash and cash equivalents		(14)
Net change in cash and cash equivalents		1,106,606
Cash and cash equivalents at the beginning of year		1,463,401
Cash and cash equivalents at the end of year		¥2,570,007

Financial Data for Fiscal 2020

1. Income Status

(Hirogin Holdings, Inc. Consolidated)

Item	Millions of yen		
	FY2020 (A)	(A) – (B)	FY2019 (The Hiroshima Bank, Ltd. Consolidated) (B)
Consolidated gross banking profit (i)	¥95,220	¥ 894	¥94,326
Interest income	66,805	(611)	67,416
Fees and commissions	19,524	1,136	18,388
Trading income	4,134	922	3,212
Other operating income	4,755	(553)	5,308
General and administrative expenses (ii)	57,800	455	57,345
Credit cost (iii): ((iv) + (v) + (vi) + (vii) – (viii))	11,216	6,732	4,484
Write-off amount of loans (iv)	1,173	26	1,147
Net transfer to specific reserve for possible loan losses (v)	8,616	6,048	2,568
Net transfer to general reserve for possible loan losses (vi)	1,120	830	290
Losses on sales of loans to credit (vii)	308	(178)	486
Recoveries of write-off claims (viii)	1	(7)	8
Gains (losses) on stocks (ix)	4,517	(1,151)	5,668
Equity in gains (losses) of affiliated companies (x)	181	31	150
Others (xi)	138	(542)	680
Operating profits (xii): ((i) – (ii) – (iii) + (ix) + (x) + (xi))	31,042	(7,954)	38,996
Extraordinary gains (losses) (xiii)	(107)	3,463	(3,570)
Income before income taxes and others (xiv): ((xii) + (xiii))	30,934	(4,491)	35,425
Provision for income taxes and others (xv)	10,360	1,662	8,698
Deferred income taxes (xvi)	(1,000)	(3,457)	2,457
Net income taxes (xvii): ((xv) + (xvi))	9,360	(1,795)	11,155
Net income ((xiv) – (xvii))	21,574	(2,696)	24,270
Net income attributable to owners of the parent	¥21,574	¥(2,696)	¥24,270

Notes: 1. As Hirogin Holdings, Inc. was established on October 1, 2020, there are no consolidated figures for fiscal 2019 (or the year ended March 31, 2020). However, as a reference, consolidated figures from the former organization with Hiroshima Bank as the parent are provided as a comparison for fiscal 2019 (or the year ended March 31, 2020).
(Applies hereafter)

2. 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: Number of Consolidated Subsidiaries]

Item	Number of companies
	As of March 31, 2021
Number of consolidated subsidiaries	10
Number of affiliated companies applicable to the equity method	—

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen		
	FY2020 (A)	(A) – (B)	FY2019 (B)
Gross banking profit (i)	¥89,734	¥ 2,296	¥87,438
Core gross banking profit (ii): (i) – (iii)	86,524	2,734	83,790
Interest income	70,223	1,920	68,303
Fees and commissions	13,978	884	13,094
Trading income	809	59	750
Other operating income	4,724	(566)	5,290
Gains (losses) from securities (iii)	3,210	(438)	3,648
Expenses (iv)	53,343	638	52,705
Personnel expenses	25,786	(829)	26,615
Non-personnel expenses	22,754	179	22,575
Taxes	4,802	1,288	3,514
Banking profit (before transfer to general reserve for possible loan losses) (v): (i) – (iv)	36,391	1,659	34,732
Core banking profit (ii) – (iv)	33,180	2,096	31,084
Core net business income (excluding gains (losses) on cancellation of investment trust)	33,180	2,096	31,084
Transfer to general reserve for possible loan losses (vi)	1,247	879	368
Banking profit (after transfer to general reserve for possible loan losses) (vii): (v) – (vi)	35,144	780	34,364
Non-recurrent gains (losses) (viii): (ix) – (x) + (xi)	(4,063)	(7,183)	3,120
Gains (losses) on stocks (ix)	4,545	(1,123)	5,668
Disposal of non-performing loans (x)	9,896	6,029	3,867
Write-off amount of loans	1,167	26	1,141
Net transfer to specific reserve for possible loan losses	8,526	6,104	2,422
Losses on sales of loans to credit	201	(110)	311
Recoveries of written-off claims	0	(8)	8
Other non-recurrent gains (losses) (xi)	1,287	(31)	1,318
Operating profits (vii) + (viii)	31,080	(6,404)	37,484
Extraordinary gains (losses)	(56)	3,300	(3,356)
Of which, net gains (losses) from fixed assets	(553)	1,907	(2,460)
Gains on dispositions of fixed assets	14	6	8
Losses on dispositions of fixed assets	134	(40)	174
Impairment losses	434	(1,860)	2,294
Income before income taxes and others	31,024	(3,103)	34,127
Provision for income taxes and others (xii)	9,223	1,289	7,934
Deferred income taxes (xiii)	(592)	(2,623)	2,031
Net income taxes (xii) + (xiii)	8,630	(1,336)	9,966
Net income	22,393	(1,768)	24,161
Credit costs (vi) + (x)	¥11,143	¥ 6,908	¥ 4,235

2. Return on Equity

(Hirogin Holdings, Inc. Consolidated)

Item	%		FY2019 (The Hiroshima Bank, Ltd. Consolidated) (B)
	FY2020 (A)	(A) – (B)	
Base item related to net income attributable to owners of the parent	4.32	(0.68)	5.00

3. Capital Adequacy Ratio (Domestic Standard)

In addition, Hirogin Holdings, Inc. and The Hiroshima Bank, Ltd. 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 Hirogin Holdings. (<https://www.hirogin-hd.co.jp/>)

(Hirogin Holdings, Inc. Consolidated)

Item	Billions of yen		As of March 31, 2020 (The Hiroshima Bank, Ltd. Consolidated) (B)
	As of March 31, 2021 (A)	(A) – (B)	
Base items related to core capital (i)	¥ 480.5	¥ 17.7	¥ 462.8
Adjustment items related to core capital (ii)	72.2	8.8	63.4
Capital (iii): (i) – (ii)	408.2	8.9	399.3
Sum of risk assets, etc. (iv)	3,850.4	185.8	3,664.6
Capital adequacy ratio: (iii) / (iv)	10.60%	(0.29)%	10.89%

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Billions of yen		As of March 31, 2020 (B)
	As of March 31, 2021 (A)	(A) – (B)	
Base items related to core capital (i)	¥ 434.9	¥ (6.5)	¥ 441.4
Adjustment items related to core capital (ii)	55.8	4.1	51.7
Capital (iii): (i) – (ii)	379.0	(10.6)	389.6
Sum of risk assets, etc. (iv)	3,833.7	158.1	3,675.6
Capital adequacy ratio: (iii) / (iv)	9.88%	(0.71)%	10.59%

4. Banking Profit

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen		FY2019 (B)
	FY2020 (A)	(A) – (B)	
Core banking profit	¥33,180	¥2,096	¥31,084
Per head (in thousands of yen)	10,557	752	9,805
Banking profit (before transfer to general reserve for possible loan losses)	36,391	1,659	34,732
Per head (in thousands of yen)	11,578	622	10,956
Banking profit	35,144	780	34,364
Per head (in thousands of yen)	11,181	341	10,840

5. Interest Rate Spread

(The Hiroshima Bank, Ltd. Non-Consolidated)
[All Branches]

Item	%		FY2019 (B)
	FY2020 (A)	(A) – (B)	
Average yield on interest earnings assets (i)	0.93	(0.08)	1.01
Average yield on loans and bills discounted	0.88	(0.10)	0.98
Average yield on securities	1.09	(0.04)	1.13
Average yield on interest bearing liabilities (ii)	0.60	(0.09)	0.69
Average yield on deposits and negotiable certificates of deposit	0.01	(0.01)	0.02
Average interest rate spread on loans and deposits	0.23	(0.05)	0.28
Average interest rate spread ((i) – (ii))	0.33	0.01	0.32

[Domestics Operations]

Item	%		FY2019 (B)
	FY2020 (A)	(A) – (B)	
Average yield on interest earnings assets (i)	0.83	(0.04)	0.87
Average yield on loans and bills discounted	0.85	(0.04)	0.89
Average yield on securities	1.06	0.06	1.00
Average yield on interest bearing liabilities (ii)	0.58	(0.05)	0.63
Average yield on deposits and negotiable certificates of deposit	0.01	—	0.01
Average interest rate spread on loans and deposits	0.21	0.01	0.20
Average interest rate spread ((i) – (ii))	0.25	0.01	0.24

6. Gains (Losses) Related to Securities

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen		FY2019 (B)
	FY2020 (A)	(A) – (B)	
Gains/losses related to government bonds and other bonds	¥3,210	¥ (438)	¥3,648
Sales gains	3,993	(4,495)	8,488
Sales losses	782	(4,057)	4,839
Amortization	—	—	—
Gains/losses related to stocks	¥4,545	¥(1,123)	¥5,668
Sales gains	4,696	(3,875)	8,571
Sales losses	143	(1,017)	1,160
Amortization	7	(1,734)	1,741

7. Gains (Losses) on Valuation of Securities

(Hirogin Holdings, Inc. Consolidated)

Item	Billions of yen						
	As of March 31, 2021 (A)				As of March 31, 2020 (The Hiroshima Bank, Ltd. Consolidated) (B)		
	Valuation gains (losses)	(A) – (B)	Valuation gains	Valuation losses	Valuation gains (losses)	Valuation gains	Valuation losses
Held-to-maturity	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Other securities	38.7	17.9	57.1	18.4	20.8	38.7	17.9
Stocks	43.1	20.9	46.6	3.4	22.2	28.8	6.6
Bonds	0.1	(5.0)	4.4	4.2	5.1	6.2	1.0
Others	(4.6)	1.9	6.1	10.7	(6.5)	3.6	10.1
Total	¥38.7	¥17.9	¥57.1	¥18.4	¥20.8	¥38.7	¥17.9

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.

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Billions of yen						
	As of March 31, 2021 (A)				As of March 31, 2020 (B)		
	Valuation gains (losses)	(A) – (B)	Valuation gains	Valuation losses	Valuation gains (losses)	Valuation gains	Valuation losses
Held-to-maturity	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Other securities	38.6	17.8	57.1	18.4	20.8	38.7	17.9
Stocks	43.1	20.9	46.6	3.4	22.2	28.8	6.6
Bonds	0.1	(5.0)	4.4	4.2	5.1	6.2	1.0
Others	(4.6)	1.9	6.1	10.7	(6.5)	3.6	10.1
Total	¥38.6	¥17.8	¥57.1	¥18.4	¥20.8	¥38.7	¥17.9

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

(The Hiroshima Bank, Ltd. Non-Consolidated)

(1) Breakdown of Loans Outstanding

Loans outstanding (average balance)	Billions of yen		
	FY2020 (A)	(A) – (B)	FY2019 (B)
Loans	¥6,599.9	¥282.0	¥6,317.9
Corporate loans	4,966.4	231.3	4,735.1
Individual loans	1,633.4	50.7	1,582.7
Housing loans	1,043.8	34.7	1,009.1
Other loans	589.5	15.9	573.6

Loans outstanding (term-end balance)	Billions of yen		
	As of March 31, 2021 (A)	(A) – (B)	As of March 31, 2020 (B)
Loans	¥6,540.8	61.1	¥6,479.7
Corporate loans	4,881.4	21.0	4,860.4
Individual loans	1,659.4	40.2	1,619.2
Housing loans	1,067.9	38.2	1,029.7
Other loans	591.4	2.0	589.4

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

Item	Billions of yen		
	As of March 31, 2021 (A)	(A) – (B)	As of March 31, 2020 (B)
Loans outstanding to small- and medium-sized businesses	¥4,415.6	¥143.5	¥4,272.1
Ratio to total loans and bill discounted	67.5%	1.6%	65.9%

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

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

2. Risk Managed Loans

(Hirogin Holdings, Inc. Consolidated)

Item	Millions of yen		
	As of March 31, 2021 (A)	(A) – (B)	As of March 31, 2020 (The Hiroshima Bank, Ltd. Consolidated) (B)
Loans to debtors legally bankrupt	¥ 1,118	¥ (186)	¥ 1,304
Other delinquent loans	59,799	10,761	49,038
Loans past due 3 months or more	4,160	1,731	2,429
Restructured loans	24,556	9,389	15,167
Total risk managed loans	¥89,634	¥21,695	¥67,939

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2021 (A)	(A) – (B)	As of March 31, 2020 (B)
Loans to debtors legally bankrupt	¥ 1,083	¥ (186)	¥ 1,269
Other delinquent loans	59,799	10,761	49,038
Loans past due 3 months or more	4,160	1,731	2,429
Restructured loans	24,556	9,389	15,167
Total risk managed loans	¥89,599	¥21,694	¥67,905

Note: Hirogin Holdings, Inc. and The Hiroshima Bank, Ltd. adopts partial direct write-off.

3. Reserve for Possible Loan Losses

(Hirogin Holdings, Inc. Consolidated)

Item	Millions of yen		
	As of March 31, 2021		As of March 31, 2020 (The Hiroshima Bank, Ltd. Consolidated) (B)
	(A)	(A) – (B)	
Reserve for possible loan losses	¥41,072	¥7,380	¥33,692
General reserve for possible loan losses	18,019	1,180	16,839
Specific reserve for possible loan losses	23,052	6,199	16,853
Reserve for specific foreign borrowers/countries	—	—	—

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2021		As of March 31, 2020 (B)
	(A)	(A) – (B)	
Reserve for possible loan losses	¥38,881	¥7,033	¥31,848
General reserve for possible loan losses	17,624	1,247	16,377
Specific reserve for possible loan losses	21,256	5,785	15,471
Reserve for specific foreign borrowers/countries	—	—	—

4. Problem Loans Disclosed under the Financial Revitalization Law

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2021		As of March 31, 2020 (B)
	(A)	(A) – (B)	
Loans to bankrupt and quasi-bankrupt loans	¥ 5,945	¥ (174)	¥ 6,119
Doubtful loans	55,250	9,128	46,122
Substandard loans	28,716	11,120	17,596
Total (i)	89,913	20,074	¥69,839

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

(The Hiroshima Bank, Ltd. Non-Consolidated)

Item	Millions of yen		
	As of March 31, 2021		As of March 31, 2020 (B)
	(A)	(A) – (B)	
Coverage amount (ii)	¥63,512	¥14,863	¥48,649
Portion covered by reserve (iii)	25,848	7,332	18,516
Portion covered by collateral	37,663	7,530	30,133
Specific reserve for loan losses	—	—	—
Coverage ratio to disclosed totals (ii)/(i)	70.6%	1.0%	69.6%
Coverage ratio before partial direct write-off	75.6%	0.4%	75.2%
Excluding collateral and guarantees (iv)	52,249	12,543	39,706
Coverage ratio (iii)/(iv)	49.4%	2.8%	46.6%
Ratio to total loans outstanding	1.36%	0.30%	1.06%

6. Loan Portfolio

(The Hiroshima Bank, Ltd. Non-Consolidated)

(1) Classification of Loans by Type of Industry

Item	Millions of yen		
	As of March 31, 2021		As of March 31, 2020 (B)
	(A)	(A) – (B)	
Domestic (excluding JOM account)	¥6,540,880	¥ 61,171	¥6,479,709
Manufacturing	740,664	(7,232)	747,896
Agriculture/Forestry	6,459	162	6,297
Fishery	1,221	(93)	1,314
Mining/Quarrying of stone/Gravel	3,790	(424)	4,214
Construction	174,803	266	174,537
Electricity, gas and water	221,879	2,480	219,399
Telecommunication	21,871	(965)	22,836
Transportation/Postal activities	347,979	22,865	325,114
Wholesale/Retail services	549,568	2,227	547,341
Financial and insurance services	234,992	(36,722)	271,714
Retail estate/Goods rental and leasing	1,141,759	68,522	1,073,237
Services	443,102	30,566	412,536
Municipal government	1,004,998	(45,560)	1,050,558
Others	1,647,782	25,078	1,622,704

Note: Others are included in the following loans.

Item	Millions of yen		
	As of March 31, 2021		As of March 31, 2020 (B)
	(A)	(A) – (B)	
Individual	¥1,208,616	¥28,595	¥1,180,021
Ship chartering industry (nonresidents)	389,346	(6,351)	395,697

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 717,945 million yen as of March 31, 2021 (up by 15,686 million yen from March 31, 2020).

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

Item	Millions of yen		
	As of March 31, 2021		As of March 31, 2020 (B)
	(A)	(A) – (B)	
Domestic (excluding JOM account)	¥89,599	¥21,694	¥67,905
Manufacturing	19,983	659	19,324
Agriculture/Forestry	779	122	657
Fishery	4	4	0
Mining/Quarrying of stone/Gravel	32	(8)	40
Construction	4,500	259	4,241
Electricity, gas and water	2,953	2,523	430
Telecommunication	460	(21)	481
Transportation/Postal activities	953	425	528
Wholesale/Retail services	13,002	2,537	10,465
Financial and insurance services	795	(5)	800
Retail estate/Goods rental and leasing	14,090	5,552	8,538
Services	20,638	9,724	10,914
Municipal government	—	—	—
Others	11,404	(77)	11,481

7. Deposits Outstanding

(The Hiroshima Bank, Ltd. Non-Consolidated)

Breakdown of Deposits Outstanding

Deposits outstanding (average balance)	Billions of yen		
	FY2020 (A)	(A) – (B)	FY2019 (B)
Deposits and NCD	¥8,294.4	¥586.6	¥7,707.8
Corporate deposits	2,547.2	228.7	2,318.5
Individual deposits	5,263.1	329.5	4,933.6
Public and finance institution deposits	484.0	28.4	455.6

Deposits outstanding (term-end balance)	Billions of yen		
	As of March 31, 2021 (A)	(A) – (B)	As of March 31, 2020 (B)
Deposits and NCD	¥8,699.6	¥990.6	¥7,709.0
Corporate deposits	2,750.5	392.5	2,358.0
Individual deposits	5,448.5	448.7	4,999.8
Public and finance institution deposits	500.5	149.4	351.1

[Reference] The Hiroshima Bank, Ltd. Non-Consolidated Financial Information for Fiscal 2020

1. Non-Consolidated Balance Sheets

Item	Millions of yen	
	As of March 31, 2020	As of March 31, 2021
ASSETS		
Cash and due from banks	¥1,471,326	¥ 2,579,575
Cash	77,713	80,029
Due from banks	1,393,612	2,499,546
Call loans	6,711	942
Financial receivables purchased	6,313	6,133
Trading assets	6,235	6,501
Trading account securities	1,135	1,305
Trading-related financial derivatives	5,099	5,195
Money held in trust	171	30,127
Securities	1,136,265	1,486,384
National government bonds	319,928	429,383
Local government bonds	132,915	173,332
Corporate bonds	236,467	274,936
Stocks	93,373	99,533
Other securities	353,581	509,199
Loans and bills discounted	6,479,709	6,540,880
Bills discounted	21,193	16,828
Loans on bills	121,577	97,308
Loans on deeds	5,559,988	5,629,216
Overdrafts	776,949	797,527
Foreign exchanges	34,990	15,463
Due from foreign banks (our accounts)	33,474	13,539
Foreign bills bought	406	293
Foreign bills receivable	1,108	1,630
Other assets	106,427	107,467
Domestic exchange settlement account, debit	1	2
Prepaid expenses	757	1,214
Accrued income	5,099	5,679
Initial margins of futures markets	1,429	512
Derivatives other than for trading-assets	7,931	9,186
Cash collateral paid for financial instruments	26,885	31,843
Other	64,322	59,029
Tangible fixed assets	92,974	108,515
Buildings	11,738	32,456
Land	56,644	57,240
Lease assets	561	531
Construction in progress	5,330	279
Other tangible fixed assets	18,699	18,007
Intangible fixed assets	9,119	8,427
Software	6,931	6,796
Other intangible fixed assets	2,188	1,631
Prepaid pension cost	53,340	59,272
Deferred tax assets	4,965	—
Customers' liabilities for acceptances and guarantees	35,232	35,207
Reserve for possible loan losses	(31,848)	(38,881)
Total assets	¥9,411,933	¥10,946,017

Item	Millions of yen	
	As of March 31, 2020	As of March 31, 2021
LIABILITIES AND NET ASSETS		
Liabilities		
Deposits	¥7,541,559	¥ 8,368,396
Current deposits	461,586	559,301
Ordinary deposits	4,367,218	5,058,093
Saving deposits	71,074	77,629
Deposits at notice	21,884	29,036
Time deposits	2,193,569	2,215,706
Installment savings	27	26
Other deposits	426,198	428,601
Negotiable certificates of deposit	167,491	331,271
Call money	100,000	—
Payables under repurchase agreements	79,420	255,685
Deposits received for bonds lending / borrowing transactions	321,008	382,445
Trading liabilities	3,814	3,607
Trading-related financial derivatives	3,814	3,607
Borrowed money	639,493	1,023,250
Borrowings from other banks	639,493	1,023,250
Foreign exchanges	3,502	1,985
Foreign bills sold	3,348	166
Foreign bills payable	154	1,819
Due to trust account	32	47
Other liabilities	41,541	58,559
Domestic exchange settlement account, credit	465	427
Income taxes payable	3,747	4,944
Accrued expenses	5,420	5,066
Unearned revenue	1,746	1,713
Reserve for interest on installment savings	1	1
Derivatives other than for trading-liabilities	13,528	19,560
Cash collateral received for financial instruments	4,019	678
Lease obligations	592	562
Asset retirement obligations	338	342
Other	11,680	25,262
Reserve for reimbursement of dormant deposits	2,530	1,745
Reserve for point loyalty programs	94	93
Provision for share-based benefit	547	599
Reserve for dismantling costs for fixed assets	1,177	768
Deferred tax liabilities	—	1,326
Deferred tax liabilities for land revaluation reserve	13,605	13,605
Acceptances and guarantees	35,232	35,207
Total liabilities	8,951,052	10,478,596
Net Assets		
Common stock	54,573	54,573
Capital surplus	30,739	30,634
Capital reserve	30,634	30,634
Other capital surplus	105	—
Retained earnings	338,614	329,081
Legal earned reserve	40,153	40,153
Other retained earnings	298,461	288,928
Voluntary reserve	273,604	289,604
Earned surplus brought forward	24,857	(675)
Common stock in treasury	(984)	—
Total stockholders' equity	422,943	414,289
Net unrealized holding gains (losses) on securities available for sale, net of tax	15,005	27,288
Net deferred gains (losses) on hedging instruments, net of tax	(5,025)	(1,938)
Land valuation and translation adjustments, net of tax	27,781	27,781
Total valuation and translation adjustments	37,762	53,131
Stock acquisition rights	176	—
Total net assets	460,881	467,420
Total liabilities and net assets	¥9,411,933	¥10,946,017

2. Non-Consolidated Statements of Income

Item	Millions of yen	
	FY2019	FY2020
Operating income	¥120,938	¥110,860
Interest income	76,662	74,770
Interest on loans and discounts	61,982	58,607
Interest and dividends on securities	12,765	13,770
Interest on call loans	283	7
Interest on deposits with banks	367	485
Other interest income	1,262	1,899
Trust fees	189	128
Fees and commissions	23,760	24,366
Fees and commissions on domestic and foreign exchanges	7,380	7,444
Other fees and commissions	16,379	16,922
Trading income	750	809
Gains on trading account securities transactions	105	70
Income from trading-related financial derivatives transactions	644	738
Other operating income	10,223	5,521
Gains on foreign exchange transactions	1,735	1,527
Gains on sales of bonds	8,488	3,993
Other	0	0
Other income	9,352	5,263
Recoveries of written-off claims	8	0
Gains on sales of stocks	8,571	4,696
Other	773	566
Operating expenses	83,454	79,779
Interest expense	8,358	4,550
Interest on deposits	1,881	1,249
Interest on negotiable certificates of deposit	54	42
Interest on call money	(36)	(10)
Interest on payables under repurchase agreement	1,780	420
Interest on bonds lending / borrowing transactions	567	81
Interest on borrowings and rediscounts	693	596
Interest on interest swaps	2,316	1,350
Other interest expenses	1,101	819
Fees and commissions	10,855	10,517
Fees and commissions on domestic and foreign exchanges	2,792	2,461
Other fees and commissions	8,062	8,055
Other operating expenses	4,933	797
Losses on sales of bonds	4,839	782
Expenses on trading-related financial derivatives transactions	93	14
Other	0	—
General and administrative expenses	52,138	52,605
Other expenses	7,168	11,309
Transfer to reserve for possible loan losses	2,791	9,774
Write-off amount of loans	1,141	1,167
Losses on sales of stocks	1,160	143
Write-off amount of stocks	1,741	7
Other	333	216
Operating profits	37,484	31,080
Extraordinary gains	181	512
Gains on dispositions of fixed assets	8	14
Gain on extinguishment of tie-in shares	173	—
Gain on reversal of reserve for fixed asset dismantling costs	—	371
Gain on reversal of stock acquisition rights	—	126
Extraordinary losses	3,538	568
Losses on dispositions of fixed assets	174	134
Impairment losses	2,294	434
Transfer to reserve for dismantling costs for fixed assets	1,070	—
Income before income taxes and others	34,127	31,024
Provision for income taxes and others	7,934	9,223
Deferred income taxes	2,031	(592)
Total income taxes	9,966	8,630
Net income	¥ 24,161	¥ 22,393