

Financial Section

The Shiga Bank, Ltd. and Consolidated Subsidiaries

CONSOLIDATED FIVE-YEAR SUMMARY

March 31, 2009, 2008, 2007, 2006, and 2005

	Millions of yen				
	2009	2008	2007	2006	2005
As of March 31					
Total assets	¥4,123,026	¥4,115,109	¥4,179,335	¥4,082,911	¥4,006,137
Investment securities	1,113,812	1,225,131	1,355,021	1,426,683	1,403,630
Loans and bills discounted	2,710,948	2,551,368	2,473,464	2,378,949	2,318,503
Deposits	3,654,781	3,595,050	3,705,751	3,624,279	3,579,204
Total equity	218,948	256,868	283,997	247,333	221,701
Years ended March 31					
Total income	96,103	116,258	99,356	99,914	90,974
Total expenses	113,592	106,138	83,956	77,892	71,544
Net income (loss) before income taxes and minority interests	(17,488)	10,120	15,399	22,021	19,429
Net income (loss)	(16,218)	3,597	8,839	10,209	11,483
Per share data (in yen)					
Cash dividends	¥ 6.00	¥ 6.00	¥ 6.00	¥ 5.50	¥ 5.00
Net income (loss)	(61.40)	13.60	33.41	38.43	43.05
Net equity	743.58	887.14	987.98	934.66	837.29
Ratio					
Capital ratio	10.34%	11.16%	12.20%	11.25%	11.18%
ROE	(7.53%)	1.45%	3.47%	4.35%	5.34%

Financial Review (Consolidated Basis)

The Japanese economy deteriorated rapidly in the second half of fiscal 2008 in response to the global financial crisis triggered by the bankruptcy of Lehman Brothers in September 2008.

In the financial sector, market and funding liquidity rapidly worsened, and the Bank of Japan took emergency measures such as cutting key policy interest rates twice, partially easing capital ratio regulations for bank operations, and relaxing standards for restructured loans.

The impact of this unprecedented financial crisis has made unavoidable the posting of substantial losses on the impairment of stocks and bonds in our investment portfolio. As a result, Shiga Bank posted its first-ever net loss for fiscal 2008.

Balance Sheets

Deposits (including negotiable certificates of deposit), centering primarily on the deposits of individuals, rose ¥59,731 million from the previous term-end to ¥3,654,781 million (US\$37,206 million).

The balance of loans and bills discounted increased ¥159,580 million to ¥2,710,948 million (US\$27,597 million). Investment securities holdings decreased by ¥111,319 million to ¥1,113,812 million (US\$11,338 million).

Total assets at the fiscal year-end stood at ¥4,123,026 million (US\$41,973 million), for a year-on-year increase of ¥7,916 million. Total equity came to ¥218,948 million (US\$2,228 million), down ¥37,919 million from the previous term-end.

Statements of Operations

Total income for the reporting period fell ¥20,155 million to ¥96,103 million (US\$978 million), due to declines in interest income, fees and commissions and other operating income.

Total expenses rose by ¥7,453 million to ¥113,592 million (US\$1,156 million), primarily due to impairment losses on securities holdings caused by the global financial crisis. As a result, the Bank posted a loss before income taxes and minority interests of ¥17,488 million (US\$178 million), compared with income of ¥10,120 million in the previous term. The Bank also posted a net loss of ¥16,218 million (US\$165 million) compared with income of ¥3,597 million for the previous period.

Cash Flows

Cash and cash equivalents at the reporting term-end, on a consolidated basis, amounted to ¥56,373 million (US\$573 million), up by ¥15,937 million from the previous term-end.

Cash Flows from Operating Activities

Net cash used in operating activities during the term decreased ¥3,458 million to ¥54,727 million (US\$557 million), due primarily to a growth in loans, as expected.

Cash Flows from Investing Activities

Net cash provided by investing activities decreased by ¥5,566 million to ¥52,995 million (US\$539 million), mainly as the result of a decline in proceeds from the sale of securities.

Cash Flows from Financing Activities

Net cash provided by financing activities amounted to ¥17,674 million (US\$179 million), compared with a net outflow of ¥8,327 million for the previous year. This improvement is mainly attributable to the issuance of subordinated debt securities.

