

Financial Section

The Shiga Bank, Ltd. and Consolidated Subsidiaries

Consolidated five-year summary

	Millions of yen				
	2010	2009	2008	2007	2006
As of March 31					
Total assets	¥4,302,261	¥4,123,026	¥4,115,109	¥4,179,335	¥4,082,911
Investment securities	1,339,054	1,113,812	1,225,131	1,355,021	1,426,683
Loans and bills discounted	2,714,367	2,710,948	2,551,368	2,473,464	2,378,949
Deposits	3,781,025	3,654,781	3,595,050	3,705,751	3,624,279
Total equity	257,738	218,948	256,868	283,997	247,333
Years ended March 31					
Total income	98,269	96,103	116,258	99,356	99,914
Total expenses	88,490	113,592	106,138	83,956	77,892
Income (loss) before income taxes and minority interests	9,779	(17,488)	10,120	15,399	22,021
Net income (loss)	4,322	(16,218)	3,597	8,839	10,209
Per share data (in yen)					
Cash dividends	¥ 6.00	¥ 6.00	¥ 6.00	¥ 6.00	¥ 5.50
Net income (loss)	16.37	(61.40)	13.60	33.41	38.43
Net equity	889.50	743.58	887.14	987.98	934.66
Ratio					
Capital ratio	12.42%	10.34%	11.16%	12.20%	11.25%
ROE	2.00%	(7.53%)	1.45%	3.47%	4.35%

Financial review (Consolidated basis)

As in the previous fiscal year, the Japanese economy continued to face adverse conditions, with both corporate earnings and capital investments declining due to the impact of the global financial crisis, as well as a worsening employment picture and a deflationary economy. Despite signs of an overall recovery on the back of an overseas economic rally, personal consumption remained sluggish amid flat growth in consumer incomes.

Nevertheless, a range of measures were taken to help bring about an economic recovery. These included the implementation of the Act on Provisional Measures for the Facilitation of Financing to Small and Medium Sized Businesses (the "Moratorium Act") and emergency economic measures to address employment, environmental and economic issues.

Balance sheets

Deposits including negotiable certificate of deposits, rose ¥119,273 million from the previous term-end to ¥3,883,930 million (US\$41,744 million) (of which ¥3,781,025 million were deposits only). The balance of loans and bills discounted increased ¥3,419 million to ¥2,714,367 million (US\$29,174 million), while investment securities surged ¥225,242 million to ¥1,339,054 million (US\$14,392 million). Total assets at the fiscal year-end stood at ¥4,302,261 million (US\$46,240 million), a year-on-year increase of ¥179,234 million. Total equity came to ¥257,738 million (US\$2,770 million), up ¥38,789 million from the previous term-end.

Statements of operations

Despite a decrease in interest income due to falling market interest rates, total income for the reporting period increased ¥1,859 million to ¥96,662 million, (US\$1,038 million) thanks to an increase in other operating income including proceeds from sales of bonds including Japanese government bonds. Although in the previous year the Bank was forced to amortize stocks and other investment securities due to the drastic decline in stock prices stemming from the global financial crisis, total expenses dropped ¥24,095 million to ¥87,781 million (US\$943 million) due to the absence of those same influences during the reporting period.

As a result, the Bank posted ordinary income of ¥8,881 million (US\$95 million), a ¥25,954 million increase, reversing the previous years' loss. The Bank also posted net income of ¥4,322 million (US\$46 million), a ¥20,540 million increase, reversing the previous years' loss.

Cash flows

Cash and cash equivalents at the reporting term-end, on a consolidated basis, amounted to ¥49,666 million (US\$533 million), down by ¥6,707 million from the previous term-end.

Cash flows from operating activities

Net cash provided by operating activities during the term amounted to ¥145,573 million (US\$1,564 million), a turnaround of ¥200,300 million from the ¥54,727 million used in operating activities in the previous term, due primarily to a slow increase in loans and bills discounted.

Cash flows from investing activities

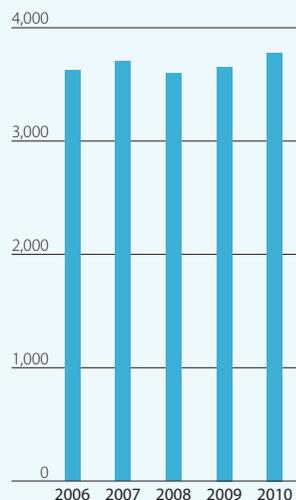
Net cash used in investing activities amounted to ¥162,053 million (US\$1,741 million), a ¥215,049 million turnaround from the ¥52,995 million provided by investing activities in the previous term. This was mainly the result of an increase in the purchases of securities.

Cash flows from financing activities

Net cash provided by financing activities amounted to ¥9,780 million (US\$105 million), a decrease of ¥7,893 million compared with the previous year. This decline was mainly attributable to the repayment of subordinated loans.

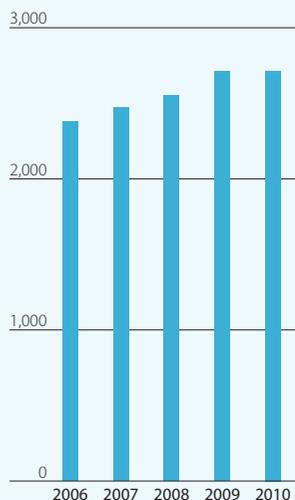
Deposits

(Billions of yen)



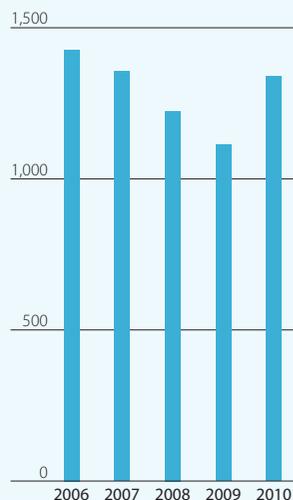
Loans and bills discounted

(Billions of yen)



Investment securities

(Billions of yen)



Total income and expenses

(Billions of yen)

