

# Financial Section

The Shiga Bank, Ltd. and Consolidated Subsidiaries

## Consolidated Five-year Summary

	Millions of yen				
	2011	2010	2009	2008	2007
As of March 31					
Total assets	¥4,420,479	¥4,302,261	¥4,123,026	¥4,115,109	¥4,179,335
Investment securities	1,385,525	1,339,054	1,113,812	1,225,131	1,355,021
Loans and bills discounted	2,768,107	2,714,367	2,710,948	2,551,368	2,473,464
Deposits	3,891,407	3,781,025	3,654,781	3,595,050	3,705,751
Total equity	257,531	257,738	218,948	256,868	283,997
Years ended March 31					
Total income	93,324	98,269	96,103	116,258	99,356
Total expenses	81,532	88,490	113,592	106,138	83,956
Income (loss) before income taxes and minority interests	11,792	9,779	(17,488)	10,120	15,399
Net income (loss)	4,676	4,322	(16,218)	3,597	8,839
Per share data (in yen)					
Cash dividends	¥ 6.00	¥ 6.00	¥ 6.00	¥ 6.00	¥ 6.00
Net income (loss)	17.71	16.37	(61.40)	13.60	33.41
Net equity	886.58	889.50	743.58	887.14	987.98
Ratio					
Capital ratio	13.01%	12.42%	10.34%	11.16%	12.20%
ROE	1.99%	2.00%	(7.53%)	1.45%	3.47%

### Financial review (Consolidated basis)

The Japanese economy showed signs of rallying during the reporting period, with improved corporate earnings in some industrial sectors and a recovery in consumer spending. The main factors behind these developments were strong exports, principally to emerging markets in Asia, as well as the effects of government stimulus measures. However, there was no improvement in employment figures or incomes, and the positive impact of government measures (such as subsidies to encourage the purchase of eco-friendly vehicles) petered out. On the global stage, meanwhile, new causes of uncertainty appeared, including political unrest in the Arab world. Against this background, the nascent economic recovery in Japan remained limited in extent.

In the country's financial sector, the operating environment remained difficult, with continuing low share prices, a strong yen, and low interest rates. In response to the Cabinet's approval of a "New Growth Strategy," the Bank of Japan began pumping additional money into the economy to support private-sector financial institutions' efforts to strengthen the nation's economic growth base.

### Balance sheets

Deposits, including negotiable certificates of deposit, rose ¥117,156 million from the previous term-end to ¥4,001,087 million (US\$48,118 million), of which ¥3,891,407 million (US\$46,799 million) were deposits only. The balance of loans and bills discounted increased

¥53,739 million to ¥2,768,107 million (US\$33,290 million), while investment securities rose ¥46,471 million to ¥1,385,525 million (US\$16,662 million). Total assets at the fiscal year-end stood at ¥4,420,479 million (US\$53,162 million), a year-on-year increase of ¥118,218 million. Total equity came to ¥257,531 million (US\$3,097 million), a decrease of ¥206 million from the previous term-end.

### Statements of operations

As a result of a decline in interest income due to falling market interest rates, total income posted a year on year decline of ¥4,945 million to ¥93,324 million (US\$1,122 million). Total expenses also declined, by ¥6,958 million to ¥81,532 million (US\$980 million), mainly as a result of decreases in interest expenses and credit costs.

As a result, the Bank posted net income of ¥4,676 million (US\$56 million), up ¥354 million over the previous fiscal year.

### Cash flows

Cash and cash equivalents at the reporting term-end amounted to ¥54,211 million (US\$651 million), an increase of ¥4,544 million over the previous term-end.

### Cash flows from operating activities

Net cash provided by operating activities during the term amounted to ¥72,347 million (US\$870 million), for a decrease of ¥73,225 million from previous term-end, due primarily to an increase in loans and bills discounted.

### Cash flows from investing activities

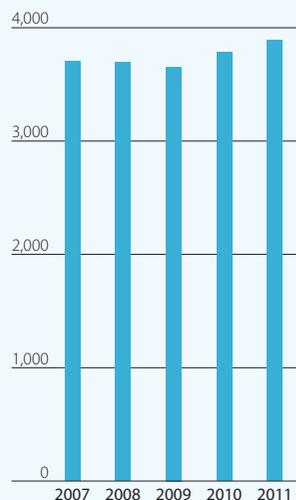
Net cash used in investing activities amounted to ¥65,581 million (US\$788 million), a decline of ¥96,472 million from the investment expenditure for the previous term. This was mainly the result of a decrease in purchases of securities.

### Cash flows from financing activities

Net cash used in financing activities amounted to ¥2,204 million (US\$26 million), a decrease of ¥11,985 million compared with the previous year. This decline was mainly attributable to a decrease in proceeds from the issuance of subordinated corporate bonds.

#### Deposits

(Billions of yen)



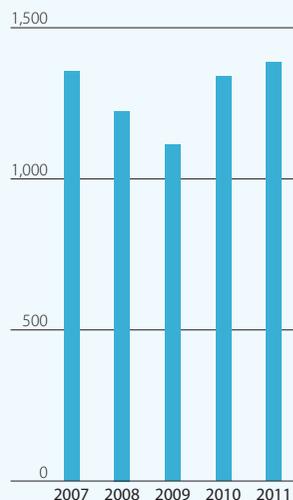
#### Loans and bills discounted

(Billions of yen)



#### Investment securities

(Billions of yen)



#### Total income and expenses

(Billions of yen)

