

Initiatives for Relationship Banking

State of progress (April 2012 to March 2013)

The Bank was committed to enhancement and application of the marketing strategies in the 4th Medium-Term Business Plan, namely “providing expertise and care under three brand-building strategies” (“being strong in Networks,” “being strong in Asia,” and “being highly CSR-conscious”). We set various specific numerical targets aimed at promoting relationship banking, and we worked hard to achieve them. In the 5th Medium-Term Business Plan which was started in April 2013, we are aiming to achieve further mutual prosperity with the regional community for the sustainable growth of our customers and region.

1. Initiatives for “being strong in Networks”

The Bank is utilizing its networks to help the development of new businesses going forward based on the philosophy of “creating and connecting “business currents” between our customers.

2. Initiatives for “being strong in Asia”

As the only regional bank in the Kinki region having a branch overseas, we supported the overseas transactions of our customers, holding business talks in Shanghai and the Asia Seminars which had the theme of the latest business information about the ASEAN countries.

3. Initiatives for “being highly CSR-conscious”

We have positioned the pursuit of CSR (corporate social responsibility) with an environmental focus as the “essence of bank management.” Under our motto “Clean Bank Shigagin,” we have implemented and enhanced “environmental management,” which incorporates the environment in management, and “environmental finance,” which embeds the environment in finance with such tools as the “Eco-Plus Time Deposit” and the “biodiversity rating (PLB rating BD).”



Numerical Targets in Our Commitment to Relationship Banking

Specific initiatives	Targets for the year ending March 31, 2013	Results as of March 31, 2013	Progress toward goal as of March 31, 2013 (%)
● Numerical targets in the 4th Medium-Term Business Plan			
Tier 1 ratio (consolidated) [*1]	9.0% or higher	9.69%	
ROE (consolidated)	3.5% or higher	2.18%	
OHR (non-consolidated)	65% or lower	68.89%	
Emissions of CO ₂ [*2]	25% cut (from FY06)	43.61% cut	
● Initiatives for “providing expertise and care under three brand-building strategies”			
● Initiatives for “being strong in Networks”			
Number of times we provided new business support: acting as coordinator	100	95	95.0%
Number of times we set up business matching meetings	2,400	4,045	168.5%
Number of proposals submitted for business succession	360	514	142.7%
Number of instances of support through our “Communication Service”	3,400	4,571	134.4%
Number of borrowers whose borrower categories have been upgraded [*3]	60	19	31.6%
Number of instances of use of the Small and Medium Enterprise Revitalization Support Association	24	40	166.6%
● Initiatives for “being strong in Asia”			
Number of instances of support being provided by our Asia Desk and overseas offices	3,600	4,210	116.9%
Number of advisory contracts with companies entering China	10	5	50.0%
Number of instances of overseas study tours, overseas business talks	3 each	6 each	200.0%
Number of times we arranged business matching meetings with Japanese and overseas companies	100	116	116.0%
● Initiatives for “being highly CSR-conscious”			
Eco-Plus Time Deposit	650,000	516,019	79.3%
Total number of loans under the PLB Fund/Eco-Clean Loan Program [*4]	1,400	580	41.4%
Total amount made under the PLB Fund/Eco-Clean Loan Program	18 billion yen	13.36 billion yen	74.2%
Number of instances of assessment for PLB rating BD purposes [*5]	3,800	3,024	79.5%
Number of risk consulting cases relating to disasters	100	706	706.0%

* 1 Tier 1 ratio (consolidated)... Figures on a Basel II basis are presented.

* 2 The results for emissions of CO₂ include a cut of 20.42% from the carbon offset effect due to our purchase of emissions credits.

* 3 Number of borrowers whose borrower categories have been upgraded: Only customers handled by the Company Management Support Office under the Credit Supervision Department are counted (220 customers).

* 4 PLB Fund: Principles for Lake Biwa Support Fund

* 5 PLB rating BD: Interest-rate incentive based on rating customers' measures to protect biodiversity. The aim is to support biodiversity through financial services.