

Value Creation Story

The Bank's motto: Be tough on ourselves, kind to others and serve society

CSR Charter: Three types of mutual prosperity

Sustainability vision (long-term vision)

Vision

Sustainability Design Company

—Realizing mutual prosperity based on the “Sampo yoshi” philosophy—

Main theme

Define a future and realize a dream

—For the future of customers, regional communities and all employees—

Improving corporate value through solution of issues facing society

Creating a sustainable society

INPUT ▶ Capital to be Used

Finance capital

- Diversified earnings structure
- Sound loan assets (fiscal year ended March 31, 2019)
Average balance of loans and bills discounted during the period **¥3,696.7 billion**
Ratio of loans based on the Financial Reconstruction Act **1.36%**
- Adequate Bank capital (as of March 31, 2019)
Total capital ratio (consolidated) **15.68%**
- Loans and bills discounted per employee **ranks No. 10 in Japan** (fiscal year ended March 31, 2018, source: Kinyu Journal)
- Unrealized gain on securities **ranks No. 5 in Japan** (as of September 30, 2018, source: Nikkin Report)

Human capital

- Human resources who have advanced financial knowledge
- Number of employees with financial qualifications ranks high among regional banks (as of March 31, 2019)
Number of employees with Financial Planning Grade 1 certification **188 persons**
Number of employees with Financial Planning Grade 2 certification **1,299 persons**
Number of Small and Medium Enterprise Management Consultants **43 persons**
- Corporate culture that emphasizes regional contribution and motivation
Women managers ratio **26.74%** (as of March 31, 2019)

Intellectual capital

- Diversified financial methods
- Fulfilling consulting functions
Number of Ratings Communication Service clients **4,684**
- Environmental management and measures for SDGs
- Responding to digitalization

Social relationship capital

- Network of branches rooted in the community
- Asia network **3 bases**
- Region with a moderate rate of population decline
- Clusters of academic centers and corporate research institutes
- Regional community which carries on the “Sampo yoshi” philosophy

Natural capital

- Natural environment with rich biodiversity represented by Lake Biwa
- Concentration of national treasures and important cultural assets

Strengths of Shiga Bank

History of mutual prosperity

- Contribute to the development of regional communities; CSR management

Robust management foundation

- Market superiority × Large share

High risk management capabilities

- The first regional bank to adopt Internal Ratings-Based Approach (in March 2007)
- Utilizing risk appetite framework

Promotion of environmental management and SDGs

- Protect the global environment through our main business
The first regional bank to publish Shigagin SDGs Declaration
- Received the special award at the 2nd Japan SDGs Award

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Shiga Bank's business model

Basic strategies

(Challenges to innovate the future)



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The 7th Medium-Term Business Plan

Business strategies



Areas for priority action



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OUTCOME ▶ Value to be provided

Customers

- Improving profitability and productivity in the region
- Formation of assets through practical banking operations centered on the customer
- Helping businesses through a wide range of diversified solutions
- Improving convenience



Shareholders and investors

- Creating mid-to-long-term shareholder value
- Highly transparent disclosure including non-financial information
- Promotion of engagement



Employees

- Vigorous corporate Group
- Organization that helps ambitious, motivated people realize their dreams
- Ensuring a diversified approach to work and a good work-life balance
- Organization with diversity



Environment and society

- Creation of shared values (reconciliation of economic value and social value)
- Resolving issues facing society through our main business
- Realization of social impact
- Reduction in CO₂ emissions



Step up joint approach to issues, for further

development of a sustainable society

Structure to support creation of corporate value

Corporate governance

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Promoting employee activities and environment creation

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Risk management/compliance

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Dialogue with stakeholders

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