

Financial Section

The Shiga Bank, Ltd. and Consolidated Subsidiaries

Consolidated Five-year Summary

	Millions of yen				
	2021	2020	2019	2018	2017
As of March 31					
Total assets	¥7,793,748	¥6,285,002	¥6,115,271	¥5,875,040	¥5,539,561
Investment securities	1,586,506	1,307,107	1,352,017	1,346,672	1,467,592
Loans and bills discounted	4,001,698	3,859,363	3,779,056	3,618,866	3,461,905
Deposits	5,398,851	4,886,433	4,849,187	4,685,466	4,516,648
Total equity	495,469	375,801	402,227	407,905	374,246
Years ended March 31					
Total income	88,496	93,873	98,586	90,537	90,162
Total expenses	75,444	76,084	77,587	70,644	69,412
Income before income taxes	13,051	17,788	20,998	19,892	20,749
Net income attributable to owners of the parent	11,448	12,412	14,681	13,884	14,895
Per share data (in yen)					
Cash dividends	¥ 40.00	¥ 40.00	¥ 42.50	¥ 40.00	¥ 8.00
Net income	228.12	243.05	282.24	266.68	57.21
Net equity	9,958.46	7,482.34	7,863.37	7,832.18	1,425.41
Ratio					
Capital ratio	17.19%	14.12%	15.68%	16.98%	16.67%
ROE	2.62%	3.19%	3.62%	3.56%	4.18%

Financial review (Consolidated basis)

The Japanese economy in the fiscal year ended March 31, 2021 struggled with adversity caused by the COVID-19 pandemic both inside and outside the country. However, the economy was basically on a recovery track thanks to the government's active economic measures and ongoing monetary easing, and in February 2021, the Nikkei Stock Average surged to a historical high in thirty and a half years. Economic trends showed extreme opposite outcomes depending on the business sector. Economic sentiment in the manufacturing sector, which is highly dependent on external demand, significantly improved as overseas economies such as in the US and China recovered in the summer and thereafter. Meanwhile, the non-manufacturing sector saw a pronounced slowdown in recovery, weighed down by self-restraint on outings and shortened store business hours under the state of emergency re-declared in metropolitan areas across Japan.

Production in Shiga Prefecture's manufacturing industry is turning to recovery. On the demand front, while personal spending remains sluggish for some sectors and products, overall, it is performing steadily with ongoing recovery. On the other hand, despite signs of improvement in housing investments, private capital expenditures and public investment continue to deteriorate.

Balance sheets

Total assets at fiscal year-end stood at ¥7,793,748 million, a year-on-year increase of ¥1,508,746 million. With regards to the main account balance of assets, securities stood at ¥1,586,506 million (an increase of ¥279,398 million from the end of the previous fiscal year), and loans and bills discounted totaled ¥4,001,698 million (an increase of ¥142,335 million from the end of the previous fiscal year).

In liabilities, total liabilities increased by ¥1,389,078 million from the end of the previous fiscal year to ¥7,298,278 million.

With regards to the main account balance of liabilities, deposits totaled ¥5,398,851 million (an increase of ¥512,417 million from the end of the previous fiscal year), negotiable certificates of deposit ¥49,560 million (a decrease of ¥17,123 million from the end of the previous fiscal year), call money ¥516,077 million (an increase of ¥379,691 million from the end of the previous fiscal year), payables under securities lending transactions ¥272,654 million (an increase of ¥37,116 million from the end of the previous fiscal year), and borrowed money ¥899,055 million (an increase of ¥447,975 million from the end of the previous fiscal year).

Total equity amounted to ¥495,469 million, an increase of ¥119,667 million from the end of the previous fiscal year.

This is mainly due to year-on-year increases of ¥12,006 million in retained earnings and ¥92,863 million in net unrealized gains on available-for-sale securities.

Statements of operations

Regarding income, total income posted a year-on-year decrease of ¥2,786 million to ¥86,084 million, mainly due to a decrease in interest income primarily resulting from a decrease in interest on loans and discounts. Meanwhile, total expenses increased by ¥18 million from the previous fiscal year to ¥75,014 million, mainly due to an increase in other expenses primarily resulting from an increase in provision of allowance for possible loan losses, offsetting a decrease in fund procurement costs primarily resulting from decreases in interest on deposits, interest expenses on securities lending transactions as well as interest on borrowing and rediscounts.

As a result, the Bank posted income before income taxes for the fiscal year under review of ¥11,070 million, down ¥2,804 million year-on-year. Net income attributable to owners of parent was ¥11,448 million, down ¥964 million year-on-year.

Furthermore, comprehensive income increased by ¥144,777 million from the previous fiscal year to ¥122,660 million, primarily

resulting from an increase in net unrealized gains on available-for-sale securities.

Additionally, as the Group consists of a single segment in the banking business, business results by segment are not provided.

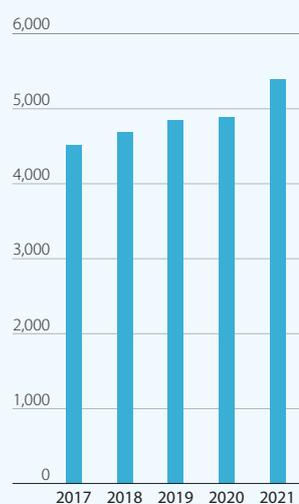
Cash flows

The Group's status of cash flows for the fiscal year under review is as follows.

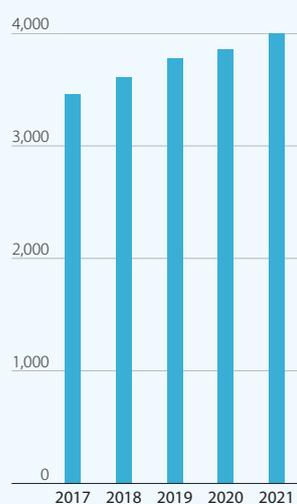
Net cash provided by operating activities was ¥1,239,206 million, an increase in inflow of ¥1,107,945 million year-on-year, mainly due to increases in deposits, borrowed money and call money, which are the sources of fund procurement. Net cash used in investing activities was ¥126,663 million, an increase in outflow of ¥133,390 million year-on-year, mainly due to an increase in purchases of securities resulting from efforts to efficiently manage investment. Net cash used in financing activities was ¥34,337 million, an increase in outflow of ¥20,026 million year-on-year, primarily due to redemption of bonds with stock acquisition rights (¥21,392 million) and repayment of subordinated loans (¥10,000 million).

As a result, cash and cash equivalents as of the end of the fiscal year under review amounted to ¥2,012,295 million, an increase of ¥1,078,207 million year-on-year.

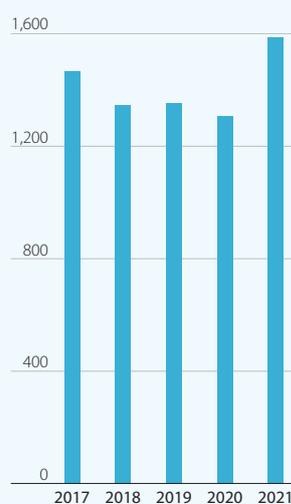
Deposits
(Billions of yen)



Loans and bills discounted
(Billions of yen)



Investment securities
(Billions of yen)



Total income and expenses
(Billions of yen)

