

Financial Section

The Shiga Bank, Ltd. and Consolidated Subsidiaries

Consolidated Five-year Summary

	Millions of yen				
	2023	2022	2021	2020	2019
As of March 31					
Total assets	¥7,305,698	¥7,537,956	¥7,793,748	¥6,285,002	¥6,115,271
Investment securities	1,515,578	1,511,864	1,586,506	1,307,107	1,352,017
Loans and bills discounted	4,343,641	4,064,683	4,001,698	3,859,363	3,779,056
Deposits	5,714,368	5,611,084	5,398,851	4,886,433	4,849,187
Total equity	441,222	464,214	495,469	375,801	402,227
Years ended March 31					
Total income	115,498	98,307	88,127	93,873	98,586
Total expenses	95,330	74,899	75,075	76,084	77,587
Income before income taxes	20,168	23,408	13,051	17,788	20,998
Net income attributable to owners of the parent	14,858	17,715	11,448	12,412	14,681
Per share data (in yen)					
Cash dividends	¥ 80.00	¥ 80.00	¥ 40.00	¥ 40.00	¥ 42.50
Net income	310.57	359.50	228.12	243.05	282.24
Net equity	9,293.39	9,552.14	9,958.46	7,482.34	7,863.37
Ratio					
Capital ratio	15.80%	15.14%	17.19%	14.12%	15.68%
ROE	3.69%	3.69%	2.62%	3.19%	3.62%

Financial review (Consolidated basis)

The Japanese economy in the fiscal year ended March 31, 2023, despite the impact of soaring resource prices and other factors, has been on gradual recovery trend amid an ongoing effort to balance between the prevention of the novel coronavirus infection and economic activities. The economic sentiment of the manufacturing sector deteriorated overall, particularly in the electrical machinery sector, due to concerns over the global economic slowdown, though the automotive industry improved as the impact of parts shortages has eased. The non-manufacturing sector saw mixed business sentiment, with the retail sector improving while the lodging and dining service sector remained challenging.

Shiga Prefecture's economy has been slow to join the recovery trend. Production in the manufacturing sector has weakened due to the effects of high resource prices and other factors. On the demand side, retail sales have increased, but they are in fact declining taking into account the rise in prices. On the investment side, housing investment and public investment have turned to an increasing trend while private capital expenditure has declined.

Balance sheets

Regarding the financial position, the balance of total assets was ¥7,305,698 million, a decrease of ¥232,258 million from the end of the previous fiscal year. With regards to the main account balance of assets, securities stood at ¥1,515,578 million (an increase of ¥3,713 million from the end of the previous fiscal year), and loans and bills discounted totaled ¥4,343,641 million (an increase of ¥278,957 million from the end of the previous fiscal year).

Meanwhile, total liabilities were ¥6,864,476 million, a decrease of ¥209,265 million from the end of the previous fiscal year. With regards to the main account balance of liabilities, deposits totaled ¥5,714,368 million (an increase of ¥103,283 million from the end of the previous fiscal year), negotiable certificates of deposit were ¥30,332 million (a decrease of ¥11,548 million from the end of the previous fiscal year), call money and bills sold were ¥237,906 million (an increase of ¥92,096 million from the end of the previous fiscal year), payables under securities lending transactions were ¥205,572 million (an increase of ¥19,892 million from the end of the previous fiscal year), and borrowed money was ¥538,456 million (a decrease of ¥398,383 million from the end of the previous fiscal year).

Total equity amounted to ¥441,222 million, a decrease of ¥22,992 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥41,170 million in net unrealized gains on available-for-sale securities from the end of the previous fiscal year, despite an increase of ¥9,553 million in deferred gains on derivatives under hedge accounting from the end of the previous fiscal year.

Statements of operations

Regarding operating results, total income was ¥115,289 million, an increase of ¥16,982 million year on year. This was mainly due to an increase in interest income (an increase of ¥8,309 million year on year) due in part to an increase in interest on loans and discounts and interest and dividends on securities, and an increase in other income (an increase of ¥4,398 million year on year) due in part to an increase in gains on sales of stocks and other securities. On the other hand, ordinary expenses were ¥95,247 million, an increase of ¥20,940 million year on year. This was mainly due to an increase in other operating expenses (an increase of ¥17,969 million year on year) due in part to an increase in losses on sales of bonds.

As a result, ordinary profit for the fiscal year under review decreased by ¥3,958 million year on year to ¥20,041 million, and net income attributable to owners of the parent decreased by ¥2,857 million year on year to ¥14,858 million.

Furthermore, comprehensive income increased by ¥11,620 million year on year to ¥(15,071) million, primarily resulting from a

smaller decrease 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.

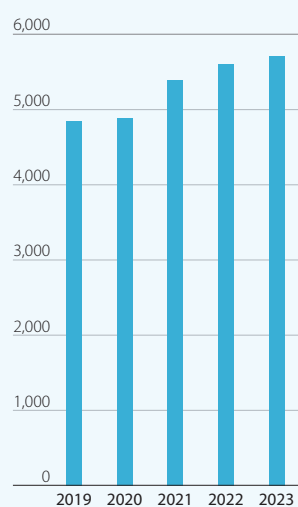
Cash flows

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

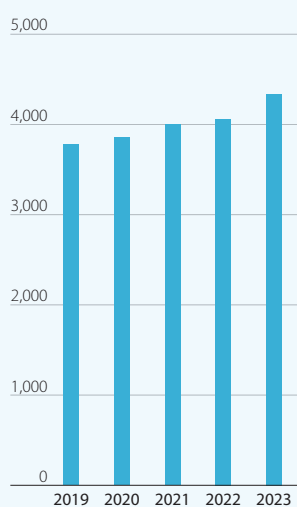
Net cash used in operating activities was ¥483,433 million, a year-on-year increase in outflow of ¥204,474 million, mainly due to a decrease in borrowed money, despite an increase in loans and bills discounted. Net cash used in investing activities was ¥57,989 million, a year-on-year increase in outflow of ¥79,813 million, with the expenditures involved in purchases of securities exceeding proceeds from sales and redemptions of securities. Furthermore, net cash used in financing activities was ¥7,954 million, a year-on-year increase in outflow of ¥3,470 million due to increased dividends paid for the purpose of providing shareholder returns and increased expenditures arising from the purchases of treasury stock.

As a result, cash and cash equivalents as of the end of the fiscal year under review amounted to ¥1,201,299 million, a decrease of ¥549,377 million year-on-year.

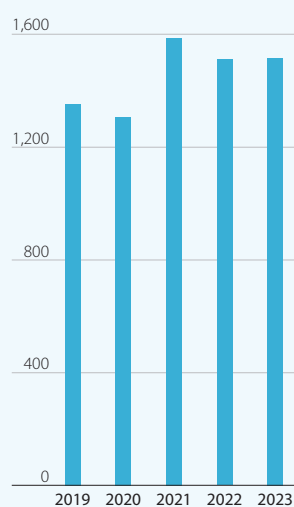
Deposits
(Billions of yen)



Loans and bills discounted
(Billions of yen)



Investment securities
(Billions of yen)



Total income and expenses
(Billions of yen)

