

Presentation for Investors

February, 2014

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Dream with you.  **静岡銀行**
SHIZUOKA BANK



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Distinguishing feature of Shizuoka Bank

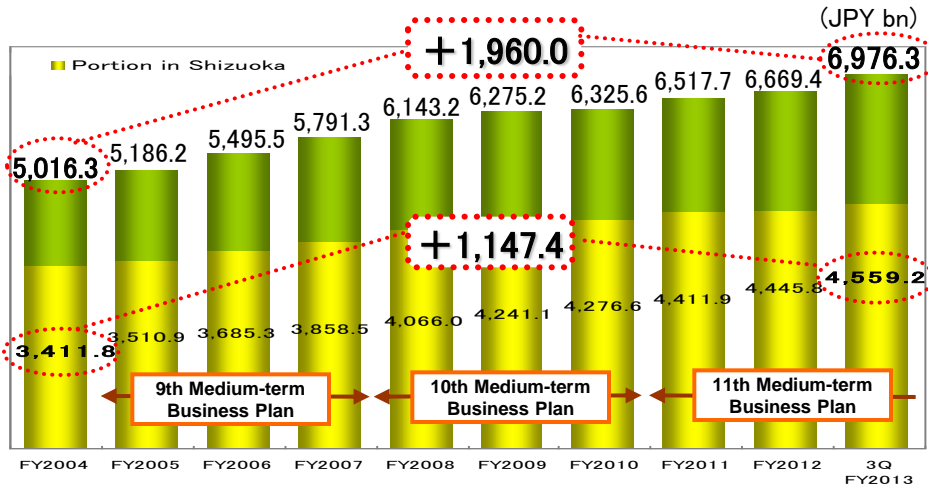




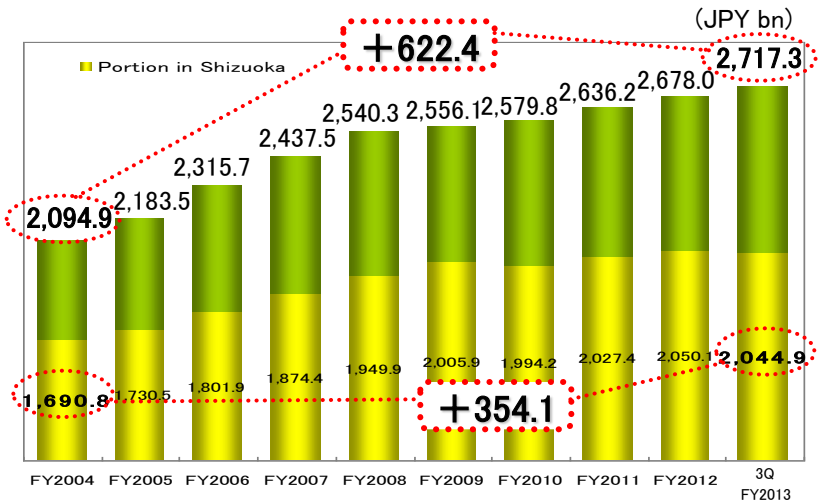
Loans

- Total loan balance (average) increased by JPY 1,960.0bn from FY2004, of which JPY 1,147.4bn in Shizuoka Pref.
- SME loan balance: +JPY 622.4bn, consumer loan balance: +JPY 969.2bn

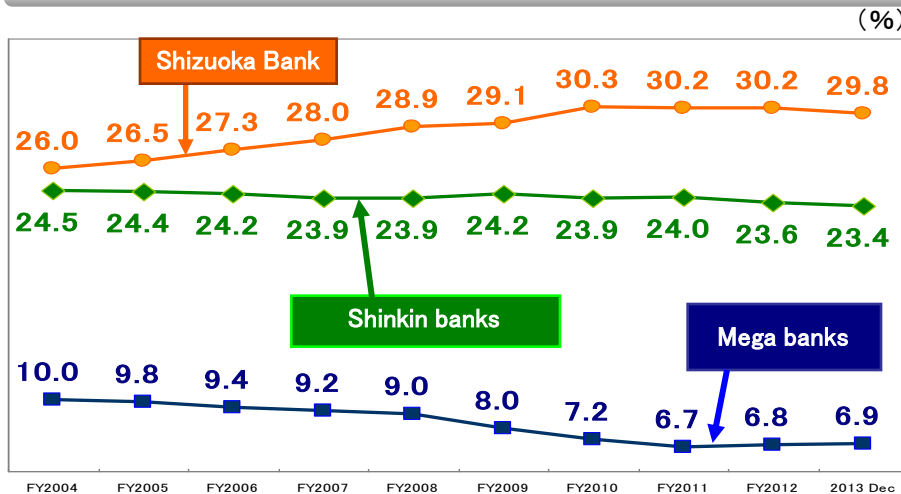
Total loan balance (average balance)



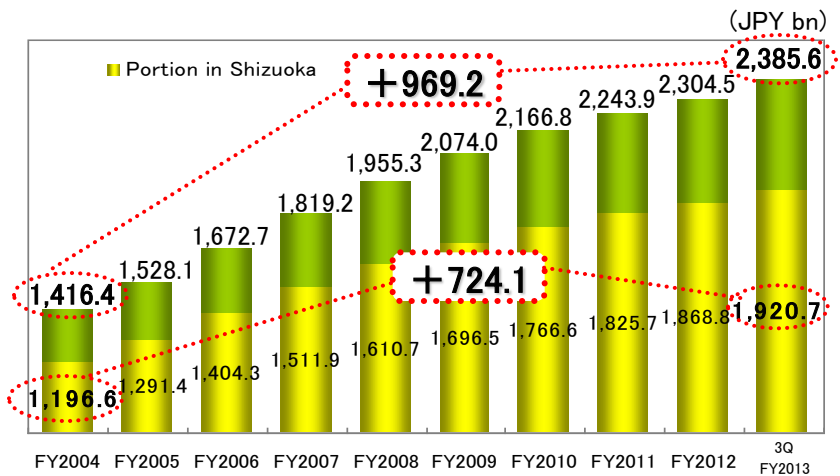
SME loan balance (average balance)



Share of loans in Shizuoka Prefecture



Consumer loan balance (average balance)

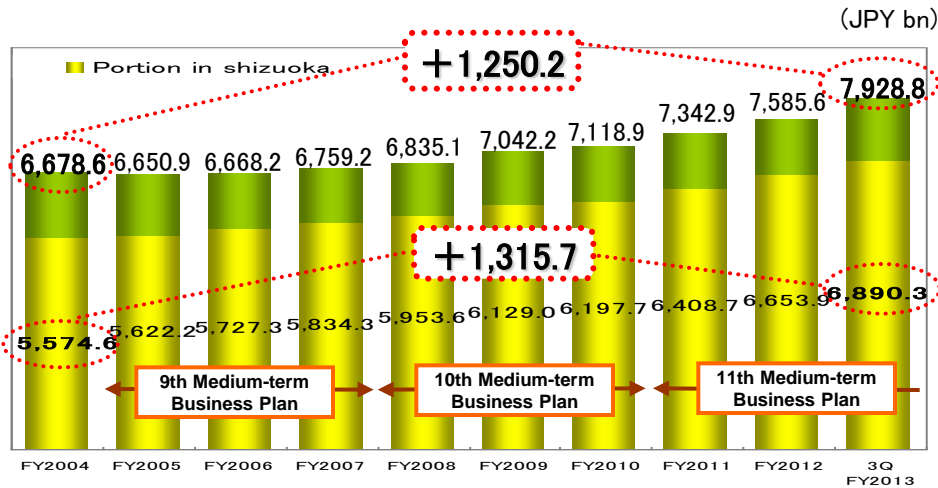




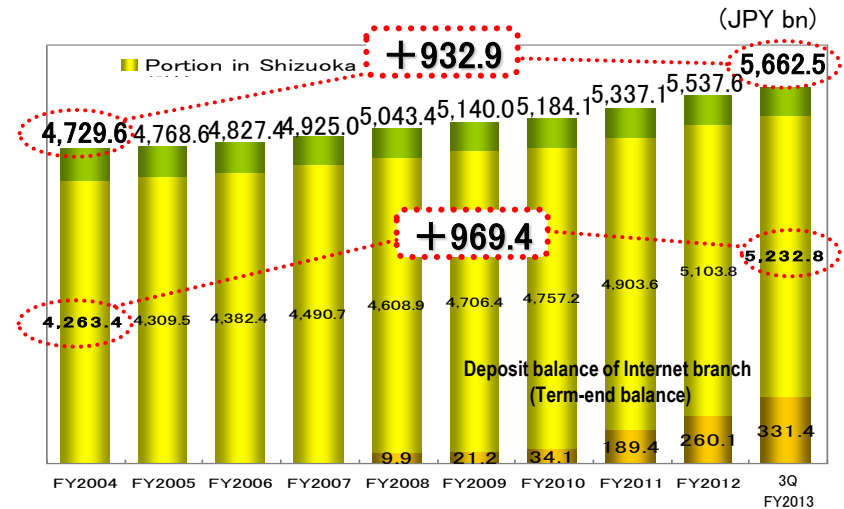
Deposit

- Total deposit balance (average) increased by JPY 1,250.2bn from FY2004, of which JPY 1,315.7bn in Shizuoka Pref.
- Has kept high Loan-Deposit ratio, 88.0%, while increasing both loan and deposit

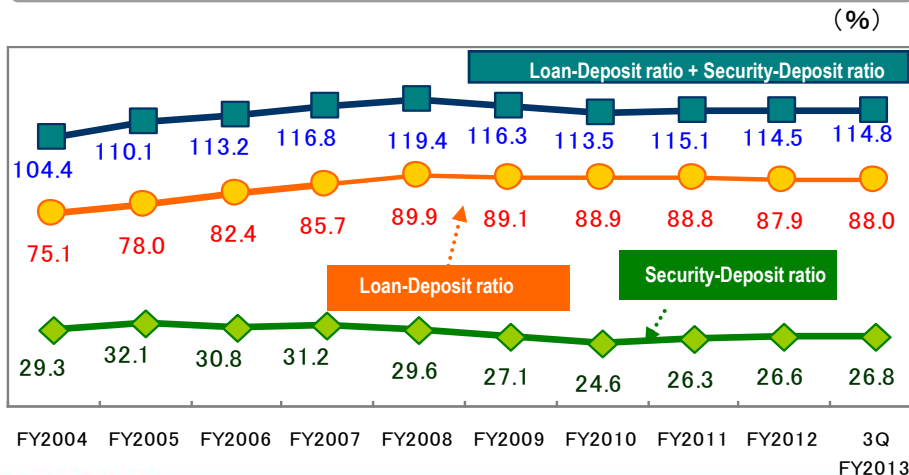
Deposit balance (average balance)



Retail deposit balance in domestic branches (average balance)



Loan-Deposit ratio / Security-Deposit ratio (excluding NCD)



External ratings

- Has received higher credit ratings from two overseas agencies, Moody's and Standard & Poor's, and one Japanese agency, R&I

	Long-term Ratings	Short-term Ratings	Financial Strength
Moody's	Aa3	P-1	C+
Standard & Poor's	A+	A-1	a+*
R & I	AA	-	-

* Stand-Alone credit Profile

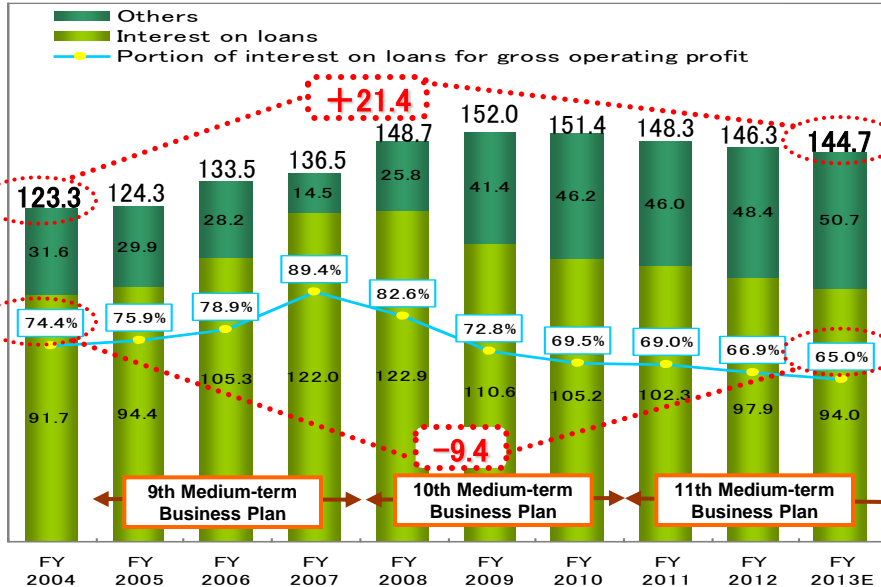


Profit levels and improvement of productivity

- Gross operating profit stably increased totally over JPY 20bn for 9 years
- Has improved productivity with IT investment and BPR as a part of growth strategy

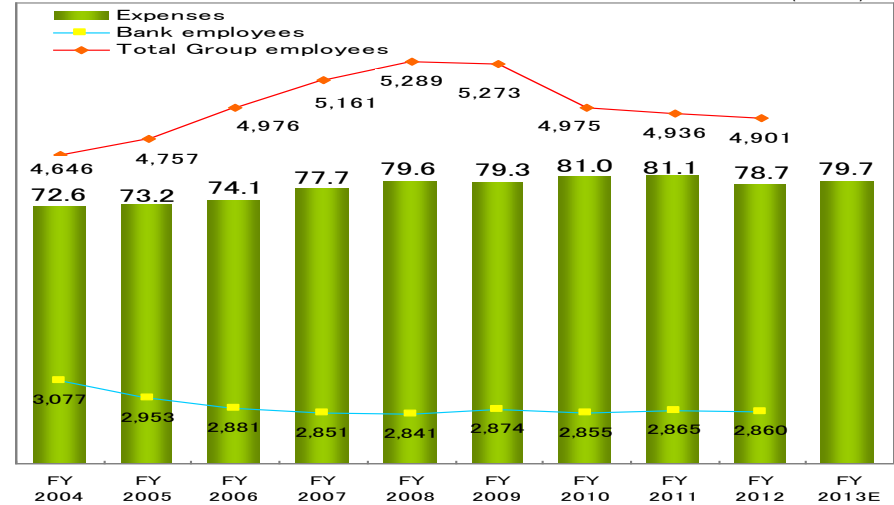
Gross operating profit and interest on loans

(JPY bn)



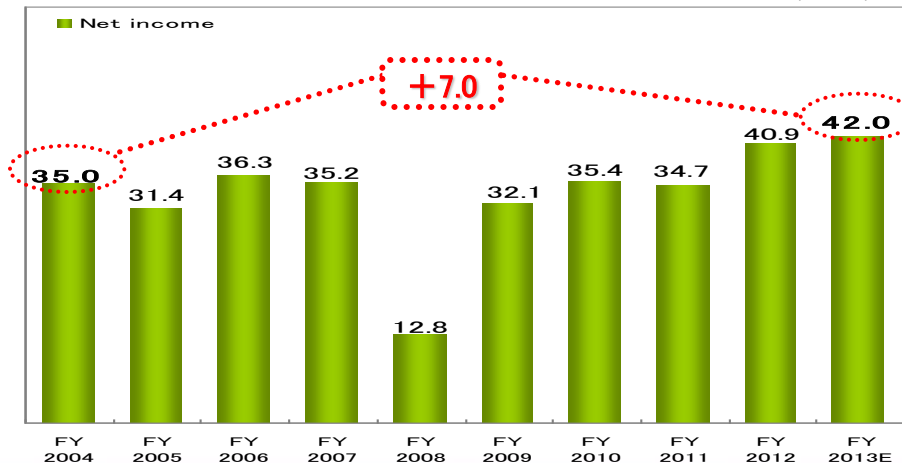
Expenses and number of personnel

(JPY bn)



Net income

(JPY bn)



Improvement of productivity

<9th Medium-term Business Plan>

- Launch of active IT investment and centralized processing BPR
 - Introduced new terminals at sales branches
 - Upgraded loan support system
 - Centralized processing for loan back-office workload (Centralized storage of loan bookkeeping and debt documents)

<10th Medium-term Business Plan>

- Increased efficiency through IT investment and the expansion of centralized processing
 - Back-office workload reduced at sales branches by 60%
 - Repositioned back-office staff in sales positions

<11th Medium-term Business Plan>

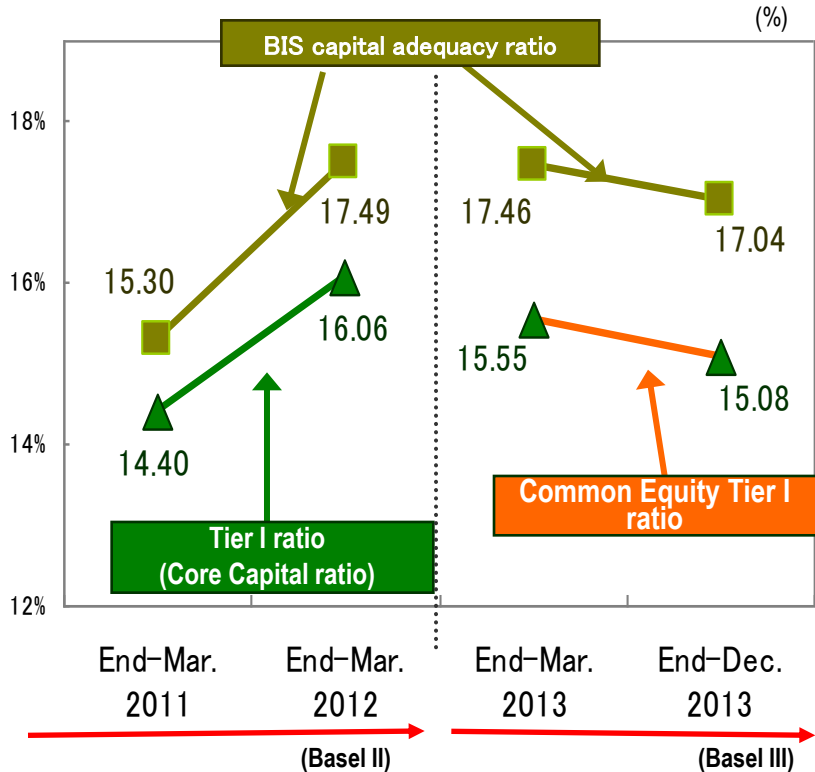
- Extend productivity improvements to the front office workload
 - Reduce workload for consumer loan sales staff by 60%



Capital adequacy ratio

- The Basel III capital adequacy ratio at the end of Dec. 2013 was 17.04%. Common Equity Tier I ratio : 15.08%
(From the end of Mar. 2013, we adopted to Basel III criteria for the calculation of capital adequacy ratio)

BIS capital adequacy ratio (consolidated basis)



Outlier ratio (nonconsolidated basis)

Amount of maximum risk	Tier I+Tier II	Outlier ratio
JPY 48.9bn	JPY 752.5bn	6.5%

Changes in capital and risk-adjusted assets

【Basel III】

(JPY bn)	End-Mar. '13	End-Dec. '13	Change from end-Mar. '13
Capital*	768.5	787.8	+19.3
Common Equity Tier I	684.3	697.2	+12.9
Other Tier I	-	0.0	+0.0
Tier II	84.2	90.6	+6.4
Risk-adjusted assets	4,400.1	4,621.4	+221.3
Total credit-risk adjusted assets	4,093.2	4,307.9	+214.7
Amount corresponding to market risk	11.5	13.0	+1.5
Amount corresponding to operational risk	295.4	300.5	+5.1

*Capital does not include preferred shares, subordinated debts, etc.

[Estimation based on criteria in the Basel III text released in December 2010 (End-March 2013 basis)]

- Liquidity coverage ratio:** 150.7%(Regulatory level 100% and over)
- Net stable funding ratio:** 111.4%(ditto over 100%)
- Leverage ratio:** 6.79%(ditto 3% in trial period)



Shareholder return

- Plan to pay annual year dividend of JPY 15.00 for FY2013
- Executed the repurchase of 20 million shares at the amount equivalent to JPY 22.6bn
- Share buybacks have been continuously carried out since FY1997, cumulating the 181million of shares bought back

Dividend trends

(JPY)

	FY 2010	FY 2011	FY 2012	FY 2013E
Annual dividend per share	13.00	13.50	* 15.00	15.0 (** 7.5)

*Include 70th anniversary dividend

**Interim dividend

Profit distribution to shareholders

(JPY bn,%)

	FY 2010	FY 2011	FY 2012	FY 2013E
Annual dividend (1)	8.8	8.9	9.7	9.4
Repurchase of shares (2)	15.0	14.6	8.2	* 22.6
Shareholder returns (3)=(1)+(2)	23.8	23.5	18.0	32.0
Net income (4)	35.4	34.7	40.9	42.0
Dividend payout ratio (1)/(4)x100	24.85	25.54	23.78	22.44
Shareholder return ratio (3)/(4)x100	67.22	67.60	43.93	76.35

*Amount paid for 3Q (executed the repurchase of 20 million shares)

Share buybacks and EPS/BPS trends

	Shares bought back (thousand shares)	Number of shares cancelled (thousand shares)	Shareholder return ratio (%)	EPS (JPY)	BPS (JPY)
FY1997	7,226	7,226	90.3	20.39	587.56
FY1998	6,633	6,633	86.7	20.12	627.64
FY1999	8,357	8,357	51.4	34.14	650.95
FY2000	24,954	24,954	152.0	23.73	792.16
FY2001	8,234	8,234	165.4	10.26	742.73
FY2002	29,928	—	229.4	16.56	721.33
FY2003	10,712	30,000	50.8	37.20	831.76
FY2004	—	—	17.1	49.41	875.93
FY2005	—	—	22.5	44.24	1,019.15
FY2006	—	—	25.3	51.20	1,077.85
FY2007	10,000	10,000	61.8	49.89	997.20
FY2008	—	—	70.8	18.34	903.32
FY2009	5,000	5,000	40.6	46.01	998.21
FY2010	20,000	20,000	67.2	51.75	1,016.34
FY2011	20,000	—	67.6	52.44	1,097.55
FY2012	10,000	20,000	43.9	62.79	1,204.31
*FY2013	20,000	—	—		
Cumulative total	181,044	140,404	—		

*Amount the repurchase of shares for 3Q

Approach of Shizuoka Bank Group





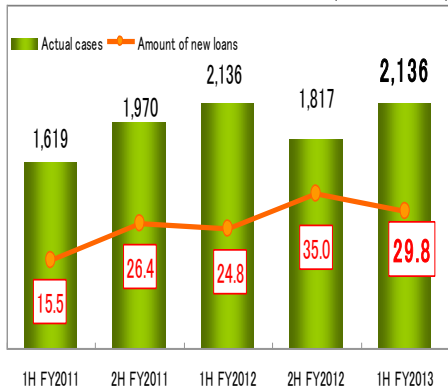
Region-based Relationship Banking

- Have further developed the relationship with customers by providing three pillars of solutions , that are, business matching services , support for business restructuring and turn-around, and “Shizuginship”
- In cooperation with group companies , supporting our customers for smooth business succession

Business matching services

- Supporting our customers to expand their business by creating new sales opportunities

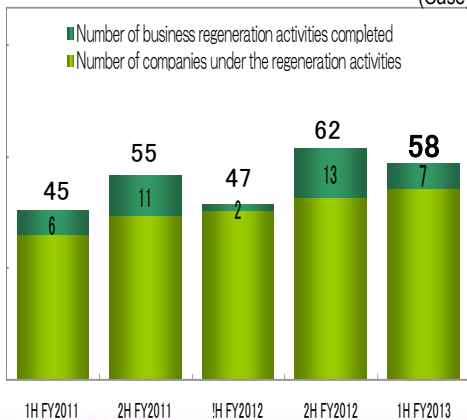
【Trend in case】 (Case, JPY bn)



- Have regularly held Shizugin @gricom (agricom), a business networking event to link companies in the agricultural, forestry and fisheries sector and the food processing sector with buyers since February 2006.
- Have held 10th Shizugin @gricom (agricom) in July 2013
⇒ Closed 23 deals on the day

Support for business restructuring and turn-around

- Reviewing of terms of repayment and utilizing external agencies and business regeneration fund to support business restructuring and turn-around



- From 2006, completed roughly 120 case of business restructuring

Maintained local economy by upholding about 11,500 employments

“Shizuginship” – training club for the next generation managers

- Offering opportunities of learning and networking for younger managers, who will contribute to the development of community’s future
 - No. of member: (As of the end of December 2013)
848 companies, 1,275 members

【Activity achievement in 1H FY2013】

- No. of participant for seminars and visits of 1H FY2013 : 795

Content	Activity achievement
Lectures by top executive or and specialists	6 lectures
Seminar	Total 11courses
• executive program	1 course
• middle management program	3 courses
• basic program	7 courses

- Support Companies, consisting of leading companies in Shizuoka provide opportunities of on the spot inspection and dispatch lecture to support
- Shizuginship has been managed in harmony with regional society

Support for business succession

- Proposing several solutions including M&A for issues of business succession in cooperation with group companies and external agencies

【Activity achievement in 1H FY2013】

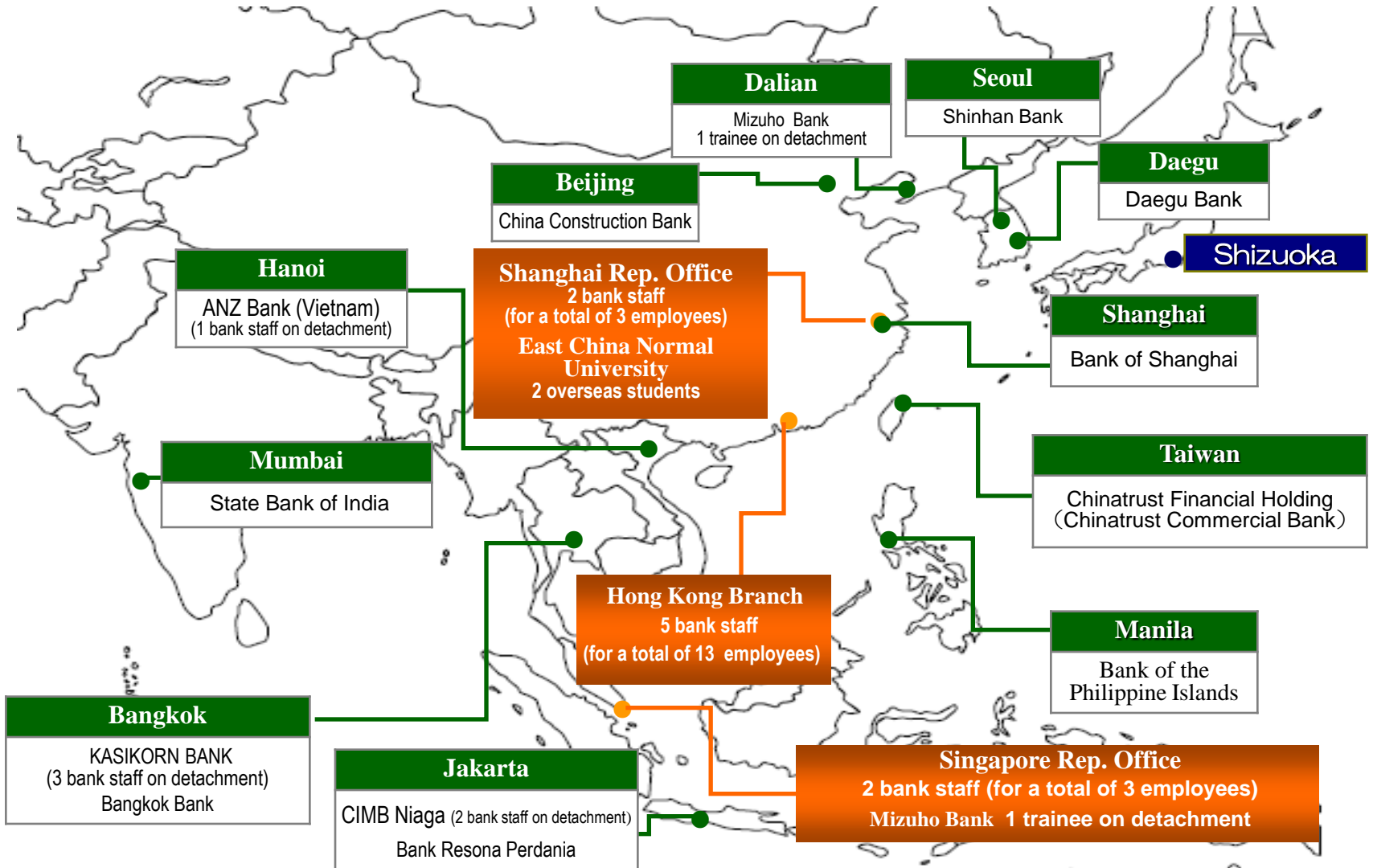
Content	Activity achievement
Number of companies under the support	360 cases
Number of consulting contract	19 cases
Number of M&A agreement	13 cases
Loans for business succession	70 cases/JPY 14.2 bn

※Number of contracts with Shizugin Management Consulting Co., Ltd.



Initiatives for Corporate Banking – Network in Asia

- Overseas strategy : provide on-site support for customers
- Established network in Asia with 3 overseas bases and alliance with 12 financial institution in 8 countries/area



**Results of 3Q FY2013 and
projected performance in FY2013**





Results of 1H FY2013

Consolidated (JPY bn)	1H FY2012	1H FY2013	YoY change
Ordinary revenue	104.1	125.0	+21.0
Ordinary profit	35.4	46.0	+10.6
Net income (Excluding gains on negative goodwill)	35.1 (22.2)	29.3 (29.3)	-5.8 (+7.1)

Nonconsolidated	1H FY2012	1H FY2013	YoY change
Ordinary revenue	88.7	107.6	+18.9
Gross operating profit	75.7	80.5	+4.8
Net interest income	59.9	68.4	+8.4
Fees and commissions	7.7	7.6	-0.1
Trading income	0.1	0.3	+0.2
Other operating profit [Bond-related income such as JGBs]	7.9 (7.7)	4.2 (3.6)	-3.7 (-4.1)
Expenses (-)	40.0	40.7	+0.7
Actual net operating profit*	35.6	39.7	+4.1
Net operating profit	35.6	39.7	+4.1
Special profit and loss	-2.9	2.2	+5.1
Bad debt written-off (-)	0.3	0.5	+0.2
Gain on reversals from loan loss reserves	1.0	2.6	+1.6
Gain (loss) on stocks	-3.2	-0.1	+3.1
Ordinary profit	32.8	41.9	+9.2
Net income	20.8	27.1	+6.3

* Actual NOP=NOP + General transfer to loan loss reserves

Ordinary revenue	+JPY 21.0bn YoY (First increase in 2 periods)
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Ordinary profit	+JPY 10.6bn YoY (First increase in 2 periods) Record High
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Net income	-JPY 5.8bn YoY (First decrease in 3 periods)
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• Gains on negative goodwill by increasing equity stakes in Group companies in 1Q FY 2012 : JPY12.9bn

Ordinary revenue	+JPY 18.9bn YoY (First increase in 2 periods)
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• Ordinary revenue increased by JPY 18.9bn year on year to JPY 107.6bn, mainly reflecting a rise in interest income (+JPY 8.2bn).

Gross operating profit	+JPY 4.8bn YoY (First increase in 3 periods) Record High
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• Gross operating profit rose JPY 4.8bn to JPY 80.5bn, mainly due to an increase in net interest income (+JPY 8.4bn), reflecting the booking of gain on cancellation of investment trusts, etc (JPY 11.1bn), though bond-related income such as JGBs declined JPY 4.1bn year on year due to securities portfolio reallocation

Net operating profit	+JPY 4.1bn YoY (Continued increase in 5 periods) Record High
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• Net operating profit rose JPY 4.1bn year on year to JPY 39.7bn due to growth in gross operating profit, despite an increase in expenses (+JPY 0.7bn), including a rise in advertising expenses (+JPY 0.5bn).

Ordinary profit	+JPY 9.2bn YoY (First increase in 2 periods) Record High
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• Ordinary profit increased by JPY 9.2bn year on year to JPY 41.9bn, mainly reflecting an improvement in gain (loss) on stocks (+JPY 3.1bn) and an increase in gain on reversals from loan loss reserves (+JPY 1.6bn).

Net income	+JPY 6.3bn YoY (First increase in 2 periods) Record High
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• Net income increased by JPY 6.3bn to JPY 27.1bn, despite a drop in extraordinary profit (-JPY 0.7bn).



Results of 3Q FY2013

Consolidated	3Q FY2012	3Q FY2013	YoY change	Progress
(JPY bn, %)				
Ordinary revenue	155.9	174.3	+18.4	78.2
Ordinary profit	57.6	62.0	+4.4	83.8
Net income [Excluding gains on negative goodwill]	49.2 (36.3)	39.7 (39.7)	-9.5 (+3.4)	86.4

Nonconsolidated	3Q FY2012	3Q FY2013	YoY change	Progress
Ordinary revenue	132.6	148.3	+15.7	78.0
Gross operating profit	114.7	114.3	-0.4	79.0
Net interest income	91.4	98.9	+7.5	—
Fees and commissions	11.0	11.2	+0.2	—
Trading income	0.6	0.5	-0.1	—
Other operating profit	11.7	3.7	-8.0	—
[Bond-related income such as JGBs]	(11.7)	(3.0)	(-8.7)	—
Expenses (-)	59.8	60.7	+0.9	76.2
Actual net operating profit	54.9	53.6	-1.3	—
Net operating profit	54.9	53.6	-1.3	82.4
Special profit and loss	-1.6	2.6	+4.2	—
Bad debt written-off (-)	0.4	0.6	+0.2	—
Gain on reversals from loan loss reserves	1.2	2.8	+1.6	—
Gain (loss) on stocks	-1.5	0.1	+1.6	—
Ordinary profit	53.4	56.1	+2.7	83.7
Net income	34.0	36.5	+2.5	86.8

[Breakdown of net interest income]

	3Q FY2013	YoY change
Total	98.9	+7.5
Domestic operations	88.5	+6.1
Interest on loans	67.7	-4.6
Interest and dividends on securities (Gain on cancellation of investment trusts)	23.8 (12.4)	+10.0 (+12.0)
Interest on deposits (-)	3.1	-0.5
Overseas operations	10.4	+1.4
Interest on loans	2.9	+1.2
Interest and dividends on securities	9.3	+0.4

[Bond-related income such as JGBs]

	3Q FY2013	YoY change
Bond-related income such as JGBs	3.0	-8.7
Gain on sale	18.3	+6.2
Loss on sale (-)	15.3	+14.8

[Breakdown of credit-related costs]

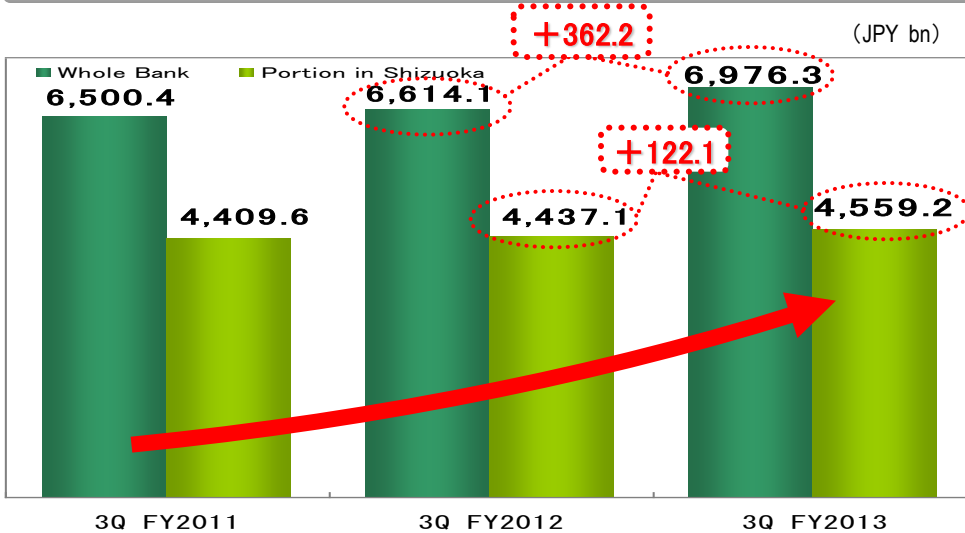
	3Q FY2013	YoY change
Credit-related costs (1)-(2) (-)	-2.2	-1.4
NPL disposal (1)	0.6	+0.2
Gain on reversals from loan loss reserves (2)	2.8	+1.6
Provision for general allowance for loan losses (-)	-4.3	-1.9
Provision for specific allowance for loan losses (-)	1.5	+0.3
Credit-related cost rate	-0.04%	-0.03



Loans (average balance)

• Total loan balance (average balance) of 3Q FY2013: JPY 6,976.3bn, up JPY 362.2bn (+5.5%) YoY

Total loan balance (average balance)



[SME loan balance]

Average balance increased to 2,717.3bn by JPY 42.3bn (+1.6%) YoY

[Retail loan balance]

Average balance increased to 2,385.0bn by JPY 90.9bn (+4.0%) YoY

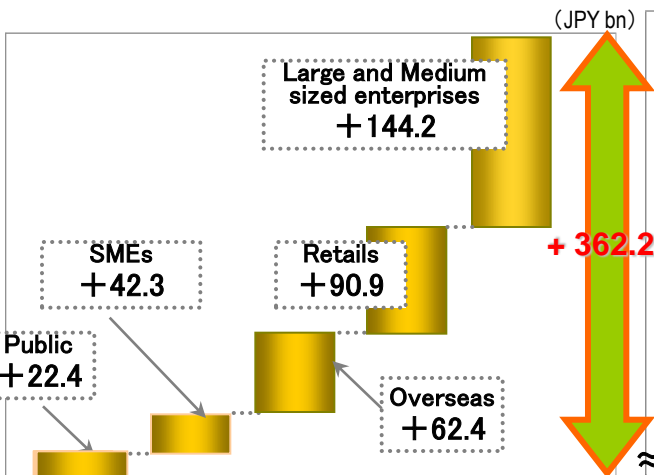
[Large and Medium sized enterprises loan balance]

Average balance increased to 1,455.7bn by JPY 144.2bn (+11.0%) YoY

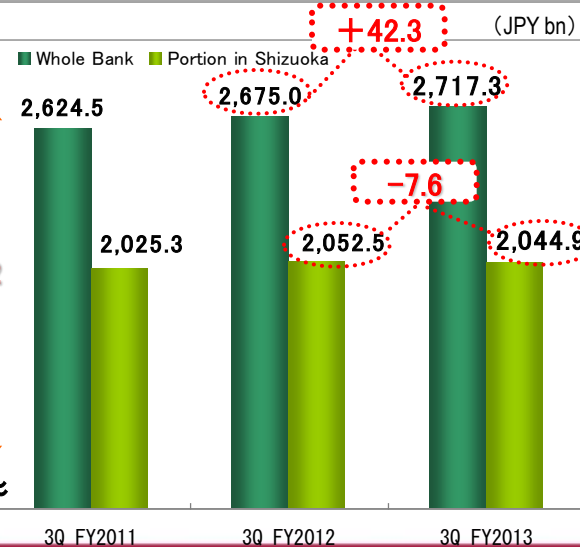
[Foreign currency denominated loan balance]

Average balance increased to 414.4bn by JPY 196.9bn (+90.5%) YoY

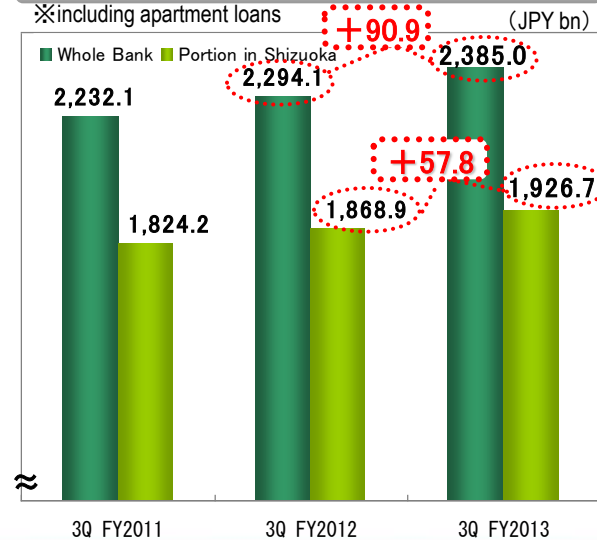
Breakdown of year-on-year change in total loan balance (average balance)



SME loan balance (average balance)



Retail loan balance (average balance)

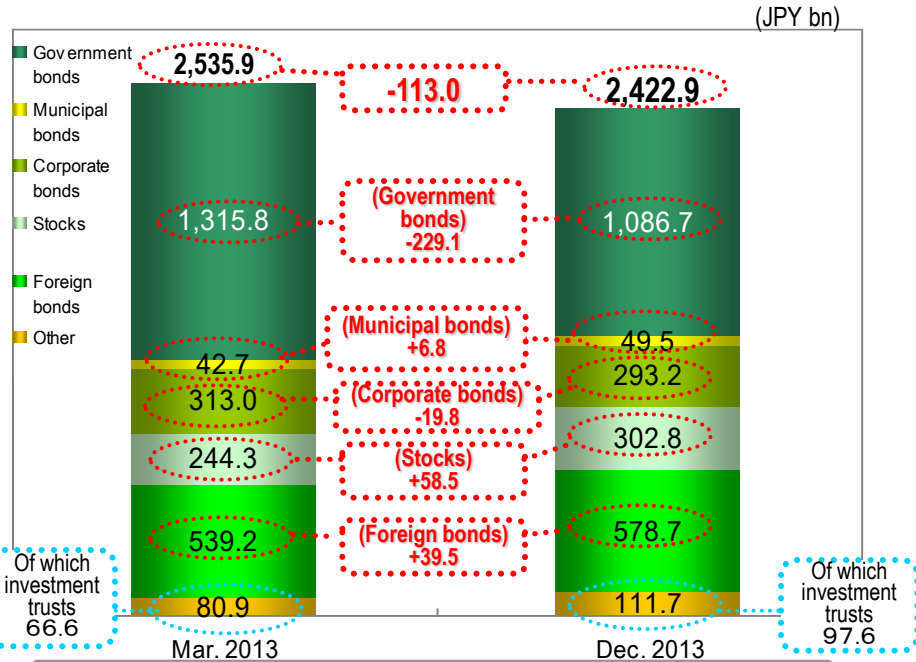




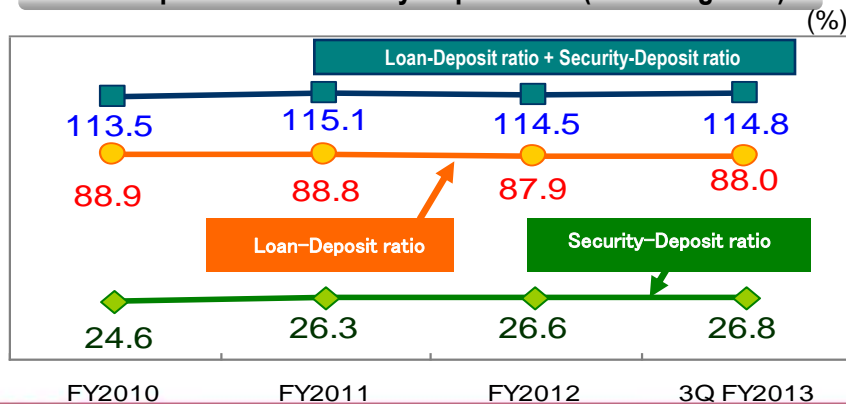
Securities

- Total balance of securities (term-end balance) : JPY2,422.9bn (-JPY 113.0bn from the end of March 2013)
- Gains and losses from the revaluation of securities: JPY201.1bn (+JPY 20.6bn from the end of March 2013)

Security portfolio (term-end balance)



Loan-Deposit ratio / Security-Deposit ratio(excluding NCD)



Gains and losses on securities

(JPY bn)

	3Q FY2012	3Q FY2013	Increase/Decrease
Gains and losses on JGBs	11.7	3.0	-8.7
Gain on sale of JGBs	12.1	18.3	+6.2
Loss on sale of JGBs (-)	0.4	15.3	+14.8
Gains and losses on stocks	-1.5	0.1	+1.6
Devaluation of stocks (-)	1.7	0.0	-1.7

(JPY bn)

	End of Mar. 2013	End of Dec. 2013	Increase/Decrease
Gains and losses from the revaluation of securities	180.5	201.1	+20.6
Stocks	122.9	181.3	+58.4
Nikkei stock average	JPY12,397.91	JPY16,291.31	—
Average life of yen denominated bonds	5.24y	4.70y	-0.54y
Average life of foreign currency denominated bonds	3.97y	4.92y	+0.95y

Break-even level of revaluation gains or losses / 10BPV

	Levels at which revaluation gains and losses is zero	10BPV
Stocks	Nikkei stock average JPY 6,060	*JPY 2.42bn
Yen-denominated bonds	5-year JGB 0.35%	JPY 6.75bn
Foreign-currency bonds	10-year US Treasury Note 2.97%	JPY 3.10bn

*TOPIX10point

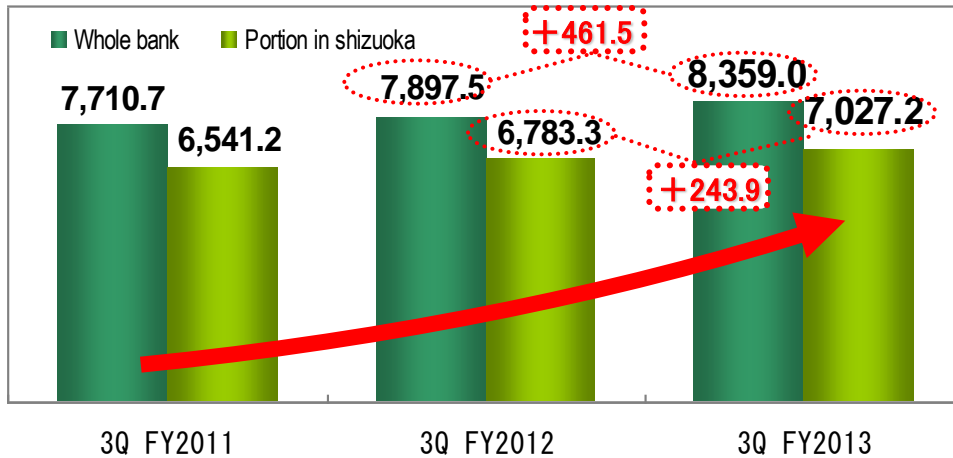


Deposits

● Total deposit balance in 3Q FY2013: JPY 8,359.0bn (average balance), up JPY 461.5bn (+5.8%) YoY

Deposit balance (average balance)

(JPY bn)



[Deposit balance in Shizuoka Prefecture]

Average balance increased to JPY 7,027.2bn, by JPY 243.9bn (+3.6%) YoY

[Retail deposit balance]

Average balance increased to JPY 5,662.6bn, by JPY 143.9bn (+2.6%) YoY

[Average balance of Internet branch: JPY 288.2bn, up JPY 97.0bn YoY]

[Internet branch is gradually becoming an established procurement channel]

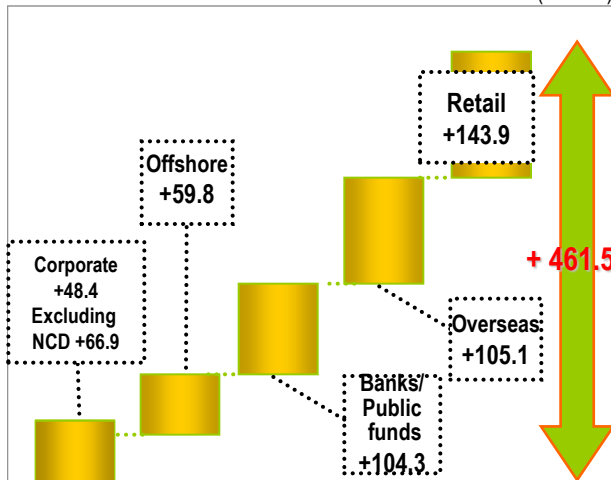
[Corporate deposit balance]

Average balance increased to JPY 1,989.0bn, by JPY 48.4bn (+2.5%) YoY

[Excluding NCD : up JPY 66.9bn (+3.8%) YoY]

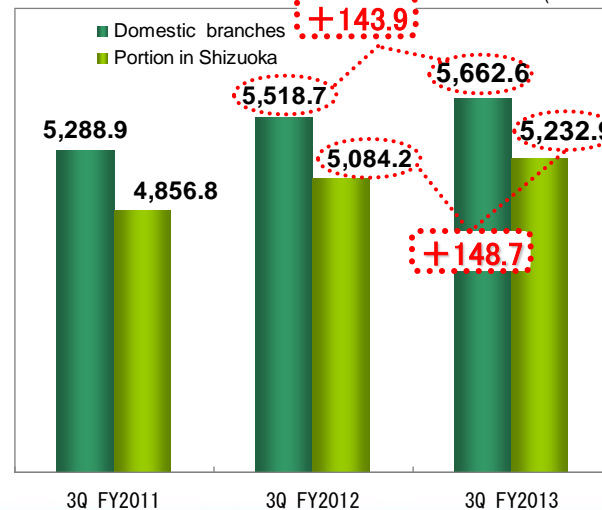
Breakdown of year-on-year changes in deposits balance (average balance)

(JPY bn)



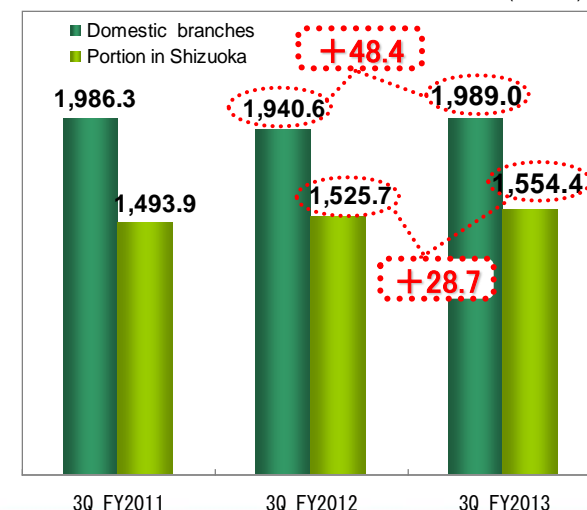
Retail deposit balance (average balance)

(JPY bn)



Corporate deposit balance (average balance)

(JPY bn)

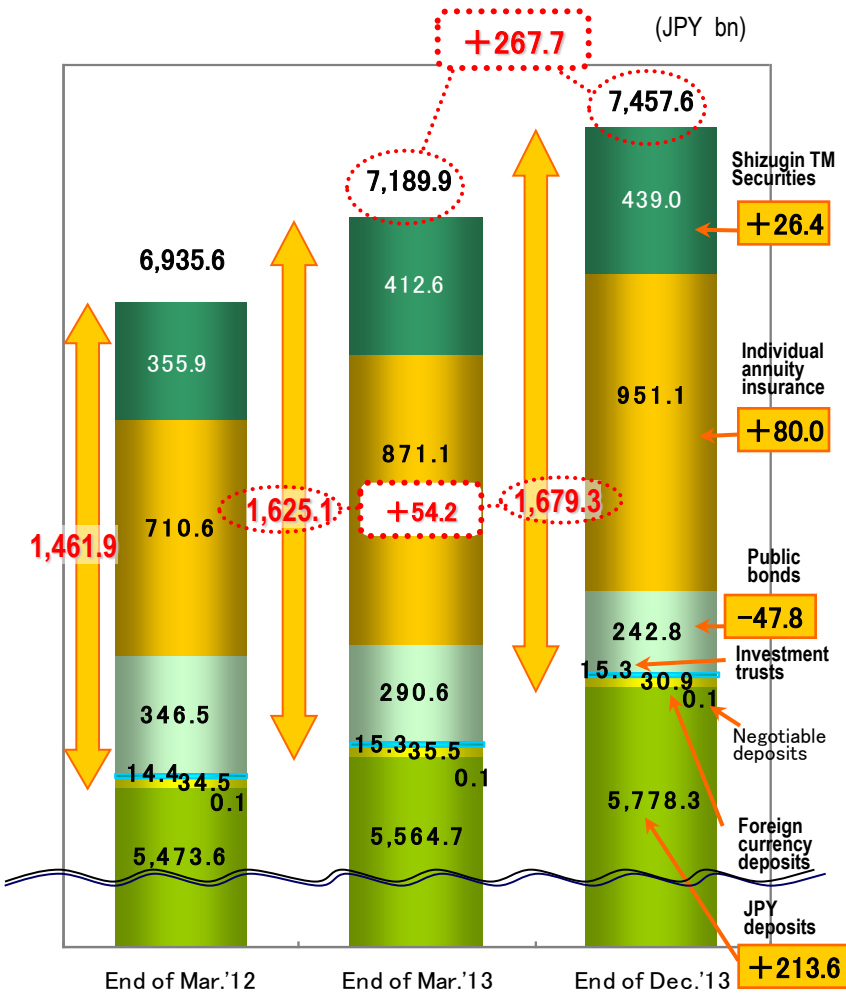




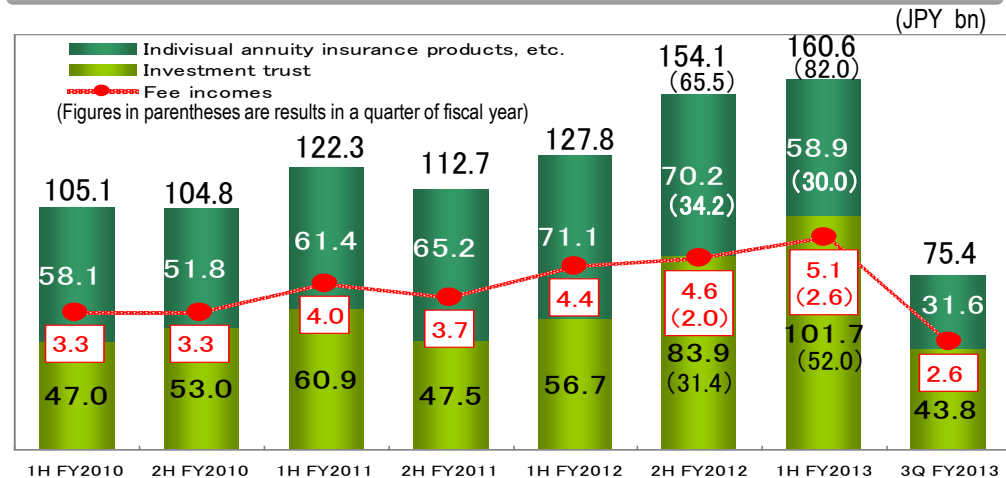
Customer assets and fee incomes

- Customer assets (including the balance of Shizugin TM Securities) was JPY 7,457.6bn (+JPY 267.7bn from end-March 2013), of which balance of customer asset excluding JPY deposits was JPY 1,679.3bn (+JPY54.2bn)

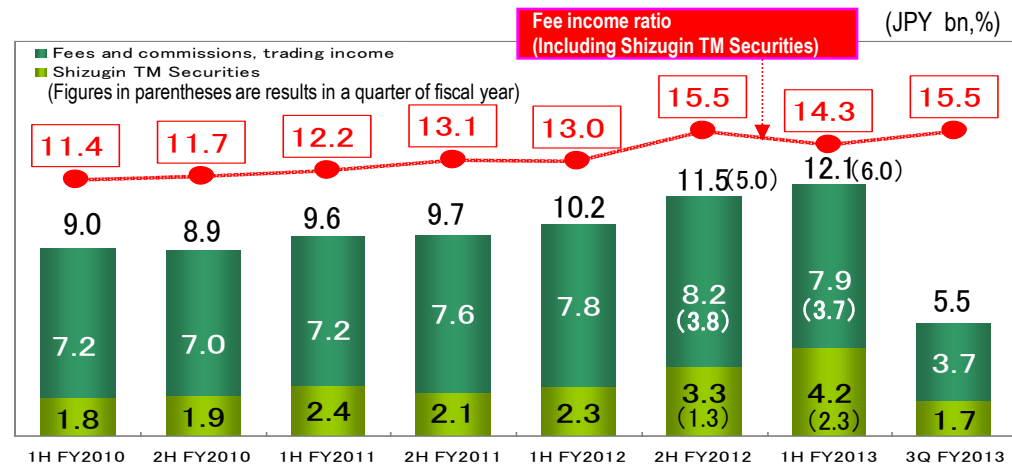
Customer assets (term-end balance)



Sales and fee income from sales of investment trust and insurance products



Fee incomes (Shizuoka Bank / Shizugin TM Securities)





Projected performance in FY2013

Consolidated	(JPYbn)	FY2012	FY2013E	Change from FY2012
Ordinary revenue		203.1	223.0	+19.9
Ordinary profit		71.3	74.0	+2.7
Net income		* 57.0	46.0	-11.0
Excluding Gains on negative goodwill		44.1	46.0	+1.9

* Include gains on negative goodwill JPY12.9bn by increasing equity stakes in group companies

Nonconsolidated	(JPYbn)	FY2012	FY2013E	Change from FY2012
Ordinary revenue		171.0	190.0	+19.0
Gross operating profit		146.3	144.7	-1.6
Expenses (-)		78.7	79.7	+1.0
Net operating profit		67.6	65.0	-2.6
Ordinary profit		65.2	67.0	+1.8
Net income		40.9	42.0	+1.1

	(JPYbn)	FY2012	FY2013E	Change from FY2012
Credit-related costs		0.1	0	-0.1
Provision for general allowance for loan losses		-4.5	-3.2	+1.3
Bad debt written-off		4.6	3.2	-1.4
Provision for specific allowance for loan losses		4.1	2.0	-2.1

Reference





Progress of 11th Medium-term Business Plan “MIRAI—Future”

- The bank generally made steady progress toward the 11th Medium-term Business Plan and shareholder return targets (totals for three years)

		FY2011-2013 plan totals	Results for FY2011-1H FY2013	Progress rate
Consolidated	Ordinary revenue	610.0	533.3	87.4%
	Ordinary profit	196.0	186.1	95.0%
	Net income	112.0	123.5	110.3%
Nonconsolidated	Gross operating profit	452.0	375.0	83.0%
	Expenses (-)	246.0	200.5	81.5%
	Actual net operating profit	206.0	174.5	84.7%
	Ordinary profit	185.0	169.4	91.6%
	Net income	110.0	102.7	93.4%
	Increase in average loan balance	+530.0	+584.0	110.2%
	Increase in average deposit balance	+450.0	+685.9	152.4%
	Shareholder return ratio	50% or more for a long term	67.0%	—



Net interest income

- Net interest income of 3Q FY2013: JPY 98.9bn (+JPY 7.5bn YoY)
- Of which, domestic operations: JPY 88.5bn (+JPY 6.1bn YoY), Overseas operations: JPY 10.4bn (+JPY 1.4bn YoY)

Breakdown of net interest income

(JPY bn)

	3Q FY2012	3Q FY2013	Increase /Decrease
Total	91.4	98.9	+7.5
Domestic operations	82.5	88.5	+6.1
Of which, Interest on loans	72.3	67.7	-4.6
Interest and dividends on securities (Interest on bonds) (Gain on cancellation of investment trust, etc.)	13.8 (9.5) (0.4)	23.8 (7.0) (12.4)	+10.0 (-2.5) (+12.0)
Interest on deposits (-)	3.6	3.1	-0.5
Overseas operations	8.9	10.4	+1.4
Of which, Interest on loans	1.7	2.9	+1.2
Interest and dividends on securities	8.9	9.3	+0.4

Income from securities investment

(JPY bn)

	3Q FY2012	3Q FY2013	Increase /Decrease
Interest and dividends on securities	22.7	33.1	+10.4
Bond-related income such as JGBs	11.7	3.0	-8.7
Income from securities investment	34.4	36.1	+1.7

Domestic operations

(%)

	3Q FY2012	3Q FY2013	Increase /Decrease
Loan rate	1.50	1.37	-0.13
Deposit rate	0.06	0.05	-0.01
Yield on securities	1.21	1.94	+0.73

International Operations

(%)

	3Q FY2012	3Q FY2013	Increase /Decrease
Spread between Investments and procurements	1.27	1.06	-0.21

Sold investment trusts, mainly index linking investment trusts, in uptrend of the stock market

Secured capital gains when the interest rate went down controlled risk in line with market trends



Difference between loan and deposit interest rates

—Changes in Loans and Deposits portfolio

- Difference between loan and deposit interest rates at the end of Dec. 2013 dropped 0.10 points from the end of Dec. 2012
- Estimated net interest income increases by approximately JPY 1.6bn given 0.1% rise in every short-term interest rate (as of end-3Q FY2013)

➔ Our portfolio is capable of generating appropriate profits when interest rates rise

Changes in yen-denominated loans and deposit structure

[Comparison of monthly average balance and interest rates]

(JPY tn, %)

<reference> [Mar. 2008]

	Average balance (% of total)	Interest rate
Loans	5.8 (100.0)	2.04
Floating interest	4.2 (71.8)	2.07
Fixed interest	1.6 (28.2)	1.96

	Average balance (% of total)	Interest Rate	Average balance (% of total)	Interest rate
	6.5 (100.0)	1.46	6.7 (100.0)	1.35
Floating interest	5.0 (77.4)	1.44	5.1 (76.7)	1.33
Fixed interest	1.5 (22.6)	1.56	1.5 (23.3)	1.39

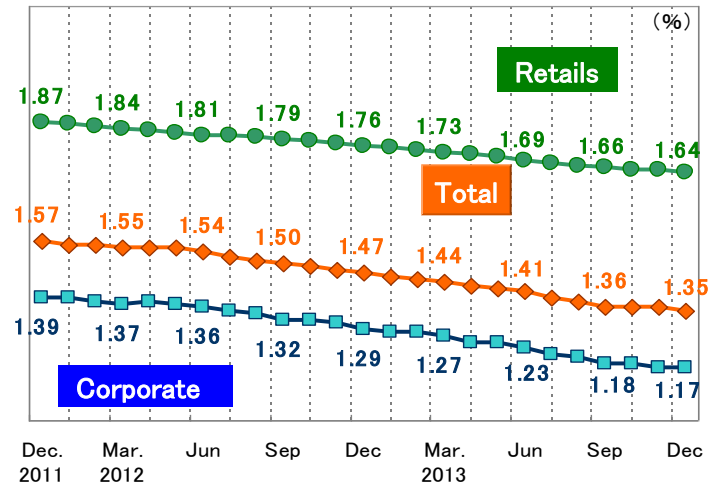
Difference between loan and deposit interest rates

	Average balance (% of total)	Interest rate
Deposits	7.1 (100.0)	0.27
Of which Liquid deposits	4.0 (56.3)	0.16
Of which Term deposits	2.7 (38.7)	0.38

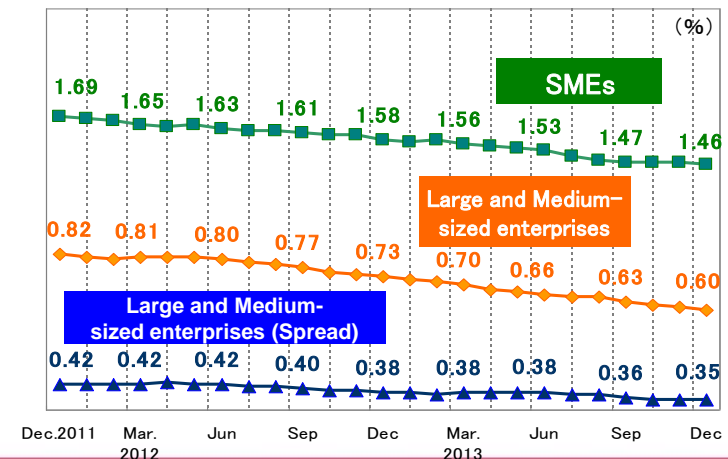
	Average balance (% of total)	Interest rate	Average balance (% of total)	Interest rate
	7.7 (100.0)	0.06	8.0 (100.0)	0.05
Of which Liquid deposits	4.2 (54.3)	0.02	4.4 (54.6)	0.02
Of which Term deposits	3.3 (42.4)	0.10	3.3 (41.3)	0.08

+1.40 ← -0.10 → +1.30

Loan interest rates (monthly average)



Trends in Corporate loan interest rates by company size

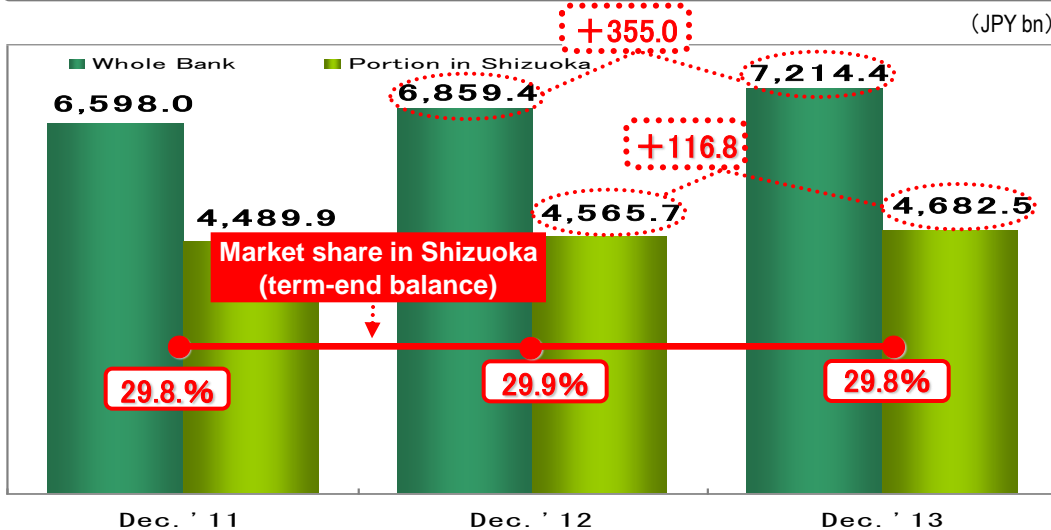




Loans (term-end balance)

• Total loan balance (term-end balance) of 3Q FY2013: JPY 7,214.4bn, up JPY 355.0bn (+5.2%) YoY

Total loan balance (term-end balance)



[SME loan balance]

Term-end balance increased to 2,823.1bn by JPY 45.1bn (+1.6%) YoY

[Business support fund]

- An original loan scheme aimed at customers working to turn around their businesses
- Launched April 2013: 56 loans total of JPY 1,523mn
- Average interest rate: 4.2%

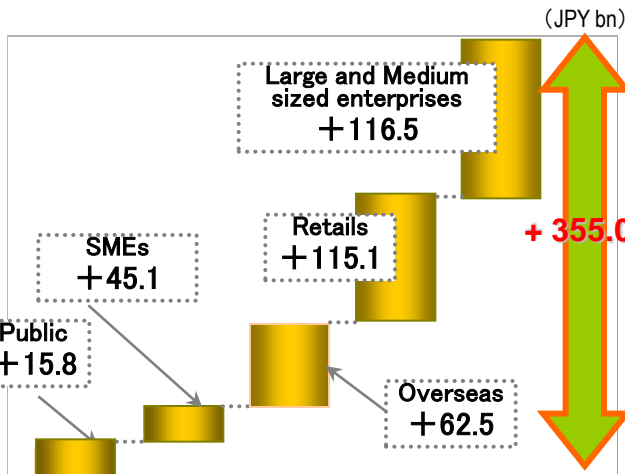
[Retail loan balance]

Term-end balance increased to 2,442.2bn by JPY 115.1bn (+4.9%) YoY

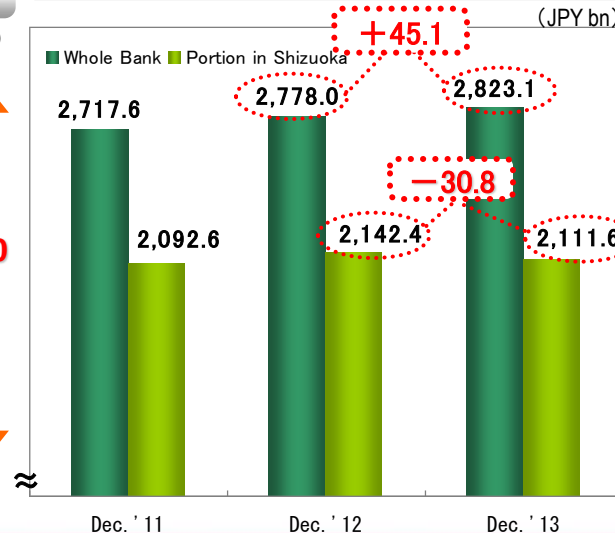
[Large and Medium sized enterprises loan balance]

Term-end balance increased to 1,510.6bn by JPY 116.5bn (+8.4%) YoY

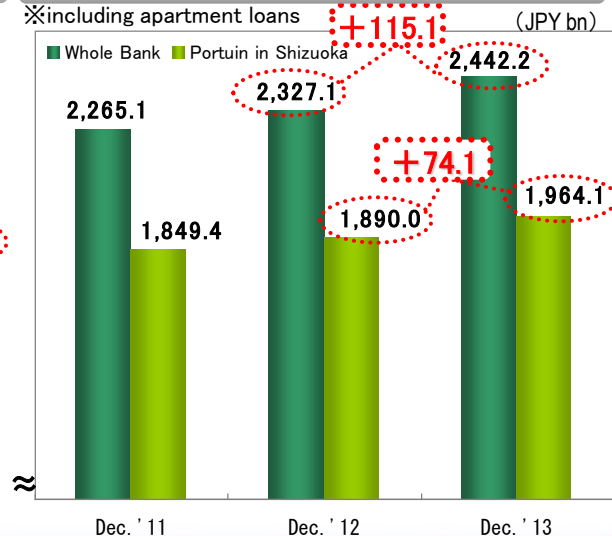
Breakdown of year-on-year change in total loan balance (term-end balance)



SME loan balance (term-end balance)



Retail loan balance (term-end balance)





Loans - Loans by industries

- Business loans to each industry such as real estate, construction, leasing, money lending and investment respectively account for less than 9% of loan balance for all industries respectively. There is no concentrated exposure to any of these specific industries
- Expected Loss (EL) for all industries : JPY 6.3bn (JPY 1.2bn for real estate and JPY 0.4bn for construction)
- Unexpected Loss (UL) for all industries : JPY 50.1bn

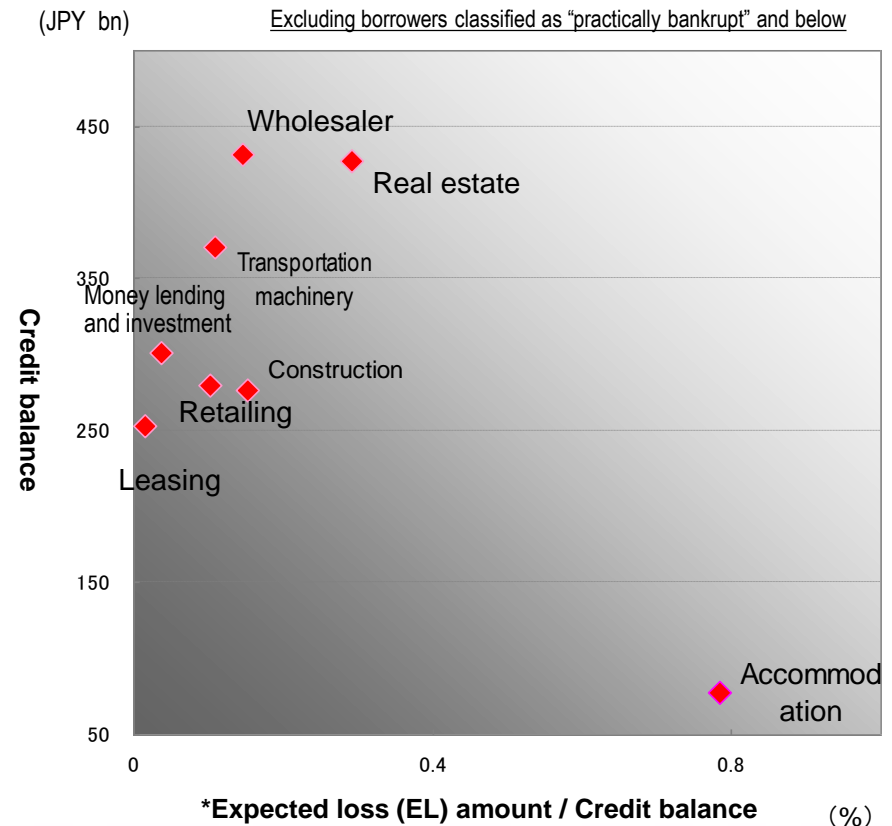
Contemporary status of business loans to particular industries

[Credit balance (as of the end of Sep 2013)]

(JPY bn, %)	Balance	Composition ratio	YoY change
All industries	4,971.2	100.0	+236.7
Real estate	422.6	8.5	+12.7
Wholesaler*	429.4	8.6	+32.0
Money lending and investment	300.8	6.0	-23.1
Transportation machinery	370.8	7.5	+68.8
Construction	273.1	5.5	-10.2
Retailer	276.3	5.6	+20.2
Leasing	253.3	5.1	+8.8
Accommodation	77.3	1.6	-5.7

* excluding a general trading companies

[Credit balance vs. expected loss rate*]



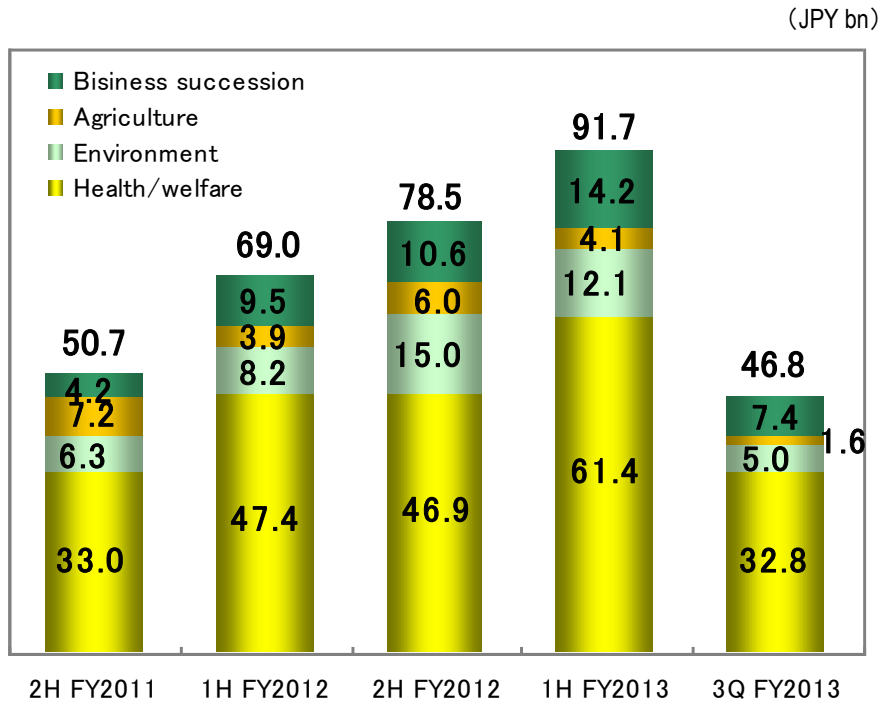


Initiatives for Corporate Banking

– Solution-based approach–

● Generating demand for funds in growth and untapped fields through solution-based approach

Solution-based approach to growth and untapped fields



Measures to support new business creation

2nd the Shizugin Entrepreneur Awards

- Launched in FY 2012 (Commemorative Project for 70th Anniversary)
- Aiming at revitalization of regional economy by supporting growth of awarded entrepreneurs

Health and welfare	<ul style="list-style-type: none"> • Deployed 10 specialists, including 9 qualified medical business managers • Supported the opening of new hospitals/clinics and moves into the welfare field
Environment	<ul style="list-style-type: none"> • Generated demand for funds by providing support for the installation of energy-efficient equipment • Provided support for capital investment related to renewable energy
Agriculture	<ul style="list-style-type: none"> • Deployed 16 agricultural business advisers • Supported sales channel development through business matching (Held Shizugin@gricom periodically) • Help agricultural producers move into up or down-stream
Business Succession	<ul style="list-style-type: none"> • Supported development of next business leaders through “Shizuginship” (training club for next generation managers) • Proposed various business transfer methods (M&As in 3Q:16 cases)

7 winners out of a total of 87 applicants will receive prizes
[Total prize amount to JPY 5 million]

⇒ Fully utilize the Group’s capabilities, such as sales channel development and consulting services, to actively support business growth of all the applicants



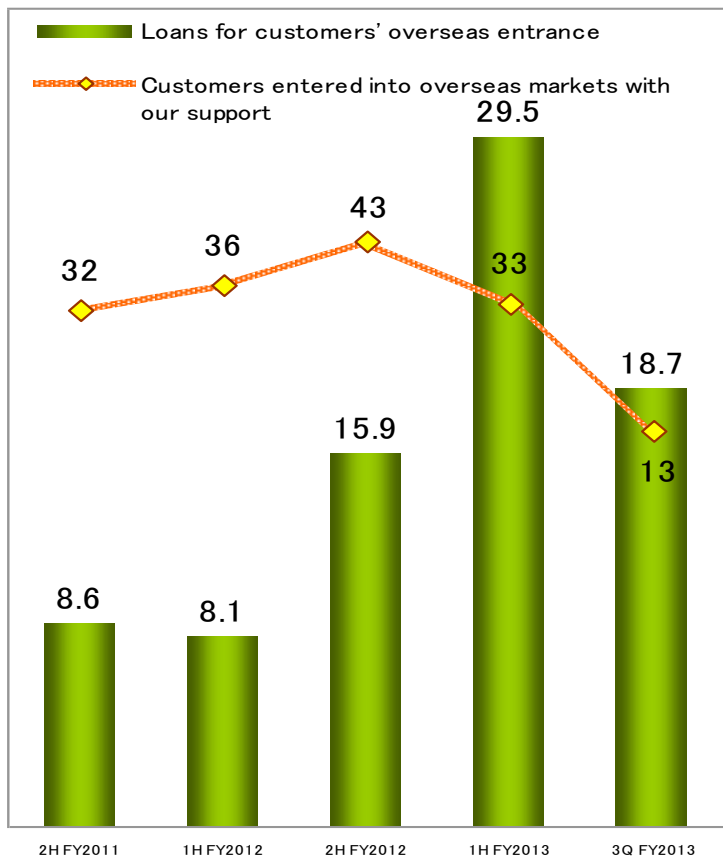
Initiatives for Corporate Banking

–Support for customers’ overseas entrance–

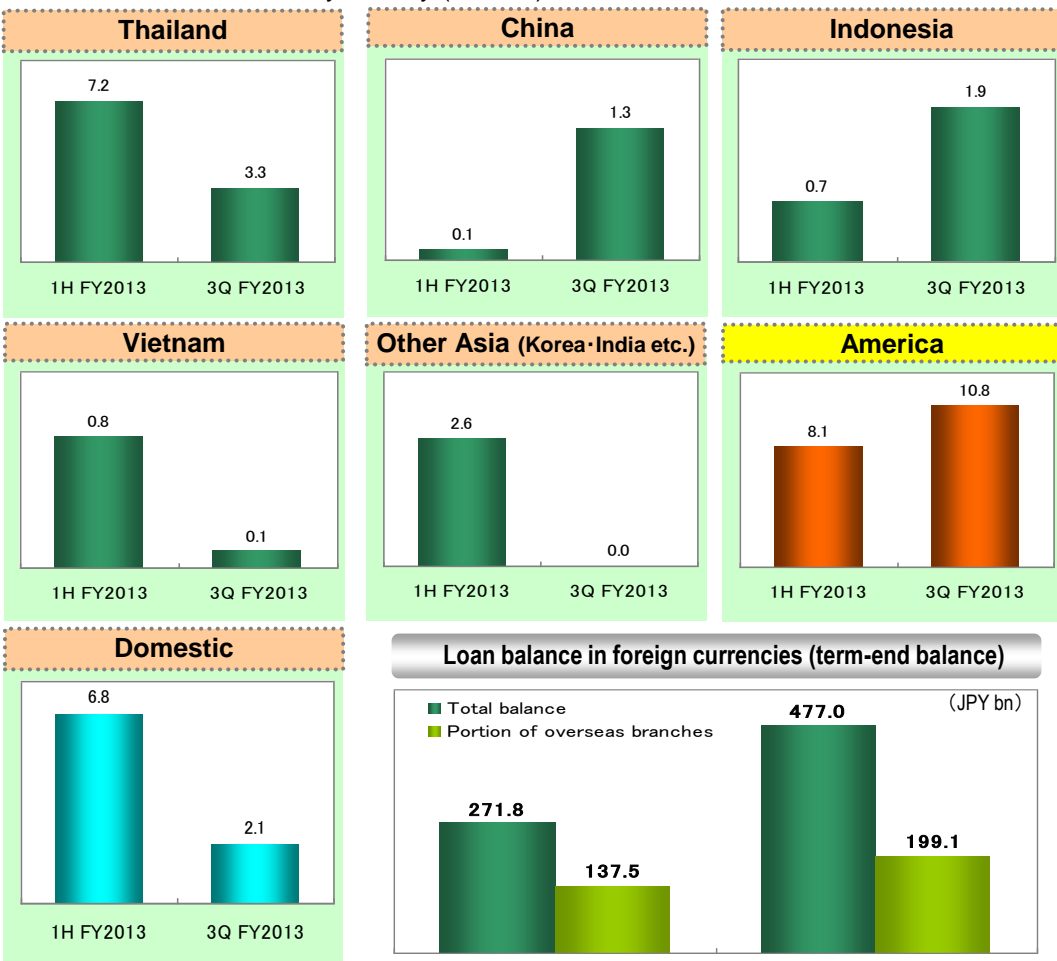
- In June 2013, we formed alliance with CTBC Holding (a financial group centered on CTBC Bank), expanding our network in Asia to 12 banks in 8 countries/regions, giving us coverage in areas that our customers are targeting for overseas expansion
- In 3Q FY2013, we supported 13 companies to enter into overseas markets and provided loans of JPY 18.7bn (with additional related domestic loans of JPY 2.1bn)

Number of companies moved into overseas markets by our support and loans for customers’ overseas entrance

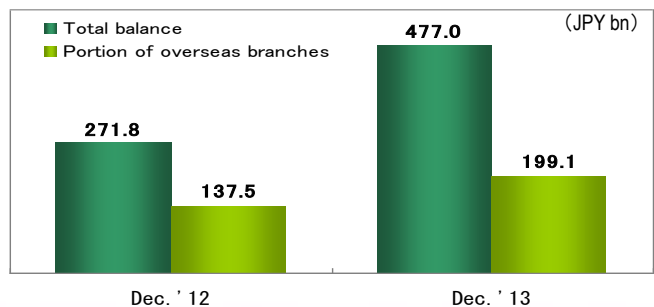
(JPY bn, customers)



【Value of loans extended by country (JPY bn)】



Loan balance in foreign currencies (term-end balance)





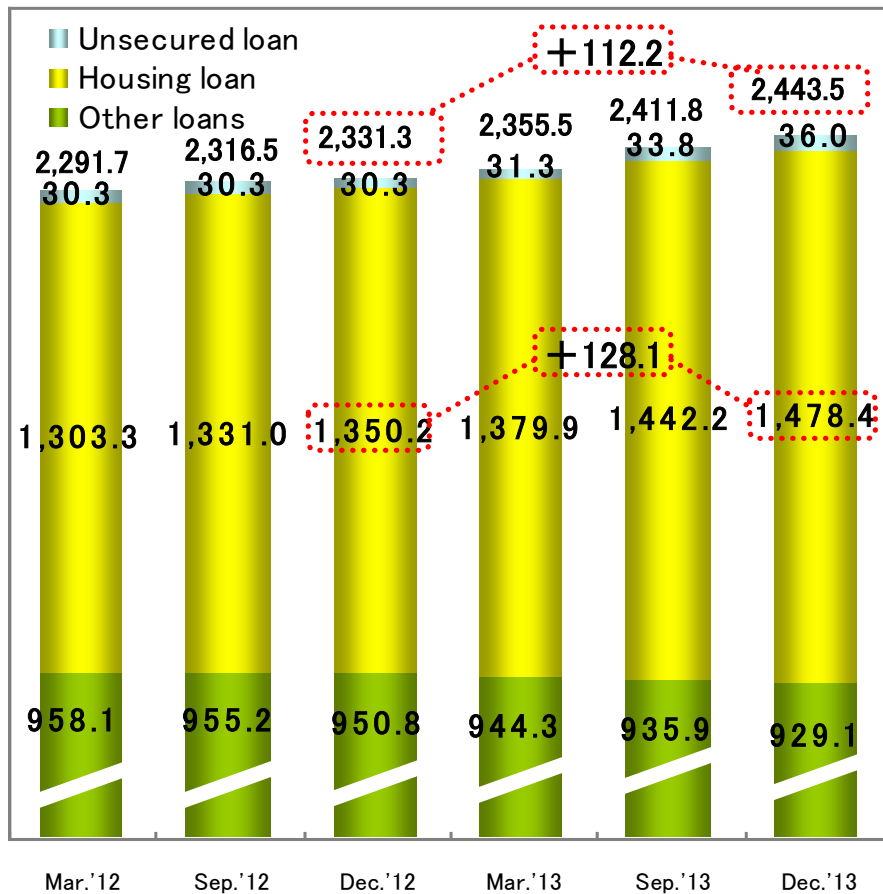
Initiatives for Retail Banking

– Progress of consumer loan –

- Consumer loan balance (term-end balance) of 3Q FY2013: JPY 2,443.5bn, up JPY 112.2bn (+4.8%) YoY
- Of which, housing loan balance: JPY 1,478.4bn, up JPY 128.1bn (+9.5%) YoY
- Of which, unsecured loan balance: JPY 36.0bn, up JPY 5.7bn (+18.9%) YoY

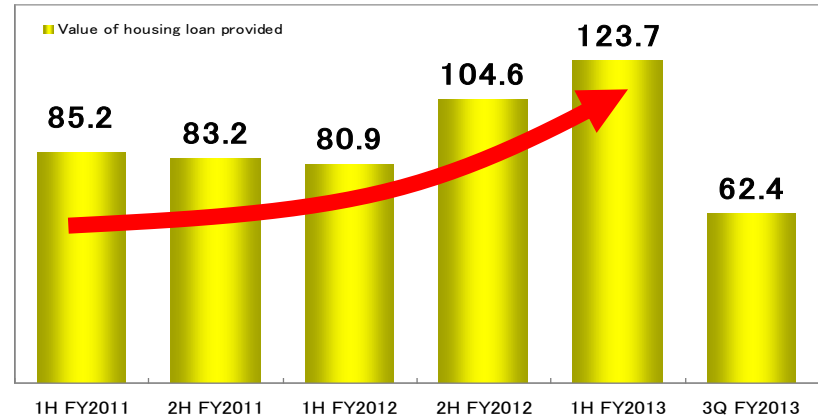
Consumer loan balance (term-end balance)

(JPY bn)



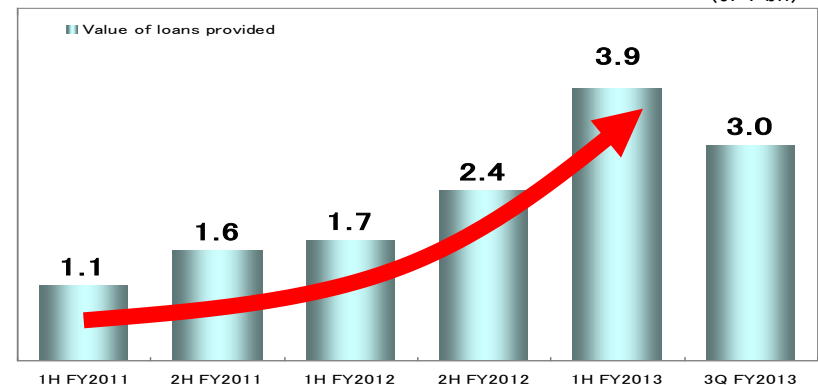
Housing loan provided and New housing starts ups

(JPY bn)



Unsecured loans provided for specific purposes*

(JPY bn)



*Total for car, hobby & lifestyle, free, and education loans
(Net increase (decrease) used for overdraft education loans)

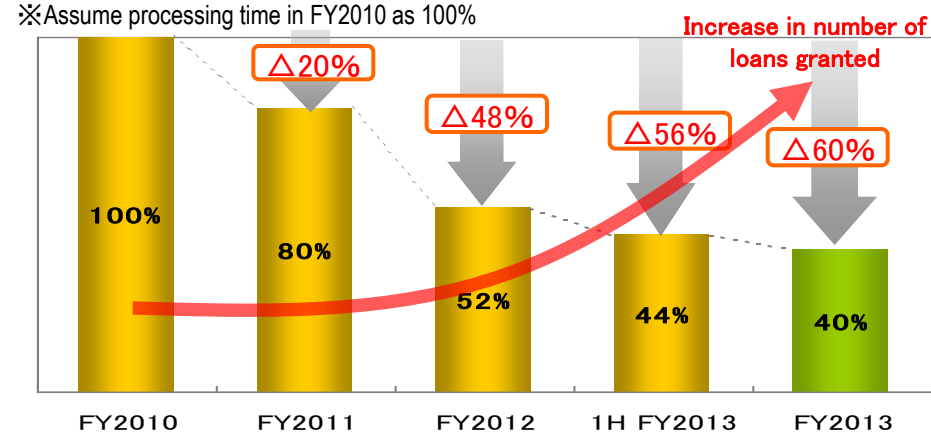
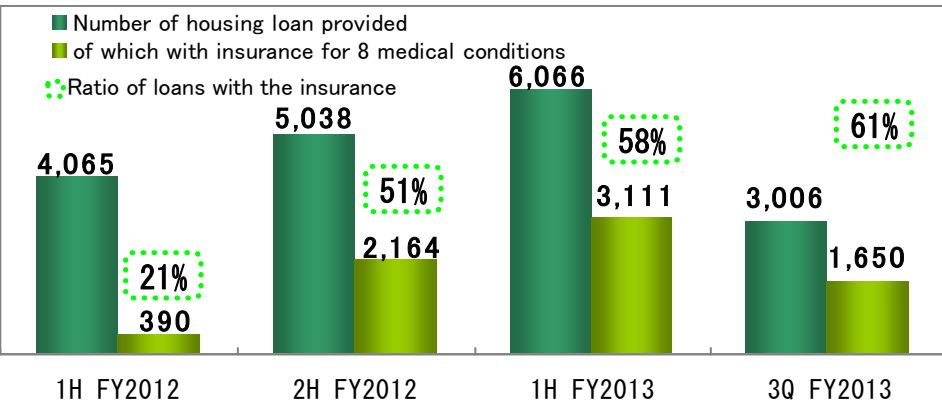


Initiatives for Retail Banking

–Actions for expanding consumer loan –

Number of housing loans (total) provided and of which with insurance for 8 medical conditions

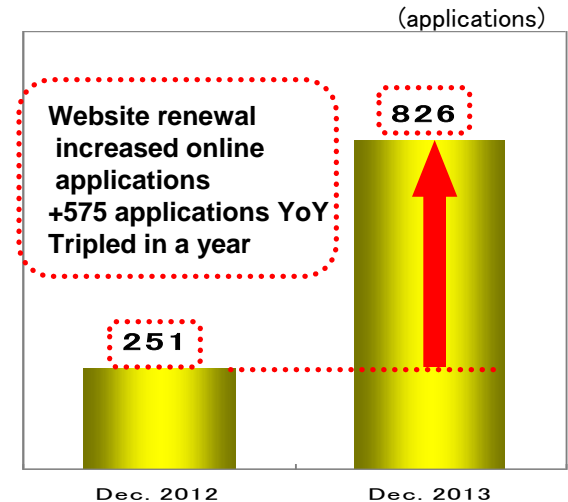
Reduced processing time for workload of consumer loan



Actions to expand home loans

- Home loans with insurance for 8 medical conditions
Appealing advantages of the home loan with new concept ad “Evaluate home loan with insurance coverage”
Ratio of loans with insurance 61% (+3% from 1H FY2013)
- Executed BPR to reduce processing time of loans
Increase in time used for sales led to rise in number of loans
- Interest rate of new home loans: 1.019%

<Ref>Online applications received (Car loan applications in Dec)



Actions to expand unsecured loans

- Active promotion centered on TV commercial
- Website renewal increased online applicants
Renewed website for car loans in November 2013
826 applications received in Dec (+575 applications YoY)
- Expanded customer base of education loan by introducing secondly guarantee system



Credit-related costs

- Credit-related costs in 3Q FY2013: -JPY 2.2bn (-JPY 1.4bn YoY), Credit-related cost rate: -0.04% (-0.03 percentage points YoY)

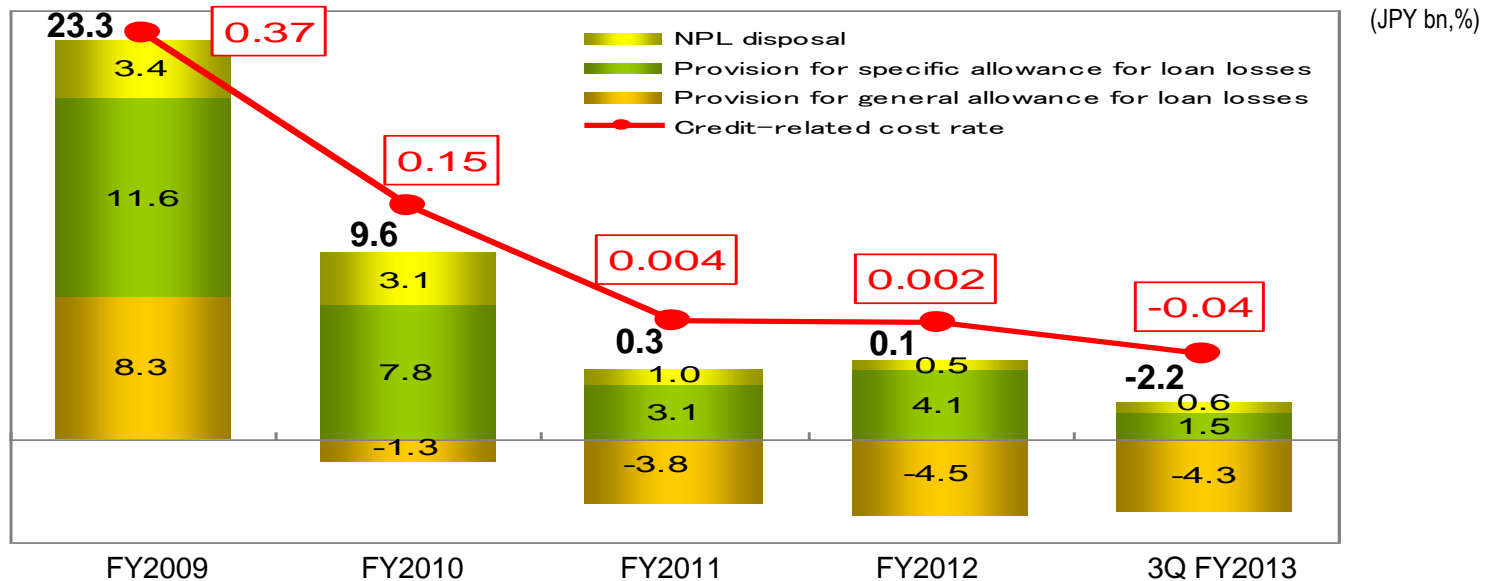
Breakdown of credit-related costs

(JPY bn)	3Q FY2012	3Q FY2013	YoY change
NPL disposal (1)	0.4	0.6	+0.2
Gain on reversals from loan loss reserves* (2)	1.2	2.8	+1.6
Provision for general allowance for loan losses	-2.4	-4.3	-1.9
Provision for specific allowance for loan losses	1.2	1.5	+0.3
Total (1)-(2)	-0.8	-2.2	-1.4

(JPY bn)	
Changes in credit rating, etc	5.0
Decrease in the value of collaterals	0.4
Upgrade of credit rating, decrease in loan and credit balances by foreclosure, etc	-3.9
Total	1.5

*Gain on reversals from loan loss reserves is the net amount for provision for general allowance for loan losses and provision for specific allowance for loan losses

Credit-related cost and credit-related cost rate trends [Comparison among credit-related costs of each FY]



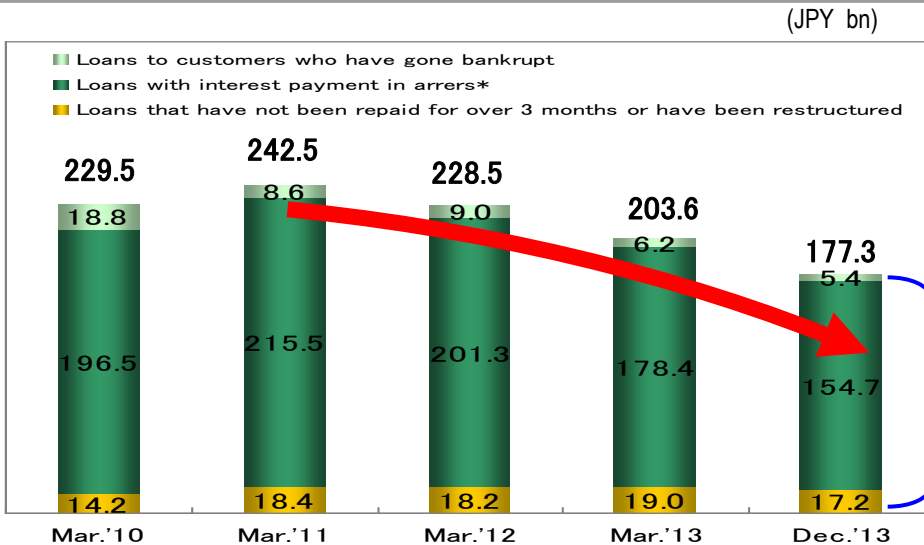
* Credit-related cost rate = Credit-related costs / Average loan balance



Risk-management loans

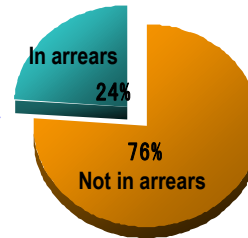
- Total risk-management loans (Nonconsolidated): JPY 177.3bn (-JPY 26.3bn from the end of March 2013)
- The ratio of risk-management loans: 2.45% (-0.46 percentage points)
- Net risk-management loans (Nonconsolidated): JPY 20.7bn (-JPY 3.1bn)
- The ratio of net risk-management loans: 0.29% (-0.05 percentage points)

Trend in Risk-management loans

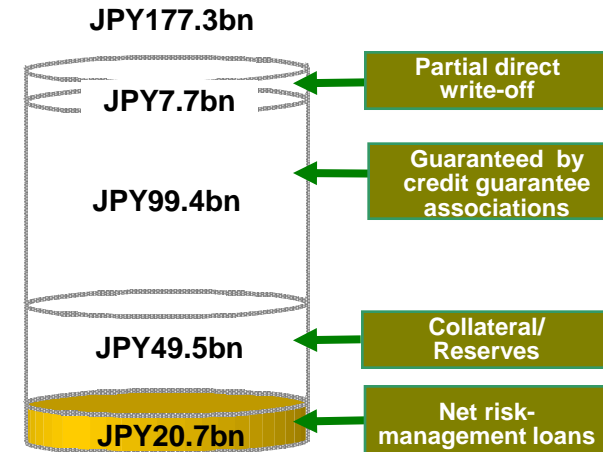


*Borrowers classified as "at risk of failure" and borrowers classified as "practically bankrupt" are written as "loans with interest payment in arrears" among the debtor division in accordance with Banking Act

[Delinquency ratio]



Net risk-management loans



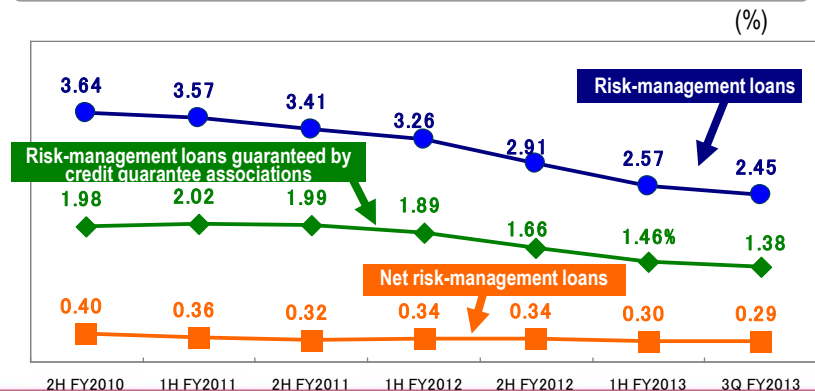
NPL removal from the balance sheet

(JPY bn)	FY2012	1H FY2013	3Q FY2013
New recognition of NPLs	+46.5	+18.7	+9.7
Removal from the balance sheet (NPL to borrowers classified as "at risk of failure" or riskier categories)	-71.4 (-66.9)	-38.7 (-35.1)	-16.0 (-13.0)
Risk-management loans	203.6	183.6	177.3
		-26.3	

[Breakdown of JPY 13.0bn]

(JPY bn)	Amount
Collected from borrower/ set off against deposit account	2.0
Collateral disposal/ subrogated to guarantor	6.1
Reclassified to better categories	4.8
Loans sold-off	0.1
Direct write-off of loans	0.0

The ratio of risk-management loans

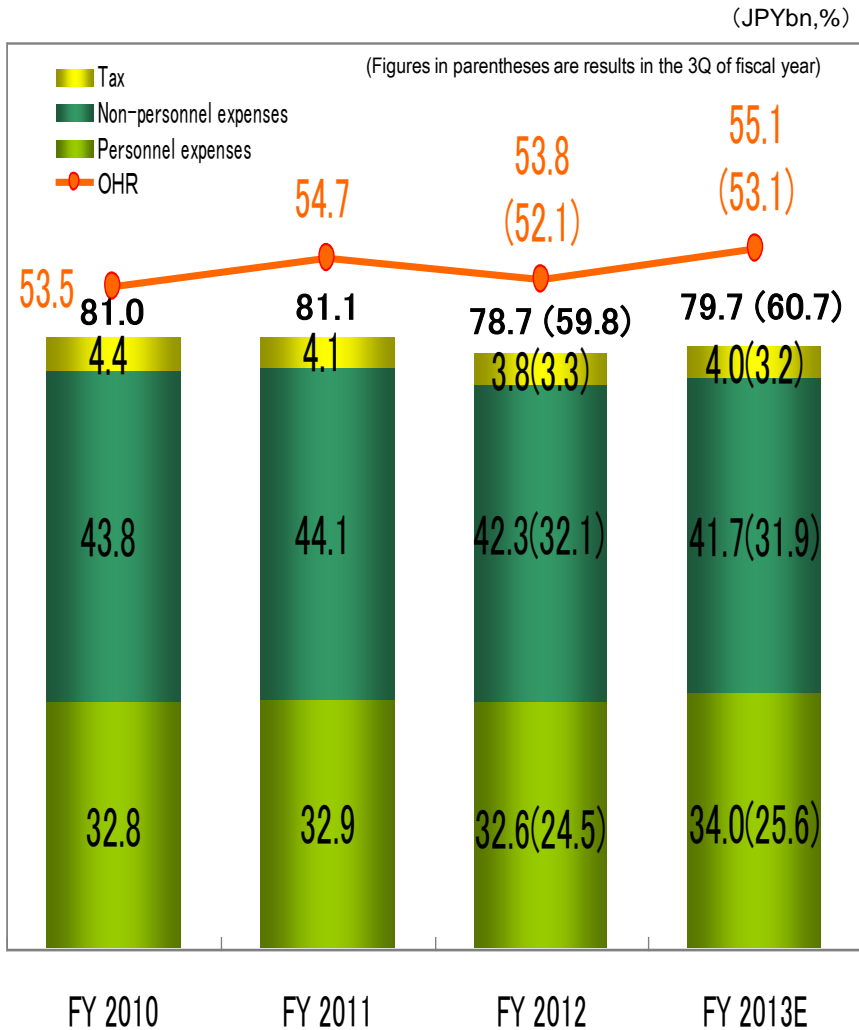




Expenses

- Expenses in 3Q FY2013: JPY 60.7bn (+JPY 0.9bn YoY)
- OHR in 3Q FY2013 (Nonconsolidated): 53.1% (+1.0 percentage points YoY)

Expenses and OHR (annual basis)



[Factors for change in expenses 3Q FY2013]

- Personnel expenses: JPY 25.6bn (JPY +1.1bn year on year)
Increase in workforce due to factors such as a shift in temporary staff at Group companies to direct employment at the parent bank
- Nonpersonnel expenses: JPY 31.9bn (JPY -0.2bn year on year)
Nonpersonnel expenses were broadly flat year on year due to a rise in advertising expenses in spite of the reclassification of some costs as personnel expenses

Increased mass marketing, mainly for consumer loans, using TV commercials and other advertising

➔ Increase in number and value of loans provided





Improvement of productivity - BPR

- An ongoing BPR program increased front-office staff without boosting the overall headcount
→ make it possible to achieve sustainable top-line growth

<9th Medium-term Business Plan>

Launch of active IT investment and centralized processing BPR

- Introduced new terminals at sales branches
- Upgraded loan support system
- Centralized processing for loan back-office workload
(Centralized storage of loan bookkeeping and debt documents)

<10th Medium-term Business Plan>

Increased efficiency through IT investment and the expansion of centralized processing

- Back-office workload reduced at sales branches by 60%
- Repositioned back-office staff in sales positions

Top-line growth

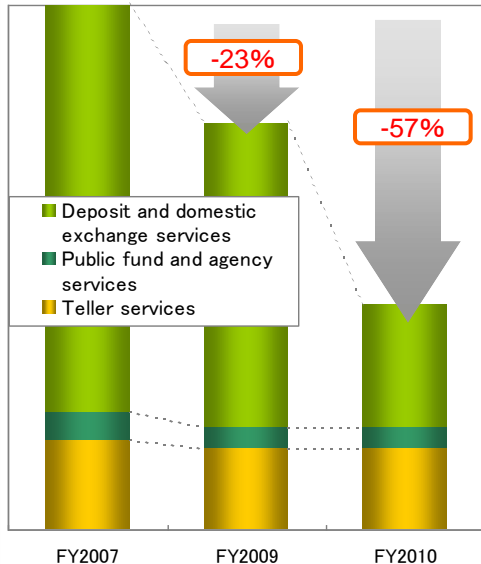
<11th Medium-term Business Plan>

Extend productivity improvements to the front office workload

- Reduce workload for consumer loan sales staff by 60%

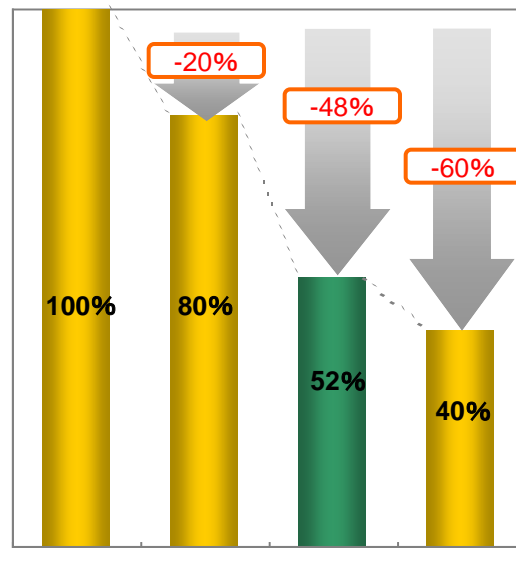
Further boost top-line growth

Workload reduction of branches



* Assume the amount of business in the FY2007 is set to 100

Reduced processing time for workload of consumer loan



* Assume the amount of business in the FY2010 is set to 100

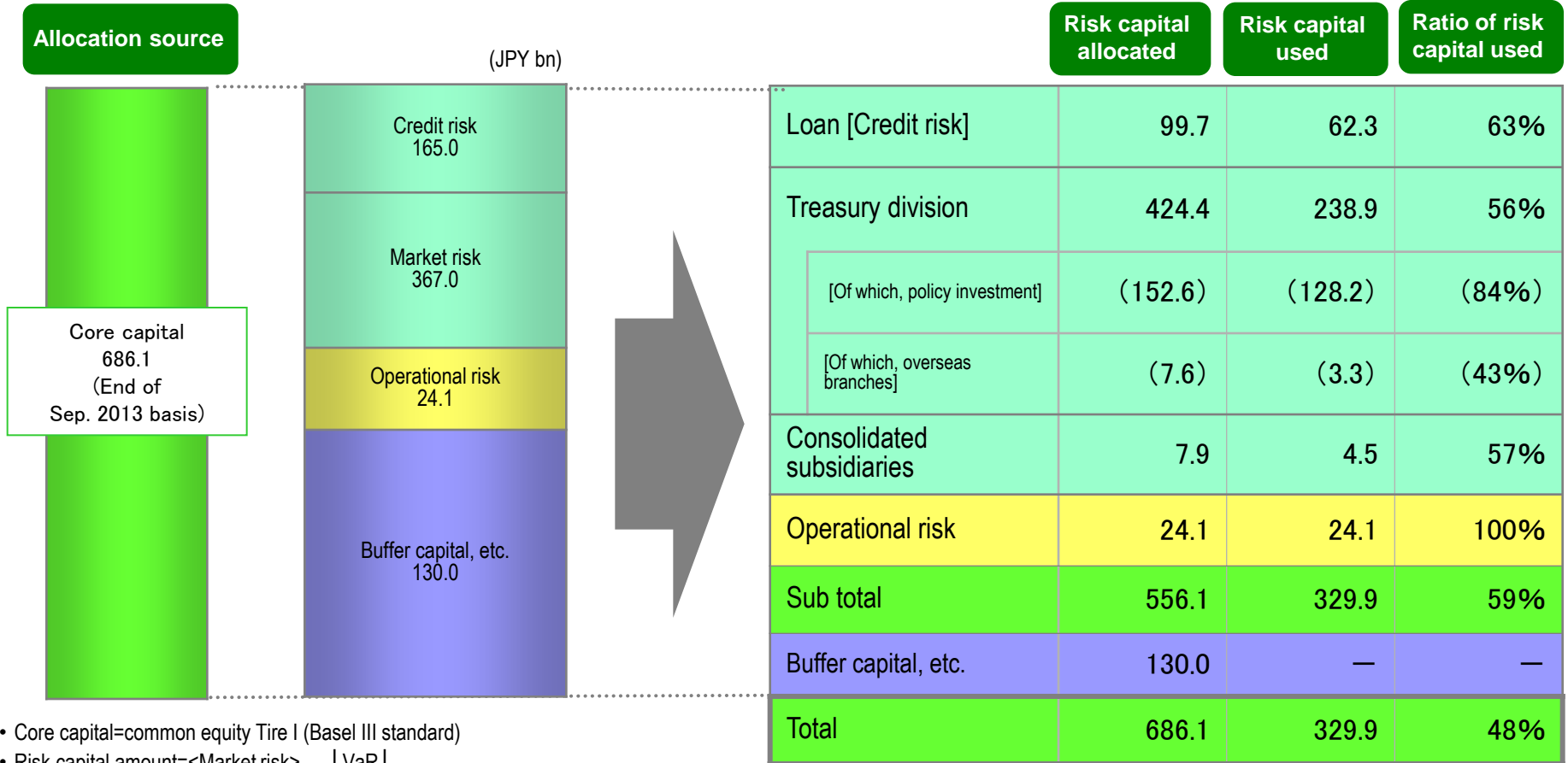
Number of personnel

	End-Mar. 2008	End-Mar. 2012	End-Mar. 2013	Change from end-Mar. 2008
Front-office	2,411	3,046	3,070	+ 659
Of which, bank employees	1,794	2,246	2,261	+ 467
Back-office/assisting	1,693	1,000	942	- 751
Of which, bank employees	548	59	44	- 504
Shizuoka Bank	5,164	4,936	4,901	- 263
Of which, bank employees	2,851	2,865	2,860	+ 9



Allocation of risk capital

- Allocation of risk capital for the 2H FY2013(end of Dec. 2013 basis) amounted to JPY 686.1bn, of which JPY 165.0bn was allocated to credit risk, JPY 367.0bn to market risk, JPY 24.1bn to operational risk, and JPY 130.0bn to buffer capital, etc
- JPY 62.3bn for loans [credit risk] and JPY 238.9bn for the Treasury division was used for the 2H FY2013



- Core capital=common equity Tire I (Basel III standard)
- Risk capital amount=<Market risk> | VaR
 <Credit risk> (1) | UL | (loan balance includes bad debt written off, CVAs)
 (2) Basel III capital requirement amount (designated loan claims, credit linked loan, securitization transactions, investment trusts, and investment funds)
 <Operational risk> Amount equivalent to operational risk
- Buffer capital is kept aside for emergencies such as the anticipated Great Earthquake and other unquantifiable risks.



Group companies

- The total ordinary revenue of 11 consolidated subsidiaries increased to JPY 37.4bn (up JPY 1.8bn YoY) and the ordinary profit of JPY 6.0bn (up JPY 1.5bn YoY) in 3Q FY2013

(JPY bn)

Company name	Business	Ordinary revenue	Ordinary Profit		
			YoY change	YoY change	
Shizugin Management Consulting Co., Ltd.	Corporate and financial management advisory services	0.7	+0.5	0.0	+0.0
Shizugin Lease Co., Ltd.	Leasing	18.2	-0.3	1.2	-0.2
Shizuoka Computer Service Co., Ltd.	Software development and sales	3.6	+0.2	0.1	-0.0
Shizugin Credit Guaranty Co., Ltd.	Guarantee of housing loans, etc.	1.7	+0.3	1.2	+0.2
Shizugin DC Card Co., Ltd.	Credit card and guarantee of consumer loans	1.4	+0.0	0.4	+0.0
Shizuoka Capital Co., Ltd.	Public-offering assistance Support for corporate rehabilitation	0.4	+0.1	0.2	+0.1
Shizugin TM Securities Co., Ltd.	Securities	5.9	+2.3	2.7	+1.4
Shizuoka Bank (Europe) S.A.	Finance and securities-related services	0.4	+0.1	0.1	+0.1
Shizugin General Service Co., Ltd.	Fee-Charging Employment Placement Businesses, etc	0.7	-1.5	0.0	-0.0
Shizugin Mortgage Service Co., Ltd.	Appraisal of real estate for loan collateral Operation center for loans	1.2	+0.0	0.0	-0.0
Shizugin Business Create Co., Ltd.	Operation center for remittance and bill collection Part-time employee management	3.2	+0.1	0.0	-0.0
Total (11 companies)		37.4	+1.8	6.0	+1.5
Shizugin Saison Card Co., Ltd.*	Credit card and guarantee of consumer loans	1.1	+0.2	0.0	+0.0

*A company to which the equity method of accounting is applied. Operations commenced in April 2007.



Economic scale of Shizuoka Prefecture

- Accounts for 3% share of all-Japan. Ranks 10th in the scale of economy among prefectures
- Has greater GDP than total GDP of 4 prefectures in Shikoku or 3 prefectures in Hokuriku
- Compared to countries ,its GDP is ranked next to Ireland, Philippines, and the Czech Republic

Shizuoka Prefecture indices

	Share of all-Japan		National ranking
●Population	3.75 m	3.0%	10th of 47 (2012)
●No. of households	1.46m	2.7%	10th of 47 (2012)
●Nominal prefectural GDP	JPY 15.8tn	3.2%	10th of 47 (FY2010)
●Per-capita income	JPY 3.100 m	—	3rd of 47 (FY2010)
●No. of business establishments	190K	3.2%	10th of 47 (2012)
●Amount of shipments of manufactured goods, etc.	JPY 15.5tn	5.2%	3rd of 47 (2012)
●Agricultural output(*)	JPY 211.2bn	2.5%	16th of 47 (2012)
●Fishery production volume(*)	220k tons	5.8%	3rd of 47 (2012)
●No. of industrial locations	73	5.9%	2nd of 47 (2012)
●No. of new housing starts	25k	2.8%	10th of 47 (2012)

* Based on flash reports

Shizuoka Prefecture economic scale

Prefectural GDP (2010, Nominal)		
Rank	Prefecture/Region	(US\$ billions)
9	Fukuoka Prefecture	210.5
10	Shizuoka Prefecture	184.0
11	Ibaraki Prefecture	130.6
—	4 prefectures of Shikoku	156.8
—	3 prefectures of Hokuriku	139.3
GDP comparison with countries (2010)		
Rank	Country (Region)	(US\$ billions)
45	Ireland	207.6
46	Philippines	199.6
47	The Czech Republic	198.9
—	Shizuoka Prefecture	184.0
48	Pakistan	176.9
49	Rumania	164.8

*Sources: Economic and Social Research Institute (ESRI)

Cabinet Office , Government of Japan



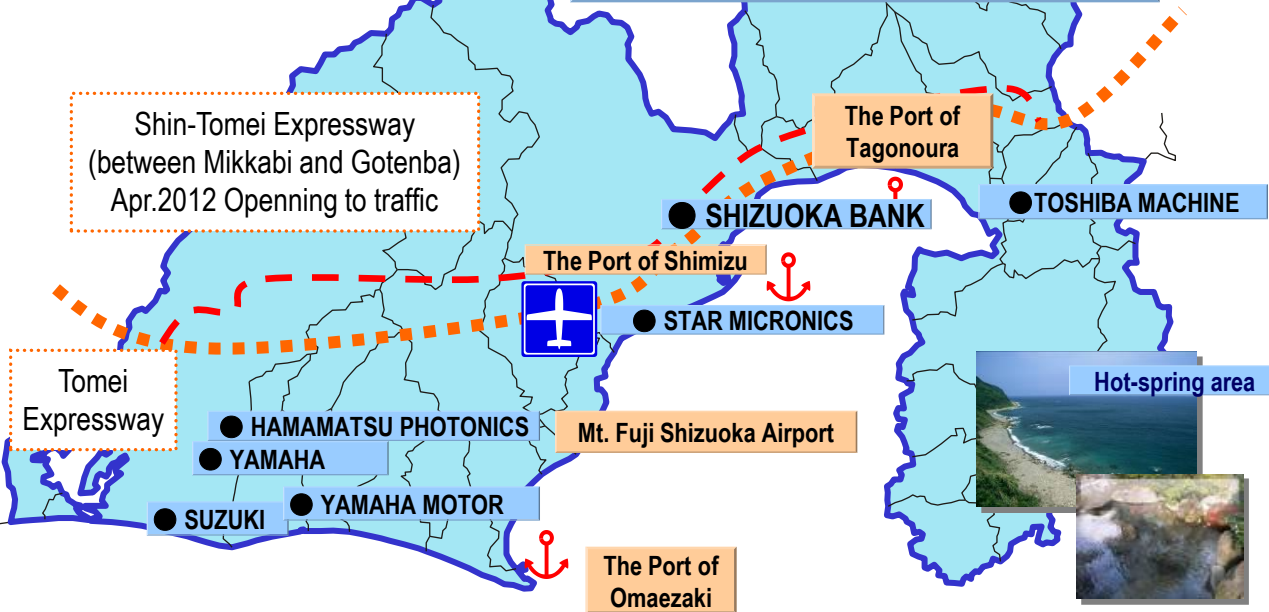
Economy in Shizuoka Prefecture and current state

- Positioned as distribution hub between Tokyo and Osaka/Kyoto
- Represents leading manufacturing prefecture in Japan
- Owns a lot of export-driven companies related to handling machinery of transportation and music instrument and so forth
- Has many of representative tourist locations coming from its rich natural environments

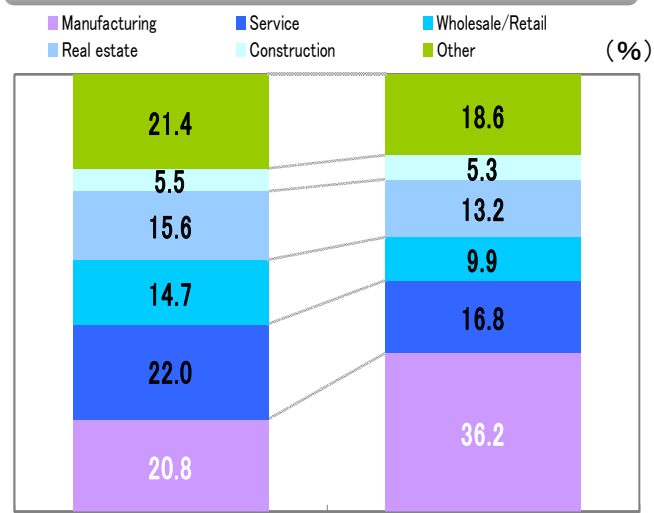
Mt. Fuji
Inscribed on the World Heritage List as
"Fujisan, sacred place and source of artistic inspiration"



Source: Shizuoka Prefecture Tourism Association



Percentage distribution of Shizuoka Prefecture GDP by industry



All-Japan Shizuoka Pref.
Source: Cabinet Office, Government of Japan, FY2010

No. of listed companies with HQs in Shizuoka Prefecture

Listing	No. of companies
TSE 1 st section	23
TSE 2 nd section	11
Mothers	1
Nagoya Stock Exchange 2 nd section	1
Jasdaq	19
Total	55

*As of end Nov. 2013, companies listed on more than one exchange were counted as TSE-listed

This document includes statements concerning future business results.

These statements do not guarantee future business results, but contain risks and uncertainties.

Please note that future business results may differ from targets for reasons such as changes in the business environment.