

Message from the Management



Masao Kawamura
Chairman



Satoshi Takahashi
President

In fiscal 2017, personal consumption levels held firm and the economy showed signs of moderate recovery as the Bank of Japan maintained its policy of monetary easing.

The economic tone in our home region of Osaka was also upbeat, with healthy inbound tourism consumption by foreign visitors and active promotion of the 2019 Rugby World Cup, as well as Osaka's bid for the World Expo 2025. Additional promising signs of economic vigor were evident that promise to contribute to Osaka's economic development, including business creation, such as of social businesses; the smooth growth of existing businesses; support for enhanced productivity; and further collaboration between government and the private sector.

Also during the term, there was a pressing need for financial institutions to institute operational reforms in view of the rapid diversification of fintech-driven financial services and changing financial settlement methods. In addition, competition between financial institutions intensified as the Bank of Japan's monetary easing became a long-term policy, capital demand stagnated, and non-financial entities entered the financial industry.

In this operating environment, the Bank celebrated its 90th founding anniversary and worked with a sense of urgency to realize its aim of becoming our customers' number one financial partner for problem resolution, as set forth in our new Medium-Term Management Plan. We undertook to further strengthen our financial intermediary functions, particularly by expanding transaction support for growth businesses and promoting growth outlook-based business financing.

To further promote businesses for regional revitalization, we entered into a comprehensive collaboration agreement with the city of Higashi Osaka; and worked with the Ministry of Land, Infrastructure, Transport and Tourism and The Organization for Promoting Urban Development to establish the City Shinkin PLUS Fund to Build a Better Osaka. Through these and other initiatives, we invested effort into providing financial support to small businesses that can stimulate local neighborhoods, and into the sustainable development of the regional economy. At the same time, we worked to enhance and strengthen our management controls, including cybersecurity and anti-money-laundering measures.

As a result, we extended our record of stable performance in the final accounts for fiscal 2017, and maintained a high degree of soundness. We have established four basic policies for fiscal 2018: strengthening our management foundation by bolstering rapid problem-solving capabilities; enhancing our productivity by promoting greater operational efficiency; further reinforcing the effectiveness of our risk management; and promoting the creation of rewarding workplace environments that foster personnel development. Based on these policies, management and employees will work as a team to fulfill our mission as a regional financial institution.

This report outlines the management policies and current condition of the Osaka City Shinkin Bank in an easy-to-understand format. We hope this will enhance your understanding of our activities at the Bank, and that we will be able to rely on your continued support and patronage.

July 2018

Handwritten signature of Masao Kawamura in black ink.

Masao Kawamura
Chairman

Handwritten signature of Satoshi Takahashi in black ink.

Satoshi Takahashi
President