

Consolidated Statements of Income and Retained Earnings

The Kiyo Bank, Ltd. and its consolidated subsidiaries

Years ended March 31, 2006 and 2005	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Income:			
Interest income:			
Interest on loans and discounts	¥37,239	¥39,087	\$317,011
Interest and dividends on securities	11,361	9,003	96,718
Other interest income	335	401	2,857
Fees and commissions	10,751	9,689	91,528
Other operating income	5,400	6,134	45,973
Other income	19,378	8,524	164,967
Total income	<u>84,467</u>	<u>72,841</u>	<u>719,054</u>
Expenses:			
Interest expenses:			
Interest on deposits	1,155	1,206	9,836
Interest on borrowings	436	658	3,716
Interest on payables under securities lending transactions.....	890	756	7,583
Other interest expenses	1,659	1,438	14,127
Fees and commissions	3,173	2,937	27,012
Other operating expenses	4,565	4,101	38,865
General and administrative expenses	34,049	32,494	289,857
Other expenses	26,597	20,653	226,415
Total expenses	<u>72,527</u>	<u>64,245</u>	<u>617,411</u>
Income before income taxes and minority interests	11,940	8,595	101,643
Income taxes:			
Current	243	256	2,070
Deferred	7,553	2,608	64,298
Minority interests in net income (loss).....	143	(17)	1,218
Net income	4,000	5,747	34,057
Retained earnings at beginning of year	13,856	10,473	117,954
Increase:			
Addition for merger of affiliated companies accounted for by the equity-method	—	82	—
Decrease:			
Cash dividends	934	2,447	7,957
Retained earnings at end of year	<u>¥16,921</u>	<u>¥13,856</u>	<u>\$144,054</u>
		Yen	U.S. dollars
Net income per share:			
Basic	¥8.28	¥12.53	\$0.070
Diluted	7.00	10.12	0.060