

# Consolidated Statements of Operations and Retained Earnings (Deficit) (Unaudited)

The Wakayama Bank, Ltd. and its consolidated subsidiaries

Years ended March 31, 2006 and 2005	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
<b>Income:</b>			
Interest income:			
Interest on loans and discounts .....	¥ 8,278	¥ 8,480	\$ 70,473
Interest and dividends on securities .....	863	762	7,348
Other interest income .....	56	44	479
Fees and commissions .....	947	981	8,068
Other operating income .....	64	179	551
Other income .....	1,964	1,384	16,719
Total income .....	<u>12,174</u>	<u>11,832</u>	<u>103,638</u>
<b>Expenses:</b>			
Interest expenses:			
Interest on deposits .....	297	288	2,535
Interest on borrowings .....	7	3	65
Other interest expenses .....	2	2	20
Fees and commissions .....	672	543	5,728
Other operating expenses .....	337	429	2,871
General and administrative expenses .....	6,129	5,850	52,182
Other expenses .....	14,788	3,516	125,890
Total expenses .....	<u>22,236</u>	<u>10,634</u>	<u>189,291</u>
<b>Income (loss) before income taxes and minority interests .....</b>	<b>(10,061)</b>	<b>1,198</b>	<b>(85,653)</b>
<b>Income taxes:</b>			
Current .....	77	48	663
Deferred .....	2,253	249	19,181
<b>Minority interests in net income (loss) .....</b>	<b>(56)</b>	<b>38</b>	<b>(484)</b>
<b>Net income (loss) .....</b>	<b>(12,335)</b>	<b>861</b>	<b>(105,013)</b>
<b>Retained earnings at beginning of year .....</b>	<b>1,544</b>	<b>932</b>	<b>13,146</b>
Increase:			
Transfer from land revaluation excess .....	100	—	857
Decrease:			
Cash dividends .....	249	249	2,124
<b>Retained earnings (accumulated deficit) at end of year .....</b>	<b><u>¥(10,940)</u></b>	<b><u>¥ 1,544</u></b>	<b><u>\$(93,134)</u></b>
		Yen	U.S. dollars
<b>Net income (loss) per share:</b>			
Basic .....	¥(199.44)	¥10.39	\$ (1.698)
Diluted .....	—	5.02	—