

Consolidated Statements of Income and Retained Earnings

THE KIYO BANK, LTD. and its consolidated subsidiaries Years ended March 31, 2005 and 2004

	Millions of yen (Note 1)		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
Income:			
Interest income:			
Interest on loans and discounts	¥39,087	¥40,192	\$363,975
Interest and dividends on securities	9,003	12,601	83,840
Other interest income	401	239	3,738
Fees and commissions	9,689	7,978	90,224
Other operating income	6,134	5,292	57,127
Other income (Note 10)	8,524	5,263	79,382
Total income	<u>72,841</u>	<u>71,569</u>	<u>678,286</u>
Expenses:			
Interest expenses:			
Interest on deposits	1,206	1,584	11,232
Interest on borrowings	1,414	921	13,169
Other interest expenses	1,438	1,503	13,394
Fees and commissions	2,937	2,702	27,349
Other operating expenses	4,101	347	38,194
General and administrative expenses	32,494	33,517	302,586
Other expenses (Note 11)	20,653	17,746	192,323
Total expenses	<u>64,245</u>	<u>58,323</u>	<u>598,247</u>
Income before income taxes and minority interests	8,595	13,245	80,039
Income taxes (Note 12):			
Current	256	170	2,386
Deferred	2,608	3,177	24,293
Minority interests in net loss	(17)	(10)	(162)
Net income	5,747	9,907	53,522
Retained earnings (accumulated deficit) at beginning of year	10,473	(11,771)	97,528
Increase:			
Merger with a subsidiary	—	5,549	—
Addition for merger of affiliated companies accounted for by the equity-method	82	—	765
Transfer from capital surplus	—	6,788	—
Decrease:			
Dividends	(2,447)	—	(22,790)
Retained earnings at end of year	¥13,856	¥10,473	\$129,025
		Yen	U.S. dollars (Note 1)
Net income per share:			
Basic	¥12.53	¥22.80	\$0.117
Diluted	10.12	17.46	0.094

See accompanying notes.