

## Consolidated Statement of Retained Earnings

Item	For the year ended March 31, 2007	
	Millions of yen	Thousands of U.S. dollars
Balance at beginning of year . . . . .	¥30,899	\$261,745
Net income . . . . .	4,485	37,998
Increase in retained earnings . . . . .	38	328
(Reversal of land revaluation reserve)	[38]	[328]
Appropriations . . . . .	266	2,256
Dividends . . . . .	236	2,002
Bonuses to directors . . . . .	30	254
<b>Balance at End of Year . . . . .</b>	<b>¥35,157</b>	<b>\$297,816</b>

Note: The above figures were approved at the Annual General Meeting of Members held in June 2007.

## Highlights of the Bank and Its Subsidiaries

Item	For the year ended March 31, 2007	
	Millions of yen	Thousands of U.S. dollars
Consolidated total income . . . . .	¥ 25,346	\$ 214,705
Consolidated net income . . . . .	4,485	37,992
Consolidated net assets . . . . .	42,037	356,094
Consolidated total assets . . . . .	¥1,095,203	\$9,277,450
Consolidated capital adequacy ratio . . . . .	9.90%	

### Independent Auditors' Report

To the Board of Directors of The Osaka City Shinkin Bank

We have audited the accompanying consolidated balance sheets of The Osaka City Shinkin Bank and consolidated subsidiaries as of March 31, 2006 and 2007, and the related consolidated statements of income and consolidated statements of retained earnings for the year then ended, all expressed in Japanese yen. These financial statements are the responsibility of The Osaka City Shinkin Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Osaka City Shinkin Bank and consolidated subsidiaries as of March 31, 2006 and 2007, and the consolidated results of their operations for the year then ended, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the years ended March 31, 2006 and 2007, are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the non-consolidated financial statements.

Osaka, Japan  
May 30, 2007

*Osaka Audit Corporation*

Osaka Audit Corporation  
Certified Public Accountants