

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars	
	2008	2007	2008	2007
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 8,435	¥ 14,309	\$ 84,196	\$ 142,827
Adjustments for:				
Depreciation	7,088	6,716	70,749	67,034
Increase (decrease) in reserve for possible loan losses	1,755	(3,297)	17,518	(32,912)
Interest and dividend income	(41,082)	(38,596)	(410,042)	(385,228)
Interest expenses	5,561	2,412	55,514	24,081
(Increase) decrease in trading securities	(35)	19,685	(354)	196,482
Increase in loans and bills discounted	(18,559)	(8,558)	(185,243)	(85,427)
(Increase) decrease in call loans and bills purchased	(28,693)	19,183	(286,394)	191,475
Increase (decrease) in deposits	42,295	(4,276)	422,151	(42,681)
Decrease in security deposits received relating to lending transactions	(1,139)	(28,516)	(11,378)	(284,620)
Increase in reserve for executive retirement benefits	449	-	4,489	-
Increase in reserve for reimbursement of deposits	251	-	2,508	-
Increase in reserve for contingencies	477	-	4,767	-
Interest income received	41,763	38,235	416,843	381,625
Interest expenses paid	(4,115)	(1,577)	(41,072)	(15,742)
Other, net	6,686	3,262	66,739	32,560
Subtotal	21,139	18,983	210,991	189,474
Income taxes paid	(5,703)	(6,109)	(56,922)	(60,984)
Net cash provided by operating activities	15,436	12,873	154,069	128,490
Cash flows from investing activities:				
Purchases of securities	(137,731)	(230,261)	(1,374,701)	(2,298,251)
Proceeds from sales or maturities of securities	125,662	218,551	1,254,242	2,181,374
Purchases of tangible fixed assets	(5,386)	(8,085)	(53,761)	(80,703)
Proceeds from sales of tangible fixed assets	425	245	4,248	2,453
Net cash used in investing activities	(17,029)	(19,549)	(169,972)	(195,127)
Cash flows from financing activities:				
Dividends paid	(764)	(656)	(7,632)	(6,548)
Other, net	(59)	239	(594)	2,395
Net cash used in financing activities	(824)	(416)	(8,226)	(4,153)
Net decrease in cash and cash equivalents	(2,417)	(7,092)	(24,129)	(70,790)
Cash and cash equivalents at beginning of year	42,548	49,640	424,676	495,466
Cash and cash equivalents at end of year	¥ 40,130	¥ 42,548	\$ 400,547	\$ 424,676

The accompanying notes are an integral part of these consolidated financial statements.