

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2017 and 2016

	Millions of yen		Thousands of U.S. dollars	
	2017	2016	2017	2016
Cash flows from operating activities:				
Profit before income taxes	¥ 7,561	¥ 8,660	\$ 67,394	\$ 77,190
Adjustments for:				
Depreciation	1,306	1,456	11,640	12,977
Impairment loss on fixed assets	51	230	454	2,050
Gain on refund from retirement benefit trusts	-	(856)	-	(7,629)
Decrease in allowance for possible loan losses	(815)	(1,797)	(7,264)	(16,017)
Interest and dividend income	(31,015)	(32,538)	(276,450)	(290,025)
Interest expense	1,282	1,630	11,427	14,528
(Increase) decrease in trading securities	(20)	77	(178)	686
Increase in loans and bills discounted	(53,067)	(24,783)	(473,010)	(220,902)
Increase in call loans and bills purchased	(734)	(581)	(6,542)	(5,178)
Increase in deposits	42,301	23,283	377,047	207,531
Increase in negotiable certificates of deposit	4,100	-	36,545	-
Increase (decrease) in security deposits received related to securities lending transactions	45,468	(37,511)	405,276	(334,352)
Increase in borrowings (excluding subordinated borrowings)	11,060	1,260	98,582	11,230
Gain on securities transactions	(912)	(764)	(8,129)	(6,809)
(Gain) loss on foreign currency transactions	(183)	3,890	(1,631)	34,673
(Decrease) increase in reserve for contingencies	(524)	259	(4,670)	2,308
Interest and dividend income received	32,122	33,632	286,317	299,777
Interest expense paid	(1,590)	(1,784)	(14,172)	(15,901)
Other, net	(237)	(3,190)	(2,112)	(28,433)
Subtotal	56,152	(29,426)	500,508	(262,287)
Income taxes paid	(1,897)	(1,955)	(16,908)	(17,425)
Net cash provided by (used in) operating activities	54,254	(31,382)	483,590	(279,721)
Cash flows from investing activities:				
Purchases of securities	(247,778)	(329,188)	(2,208,556)	(2,934,200)
Proceeds from sales and maturities of securities	255,099	328,891	2,273,812	2,931,553
Purchases of tangible fixed assets	(1,544)	(1,913)	(13,762)	(17,051)
Proceeds from sales of tangible fixed assets	109	94	971	837
Purchases of intangible fixed assets	(482)	(26)	(4,296)	(231)
Payment for asset retirement obligations	-	(36)	-	(320)
Net cash provided by (used in) investing activities	5,403	(2,178)	48,159	(19,413)
Cash flows from financing activities:				
Dividends paid	(867)	(921)	(7,727)	(8,209)
Other, net	(1)	(18)	(8)	(160)
Net cash used in financing activities	(868)	(940)	(7,736)	(8,378)
Net increase (decrease) in cash and cash equivalents	58,789	(34,501)	524,012	(307,522)
Cash and cash equivalents at beginning of year	104,000	138,501	926,998	1,234,521
Cash and cash equivalents at end of year (Note 2(b))	¥ 162,789	¥ 104,000	\$ 1,451,011	\$ 926,998

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