

The Aichi Bank, Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars	
	2013	2012	2013	2012
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 5,177	¥ 3,319	\$ 55,045	\$ 35,289
Adjustments for:				
Depreciation	1,471	1,570	15,640	16,693
Impairment loss on fixed assets	128	1,454	1,360	15,459
Increase in reserve for possible loan losses	948	4,075	10,079	43,328
Interest and dividend income	(35,016)	(36,678)	(372,312)	(389,984)
Interest expense	1,956	2,628	20,797	27,942
Decrease in trading securities	74	66	786	701
Increase in loans and bills discounted	(20,368)	(24,910)	(216,565)	(264,859)
(Increase) decrease in call loans and bills purchased	(698)	1,409	(7,421)	14,981
Increase in deposits	48,045	45,978	510,845	488,867
Decrease in security deposits received related to securities lending transactions	(29,126)	(5,084)	(309,686)	(54,056)
Increase in borrowings (excluding subordinated borrowings)	24,225	500	257,575	5,316
Loss (gain) on securities transactions	336	(1,803)	3,572	(19,170)
(Gain) loss on foreign currency transactions	(5,345)	557	(56,831)	5,922
Increase (decrease) in reserve for contingencies	9	(32)	95	(340)
Interest and dividend income received	36,120	36,959	384,051	392,971
Interest expense paid	(3,169)	(3,128)	(33,694)	(33,258)
Other, net	943	(2,132)	10,026	(22,668)
Subtotal	25,712	24,749	273,386	263,147
Income taxes paid	(3,803)	(760)	(40,435)	(8,080)
Net cash provided by operating activities	21,908	23,989	232,939	255,066
Cash flows from investing activities:				
Purchases of securities	(321,613)	(437,790)	(3,419,595)	(4,654,864)
Proceeds from sales and maturities of securities	290,143	429,106	3,084,986	4,562,530
Purchases of tangible fixed assets	(2,073)	(1,821)	(22,041)	(19,362)
Proceeds from sales of tangible fixed assets	128	170	1,360	1,807
Purchases of intangible fixed assets	(7)	(82)	(74)	(871)
Net cash used in investing activities	(33,422)	(10,417)	(355,364)	(110,760)
Cash flows from financing activities:				
Dividends paid	(760)	(761)	(8,080)	(8,091)
Other, net	(43)	(116)	(457)	(1,233)
Net cash used in financing activities	(803)	(878)	(8,538)	(9,335)
Net (decrease) increase in cash and cash equivalents	(12,317)	12,693	(130,962)	134,960
Cash and cash equivalents at beginning of year	102,128	89,434	1,085,890	950,919
Cash and cash equivalents at end of year (Note 2(b))	¥ 89,810	¥ 102,128	\$ 954,917	\$ 1,085,890

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