

# Consolidated Statements of Cash Flows

THE 77 BANK, LTD. AND SUBSIDIARIES  
Years ended March 31, 2003 and 2002

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	2003
<b>Operating activities:</b>			
Income before income taxes and minority interests	¥ 17,151	¥ 3,821	\$ 142,685
Adjustments for:			
Income taxes—paid	(8,440)	(29,208)	(70,214)
Depreciation and amortization	16,877	17,510	140,410
Change in reserve for loan losses	(2,938)	21,873	(24,441)
Change in reserve for losses on investment securities		(1)	
Change in liability for employees' retirement benefits	1,779	1,369	14,799
Interest income	(85,599)	(99,706)	(712,137)
Interest expenses	4,766	12,352	39,653
Investment securities losses (gains)—net	5,672	(510)	47,189
Losses on money held in trust—net	2,997	989	24,931
Foreign exchange losses (gains)—net	4,862	(4,264)	40,449
Gains on disposal of premises and equipment—net	(124)	(507)	(1,032)
Net change in loans and bills discounted	40,820	(13,513)	339,599
Net change in deposits	104,200	111,445	866,888
Net change in other borrowings	(1,672)	(2,810)	(13,912)
Net change in due from banks	(278)	(235)	(2,317)
Net change in call loans and bills purchased	184,157	157,087	1,532,087
Net change in commercial paper and other debt purchased	(94,847)	383	(789,075)
Net change in call money and others	(1,130)	(27,689)	(9,402)
Net change in trading account securities	(2,513)	(2,139)	(20,910)
Net change in foreign exchange assets	(1,357)	(71)	(11,286)
Net change in foreign exchange liabilities	(2,567)	(5,407)	(21,356)
Interest received	89,195	102,587	742,057
Interest paid	(6,064)	(16,030)	(50,447)
Other—net	(12,855)	(8,309)	(106,950)
Total adjustments	234,941	215,196	1,954,583
Net cash provided by operating activities	252,092	219,017	2,097,268
<b>Investing activities:</b>			
Purchases of investment securities	(661,873)	(338,672)	(5,506,430)
Proceeds from sales of investment securities	104,415	25,275	868,679
Proceeds from maturity of investment securities	276,782	197,530	2,302,679
Invest in money held in trust	(180,000)	(40,000)	(1,497,504)
Proceeds from disposition of money held in trust	234,565	28,979	1,951,456
Purchases of premises and equipment	(5,838)	(3,805)	(48,570)
Proceeds from sales of premises and equipment	449	1,377	3,731
Net cash used in investing activities	(231,500)	(129,316)	(1,925,959)
<b>Financing activities:</b>			
Repayments of borrowed money		(20,000)	
Repayments of convertible bond		(19,334)	
Dividends paid	(2,296)	(2,297)	(19,101)
Dividends paid to minority interests stockholders	(8)	(8)	(67)
Purchases of treasury stock	(847)	(43)	(7,043)
Proceeds from sales of treasury stock		22	
Net cash used in financing activities	(3,151)	(41,660)	(26,211)
<b>Foreign currency translation adjustments on cash and cash equivalents</b>	<b>(39)</b>	<b>31</b>	<b>(326)</b>
<b>Net increase in cash and cash equivalents</b>	<b>17,402</b>	<b>48,072</b>	<b>144,772</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>132,268</b>	<b>84,196</b>	<b>1,100,403</b>
<b>Cash and cash equivalents, end of year</b>	<b>¥149,670</b>	<b>¥ 132,268</b>	<b>\$1,245,175</b>

See notes to consolidated financial statements.