

CONSOLIDATED STATEMENT OF CASH FLOWS

The Dai-ichi Kangyo Bank, Limited and Consolidated Subsidiaries
Years ended March 31, 1999 and 1998

	Millions of yen		Thousands of U.S. dollars
	1999	1998	1999
Cash Flows from Operating Activities			
Loss before Taxes and Other Adjustments	¥ 657,553	¥ 90,138	\$ 5,454,608
Adjustments to Reconcile Net Loss to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization	41,654	40,564	345,541
Transfer to Reserve for Possible Loan Losses	499,757	510,857	4,145,647
Write-Offs of Loans	402,884	204,560	3,342,055
Securities Losses (Gains), Net	(13,642)	(366,277)	(113,165)
Current Income Tax Expenses	(16,600)	(19,343)	(137,703)
Net Change in Trading Account	249,928	(504,206)	2,073,237
Net Change in Accrual	61,170	5,591	507,424
Other, Net	277,164	(75,451)	2,299,168
Net Cash Provided by (Used in) Operating Activities	844,765	(293,843)	7,007,597
Cash Flows from Investing Activities			
Net Change in Deposits with Banks	455,768	1,471,644	3,780,743
Net Change in Call Loans and Cash Collateral for Bonds Borrowed	(583,500)	(1,180,032)	(4,840,317)
Net Change in Commercial Paper and Other Debt Purchased	(61,980)	(5,787)	(514,149)
Net Change in Money Held in Trust	70,509	122,378	584,900
Net Change in Loans and Bills Discounted	613,436	831,402	5,088,644
Proceeds from Sales of Securities	11,075,481	17,628,714	91,874,585
Proceeds from Maturities of Securities	355,451	624,129	2,948,581
Purchases of Securities	(10,987,595)	(18,451,193)	(91,145,547)
Net Change in Premises and Equipment	(79,356)	(96,009)	(658,287)
Net Cash Provided by Investing Activities	858,213	945,247	7,119,153
Cash Flows from Financing Activities			
Net Change in Deposits	(2,080,917)	(784,309)	(17,261,864)
Net Change in Call Money and Cash Collateral for Bonds Lent	(312,873)	(185,107)	(2,595,383)
Net Change in Commercial Paper	194,397	18,796	1,612,586
Net Change in Borrowed Money	(501,294)	411,268	(4,158,397)
Net Change in Corporate Bonds	392,882	60,598	3,259,084
Optional Redemption of Convertible Bonds	(1,533)	—	(12,719)
Net Change in Subordinated Debt	—	(38,732)	—
Proceeds from Issuance of Preferred Stock	700,000	99,000	5,806,719
Cash Dividends Paid	(13,636)	(26,525)	(113,116)
Other, Net	(11)	(0)	(91)
Net Cash Used in Financing Activities	(1,622,986)	(445,012)	(13,463,182)
Net Change in Cash and Cash Equivalents*	79,993	206,391	663,568
Foreign Currency Translation Adjustments	(2,003)	(18,506)	(16,616)
Cash and Cash Equivalents at the Beginning of Year*	1,399,002	1,211,117	11,605,165
Net Change in Cash due to the Addition or Exclusion of Consolidated Subsidiaries	7	—	63
Cash and Cash Equivalents at the End of Year*	¥ 1,477,000	¥ 1,399,002	\$ 12,252,180

Notes: 1. U.S. dollar amounts are shown solely for convenience and are calculated at the rate of ¥120.55 to US\$1, the rate of exchange on March 31, 1999.

2. Yen amounts are rounded down to the nearest million. As a result, the totals in yen do not necessarily agree with the sum of the individual amounts.

3. Along with the change of items in this fiscal year, some of the figures of the last fiscal year are rearranged.

* Cash and Cash Equivalents consist of Cash and Demand Deposits with the Bank of Japan.