

Consolidated statements of cash flows

DOLLARS IN THOUSANDS	For the year ended December 31,		
	2001	2000	1999
			Pro forma ⁽¹⁾
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	\$ 116,388	\$ 117,926	\$ 67,599
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:			
Amortization of securities and mortgage servicing rights	172,144	165,773	149,529
Amortization of goodwill and other intangible assets	3,392	2,266	58
Other depreciation and amortization	14,927	3,932	387
Gain on sale of loans	(229,444)	(123,637)	(101,515)
(Gain) loss on securities	(7,097)	(417)	42,096
Provision for loan losses	22,022	15,974	17,473
Non-cash compensation expense	3,416	16,904	3,250
Cumulative effect of a change in accounting principle	10,185	—	—
Income tax benefit from termination of REIT status	—	(36,100)	—
Net decrease (increase) in other assets and liabilities	61,497	32,390	43,020
Payments from trading mortgage securities	1,512	—	—
Net cash provided by operating activities before mortgage loans held for sale activity	168,942	195,011	221,897
Purchases and originations of mortgage loans held for sale	(15,327,316)	(8,424,714)	(5,900,265)
Sales of and payments from mortgage loans held for sale	13,979,274	7,366,317	6,698,582
Net cash (used in) provided by operating activities	(1,179,100)	(863,386)	1,020,214
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of mortgage loans held for investment	(226,628)	(156,279)	(11,824)
Sales of and payments from mortgage loans held for investment	821,234	520,276	310,249
Net (increase) decrease in construction loans receivable	(402,745)	(199,203)	173,576
Net decrease in revolving warehouse lines of credit	54,610	174,762	202,381
Purchases of mortgage securities available for sale	(1,475,574)	(728,001)	(656,157)
Sales of and payments from mortgage securities available for sale	1,049,931	342,171	799,068
Net purchases of mortgage servicing rights	(3,063)	(564)	(37,801)
Purchase of SGV Bancorp, Inc.	—	(53,357)	—
Purchase of PNB Mortgage	—	(35,291)	—
Net increase in investment in Federal Home Loan Bank stock, at cost	(36,715)	(57,767)	—
Net cash (used in) provided by investing activities	(218,950)	(193,253)	779,492
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase in deposits	2,440,731	442,438	—
Net increase in advances from Federal Home Loan Bank	734,307	1,170,520	—
Net decrease in borrowings	(1,802,279)	(276,858)	(1,655,036)
Net proceeds from issuance of trust preferred securities and warrants	168,564	—	—
Net proceeds from issuance of common stock and exercise of stock options	20,930	15,993	57,703
Purchases of common stock	(78,775)	(232,075)	(63,316)
Cash dividends paid	—	—	(134,912)
Net cash provided by (used in) financing activities	1,483,478	1,120,018	(1,795,561)
Net increase in cash and cash equivalents	85,428	63,379	4,145
Cash and cash equivalents at beginning of period	67,867	4,488	815
Cash and cash equivalents at end of period	\$ 153,295	\$ 67,867	\$ 4,960
Supplemental cash flow information:			
Cash paid for interest	\$ 351,911	\$ 264,028	\$ 238,862
Cash paid for income taxes	\$ 2,777	\$ 27,854	\$ 122
Supplemental disclosure of non-cash investing and financing activities:			
Fair value of non-cash assets acquired in the purchases of IndyMac, Inc. and SGVB	\$ —	\$ 868,000	\$ —
Fair value of non-cash liabilities assumed in the purchases of IndyMac, Inc. and SGVB	\$ —	\$ 783,000	\$ —
Transfer of loans held for sale to loans held for investment	\$ 638,000	\$ 424,000	\$ 405,000
Retirement of collateral for collateralized mortgage obligations	\$ —	\$ —	\$ 16,000

⁽¹⁾ Pro forma gives effect to the change in the Company's structure to a fully taxable entity, assuming an effective tax rate of 42.5%, and the buyout of the 1% minority interest in IndyMac, Inc. as if the buyout occurred effective January 1998.