

**BLUE RIDGE BANKSHARES, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 1,516,362	\$ 1,158,497
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	670,000	325,000
Deferred income taxes	(60,361)	(45,086)
Net (increase) decrease in loans held for sale	(1,182,846)	9,288,066
Loss on disposition of assets	112,561	-
Securities gains	(30,437)	(66,445)
Gain on sale of other real estate owned	(20,322)	-
Other than temporary impairment losses	102,802	150,000
Depreciation	222,101	223,000
Investment amortization expense, net	789,577	267,250
Amortization of debt refinancing fees	12,694	-
(Increase) Decrease in other assets	313,600	(572,269)
Increase (Decrease) in accrued expenses	17,250	(111,517)
Purchase of goodwill	-	(555,000)
Increase in carrying value of life insurance investments	(71,500)	(73,300)
Total adjustments	<u>875,119</u>	<u>8,829,699</u>
Net Cash Provided by Operating Activities	<u>2,391,481</u>	<u>9,988,196</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of securities available for sale	(22,277,424)	(38,852,793)
Purchases of securities held to maturity	(783,215)	(8,303,752)
Proceeds from calls, maturities, sales, paydowns and maturities of securities available for sale	28,084,238	5,866,998
Proceeds from calls, maturities, sales, paydowns and maturities of securities held for investment	808,486	2,678,341
Increase in federal funds sold	(3,648,000)	-
Net increase in loans held for investment	(10,598,874)	(10,078,453)
Net cash received from assumption of liabilities	-	51,440,532
Purchase of bank premises and equipment	(306,577)	(321,537)
Investment in limited liability companies	(275,000)	(100,000)
Nonincome distributions from limited liability companies	51,436	-
(Increase) Decrease in restricted investments	55,800	36,900
Net Cash (Used in) Provided by Investing Activities	<u>(8,889,130)</u>	<u>2,366,236</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in demand and savings deposits	2,424,333	(1,040,826)
Net change in time deposits	2,873,611	(2,300,937)
Federal Home Loan Bank advances	69,857,000	10,000,000
Federal Home Loan Bank repayments	(66,671,428)	(20,521,429)
Payment of debt refinancing fees	(457,000)	-
Increase (Decrease) in federal funds purchased	(752,000)	(1,392,000)
Preferred stock dividends paid	(169,840)	(26,875)
Common stock dividends paid	(282,573)	(263,636)
Issuance of preferred stock	-	4,500,000
Issuance of common stock	3,234	8,693
Net Cash Provided by (Used in) Financing Activities	<u>6,825,337</u>	<u>(11,037,010)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase in cash and cash equivalents	327,688	1,317,422
Cash and Cash Equivalents, Beginning of Year	3,344,344	2,026,922
Cash and Cash Equivalents, End of Year	<u>\$ 3,672,032</u>	<u>\$ 3,344,344</u>

The Notes to the Consolidated Financial Statements are an integral part of these statements.