

Group of Russian Regional Development Bank
Consolidated Statement of Cash Flows for the Year Ended 31 December 2008
(in thousands of Russian Roubles)

	2008	2007
Cash flows from operating activities		
Interest received	5 237 364	3 372 563
Interest paid	(2 060 629)	(1 425 304)
Gains less losses arising from financial assets at fair value through profit or loss	(111 506)	24 879
Gains less losses from dealing in foreign currency and precious metals	301 538	41 811
Trust management income	24 550	34 545
Fees and commissions received	1 775 009	1 356 734
Fees and commissions paid	(217 916)	(111 536)
Sale of loans under contracts of cession	-	(34 822)
Charity expenses	(22 164)	(7 298)
Other operating income	72 238	86 566
Operating expenses paid	(2 706 914)	(1 999 916)
Income tax paid	(309 527)	(306 201)
Cash flows from operating activities before changes in operating assets and liabilities	1 982 043	1 032 021
Net increase/decrease in operating assets		
Mandatory cash balances with the Central Bank of the Russian Federation	546 113	(144 047)
Financial assets at fair value through profit or loss	571 985	(1 142 594)
Due from other banks	218 839	(4 505 470)
Loans to customers	(7 936 361)	(9 322 991)
Other assets	(231 951)	105 289
Net increase/decrease in operating liabilities		
Due to other banks	5 288 070	(862 740)
Customer accounts	5 904 823	16 987 215
Debt securities issued	(1 441 776)	(576 822)
Other liabilities	(115 278)	47 708
Net cash flows from operating activities	4 786 507	1 617 569
Cash flows from investing activities		
Purchase of financial assets available for sale (Note 9)	(121 992)	(227 415)
Proceeds from sale of financial assets available for sale (Note 9)	80 015	263 880
Acquisition of subsidiaries, net of cash in subsidiaries at the date of acquisition (Note 31)	(186 392)	-
Proceeds from sale of investments in subsidiaries and associates, net of cash in subsidiaries as at the date of acquisition	-	236 991
Purchase of premises and equipment (Note 15)	(295 090)	(296 196)
Proceeds from sale of premises and equipment (Note 15)	3 507	47 712
Acquisition of non-current assets held for sale (Note 12)	-	(97 068)
Net cash flows from investing activities	(519 952)	(72 096)

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Cash flow from financing activity		
Increase in share capital of subsidiaries	205 055	-
Other borrowed funds (Note 20)	753 000	874 800
Repayment of other borrowed funds (Note 20)	(93 073)	-
Dividends paid (Note 30)	(180 044)	(139 443)
Net cash flows from financing activities	684 938	735 357
Effect of exchange rate changes on cash and cash equivalents	802 748	(2 102)
Net change in cash and cash equivalents	5 754 241	2 278 728
Cash and cash equivalents at the beginning of the year	7 617 117	5 338 389
Cash and cash equivalents at the end of the year (Note 5)	13 371 358	7 617 117

10 June 2009