

COOPERATIVE BANKSHARES, INC. AND SUBSIDIARY
Consolidated Statements of Financial Condition

(In thousands, except per share data)	<u>December 31, 2007*</u>	<u>December 31, 2006*</u>
Assets		
Cash and due from banks, noninterest-bearing	\$ 9,883	\$ 12,825
Interest-bearing deposits in other banks	3,910	4,190
Total cash and cash equivalents	13,793	17,015
Securities:		
Available for sale (amortized cost of \$40,868 at December 31, 2007 and \$44,079 at December 31, 2006)	40,810	43,351
Held to maturity (estimated market value of \$4,532 at December 31, 2007 and \$1,681 at December 31, 2006)	4,512	1,738
FHLB stock	7,085	6,715
Loans held for sale	3,680	4,442
Loans	820,104	761,398
Less allowance for loan losses	8,788	7,786
Net loans	811,316	753,612
Other real estate owned	5,924	653
Accrued interest receivable	5,003	4,467
Premises and equipment, net	12,609	10,437
Intangible assets	5,792	1,462
Other assets	16,299	16,198
Total assets	\$ 926,823	\$ 860,090
Liabilities and Stockholders' Equity		
Deposits	\$ 714,892	\$ 661,892
Short-term borrowings	18,371	27,485
Escrow deposits	522	415
Accrued interest payable	588	480
Accrued expenses and other liabilities	3,743	3,659
Long-term obligations	123,530	108,536
Total liabilities	861,646	802,467
Stockholders' equity:		
Preferred stock, \$1 par value: 3,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$1 par value: 14,000 shares authorized, 6,554 and 6,514 issued and outstanding at December 31, 2007 and December 31, 2006, respectively	6,554	6,514
Additional paid-in capital	3,240	2,909
Accumulated other comprehensive loss	(36)	(447)
Retained earnings	55,419	48,647
Total stockholders' equity	65,177	57,623
Total liabilities and stockholders' equity	\$ 926,823	\$ 860,090
Book value per common share	\$ 9.94	\$ 8.85

* Derived from audited consolidated financial statements.