

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

(In thousands, except per share data)	<u>March 31, 2007</u> (Unaudited)	<u>December 31, 2006*</u>
Assets		
Cash and due from banks, noninterest-bearing	\$ 16,362	\$ 12,825
Interest-bearing deposits in other banks	1,404	4,190
Total cash and cash equivalents	17,766	17,015
Securities:		
Available for sale (amortized cost of \$42,951 in March 2007 and \$44,079 in December 2006)	42,402	43,351
Held to maturity (estimated market value of \$1,623 in March 2007 and \$1,681 in December 2006)	1,671	1,738
FHLB stock	6,681	6,715
Loans held for sale	5,676	4,442
Loans	764,579	761,398
Less allowance for loan losses	8,085	7,786
Net loans	756,494	753,612
Other real estate owned	574	653
Accrued interest receivable	4,460	4,467
Premises and equipment, net	11,790	10,437
Goodwill	1,462	1,462
Other assets	16,249	16,198
Total assets	\$ 865,225	\$ 860,090
Liabilities and Stockholders' Equity		
Deposits	\$ 665,139	\$ 661,892
Short-term borrowings	26,345	27,485
Escrow deposits	618	415
Accrued interest payable	496	480
Accrued expenses and other liabilities	4,430	3,659
Long-term obligations	108,658	108,536
Total liabilities	805,686	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, 6,517 and 6,514 issued and outstanding	6,517	6,514
Additional paid-in capital	2,935	2,909
Accumulated other comprehensive loss	(337)	(447)
Retained earnings	50,424	48,647
Total stockholders' equity	59,539	57,623
Total liabilities and stockholders' equity	\$ 865,225	\$ 860,090
Book value per common share	\$ 9.14	\$ 8.85

* Derived from audited consolidated financial statements.