

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

(In thousands, except per share data)	June 30, 2007 (Unaudited)	December 31, 2006*
Assets		
Cash and due from banks, noninterest-bearing	\$ 13,170	\$ 12,825
Interest-bearing deposits in other banks	6,081	4,190
Total cash and cash equivalents	19,251	17,015
Securities:		
Available for sale (amortized cost of \$42,766 at June 30, 2007 and \$44,079 at December 31, 2006)	41,911	43,351
Held to maturity (estimated market value of \$1,524 at June 30, 2007 and \$1,681 at December 31, 2006)	1,599	1,738
FHLB stock	6,816	6,715
Loans held for sale	3,350	4,442
Loans		
Less allowance for loan losses	792,434	761,398
Net loans	8,367	7,786
	784,067	753,612
Other real estate owned		
Accrued interest receivable	574	653
Premises and equipment, net	4,776	4,467
Goodwill	11,814	10,437
Other assets	1,462	1,462
Total assets	\$ 891,567	\$ 860,090
Liabilities and Stockholders' Equity		
Deposits	\$ 690,798	\$ 661,892
Short-term borrowings	31,435	27,485
Escrow deposits	775	415
Accrued interest payable	538	480
Accrued expenses and other liabilities	3,123	3,659
Long-term obligations	103,533	108,536
Total liabilities	830,202	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, 6,547 and 6,514 issued and outstanding	6,547	6,514
Additional paid-in capital	3,180	2,909
Accumulated other comprehensive loss	(524)	(447)
Retained earnings	52,162	48,647
Total stockholders' equity	61,365	57,623
Total liabilities and stockholders' equity	\$ 891,567	\$ 860,090
Book value per common share	\$ 9.37	\$ 8.85

\* Derived from audited consolidated financial statements.