

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

(In thousands, except per share data)	March 31, 2008 (Unaudited)	December 31, 2007*
Assets		
Cash and due from banks, noninterest-bearing	\$ 13,354	\$ 9,883
Interest-bearing deposits in other banks	3,758	3,910
Total cash and cash equivalents	17,112	13,793
Securities:		
Available for sale (amortized cost of \$45,652 at March 31, 2008 and \$40,868 at December 31, 2007)	45,751	40,810
Held to maturity (estimated market value of \$4,519 at March 31, 2008 and \$4,532 at December 31, 2007)	4,449	4,512
FHLB stock	7,925	7,085
Loans held for sale	4,279	3,680
Loans	844,067	820,104
Less allowance for loan losses	9,425	8,788
Net loans	834,642	811,316
Other real estate owned	4,549	5,924
Accrued interest receivable	4,463	5,003
Premises and equipment, net	13,232	12,609
Intangible assets	5,784	5,792
Other assets	16,009	16,299
Total assets	\$ 958,195	\$ 926,823
Liabilities and Stockholders' Equity		
Deposits	\$ 728,639	\$ 714,892
Short-term borrowings	24,778	18,371
Escrow deposits	654	522
Accrued interest payable	591	588
Accrued expenses and other liabilities	5,163	3,743
Long-term obligations	133,528	123,530
Total liabilities	893,353	861,646
Stockholders' equity:		
Preferred stock, \$1 par value: 3,000 shares authorized, no shares issued and outstanding at March 31, 2008 or December 31, 2007	-	-
Common stock, \$1 par value: 14,000 shares authorized, 6,580 and 6,554 shares issued and outstanding at March 31, 2008 and December 31, 2007, respectively	6,580	6,554
Additional paid-in capital	3,408	3,240
Accumulated other comprehensive income (loss)	60	(36)
Retained earnings	54,794	55,419
Total stockholders' equity	64,842	65,177
Total liabilities and stockholders' equity	\$ 958,195	\$ 926,823
Book value per common share	\$ 9.85	\$ 9.94

* Derived from audited consolidated financial statements.