

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

(In thousands, except per share data)	June 30, 2008 (Unaudited)	December 31, 2007*
Assets		
Cash and due from banks, noninterest-bearing	\$ 9,214	\$ 9,883
Interest-bearing deposits in other banks	3,095	3,910
Total cash and cash equivalents	12,309	13,793
Securities:		
Available for sale (amortized cost of \$45,394 at June 30, 2008 and \$40,868 at December 31, 2007)	44,508	40,810
Held to maturity (estimated market value of \$4,392 at June 30, 2008 and \$4,532 at December 31, 2007)	4,381	4,512
FHLB stock	8,600	7,085
Loans held for sale	2,725	3,680
Loans	865,521	820,104
Less allowance for loan losses	11,464	8,788
Net loans	854,057	811,316
Other real estate owned	4,357	5,924
Accrued interest receivable	4,365	5,003
Premises and equipment, net	14,576	12,609
Intangible assets	5,776	5,792
Other assets	18,027	16,299
Total assets	\$ 973,681	\$ 926,823
Liabilities and Stockholders' Equity		
Deposits	\$ 731,583	\$ 714,892
Short-term borrowings	48,097	18,371
Escrow deposits	1,202	522
Accrued interest payable	607	588
Accrued expenses and other liabilities	5,059	3,743
Long-term obligations	123,526	123,530
Total liabilities	910,074	861,646
Stockholders' equity:		
Preferred stock, \$1 par value: 3,000 shares authorized, no shares issued and outstanding at June 30, 2008 or December 31, 2007	-	-
Common stock, \$1 par value: 14,000 shares authorized, 6,586 and 6,554 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively	6,586	6,554
Additional paid-in capital	3,449	3,240
Accumulated other comprehensive loss	(543)	(36)
Retained earnings	54,115	55,419
Total stockholders' equity	63,607	65,177
Total liabilities and stockholders' equity	\$ 973,681	\$ 926,823
Book value per common share	\$ 9.66	\$ 9.94

* Derived from audited consolidated financial statements.