

**OREGON COAST BANK**  
**STATEMENT OF CONDITION**

December 31

2004                      2003

**ASSETS:**

Real Estate Loans	14,552,909	7,227,027
Commercial Loans	6,020,546	3,485,052
Installment Loans	3,382,166	5,643,798
RE Comm'l Non Farm Non Res	13,226,865	6,788,566
Other Loans	7,493	1,295
Investments	18,869,484	9,138,969
Federal Funds Sold	0	1,815,000
Pacific Coast Bankers Bank Stock	100,000	100,000
Federal Home Loan Bank Stock	156,700	7,700
<b>Total Earning Assets</b>	<b>56,316,163</b>	<b>34,207,407</b>
Cash & Due From Banks	2,154,715	1,557,145
Premises and equipment, net	2,485,316	2,108,672
Other Assets	664,000	232,733
Reserve for Bad Debts	(399,680)	(261,808)
<b>Total Assets</b>	<b>61,220,514</b>	<b>37,844,149</b>

**LIABILITIES:**

Demand deposits	11,489,698	8,461,534
NOW accounts	4,513,318	2,581,435
Money Market Accounts	14,517,343	7,891,075
Savings Accounts	1,614,913	1,087,866
Time Deposits	20,242,175	13,325,773
<b>Total Deposits</b>	<b>52,377,447</b>	<b>33,347,683</b>
Reserves	7,018	1,670
Short-term Borrowings	3,825,000	0
Other Liabilities	224,844	69,449
Fed Funds Purchased	0	0
<b>Total Liabilities</b>	<b>56,434,309</b>	<b>33,418,802</b>

**STOCKHOLDERS' EQUITY:**

Common Stock	1,188,690	1,188,690
Surplus	3,496,070	3,496,070
Retained Earnings	(223,119)	(381,477)
Accumulated Other Comprehensive Income	0	0
YTD Profit/Loss	429,195	158,357
Unrealized Loss on Investment in Available for Sale Securities and Mutual Bond Funds	(104,631)	(36,293)
<b>Total Capital</b>	<b>4,786,205</b>	<b>4,425,347</b>
<b>Total Liabilities &amp; Capital</b>	<b>61,220,514</b>	<b>37,844,149</b>

**OREGON COAST BANK**  
**STATEMENT OF INCOME**

	December 31	
	2004	2003
<b>INTEREST INCOME:</b>		
Interest on Loans	2,154,600	1,284,907
Interest on Securities	406,326	304,550
Interest on Federal Funds Sold	29,958	23,566
Dividend Income on PCBB Stock	1,700	0
Dividend Income on FHLB Stock	1,011	345
<b>Total Interest Income</b>	<b>2,593,594</b>	<b>1,613,368</b>
<b>INTEREST EXPENSE:</b>		
Deposits:		
NOW Accounts	30,246	20,157
Money Market Accounts	154,151	96,808
Savings Accounts	11,820	7,007
Time Deposits	384,563	260,761
Short Term Borrowings	3,197	0
Fed funds Purchased - I/C	0	0
Securities Sold w/Agreements to Repurchase	0	0
<b>Total Interest Expense</b>	<b>583,977</b>	<b>384,733</b>
<b>Net Interest Income</b>	<b>2,009,617</b>	<b>1,228,635</b>
Less Provision for Loan Losses	156,000	180,000
<b>Net Interest Income after Provision for Loan Losses</b>	<b>1,853,617</b>	<b>1,048,635</b>
<b>OTHER INCOME:</b>		
Service Charges on Deposit Accounts	88,337	51,833
Gain (loss) on Sales of Investment Securities	31,307	17,286
Sold Real Estate Loan Fees	134,002	276,475
Other	67,880	57,170
Loan Fees & Costs	289,681	208,892
<b>Total Other Income</b>	<b>611,207</b>	<b>611,656</b>
<b>OTHER EXPENSE:</b>		
Salaries and Employee Benefits	1,050,910	844,289
Occupancy of Bank Premises	95,965	107,202
Furniture and Fixtures	185,561	108,956
Professional Fees	243,964	186,533
FDIC Assessment	5,361	3,143
Supplies	27,947	24,117
Other	295,921	227,694
<b>Total Other Expense</b>	<b>1,905,629</b>	<b>1,501,934</b>
Income Before Provision for Income Taxes	559,195	158,357
Provision for Income Taxes	130,000	0
<b>Net Income</b>	<b>429,195</b>	<b>158,357</b>