

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

June 30

	2004	2005
--	------	------

**ASSETS:**

Real Estate Loans	7,259,968	17,661,588
Commercial Loans	4,149,876	7,522,757
Installment Loans	7,033,204	3,475,157
RE Comm'l Non Farm Non Res	9,158,922	16,421,672
Other Loans	7,214	16,253
Investments	15,728,736	15,642,534
Federal funds sold	2,320,000	2,260,000
Pacific Coast Bankers Bank Stock	100,000	100,000
Federal Home Loan Bank Stock	51,700	158,900
<b>Total Earning Assets</b>	<b>45,809,620</b>	<b>63,258,861</b>
Cash & Due From Banks	1,695,319	2,841,783
Premises and equipment, net	2,103,736	2,396,939
Other Assets	862,094	562,942
Reserve for Bad Debts	(321,680)	(469,870)
<b>Total Assets</b>	<b>50,149,089</b>	<b>68,590,654</b>

**LIABILITIES:**

Demand Deposits	11,368,871	17,737,418
NOW accounts	3,346,882	4,268,007
Money Market accounts	13,244,604	13,256,486
Savings Accounts	1,380,708	1,688,308
Time Deposits	16,222,883	25,241,367
<b>Total Deposits</b>	<b>45,563,948</b>	<b>62,191,585</b>
Reserves	2,638	1,441
Short-term Borrowings	0	1,000,000
Other Liabilities	83,266	357,115
Fed Funds Purchased	0	0
<b>Total Liabilities</b>	<b>45,649,852</b>	<b>63,550,141</b>

**STOCKHOLDERS' EQUITY:**

Common Stock	1,188,690	1,188,690
Surplus	3,496,070	3,496,070
Retained Earnings	(223,119)	206,127
Accumulated Other Comprehensive Income	0	0
YTD Profit/Loss	185,441	295,479
Unrealized loss on investment in Available for Sale Securities and Mutual Bond funds	(147,845)	(145,852)
<b>Total Capital</b>	<b>4,499,237</b>	<b>5,040,514</b>
<b>Total Liabilities &amp; Capital</b>	<b>50,149,089</b>	<b>68,590,654</b>

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

	June 30	
	2004	2005
<b>INTEREST INCOME:</b>		
Interest on Loans	944,937	1,471,817
Interest on Securities	139,737	255,024
Interest on Federal Funds Sold	13,348	21,678
Dividend Income on PCBB Stock	1,700	2,040
Dividend Income on FHLB Stock	77	365
<b>Total Interest Income</b>	<b>1,099,799</b>	<b>1,750,924</b>
 <b>INTEREST EXPENSE:</b>		
Deposits:		
NOW accounts	12,993	20,075
Money Market Accounts	57,407	111,675
Savings Accounts	5,426	4,232
Time Deposits	166,957	329,490
Short Term Borrowings	0	24,344
Fed Funds Purchased - I/C	0	0
Securities Sold w/Agreements to Repurchase	0	0
<b>Total Interest Expense</b>	<b>242,784</b>	<b>489,816</b>
<b>Net Interest Income</b>	<b>857,015</b>	<b>1,261,108</b>
Less Provision for Loan Losses	78,000	78,000
<b>Net Interest Income after Provision for Loan Losses</b>	<b>779,015</b>	<b>1,183,108</b>
 <b>OTHER INCOME:</b>		
Service Charges on Deposit Accounts	38,171	62,842
Gain (loss) on Sales of Investment Securities	17,692	15,901
Sold Real Estate Loan Fees	67,496	55,629
Other	28,339	51,206
Loan Fees & Costs	117,510	132,625
<b>Total Other Income</b>	<b>269,208</b>	<b>318,202</b>
 <b>OTHER EXPENSE:</b>		
Salaries and employee benefits	493,074	627,290
Occupancy of bank premises	39,160	53,069
Furniture and fixtures	81,308	97,905
Professional fees	109,354	150,815
FDIC assessment	3,777	3,655
Supplies	13,418	14,726
Other	123,682	178,858
<b>Total Other Expense</b>	<b>863,772</b>	<b>1,126,317</b>
Income before Provision for Income Taxes	184,450	374,993
Provision for Income Taxes	0	93,514
<b>Net Income</b>	<b>184,450</b>	<b>281,479</b>