

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	<div><input type="checkbox"/> a multiemployer plan;</div> <div><input checked="" type="checkbox"/> a single-employer plan;</div> <div><input type="checkbox"/> a multiple-employer plan; or</div> <div><input type="checkbox"/> a DFE (specify) ____</div>
B This return/report is:	<div><input type="checkbox"/> the first return/report;</div> <div><input checked="" type="checkbox"/> an amended return/report;</div> <div><input type="checkbox"/> the final return/report;</div> <div><input type="checkbox"/> a short plan year return/report (less than 12 months).</div>
C If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
D Check box if filing under:	<div><input checked="" type="checkbox"/> Form 5558;</div> <div><input type="checkbox"/> automatic extension;</div> <div><input type="checkbox"/> the DFVC program;</div> <div><input type="checkbox"/> special extension (enter description)</div>

Part II	Basic Plan Information—enter all requested information	
1a Name of plan	1b Three-digit plan number (PN) ▶	001
VIKING FINANCIAL SERVICES 401(K) SAVINGS PLAN	1c Effective date of plan	10/10/1992
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)	2b Employer Identification Number (EIN)	91-1543025
VIKING BANK	2c Sponsor's telephone number	206-297-4259
4 NICKERSON, SUITE 200 SEATTLE, WA 98109	2d Business code (see instructions)	551111
4 NICKERSON, SUITE 200 SEATTLE, WA 98109		

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	LEAH PERRY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

<b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same") VIKING BANK  4 NICKERSON, SUITE 200 SEATTLE, WA 98109	<b>3b</b> Administrator's EIN 91-1543025  <b>3c</b> Administrator's telephone number 206-297-4259
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<b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:  <b>a</b> Sponsor's name	<b>4b</b> EIN  <b>4c</b> PN
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<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	139
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<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).		
<b>a</b> Active participants.....	<b>6a</b>	90
<b>b</b> Retired or separated participants receiving benefits.....	<b>6b</b>	0
<b>c</b> Other retired or separated participants entitled to future benefits.....	<b>6c</b>	41
<b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....	<b>6d</b>	131
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	<b>6e</b>	0
<b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....	<b>6f</b>	131
<b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	<b>6g</b>	123
<b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6h</b>	0

  

<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>	
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**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
 2E 2F 2J 2K 3D

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
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**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information) (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <b>A</b> (Insurance Information) (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)
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<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

<div>A Name of plan</div> <div>VIKING FINANCIAL SERVICES 401(K) SAVINGS PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>001</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>VIKING BANK</div>	<div>D Employer Identification Number (EIN)</div> <div>91-1543025</div>

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

CHARLES SCHWAB TRUST CO.

42-1558009

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	2784	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

PACIFIC PORTFOLIO CONSULTING

91-1577578

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE	13186	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide



**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2009</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2009 or fiscal plan year beginning <span style="color:blue;">01/01/2009</span> and ending <span style="color:blue;">12/31/2009</span>		
<b>A</b> Name of plan <span style="color:blue;">VIKING FINANCIAL SERVICES 401(K) SAVINGS PLAN</span>	<b>B</b> Three-digit plan number (PN) ►	<span style="color:blue;">001</span>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <span style="color:blue;">VIKING BANK</span>	<b>D</b> Employer Identification Number (EIN)  <span style="color:blue;">91-1543025</span>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>		
<b>b</b> Receivables (less allowance for doubtful accounts):			
(1) Employer contributions .....	<b>1b(1)</b>	8450	7079
(2) Participant contributions .....	<b>1b(2)</b>	15401	11765
(3) Other.....	<b>1b(3)</b>	321	125
<b>c</b> General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>		
(2) U.S. Government securities.....	<b>1c(2)</b>		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred .....	<b>1c(3)(A)</b>		
(B) All other.....	<b>1c(3)(B)</b>		
(4) Corporate stocks (other than employer securities):			
(A) Preferred .....	<b>1c(4)(A)</b>		
(B) Common .....	<b>1c(4)(B)</b>		
(5) Partnership/joint venture interests .....	<b>1c(5)</b>		
(6) Real estate (other than employer real property) .....	<b>1c(6)</b>		
(7) Loans (other than to participants) .....	<b>1c(7)</b>		
(8) Participant loans .....	<b>1c(8)</b>	28989	34592
(9) Value of interest in common/collective trusts.....	<b>1c(9)</b>	745325	641105
(10) Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
(11) Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
(12) Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>	2372643	3129105
(14) Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
(15) Other .....	<b>1c(15)</b>		

**1d** Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	3171129	3823771

**Liabilities**

<b>g</b> Benefit claims payable .....	<b>1g</b>		
<b>h</b> Operating payables .....	<b>1h</b>		
<b>i</b> Acquisition indebtedness .....	<b>1i</b>		
<b>j</b> Other liabilities .....	<b>1j</b>		
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j) .....	<b>1k</b>	0	0

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	3171129	3823771
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**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>	203959	
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>	362846	
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>	1737	
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		568542
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>		
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>	1307	
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
(G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		1307
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>		
(D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		0
(3) Rents .....	<b>2b(3)</b>		
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		0

		(a) Amount	(b) Total
<b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	<b>2b(5)(A)</b>		
(B) Other .....	<b>2b(5)(B)</b>		
(C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		0
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		12955
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	<b>2b(10)</b>		710387
<b>c</b> Other income.....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		1293191

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	624579	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other .....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		624579
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		
<b>i</b> Administrative expenses: (1) Professional fees .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>	2784	
(3) Investment advisory and management fees .....	<b>2i(3)</b>	13186	
(4) Other .....	<b>2i(4)</b>		
(5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....	<b>2i(5)</b>		15970
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		640549

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		652642
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: FARRELL & CO., P.S.

(2) EIN: 91-1582493

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
<b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	X		200000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)



<b>SCHEDULE R</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Retirement Plan Information</b>  This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2009</b>
		<b>This Form is Open to Public Inspection.</b>

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

<b>A</b> Name of plan <u>VIKING FINANCIAL SERVICES 401(K) SAVINGS PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>VIKING BANK</u>	<b>D</b> Employer Identification Number (EIN) <u>91-1543025</u>

<b>Part I</b>	<b>Distributions</b>
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All references to distributions relate only to payments of benefits during the plan year.

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	<u>0</u>
<b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>94-3149038</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<b>3</b>	

<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
<b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
<b>6 a</b> Enter the minimum required contribution for this plan year .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	<b>6c</b>		
If you completed line 6c, skip lines 8 and 9.			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009  
v.092308.1

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers .....	<b>16b</b>	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

**VIKING FINANCIAL SERVICES**  
**401(k) SAVINGS PLAN**

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FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 2009 AND 2008 AND FOR  
THE YEAR ENDED DECEMBER 31, 2009  
AND INDEPENDENT AUDITORS' REPORT

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# FARRELL & CO., P.S.

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## INDEPENDENT AUDITORS' REPORT

Viking Financial Services 401(k) Savings Plan  
Seattle, Washington

We were engaged to audit the accompanying statements of net assets available for benefits of Viking Financial Services 401(k) Savings Plan (the Plan) as of December 31, 2009 and 2008, the related statement of changes in net assets available for benefits for the year ended December 31, 2009 and the supplemental schedule of assets held for investment purposes as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for reporting and disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 6, which was certified by the Charles Schwab Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator obtained a certification from the custodian that the information as of December 31, 2009 and 2008 and for the year ended December 31, 2009, provided to the plan administrator by the custodian, is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Farrell & Co., P.S.*

Bellevue, Washington  
October 6, 2010

# VIKING FINANCIAL SERVICES

## 401(k) SAVINGS PLAN

### STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Investments, at fair value:		
Investment contract with		
Common Collective Trust	\$ 644,182	\$ 706,959
Mutual funds	3,129,105	2,372,643
Participant loans	<u>34,592</u>	<u>28,989</u>
Total investments	3,807,879	3,108,591
Contributions receivable:		
Employer	7,079	8,450
Participant	<u>11,890</u>	<u>15,722</u>
Total contributions receivable	<u>18,969</u>	<u>24,172</u>
TOTAL ASSETS	3,826,848	3,132,763
<b>LIABILITIES</b>		
Accounts payable	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	3,826,848	3,132,763
Adjustment from fair value to contract value for fully benefit-responsive investment contract	<u>(3,077)</u>	<u>38,366</u>
NET ASSETS AVAILABLE FOR BENEFITS AT CONTRACT VALUE	<u>\$3,823,771</u>	<u>\$3,171,129</u>

See accompanying notes to financial statements.

# VIKING FINANCIAL SERVICES

## 401(k) SAVINGS PLAN

### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEAR ENDED DECEMBER 31, 2009

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#### ADDITIONS:

Contributions:		
Participants, including rollovers of \$1,737	\$ 364,583	
Employer	<u>203,959</u>	
Total contributions	568,542	
Net investment income:		
Interest		14,262
Dividends	91,044	
Net appreciation in fair value of investments in mutual funds	<u>619,343</u>	
Total net investment income	<u>724,649</u>	
TOTAL ADDITIONS	1,293,191	

#### DEDUCTIONS:

Fees	15,970
Benefits paid to Plan participants	<u>624,579</u>
TOTAL DEDUCTIONS	<u>640,549</u>

NET INCREASE	652,642
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#### NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<u>3,171,129</u>
End of year	<u>\$3,823,771</u>

See accompanying notes to financial statements.

# VIKING FINANCIAL SERVICES

## 401(k) SAVINGS PLAN

### NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2009 AND 2008 AND FOR THE YEAR ENDED

DECEMBER 30, 2009

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#### NOTE 1: DESCRIPTION OF THE PLAN

The following description of the Viking Financial Services/401(k) Savings Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**GENERAL:** The plan was established effective January 1, 1992 and is a defined contribution plan for all of the employees, except leased employees, of Viking Bank (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan is not insured by the Pension Guarantee Corporation since it does not provide a fixed and determinable benefit.

**ELIGIBILITY AND AUTOMATIC ENROLLMENT:** All employees became eligible to participate in the Plan upon reaching age 21 and completing six full calendar months of consecutive employment or reaching age 21 and completing 1000 hours of service in a twelve consecutive month period. Effective July 1, 2008 the Plan was amended and the age requirement was reduced to 18 and the Plan adopted automatic enrollment provisions, as detailed in the plan documents, whereby the participant is automatically enrolled at a 4% contribution rate after they meet the eligibility requirements, unless they elect otherwise.

**CONTRIBUTIONS:** Under terms of the Plan agreement, participant and Company contributions are determined as follows:

Employee - Up to 85% of their compensation annually, subject to statutory limitations.

Employer - Through 2009 the Company made 100% safe harbor matching contributions each year of up to 4% of the employee's compensation. The matching contributions did not apply to the catch up portion of any employee contributions. The Plan has been amended and effective January 1, 2010 the 100% matching contribution of up to 4% of the employees compensation has been deleted and employer discretionary matching and profit sharing provisions have been added, which can be made at the sole discretion of the Board of Directors of the Company,



# VIKING FINANCIAL SERVICES

## 401(k) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

AS OF DECEMBER 31, 2009 AND 2008 AND FOR THE YEAR ENDED

DECEMBER 31, 2009

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Participants may also contribute amounts representing distributions from other defined benefit or contribution plans.

**PARTICIPANT ACCOUNTS:** Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings (losses), and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants may change the investment of his or her existing account balance among the 401(k) investment funds on a daily basis. All investments are participant directed.

**PARTICIPANT LOANS:** Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest from 4.25% to 6%, which is commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest is paid ratably through monthly payroll deductions.

**ADMINISTRATION AND EXPENSES:** The Plan Administrator is the Executive Vice-President of Viking Bank. Administrative costs of the Plan have been paid by the Company; however, Plan expenses not paid by the Company are to be paid by the Plan.

**VESTING:** Participants are 100% vested in their employee and employer contributions and all earnings on those contributions immediately.

**RETIREMENT AGE:** The normal retirement age is the later of the date on which the participant attains age 65 or (if later) the 5<sup>th</sup> anniversary of the date the participant entered the Plan.

**PAYMENT OF BENEFITS:** On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum or rollover amount equal to the value of the participant's vested interest in his or her account. For termination of service due to other reasons, a participant may also receive the value of the vested interest in his or her account as a lump-sum distribution.

# **VIKING FINANCIAL SERVICES**

## **401(k) SAVINGS PLAN**

NOTES TO FINANCIAL STATEMENTS (Continued)

AS OF DECEMBER 31, 2009 AND 2008 AND FOR THE YEAR ENDED

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Effective January 1, 2009, the Plan was amended to allow participants to make in-service withdrawals upon their attainment of age 59 ½.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Date of Management's Review**

Subsequent events were evaluated through October 6, 2010 which is the date the financial statements were available to be issued.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

#### **Basis of Accounting**

The financial statements of the plan are prepared on the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

#### **Investment Valuation and Income Recognition**

The Plan's investments are recorded at fair value. See Note 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

# VIKING FINANCIAL SERVICES

## 401(k) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

AS OF DECEMBER 31, 2009 AND 2008 AND FOR THE YEAR ENDED

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### Payment of Benefits

Benefits are recorded when paid.

### NOTE 3: FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefit. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
<u>December 31, 2009</u>				
Mutual Funds	\$3,129,105	\$3,129,105		
Investment Contract with Common Collective Trust	644,182		\$644,182	
Participant Loans	<u>34,592</u>	<u>-</u>	<u>-</u>	<u>\$34,592</u>
Total	<u>\$3,807,879</u>	<u>\$3,129,105</u>	<u>\$644,182</u>	<u>\$34,592</u>
<u>December 31, 2008</u>				
Mutual Funds	\$2,372,643	\$2,372,643		
Investment Contract with Common Collective Trust	706,959		\$706,959	
Participant Loans	<u>28,989</u>	<u>-</u>	<u>-</u>	<u>\$28,989</u>
Total	<u>\$3,108,591</u>	<u>\$2,372,643</u>	<u>\$706,959</u>	<u>\$28,989</u>

# **VIKING FINANCIAL SERVICES**

## **401(k) SAVINGS PLAN**

NOTES TO FINANCIAL STATEMENTS (Continued)

AS OF DECEMBER 31, 2009 AND 2008 AND FOR THE YEAR ENDED

DECEMBER 31, 2009

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The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs consist of observable inputs other than quoted prices for identical assets. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

### **Level 1 Fair Value Measurements**

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

### **Level 2 Fair Value Measurements**

The fair value of the investment in the common collective trust is based on other observable inputs by the trust, including but not limited to: quoted prices for similar assets in markets that are not active, inputs other than quoted prices that are observable for the assets, or other market-corroborated inputs, including discounted cash flows of individual investment contracts at the prevailing interpolated yield curve.

### **Level 3 Fair Value Measurements**

Participant loans are not actively traded and significant other observable inputs are not available and are valued at cost.

## VIKING FINANCIAL SERVICES

### 401(k) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

AS OF DECEMBER 31, 2009 AND 2008 AND FOR THE YEAR ENDED

DECEMBER 31, 2009

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The following table provides further details of the Level 3 fair value measurements.

#### Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

Participant Loans	Year ended <u>12-31-09</u>	Year ended <u>12-31-08</u>
Beginning balance	\$28,989	\$ 5,071
Interest	1,307	605
Purchases, sales, issuances, and settlements (net)	<u>4,296</u>	<u>23,313</u>
Ending balance	<u>\$34,592</u>	<u>\$28,989</u>

#### NOTE 4: INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets.

<u>Description</u>	<u>12-31-09</u>	<u>12-31-08</u>
PIMCO Total Return Inst	\$740,419	\$725,226
Gartmore Morley Stable Value Fund, at contract value (Note 5)	641,105	745,325
Vanguard 500 Index Signal Fund	287,724	293,088
Vanguard Morgan Growth Adm Fund	283,165	263,794
PIMCO Commodity Real Ret Strat Instl Fund	272,015	
DFA U.S. Small Cap Valueport Fund	245,163	211,645
Dodge & Cox International Stock Fund	232,305	206,900
Vanguard Windsor II Admiral Shares Fund	308,267	193,639
Kalmar Growth-with-Value Small Cap Fund	237,715	190,449
Europacific Growth Fund R5		164,399
American funds EuroPacific Growth R5 Fund	229,738	

All investments are participant directed.

# **VIKING FINANCIAL SERVICES**

## **401(k) SAVINGS PLAN**

NOTES TO FINANCIAL STATEMENTS (Continued)

AS OF DECEMBER 31, 2009 AND 2008 AND FOR THE YEAR ENDED

DECEMBER 31, 2009

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### **NOTE 5: INVESTMENT CONTRACT WITH INSURANCE COMPANY**

In 2004, the Plan entered into a benefit-responsive investment contract with the Gartmore Trust Company through the Union Bond & Trust Company Stable Value Fund Collective Investment Trust for the contract. The Charles Schwab Trust Company maintains the Plan's shares and the third party administrator maintains the participants' accounts. The accounts are credited with actual earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 2, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contract.

Contract value, as reported to the Plan by the Trustee, represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2009 and 2008 was \$644,182 and \$706,959, respectively. The crediting interest rate is determined by the Trust, which invests in conventional and synthetic contracts and cash equivalents issued by banks, life insurance companies and other financial institutions. The Plan participates in the gains and losses of the investments, rather than guaranteed interest rates, and therefore the interest rates are generally reset monthly.

Certain events limit the Plan's ability to transact at contract value with the Trust. Such events include the following: (a) withdrawal from the contract as a result of an employer initiated event or a complete or partial termination of the Plan before the contract ends, (b) inclusion of competing investments alternatives as defined in the contract, or (c) the failure of the trust to qualify for exemption from federal income taxes under Employee Retirement Income Security Act of 1974. The Plan administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with Plan participants, is probable.

During 2009 and 2008 the Fund blended net crediting rate was 2.541% and 3.681%, respectively, and the Fund market yield was 2.254% and 5.969%.

# **VIKING FINANCIAL SERVICES**

## **401(k) SAVINGS PLAN**

NOTES TO FINANCIAL STATEMENTS (Continued)

AS OF DECEMBER 31, 2009 AND 2008 AND FOR THE YEAR ENDED

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### **NOTE 6: INFORMATION CERTIFIED BY THE PLAN CUSTODIAN**

Under the method permitted by Department of Labor regulations, the Plan has included certain data in the financial statements, which is based on information certified by the custodian, Charles Schwab Trust Company, as accurate and complete. Such data includes investments at fair value, investment income, and reportable transactions as of December 31, 2009 and 2008 and for the year ended December 31, 2009.

### **NOTE 7: PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

### **NOTE 8: TAX STATUS**

The Plan has received a letter of determination, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

### **NOTE 9: RISKS AND UNCERTAINTIES**

The plan invests primarily in registered investment companies (e.g. mutual funds) and a common collective trust. Investments in general, are exposed to various risks, such as significant world events, interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

**VIKING FINANCIAL SERVICES**  
**401(K) SAVINGS PLAN**

**EIN: 91-1543025**  
**Plan: 001**  
**ATTACHMENT A**

**Schedule of Assets Held for Investment Purposes At End of Year 12/31/2009**

(a)	(b) Identify of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	American Funds EuroPacific Growth R5	Mutual Fund	N/A	229,738
	DFA U.S. Small Cap Value	Mutual Fund	N/A	245,163
	Dodge & Cox International Stock	Mutual Fund	N/A	232,305
	Kalmar Growth-with-Value Small Cap	Mutual Fund	N/A	237,715
	Loomis Sayles Bond Instl	Mutual Fund	N/A	132,687
	Morley Capital Stable Value Fund	CCT	N/A	641,105
	PIMCO CommodityRealRet Strat Instl	Mutual Fund	N/A	272,015
	PIMCO Total Return Instl	Mutual Fund	N/A	740,419
	Vanguard 500 Index Signal Fund	Mutual Fund	N/A	287,724
	Vanguard Morgan Growth Adm	Mutual Fund	N/A	283,165
	Vanguard Windsor II Admiral Shares	Mutual Fund	N/A	308,267
	Virtus Real Estate Securities A	Mutual Fund	N/A	159,907
	Loan Fund	Participant Loan: 4.25% - 6.00%	N/A	34,592



**VIKING FINANCIAL SERVICES  
401(K) SAVINGS PLAN**

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	DFA U.S. Small Cap Value	Mutual Fund	N/A	245,163
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	Kalmar Growth-with-Value Small Cap	Mutual Fund	N/A	237,715
	Loomis Sayles Bond Instl	Mutual Fund	N/A	132,687
	Morley Capital Stable Value Fund	CCT	N/A	641,105
	PIMCO CommodityRealRet Strat Instl	Mutual Fund	N/A	272,015
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	Virtus Real Estate Securities A	Mutual Fund	N/A	159,907
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