

Consolidated Balance Sheets
Monarch Financial Holdings, Inc. and Subsidiaries

(In thousands)
Unaudited

	March 31	
	2008	2007
ASSETS:		
Cash and due from banks.....	\$ 16,692	\$ 8,284
Interest bearing bank balances.....	614	10,321
Federal funds sold.....	704	973
Investment securities:		
Securities available for sale.....	8,083	8,923
Securities held to maturity.....	1,492	23,578
Total investment securities.....	<u>9,575</u>	<u>32,501</u>
Mortgage loans for sale.....	30,541	1,226
Loans.....	461,158	338,510
Less allowance for loan losses.....	<u>(4,325)</u>	<u>(3,378)</u>
Net loans.....	<u>456,833</u>	<u>335,132</u>
Bank premises and equipment.....	10,284	7,104
Restricted equity securities.....	3,201	3,979
Bank owned life insurance.....	6,603	6,358
Intangible Assets.....	1,906	-
Accrued interest receivable and other assets.....	<u>6,253</u>	<u>3,600</u>
Total assets.....	<u>\$ 543,206</u>	<u>\$ 409,478</u>
LIABILITIES:		
Demand deposits--non-interest bearing.....	\$ 69,985	\$ 59,001
Demand deposits--interest bearing.....	21,961	9,182
Money market deposits.....	133,443	147,257
Savings deposits.....	5,806	6,337
Time deposits.....	<u>237,739</u>	<u>96,488</u>
Total deposits.....	<u>468,934</u>	<u>318,265</u>
FHLB borrowings.....	23,159	44,560
Trust preferred subordinated debt.....	10,000	10,000
Accrued interest payable and other liabilities.....	<u>3,376</u>	<u>1,189</u>
Total liabilities.....	<u>505,469</u>	<u>374,014</u>
MINORITY INTERESTS IN SUBSIDIARIES.....	93	33
SHAREHOLDERS' EQUITY:		
Preferred stock, \$5 par value, 2,000,000 shares authorized, none issued	-	-
Common stock, \$5 par, 20,000,000 shares authorized, issued 4,875,865 shares outstanding at March 31, 2008 and 4,894,407 shares outstanding at March 31, 2007	24,379	24,472
Capital in excess of par value.....	4,837	5,884
Retained earnings.....	8,388	5,187
Accumulated other comprehensive income (loss).....	<u>40</u>	<u>(112)</u>
Total shareholders' equity.....	<u>37,644</u>	<u>35,431</u>
Total liabilities and shareholders' equity.....	<u>\$ 543,206</u>	<u>\$ 409,478</u>