

Consolidated Balance Sheets
Monarch Financial Holdings, Inc. and Subsidiaries

(In thousands)

Unaudited

	June	
	2007	2006
ASSETS:		
Cash and due from banks.....	\$ 10,553	\$ 9,487
Interest bearing bank balances.....	4,483	20,257
Federal funds sold.....	846	1,060
Investment securities:		
Securities available for sale.....	8,836	13,382
Securities held to maturity.....	18,582	23,057
Total investment securities.....	<u>27,418</u>	<u>36,439</u>
Mortgages held for sale.....	7,474	5,073
Loans.....	357,535	292,756
Less allowance for loan losses.....	<u>(3,494)</u>	<u>(2,949)</u>
Net loans.....	<u>354,041</u>	<u>289,807</u>
Bank premises and equipment.....	8,257	3,742
Restricted equity securities.....	3,655	2,889
Bank owned life insurance.....	6,420	6,175
Accrued interest receivable and other assets.....	<u>4,369</u>	<u>3,520</u>
Total assets.....	<u>\$ 427,516</u>	<u>\$ 378,449</u>
LIABILITIES:		
Demand deposits--non-interest bearing.....	\$ 69,311	\$ 64,448
Demand deposits--interest bearing.....	13,751	9,633
Money market deposits.....	142,518	166,579
Savings deposits.....	5,686	7,771
Time deposits.....	<u>111,680</u>	<u>68,871</u>
Total deposits.....	342,946	317,302
FHLB borrowings.....	37,025	28,925
Trust preferred subordinated debt.....	10,000	-
Accrued interest payable and other liabilities.....	<u>1,243</u>	<u>791</u>
Total liabilities.....	<u>391,214</u>	<u>347,018</u>
MINORITY INTERESTS IN SUBSIDIARY.....	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 4,080,856 shares outstanding at , June 30, 2007 and 3,940,679 shares outstanding at June 30, 2006	20,404	19,703
Capital in excess of par value.....	10,009	9,692
Retained earnings.....	5,975	2,292
Accumulated other comprehensive loss.....	<u>(119)</u>	<u>(256)</u>
Total shareholders' equity.....	<u>36,269</u>	<u>31,431</u>
Total liabilities and shareholders' equity.....	<u>\$ 427,516</u>	<u>\$ 378,449</u>