

For Immediate Release
July 18, 2005

**Monarch Bank Board of Directors Elects Jeffrey Benson
Chairman of the Board and
Lawton H. Baker Vice Chairman**

**Joe P. Covington Jr. and Dwight Schaubach
Welcomed as New Board Members**

CHESAPEAKE, Va. -- Monarch Bank elected Jeffrey F. Benson chairman of its board of directors and Lawton H. Baker, CPA as the board's vice chairman. Both men have served on the bank's board of directors since Monarch was founded in 1998. Mr. Benson replaces Cassell Basnight, the founding chairman who is retiring as chairman. William F. Rountree, president of Monarch Bank, made the announcement after a recent board meeting.

"We're very fortunate to have Jeff and Lawton on our board to move into the top leadership," Rountree said. "They're exceptional representatives of their communities and as original board members, they have helped keep us on the path to growth and profitability. Their experience and leadership has and will serve us well."

Benson, a resident of Chesapeake, is a partner in the Overton Family Partnership. His companies are involved in the development and management of commercial real estate, residential development and home construction. He is an active member at River Oak Church; serves on several additional community boards and is on the board of regents at Liberty University.

Baker, of Portsmouth, is the president of Baker & McNiff, Certified Public Accountants and Business Consultants, P.C., in Virginia Beach. He serves as vice president of Focus Asset Management Co., a registered investment advisory firm in Virginia Beach. He is the vice chairman-finance for the board of Stone Bridge School in Chesapeake; and a church council member and the finance committee chairman of St. Andrews United Methodist Church. Baker also serves as chairman of the bank's audit and compliance committee.

Monarch's board of directors also elected new members Joe P. Covington Jr., and Dwight C. Schaubach, both with businesses in Norfolk.

"Though Joe and Dwight bring different backgrounds to the board, they share qualities of success, professionalism and leadership," Rountree said. "We're looking forward to having them with us."

Covington owns Covington & Associates Realtors Inc., a full service real estate company and Covington Contracting Inc., a building and development company. Since its inception in 1981, his real estate company has handled the brokerage of property valued in excess of \$200 million and the contracting company has developed, built or renovated projects totaling more than \$120 million. He has served on the boards of the Tidewater Builders Association, Kiwanis Club of Ghent, Downtown Norfolk YMCA and East Carolina University.

Schaubach owns Johns Brothers, Inc., a heating, air conditioning and heating oil company founded in 1892, Johns Brothers Security, Inc., a security monitoring and installation company, Bay Disposal, Inc., a commercial waste company and Suffolk International Truck & Equipment Company Inc., a new and used truck dealer. Schaubach has also been involved in land

development in Suffolk since 1990. He is currently president of the Detachable Container Association and serves on the executive board of The Salvation Army.

The Monarch Bank Board of Directors is a diverse 11-member body that is charged with overseeing the bank's direction. The board's other members are: Cassell D. Basnight, Taylor B. Grissom, Robert M. Oman, Elizabeth T. Patterson, Brad E. Schwartz, Lawrence L. Sutton and William F. Rountree, Jr.

Monarch Bank is a community bank with two offices in Chesapeake, two offices in Virginia Beach and two offices in Norfolk. Services are also provided through 41 ATMs located in South Hampton Roads and the Outer Banks of North Carolina, "Monarch Online" consumer and business Internet banking and its 24-hour phone banking system. Banking subsidiaries include Monarch Home Funding (secondary mortgage origination), Monarch Investments, LLC (retail brokerage), and Monarch Capital, LLC (Commercial mortgage brokerage). Monarch offers insurance services through its ownership in Bankers Insurance (full- service insurance agency). The shares of Monarch Bank are traded on the NASDAQ market under the symbol: MNRK.

###