

Consolidated Balance Sheets

Monarch Bank and Subsidiaries

(In thousands)
Unaudited

ASSETS	June 30	
	2005	2004
Cash and due from banks.....	\$ 7,327	\$ 6,064
Federal funds sold.....	535	9,713
Investment securities:		
Securities available for sale.....	25,913	31,535
Securities held to maturity.....	1,100	-
Total investment securities.....	27,013	31,535
Mortgages held for sale.....	3,138	3,196
Loans.....	220,349	150,283
Less allowance for loan losses.....	(2,204)	(1,567)
Net Loans.....	218,145	148,716
Bank premises and equipment.....	3,166	3,222
Restricted equity securities.....	2,509	1,732
Accrued interest receivable and other assets.....	2,596	1,678
Total assets.....	\$ 264,429	\$ 205,856
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Demand deposits--non-interest bearing.....	\$ 48,738	\$ 35,036
Demand deposits--interest bearing.....	9,689	7,656
Money market deposits.....	49,669	16,237
Savings deposits.....	13,443	17,607
Time deposits.....	80,680	86,643
Total deposits.....	202,219	163,179
Federal funds purchased.....	1,750	-
FHLB borrowings.....	31,000	22,000
Accrued interest payable and other liabilities.....	951	348
Total liabilities.....	235,920	185,527
SHAREHOLDERS' EQUITY:		
Preferred stock, \$5 par value, 2,000,000 shares authorized, none issued	0	0
Common stock, \$5 par, 5,000,000 shares authorized, issued 2,857,029 shares outstanding at June 30, 2005 and 2,385,211 shares outstanding at June 30, 2004.....	14,285	11,926
Capital in excess of par value.....	12,769	8,401
Retained earnings.....	1,560	312
Net unrealized gains on securities available for sale.....	(105)	(310)
Total shareholders' equity.....	28,509	20,329
Total liabilities and shareholders' equity.....	\$ 264,429	\$ 205,856