

**Consolidated Balance Sheets**  
**Monarch Bank and Subsidiaries**

(In thousands)  
Unaudited

<b>ASSETS</b>	September 30	
	2005	2004
Cash and due from banks.....	\$ 10,190	\$ 4,144
Interest Bearing Bank Balances.....	\$ 6,370	\$ 546
Federal funds sold.....	238	7,887
Investment securities:		
Securities available for sale.....	35,066	31,139
Securities held to maturity.....	1,100	500
Total investment securities.....	36,166	31,639
Mortgages held for sale.....	4,989	2,151
Loans.....	236,663	165,351
Less allowance for loan losses.....	(2,414)	(1,668)
Net Loans.....	234,249	163,683
Bank premises and equipment.....	3,375	3,165
Restricted equity securities.....	2,014	1,732
Accrued interest receivable and other assets.....	2,649	1,722
Total assets.....	\$ 300,240	\$ 216,669
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
LIABILITIES:		
Demand deposits--non-interest bearing.....	\$ 51,696	\$ 36,629
Demand deposits--interest bearing.....	9,377	10,957
Money market deposits.....	98,195	26,693
Savings deposits.....	11,069	17,697
Time deposits.....	77,819	81,316
Total deposits.....	248,156	173,292
Federal funds purchased.....	1,990	-
FHLB borrowings.....	20,000	22,000
Accrued interest payable and other liabilities.....	1,027	521
Total liabilities.....	271,173	195,813
SHAREHOLDERS' EQUITY:		
Preferred stock, \$5 par value, 2,000,000 shares authorized, none issued .....	-	-
Common stock, \$5 par, 5,000,000 shares authorized, issued 2,861,829 shares outstanding at September 30, 2005 and 2,398,891 shares outstanding at September 30, 2004.....	14,309	11,994
Capital in excess of par value.....	12,795	8,475
Retained earnings.....	2,143	506
Accumulated other comprehensive loss.....	(180)	(119)
Total shareholders' equity.....	29,067	20,856
Total liabilities and shareholders' equity.....	\$ 300,240	\$ 216,669