

## Financial Highlights

### Monarch Financial Holdings, Inc. and Subsidiaries

(Unaudited)

(Dollars in thousands, except per share data)	Three Months Ended March 31		
	2008	2007	Change
<b>EARNINGS</b>			
Interest income	\$ 7,593	\$ 6,979	8.8 %
Interest expense	4,000	3,210	24.6
Net interest income	3,593	3,769	(4.7)
Provision for loan losses	395	143	176.2
Noninterest income	5,048	1,046	382.6
Noninterest expense	6,763	3,319	103.8
Pre-tax net income	1,483	1,353	9.6
Minority interest in net income	47	20	100.0
Income taxes	468	407	15.0
Net income	968	926	4.5
<b>PER COMMON SHARE</b>			
Earnings per share - basic	\$ 0.20	\$ 0.19	5.3 %
Earnings per share - diluted	0.20	0.18	11.1
Book value	7.72	7.24	6.6
Closing market price (adjusted)	9.99	14.20	(29.6)
<b>FINANCIAL RATIOS</b>			
Return on average assets	0.77 %	1.01 %	(23.8) %
Return on average shareholders' equity	10.49	10.80	(2.9)
Average equity to average assets	7.37	9.37	(21.3)
Net interest margin (FTE)	3.23	3.98	(18.8)
Non-interest revenue/Total revenue	40.4	13.0	210.8
Efficiency	76.9	69.0	11.4
<b>PERIOD END BALANCES</b>			
Investment securities	\$ 9,575	\$ 32,501	(70.5) %
Total loans	461,158	338,510	36.2
Interest-earning assets	481,855	392,642	22.7
Assets	543,206	409,478	32.7
Total deposits	468,934	318,265	47.3
Other borrowings	33,159	54,560	(39.2)
Shareholders' equity	37,644	35,431	6.2
<b>AVERAGE BALANCES</b>			
Total loans	\$ 434,164	\$ 328,697	32.1 %
Interest-earning assets	458,706	354,678	29.3
Assets	503,915	371,099	35.8
Total deposits	403,014	304,507	32.3
Other borrowings	60,810	30,759	97.7
Shareholders' equity	37,123	34,768	6.8
<b>ALLOWANCE FOR LOAN LOSSES</b>			
Beginning balance	\$ 3,976	\$ 3,235	22.9 %
Provision for loan losses	395	143	176.2
Charge-offs	57	-	100.0
Recoveries	11	-	100.0
Ending balance	4,325	3,378	28.0
<b>ASSET QUALITY RATIOS</b>			
Nonperforming assets to total assets	0.17 %	0.00 %	17.0 bp
Allowance for loan losses to total loans	0.94	1.00	(0.06) %
Allowance for loan losses to nonperforming loa	457.67	0.00	100.00
Charge-off loans to average loans	0.01	0.00	100.00
<b>COMPOSITION OF RISK ASSETS</b>			
Nonperforming loans:			
90 days past due	\$ 260	\$ 0	100.0 %
Nonaccrual	316	0	100.0
OREO	369	0	100.0
Nonperforming assets	945	0	100.00 %

bp - Change is measured as difference in basis points.