

Financial Highlights
Monarch Financial Holdings, Inc. and Subsidiaries

(Unaudited)

(Dollars in thousands, except per share data)	Three Months Ended March 31		
	2007	2006	Change
EARNINGS			
Interest income	\$ 6,979	\$ 5,333	30.9 %
Interest expense	3,210	2,168	48.1
Net interest income	3,769	3,165	19.1
Provision for loan losses	143	96	49.0
Noninterest income	1,046	906	15.5
Noninterest expense	3,393	2,777	22.2
Pre-tax net income	1,279	1,198	6.8
Minority interest in net income	20	0	100.0
Income taxes	333	391	(14.8)
Net income	926	807	14.7
PER COMMON SHARE			
Earnings per share - basic	\$ 0.23	\$ 0.21	9.5 %
Earnings per share - diluted	0.22	0.19	15.8
Book value	8.69	7.76	12.0
Closing market price (adjusted)	17.04	15.12	12.7
FINANCIAL RATIOS			
Return on average assets	1.01 %	1.04 %	(2.9) %
Return on average shareholders' equity	10.80	10.80	0.0
Average equity to average assets	9.37	9.59	(2.3)
Net interest margin (FTE)	4.42	4.38	0.9
Non-interest revenue/Total revenue	13.0	14.5	(10.1)
PERIOD END BALANCES			
Investment securities	\$ 32,501	\$ 41,909	(22.4) %
Total loans	338,510	273,585	23.7
Interest-earning assets	392,642	332,959	17.9
Assets	409,478	348,718	17.4
Total deposits	318,265	290,416	9.6
Other borrowings	54,560	26,950	102.4
Shareholders' equity	35,437	30,574	15.9
AVERAGE BALANCES			
Total loans	\$ 328,697	\$ 267,444	22.9 %
Interest-earning assets	354,678	301,374	17.7
Assets	371,099	316,249	17.3
Total deposits	304,507	271,101	12.3
Other borrowings	30,759	13,054	135.6
Shareholders' equity	34,768	30,313	14.7
ALLOWANCE FOR LOAN LOSSES			
Beginning balance	\$ 3,235	\$ 2,685	20.5 %
Provision for loan losses	143	96	49.0
Charge-offs	-	-	n/a
Recoveries	-	2	n/a
Ending balance	3,378	2,783	21.4
ASSET QUALITY RATIOS			
Nonperforming loans to total loans	0.00 %	0.00 %	0.0 bp
Allowance for loan losses to total loans	1.00	1.02	(0.0) %
Allowance for loan losses to nonperforming	0.00	0.00	100.0 %
Charge-off loans to average loans	0.00	0.00	0.0 %
COMPOSITION OF RISK ASSETS			
Nonperforming loans:			
90 days past due	0	0	0.0 %
Nonaccrual	0	0	100.0
OREO	0	0	0.0
Nonperforming assets	-	-	100.0 %

bp - Change is measured as difference in basis points.