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For Immediate Release

Monroe Bancorp Reports Earnings of \$1,593,000 or \$0.256 Per Share For the First Quarter of 2008

BLOOMINGTON, Ind. – April 22, 2008 – Monroe Bancorp, (NASDAQ: MROE), the independent Bloomington-based holding company for Monroe Bank, reported net income of \$1,593,000, or \$0.256 per basic and diluted common share, for the quarter ended March 31, 2008. Net income for the quarter was 20.8 percent less than the \$2,012,000 reported for the same period of 2007 and earnings per diluted share for the quarter was 17.7 percent less than the \$0.311 reported a year earlier. The results for the first quarter of 2008 were in line with the fourth quarter of 2007 net income of \$1,606,000 or \$0.258 per diluted share.

The decline in net income between the first quarter of 2007 and the first quarter of 2008 resulted primarily from increased expenses in two areas, specifically, the provision for loan losses and employee benefits. Due to factors discussed in the Asset Quality section of this release, the provision for loan losses increased \$595,000 or 208.8 percent to \$880,000 for the first quarter of 2008 compared to \$285,000 for the same period of 2007. Benefit expenses increased by \$246,000 or 56.6 percent to \$681,000 for the first quarter of 2008 compared to \$435,000 for the first quarter of 2007. The increase in benefit expenses resulted from an increase in the cost of the Company's health insurance plan which totaled \$255,000 for the first quarter of 2008, \$165,000 greater than the \$90,000 expense for the same period of 2007. The increase was largely due to higher claims experienced in 2008.

Return on average equity was 11.62 percent for the first quarter of 2008 compared to 15.33 percent for the first quarter of 2007 and 11.89 percent for the fourth quarter of 2007. Return on average assets decreased to 0.82 percent for the first quarter, compared to 1.10 percent for the first quarter of 2007 and 0.83 percent for the fourth quarter of 2007.

Financial Performance

Net interest income after the provision for loan losses decreased 8.3 percent to \$4,996,000 for the three months ended March 31, 2008 compared to \$5,446,000 for the same period in 2007. The tax-equivalent net interest margin for the quarter ended March 31, 2008 was 3.36 percent, compared to 3.29 percent for the quarter ended December 31, 2007 and 3.45 percent for first quarter of 2007.

Noninterest income totaled \$2,364,000 for the first quarter of 2008 compared to \$2,447,000 for the same period of 2007. Excluding the effect of the Company's deferred compensation plan, discussed in the "Use of Non-GAAP Financial Information" section of this release (page 4), noninterest income totaled \$2,556,000 for the first quarter of 2008 compared to \$2,407,000 for the same period of 2007. The 6.2 percent or \$149,000 increase in noninterest

income (excluding the effect of the Company's deferred compensation plan) is largely the result of a \$127,000 gain on the sale of available for sale investment securities (compared to none in 2007) and a \$123,000 increase in trust fees offsetting \$63,000 of net losses on the sale of OREO properties. The increase in trust fees was driven by growth in trust assets under management. Trust assets under management reached \$343,242,000 at March 31, 2008, growing by 7.6 percent, or \$24,130,000 over the March 31, 2007 total of \$319,112,000.

Noninterest expense totaled \$5,391,000 for the first quarter of 2008 compared to \$5,093,000 for the same period of 2007. Noninterest expense, excluding the effect of the Company's deferred compensation plan, was \$5,551,000 for the first quarter of 2008, compared to \$5,026,000 for the same period of 2007. The 10.4 percent or \$525,000 increase in noninterest expense (excluding the effect of the Company's deferred compensation plan) is largely the result of the \$246,000 or 56.6 percent increase in benefit expense which was discussed earlier, a \$102,000 or 4.9 percent increase in salary expense, and a \$54,000 or 6.6 percent increase in occupancy expense. The increase in occupancy expense is largely the result of the Company opening two new full-service banking centers, one in December of 2007 and the second in January of 2008.

Asset Quality

Nonperforming assets and 90-day past due loans totaled \$8,355,000 (1.08 percent of total assets) at March 31, 2008 compared to \$2,999,000 (0.40 percent of total assets) at March 31, 2007 and \$8,214,000 (1.06 percent of total assets) at December 31, 2007.

Net charge-offs for the first quarter of 2008 totaled \$261,000 or 0.18 percent of total loans compared to \$213,000 (0.15 percent of total loans) for the first quarter of 2007 and \$643,000 (0.44 percent of total loans) for the fourth quarter of 2007.

Due to general economic conditions in the real estate markets, credit quality has been under pressure. The Bank maintains a "watch list" representing credits that require above average attention in order to mitigate the risk of default or loss. Over the periods noted below, the watch list consisted of the following:

<u>Watch List Data</u>	<u>3/31/2008</u>	<u>12/31/2007</u>	<u>3/31/2007</u>
Total Watch List (\$)	25,528,000	18,478,000	13,876,000
Number of Watch List Customers	52	43	48
Total Watch List \$ > 30 Days Past Due	10,874,000	7,793,000	8,718,000
Total Watch List \$ Secured by R/E	22,338,000	16,207,000	10,296,000
Total Watch List \$ Secured by Non-R/E	2,891,000	1,972,000	3,214,000
Total Watch List \$ Unsecured	299,000	299,000	366,000

As of March 31, 2008, 57.4 percent of the watch list exposure was less than thirty days past due, compared to 57.8 percent as of December 31, 2007 and 37.2 percent as of March 31, 2007. The largest areas of stress within the loan portfolio are loans for Residential Real Estate Development and loans secured by 1-4 Family Non-Owner Occupied Residential Properties. As of March 31, 2008, loans totaling \$42,892,000 were secured by Residential

Real Estate Development collateral with \$9,149,000 of these loans being on the watch list of which \$4,828,000 were more than thirty days past due. The majority (\$36,832,000 or 85.9 percent) of the \$42,892,000 of loans secured by Residential Real Estate Development collateral were originated out of our Central Indiana region (greater Indianapolis). Of the \$36,832,000 of loans originated by our Central Indiana region and secured by Residential Real Estate Development collateral, \$9,088,000 of these loans were on the watch list (included in the \$9,149,000 reported above), of which \$4,766,000 were more than thirty days past due.

In addition, as of March 31, 2008, there were \$52,001,000 of loans secured by 1-4 Family Non-Owner Occupied Residential Properties with \$4,228,000 of these loans being on the watch list of which \$2,831,000 were more than thirty days past due. These two categories combined account for 52.4 percent of the watch list. Approximately 26.1 percent (\$13,567,000) of the \$52,001,000 of loans secured by 1-4 Family Non-Owner Occupied Residential Properties were originated out of our Central Indiana region. Of the \$13,567,000 of loans originated by our Central Indiana region and secured by 1-4 Family Non-Owner Occupied Properties, \$3,174,000 of these loans were on the watch list (included in the \$4,228,000 reported above), of which \$2,345,000 were more than thirty days past due.

“Identifying and resolving asset quality issues continues to be one of our highest priorities. While I’m not pleased with the level of our problem assets, I take some satisfaction from the fact that the level of nonperforming assets did not increase materially during the first quarter,” said Mr. Bradford.

Financial Condition

Total assets grew 3.3 percent from March 31, 2007, reaching \$776,786,000 on March 31, 2008. Loans, including loans held for sale, totaled \$581,956,000 on March 31, 2008, a 3.4 percent increase from total loans on March 31, 2007, which were \$562,724,000. Deposits increased 7.1 percent to \$637,230,000 at March 31, 2008 compared to \$595,061,000 a year earlier.

Other News

The Company successfully opened a new full-service banking center in Avon in Hendricks County on January 14, 2008. This followed shortly after the opening on December 11, 2007 of a new banking center in Plainfield, also in Hendricks County. Grand opening ceremonies were held during the first quarter for both banking centers. The opening of the Avon Banking Center completes the Company’s transition from less visible, limited service branches in Hendricks County to more visible, strategically located full-service banking centers. Another new banking center, to be located in Noblesville, in Hamilton County, is expected to open during the late summer of 2008 and will commence the Company’s growth plans in the northeast area of the Indianapolis metro region.

The Company added an online account opening program to its website in January 2008. Packaged with other electronic services - online banking, bill pay, e-statements - the online account opening service widens the Bank’s market for checking and savings products, provides a convenient alternative for opening accounts for its customers and fits the needs of the growing population of Internet users. Digital Deposit, an electronic business check

deposit solution launched in December 2006, continues to be well received by business customers. Electronic banking solutions for both personal and business customers have positioned the Bank to be accessible to both its traditional local markets as well as cyber users located beyond the Bank's footprint.

Seminars and events held during the first quarter remain a consistent feeder of quality leads for our deposit, loan and wealth management services. In addition, some of these events, like the Bank's art receptions, offer the Bank exceptional promotional value and are a great image builder and marketing tool that effectively entrenches the Bank's brand in the communities it serves. Artists and the local economy also benefit from this community outreach.

The Company will hold its Annual Meeting of Shareholders at 10 a.m., Thursday, April 24, 2008 at the Bloomington/Monroe County Convention Center in downtown Bloomington, Indiana.

About Monroe Bancorp

Monroe Bancorp, headquartered in Bloomington, Indiana, is an Indiana bank holding company with Monroe Bank as its wholly owned subsidiary. Monroe Bank was established in Bloomington in 1892, and offers a full range of financial, trust and investment services through its locations in Central and South Central Indiana. The Company's common stock is traded on the NASDAQ® Global Stock Market under the symbol MROE.

See attachments for additional financial information. For further information, contact: Mark D. Bradford, President and Chief Executive Officer, (812) 331-3455.

Use of Non-GAAP Financial Information

To supplement the Company's consolidated condensed financial statements presented on a GAAP basis, the Company has used the following non-GAAP measures of reporting:

(1) The net interest margin is reported on a tax equivalent basis. The tax equivalent adjustment to net interest income recognizes the income tax savings when comparing taxable and tax-exempt assets and assumes a marginal income tax rate of 34%. Management believes that it is a standard practice in the banking industry to present net interest margin and net interest income on a fully tax equivalent basis. Therefore, management believes these measures provide useful information to investors by allowing them to make peer comparisons. A table entitled "Reconciliation of GAAP Net Interest Margin to Non-GAAP Net Interest Margin on a Tax-Equivalent Basis," included at the end of the attached financial summary, reconciles the non-GAAP financial measure "net interest income (tax-equivalent)" with net interest income calculated and presented in accordance with GAAP. The table also reconciles the non-GAAP financial measure "net interest margin (tax-equivalent)" with net interest margin calculated and presented in accordance with GAAP.

(2) Noninterest income and noninterest expense are reported without the effect of income and expenses related to securities held in a rabbi trust for the deferred compensation plan. A table entitled "Reconciliation of GAAP Noninterest Income & Expense to Noninterest Income & Expense Without the Financial Impact of the Deferred Compensation Plan", included at the end of the attached financial summary, details all the items included in noninterest income and expense associated with the deferred compensation plan / rabbi trust

and reconciles the GAAP numbers to the non-GAAP numbers. The activity in the rabbi trust has no effect on the Company's net income, therefore, management believes a more accurate comparison of current and prior year noninterest income and noninterest expense can be made if items related to the rabbi trust are removed.

The Company believes these adjustments are appropriate to enhance an overall understanding of the Company's past financial performance and also its prospects for the future. These adjustments to the Company's GAAP results are made with the intent of providing both management and investors a more complete understanding of the underlying operational results and trends and the Company's marketplace performance. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the numbers prepared in accordance with generally accepted accounting principles in the United States.

Forward-Looking Statements

This release contains forward-looking statements about the Company which we believe are within the meaning of the Private Securities Litigation Reform Act of 1995. This release contains certain forward-looking statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "anticipate," "intend," "plan," "estimate" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could" or "may" or words of similar meaning. These forward-looking statements, by their nature, are subject to risks and uncertainties. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to: (1) competitive pressures among depository institutions; (2) changes in the interest rate environment; (3) prepayment speeds, charge-offs and loan loss provisions; (4) general economic conditions, either national or in the markets in which the Company does business; (5) legislative or regulatory changes adversely affecting the business of the Company; (6) changes in real estate values or the real estate markets; and (7) the Company's business development efforts in new markets in and around Hendricks and Hamilton Counties. Further information on other factors which could affect the financial results of the Company is included in the Company's filings with the Securities and Exchange Commission.