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For Immediate Release

Monroe Bancorp Reports First Quarter Earnings

BLOOMINGTON, Ind. – April 22, 2003 — Monroe Bancorp, (NASDAQ: MROE), the independent Bloomington-based holding company for Monroe Bank, reported net income for the quarter ended March 31, 2003 of \$1,548,000, compared to \$1,499,000 for the same period in 2002, an increase of 3.3 percent. The Company reported \$0.25 basic and fully diluted earnings per share for the first quarter of 2003, unchanged from the first quarter of 2002.

Non-interest income totaled \$1,684,000 for the quarter ending March 31, 2003, an increase of \$269,000, or 19.0 percent over the quarter ended March 31, 2002. The growth in non-interest income was led by a \$145,000 (66.2 percent) increase in revenue derived from the sale of fixed rate mortgages and a \$56,000 (25.8 percent) increase in fee income from trust services.

“Our ability to move resources quickly to our mortgage department allowed us to maximize the opportunity provided by low interest rates during the first quarter,” said Mark D. Bradford, President and CEO of Monroe Bancorp. “Quickly responding to opportunities is an important part of our corporate culture.”

Loans totaled \$401,881,000 on March 31, 2003. The year-over-year growth rate was 6.6 percent. Total deposits at March 31, 2003 were \$418,670,000 compared to \$382,509,000 at March 31, 2002. The deposit growth of \$36.2 million represents a growth rate of 9.5 percent. The Company’s total assets at March 31, 2003 were \$553,420,000, which was 9.9 percent greater than the total at March 31, 2002.

Total non-performing assets and 90-day past due loans totaled \$10,194,000 at March 31, 2003. The majority of these loans (\$6.7 million) are related to a single real estate developer who recently declared bankruptcy. Approximately \$1.7 million of the total were loans made directly to the developer. Loans totaling \$3.0 million were made to the developer’s brother and a company owned by the developer’s brother. An additional \$2.0 million of these non-performing loans were made to vendors and other parties related to the developer. Based on current information available, management believes the reserve for loan losses, which is 1.16

percent of the total Company's loan portfolio, is adequate to cover potential losses inherent in the loan portfolio.

Mr. Bradford indicated that resolving these loan issues is the Company's top priority. "The workout and final resolution of these credits is job one for our management team. At the same time, we will not allow these problems to distract us from continuing the momentum that we have developed in our non-interest income businesses and our expansion into Hendricks County."

Monroe Bancorp, headquartered in Bloomington, Indiana, is an Indiana bank holding company with offices in Monroe, Jackson, Lawrence and Hendricks counties. Its wholly owned subsidiary, Monroe Bank, was established in Bloomington, Indiana in 1892, and offers a full range of financial, trust and investment services to its more than 20,000 retail and commercial customers. The Company's common stock is traded on the NASDAQ[®] National Stock Market under the symbol MROE.

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

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 increase significantly; (2) changes in the interest rate environment reduce interest margins; (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, are less favorable than expected; (5) legislative or regulatory changes adversely affect the business of the Company; and (6) changes in real estate values or the real estate markets. Further information on other factors which could affect the financial results of the Company are included in the Company's filings with the Securities and Exchange Commission.

Monroe Bancorp (MROE)

Financial Summary

(dollar amounts in thousands except per share data)

BALANCE SHEET *	Quarters Ending					Years Ending	
	Mar 2003	Dec 2002	Sept 2002	June 2002	Mar 2002	Dec 2002	Dec 2001
Cash and Due from Banks	\$ 16,057	\$ 20,526	\$ 16,705	\$ 17,575	\$ 12,878	\$ 20,526	\$ 17,276
Federal Funds Sold	12,700	-	-	9,200	8,100	-	-
Securities	104,926	103,779	103,715	102,222	88,528	103,779	88,450
Total Loans	401,881	391,315	390,364	381,267	376,881	391,315	371,800
Loans Held for Sale	5,197	7,417	8,276	1,344	3,917	7,417	8,032
Commercial & Industrial	78,569	78,062	76,431	76,847	74,197	78,061	73,724
Real Estate:							
Commercial & Residential	249,253	238,013	236,212	235,721	232,132	238,013	225,931
Construction & Vacant Land	28,173	27,470	29,885	29,748	28,318	27,470	28,013
Home Equity	18,964	17,927	16,887	15,050	14,821	17,927	13,637
Installment Loans	21,725	22,426	22,673	22,557	23,496	22,426	22,463
Reserve for Loan Losses	4,680	4,574	3,931	4,186	4,278	4,574	4,198
Bank Premises and Equipment	11,732	11,793	11,923	11,977	11,842	11,793	11,633
Federal Home Loan Bank Stock	2,124	1,882	1,882	1,882	1,882	1,882	1,534
Interest Receivable and Other Assets	8,680	8,596	8,347	8,507	7,942	8,596	9,058
Total Assets	\$ 553,420	\$ 533,317	\$ 529,005	\$ 528,444	\$ 503,775	\$ 533,317	\$ 495,553
Total Deposits	\$ 418,670	\$ 398,567	\$ 404,291	\$ 403,496	\$ 382,509	\$ 398,567	\$ 359,206
Non-Interest Checking	62,531	60,476	60,281	59,487	58,108	60,476	55,034
Interest Checking & NOW	78,883	81,160	76,150	65,530	62,749	81,160	65,925
Regular Savings	26,457	22,459	23,153	18,338	19,330	22,459	16,840
Money Market Savings	66,508	53,865	59,750	69,078	67,144	53,865	64,802
CDs Less than \$100,000	102,196	99,930	107,556	103,687	97,418	99,930	87,137
CDs Greater than \$100,000	71,089	69,910	66,195	77,033	67,605	69,910	60,180
Other Time	11,006	10,767	11,206	10,343	10,155	10,767	9,288
Total Borrowings	83,858	85,240	75,562	76,853	73,729	85,240	89,997
Federal Funds Purchased	-	10,050	200	-	-	10,050	21,900
Securities Sold Under Repurchase Agreements	40,694	39,158	39,274	39,903	34,600	39,158	36,312
FHLB Advances	42,486	34,956	34,999	35,540	37,630	34,956	30,658
Loans Sold Under Repurchase Agreement and Other Notes Payable	678	1,076	1,089	1,410	1,499	1,076	1,127
Interest Payable and Other Liabilities	5,908	5,247	5,646	5,639	6,137	5,247	5,666
Total Liabilities	508,436	489,054	485,499	485,988	462,375	489,054	454,869
Shareholders Equity	44,984	44,263	43,506	42,456	41,400	44,263	40,684
Total Liabilities and Shareholders' Equity	\$ 553,420	\$ 533,317	\$ 529,005	\$ 528,444	\$ 503,775	\$ 533,317	\$ 495,553
Book Value Per Share	\$ 7.37	\$ 7.25	\$ 7.13	\$ 6.96	\$ 6.79	\$ 7.25	\$ 6.67
End of Period Shares Outstanding	6,105,151	6,103,869	6,102,529	6,101,055	6,099,779	6,103,869	6,098,503

* period end numbers

Monroe Bancorp (MROE)

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(dollar amounts in thousands except per share data)

INCOME STATEMENT	Quarters Ending					Years Ended	
	Mar 2003	Dec 2002	Sept 2002	June 2002	Mar 2002	Dec 2002	Dec 2001
Net Interest Income	\$ 4,720	\$ 4,748	\$ 4,716	\$ 4,647	\$ 4,627	\$ 18,738	\$ 16,937
Loan Loss Provision	405	805	405	276	276	1,762	1,050
Total Non-Interest Income	1,684	1,832	1,494	1,329	1,415	6,070	4,916
Service Charges on Deposit Accounts	634	659	671	662	595	2,587	2,128
Trust Fees	273	208	254	239	217	918	839
Commission Income	186	210	196	203	208	817	770
Gain on Sale of Loans	364	404	239	174	219	1,036	515
Realized Gains (Losses) on Securities	(4)	6	151	46	-	203	(6)
Unrealized Gains (Losses) on Trading Securities Associated with Directors' Deferred Comp Plan	(25)	83	(239)	(192)	(13)	(361)	(224)
Other Operating Income	256	262	222	197	189	870	894
Total Non-Interest Expense	3,705	3,727	3,330	3,364	3,510	13,931	12,046
Salaries & Wages	1,527	1,509	1,520	1,522	1,444	5,995	5,319
Commissions & Incentive Compensation	350	282	358	294	296	1,230	886
Employee Benefits	373	369	287	286	375	1,317	1,158
Premises & Equipment	638	592	595	600	595	2,382	1,968
Advertising	127	109	127	180	168	584	552
Appreciation (Depreciation) in Directors' Deferred Compensation Plan	(19)	117	(229)	(178)	-	(290)	(158)
Other Operating Expenses	709	749	672	660	632	2,713	2,321
Income Before Income Tax	2,294	2,048	2,475	2,336	2,256	9,115	8,757
Income Tax Expense	746	669	818	773	757	3,017	3,008
Net Income After Tax & Before Extraordinary Items	1,548	1,379	1,657	1,563	1,499	6,098	5,749
Extraordinary Items	-	-	-	-	-	-	-
Net Income	\$ 1,548	\$ 1,379	\$ 1,657	\$ 1,563	\$ 1,499	\$ 6,098	\$ 5,749
Basic Earnings Per Share	0.25	0.23	\$ 0.27	\$ 0.26	\$ 0.25	\$ 1.00	\$ 0.94
Diluted Earnings Per Share	0.25	0.23	0.27	0.26	0.25	1.00	0.94

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ASSET QUALITY	Quarters Ending					Years Ending	
	Mar 2003	Dec 2002	Sept 2002	June 2002	Mar 2002	Dec 2002	Dec 2001
Net Charge-Offs	\$ 299	\$ 162	\$ 660	\$ 340	\$ 196	\$ 1,358	\$ 724
OREO Expenses (Gains)	10	21	17	52	11	101	80
Total Credit Charges	\$ 309	\$ 183	\$ 677	\$ 392	\$ 207	\$ 1,459	\$ 759
Non-Performing Loans	\$ 8,047	\$ 4,057	\$ 2,441	\$ 2,834	\$ 1,936	\$ 4,057	\$ 1,474
OREO	258	110	377	280	352	110	505
Non-Performing Assets	8,305	4,167	2,818	3,114	2,288	4,167	1,979
90 Day Past Due Loans net of NPLs	1,889	588	883	1,182	1,140	588	1,705
Non Performing Assets+ 90PD/Assets	\$ 10,194	\$ 4,755	\$ 3,701	\$ 4,296	\$ 3,428	\$ 4,755	\$ 3,684

RATIO ANALYSIS - CREDIT QUALITY*

NCO/Loans	0.30%	0.17%	0.68%	0.36%	0.21%	0.35%	0.19%
Credit Charges/Loans & OREO	0.31%	0.19%	0.69%	0.41%	0.22%	0.37%	0.20%
Non-Performing Loans/Loans	2.00%	1.04%	0.63%	0.74%	0.51%	1.04%	0.40%
Non Performing Assets/Loans & OREO	2.07%	1.06%	0.72%	0.82%	0.61%	1.06%	0.53%
Non-Performing Assets/Assets	1.50%	0.78%	0.53%	0.59%	0.45%	0.78%	0.40%
Non Performing Assets+ 90PD/Assets	1.84%	0.89%	0.70%	0.81%	0.68%	0.89%	0.74%
Reserve/Non Performing Loans	58.16%	112.74%	161.04%	147.71%	220.97%	112.74%	284.80%
Reserve/Total Loans	1.16%	1.17%	1.01%	1.10%	1.14%	1.17%	1.13%
Equity & Reserves/NPA	598.00%	1171.99%	1683.36%	1497.82%	1996.42%	1171.99%	2267.91%
OREO/NPA	3.11%	2.64%	13.38%	8.99%	15.38%	2.64%	25.52%

RATIO ANALYSIS - CAPITAL ADEQUACY *

Equity/Assets	8.13%	8.30%	8.22%	8.03%	8.22%	8.30%	8.21%
Equity/Loans	11.19%	11.31%	11.14%	11.14%	10.98%	11.31%	10.94%

RATIO ANALYSIS - PROFITABILITY

Return on Average Assets	1.15%	1.03%	1.24%	1.21%	1.22%	1.17%	1.26%
Return on Average Equity	14.00%	12.45%	15.25%	14.91%	14.77%	14.32%	14.52%
Net Interest Margin (tax-equivalent)	3.92%	3.95%	3.94%	4.05%	4.13%	4.02%	4.17%

* Based on period end numbers