



PARK STERLING BANK

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Park Sterling Bank Reports 3rd-Quarter Profit Of \$115,000 On Continuing Growth In Loan Volume And Core Deposits

Bank Maintains Focus On Profitability While Building Reserves, Bolstering Capital Ratio

CHARLOTTE, N.C. (Oct. 26, 2009) – Park Sterling Bank reported net income of \$115,000 for the quarter ending Sept. 30, 2009 as the Charlotte-based bank showed robust growth in loan volume and core deposit generation while maintaining strong asset quality and continuing to build reserves.

Year-to-date profits totaled \$459,000, up from a loss of \$7,000 in the first three quarters of 2008.

Total assets at Sept. 30 were \$472 million, up 22 percent from Sept. 30, 2008, with loans up nearly 11 percent to \$393 million, and deposits up 24 percent to \$389 million. The bank reported that asset quality remained strong, with total non-performing assets at 0.32 percent, and past due loans less than 1 percent. Net charge-offs for the year total 0.13 percent of average loans. All of these metrics compare favorably with Park Sterling Bank's peers.

“Despite challenging economic conditions, Park Sterling Bank continues to make great strides in the area of maintaining asset quality and generating loan activity and deposits from new full-service clients attracted to our ‘comfortable banking’ environment,” said Bryan F. Kennedy III, President and CEO of Park Sterling Bank. “However, in light of those conditions, we are taking prudent steps to prepare for a potential erosion of asset quality by increasing reserves against loan losses to 1.79 percent of total loans, up from 1.58 percent at the end of the second quarter.”

Park Sterling Bank also continued to bolster its capital base, concluding the third quarter with a risk-based capital ratio of more than 13.5 percent, well above the 10 percent mark considered the threshold for well-capitalized banks by banking regulators.

About Park Sterling Bank

Park Sterling Bank, headquartered in Charlotte, N.C., is dedicated to providing personal, comfortable banking services tailored to the needs and goals of its customers and delivered by a remarkably experienced team of bankers. For more information, visit www.parksterlingbank.com.

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