



PARK STERLING BANK

FOR IMMEDIATE RELEASE

CONTACT: Company contact:
Bryan Kennedy
Park Sterling Bank
(704) 716-2134
bkennedy@parksterlingbank.com

Agency contact :
David Coburn
Luquire George Andrews
(704) 552-6565
coburn@lgapr.com

Park Sterling Bank Reports Progress In Second Quarter

Wilmington, SouthPark Branches Planned As Bank Shows Growth In Loans, Deposits

CHARLOTTE, N.C. (August 20, 2007) – Park Sterling Bank, a successful Charlotte-based banking startup, said strong growth in loans and deposits continued in its second full quarter of operations ending June 30.

Park Sterling Bank also said it has applied for approval to convert the Wilmington loan production office it opened in May into a full-service branch and has a location under contract for a new full-service branch in the SouthPark area of Charlotte. Subject to regulatory approval, the Wilmington branch should be able to start taking deposits by Labor Day, and opening of the SouthPark location is tentatively scheduled for the first quarter of 2008.

Loans outstanding totaled \$133.3 million at June 30, an increase of \$41.8 million or 46 percent from March 31. During the same period, deposits increased \$42.2 million to \$104.5 million, an increase of 68 percent from March 31. Total assets grew to just over \$147 million. As expected, Park Sterling Bank posted a quarterly loss of \$519,000, down significantly from a loss of \$799,000 in the bank's first full quarter of operations. As with the first quarter, the net loss consisted entirely of non-cash charges, primarily the \$627,000 quarterly provision for potential loan losses.

“We continue to be very pleased with our asset quality, with no past due or problem loans to report,” said Bryan F. Kennedy III, president and chief executive of Park Sterling Bank. “We’re delighted with our performance to date and believe that our progress shows that our ‘comfortable banking’ focus is being well received in our markets.”

Park Sterling Bank also announced the election of Vinton E. Fountain III, president of Wilmington-

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PARK STERLING BANK – Page Two

based Fountain Financial Associates, to the board of directors to fill one of two additional board seats approved at the bank's 2007 annual meeting of stockholders. Fountain, whose career in the financial services industry spans more than 24 years, including 16 years in commercial banking, brings to the board a wealth of financial expertise as well as local market knowledge and community involvement in Wilmington. Fountain's term will run until the 2008 annual meeting.

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 on Park Sterling Bank, visit www.parksterlingbank.com.

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