



PARK STERLING BANK

Park Sterling Bank Announces Quarterly Results, Expansion

Appeal of Personal, Comfortable Banking Reflected In First Full Quarter Of Operation

CHARLOTTE, N.C. (April 27, 2007) – Park Sterling Bank, which launched banking operations in October 2006, recorded strong gains in loan production and deposit growth during its first full quarter of operations ending March 31, 2007, the bank announced today.

The bank also announced that it will open its first loan production office in Wilmington, N.C., in May 2007. The office, which will be staffed by two longtime local bankers, will focus on developing loan business in the rapidly growing Wilmington market, where Park Sterling Bank already has a significant shareholder base.

“We believe that the strong results in our first full quarter of operation are an endorsement of the personal, comfortable style of banking that we are delivering to the market via a remarkably experienced group of executives and lending officers,” said Bryan F. Kennedy III, president and chief executive officer of Park Sterling Bank. “We are working hard to justify the confidence our shareholders showed in our model by helping us raise the most capital ever for a North Carolina commercial bank.”

As of March 31, 2007, loans outstanding more than doubled, jumping 115 percent to \$91.5 million from \$42.6 million at year-end 2006. During the same period, deposits increased 146 percent to \$62.3 million from \$25.3 million.

In line with expectations, the bank posted a net loss of \$799,000 for the quarter, which was composed entirely of non-cash charges, primarily a \$734,000 charge for the provision for potential loan losses. The bank, which has focused its early efforts on sound growth of the bank’s earning asset base, primarily the loan portfolio, has accrued \$1.4 million in reserves against potential loan losses since its inception.

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The addition of the Wilmington office, which will result in short-term costs, will enable Park Sterling Bank to be part of a dynamic market and enhance the bank's long-term goal of maximizing shareholder value, Kennedy said.

"We are committed to entering new markets only if we can find the right people who can help us provide the unique banking experience that our clients expect and deserve," Kennedy said.

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