



PARK STERLING BANK

## NEWS RELEASE

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### **Park Sterling Bank Reports 4th-Quarter Profit of \$118,000 Creating Year-End Earnings of \$577,000**

*Bank Maintains Strong Credit Metrics While Increasing Reserves*

**Charlotte, N.C., Feb. 22, 2010** – [Park Sterling Bank](#) reported earnings of \$118,000 for the quarter ending Dec. 31, 2009 with the Charlotte-based bank experiencing a much improved net interest margin and continued tight expense controls.

For the 2009 year, pre-tax profits were \$816,000, up from the 2008 number of \$15,000. Net income for the year totaled \$577,000. This would have exceeded the previous year performance if the 2008 numbers had not been impacted by a one-time tax benefit of \$1.5 million.

Year-end total assets were \$474 million, an increase of 10.7 percent from fiscal year 2008, with loans up 7 percent to \$398 million. Deposits grew 11.8 percent to \$393 million, core deposits increased 39.4 percent and reliance on wholesale funding was drastically reduced.

The bank reported that asset quality remained strong, with non-performing loans at less than 1 percent, past due loans at 1 percent and net charge-offs for the year at 0.37 percent. These year-end credit metrics compare favorably with Park Sterling Bank's peers. The bank continued to build reserves for potential future loan losses, with an allowance of 1.86 percent of loans at year-end, compared to 1.50 percent at year-end 2008.

“Despite continuing difficult economic conditions, Park Sterling Bank is pleased with our earnings progress and the strides we have made in maintaining asset quality and increasing core deposits,” said Bryan F. Kennedy III, President and CEO of Park Sterling Bank. “However, we will continue to be focused on building reserves while growing at a measured pace and increasing our core fundings.”

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## **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](http://www.parksterlingbank.com).

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