



Sterling Bank Widely Recognized as a Safe, Sound Financial Institution

In light of recent news stories about the U.S. financial industry, we thought the following information would be helpful to you:

- Sterling has been serving Texas competently and reliably for more than 30 years. Today Sterling is a \$4.9 billion bank with 59 banking centers in the state's major metropolitan areas of Houston, Dallas, Ft. Worth, and San Antonio, which are some of the best performing markets in the country.
- Sterling's capital ratios exceed FDIC's requirements for a "well capitalized" financial institution.
- Sterling's liquidity is one of its strengths, and the bank's stable source of funding is provided primarily by core deposits from loyal customers.
- Sterling sold its residential mortgage company in 2003 for a substantial profit and today makes a limited number of home mortgage loans directly to its customers and business owners.
- Sterling **does not** have any exposure to sub-prime mortgages.
- Sterling has no investment in the preferred or common stock of Fannie Mae or Freddie Mac, nor any investment in Lehman Brothers or AIG.
- There's been negative national publicity about money market mutual fund accounts. A money market account at Sterling Bank is an FDIC-insured deposit account (similar to a checking or savings account) and is not the same as a money market mutual fund account.
- For more information on Sterling's financial status, see the [Investor Relations page](#) of this Web site, specifically the SEC Filings and Financial Information tabs.