

Progress Bank to expand

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Company to offer up to \$12M in common stock

Huntsville-based Progress Bank and Trust is offering up to \$12 million in additional common stock, starting next Monday, to pay for its expansion plans for next year and beyond.

The bank's board of directors has authorized 1.2 million shares to be sold at \$10 per share. During the first stage, from Monday until Feb. 15, 2009, the shares will be offered to current shareholders and bank employees, said David Nast, the bank's president and CEO. The rest will be offered to new investors until May 1, 2009, or until all shares are sold.

The bank has offices at 201 Williams Ave. in Huntsville and 255 Grant Street in Decatur, and the original three-year business plan calls for two more branches next year and another in 2010.

"We are proceeding with those plans," said Nast. "We're doing (the stock offering) in anticipation of continued growth."

The first branch to open next year will be in Huntsville, he said, and the next will be in either Decatur or Madison. Also, the bank has launched Progress Financial Services, its brokerage division, with one adviser.

"We plan to bring on a couple more," Nast said.

Nast believes the timing is right for a second offering. During the bank's initial offering, about \$30.5 million in capital was raised in the Huntsville and Decatur areas combined, coming from 465 investors. Since then, there have been a significant number of requests for the stock, he said.

"Yes, we are in a recession, and, yes, we're in a financial and economic crisis," said Nast. "But I can't be positive enough about how Huntsville has held its own in a very difficult time."

The bank itself is sound, Nast said, and has no past due loans.

"The stock offering comes from a position of strength and soundness," he said.

Progress isn't participating in the government's Troubled Asset Relief Program (TARP).

"We do not feel (the government-investment program) fits our situation," Nast said.

Progress, which opened in February, has \$132 million in assets, making it one of the fastest-growing startup banks in the country, according to FDIC rankings.

The bank's board has also authorized a 3 for 2 common stock split for shareholders of record as of Nov. 18. For each two shares of stock owned on that date, shareholders will receive an additional share of common stock.