

The Huntsville Times

Progress Bankplans to open 3rd area office

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Company seeks to raise \$12M to fund growth

Positive banking stories? Yes, they're still out there, even in our backyard.

Progress Bank, a locally owned and managed bank marking its one-year anniversary this month, plans to open its third area office later this year while many banks are retrenching. The 3,800-square-foot branch will be built at Valley Bend at Jones Farm, the SuperTarget-anchored shopping center at Carl T. Jones Drive and Four Mile Post Road in southeast Huntsville.

In addition, Progress has launched a second capital campaign, another move that seems to defy conventional wisdom in this market.

Bank President and CEO David Nast called the location a no-brainer.

"Not only does it provide good retail business opportunities for us, it also generates significant traffic flow, which is important to our visibility," he said.

The new branch, estimated to cost \$1.5 million, will join Progress' headquarters at 201 Williams Ave. downtown and an office in Decatur.

Asked why the bank is expanding in this economy, Nast said "we see opportunity" in the market despite the recession. He added: "We promised customers and shareholders we would build a branch in that area of town, and we keep our promises."

Meanwhile, Progress, which originally raised \$30.5 million from investors, is trying to raise another \$12 million to fund its growth plans.

Nast said the bank has raised \$3 million so far in a stock offering, which ends May 15. Progress has 470 shareholders and \$153 million in assets.

The bank lost \$5.9 million in 2008, but Nast attributed most of that to startup costs and an allowance for loan-loss reserves. He expects "significant improvement" this year without the one-time charges.

Chapman Sisson Architects is designing the Jones Valley branch, which Nast hopes to open in November. A general contractor has not been chosen. Don Beck of The Shopping Center Group brokered the transaction.

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