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PROGRESS FINANCIAL CORP
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On August 28, 2003, FleetBoston Financial Corporation issued the following press
release:

[Fleet logo]

[Progress logo]

FOR IMMEDIATE RELEASE

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PROGRESS FINANCIAL AGREES TO JOIN FLEETBOSTON FINANCIAL

Purchase Expands Fleet Position in Suburban Philadelphia Market

BOSTON, Mass., August 28, 2003 -- FleetBoston Financial Corporation (NYSE: FBF) and Progress Financial Corporation (Nasdaq: PFNC) today announced that they have signed a definitive merger agreement for Fleet to acquire Progress Financial. Progress' principal subsidiary is Progress Bank, a 21-branch franchise serving the greater Philadelphia area, including affluent markets in the five-county region of Bucks, Chester, Delaware, Montgomery, and Philadelphia counties. Progress Financial had \$1.1 billion in assets and \$741 million in deposits as of June 30, 2003.

The acquisition increases the number of Fleet stores in Pennsylvania to 127, and increases Fleet's deposits in the above-mentioned five-county region by 64 percent. The transaction also gives Progress Financial's customers access to the breadth of Fleet's sophisticated products, services, and distribution capabilities.

Eugene M. McQuade, president and chief operating officer of Fleet, said, "Progress has a solid presence in demographically attractive markets that are a natural extension of our franchise in Philadelphia and eastern Pennsylvania. In addition, this transaction underscores our strategic focus on serving consumers, small business owners, and real estate firms, the lifeblood of Progress' customer base."

W. Kirk Wycoff, chairman and chief executive officer of Progress Financial, will remain with the bank as regional chairman and CEO of Fleet's Pennsylvania franchise. Timothy J. Abell will continue as president of Fleet's Pennsylvania franchise and head of Business Financial Services in Pennsylvania.

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"Our management team is excited to join the dynamic Fleet organization as partners in building the Pennsylvania franchise. This partnership is great news for our customers, our employees, shareholders, and our communities," said Wycoff. "Our customers will see the immediate benefit of access to a wider and more sophisticated set of products and services. Our employees will have the benefits of working for a larger company, including opportunities for greater personal growth. Our shareholders will become shareholders of one of America's premier financial services companies that recognizes shareholder support by paying an outstanding quarterly cash dividend. And our combined organization will be a vibrant resource for the communities we serve, through our strong support of small businesses, our continued charitable contributions and Fleet's innovative employee volunteer program."

McQuade added, "Progress has been executing on a plan to reposition the franchise and improve its operating performance. Through this acquisition, Fleet will reap the benefits of these actions and strengthen its competitive position in the region. We are also pleased that Kirk and his team are joining Fleet. Kirk will play a key leadership role in executing our strategy in Pennsylvania."

Under the terms of the agreement, Progress shareholders will receive .9333 shares of Fleet stock for each share of Progress in a fixed stock exchange, based on a per share price for Progress common stock of \$28.00. This exchange ratio is subject to adjustment in the event that Fleet's stock price exceeds \$33.00 per share or is less than \$27.00 per share. As of the announcement date, the transaction values Progress at \$27.74 per share (or \$211 million in aggregate.) The premium paid on this transaction represents a 19.9% premium over Progress deposits. The transaction, expected to be tax-free to Progress shareholders, has been unanimously approved by the Boards of Directors of both companies. It is expected to close in the first quarter of 2004, and is subject to Progress shareholder approval as well as customary regulatory approvals. The transaction is expected to be additive to net income.

FleetBoston Financial is the seventh-largest financial holding company in the United States, with assets of \$197 billion. The company's principal businesses, Personal Financial Services and Commercial Financial Services, offer a comprehensive array of innovative financial solutions to 20 million customers. Through its Personal Financial Services franchise, Fleet offers retail banking, wealth management and investment services, nationwide brokerage, credit card and consumer lending services. These services are available through approximately 1,500 branches and more than 3,400 ATMs in the Northeast; through Fleet HomeLinkSM online banking, one of the nation's leading online banking platforms; and through telephone banking. Fleet is the leading small business services and commercial banking provider in the Northeast. Fleet's Commercial Financial Services division provides commercial lending, syndications, capital raising and advisory, leasing, cash management, asset-based finance, foreign exchange and interest rate derivatives to clients. FleetBoston Financial is headquartered in Boston and listed on the New York Stock Exchange (NYSE: FBF) and the Boston Stock Exchange (BSE: FBF).

-more-

Progress Financial Corporation is a unitary thrift holding company headquartered in Blue Bell, Pennsylvania. The business of the Company consists primarily of the operation of Progress Bank, which serves businesses and consumers through twenty-one full service offices. The Company also offers financial planning services, life insurance, group employee benefits, and investment through

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Progress Financial Resources, Inc., headquartered in Philadelphia, PA. The Company's common stock is traded in The Nasdaq Stock Market under the symbol "PFNC".

This release contains forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from estimates. For further information, please refer to the FleetBoston Financial Corporation's reports filed with the SEC.

FleetBoston and Progress will be filing relevant documents concerning the merger with the Securities and Exchange Commission, including a registration statement on Form S-4 containing a prospectus/proxy statement. WE URGE INVESTORS TO READ THESE DOCUMENTS BECAUSE THEY CONTAIN IMPORTANT INFORMATION. Investors will be able to obtain these documents free of charge at the SEC's website, www.sec.gov. In addition, documents filed with the SEC by FleetBoston will be available free of charge from the Investor Relations department of FleetBoston Financial Corporation (John Kahwaty, FleetBoston Financial Corporation, 100 Federal Street, Boston, Massachusetts 02110, telephone (617)434-3650), and documents filed with the SEC by Progress will be available free of charge from the Secretary of Progress (Eric J. Morgan, Secretary, Progress Financial Corporation, 4 Sentry Parkway, Suite 200, Blue Bell, Pennsylvania 19422, telephone (610) 825-8800). The directors and executive officers of Progress may be deemed to be participants in the solicitation of proxies to approve the merger. Information about the directors and executive officers of Progress and ownership of Progress common stock is set forth in the proxy statement dated March 25, 2003 filed by Progress with the SEC. Additional information about the interests of those participants may be obtained from reading the definitive prospectus/proxy statement regarding the proposed acquisition when it becomes available. PROGRESS INVESTORS SHOULD READ THE PROSPECTUS/PROXY STATEMENT AND OTHER DOCUMENTS TO BE FILED WITH THE SEC CAREFULLY BEFORE MAKING A DECISION CONCERNING THE MERGER.

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ATTACHMENT

Progress Store Locations

Bucks County, PA

Bensalem	2817 Street Road
Doylestown	100 Progress Drive
Southampton	736 Street Road
Warrington	Creek View Shopping Center, 381 Easton Road

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Chester County, PA

Lionville Crossroads Square, 720 W. Uwchlan Avenue
Paoli Paoli Shopping Center, 15 Leopard Road

Delaware County, PA

Rosemont 1084 East Lancaster Avenue

Montgomery County, PA

Audubon 10000 Shannondell Drive
Bridgeport 207 West 4th Street
Conshohocken 405 Fayette Street
East Norriton 20 East Germantown Pike
Glenside 259 S. Easton Road
King of Prussia 236 West DeKalb Pike
Lansdale 890 South Valley Forge Road
Norristown 1000 Sandy Hill Road
Plymouth Meeting 420 Plymouth Road
Trappe 130 West Main Street
West Norriton 670 South Trooper Road

Philadelphia County, PA

Philadelphia 8500 Henry Avenue
Philadelphia 8601 Germantown Avenue

Hunterdon County, NJ

Lambertville 39 Bridge Street

Beginning August 28, 2003, FleetBoston used some or all of the following information in communications with, and in responding to inquiries from, the media, investors, analysts, customers and employees:

FLEET - PROGRESS TRANSACTION

I. Transaction Details:

Q1. Why is this deal attractive to Fleet?

A. This transaction is attractive for several reasons:

- o It builds scale in and around Philadelphia and its attractive suburbs by adding 20 (21 total, includes 1 br in NJ) branches to Fleet's existing network of 107 PA branches. Additionally, Montgomery, Bucks, Chester, and Delaware counties are very attractive banking markets with affluent households.
- o Will help to improve Fleet's market visibility/name recognition in the area.
- o We will leverage our product and distribution strengths to achieve revenue synergy opportunities in the areas of brokerage/investments, investment management, cash management, leasing, online banking and bill-pay, among others.

Q2. Will you be buying more banks/branches in PA?

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A. This is an important growth market for Fleet and we are still very interested in further expansion in this region.

Q3. Why buy branches rather than grow de novo in PA?

A. We are pursuing both. Acquisition allows us to gain immediate access to established, profitable customers and facilities. We will also be growing de novo in these markets. There are plans to add 2 to 4 new branches in the region in 2004.

Q4. Isn't this deal expensive, particularly compared to past acquisitions you've made?

A. This is an important growth market for Fleet and this deal enhances our position in 4 of the wealthiest counties in PA. The deal is also in line with the pricing of recent bank purchases in this area. (PNC purchase of United National Bancorp, Aug '03, \$638 million; Citizens purchase of Commonwealth Bancorp, Sep '02, \$450 million)

(Separately) Progress recently conducted a major effort to improve credit quality and streamline operations and is poised to show significantly improved performance in the near term. Considering that the full value of Progress' efforts has not yet been realized, Fleet believes it made this purchase at an opportune time and will enjoy the benefits of Progress' improved performance.

Q5. Do you have concerns that you are not buying a premier franchise? Wasn't Progress in trouble with the Office of Thrift Supervision?

A. Progress was under an OTS directive; that was lifted in Oct. 2002 and the franchise has since shown improved operating performance and has downsized volatile businesses including private equity, pre-profit lending (Tech Bank), and leasing. Fleet believes the full value of Progress' turnaround efforts has not yet been realized.

Q6. Is this deal accretive to Fleet earnings?

A. The transaction is expected to be additive to net income. Q7. What are Progress' principal lines of business?

A. o Banking: retail, commercial, and real estate banking (90-95% of revenues)
o Insurance/Wealth Management (Progress Financial Resources, Inc.)

II. Branches:

Q8. Will any branches be consolidated?

A. Given the small overlap of Fleet's franchise with Progress, we would expect any potential store impacts to be very minimal.

Q9. Will Fleet be required to divest any branches?

A. No

*See attached tables for Fleet, Progress branch comparisons.

III. Employees:

Q10. What will happen to the employees who work for Progress - will there be layoffs?

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A. There are approximately 260 employees. We plan to retain the front line sales force and customer facing employees. We have not yet made any determinations regarding possible reductions in other areas.

Q11. If there are layoffs, will a severance package be offered?

A. Yes. Fleet has historically provided generous severance packages.

Q12. What about senior executives?

A.

- o President/CEO - W. Kirk Wycoff will remain with the bank in the capacity of regional chairman and CEO of Fleet's Pennsylvania franchise.
- o Tim Abell - will remain president of the Pennsylvania franchise and head of Fleet Business Financial Services in Pennsylvania, reporting to Mr. Wycoff.

Q13. Of Progress' approximately 260 employees, how many are "branch" staff? Other?

A. Some 136 are branch staff. Call center has staff of 6. Lending staff of about 13 includes consumer/small business, SBA, lower middle market, private clients. Commercial real estate staff: about 10.

Q14. How will the integration of Fleet and Progress operations be managed?

A. Planning for integration will begin shortly. Fleet has extensive integration experience (most recently, Summit in NJ) and will look to the Progress team to participate actively.

IV. Customers:

Q15. Given this announcement, should Progress or Fleet customers begin doing anything different?

A. No. They should continue banking with their respective banks. Following the closing of the transaction, all customers will receive advance notice of any changes that will occur.

Q16. When should customers expect to begin receiving this information?

A. We anticipate that the transaction will close in the first quarter of 2004, pending shareholder and regulatory approvals. Communications will follow shortly after closing of the transaction.

Q17. How many customers does Progress serve?

A.

- o 22,400 households, including
- o 19,000 consumer customers
- o 3,400 business customers

Note - Fleet consumer households in PA at Jun 30 '03: 344,060.

V. Regulatory:

Q18. What state/federal approvals are needed for this deal?

A. The Office of the Comptroller of the Currency (OCC), the Federal Reserve, and the Massachusetts Board of Bank Incorporation. (No application needed in PA. No approval needed from Office of Thrift Supervision, though we will

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give them notice.)

Q19. When do you expect this transaction to close?

A. We anticipate closing in the first quarter of 2004.

VI. Community:

Q20. What is Progress' CRA rating? And Fleet's?

A. o Fleet - "outstanding" in 3 test areas: lending, investment, service (Fleet not examined in PA in last examination)

- o Progress - "satisfactory" (rated in 2001)
 - Lending - "high satisfactory"
 - Investment - "high satisfactory"
 - Service - "outstanding"

Q21. What will happen to charitable contributions previously committed to this market?

A. o Fleet: \$400,000 (2003 budget) (FleetBoston Foundation)
o Progress: \$150,000 (2003 budget)

Fleet will continue to maintain the previous levels provided by our Foundation and by Progress, upwards of \$500,000.

Fleet has been a strong supporter of the communities it serves. FleetBoston Financial Foundation is among the largest grant-makers in the nation. Through the FleetBoston Financial Foundation, the Financial Corporation demonstrates its strong civic leadership, community partnership and commitment to being a socially responsible corporate citizen by focusing its philanthropy to promote economic opportunity, youth development, public education and the arts and culture.

Fleet also has an innovative employee voluntarism program called Fleet Works. All Fleet employees are encouraged to provide two paid volunteer days annually to public service projects.

Progress and Fleet Store Summary:
(Progress counts per website)

State	County	Progress	Fleet	Total S
PA	Bucks	4	18	22
	Chester	2	3	5
	Delaware	1	9	10
	Montgomery	11	23	34
	Philadelphia	2	14	16
NJ	Hunterdon	1	10	11
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Totals	21	77	98
(Remainder of Fleet PA)		(42)	(42)

Areas of Overlap:

State	County	Towns w/ Overlap
PA	Bucks	3 (Bensalem, Doyleston, Southampton)
	Chester	1 (Paoli)
	Delaware	0
	Montgomery	4 (Audubon, Lansdale, Norristown, Plymouth Meeting)
	Philadelphia	1 (Philadelphia)
NJ	Hunterdon	0
		-
	Totals	9

PROGRESS BANK: TRANSACTION DETAILS

o Details of Purchase Price

>> Amount: \$211MM at 8/27/03
 = 0.93333 x 7.6 x \$29.72
 (exchange ratio) (Progress FD shares) (FBF stock price)
 >> Collar: Fixed exchange ratio within
 10% price collar - floating exchange ratio outside collar which
 fixes price
 >> Cash vs. stock: 100% stock
 >> Price to Book: 3.0x
 >> Price to Tangible Book: 3.0x
 >> Price to Earnings:
 - 2003 IBES Mean Estimate: 25.4x
 - 2004 IBES Mean Estimate: 21.5x
 - 2004 Mgmt Estimate: 20.7x
 >> Goodwill/identified intangible
 created: \$170-180MM goodwill; current estimate of \$12MM core
 deposit intangible
 >> Expected IRR: 12-13%
 >> Investment Banks: Eagle used Ryan
 Beck; Fleet used Keefe, Bruyette & Woods

o Approvals Needed

>> OCC, Federal Reserve, and MA Board of Bank Incorporation
 >> Notices to the OTS, Pennsylvania Commissioner of Banks, and New
 Jersey Commissioner of Banks
 >> Eagle shareholders

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- o Expected Closing Date: Q1'04
- o Rationale for Purchase
 - >> Builds scale in and around Philadelphia and suburbs
 - >> Reinforces FBF's commitment to region & increases visibility of brand name in PA
 - >> Counties around Philadelphia are very attractive banking markets with affluent demographics
 - >> Good cross-sell opportunities; Eagle customer base is under-penetrated
 - >> Why this purchase vs. a de novo expansion: Acquisition provides immediate access to established and profitable clients and facilities. There will be some de novo growth in the future, as 2-4 stores are currently in the plans.
- o Eagle Profile
 - >> \$122 million in market cap (as of 8/27/03 based on stock price of \$16.96 per share)
 - >> \$1.1B in assets
 - >> \$534 million in loans (details on page 2)
 - >> 21 branches
 - >> \$741 million in deposits (details on page 2)
 - >> Deposits up 17% in past year
 - >> Net income: \$4.6 million in 2002; \$3.8 million in first half of 2003
 - >> Approximately 260 employees
 - >> Virtually all assets & profits come from basic businesses (retail banking/commercial banking/CRE)
 - >> NIM of 3.10% in Q2'03
 - >> Efficiency ratio: 66%
- o Additional Details
 - >> Eagle earned \$3.8 million after-tax in the first half of 2003
 - >> Cost saves: 20-25% of Progress' 2003 runrate expense (before brokerage expense) - 50% achieved in 2004 and 100% in 2005
 - >> One times: \$55-60MM in total - 43% balance sheet marks; 42% capitalized; 15% expensed
 - >> Revenue synergies: synergies from banking products up-sell, particularly brokerage, asset management, and trust services
 - >> Accretion / Dilution: EPS neutral in Year 1 and accretive thereafter (\$0.01 to \$0.02)
- o Branches Acquired
 - >> Eagle has 21 branches; one in NJ and 20 in PA and has 25 ATMs, 1 in each store and 4 remote locations
 - >> FBF already has 107 in PA and 129 ATMs, 104 in stores and 25 remote locations
 - >> 11 of branches & 70% of deposits in attractive Montgomery County
 - >> Minimal branch consolidations
- o Loan Portfolio as of 6/30/03 (total of \$532 million)
 - >> CRE: \$226 million
 - >> Construction: \$112 million (mainly to residential developers)
 - >> C&I: \$80 million
 - >> Consumer Loans: \$78 million (primarily home equity)
 - >> Residential Mortgages: \$27 million
 - >> Leases: \$10 million (currently \$9MM)
 - >> NPAs: \$5 million
 - >> Loan loss reserve: \$7.2 million
 - >> Net chargeoffs for first half of 2003: \$418 thousand
- o Deposits as of 6/30/03 (\$741 million)

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>> Time: \$362 million
>> NOW/Money Market: \$233 million
>> Demand: \$109 million
>> Savings: \$38 million