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## Pegasus Bank in Dallas Boosts Capital

By Rachel Witkowski

Pegasus Bank in Dallas said Wednesday that it had raised \$3.5 million in a stock sale and that it is using the funds to bolster its capital ratios.

The \$252 million-asset bank was already well capitalized but its chairman and president, Joe Goyne, said it does not hurt to pad capital levels.

“In most cases, banks are raising their capital-to-assets ratio even though they are considered well capitalized” because of market expectations, Goyne said in an interview. “We did not want to be towards the lower end of the group. It’s the prudent thing to do when prospects and customers look at your bank.”

Pegasus initially offered 538,460 shares but interest was so high that it wound up selling

more than 740,000 shares when the offering closed Monday. The offering price of \$6.50 a share was 1.2-times the bank’s tangible book value. Goyne said the additional capital will boost its equity-to-assets ratio to 9% from 7.4%.

Most community banks are wary of raising capital in current market conditions but Goyne said the five-year-old Pegasus needed to boost equity after its deposit growth far outpaced loan growth last year, increasing the bank’s funding costs. Total deposits at March 31 jumped 34% from a year earlier, to \$233 million, while total loans grew 17% to \$134 million.

“I’ve been in community banking for 40 years and I’ve never seen it to where loan growth was outstripped by deposits,” Goyne said.