



Paragon Hosts Shareholders at Annual Meeting

MEMPHIS, Tenn. [May 20, 2009] - Paragon National Bank (OTCBB: PGNN.OB) held its fourth annual shareholders' meeting May 12, 2009, at The Dixon Gallery and Gardens.

Shareholders, directors, and employees convened as President & CEO Robert Shaw presented Paragon's recent progress, accomplishments, and financials. Official business brought before shareholders was the re-election of Napoleon L. Cassibry III, John T. Novarese, Jr., Robert J. Hussey III, Glenn W. Cofield, and Dee Anna Smith to the Board of Directors.

Shaw discussed Paragon's accomplishments and challenges in 2008 and the first quarter of 2009. He presented customer service survey results showing an overall increase in customer satisfaction from the previous survey in 2007. He also noted several awards that the bank received, including securing a finalist position in *The Commercial Appeal's* Memphis Most Awards, winning in their division in *The Memphis Business Journal's* Best Places to Work Awards, and being honored with an ICBA (Independent Community Bankers of America) Excellence in Advertising Award. He also noted the opening of the Grove Park Banking Center in January 2009 and enthusiastically stated the bank's plans to "grow into" the banking centers that they've built.

"We continued to engage our customers and the community this year," said Shaw. "We co-hosted the third annual Small Business Seminar with The Society of Entrepreneurs, hosted several trust seminars with Chicago Title, and were involved, mostly by employee volunteerism, in over 90 community organizations."

Shaw discussed the continuing problems facing the banking industry, as well as Paragon's initiatives to overcome these issues, such as making no more residential construction loans and fewer residential real estate loans, improving loan portfolio performance, maintaining a conservative loan loss reserve, and continuing the current momentum of core deposit growth.

Paragon National Bank is one of the Memphis region's most locally-focused and service-oriented banks. Paragon provides individuals and small to mid-sized businesses and their owners with a comprehensive package of both business and personal banking solutions delivered online and in person. Paragon stands out in the crowd of Memphis banks with its local ownership and focus, cutting edge technology and convenience, and the experienced Paragon team.

For more information about Paragon National Bank, please call (901) 273-2900 or visit us online at www.bankparagon.com.