

Fla. Start-Up Has No Trouble Raising Capital

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By Laura K. Thompson

A new bank is opening for business in Miami today, backed by \$22 million of capital, the most ever for a Florida-chartered start-up.

Ramon Rasco, one of the organizers of US Century Bank, said that the group set out in July to raise \$16 million - \$10 million more than required by state regulators - so the bank could start making large loans right away.

US Century will target Hispanic business owners, and its goal is to be the largest bank in South Florida serving that market.

"We want to start being competitive as soon as possible, and want to make loans to a single borrower up to \$5 million," said Mr. Rasco, the bank's chairman. "In addition to that, it's a fact that the more capital a bank has, the better the chance it has of surviving."

US Century's president and chief executive officer, Octavio Hernandez, who was the president of \$115 million-asset First Bank of Miami before joining the start-up, said it has been serving shareholders and employees since last Monday and that it has opened 208 accounts with deposits totaling \$11 million.

"Our soft opening wasn't so soft," he said.

The flood of capital came from the organizers and their friends and family members. In all there are 400 shareholders, not one of whom owns more than 5%.

According to a spokeswoman for the Florida Division of Banking, state-chartered banks there typically open with \$7 million to \$8 million of capital; the minimum is \$6 million. There is no set minimum of start-up funding

for new national banks, but an Office of the Comptroller of the Currency spokesman said Friday that most national banks are being started in growing markets with \$5 million to \$6 million.

Chris Hargrove, the president of Professional Bank Services in Louisville, said US Century's \$22 million ranks with the most initial capital ever for a start-up, and not just in Florida. The bank's management, he said, will face pressure to grow quickly. "With that much capital you need to be \$250 million in assets to provide any return," he said. "They must have some very aggressive expectations of growth."

Texas Capital Bank in Dallas holds the record for the largest initial capitalization - \$78 million, in 1998. It had \$88.3 million of assets on its books by the end of that year and now has \$1.3 billion.

Mr. Rasco said US Century has not set asset goals, but he predicted that it would have more than \$15 million of loans on its books by yearend.

He said he is confident the bank will thrive in Miami because the city lacks a community bank catering to Hispanic businesses. He said the bank's board members and top executives all have extensive experience in Miami-area banking and are well known among business owners.

"There is a lot of competition and a lot of great banks," he said. "But I think there is an opportunity for a business-oriented community bank where customers can talk to the president face-to-face and know where the decisions are made."

Mr. Rasco, a lawyer, is a principal partner in Rasco, Reininger & Perez PA, a Coral Gables, Fla., firm he co-founded in 1986. In 1983 he helped to organize Ready State Bank in Hialeah, Fla.; he served as its counsel and a member of its board of directors until 1998, when the \$630 million-asset bank was sold to Union Planters Corp.

Mr. Hernandez was the president and CEO of Bankers Savings Bank in Coral Gables, Fla., from 1996 to 1998. The bank was sold to St. Petersburg, Fla.-based Republic Bancshares Inc. in 1998.