

# US Century Bank says deal near for \$65 million in capital

By Scott Blake

After enduring two deals that fell through, US Century Bank says it expects to reach an agreement soon with investors that would give the bank a much-needed \$65 million capital injection – a major step toward reviving US Century from past financial troubles.

US Century President, CEO and Director Carlos Davila said Tuesday he expects an agreement by the end of the month with one or possibly two groups of investors, and to finalize the deal sometime between the end of June and the end of July.

Mr. Davila wouldn't reveal the identities of the investors, except to say they are from the US, and would provide \$65 million – more than the \$50 million the bank had previously sought to raise.

"They felt comfortable about putting up the additional money," he told Miami Today. "The money will be used to support our growth plan for the next three to five years."

The money, he added, should enable US Century to meet the capital requirements of a 2011 federal consent order that specified how the bank was to manage its affairs in numerous areas, and should put the bank in a position for the order to be lifted.

The investors will get an ownership stake in the bank and probably a seat or seats on the bank's board of directors, Mr. Davila said.

The deal still must be approved by US Century shareholders and banking regulators.

The pending agreement follows two other deals that didn't work out: the first with St. Petersburg-based C1 Bank and CBM Florida Holding, which would have acquired US Century; the second with South Florida investors Jimmy Tate and Sergio Rok, who would have taken majority control of



Photo by Maxine Usdan

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the bank.

A portion of the money from the current deal would be used to pay off millions of dollars the bank owes to the federal Troubled Asset Relief Program (TARP).

In the aftermath of the financial crisis, US Century received \$52 million in TARP funds – the most of any bank in Florida. Mr. Davila said that debt can be repaid at a discount from the amount it actually received.

The current deal with investors would mark a turning point for US Century: Mr. Davila joined the bank in August 2012 on a rescue mission as US Century had been taking big losses – much of them from distressed

loans on real estate that had been devalued in the market crash and recession.

Since then, he and the bank's

board and staff have worked to restore its balance sheets. Once the current deal is sealed, he said, they can start focusing in earnest on the bank's growth.

US Century is continuing to whittle down its distressed assets, which had been \$325 million or more when Mr. Davila joined the bank but are now estimated to be below \$70 million. That includes a recent transaction on loans sold to a group named Waterfall amounting to \$15 million that were non-performing assets the bank was trying to shed.

In addition, Mr. Davila said, US Century restarted lending last year and has made "excellent strides in increasing the expertise on our board of directors."

Despite the bank's struggles in recent years, US Century could emerge as the largest "locally-owned independent community bank" in Greater Miami, according to Mr. Davila, noting that a number of local community banks have been sold in recent years, often to foreign buyers.

US Century currently has \$856 million in assets, he said.

"We've been cleaning up the bank for the past 18 months," he added. "Now we want to focus on our growth plan for the next 18 months."

