Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name U.S. CENTURY BANK		2 Issuer's employer identification number (EIN) 52-2371258
3 Name of contact for additional information ROB ANDERSON	4 Telephone No. of contact (305) 715-5393	5 Email address of contact rob.anderson@uscentury.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2301 NW 87TH AVENUE		7 City, town, or post office, state, and ZIP code of contact DORAL, FL 33172
8 Date of action 07/22/2021	9 Classification and description CONVERSION OF PREFERRED STOCK TO COMMON STOCK	

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
N/A	N/A	USCB (NASDAQ)	N/A

Part II Organizational Action
Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ SEE ATTACHMENT

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE ATTACHMENT

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE ATTACHMENT

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
IRC Sections 368, 354, 356 and 358.

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHMENT

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Date ▶ 1/14/2022

Print your name ▶ ROB ANDERSON Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
KEVIN F. POWERS	Kevin F. Powers	01/14/2022		P00032110
Firm's name ▶ CROWE LLP			Firm's EIN ▶	35-0921680
Firm's address ▶ 62 MEMORIAL RD. STE 100, WEST HARTFORD, CT 06107-2207			Phone no.	860-678-9200

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

U.S. CENTURY BANK
EIN: 52-2371258
Attachment to IRS Form 8937

The information contained herein is being provided pursuant to the requirements of IRC Section 6045B and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the transaction described below on tax basis in shares.

The information and examples provided below are illustrative only and are being provided pursuant to IRC Section 6045B and as a convenience to shareholders and their tax advisors. Shareholders should consult their tax advisors regarding specific consequences of the transaction, including the applicability and effect of all U.S. federal, state and local tax laws and foreign tax laws.

Part II, Question 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.

On July 22, 2021, immediately prior to the closing of U.S. Century Bank's ("USCB" or the "Company") Initial Public Offering, the Company conducted a voluntary exchange offer (the "Exchange"), pursuant to which the Company issued additional shares of Class A voting common stock in exchange for its Class C and Class D preferred stock (collectively the "Preferred Stock"). In aggregate, 90% of both classes of preferred stock were exchanged for Class A voting common stock, but not proportionately for each preferred stockholder.

Fractional shares were not issued in connection with the Exchange. Instead, a shareholder who would have otherwise been entitled to receive a fractional share as a result of the Exchange received cash in lieu thereof and was deemed for U.S. federal income tax purposes to have received and then immediately sold such fractional share for cash.

Part II, Question 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The conversion of the Preferred Stock is treated as an exchange of existing Preferred Stock for Class A voting common stock in a transaction assumed to qualify as a tax-free recapitalization under §368(a)(1)(E). Under §358(a), the shareholders' aggregate tax basis in the Class A voting common stock received pursuant to the Exchange will equal the aggregate tax basis in the Preferred Stock surrendered in the transaction. The tax basis in each share of Class A voting common stock received in the Exchange will equal the aggregate tax basis in each separate class of Preferred Stock immediately before the Exchange, divided by the number of shares of Class A voting common stock received for each separate class of Preferred Stock. For example, a stockholder owns 50 shares of Class C preferred stock with an aggregate tax basis of $25,000. In the Exchange, the stockholder receives 5,000 shares of Class A voting common stock in exchange for the 50 shares of Class C preferred stock. As such, each share of Class A voting common stock has a basis of $5 per share ($25,000 aggregate basis in Class C preferred stock, divided by 5,000 shares of Class A voting common stock received).

Part II, Question 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

See Line 15 above; in general, the shareholders' aggregate tax basis in the Class A voting common stock received will equal the aggregate tax basis in the Preferred Stock surrendered.

Part II, Question 18: Can any resulting loss be recognized?

Loss may be recognized in respect of cash received in lieu of fractional shares of Class A voting common stock to the extent that the portion of a holder's basis allocated to the fractional share of Class A voting common stock is greater than the amount of cash received in lieu of that fractional share.

Part II, Question 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year.

For a holder of Class C and/or Class D preferred stock whose tax year is the calendar year, the reportable tax year in respect of the redemption or conversion is generally the 2021 calendar year.

This information does not constitute tax advice and provides a description of common tax consequences, but does not purport to describe all tax consequences that may apply to all types of shareholders. Each shareholder should consult their own tax advisor regarding the specific consequences of the preferred stock conversion on tax basis and holding period, including applicability of any U.S. federal, state and local, and foreign tax laws.