

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 25, 2024

USCB Financial Holdings, Inc.

(Exact name of Registrant as Specified in Its Charter)

Florida (State or Other Jurisdiction of Incorporation)	001-41196 (Commission File Number)	87-4070846 (IRS Employer Identification No.)
2301 N.W. 87th Avenue , Doral, Florida (Address of Principal Executive Offices)		33172 (Zip Code)

Registrant's Telephone Number, Including Area Code: (305) 715-5200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A common stock, \$1.00 par value per share	USCB	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On July 25, 2024, USCB Financial Holdings, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended June 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (“Form 8-K”) and is incorporated herein by reference.

The information in this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 (the “Securities Act”) or the Exchange Act except as expressly set forth by specific reference in such filing to this Form 8-K.

Item 7.01. Regulation FD Disclosure.

As previously announced, at 11:00 a.m. ET on July 26, 2024, the Company will hold an earnings conference call to discuss its financial performance for the quarter ended June 30, 2024. A copy of the slides forming the basis of the presentation is being furnished as Exhibit 99.2 to this Form 8-K and is incorporated herein by reference. A copy of the slides has also been posted to the Company’s investor relations website, located at investors.uscenturybank.com.

The information in this Item 7.01, including Exhibit 99.2, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act except as set forth by specific reference in such filing to this Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	USCB Financial Holdings, Inc. Press Release, dated July 25, 2024
99.2	Earnings Presentation, dated July 25, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

USCB Financial Holdings, Inc.

By: /s/ Robert Anderson
Name: Robert Anderson
Title: Chief Financial Officer

Date: July 25, 2024

EARNINGS RELEASE



USCB Financial Holdings, Inc. Reports Record Fully Diluted EPS Since Going Public of \$0.31 for Q2 2024

MIAMI, FL – July 25, 2024 – USCB Financial Holdings, Inc. (the “Company”) (NASDAQ: USCB), the holding company for U.S. Century Bank (the “Bank”), reported net income of \$6.2 million or \$0.31 per fully diluted share for the three months ended June 30, 2024, compared with net income of \$4.2 million or \$0.21 per fully diluted share for the same period in 2023.

“Today marks another milestone for our bank, as we report for the quarter a fully diluted EPS of \$0.31. This achievement reflects the consistent execution of our strategic initiatives, supported by disciplined risk management practices and an associate base committed to superior customer service,” said Luis de la Aguilera, Chairman, President, and CEO. “Our focused efforts have resulted in a ROAA above 1.00%, strong NIM expansion, an efficiency ratio of 56% and continued stable credit metrics.” said de la Aguilera.

Unless otherwise stated, all percentage comparisons in the bullet points below are calculated at or for the quarter ended June 30, 2024 compared to at or for the quarter ended June 30, 2023 and annualized where appropriate.

Profitability

- Annualized return on average assets for the quarter ended June 30, 2024 was 1.01% compared to 0.77% for the second quarter of 2023.
- Annualized return on average stockholders’ equity for the quarter ended June 30, 2024 was 12.63% compared to 9.13% for the second quarter of 2023.
- The efficiency ratio for the quarter ended June 30, 2024 was 56.33% compared to 65.25% for the second quarter of 2023.
- Net interest margin for the quarter ended June 30, 2024 was 2.94% compared to 2.73% for the second quarter of 2023.
- Net interest income before provision for credit losses was \$17.3 million for the quarter ended June 30, 2024, an increase of \$3.1 million or 22.1% compared to the second quarter of 2023.

Balance Sheet

- Total assets were \$2.5 billion at June 30, 2024, representing an increase of \$232.4 million or 10.4% from June 30, 2023.
- Total loans were \$1.9 billion at June 30, 2024, representing an increase of \$273.3 million or 17.1% from June 30, 2023.
- Total deposits were \$2.1 billion at June 30, 2024, representing an increase of \$135.4 million or 7.0% from June 30, 2023.
- Total stockholders’ equity was \$201.0 million at June 30, 2024, representing an increase of \$17.3 million or 9.4% from June 30, 2023. Total stockholders’ equity included accumulated comprehensive loss of \$44.7 million at June 30, 2024 compared to accumulated comprehensive loss of \$46.3 million at June 30, 2023.

Asset Quality

- The allowance for credit losses (“ACL”) increased by \$3.4 million to \$22.2 million at June 30, 2024 from \$18.8 million at June 30, 2023.
- The ACL represented 1.19% of total loans at June 30, 2024 and 1.18% at June 30, 2023.
- Non-performing loans to total loans was 0.04% at June 30, 2024 and 0.03% at June 30, 2023.

Non-interest Income and Non-interest Expense

- Non-interest income was \$3.2 million for the three months ended June 30, 2024, an increase of \$1.4 million or 73.9% compared to \$1.8 million for the same period in 2023.
- Non-interest expense was \$11.6 million for the three months ended June 30, 2024, an increase of \$1.1 million or 10.6% compared to \$10.5 million for the same period in 2023.

Capital

- On July 22, 2024, the Company’s Board of Directors declared a cash dividend of \$0.05 per share of the Company’s Class A common stock. The dividend will be paid on September 5, 2024 to shareholders of record at the close of business on August 15, 2024.
- As of June 30, 2024, total risk-based capital ratios for the Company and the Bank were 13.12% and 13.01%, respectively.
- Tangible book value per common share (a non-GAAP measure) was \$10.24 at June 30, 2024, representing an increase of \$0.84 or 8.9% increase from \$9.40 at June 30, 2023.
- During the quarter the Company repurchased 25,000 shares of Class A common stock at a weighted average cost per share of \$12.04. The aggregate purchase price for these transactions was approximately \$301.0 thousand, including transaction costs. As of June 30, 2024, 547,980 shares remained authorized for repurchase under the Company’s share repurchase programs.

Conference Call and Webcast

The Company will host a conference call on Friday, July 26, 2024, at 11:00 a.m. Eastern Time to discuss the Company's unaudited financial results for the quarter ended June 30, 2024. To access the conference call, dial (833) 816-1416 (U.S. toll-free) and ask to join the USCB Financial Holdings Call.

Additionally, interested parties can listen to a live webcast of the call in the "Investor Relations" section of the Company's website at www.uscentury.com. An archived version of the webcast will be available in the same location shortly after the live call has ended.

About USCB Financial Holdings, Inc.

USCB Financial Holdings, Inc. is the bank holding company for U.S. Century Bank. Established in 2002, U.S. Century Bank is one of the largest community banks headquartered in Miami, and one of the largest community banks in the State of Florida. U.S. Century Bank is rated 5-Stars by BauerFinancial, the nation's leading independent bank rating firm. U.S. Century Bank offers customers a wide range of financial products and services and supports numerous community organizations, including the Greater Miami Chamber of Commerce, the South Florida Hispanic Chamber of Commerce, and ChamberSouth. For more information about us or to find a banking center near you, please call (305) 715-5200 or visit www.uscentury.com.

Forward-Looking Statements

This earnings release may contain statements that are not historical in nature and are intended to be, and are hereby identified as, forward-looking statements for purposes of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are those that are not historical facts. The words "may," "will," "anticipate," "could," "should," "would," "believe," "contemplate," "expect," "aim," "plan," "estimate," "continue," and "intend," the negative of these terms, as well as other similar words and expressions of the future, are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements related to our projected growth, anticipated future financial performance, and management's long-term performance goals, as well as statements relating to the anticipated effects on our results of operations and financial condition from expected or potential developments or events, or business and growth strategies, including anticipated internal growth and balance sheet restructuring.

These forward-looking statements involve significant risks and uncertainties that could cause our actual results to differ materially from those anticipated in such statements. Potential risks and uncertainties include, but are not limited to:

- the strength of the United States economy in general and the strength of the local economies in which we conduct operations;
- our ability to successfully manage interest rate risk, credit risk, liquidity risk, and other risks inherent to our industry;
- the accuracy of our financial statement estimates and assumptions, including the estimates used for our credit loss reserve and deferred tax asset valuation allowance;
- the efficiency and effectiveness of our internal control procedures and processes;
- our ability to comply with the extensive laws and regulations to which we are subject, including the laws for each jurisdiction where we operate;
- adverse changes or conditions in capital and financial markets, including actual or potential stresses in the banking industry;
- deposit attrition and the level of our uninsured deposits;
- legislative or regulatory changes and changes in accounting principles, policies, practices or guidelines, including the on-going effects of the implementation of the Current Expected Credit Losses ("CECL") standard;
- the lack of a significantly diversified loan portfolio and the concentration in the South Florida market, including the risks of geographic, depositor, and industry concentrations, including our concentration in loans secured by real estate, in particular, commercial real estate;
- the effects of climate change;
- the concentration of ownership of our common stock;
- fluctuations in the price of our common stock;
- our ability to fund or access the capital markets at attractive rates and terms and manage our growth, both organic growth as well as growth through other means, such as future acquisitions;
- inflation, interest rate, unemployment rate, and market and monetary fluctuations;
- impacts of international hostilities and geopolitical events;
- increased competition and its effect on the pricing of our products and services as well as our interest rate spread and net interest margin;
- the loss of key employees;
- the effectiveness of our risk management strategies, including operational risks, including, but not limited to, client, employee, or third-party fraud and security breaches; and
- other risks described in this earnings release and other filings we make with the Securities and Exchange Commission ("SEC").

All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations. Therefore, you are cautioned not to place undue reliance on any forward-looking statements. Further, forward-looking statements included in this earnings release are made only as of the date hereof, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events, unless required to do so under the federal securities laws. You should also review the risk factors described in the reports the Company filed or will file with the SEC.

Non-GAAP Financial Measures

This earnings release includes financial information determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). This financial information includes certain operating performance measures. Management has included these non-GAAP measures because it believes these measures may provide useful supplemental information for evaluating the Company's operations and underlying performance trends. Further, management uses these measures in managing and evaluating the Company's business and intends to refer to them in discussions about our operations and performance. Operating performance measures should be viewed in addition to, and not as an alternative to or substitute for, measures determined in accordance with GAAP, and are not necessarily comparable to non-GAAP measures that may be presented by other companies. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures can be found in the "Non-GAAP Reconciliation Tables" included in the exhibits to this earnings release.

All numbers included in this press release are unaudited unless otherwise noted.

Contacts:

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USCB FINANCIAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(Dollars in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest income:				
Loans, including fees	\$ 28,017	\$ 20,847	\$ 54,660	\$ 40,558
Investment securities	3,069	2,382	5,880	4,668
Interest-bearing deposits in financial institutions	1,531	1,051	2,964	1,433
Total interest income	32,617	24,280	63,504	46,659
Interest expense:				
Interest-bearing checking	391	200	760	243
Savings and money market accounts	10,071	6,968	20,465	11,753
Time deposits	3,222	2,145	6,516	3,202
FHLB advances and other borrowings	1,622	794	3,294	1,291
Total interest expense	15,306	10,107	31,035	16,489
Net interest income before provision for credit losses	17,311	14,173	32,469	30,170
Provision for credit losses	786	38	1,196	239
Net interest income after provision for credit losses	16,525	14,135	31,273	29,931
Non-interest income:				
Service fees	1,977	1,173	3,628	2,378
Gain (loss) on sale of securities available for sale, net	14	-	14	(21)
Gain on sale of loans held for sale, net	417	94	484	441
Other non-interest income	803	579	1,549	1,118
Total non-interest income	3,211	1,846	5,675	3,916
Non-interest expense:				
Salaries and employee benefits	7,353	5,882	13,663	12,259
Occupancy	1,266	1,319	2,580	2,618
Regulatory assessments and fees	476	452	909	676
Consulting and legal fees	263	386	855	744
Network and information technology services	479	505	986	983
Other operating expense	1,723	1,908	3,741	3,348
Total non-interest expense	11,560	10,452	22,734	20,628
Net income before income tax expense	8,176	5,529	14,214	13,219
Income tax expense	1,967	1,333	3,393	3,214
Net income	\$ 6,209	\$ 4,196	\$ 10,821	\$ 10,005
Per share information:				
Net income per common share, basic	\$ 0.32	\$ 0.21	\$ 0.55	\$ 0.51
Net income per common share, diluted	\$ 0.31	\$ 0.21	\$ 0.55	\$ 0.51
Cash dividends declared	\$ 0.05	\$ -	\$ 0.10	\$ -
Weighted average shares outstanding:				
Common shares, basic	19,650,681	19,590,359	19,642,006	19,722,152
Common shares, diluted	19,717,167	19,639,682	19,707,561	19,790,756

USCB FINANCIAL HOLDINGS, INC.
SELECTED FINANCIAL DATA (UNAUDITED)
(Dollars in thousands, except per share data)

	As of or For the Three Months Ended				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Income statement data:					
Net interest income	\$ 17,311	\$ 15,158	\$ 14,376	\$ 14,022	\$ 14,173
Provision for credit losses	786	410	1,475	653	38
Net interest income after provision for credit losses	16,525	14,748	12,901	13,369	14,135
Service fees	1,977	1,651	1,348	1,329	1,173
Gain (loss) on sale of securities available for sale, net	14	-	(883)	(955)	-
Gain on sale of loans held for sale, net	417	67	105	255	94
Other income	803	746	756	1,532	579
Total non-interest income	3,211	2,464	1,326	2,161	1,846
Salaries and employee benefits	7,353	6,310	6,104	6,066	5,882
Occupancy	1,266	1,314	1,262	1,350	1,319
Regulatory assessments and fees	476	433	412	365	452
Consulting and legal fees	263	592	642	513	386
Network and information technology services	479	507	552	481	505
Other operating expense	1,723	2,018	1,747	1,686	1,908
Total non-interest expense	11,560	11,174	10,719	10,461	10,452
Net income before income tax expense	8,176	6,038	3,508	5,069	5,529
Income tax expense	1,967	1,426	787	1,250	1,333
Net income	\$ 6,209	\$ 4,612	\$ 2,721	\$ 3,819	\$ 4,196
Per share information:					
Net income per common share, basic	\$ 0.32	\$ 0.23	\$ 0.14	\$ 0.20	\$ 0.21
Net income per common share, diluted	\$ 0.31	\$ 0.23	\$ 0.14	\$ 0.19	\$ 0.21
Cash dividends declared	\$ 0.05	\$ 0.05	-	-	-
Balance sheet data (at period-end):					
Cash and cash equivalents	\$ 77,261	\$ 126,546	\$ 41,062	\$ 33,435	\$ 87,280
Securities available-for-sale	\$ 236,444	\$ 259,992	\$ 229,329	\$ 218,609	\$ 218,442
Securities held-to-maturity	\$ 169,606	\$ 173,038	\$ 174,974	\$ 197,311	\$ 220,956
Total securities	\$ 406,050	\$ 433,030	\$ 404,303	\$ 415,920	\$ 439,398
Loans held for investment ⁽¹⁾	\$ 1,869,249	\$ 1,821,196	\$ 1,780,827	\$ 1,676,520	\$ 1,595,959
Allowance for credit losses	\$ (22,230)	\$ (21,454)	\$ (21,084)	\$ (19,493)	\$ (18,815)
Total assets	\$ 2,458,270	\$ 2,489,142	\$ 2,339,093	\$ 2,244,602	\$ 2,225,914
Non-interest-bearing demand deposits	\$ 579,243	\$ 576,626	\$ 552,762	\$ 573,546	\$ 572,360
Interest-bearing deposits	\$ 1,477,459	\$ 1,526,168	\$ 1,384,377	\$ 1,347,376	\$ 1,348,941
Total deposits	\$ 2,056,702	\$ 2,102,794	\$ 1,937,139	\$ 1,920,922	\$ 1,921,301
FHLB advances and other borrowings	\$ 162,000	\$ 162,000	\$ 183,000	\$ 102,000	\$ 87,000
Total liabilities	\$ 2,257,250	\$ 2,294,131	\$ 2,147,125	\$ 2,061,718	\$ 2,042,229
Total stockholders' equity	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884	\$ 183,685
Capital ratios:⁽²⁾					
Leverage ratio	9.03%	8.91%	9.28%	9.26%	9.32%
Common equity tier 1 capital	11.93%	11.80%	11.62%	11.97%	12.27%
Tier 1 risk-based capital	11.93%	11.80%	11.62%	11.97%	12.27%
Total risk-based capital	13.12%	12.98%	12.78%	13.10%	13.42%

(1) Loan amounts include deferred fees/costs.

(2) Reflects the Company's regulatory capital ratios which are provided for informational purposes only; as a small bank holding company, the Company is not subject to regulatory capital requirements. The Bank's total risk-based capital for second quarter 2024 was 13.01%.

USCB FINANCIAL HOLDINGS, INC.
AVERAGE BALANCES, RATIOS, AND OTHER DATA (UNAUDITED)
(Dollars in thousands)

	As of or For the Three Months Ended				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Average balance sheet data:					
Cash and cash equivalents	\$ 107,831	\$ 132,266	\$ 57,069	\$ 90,742	\$ 94,313
Securities available-for-sale	\$ 263,345	\$ 239,896	\$ 215,649	\$ 222,134	\$ 224,913
Securities held-to-maturity	\$ 171,682	\$ 174,142	\$ 181,151	\$ 218,694	\$ 192,628
Total securities	\$ 435,027	\$ 414,038	\$ 396,800	\$ 440,828	\$ 417,541
Loans held for investment ⁽¹⁾	\$ 1,828,487	\$ 1,781,528	\$ 1,698,611	\$ 1,610,864	\$ 1,569,266
Total assets	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542
Interest-bearing deposits	\$ 1,473,513	\$ 1,473,831	\$ 1,336,470	\$ 1,353,516	\$ 1,270,657
Non-interest-bearing demand deposits	\$ 610,370	\$ 574,760	\$ 577,133	\$ 587,917	\$ 601,778
Total deposits	\$ 2,083,883	\$ 2,048,591	\$ 1,913,603	\$ 1,941,433	\$ 1,872,435
FHLB advances and other borrowings	\$ 162,000	\$ 164,187	\$ 139,000	\$ 85,326	\$ 93,075
Total liabilities	\$ 2,281,467	\$ 2,243,011	\$ 2,085,182	\$ 2,065,357	\$ 1,999,304
Total stockholders' equity	\$ 197,755	\$ 193,092	\$ 183,629	\$ 184,901	\$ 184,238
Performance ratios:					
Return on average assets ⁽²⁾	1.01%	0.76%	0.48%	0.67%	0.77%
Return on average equity ⁽²⁾	12.63%	9.61%	5.88%	8.19%	9.13%
Net interest margin ⁽²⁾	2.94%	2.62%	2.65%	2.60%	2.73%
Non-interest income to average assets ⁽²⁾	0.52%	0.41%	0.23%	0.38%	0.34%
Efficiency ratio ⁽³⁾	56.33%	63.41%	68.27%	64.64%	65.25%
Loans by type (at period end):⁽⁴⁾					
Residential real estate	\$ 256,807	\$ 237,906	\$ 204,419	\$ 188,880	\$ 183,093
Commercial real estate	\$ 1,053,030	\$ 1,057,800	\$ 1,047,593	\$ 1,005,280	\$ 989,401
Commercial and industrial	\$ 248,525	\$ 228,045	\$ 219,757	\$ 212,975	\$ 169,401
Correspondent banks	\$ 112,510	\$ 100,182	\$ 114,945	\$ 94,640	\$ 85,409
Consumer and other	\$ 194,644	\$ 194,325	\$ 191,930	\$ 173,096	\$ 167,845
Asset quality data:					
Allowance for credit losses to total loans	1.19%	1.18%	1.18%	1.16%	1.18%
Allowance for credit losses to non-performing loans	2,933%	4,705%	4,505%	4,070%	3,871%
Total non-performing loans ⁽⁵⁾	\$ 758	\$ 456	\$ 468	\$ 479	\$ 486
Non-performing loans to total loans	0.04%	0.03%	0.03%	0.03%	0.03%
Non-performing assets to total assets ⁽⁵⁾	0.03%	0.02%	0.02%	0.02%	0.02%
Net charge-offs (recoveries of) to average loans ⁽²⁾	(0.00)%	(0.00)%	(0.00)%	(0.00)%	0.01%
Net charge-offs (recovery) of credit losses	\$ (2)	\$ (7)	\$ (3)	\$ (5)	\$ 29
Interest rates and yields:⁽²⁾					
Loans	6.16%	6.01%	5.79%	5.55%	5.33%
Investment securities	2.80%	2.69%	2.46%	2.52%	2.26%
Total interest-earning assets	5.54%	5.34%	5.16%	4.89%	4.68%
Deposits	2.64%	2.76%	2.53%	2.39%	1.99%
FHLB advances and other borrowings	4.03%	4.10%	4.04%	3.19%	3.42%
Total interest-bearing liabilities	3.76%	3.86%	3.66%	3.41%	2.97%
Other information:					
Full-time equivalent employees	197	199	196	194	198

(1) Loan amounts include deferred fees/costs.

(2) Annualized.

(3) Efficiency ratio is defined as total non-interest expense divided by sum of net interest income and total non-interest income.

(4) Loan amounts exclude deferred fees/costs.

(5) The amounts for total non-performing loans and total non-performing assets are the same at the dates presented since there were no other real estate owned (OREO) recorded.

USCB FINANCIAL HOLDINGS, INC.
NET INTEREST MARGIN (UNAUDITED)
(Dollars in thousands)

	Three Months Ended June 30,					
	2024			2023		
	Average Balance	Interest	Yield/Rate ⁽¹⁾	Average Balance	Interest	Yield/Rate ⁽¹⁾
Assets						
Interest-earning assets:						
Loans ⁽²⁾	\$ 1,828,487	\$ 28,017	6.16%	\$ 1,569,266	\$ 20,847	5.33%
Investment securities ⁽³⁾	440,559	3,069	2.80%	422,544	2,382	2.26%
Other interest-earning assets	<u>100,371</u>	<u>1,531</u>	6.13%	<u>87,536</u>	<u>1,051</u>	4.82%
Total interest-earning assets	2,369,417	32,617	5.54%	2,079,346	24,280	4.68%
Non-interest-earning assets	<u>109,805</u>			<u>104,196</u>		
Total assets	<u>\$ 2,479,222</u>			<u>\$ 2,183,542</u>		
Liabilities and stockholders' equity						
Interest-bearing liabilities:						
Interest-bearing checking deposits	\$ 56,369	391	2.79%	\$ 53,561	200	1.50%
Saving and money market deposits	1,101,272	10,071	3.68%	940,095	6,968	2.97%
Time deposits	<u>315,872</u>	<u>3,222</u>	4.10%	<u>277,001</u>	<u>2,145</u>	3.11%
Total interest-bearing deposits	1,473,513	13,684	3.74%	1,270,657	9,313	2.94%
FHLB advances and other borrowings	<u>162,000</u>	<u>1,622</u>	4.03%	<u>93,075</u>	<u>794</u>	3.42%
Total interest-bearing liabilities	1,635,513	15,306	3.76%	1,363,732	10,107	2.97%
Non-interest-bearing demand deposits	610,370			601,778		
Other non-interest-bearing liabilities	<u>35,584</u>			<u>33,794</u>		
Total liabilities	2,281,467			1,999,304		
Stockholders' equity	197,755			184,238		
Total liabilities and stockholders' equity	<u>\$ 2,479,222</u>			<u>\$ 2,183,542</u>		
Net interest income		<u>\$ 17,311</u>			<u>\$ 14,173</u>	
Net interest spread ⁽⁴⁾			1.78%			1.71%
Net interest margin ⁽⁵⁾			2.94%			2.73%

(1) Annualized.

(2) Average loan balances include non-accrual loans. Interest income on loans includes accretion of deferred loan fees, net of deferred loan costs.

(3) At fair value except for securities held to maturity. This amount includes FHLB stock.

(4) Net interest spread is the average yield earned on total interest-earning assets minus the average rate paid on total interest-bearing liabilities.

(5) Net interest margin is the ratio of net interest income to total interest-earning assets.

USCB FINANCIAL HOLDINGS, INC.
NON-GAAP FINANCIAL MEASURES (UNAUDITED)
(Dollars in thousands)

	As of or For the Three Months Ended				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Pre-tax pre-provision ("PTPP") income:⁽¹⁾					
Net income	\$ 6,209	\$ 4,612	\$ 2,721	\$ 3,819	\$ 4,196
Plus: Provision for income taxes	1,967	1,426	787	1,250	1,333
Plus: Provision for credit losses	786	410	1,475	653	38
PTPP income	\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722	\$ 5,567
PTPP return on average assets:⁽¹⁾					
PTPP income	\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722	\$ 5,567
Average assets	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542
PTPP return on average assets ⁽²⁾	1.45%	1.06%	0.87%	1.01%	1.02%
Operating net income:⁽¹⁾					
Net income	\$ 6,209	\$ 4,612	\$ 2,721	\$ 3,819	\$ 4,196
Less: Net gains (losses) on sale of securities	14	-	(883)	(955)	-
Less: Tax effect on sale of securities	(4)	-	224	242	-
Operating net income	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532	\$ 4,196
Operating PTPP income:⁽¹⁾					
PTPP income	\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722	\$ 5,567
Less: Net gains (losses) on sale of securities	14	-	(883)	(955)	-
Operating PTPP income	\$ 8,948	\$ 6,448	\$ 5,866	\$ 6,677	\$ 5,567
Operating PTPP return on average assets:⁽¹⁾					
Operating PTPP income	\$ 8,948	\$ 6,448	\$ 5,866	\$ 6,677	\$ 5,567
Average assets	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542
Operating PTPP return on average assets ⁽²⁾	1.45%	1.06%	1.03%	1.18%	1.02%
Operating return on average assets:⁽¹⁾					
Operating net income	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532	\$ 4,196
Average assets	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542
Operating return on average assets ⁽²⁾	1.01%	0.76%	0.59%	0.80%	0.77%
Operating return on average equity:⁽¹⁾					
Operating net income	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532	\$ 4,196
Average equity	\$ 197,755	\$ 193,092	\$ 183,629	\$ 184,901	\$ 184,238
Operating return on average equity ⁽²⁾	12.61%	9.61%	7.30%	9.72%	9.13%
Operating Revenue:⁽¹⁾					
Net interest income	\$ 17,311	\$ 15,158	\$ 14,376	\$ 14,022	\$ 14,173
Non-interest income	3,211	2,464	1,326	2,161	1,846
Less: Net gains (losses) on sale of securities	14	-	(883)	(955)	-
Operating revenue	\$ 20,508	\$ 17,622	\$ 16,585	\$ 17,138	\$ 16,019
Operating Efficiency Ratio:⁽¹⁾					
Total non-interest expense	\$ 11,560	\$ 11,174	\$ 10,719	\$ 10,461	\$ 10,452
Operating revenue	\$ 20,508	\$ 17,622	\$ 16,585	\$ 17,138	\$ 16,019
Operating efficiency ratio	56.37%	63.41%	64.63%	61.04%	65.25%

(1) The Company believes these non-GAAP measurements are key indicators of the ongoing earnings power of the Company.

(2) Annualized.

USCB FINANCIAL HOLDINGS, INC.
NON-GAAP FINANCIAL MEASURES (UNAUDITED)
(Dollars in thousands, except per share data)

	As of or For the Three Months Ended				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Tangible book value per common share (at period-end):⁽¹⁾					
Total stockholders' equity	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884	\$ 183,685
Less: Intangible assets	-	-	-	-	-
Tangible stockholders' equity	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884	\$ 183,685
Total shares issued and outstanding (at period-end):					
Total common shares issued and outstanding	19,630,632	19,650,463	19,575,435	19,542,290	19,544,777
Tangible book value per common share ⁽²⁾	\$ 10.24	\$ 9.92	\$ 9.81	\$ 9.36	\$ 9.40
Operating diluted net income per common share:⁽¹⁾					
Operating net income	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532	\$ 4,196
Total weighted average diluted shares of common stock	19,717,167	19,698,258	19,573,350	19,611,897	19,639,682
Operating diluted net income per common share:	\$ 0.31	\$ 0.23	\$ 0.17	\$ 0.23	\$ 0.21
Tangible Common Equity/Tangible Assets⁽¹⁾					
Tangible stockholders' equity	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884	\$ 183,685
Tangible total assets ⁽³⁾	\$ 2,458,270	\$ 2,489,142	\$ 2,339,093	\$ 2,244,602	\$ 2,225,914
Tangible Common Equity/Tangible Assets	8.18%	7.83%	8.21%	8.15%	8.25%

(1) The Company believes these non-GAAP measurements are key indicators of the ongoing earnings power of the Company.

(2) Excludes the dilutive effect, if any, of shares of common stock issuable upon exercise of outstanding stock options.

(3) Since the Company has no intangible assets, tangible total assets is the same amount as total assets calculated under GAAP.

EARNINGS PRESENTATION

SECOND QUARTER 2024

NASDAQ: **USCB**





FORWARD-LOOKING STATEMENTS

This presentation may contain statements that are not historical in nature and are intended to be, and are hereby identified as, forward-looking statements for purposes of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are those that are not historical facts. The words "may," "will," "anticipate," "could," "should," "would," "believe," "contemplate," "expect," "aim," "plan," "estimate," "continue," and "intend," the negative of these terms, as well as other similar words and expressions of the future, are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements related to our projected growth, anticipated future financial performance, and management's long-term performance goals, as well as statements relating to the anticipated effects on our results of operations and financial condition from expected or potential developments or events, or business and growth strategies, including anticipated internal growth and balance sheet restructuring.

These forward-looking statements involve significant risks and uncertainties that could cause our actual results to differ materially from those anticipated in such statements. Potential risks and uncertainties include, but are not limited to:

- the strength of the United States economy in general and the strength of the local economies in which we conduct operations;
- our ability to successfully manage interest rate risk, credit risk, liquidity risk, and other risks inherent to our industry;
- the accuracy of our financial statement estimates and assumptions, including the estimates used for our credit loss reserve and deferred tax asset valuation allowance;
- the efficiency and effectiveness of our internal control procedures and processes;
- our ability to comply with the extensive laws and regulations to which we are subject, including the laws for each jurisdiction where we operate;
- adverse changes or conditions in the capital and financial markets, including actual or potential stresses in the banking industry;
- deposit attrition and the level of our uninsured deposits;
- legislative or regulatory changes and changes in accounting principles, policies, practices or guidelines, including the on-going effects of the implementation of the Current Expected Credit Losses ("CECL") standard;
- the lack of a significantly diversified loan portfolio and the concentration in the South Florida market, including the risks of geographic, depositor, and industry concentrations, including our concentration in loans secured by real estate, in particular, commercial real estate;
- the effects of climate change;
- the concentration of ownership of our common stock;
- fluctuations in the price of our common stock;
- our ability to fund or access the capital markets at attractive rates and terms and manage our growth, both organic growth as well as growth through other means, such as future acquisitions;
- inflation, interest rate, unemployment rate, and market and monetary fluctuations;
- impacts of international hostilities and geopolitical events;
- increased competition and its effect on the pricing of our products and services as well as our net interest rate spread and net interest margin;
- the loss of key employees;
- the effectiveness of our risk management strategies, including operational risks, including, but not limited to, client, employee, or third-party fraud and security breaches; and
- other risks described in this presentation and other filings we make with the Securities and Exchange Commission ("SEC").

All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations. Therefore, you are cautioned not to place undue reliance on any forward-looking statements. Further, forward-looking statements included in this presentation are made only as of the date hereof, and we undertake no obligation to update or revise any forward-looking statements to reflect events or circumstances occurring after the date on which the statements are made or to reflect the occurrence of unanticipated events, unless required to do so under the federal securities laws. You should also review the risk factors described in the reports USCB Financial Holdings, Inc. filed or will file with the SEC.

Non-GAAP Financial Measures

This presentation includes financial information determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). This financial information includes certain operating performance measures. Management has included these non-GAAP financial measures because it believes these measures may provide useful supplemental information for evaluating the Company's expectations and underlying performance trends. Further, management uses these measures in managing and evaluating the Company's business and intends to refer to them in discussions about our operations and performance. Operating performance measures should be viewed in addition to, and not as an alternative to or substitute for, measures determined in accordance with GAAP, and are not necessarily comparable to non-GAAP measures that may be presented by other companies. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures can be found in the 'Non-GAAP Reconciliation Tables' included in this presentation.

All numbers included in this presentation are unaudited unless otherwise noted.



Q2 2024 HIGHLIGHTS



GROWTH

Average deposits increased by \$211.4 million or 11.3% compared to the second quarter 2023.

Average loans increased \$259.2 million or 16.5% compared to the second quarter 2023.

Liquidity sources as of June 30, 2024, totaled \$615 million in on-balance sheet and off-balance sheet sources.

Tangible book value per common share (a non-GAAP measure) ⁽¹⁾ was \$10.24 at June 30, 2024, representing an increase of \$0.84 or 8.9% increase from \$9.40 at June 30, 2023.



PROFITABILITY

Net income was \$6.2 million or \$0.31 per diluted share, an increase of \$2.0 million or 48% compared to the second quarter 2023.

Net interest income before provision increased \$3.1 million or 22.1% for the quarter compared to the second quarter 2023.

ROAA was 1.01% in the second quarter 2024 compared to 0.77% for the second quarter 2023.

ROAE was 12.63% in the second quarter 2024 compared to 9.13% for the second quarter 2023.



CAPITAL/ CREDIT

The Company's Board of Directors declared a cash dividend of \$0.05 per share of the Company's Class A common stock on July 22, 2024. The dividend will be paid on September 5, 2024, to shareholders of record at the close of business on August 15, 2024.

At June 30, 2024, two loans were classified as nonaccrual for a total of \$758 thousand.

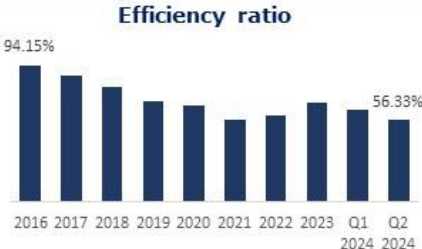
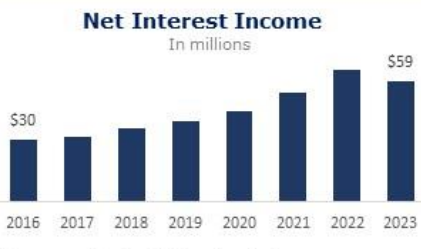
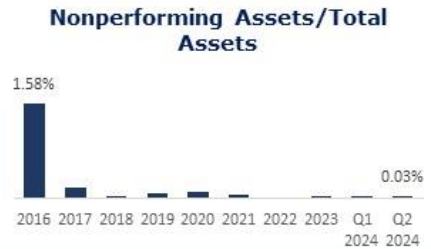
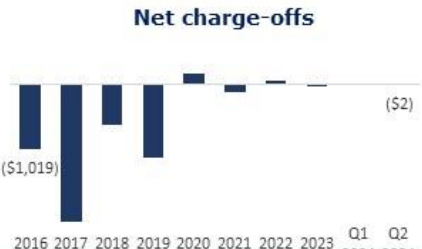
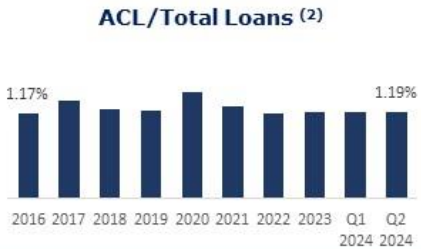
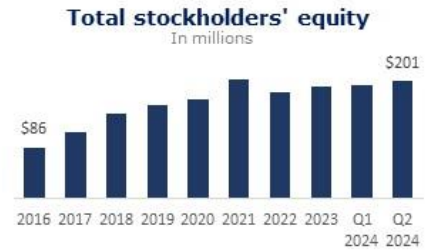
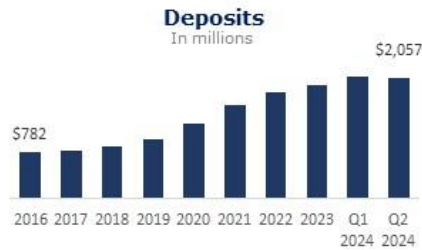
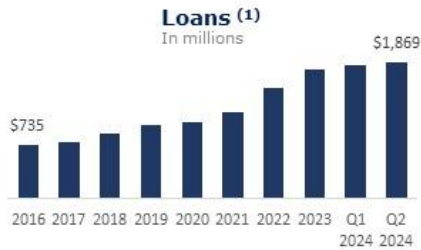
ACL coverage ratio was 1.19% at June 30, 2024, and 1.18% at June 30, 2023.

⁽¹⁾ Non-GAAP financial measure. See reconciliation in this presentation.



HISTORICAL FINANCIALS

EOP for Balance Sheet amounts



⁽¹⁾ Loan amounts include deferred fees/costs.

⁽²⁾ ACL was calculated under the CECL standard methodology for all periods after January 1st 2023, and the incurred loss methodology for all periods before.

⁽³⁾ Non-GAAP financial measure. See reconciliation in this presentation.



FINANCIAL RESULTS

In thousands (except per share data)

	Q2 2024	Q1 2024	Q2 2023	
Balance Sheet (EOP)	Total Securities	\$406,050	\$433,030	\$439,398
	Total Loans ⁽¹⁾	\$1,869,249	\$1,821,196	\$1,595,959
	Total Assets	\$2,458,270	\$2,489,142	\$2,225,914
	Total Deposits	\$2,056,702	\$2,102,794	\$1,921,301
	Total Equity ⁽²⁾	\$201,020	\$195,011	\$183,685
Income Statement	Net Interest Income	\$17,311	\$15,158	\$14,173
	Non-Interest Income	\$3,211	\$2,464	\$1,846
	Total Revenue	\$20,522	\$17,622	\$16,019
	Provision for Credit Losses	\$786	\$410	\$38
	Non-Interest Expense	\$11,560	\$11,174	\$10,452
	Net Income	\$6,209	\$4,612	\$4,196
	Diluted Earning Per Share (EPS)	\$0.31	\$0.23	\$0.21
	Weighted Average Diluted Shares	19,717,167	19,698,258	19,639,682

⁽¹⁾ Loan amounts include deferred fees/costs.

⁽²⁾ Total Equity includes accumulated comprehensive loss of \$44.7 million for Q2 2024, \$45.4 million for Q1 2024, and \$46.3 million for Q2 2023.



KEY PERFORMANCE INDICATORS



GROWTH



PROFITABILITY



CAPITAL/
CREDIT

	Q2 2024	Q1 2024	Q2 2023
	In thousands (except for TBV/share)		
Total Assets (EOP)	\$2,458,270	\$2,489,142	\$2,225,914
Total Loans (EOP)	\$1,869,249	\$1,821,196	\$1,595,959
Total Deposits (EOP)	\$2,056,702	\$2,102,794	\$1,921,301
Tangible Book Value/Share ⁽¹⁾⁽⁴⁾	\$10.24	\$9.92	\$9.40
Return On Average Assets (ROAA) ⁽³⁾	1.01%	0.76%	0.77%
Return On Average Equity (ROAE) ⁽³⁾	12.63%	9.61%	9.13%
Net Interest Margin ⁽³⁾	2.94%	2.62%	2.73%
Efficiency Ratio	56.33%	63.41%	65.25%
Non-Interest Expense/Avg Assets ⁽³⁾	1.88%	1.84%	1.92%
Tangible Common Equity/Tangible Assets ⁽¹⁾	8.18%	7.83%	8.25%
Total Risk-Based Capital ⁽²⁾	13.12%	12.98%	13.42%
NCO/Avg Loans ⁽³⁾	0.00%	0.00%	0.01%
NPA/Assets	0.03%	0.02%	0.02%
Allowance Credit Losses/Loans	1.19%	1.18%	1.18%

⁽¹⁾ Non-GAAP financial measures. See reconciliation in this presentation.

⁽²⁾ Reflects the Company's regulatory capital ratios which are provided for informational purposes only; as a small bank holding company, the Company is not subject to regulatory capital requirements.

⁽³⁾ Annualized.

⁽⁴⁾ AOCI effect on tangible book value per share was \$(2.28) for Q2 2024, \$(2.31) for Q1 2024 and \$(2.37) for Q2 2023.

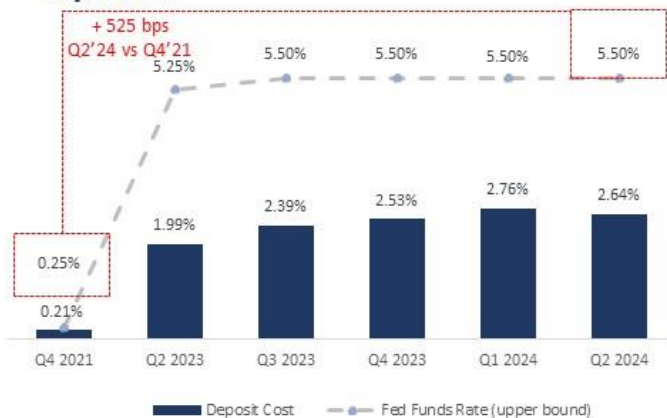


DEPOSIT PORTFOLIO

Deposits AVG In millions



Deposit Cost



Commentary

Average deposits increased \$35.3 million or 6.9% annualized compared to the prior quarter and increased \$211.4 million or 11.3% compared to the second quarter 2023.

Average DDA deposits increased \$35.6 million or 24.9% annualized compared to prior quarter.

Average DDA balances comprised 29.3% of total average deposits for second quarter 2024.

Cost of deposits **decreased** 12 bps compared to prior quarter.

Deposit beta of 46% since Q4 2021.



LOAN PORTFOLIO

Total Loans (AVG)

In millions



Commentary

Average loans increased \$47.0 million or 10.6% annualized compared to prior quarter and \$259.2 million or 16.5% compared to the second quarter 2023.

Loan coupon increased 15 bps compared to the prior quarter and 85 bps compared to the second quarter 2023.

Loan Yields

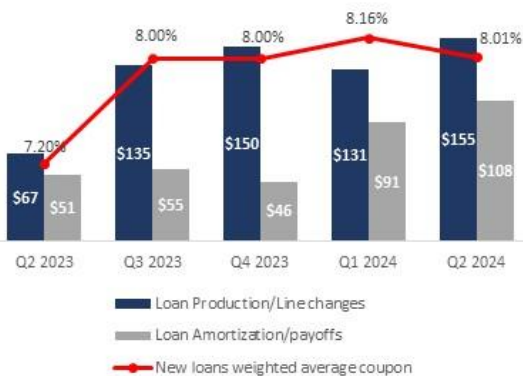




LOAN PRODUCTION

Net Loan Production Trend

In millions



Loan Composition Trend EOP ⁽¹⁾

In millions



Real Estate Loans

Commentary

\$155.2 million in new loan production in the second quarter 2024.

Weighted average coupon on new loans was 8.01% for second quarter 2024, 185 bps above portfolio weighted average.

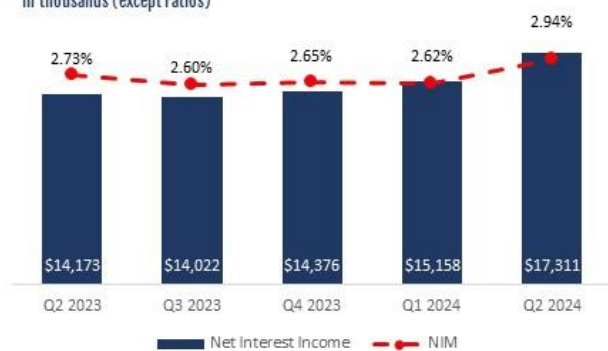
Loan composition shift from real estate loans to non-CRE loans is steadily increasing, further diversifying our loan portfolio.



NET INTEREST MARGIN

Net Interest Income/Margin ⁽¹⁾

In thousands (except ratios)



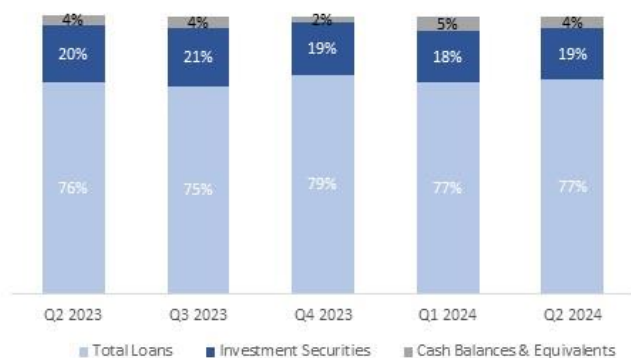
Commentary

Net interest income increased \$2.2 million or 57.1% annualized compared to prior quarter and \$3.1 million or 22.1% compared to the second quarter 2023.

Net interest margin increased 32 bps compared to prior quarter and 21 bps compared to second quarter 2023.

NIM drivers: rationalization of deposit cost, new loans at higher yields, and DDA growth.

Interest-Earning Assets Mix (AVG)

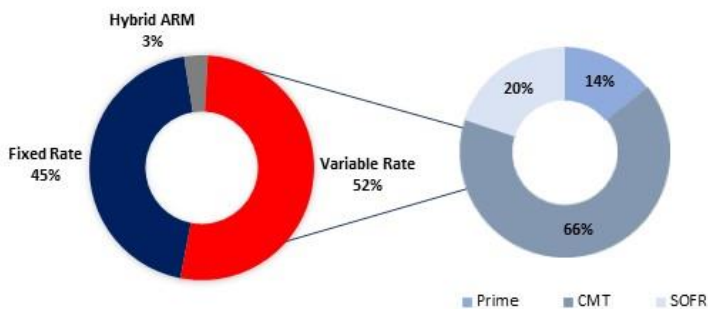


⁽¹⁾ Annualized.

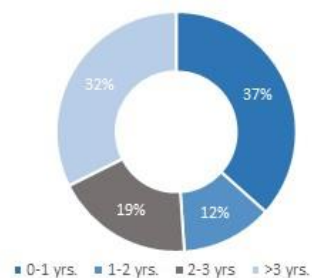


INTEREST RATE SENSITIVITY

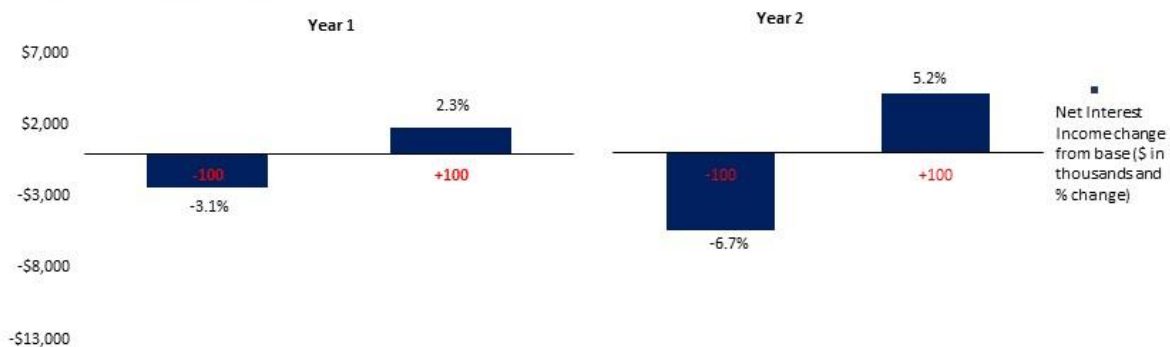
Loan Portfolio Repricing Profile by Rate Type



Loan Repricing Schedule Variable/Hybrid Rate Loans



Static NII Simulation Year 1 & 2

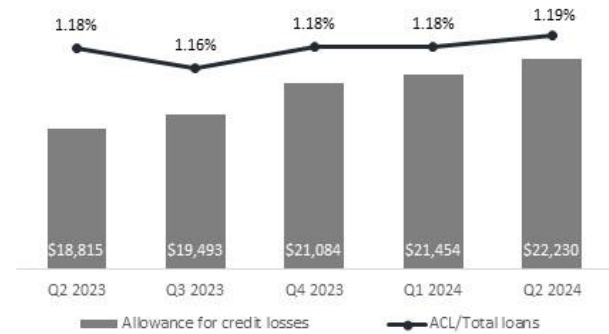




ASSET QUALITY

Allowance for Credit Losses

In thousands (except ratios)



Commentary

Allowance for credit losses increased \$776 thousand compared to prior quarter and \$3.4 million compared to second quarter 2023.

ACL coverage ratio was at 1.19% as of June 30, 2024.

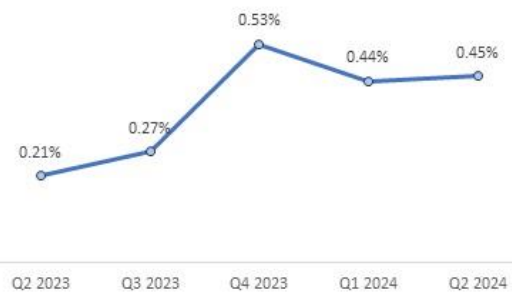
One C&I loan for \$438 thousand and one residential real estate loan for \$320 thousand were classified as nonaccrual as of June 30, 2024.

Non-performing Loans

In thousands (except ratios)



Classified Loans ⁽¹⁾ to Total Loans



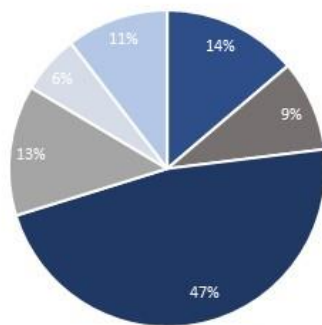
⁽¹⁾ Loans classified as substandard at period end. No loans classified doubtful at all the dates presented.



LOAN PORTFOLIO MIX

Loan Portfolio Mix ⁽¹⁾

- Residential real estate
- CRE - Owner occupied
- CRE - Non-owner occupied
- Commercial and industrial
- Correspondent banks
- Consumer and other



\$1,866 MM ⁽¹⁾

Commentary

Total loan balance at quarter end was \$1,866 million ⁽¹⁾.

Commercial Real Estate (owner occupied and non-owner occupied) was 56% or \$1,053 million of the total loan portfolio ⁽¹⁾.

CRE mix is diversified and granular. Retail non-owner occupied makes up 26% of total CRE or \$274.1 million.

CRE Loan Mix



\$1,053MM

CRE Loan Portfolio (non-owner occupied and owner occupied)

Loan Type	Weighted Average		
	LTV ⁽¹⁾	DSCR ⁽²⁾	Average Loan Size ⁽³⁾
Retail	58%	1.81	\$2.9
Multifamily	57%	1.45	\$1.6
Office	56%	1.79	\$1.5
Warehouse	59%	2.37	\$1.5
Hotels	54%	2.22	\$5.1
Other	57%	2.05	\$1.7
Land/Construction	46%	NA	\$2.1

⁽¹⁾ LTV - Loan to value ratio.

⁽²⁾ DSCR - Debt service coverage ratio.

⁽³⁾ Balance in millions.

As of 6/30/24

⁽¹⁾ Excludes deferred fees/cost

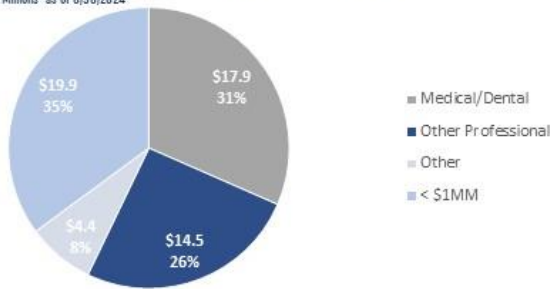
⁽²⁾ Includes loan types: office, warehouse, retail, and other



CRE OFFICE PORTFOLIO

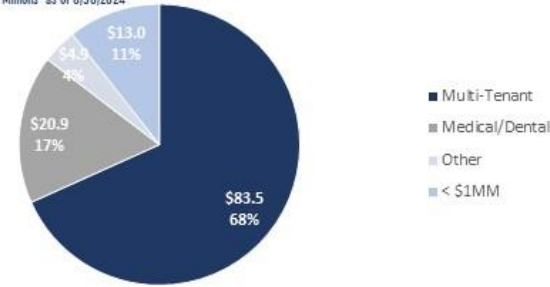
Owner Occupied Office by Business Type

In Millions as of 6/30/2024



Non-Owner Occupied Office by Business Type

In Millions as of 6/30/2024



Office Loan Portfolio Maturities and Repricing

< 1 year	1 year to 3 years	3 years to 5 years	5 years to 10 years	> 10 years
17%	27%	44%	12%	0%

Commentary

Total office loan portfolio (owner occupied and non-owner occupied) had 123 notes with an average balance of \$1.5 million dollars, LTV of 56%, and DSCR of 1.79X at quarter end.

The largest business type in the office portfolio is multi-tenant with 47% of the portfolio.

South Florida's office sector outperforms the national average with a lower vacancy rate of 12% and with a positive net absorption for three straight years as of Q1 2024. All three major markets within South Florida were ranked in the top 10 nationally for year-over-year rent growth. ⁽¹⁾

CRE Office Key Metrics

As of 6/30/24	
Avg. Loan Size in millions	\$ 1.5
NCOs / Average Loans	0.00%
Delinquencies / Loans	0.00%
Nonaccruals / Loans	0.00%
Classified Loans / Loans	0.00%

⁽¹⁾ Data points source: CBRE, a NYSE-listed and worldwide commercial real estate services & investment company with clients in 100+ countries, including over 95% of the Fortune 100. Published March 2024.



NON-INTEREST INCOME

In thousands (except ratios)

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Total Service fees	\$1,977	\$1,651	\$1,348	\$1,329	\$1,173
<i>Wire Fees</i>	\$557	\$521	\$518	\$502	\$428
<i>Swap Fees</i>	\$650	\$285	\$16	\$97	\$44
<i>Other</i>	\$770	\$845	\$814	\$730	\$701
Gain (loss) on sale of securities available for sale	14	-	(883)	(955)	-
Gain on sale of loans held for sale	417	67	105	255	94
Other income	803	746	756	1,532	579
Total non-interest income	\$3,211	\$2,464	\$1,326	\$2,161	\$1,846
Average total assets	\$2,479,222	\$2,436,103	\$2,268,811	\$2,250,258	\$2,183,542
Non-interest income/Average assets ⁽¹⁾	0.52%	0.41%	0.23%	0.38%	0.34%

Commentary

Service fees increased year over year due to wire and loan swap fees.

Gain on sale of SBA 7a loans represent \$417 thousand.

Other non-interest income increased primarily due to an increase in treasury management fees.

Non-interest income is 15.6% of total revenue for second quarter 2024 and 0.52% to average assets, both metrics are higher than prior quarters.

⁽¹⁾ Annualized.



NON-INTEREST EXPENSE

In thousands (except ratios)

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Salaries and employee benefits	\$7,353	\$6,310	\$6,104	\$6,066	\$5,882
Occupancy	1,266	1,314	1,262	1,350	1,319
Regulatory assessments and fees	476	433	412	365	452
Consulting and legal fees	263	592	642	513	386
Network and information technology services	479	507	552	481	505
Other operating expense	1,723	2,018	1,747	1,686	1,908
Total non-interest expense	\$11,560	\$11,174	\$10,719	\$10,461	\$10,452
Efficiency ratio	56.33%	63.41%	68.27%	64.64%	65.25%
Average total assets	\$2,479,222	\$2,436,103	\$2,268,811	\$2,250,258	\$2,183,542
Non-interest expense / Average assets ⁽¹⁾	1.88%	1.84%	1.87%	1.84%	1.92%
Full-time equivalent employees	197	199	196	194	198

Commentary

Salaries and benefits increased \$1.0 million compared to the prior quarter due to sales incentives, management bonus accrual based on the Company's performance, merit increases, and stock-based compensation.

Non-interest expense to average assets remained under 2% for all periods.

⁽¹⁾ Annualized.



CAPITAL

Capital Ratios ⁽¹⁾	Q2 2024	Q1 2024	Q2 2023	Well-Capitalized
Leverage Ratio	9.03%	8.91%	9.32%	5.00%
TCE/TA ⁽²⁾	8.18%	7.83%	8.25%	NA
Tier 1 Risk-Based Capital	11.93%	11.80%	12.27%	8.00%
Total Risk-Based Capital	13.12%	12.98%	13.42%	10.00%
AOCI In Millions	(\$44.7)	(\$45.4)	(\$46.3)	

Commentary

The Company paid in June 2024 a cash dividend of \$0.05 per share of the Company's Class A common stock, the aggregate distributed amount in connection with this dividend was \$1.0 million.

During the quarter, the Company repurchased 25,000 shares of common stock at a weighted average cost per share of \$12.04.

Q2 2024 EOP common stock shares outstanding: 19,630,632.

⁽¹⁾ Reflects the Company's regulatory capital ratios which are provided for informational purposes only; as a small bank holding company, the Company is not subject to regulatory capital requirements.

⁽²⁾ Non-GAAP financial measures. See reconciliation in this presentation.



TAKEAWAYS



Leading franchise located in one of the most attractive banking markets in Florida and the U.S.

Robust organic growth

Strong asset quality, with minimal charge-offs experienced since 2015 recapitalization

Experienced and tested management team

Strong profitability, with pathway for future enhancement identified

Core funded deposit base with 28% non-interest-bearing deposits (EOP)



APPENDIX – NON-GAAP RECONCILIATION

In thousands (except ratios)

		As of or For the Three Months Ended				
		6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Pre-tax pre-provision ("PTPP") income:	(1)					
Net income		\$ 8,209	\$ 4,612	\$ 2,721	\$ 3,819	\$ 4,196
Plus: Provision for income taxes		1,967	1,426	787	1,250	1,333
Plus: Provision for credit losses		788	410	1,475	653	38
PTPP income		\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722	\$ 5,567
PTPP return on average assets:	(1)					
PTPP income		\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722	\$ 5,567
Average assets		\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542
PTPP return on average assets	(2)	1.45%	1.06%	0.87%	1.01%	1.02%
Operating net income:	(1)					
Net income		\$ 8,209	\$ 4,612	\$ 2,721	\$ 3,819	\$ 4,196
Less: Net gains (losses) on sale of securities		14	-	(883)	(955)	-
Less: Tax effect on sale of securities		(4)	-	224	242	-
Operating net income		\$ 8,199	\$ 4,612	\$ 3,380	\$ 4,532	\$ 4,196
Operating PTPP income:	(1)					
PTPP income		\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722	\$ 5,567
Less: Net gains (losses) on sale of securities		14	-	(883)	(955)	-
Operating PTPP income		\$ 8,948	\$ 6,448	\$ 5,866	\$ 6,677	\$ 5,567
Operating PTPP return on average assets:	(1)					
Operating PTPP income		\$ 8,948	\$ 6,448	\$ 5,866	\$ 6,677	\$ 5,567
Average assets		\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542
Operating PTPP return on average assets	(2)	1.45%	1.06%	1.03%	1.18%	1.02%
Operating return on average assets:	(1)					
Operating net income		\$ 8,199	\$ 4,612	\$ 3,380	\$ 4,532	\$ 4,196
Average assets		\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542
Operating return on average assets	(2)	1.01%	0.76%	0.59%	0.80%	0.77%
Operating return on average equity:	(1)					
Operating net income		\$ 8,199	\$ 4,612	\$ 3,380	\$ 4,532	\$ 4,196
Average equity		\$ 197,755	\$ 193,092	\$ 183,629	\$ 184,901	\$ 184,238
Operating return on average equity	(2)	12.61%	9.61%	7.30%	9.72%	9.13%
Operating Revenue:	(1)					
Net interest income		\$ 17,311	\$ 15,158	\$ 14,376	\$ 14,022	\$ 14,173
Non-interest income		3,211	2,464	1,326	2,161	1,846
Less: Net gains (losses) on sale of securities		14	-	(883)	(955)	-
Operating revenue		\$ 20,508	\$ 17,622	\$ 16,585	\$ 17,138	\$ 16,019
Operating Efficiency Ratio:	(1)					
Total non-interest expense		\$ 11,560	\$ 11,174	\$ 10,719	\$ 10,461	\$ 10,452
Operating revenue		\$ 20,508	\$ 17,622	\$ 16,585	\$ 17,138	\$ 16,019
Operating efficiency ratio		56.37%	63.41%	64.83%	61.04%	65.25%

(1) The Company believes these non-GAAP measurements are key indicators of the ongoing earnings power of the Company.

(2) Annualized.



APPENDIX – NON-GAAP RECONCILIATION

In thousands (except ratios and share data)

	As of or For the Three Months Ended				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Tangible book value per common share (at period-end): (1)					
Total stockholders' equity	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884	\$ 183,685
Less: Intangible assets	-	-	-	-	-
Tangible stockholders' equity	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884	\$ 183,685
Total shares issued and outstanding (at period-end):					
Total common shares issued and outstanding	19,630,632	19,650,463	19,575,435	19,542,290	19,544,777
Tangible book value per common share (2)	\$ 10.24	\$ 9.92	\$ 9.81	\$ 9.36	\$ 9.40
Operating diluted net income per common share: (1)					
Operating net income	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532	\$ 4,196
Total weighted average diluted shares of common stock	19,717,167	19,698,258	19,573,350	19,611,897	19,639,682
Operating diluted net income per common share:	\$ 0.31	\$ 0.23	\$ 0.17	\$ 0.23	\$ 0.21
Tangible Common Equity/Tangible Assets (1)					
Tangible stockholders' equity	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884	\$ 183,685
Tangible total assets (3)	\$ 2,458,270	\$ 2,489,142	\$ 2,339,093	\$ 2,244,602	\$ 2,225,914
Tangible Common Equity/Tangible Assets	8.18%	7.83%	8.21%	8.15%	8.25%

(1) The Company believes these non-GAAP measurements are key indicators of the ongoing earnings power of the Company.

(2) Excludes the dilutive effect, if any, of shares of common stock issuable upon exercise of outstanding stock options.

(3) Since the Company has no intangible assets, tangible total assets is the same amount as total assets calculated under GAAP.



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