

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C. 20006

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): October 28, 2021

U.S. CENTURY BANK

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

52-2371258
(IRS Employer
Identification Number)

2301 N.W. 87th Avenue,
Miami, FL
(Address of principal
executive offices)

33172
(Zip Code)

(305) 715-5200
(Registrant's telephone number, including area code)

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 exchange on which registered</u>
Class A common stock, par value \$1.00 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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §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.

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Item 2.02. Results of Operations and Financial Condition.

On October 28, 2021, U.S. Century Bank issued a press release announcing its financial results for the third quarter ended September 30, 2021. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, 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 or the Securities Exchange Act of 1934.

Item 7.01 Other Events.

As previously announced, at 9:00 a.m. ET on October 29, 2021, U.S. Century Bank will hold an earnings conference call to discuss its financial performance for the quarter. A copy of the slides forming the basis of the presentation is being furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference. A copy of the slides has also been posted to the U.S. Century Bank investor relations website, located at investors.uscenturybank.com

The information in this Item 7.01, including Exhibit 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, 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 or the Securities Exchange Act of 1934.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
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99.1	U.S. Century Bank Press Release, dated October 28, 2021
99.2	Earnings Presentation, dated October 29, 2021

EARNINGS RELEASE



U.S. Century Bank Reports Third Quarter 2021 Results

MIAMI – October 28, 2021 – U.S. Century Bank (the “Company” or the “Bank”) (NASDAQ: USCB) reported net income of \$6.6 million for the three months ended September 30, 2021, compared with net income of \$3.4 million for the same period in 2020. The Company reported net loss per diluted share for the three months ended September 30, 2021 of \$5.11 and \$1.02 for Class A and Class B common stock, respectively, compared to net income per diluted share for the same period in 2020 of \$0.51 and \$0.10 for Class A and Class B common stock, respectively. In the third quarter of 2021, the Company completed an exchange of then outstanding preferred shares for Class A common shares and thereafter redeemed the remaining outstanding preferred shares, at a liquidation value that exceeded book value, causing a one-time reduction in net income available to common stockholders of \$89.6 million. Additionally, the reported net income of \$6.6 million for the third quarter in 2021 includes a default interest recovery of \$2.5 million (\$0.11 EPS impact) from a prior lending customer of the Bank. The loan was originated in 2008 and subsequently went through many iterations of credit collection. This payment reflects the final payment and settlement of lien judgments against the customer.

Operating net income per diluted share (non-GAAP) for the three months ended September 30, 2021 was \$0.37 and \$0.07 for Class A and Class B common stock, respectively, compared to operating net income per diluted share (non-GAAP) for the same period in 2020 of \$0.51 and \$0.10 for Class A and Class B, respectively. Operating net income per diluted share (non-GAAP) in the third quarter of 2021 excludes the \$89.6 million one-time accounting impact of the exchange and redemption of the preferred shares. A reconciliation of non-GAAP measures to GAAP measures appears at the end of this press release.

“I am extremely proud about the milestones that we have achieved in such a short amount of time despite the many and varied challenges of the COVID-19 pandemic. During the third quarter of 2021, we issued 4,600,000 shares of Class A common stock at a price of \$10.00 per share through the completion of our initial public offering. We also managed to simplify our capital structure through the exchange and redemption of the remaining Class C and Class D preferred shares.” said Luis de la Aguilera, President and Chief Executive Officer.

Profitability

- Annualized return on average assets for the quarter ended September 30, 2021 was 1.50% compared to 0.93% in the third quarter of 2020.
- Annualized return on average stockholders’ equity for the quarter ended September 30, 2021 was 13.41% compared to 8.11% in the third quarter of 2020.
- The efficiency ratio for the quarter ended September 30, 2021 decreased to 50.92% compared to 65.02% for the third quarter in 2020.
- Net interest margin (NIM) increased to 3.19% for the quarter ended September 30, 2021 compared to 3.17% for the third quarter in 2020.
- Net interest income was \$13.5 million for the quarter ended September 30, 2021, an increase of \$2.4 million or 21.21% compared to the third quarter in 2020. The increase was primarily driven by higher loan and investment income along with lower deposit costs.

Balance Sheet

- Total assets were \$1.8 billion at September 30, 2021, representing an increase of \$264.0 million or 17.70% from the third quarter in 2020.
- Total deposits were \$1.5 billion at September 30, 2021, representing an increase of \$232.0 million or 18.52%, from the third quarter in 2020.

- Total shareholders' equity was \$201.9 million at September 30, 2021, representing an increase of \$33.3 million or 19.77% from the third quarter in 2020.
- Total loans were \$1.2 billion at September 30, 2021, representing an increase of \$134.3 million or 12.89% from the third quarter in 2020.
- The Company purchased a portfolio of yacht loans within the quarter. The portfolio includes loans that are secured by 30 vessels with an aggregate principal balance of \$48.0 million.
- The Company classified \$100 million of securities to held-to-maturity (HTM) for the quarter ended September 30, 2021 to protect tangible book value in a rising rate environment.

Asset Quality

- The allowance for credit losses was \$14.9 million at September 30, 2021, down from \$15.2 million at September 30, 2020.
- The allowance for credit losses represented 1.27% of total loans at September 30, 2021 compared to 1.46% at September 30, 2020.
- Non-performing loans to total loans was less than 0.01% at September 30, 2021 compared to 0.16% at September 30, 2020.

Non-interest Income and Non-interest Expense

- Non-interest income totaled \$4.2 million for the three months ended September 30, 2021, representing an increase of \$2.4 million or 137.63% compared to the same period in 2020. The increase was primarily driven by a \$2.5 million in default interest from a prior lending customer of the Bank.
- Non-interest expense was \$9.0 million for the three months ended September 30, 2021 compared to \$8.4 million for the same period in 2020.

Capital

- The Company exceeded all regulatory capital requirements and remained significantly above "well-capitalized" guidelines. Total risk-based capital ratio was 15.10% at September 30, 2021 compared to 14.34% for the third quarter in 2020.

Conference Call and Webcast

U.S. Century Bank will host a conference call on Friday, October 29, 2021 at 9:00 a.m. Eastern Time to discuss the Company's unaudited financial results for the quarter ended September 30, 2021. To access the conference call, dial (844) 221-2148 (domestically) or (929) 517-0937 (internationally) and use conference code 9479777.

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 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. U.S. Century is rated 4-star by BauerFinancial, the nation's leading independent bank rating firm. U.S. Century Bank offers customers a wide range of financial products and services. U.S. Century Bank has received awards and accolades from numerous organizations for its philanthropic support and leadership, including the Beacon Council, Greater Miami Chamber of Commerce, South Florida Hispanic Chamber of Commerce and others. For more information or to find a U.S. Century branch near you, please call (305) 715-5200 or visit www.uscentury.com.

Forward-Looking Statements

Statements included in this earning release that are not historical in nature 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. The words "may," "will," "anticipate," "should," "would," "believe," "contemplate," "expect," "aim," "plan," "estimate," "continue," "may" and "intend," as well as other similar words and expressions of the future, are intended to identify forward-looking statements. These forward-looking statements include 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 results of operations and financial condition from expected developments or events, or business and growth strategies, including anticipated internal growth.

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;
- the COVID-19 pandemic and its impact on us, our employees, customers and third-party service providers, and the ultimate extent of the impacts of the pandemic and related government stimulus programs;
- 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 environment;
- our ability to comply with the extensive laws and regulations to which we are subject, including the laws for each jurisdiction where we operate;
- legislative or regulatory changes and changes in accounting principles, policies, practices or guidelines, including the effects of forthcoming CECL implementation;
- the effects of our lack of a diversified loan portfolio and concentration in the South Florida market, including the risks of geographic, depositor, and industry concentrations, including our concentration in loans secured by real estate;
- the concentration of ownership of our Class A 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, market, and monetary fluctuations;
- increased competition and its effect on pricing of our products and services as well as our margins;
- 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 from time to time in our filings with the FDIC.

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 statement to reflect events or circumstances after the date on which the statement is 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 we describe in the reports we will file from time to time with the FDIC.

Non-GAAP Financial Measures

This earning 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 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. To the extent applicable, 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 earning release.

You should assume that all numbers are unaudited unless otherwise noted.

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U.S. CENTURY BANK AND SUBSIDIARIES (UNAUDITED)
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Interest income:				
Loans, including fees	\$ 12,538	\$ 11,819	\$ 35,944	\$ 35,528
Investment securities	1,858	1,274	5,670	3,756
Interest-bearing deposits in financial institutions	38	52	77	261
Total interest income	14,434	13,145	41,691	39,545
Interest expense:				
Interest-bearing deposits	16	38	45	128
Savings and money markets accounts	501	660	1,572	2,550
Time deposits	306	1,127	1,239	3,845
Federal Home Loan Bank advances	140	207	415	925
Total interest expense	963	2,032	3,271	7,448
Net interest income before provision for credit losses	13,471	11,113	38,420	32,097
Provision for (recovery of) credit losses	-	-	(160)	3,250
Net interest income after provision for credit losses	13,471	11,113	38,580	28,847
Non-interest income:				
Service fees	856	777	2,648	2,236
Gain (loss) on sale of securities available for sale, net	(70)	-	179	423
Gain on sale of loans held for sale, net	532	612	1,519	840
Other non-interest income	2,899	386	3,708	1,146
Total non-interest income	4,217	1,775	8,054	4,645
Non-interest expense:				
Salaries and employee benefits	5,313	4,907	15,804	14,769
Occupancy	1,192	1,419	3,990	4,254
Regulatory assessment and fees	317	179	690	520
Consulting and legal fees	357	342	915	771
Network and information technology services	358	407	1,198	1,156
Other operating	1,470	1,124	3,761	3,300
Total non-interest expense	9,007	8,378	26,358	24,770
Net income before income tax expense	8,681	4,510	20,276	8,722
Income tax expense	2,088	1,106	4,849	2,139
Net income	6,593	3,404	15,427	6,583
Preferred stock dividend	542	782	2,077	2,345
Exchange and redemption of preferred shares	89,585	-	89,585	-
Net income (loss) available to common stockholders	\$ (83,534)	\$ 2,622	\$ (76,235)	\$ 4,238
Allocation of net income (loss) per common stock class: ⁽¹⁾				
Class A	\$ (77,278)	\$ 1,994	\$ (65,747)	\$ 3,223
Class B	\$ (6,256)	\$ 628	\$ (10,488)	\$ 1,015
Per share information:				
Class A common stock ⁽²⁾				
Net income (loss) per share, basic	\$ (5.11)	\$ 0.51	\$ (8.57)	\$ 0.83
Net income (loss) per share, diluted	\$ (5.11)	\$ 0.51	\$ (8.57)	\$ 0.82
Class B common stock				
Net income (loss) per share, basic	\$ (1.02)	\$ 0.10	\$ (1.71)	\$ 0.17
Net income (loss) per share, diluted	\$ (1.02)	\$ 0.10	\$ (1.71)	\$ 0.17
Weighted average shares outstanding:				
Class A common stock ⁽²⁾				
Basic	15,121,460	3,887,469	7,674,609	3,887,469
Diluted	15,121,460	3,944,455	7,674,609	3,944,455
Class B common stock				
Basic	6,121,052	6,121,052	6,121,052	6,121,052
Diluted	6,121,052	6,121,052	6,121,052	6,121,052

(1) The allocation of net income (loss) available to common stockholders was based on the weighted average shares outstanding per common share class to the total weighted average shares outstanding during each period. The income (loss) allocation is calculated using the weighted average shares outstanding of Class B common stock on a as-converted basis (20% per share equivalent to Class A common stock).

(2) For the three and nine months ended September 30, 2020, the common stock outstanding, weighted average shares and net income per share for the Class A common stock were adjusted to reflect the 1 for 5 reverse stock split that occurred in June of 2021.

U.S. CENTURY BANK AND SUBSIDIARIES (UNAUDITED)
SELECTED FINANCIAL DATA
(Dollars in thousands, except per share data)

	As of and for the three months ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Income Statement Data:					
Net interest income	\$ 13,471	\$ 12,474	\$ 12,475	\$ 11,499	\$ 11,113
Provision for (recovery of) credit losses	-	-	(160)	-	-
Net interest income after provision for credit losses	13,471	12,474	12,635	11,499	11,113
Service fees	856	903	889	1,030	777
Gain (loss) on sale of securities available for sale, net	(70)	187	62	11	-
Gain (loss) on sale of loans held for sale, net	532	23	964	(1)	612
Other income	2,899	403	406	414	386
Total non-interest income	4,217	1,516	2,321	1,454	1,775
Salaries and employee benefits	5,313	5,213	5,278	4,435	4,907
Occupancy	1,192	1,411	1,387	1,402	1,419
Regulatory assessment and fees	317	195	178	171	179
Consulting and legal fees	357	373	185	274	342
Network and information technology services	358	332	508	380	407
Other operating	1,470	1,150	1,141	1,603	1,124
Total non-interest expenses	9,007	8,674	8,677	8,265	8,378
Net income before income tax expense	8,681	5,316	6,279	4,688	4,510
Income tax expense	2,088	1,263	1,498	449	1,106
Net income	6,593	4,053	4,781	4,239	3,404
Preferred stock dividend	542	754	781	782	782
Exchange and redemption of preferred shares	89,585	-	-	-	-
Net income (loss) available to common stockholders	\$ (83,534)	\$ 3,299	\$ 4,000	\$ 3,457	\$ 2,622
Allocation of net income (loss) per common stock class: ⁽¹⁾					
Class A	\$ (77,278)	\$ 2,509	\$ 3,042	\$ 2,629	\$ 1,994
Class B	\$ (6,256)	\$ 790	\$ 958	\$ 828	\$ 628
Per share information:					
Class A common stock ⁽²⁾					
Net income (loss) per share, basic	\$ (5.11)	\$ 0.65	\$ 0.78	\$ 0.68	\$ 0.51
Net income (loss) per share, diluted	\$ (5.11)	\$ 0.64	\$ 0.78	\$ 0.67	\$ 0.51
Class B common stock					
Net income (loss) per share, basic	\$ (1.02)	\$ 0.13	\$ 0.16	\$ 0.14	\$ 0.10
Net income (loss) per share, diluted	\$ (1.02)	\$ 0.13	\$ 0.16	\$ 0.14	\$ 0.10
Balance Sheet Data (at period end):					
Cash and cash equivalents	\$ 69,597	\$ 47,117	\$ 105,940	\$ 47,734	\$ 177,411
Securities available-for-sale	\$ 328,171	\$ 395,804	\$ 341,344	\$ 334,322	\$ 189,507
Securities held-to-maturity	\$ 99,866	\$ -	\$ -	\$ -	\$ -
Loans held for investment ⁽³⁾	\$ 1,176,412	\$ 1,145,095	\$ 1,103,981	\$ 1,038,504	\$ 1,042,106
Allowance for credit losses	\$ (14,900)	\$ (14,848)	\$ (15,009)	\$ (15,086)	\$ (15,207)
Total assets	\$ 1,755,011	\$ 1,667,005	\$ 1,633,359	\$ 1,501,742	\$ 1,491,036
Non-interest-bearing deposits	\$ 570,091	\$ 555,993	\$ 516,550	\$ 442,467	\$ 416,564
Interest-bearing deposits	\$ 914,498	\$ 882,783	\$ 887,681	\$ 830,935	\$ 836,058
Federal Home Loan Bank advances and other borrowings	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 41,000
Total liabilities	\$ 1,553,093	\$ 1,500,703	\$ 1,462,934	\$ 1,330,741	\$ 1,322,450
Total stockholders' equity	\$ 201,918	\$ 166,302	\$ 170,425	\$ 171,001	\$ 168,586
Capital ratios:					
Leverage ratio	9.69%	7.91%	8.57%	8.61%	8.73%
Common equity tier 1 capital	13.85%	9.24%	9.47%	9.71%	9.68%
Tier 1 risk-based capital	13.85%	11.44%	12.54%	12.99%	13.08%
Total risk-based capital	15.10%	12.69%	13.80%	14.24%	14.34%

(1) The allocation of net income (loss) available to common stockholders was based on the weighted average shares outstanding per common share class to the total weighted average shares outstanding during each period. The income (loss) allocation is calculated using the weighted average shares outstanding of Class B common stock on a as-converted basis (20% per share equivalent to Class A common stock).

(2) The quarters ended June 30, 2021 and prior were all adjusted for the 1 for 5 reverse stock split.

(3) Loan amounts include deferred fees/costs.

U.S. CENTURY BANK AND SUBSIDIARIES (UNAUDITED)
AVERAGE BALANCES, RATIOS, AND OTHER
(Dollars in thousands)

	As of and for the three months ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Average balance sheet data:					
Cash and cash equivalents	\$ 116,622	\$ 108,028	\$ 86,157	\$ 154,415	\$ 159,230
Securities available-for-sale	\$ 346,407	\$ 382,990	\$ 334,723	\$ 251,294	\$ 187,096
Securities held-to-maturity	\$ 51,238	\$ -	\$ -	\$ -	\$ -
Loans held for investment	\$ 1,144,275	\$ 1,088,492	\$ 1,071,782	\$ 1,036,249	\$ 1,032,264
Total assets	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735	\$ 1,460,732
Interest-bearing deposits	\$ 912,330	\$ 896,271	\$ 861,300	\$ 854,206	\$ 813,031
Total deposits	\$ 1,477,258	\$ 1,432,165	\$ 1,343,676	\$ 1,291,427	\$ 1,222,900
Federal Home Loan Bank advances and other borrowings	\$ 36,000	\$ 36,000	\$ 36,000	\$ 37,522	\$ 43,935
Total liabilities	\$ 1,546,414	\$ 1,493,129	\$ 1,402,305	\$ 1,353,424	\$ 1,293,905
Total stockholders' equity	\$ 195,009	\$ 166,931	\$ 171,576	\$ 169,311	\$ 166,827
Performance ratios:					
Return on average assets ⁽¹⁾	1.50%	0.98%	1.23%	1.11%	0.93%
Return on average equity ⁽¹⁾	13.41%	9.74%	11.30%	9.96%	8.11%
Net interest margin ⁽¹⁾	3.19%	3.14%	3.35%	3.14%	3.17%
Non-interest income to average assets ⁽¹⁾	0.96%	0.37%	0.60%	0.38%	0.48%
Efficiency ratio ⁽²⁾	50.92%	62.00%	58.64%	63.81%	65.02%
Loans by type (at period end): ⁽³⁾					
Residential real estate	\$ 201,124	\$ 213,575	\$ 231,554	\$ 232,754	\$ 247,620
Commercial real estate	\$ 693,469	\$ 673,944	\$ 650,762	\$ 606,425	\$ 603,544
Commercial and industrial	\$ 137,486	\$ 155,440	\$ 174,546	\$ 157,330	\$ 159,882
Foreign banks	\$ 58,839	\$ 62,042	\$ 45,659	\$ 38,999	\$ 27,847
Consumer and other	\$ 87,515	\$ 43,979	\$ 5,627	\$ 5,507	\$ 6,356
Asset quality data:					
Allowance for credit losses to total loans	1.27%	1.30%	1.36%	1.45%	1.46%
Allowance for credit losses to non-performing loans	82778%	74240%	2214%	956%	930%
Non-accrual loans less non-accrual TDRs	-	-	228	303	4
Non-accrual TDRs	18	20	450	1,275	1,632
Loans- over 90 days past due and accruing	-	-	-	-	-
Total non-performing loans ⁽⁴⁾	18	20	678	1,578	1,636
Non-performing loans to total loans	0.00%	0.00%	0.06%	0.15%	0.16%
Non-performing assets to total assets	0.00%	0.00%	0.04%	0.11%	0.11%
Net charge-offs (recoveries of) to average loans ⁽¹⁾	-0.02%	0.06%	-0.03%	0.05%	0.04%
Net charge-offs (recovery of) credit losses	(51)	160	(83)	121	116
Interest rates and yields:					
Loans	4.29%	4.19%	4.43%	4.36%	4.48%
Investment securities	1.86%	2.04%	2.19%	2.35%	2.68%
Total interest-earning assets	3.43%	3.41%	3.69%	3.57%	3.75%
Deposits	0.22%	0.26%	0.34%	0.44%	0.59%
Borrowings and repurchase agreements	1.52%	1.52%	1.52%	1.55%	1.84%
Total interest-bearing liabilities	0.40%	0.45%	0.57%	0.71%	0.94%
Other information:					
Full-time equivalent employees	184	183	186	179	178

(1) Annualized.

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

(3) Loan amounts exclude deferred fees/costs.

(4) The amounts for total non-performing loans and total non-performing assets are the same for the periods presented since there were no impaired investments or other real estate owned (OREO) recorded.

U.S. CENTURY BANK AND SUBSIDIARIES (UNAUDITED)
NET INTEREST INCOME
(Dollars in thousands)

	Three Months Ended September 30,					
	2021			2020		
	Average Balance	Interest	Yield/Rate ⁽¹⁾	Average Balance	Interest	Yield/Rate ⁽¹⁾
Assets						
Interest-earning assets:						
Loans ⁽²⁾	\$ 1,144,275	\$ 12,538	4.29%	\$ 1,032,264	\$ 11,819	4.48%
Investment securities ⁽³⁾	399,745	1,858	1.86%	190,144	1,274	2.68%
Other interest earnings assets	109,639	38	0.14%	151,721	52	0.14%
Total interest-earning assets	1,653,659	14,434	3.43%	1,374,129	13,145	3.75%
Non-interest earning assets	87,764			86,603		
Total assets	<u>\$ 1,741,423</u>			<u>\$ 1,460,732</u>		
Liabilities and stockholders' equity						
Interest-bearing liabilities:						
Interest-bearing demand deposits	\$ 55,621	16	0.11%	\$ 47,905	38	0.31%
Saving and money market deposits	627,654	501	0.32%	483,754	660	0.54%
Time deposits	229,055	306	0.53%	281,372	1,127	1.59%
Total interest-bearing deposits	912,330	823	0.36%	813,031	1,825	0.89%
Borrowings and repurchase agreements	36,000	140	1.52%	43,935	207	1.84%
Total interest-bearing liabilities	948,330	963	0.40%	856,966	2,032	0.94%
Non-interest bearing demand deposits	564,928			409,869		
Other non-interest-bearing liabilities	33,156			27,070		
Total liabilities	1,546,414			1,293,905		
Stockholders' equity	195,009			166,827		
Total liabilities and stockholders' equity	<u>\$ 1,741,423</u>			<u>\$ 1,460,732</u>		
Net interest income		<u>\$ 13,471</u>			<u>\$ 11,113</u>	
Net interest spread ⁽⁴⁾			<u>3.03%</u>			<u>2.81%</u>
Net interest margin ⁽⁵⁾			<u>3.19%</u>			<u>3.17%</u>

(1) Annualized.

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

(3) At fair value except for securities held to maturity.

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

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

U.S. CENTURY BANK AND SUBSIDIARIES (UNAUDITED)
NON-GAAP FINANCIAL MEASURES
(Dollars in thousands)

	As of and for the three months ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Pre-Tax Pre-Provision ("PTPP") Income:					
Net income	\$ 6,593	\$ 4,053	\$ 4,781	\$ 4,239	\$ 3,404
Plus: Provision for income taxes	2,088	1,263	1,498	449	1,106
Plus: Provision for (recovery of) credit losses	-	-	(160)	-	-
PTPP income	\$ 8,681	\$ 5,316	\$ 6,119	\$ 4,688	\$ 4,510
PTPP Return on Average Assets:					
PTPP income	\$ 8,681	\$ 5,316	\$ 6,119	\$ 4,688	\$ 4,510
Average assets	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735	\$ 1,460,732
PTPP return on average assets ⁽¹⁾	1.98%	1.28%	1.58%	1.22%	1.23%
Operating Net Income:					
Net income	\$ 6,593	\$ 4,053	\$ 4,781	\$ 4,239	\$ 3,404
Less: Net gains (losses) on sale of securities	(70)	187	62	11	-
Less: Tax effect on sale of securities	17	(46)	(15)	(3)	-
Operating net income	\$ 6,646	\$ 3,912	\$ 4,734	\$ 4,231	\$ 3,404
Operating PTPP Income:					
PTPP income	\$ 8,681	\$ 5,316	\$ 6,119	\$ 4,688	\$ 4,510
Less: Net gains (losses) on sale of securities	(70)	187	62	11	-
Operating PTPP Income	\$ 8,751	\$ 5,129	\$ 6,057	\$ 4,677	\$ 4,510
Operating PTPP Return on Average Assets:					
Operating PTPP income	\$ 8,751	\$ 5,129	\$ 6,057	\$ 4,677	\$ 4,510
Average assets	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735	\$ 1,460,732
Operating PTPP Return on average assets ⁽¹⁾	1.99%	1.24%	1.56%	1.22%	1.23%
Operating Return on Average Asset:					
Operating net income	\$ 6,646	\$ 3,912	\$ 4,734	\$ 4,231	\$ 3,404
Average assets	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735	\$ 1,460,732
Operating return on average assets ⁽¹⁾	1.51%	0.95%	1.22%	1.11%	0.93%

(1) Annualized.

U.S. CENTURY BANK AND SUBSIDIARIES (UNAUDITED)
NON-GAAP FINANCIAL MEASURES
(Dollars in thousands, except per share data)

	As of and for the three months ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Tangible Book Value per Common Share (at period-end):					
Total stockholders' equity (GAAP)	\$ 201,918	\$ 166,302	\$ 170,425	\$ 171,001	\$ 168,586
Less: Intangible assets	-	-	-	-	-
Less: Preferred stock	-	24,616	32,077	32,077	32,077
Tangible stockholders' equity (non-GAAP)	\$ 201,918	\$ 141,686	\$ 138,348	\$ 138,924	\$ 136,509
Total shares issued and outstanding (at period-end):					
Class A common shares	18,767,541	3,889,469	3,889,469	3,889,469	3,887,469
Class B common shares ⁽¹⁾	1,224,212	1,224,212	1,224,212	1,224,212	1,224,212
Total common shares outstanding	19,991,753	5,113,681	5,113,681	5,113,681	5,111,681
Tangible book value per common share (non-GAAP) ⁽²⁾	\$ 10.10	\$ 27.71	\$ 27.05	\$ 27.17	\$ 26.71
Operating Net Income Available to Common Stockholders:					
Net income (GAAP)	\$ 6,593	\$ 4,053	\$ 4,781	\$ 4,239	\$ 3,404
Less: Preferred dividends	542	754	781	782	782
Less: Exchange and redemption of preferred shares	89,585	-	-	-	-
Net income (loss) available to common stockholders (GAAP)	(83,534)	3,299	4,000	3,457	2,622
Add back: Exchange and redemption of preferred shares	89,585	-	-	-	-
Operating net income avail. to common stock (non-GAAP) ⁽³⁾	\$ 6,051	\$ 3,299	\$ 4,000	\$ 3,457	\$ 2,622
Allocation of operating net income per common stock class:					
Class A common stock	\$ 5,598	\$ 2,509	\$ 3,042	\$ 2,629	\$ 1,994
Class B common stock	\$ 453	\$ 790	\$ 958	\$ 828	\$ 628
Weighted average shares outstanding:					
Class A common stock					
Basic	15,121,460	3,889,469	3,889,469	3,887,512	3,887,469
Diluted	15,187,729	3,933,636	3,913,279	3,911,322	3,944,455
Class B common stock					
Basic	6,121,052	6,121,052	6,121,052	6,121,052	6,121,052
Diluted	6,121,052	6,121,052	6,121,052	6,121,052	6,121,052
Diluted EPS: ^{(3) (4) (5)}					
Class A common stock					
Net income (loss) per diluted share (GAAP)	\$ (5.11)	\$ 0.64	\$ 0.78	\$ 0.67	\$ 0.51
Add back: Exchange and redemption of preferred shares	5.48	-	-	-	-
Operating net income per diluted share (non-GAAP)	\$ 0.37	\$ 0.64	\$ 0.78	\$ 0.67	\$ 0.51
Class B common stock					
Net income (loss) per diluted share (GAAP)	\$ (1.02)	\$ 0.13	\$ 0.16	\$ 0.14	\$ 0.10
Add back: Exchange and redemption of preferred shares	1.09	-	-	-	-
Operating net income per diluted share (non-GAAP)	\$ 0.07	\$ 0.13	\$ 0.16	\$ 0.14	\$ 0.10

(1) Class B Non-Voting Common Stock, \$1.00 par value per share; 8,000,000 shares authorized; 6,121,052 issued and outstanding (convertible to 1,224,212 shares of Class A Voting Common Stock); 6,121,052 shares issued and outstanding as adjusted (convertible to 1,224,212 shares of Class A Voting Common Stock). Pursuant to the terms of the Amended and Restated Articles, each share of Class B non-voting common stock is convertible to 0.2 shares of Class A Voting Common Stock after adjustment based on the completion of the Reverse Stock Split of our Class A common stock.

(2) Tangible book value per common share is equal to total stockholders' equity, excluding preferred stock and intangible assets, divided by the number of shares of common stock outstanding at period-end (including Class A common stock and Class B common stock on an as-converted basis).

(3) The Company believes these non-GAAP measurements are a key indicator of the ongoing earnings power of the Company.

(4) For the quarter ended September 30, 2021, basic net loss per share is the same as diluted net loss per share as the inclusion of all potential common shares outstanding would have been antidilutive.

(5) In calculating net income (loss) per diluted share, the allocation of operating net income available to common stockholders was based on the weighted average shares outstanding per common share class to the total weighted average shares outstanding during each period. The operating net income allocation was calculated using the weighted average shares outstanding of Class B common stock on an as-converted basis.



U.S. CENTURY BANK

**Third Quarter 2021
Earnings Presentation
October 29, 2021**



Forward-Looking Statements

Statements included in this presentation that are not historical in nature 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. The words “may,” “will,” “anticipate,” “should,” “would,” “believe,” “contemplate,” “expect,” “aim,” “plan,” “estimate,” “continue,” “may” and “intend,” as well as other similar words and expressions of the future, are intended to identify forward-looking statements. These forward-looking statements include 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 results of operations and financial condition from expected developments or events, or business and growth strategies, including anticipated internal growth.

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;
- the COVID-19 pandemic and its impact on us, our employees, customers and third-party service providers, and the ultimate extent of the impacts of the pandemic and related government stimulus programs;
- 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 environment;
- our ability to comply with the extensive laws and regulations to which we are subject, including the laws for each jurisdiction where we operate;
- legislative or regulatory changes and changes in accounting principles, policies, practices or guidelines, including the effects of forthcoming CECL implementation;
- the effects of our lack of a diversified loan portfolio and concentration in the South Florida market, including the risks of geographic, depositor, and industry concentrations, including our concentration in loans secured by real estate;
- the concentration of ownership of our Class A 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, market, and monetary fluctuations;
- increased competition and its effect on pricing of our products and services as well as our margins;
- 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 from time to time in our filings with the FDIC.

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 statement to reflect events or circumstances after the date on which the statement is 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 we describe in the reports we will file from time to time with the FDIC.

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 measures because it believes these measures may provide useful supplemental information for evaluating our underlying performance trends. Further, management uses these measures in managing and evaluating our 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. To the extent applicable, 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 presentation.

You should assume that all numbers are unaudited unless otherwise noted.



Q3 2021 Highlights



Capital/ Credit

- Completed the sale of 4.6 million shares in our **IPO** for net proceeds of \$42.4 million
- Exchanged and repurchased all our outstanding preferred shares
- Classified **\$100 million** of securities from **AFS to HTM** to protect tangible book value in a rising rate environment
- Credit metrics remain at historical low levels
- Recovered a **\$2.5 million** (\$0.11 EPS impact) default interest recovery from a prior loan customer of the Bank



Profitability

- **Net income** was **\$6.6 million** an increase of \$3.2 million or 93.7% compared to third quarter 2020
- **ROAA** was **1.50%** compared to 0.93% in the third quarter 2020
- **ROAE** was **13.41%** compared to 8.11% in the third quarter 2020
- **Efficiency ratio** was **50.92%** compared to 65.02% in the third quarter 2020



Growth

- **Average deposits** increased by **\$254.4 million** or 20.8%, compared to third quarter 2020
- **Average loans** increased by **\$112.0 million** or 10.9%, compared to third quarter 2020
- Average **loans excluding PPP** increased **\$148.3 million** or 16.1%, compared to third quarter 2020
- Purchased a yacht loan portfolio for \$48.0 million



Yacht Lending Vertical



Tranche A
Q2 2021

Total Purchase: \$44MM
Loan Count: 24
WAC: 4.11%
LTV: 71.8%
DSCR: 5.75x
Liquidity Coverage: 192.43x
Liquidity/Loan Amount: 340%
FICO: 752



Tranche B
Q3 2021

Total Purchase: \$48MM
Loan Count: 30
WAC: 4.20%
LTV: 71.3%
DSCR: 5.43x
Liquidity Coverage: 101.16x
Liquidity/Loan Amount: 248%
FICO: 768





Financial Results

In thousands (except per share data)

	Q3 2021	Q2 2021	Q3 2020	
Balance Sheet (EOP)	Investment Securities	\$430,137	\$397,904	\$192,431
	Total Loans	\$1,176,412	\$1,145,095	\$1,042,106
	Total Assets	\$1,755,011	\$1,667,005	\$1,491,036
	Total Deposits	\$1,484,589	\$1,438,776	\$1,252,622
	Total Equity	\$201,918	\$166,302	\$168,586
Income Statement	Net Interest Income	\$13,471	\$12,474	\$11,113
	Non-interest Income	\$4,217	\$1,516	\$1,775
	Revenue	\$17,688	\$13,990	\$12,888
	Provision for Credit Losses	\$0	\$0	\$0
	Non-interest Expense	\$9,007	\$8,674	\$8,378
	Net Income	\$6,593	\$4,053	\$3,404
	Net Income (loss) available to common stockholders ⁽¹⁾	\$(83,534)	\$3,299	\$2,622
	Diluted Earning Per Share (EPS)			
	Class A Common Stock	-\$5.11	\$0.64	\$0.51
	Class B Common Stock	-\$1.02	\$0.13	\$0.10
	Diluted Operating EPS ⁽²⁾			
	Class A Common Stock	\$0.37	\$0.64	\$0.51
	Class B Common Stock	\$0.07	\$0.13	\$0.10

⁽¹⁾ Includes preferred dividend expense and a one-time accounting impact of \$89.6 million for the exchange and redemption of preferred shares. 5

⁽²⁾ Non-GAAP. For reconciliation of Non-GAAP financial metrics, see Non-GAAP at the end of this presentation.



Key Performance Indicators



	Q3 2021	Q2 2021	Q3 2020
Tangible Common Equity/Tangible Assets ⁽¹⁾	11.51%	8.50%	9.16%
Total Risk Based Capital	15.10%	12.69%	14.34%
NCO/Avg Loans ⁽²⁾	-0.02%	0.06%	0.04%
NPA/Assets	0.00%	0.00%	0.11%
Allowance Credit Losses/Loans	1.27%	1.30%	1.46%



Return On Average Assets (ROAA) ⁽²⁾	1.50%	0.98%	0.93%
Return On Average Equity (ROAE) ⁽²⁾	13.41%	9.74%	8.11%
Net Interest Margin ⁽²⁾	3.19%	3.14%	3.17%
Efficiency Ratio	50.92%	62.00%	65.02%
PTPP ROAA ⁽¹⁾⁽²⁾	1.98%	1.28%	1.23%



In thousands (except for TBV)

Total Assets (EOP)	\$1,755,011	\$1,667,005	\$1,491,036
Total Loans (EOP)	\$1,176,412	\$1,145,095	\$1,042,106
Total Deposits (EOP)	\$1,484,589	\$1,438,776	\$1,252,622
Tangible Book Value/Share ⁽¹⁾	\$10.10	\$27.71	\$26.71

⁽¹⁾ Non-GAAP.

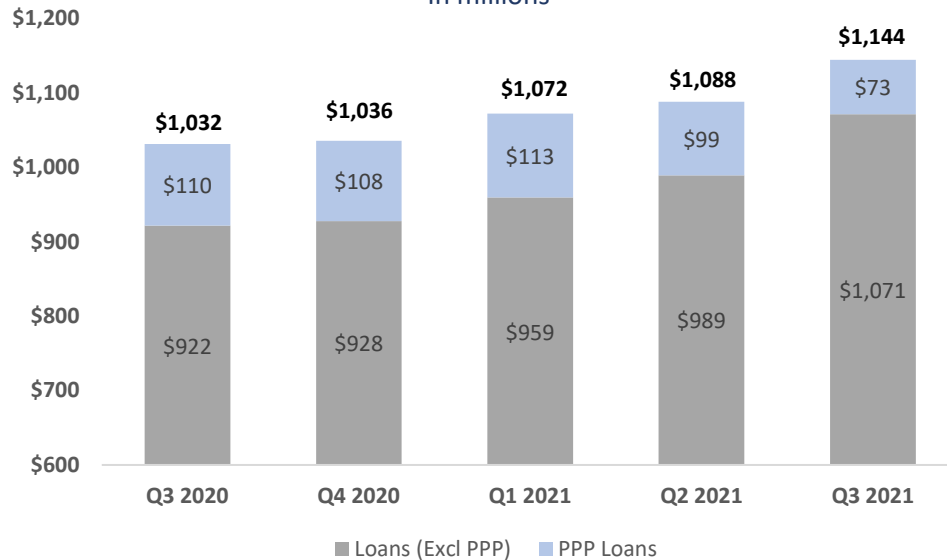
⁽²⁾ Annualized.



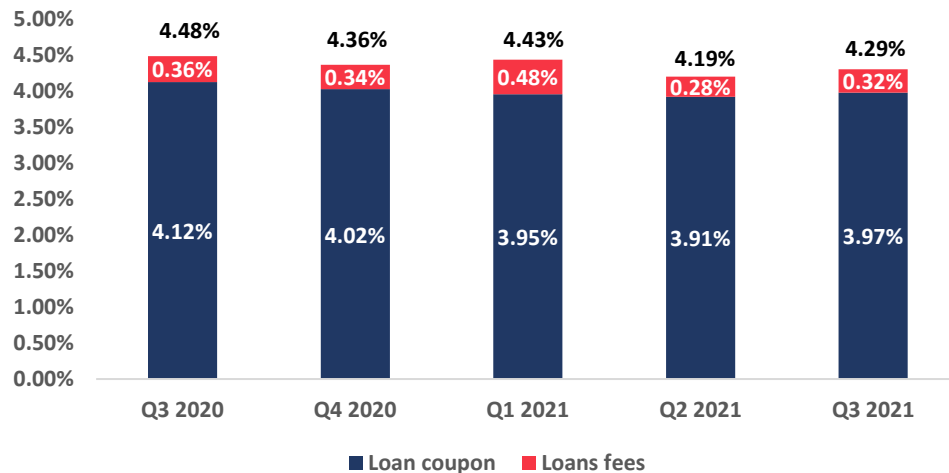
Loan Portfolio

Total Loans (AVG)

In millions



Loan Yields



Commentary

- Total loans increased \$55.8 million or 20.3% annualized compared to last quarter and \$112.0 million or 10.9% compared to third quarter 2020.
- Total loans excluding PPP loans increased \$82.1 million or 32.9% annualized compared to last quarter and \$148.3 million or 16.1% compared to third quarter 2020.
- Purchased a \$48.0 million portfolio of Yacht loans in third quarter 2021.
- Loan coupon steady from prior quarters and variance in loan fees is predominately due to PPP loan forgiveness.



Paycheck Protection Program (PPP)

3 successful rounds of PPP loans, originating \$168.4 million through September 30, 2021

In thousands (except for ROAA)

	Q3 2021	Q2 2021	Q3 2020
Pre-Tax Income	\$8,681	\$5,316	\$4,510
Net Income	\$6,593	\$4,053	\$3,404
Average Assets	\$1,741,423	\$1,660,060	\$1,460,732
ROAA ⁽¹⁾	1.50%	0.98%	0.93%



<i>of which</i>			
PPP Income	\$1,071	\$925	\$1,078
Unrealized PPP Fees EOP	\$2,360	\$3,169	\$2,635
PPP Balance EOP	\$57,991	\$84,240	\$109,567
PPP AVG. Balance	\$73,215	\$99,363	\$109,550

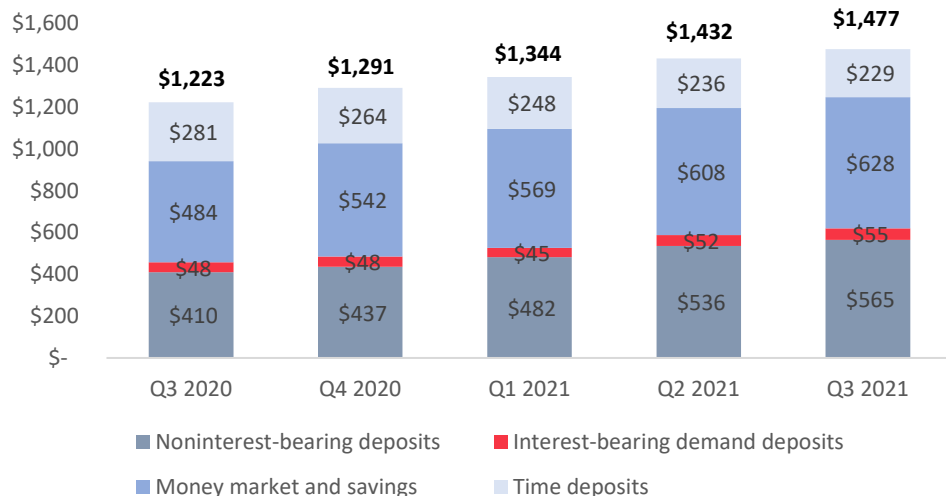
⁽¹⁾ Annualized.



Deposit Portfolio

Deposits (AVG)

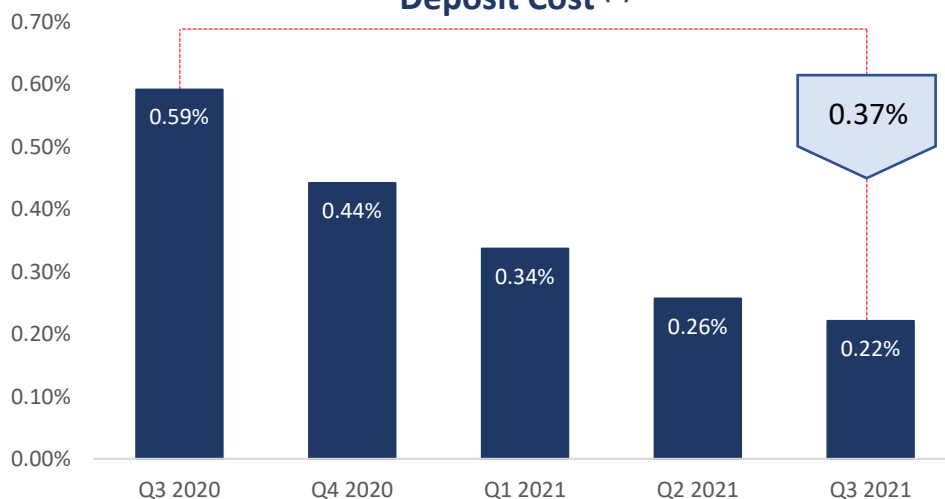
In millions



Commentary

- Average deposits increased \$45.1 million or 12.5% annualized compared to last quarter and \$254.4 million or 20.8% compared to third quarter 2020.
- DDA average deposits grew \$29.0 million or 21.5% annualized compared to last quarter and \$155.1 million or 37.8% compared to third quarter 2020.
- 37 bps decrease in cost of deposits compared to third quarter 2020.

Deposit Cost ⁽¹⁾



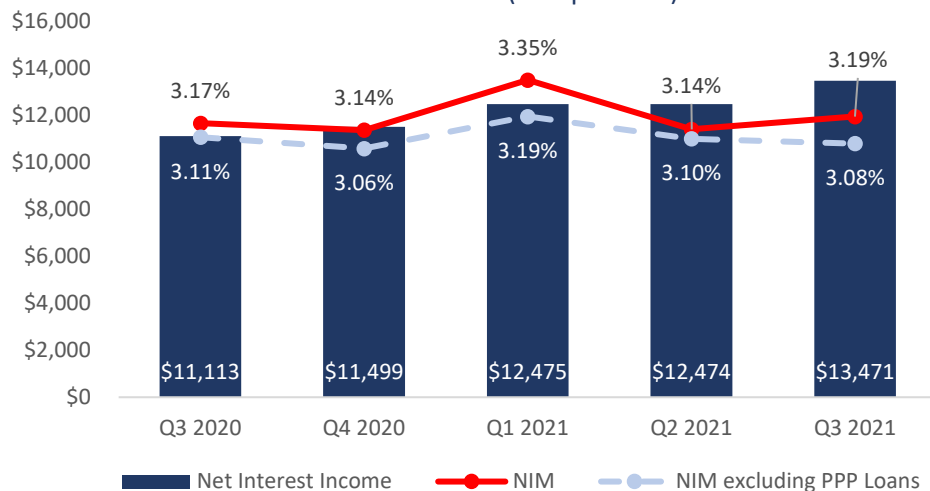
⁽¹⁾ Annualized.



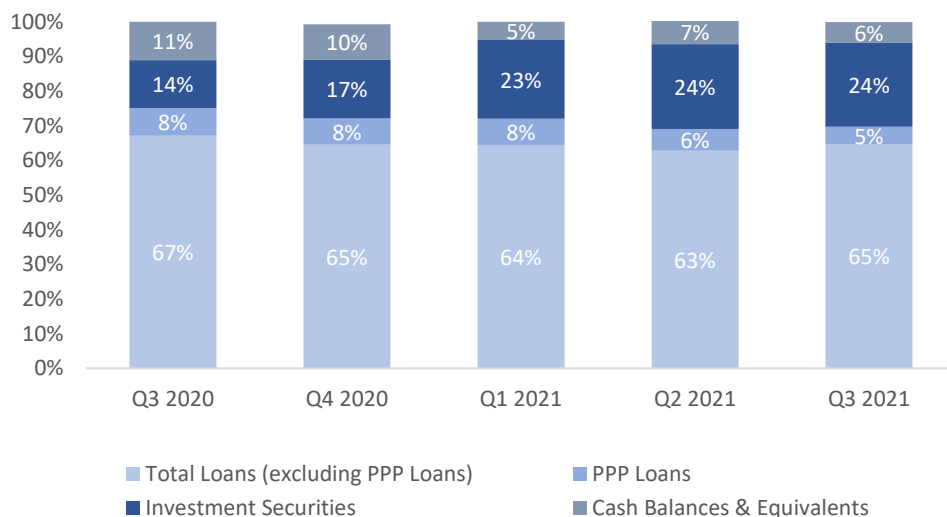
Net Interest Margin

Net Interest Income/Margin ⁽¹⁾

In thousands (except ratios)



Earning Assets Mix (AVG)



Commentary

- Net interest income increased by \$1.0 million or 31.7% annualized compared to last quarter by \$2.4 million or 21.2% compared to third quarter 2020.
- NII growth driven by lower deposit cost and interest income generated by a larger investment portfolio.
- NIM impacted by shift in balance sheet mix. Cash balances and securities make up 30% of total earning assets in the third quarter 2021.

⁽¹⁾ NIM annualized.



Non-interest Income

In thousands (except ratios)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Service Fees	\$ 856	\$ 903	\$ 889	\$ 1,030	\$ 777
Gain (loss) on Sale of Securities available for sale	(70)	187	62	11	-
Gain (loss) on Sale of Loans held for sale	532	23	964	(1)	612
Other Income	2,899	403	406	414	386
Total non-interest income	\$ 4,217	\$ 1,516	\$ 2,321	\$ 1,454	\$ 1,775
Average total assets	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735	\$ 1,460,732
Non-interest income / Average Assets ⁽¹⁾	0.96%	0.37%	0.60%	0.38%	0.48%
Revenue	\$ 17,688	\$ 13,990	\$ 14,796	\$ 12,953	\$ 12,888
Non-interest income as % of Revenue	23.85%	10.84%	15.69%	11.23%	13.77%

Commentary

- Recovered \$2.5 million in default interest from a prior lending customer of the Bank. The loan was originated in 2008 and subsequently went through many iterations of credit collection. This payment reflects the final payment and settlement of lien judgments against the client.
- Executed several SBA loan sales in the quarter.

⁽¹⁾ Annualized.



Non-interest Expense

In thousands (except ratios and FTE)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Salaries and employee benefits	\$ 5,313	\$ 5,213	\$ 5,278	\$ 4,435	\$ 4,907
Occupancy	1,192	1,411	1,387	1,402	1,419
Regulatory assessment and fees	317	195	178	171	179
Consulting and legal fees	357	373	185	274	342
Network and information technology services	358	332	508	380	407
Other operating	1,470	1,150	1,141	1,603	1,124
Total non-interest expenses	\$ 9,007	\$ 8,674	\$ 8,677	\$ 8,265	\$ 8,378
Efficiency ratio	50.92%	62.00%	58.64%	63.81%	65.02%
Average total assets	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735	\$ 1,460,732
Non-interest expense / Average assets ⁽¹⁾	2.05%	2.10%	2.24%	2.16%	2.28%
Full-time equivalent employees	184	183	186	179	178

Commentary

- Occupancy expense decreased due to full asset depreciation and rental income.
- Regulatory assessment and fees increased due to greater FDIC insurance expense with deposit growth.
- Other operating expenses increased due to expenses related to being public and an increase in reserves on off-balance sheet items.
- Stable non-interest expense to average assets ratio.

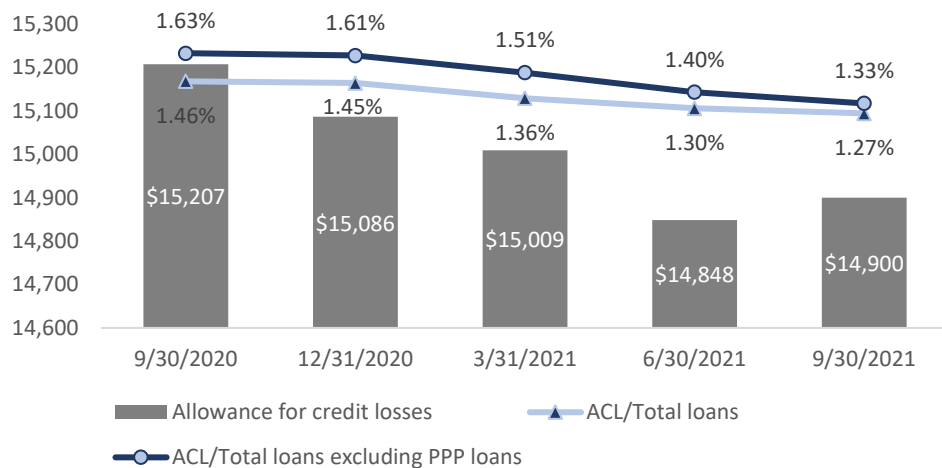
⁽¹⁾ Annualized.



Asset Quality

Allowance for Credit Losses

In thousands (except ratios)

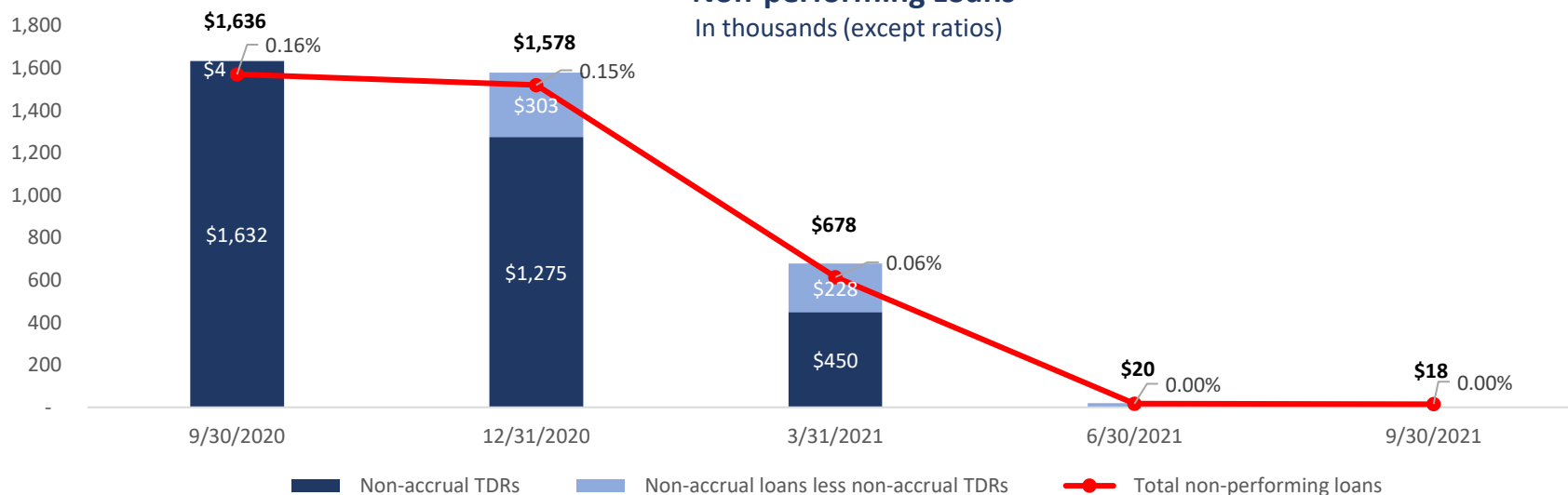


Commentary

- No loans are under deferment due to Covid-19
- No OREOs
- Less than 0.01% non-performing loans to total loans

Non-performing Loans

In thousands (except ratios)





Capital

Capital Ratios	Q3 2021	Q2 2021	Q3 2020	Well-Capitalized
Leverage Ratio	9.69%	7.91%	8.73%	5.00%
TCE/TA ⁽¹⁾	11.51%	8.50%	9.16%	NA
Tier 1 Risk Based Capital	13.85%	11.44%	13.08%	8.00%
Total Risk Based Capital	15.10%	12.69%	14.34%	10.00%

Commentary

- Completed IPO and all capital ratios remain significantly above “well capitalized” guidelines
- No remaining preferred shares at quarter-end
- EOP Shares outstanding:
 - Class A Common Stock: 18,767,541
 - Class B Common Stock: 6,121,052 (1,224,212 as converted) ⁽²⁾

⁽¹⁾ Non-GAAP.

⁽²⁾ Class B Common stock as converted 5 to 1.



Takeaways



Leading Franchise Located in one of the Most Attractive Banking Markets in Florida and the U.S.



Experienced and Tested Management Team



Robust Organic Growth



Low Risk, Commercially Oriented Loan Portfolio



Strong Asset Quality, with Minimal Charge-offs Experienced Since Recapitalization



Strong Profitability, with Pathway For Future Enhancement Identified



Core Funded Deposit Base with 38.4% Non-Interest Bearing Deposits (EOP)



Balanced Liquidity Profile – 79.2% Loan / Deposit Ratio to Support Future Loan Deployment



Non-GAAP Reconciliation

In thousands (except ratios)

	As of and for the three months ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Pre-Tax Pre-Provision ("PTPP") Income:					
Net income	\$ 6,593	\$ 4,053	\$ 4,781	\$ 4,239	\$ 3,404
Plus: Provision for income taxes	2,088	1,263	1,498	449	1,106
Plus: Provision for (recovery of) credit losses	-	-	(160)	-	-
PTPP income	<u>\$ 8,681</u>	<u>\$ 5,316</u>	<u>\$ 6,119</u>	<u>\$ 4,688</u>	<u>\$ 4,510</u>
PTPP Return on Average Assets:					
PTPP income	\$ 8,681	\$ 5,316	\$ 6,119	\$ 4,688	\$ 4,510
Average assets	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735	\$ 1,460,732
PTPP return on average assets ⁽¹⁾	1.98%	1.28%	1.58%	1.22%	1.23%
Operating Net Income:					
Net income	\$ 6,593	\$ 4,053	\$ 4,781	\$ 4,239	\$ 3,404
Less: Net gains (losses) on sale of securities	(70)	187	62	11	-
Less: Tax effect on sale of securities	17	(46)	(15)	(3)	-
Operating net income	<u>\$ 6,646</u>	<u>\$ 3,912</u>	<u>\$ 4,734</u>	<u>\$ 4,231</u>	<u>\$ 3,404</u>
Operating PTPP Income:					
PTPP income	\$ 8,681	\$ 5,316	\$ 6,119	\$ 4,688	\$ 4,510
Less: Net gains (losses) on sale of securities	(70)	187	62	11	-
Operating PTPP Income	<u>\$ 8,751</u>	<u>\$ 5,129</u>	<u>\$ 6,057</u>	<u>\$ 4,677</u>	<u>\$ 4,510</u>
Operating PTPP Return on Average Assets:					
Operating PTPP income	\$ 8,751	\$ 5,129	\$ 6,057	\$ 4,677	\$ 4,510
Average assets	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735	\$ 1,460,732
Operating PTPP Return on average assets ⁽¹⁾	1.99%	1.24%	1.56%	1.22%	1.23%
Operating Return on Average Asset:					
Operating net income	\$ 6,646	\$ 3,912	\$ 4,734	\$ 4,231	\$ 3,404
Average assets	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735	\$ 1,460,732
Operating return on average assets ⁽¹⁾	1.51%	0.95%	1.22%	1.11%	0.93%

(1) Annualized.



Non-GAAP Reconciliation

In thousands (except per share data)

	As of and for the three months ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Tangible Book Value per Common Share (at period-end):					
Total stockholders' equity (GAAP)	\$ 201,918	\$ 166,302	\$ 170,425	\$ 171,001	\$ 168,586
Less: Intangible assets	-	-	-	-	-
Less: Preferred stock	-	24,616	32,077	32,077	32,077
Tangible stockholders' equity (non-GAAP)	\$ 201,918	\$ 141,686	\$ 138,348	\$ 138,924	\$ 136,509
Total shares issued and outstanding (at period-end):					
Class A common shares	18,767,541	3,889,469	3,889,469	3,889,469	3,887,469
Class B common shares ⁽¹⁾	1,224,212	1,224,212	1,224,212	1,224,212	1,224,212
Total common shares outstanding	19,991,753	5,113,681	5,113,681	5,113,681	5,111,681
Tangible book value per common share (non-GAAP) ⁽²⁾	\$ 10.10	\$ 27.71	\$ 27.05	\$ 27.17	\$ 26.71
Operating Net Income Available to Common Stockholders:					
Net income (GAAP)	\$ 6,593	\$ 4,053	\$ 4,781	\$ 4,239	\$ 3,404
Less: Preferred dividends	542	754	781	782	782
Less: Exchange and redemption of preferred shares	89,585	-	-	-	-
Net income (loss) available to common stockholders (GAAP)	(83,534)	3,299	4,000	3,457	2,622
Add back: Exchange and redemption of preferred shares	89,585	-	-	-	-
Operating net income avail. to common stock (non-GAAP) ⁽³⁾	\$ 6,051	\$ 3,299	\$ 4,000	\$ 3,457	\$ 2,622
Allocation of operating net income per common stock class:					
Class A common stock	\$ 5,598	\$ 2,509	\$ 3,042	\$ 2,629	\$ 1,994
Class B common stock	\$ 453	\$ 790	\$ 958	\$ 828	\$ 628
Weighted average shares outstanding:					
Class A common stock					
Basic	15,121,460	3,889,469	3,889,469	3,887,512	3,887,469
Diluted	15,187,729	3,933,636	3,913,279	3,911,322	3,944,455
Class B common stock					
Basic	6,121,052	6,121,052	6,121,052	6,121,052	6,121,052
Diluted	6,121,052	6,121,052	6,121,052	6,121,052	6,121,052
Diluted EPS: ^{(3) (4) (5)}					
Class A common stock					
Net income (loss) per diluted share (GAAP)	\$ (5.11)	\$ 0.64	\$ 0.78	\$ 0.67	\$ 0.51
Add back: Exchange and redemption of preferred shares	5.48	-	-	-	-
Operating net income per diluted share (non-GAAP)	\$ 0.37	\$ 0.64	\$ 0.78	\$ 0.67	\$ 0.51
Class B common stock					
Net income (loss) per diluted share (GAAP)	\$ (1.02)	\$ 0.13	\$ 0.16	\$ 0.14	\$ 0.10
Add back: Exchange and redemption of preferred shares	1.09	-	-	-	-
Operating net income per diluted share (non-GAAP)	\$ 0.07	\$ 0.13	\$ 0.16	\$ 0.14	\$ 0.10

(1) Class B Non-Voting Common Stock, \$1.00 par value per share; 8,000,000 shares authorized; 6,121,052 issued and outstanding (convertible to 1,224,212 shares of Class A Voting Common Stock); 6,121,052 shares issued and outstanding as adjusted (convertible to 1,224,212 shares of Class A Voting Common Stock). Pursuant to the terms of the Amended and Restated Articles, each share of Class B non-voting common stock is convertible to 0.2 shares of Class A Voting Common Stock after adjustment based on the completion of the Reverse Stock Split of our Class A common stock.

(2) Tangible book value per common share is equal to total stockholders' equity, excluding preferred stock and intangible assets, divided by the number of shares of common stock outstanding at period-end (including Class A common stock and Class B common stock on an as-converted basis).

(3) The Company believes these non-GAAP measurements are a key indicator of the ongoing earnings power of the Company.

(4) For the quarter ended September 30, 2021, basic net loss per share is the same as diluted net loss per share as the inclusion of all potential common shares outstanding would have been antidilutive.

(5) In calculating net income (loss) per diluted share, the allocation of operating net income available to common stockholders was based on the weighted average shares outstanding per common share class to the total weighted average shares outstanding during each period. The operating net income allocation was calculated using the weighted average shares outstanding of Class B common stock on a as-converted basis.



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