

**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): January 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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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 January 25, 2024, USCB Financial Holdings, Inc. (the “Company”), issued a press release announcing its financial results for the fourth quarter ended December 31, 2023. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on the (“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 January 26, 2024, the Company will hold an earnings conference call to discuss its financial performance for the quarter ended December 31, 2023. 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 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 January 25, 2024
99.2	Earnings Presentation, dated January 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: January 25, 2024

EARNINGS RELEASE



USCB Financial Holdings, Inc. Reports Diluted EPS of \$0.14 for Q4 2023

MIAMI, FL – January 25, 2024 – USCB Financial Holdings, Inc. (the “Company”) (NASDAQ: USCB), the holding company for U.S. Century Bank (the “Bank”), reported net income of \$2.7 million or \$0.14 per diluted share for the three months ended December 31, 2023, compared to net income of \$4.4 million or \$0.22 per diluted share, for the same period in 2022.

“I am pleased to announce the results of a robust quarter at US Century Bank, achieving loan production of \$186 million with \$150 million in loan fundings having a weighted average coupon of 8% on new loans.” said Luis de la Aguilera, Chairman, President and CEO

“Despite facing one of the most aggressive Federal Reserve tightening periods in history, we’ve observed a steady improvement in our operating environment. Our Net Interest Margin (NIM) improved 5 bps in comparison to the previous quarter. Additionally, our accumulated comprehensive loss also showed improvement in the fourth quarter decreasing by \$7.0 million to \$44.3 million, which has increased our stockholders equity and tangible book value. As part of our commitment to address NIM compression, we executed a \$10 million loss trade transaction selling lower-yielding securities and reinvesting the funds in higher-yielding investments. Acknowledging the industry-wide impact of an inverted yield curve on earnings, our focus in 2024 is geared towards continued higher-yield loan production, deposit pricing discipline, and leveraging our proven business lines as lead deposit aggregators.” said de la Aguilera.

Unless otherwise stated, all percentage comparisons in the bullet points below are calculated at or for the quarter ended December 31, 2023 compared to at or for the quarter ended December 31, 2022 and annualized where appropriate.

Profitability

- Annualized return on average assets for the quarter ended December 31, 2023 was 0.48% compared to 0.86% for the fourth quarter of 2022. Operating pre-tax pre-provision profit (PTPP) return on average assets (non-GAAP financial measure) for the quarter ended December 31, 2023 was 1.03% compared to 1.69% for the fourth quarter of 2022.
- Annualized return on average stockholders’ equity for the quarter ended December 31, 2023 was 5.88% compared to 9.91% for the fourth quarter of 2022.
- The efficiency ratio for the quarter ended December 31, 2023 was 68.27% compared to 59.81% for the fourth quarter of 2022. Operating efficiency ratio (non-GAAP financial measure) for the quarter ended December 31, 2023 was 64.63% compared to 53.46% for the fourth quarter of 2022.
- Net interest margin for the quarter ended December 31, 2023 was 2.65% compared to 3.45% for the fourth quarter of 2022.
- Net interest income before provision for credit losses was \$14.4 million for the quarter ended December 31, 2023, a decrease of \$2.5 million or 14.8% compared to the fourth quarter of 2022.

Balance Sheet

- Total assets were \$2.3 billion at December 31, 2023, representing an increase of \$253.3 million or 12.1% from December 31, 2022.
- Total loans were \$1.8 billion at December 31, 2023, representing an increase of \$273.5 million or 18.1% from December 31, 2022.
- Total deposits were \$1.9 billion at December 31, 2023, representing an increase of \$107.9 million or 5.9% from December 31, 2022.
- Total stockholders’ equity was \$192.0 million at December 31, 2023, representing an increase of \$9.5 million or 5.2% from December 31, 2022. Total stockholders’ equity includes accumulated comprehensive loss of \$44.3 million at December 31, 2023 compared to accumulated comprehensive loss of \$44.8 million at December 31, 2022.

Asset Quality

- Allowance for credit losses (“ACL”) was calculated under the Current Expected Credit Losses (“CECL”) standard methodology for all periods in 2023 and the incurred loss methodology for all periods in 2022.
- The ACL increased by \$3.6 million to \$21.1 million at December 31, 2023 from \$17.5 million at December 31, 2022.
- The ACL represented 1.18% of total loans at December 31, 2023 and 1.16% at December 31, 2022.
- Non-performing loans to total loans was 0.03% at December 31, 2023 compared to 0.00% at December 31, 2022.

Non-interest Income and Non-interest Expense

- Non-interest income was \$1.3 million for the three months ended December 31, 2023, an increase of \$1.4 million compared to negative \$0.1 million for the same period in 2022.
- Non-interest expense was \$10.7 million for the three months ended December 31, 2023, an increase of \$705 thousand or 7.0% compared to \$10.0 million for the same period in 2022.

Capital

- During the fourth quarter the Company repurchased 92,317 shares of the Company's common stock at a weighted average price per share of \$10.45. The aggregate purchase price for the repurchase was approximately \$968 thousand, including transaction costs. The repurchase was made through open market transaction pursuant to the Company's publicly announced stock repurchase program. As of December 31, 2023, 80,080 shares remained authorized for repurchase under the program.
- During 2023 the Company repurchased 669,920 shares of the Company's common stock at a weighted average price per share of \$11.28. The aggregate purchase price for repurchases was approximately \$7.6 million, including transaction costs. The repurchases were made through open market transactions pursuant to the Company's publicly announced stock repurchase program.
- As of December 31, 2023, total risk-based capital ratios for the Company and the Bank were 12.78% and 12.65%, respectively.
- Tangible book value per common share (non-GAAP financial measure) at December 31, 2023 was \$9.81, representing an increase of \$0.69 from December 31, 2022. Tangible book value per common share at December 31, 2023 was negatively affected by \$2.26 due to an accumulated comprehensive loss of \$44.3 million. At December 31, 2022, tangible book value per common share of \$9.12 was negatively affected by \$2.24 due to \$44.8 million in accumulated comprehensive loss.

Conference Call and Webcast

The Company will host a conference call on Friday, January 26, 2024, at 11:00 a.m. Eastern Time to discuss the Company's unaudited financial results for the quarter ended December 31, 2023. 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 at 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," 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 results of operations and financial condition from expected 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, 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 cybersecurity 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 has 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 financial 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:**Investor Relations**

InvestorRelations@uscentury.com

Media Relations

Martha Guerra-Kattou
MGuerra@uscentury.com

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Interest income:				
Loans, including fees	\$ 24,803	\$ 17,836	\$ 87,884	\$ 60,825
Investment securities	2,511	2,306	10,012	9,346
Interest-bearing deposits in financial institutions	662	455	3,121	929
Total interest income	27,976	20,597	101,017	71,100
Interest expense:				
Interest-bearing checking	327	34	901	86
Savings and money market accounts	9,126	2,866	29,658	5,173
Time deposits	2,733	616	8,500	1,509
FHLB advances and other borrowings	1,414	215	3,390	671
Total interest expense	13,600	3,731	42,449	7,439
Net interest income before provision for credit losses	14,376	16,866	58,568	63,661
Provision for credit losses	1,475	880	2,367	2,495
Net interest income after provision for credit losses	12,901	15,986	56,201	61,166
Non-interest income:				
Service fees	1,348	1,093	5,055	4,010
Gain (loss) on sale of securities available for sale, net	(883)	(1,989)	(1,859)	(2,529)
Gain on sale of loans held for sale, net	105	205	801	891
Loan settlement	-	-	-	161
Other non-interest income	756	568	3,406	2,695
Total non-interest income	1,326	(123)	7,403	5,228
Non-interest expense:				
Salaries and employee benefits	6,104	6,080	24,429	23,943
Occupancy	1,262	1,256	5,230	5,058
Regulatory assessments and fees	412	222	1,453	930
Consulting and legal fees	642	371	1,899	1,890
Network and information technology services	552	483	2,016	1,806
Other operating expense	1,747	1,602	6,781	5,682
Total non-interest expense	10,719	10,014	41,808	39,309
Net income before income tax expense	3,508	5,849	21,796	27,085
Income tax expense	787	1,415	5,251	6,944
Net income	\$ 2,721	\$ 4,434	\$ 16,545	\$ 20,141
Per share information:				
Net income per common share, basic	\$ 0.14	\$ 0.22	\$ 0.84	\$ 1.01
Net income per common share, diluted	\$ 0.14	\$ 0.22	\$ 0.84	\$ 1.00
Weighted average shares outstanding:				
Common shares, basic	19,503,043	20,000,753	19,621,698	19,999,323
Common shares, diluted	19,573,350	20,172,438	19,687,634	20,176,838

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

	As of or For the Three Months Ended				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Income statement data:					
Net interest income	\$ 14,376	\$ 14,022	\$ 14,173	\$ 15,997	\$ 16,866
Provision for credit losses	1,475	653	38	201	880
Net interest income after provision for credit losses	12,901	13,369	14,135	15,796	15,986
Service fees	1,348	1,329	1,173	1,205	1,093
Gain (loss) on sale of securities available for sale, net	(883)	(955)	-	(21)	(1,989)
Gain on sale of loans held for sale, net	105	255	94	347	205
Other income	756	1,532	579	539	568
Total non-interest income	1,326	2,161	1,846	2,070	(123)
Salaries and employee benefits	6,104	6,066	5,882	6,377	6,080
Occupancy	1,262	1,350	1,319	1,299	1,256
Regulatory assessments and fees	412	365	452	224	222
Consulting and legal fees	642	513	386	358	371
Network and information technology services	552	481	505	478	483
Other operating expense	1,747	1,686	1,908	1,440	1,602
Total non-interest expense	10,719	10,461	10,452	10,176	10,014
Net income before income tax expense	3,508	5,069	5,529	7,690	5,849
Income tax expense	787	1,250	1,333	1,881	1,415
Net income	\$ 2,721	\$ 3,819	\$ 4,196	\$ 5,809	\$ 4,434
Per share information:					
Net income per common share, basic	\$ 0.14	\$ 0.20	\$ 0.21	\$ 0.29	\$ 0.22
Net income per common share, diluted	\$ 0.14	\$ 0.19	\$ 0.21	\$ 0.29	\$ 0.22
Balance sheet data (at period-end):					
Cash and cash equivalents	\$ 41,062	\$ 33,435	\$ 87,280	\$ 63,251	\$ 54,168
Securities available-for-sale	\$ 229,329	\$ 218,609	\$ 218,442	\$ 229,409	\$ 230,140
Securities held-to-maturity	\$ 174,974	\$ 197,311	\$ 220,956	\$ 186,428	\$ 188,699
Total securities	\$ 404,303	\$ 415,920	\$ 439,398	\$ 415,837	\$ 418,839
Loans held for investment ⁽¹⁾	\$ 1,780,827	\$ 1,676,520	\$ 1,595,959	\$ 1,580,394	\$ 1,507,338
Allowance for credit losses	\$ (21,084)	\$ (19,493)	\$ (18,815)	\$ (18,887)	\$ (17,487)
Total assets	\$ 2,339,093	\$ 2,244,602	\$ 2,225,914	\$ 2,163,821	\$ 2,085,834
Non-interest-bearing deposits	\$ 552,762	\$ 573,546	\$ 572,360	\$ 633,606	\$ 629,776
Interest-bearing deposits	\$ 1,384,377	\$ 1,347,376	\$ 1,348,941	\$ 1,196,856	\$ 1,199,505
Total deposits	\$ 1,937,139	\$ 1,920,922	\$ 1,921,301	\$ 1,830,462	\$ 1,829,281
FHLB advances and other borrowings	\$ 183,000	\$ 102,000	\$ 87,000	\$ 120,000	\$ 46,000
Total liabilities	\$ 2,147,125	\$ 2,061,718	\$ 2,042,229	\$ 1,979,963	\$ 1,903,406
Total stockholders' equity	\$ 191,968	\$ 182,884	\$ 183,685	\$ 183,858	\$ 182,428
Capital ratios:⁽²⁾					
Leverage ratio	9.28%	9.26%	9.32%	9.36%	9.61%
Common equity tier 1 capital	11.62%	11.97%	12.27%	12.04%	12.53%
Tier 1 risk-based capital	11.62%	11.97%	12.27%	12.04%	12.53%
Total risk-based capital	12.78%	13.10%	13.42%	13.20%	13.65%

(1) Loan amounts include deferred fees/costs.

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

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

	As of or For the Three Months Ended				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Average balance sheet data:					
Cash and cash equivalents	\$ 57,069	\$ 90,742	\$ 94,313	\$ 50,822	\$ 61,892
Securities available-for-sale	\$ 215,649	\$ 222,134	\$ 224,913	\$ 230,336	\$ 242,144
Securities held-to-maturity	\$ 181,151	\$ 218,694	\$ 192,628	\$ 187,826	\$ 184,459
Total securities	\$ 396,800	\$ 440,828	\$ 417,541	\$ 418,162	\$ 426,603
Loans held for investment ⁽¹⁾	\$ 1,698,611	\$ 1,610,864	\$ 1,569,266	\$ 1,547,393	\$ 1,456,780
Total assets	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867
Interest-bearing deposits	\$ 1,336,470	\$ 1,353,516	\$ 1,270,657	\$ 1,179,878	\$ 1,150,049
Non-interest-bearing deposits	\$ 577,133	\$ 587,917	\$ 601,778	\$ 664,369	\$ 653,820
Total deposits	\$ 1,913,603	\$ 1,941,433	\$ 1,872,435	\$ 1,844,247	\$ 1,803,869
FHLB advances and other borrowings	\$ 139,000	\$ 85,326	\$ 93,075	\$ 61,600	\$ 37,500
Total liabilities	\$ 2,085,182	\$ 2,065,357	\$ 1,999,304	\$ 1,936,847	\$ 1,874,311
Total stockholders' equity	\$ 183,629	\$ 184,901	\$ 184,238	\$ 183,371	\$ 177,556
Performance ratios:					
Return on average assets ⁽²⁾	0.48%	0.67%	0.77%	1.11%	0.86%
Return on average equity ⁽²⁾	5.88%	8.19%	9.13%	12.85%	9.91%
Net interest margin ⁽²⁾	2.65%	2.60%	2.73%	3.22%	3.45%
Non-interest income (loss) to average assets ⁽²⁾	0.23%	0.38%	0.34%	0.40%	(0.02)%
Efficiency ratio ⁽³⁾	68.27%	64.64%	65.25%	56.32%	59.81%
Loans by type (at period end):⁽⁴⁾					
Residential real estate	\$ 204,419	\$ 188,880	\$ 183,093	\$ 184,427	\$ 185,636
Commercial real estate	\$ 1,047,593	\$ 1,005,280	\$ 989,401	\$ 987,757	\$ 970,410
Commercial and industrial	\$ 219,757	\$ 212,975	\$ 169,401	\$ 160,947	\$ 126,984
Foreign banks	\$ 114,945	\$ 94,640	\$ 85,409	\$ 97,405	\$ 93,769
Consumer and other	\$ 191,930	\$ 173,096	\$ 167,845	\$ 149,410	\$ 130,429
Asset quality data:					
Allowance for credit losses to total loans	1.18%	1.16%	1.18%	1.20%	1.16%
Allowance for credit losses to non-performing loans	4.505%	4.070%	3.871%	3.886%	- %
Total non-performing loans ⁽⁵⁾	\$ 468	\$ 479	\$ 486	\$ 486	\$ -
Non-performing loans to total loans	0.03%	0.03%	0.03%	0.03%	- %
Non-performing assets to total assets ⁽⁵⁾	0.02%	0.02%	0.02%	0.02%	- %
Net charge-offs (recoveries of) to average loans ⁽²⁾	(0.00)%	(0.00)%	0.01%	(0.01)%	(0.00)%
Net charge-offs (recovery) of credit losses	\$ (3)	\$ (5)	\$ 29	\$ (49)	\$ (2)
Interest rates and yields:⁽²⁾					
Loans	5.79%	5.55%	5.33%	5.17%	4.86%
Investment securities	2.46%	2.52%	2.26%	2.20%	2.13%
Total interest-earning assets	5.16%	4.89%	4.68%	4.51%	4.21%
Deposits	2.53%	2.39%	1.99%	1.29%	0.77%
FHLB advances and other borrowings	4.04%	3.19%	3.42%	3.27%	2.27%
Total interest-bearing liabilities	3.66%	3.41%	2.97%	2.08%	1.25%
Other information:					
Full-time equivalent employees	196	194	198	196	191

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

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

	Three Months Ended December 31,					
	2023			2022		
	Average Balance	Interest	Yield/Rate ⁽¹⁾	Average Balance	Interest	Yield/Rate ⁽¹⁾
Assets						
Interest-earning assets:						
Loans ⁽²⁾	\$ 1,698,611	\$ 24,803	5.79%	\$ 1,456,780	\$ 17,836	4.86%
Investment securities ⁽³⁾	404,850	2,511	2.46%	429,020	2,306	2.13%
Other interest-earnings assets	<u>49,583</u>	<u>662</u>	5.30%	<u>53,717</u>	<u>455</u>	3.36%
Total interest-earning assets	2,153,044	27,976	5.16%	1,939,517	20,597	4.21%
Non-interest-earning assets	<u>115,767</u>			<u>112,350</u>		
Total assets	<u>\$ 2,268,811</u>			<u>\$ 2,051,867</u>		
Liabilities and stockholders' equity						
Interest-bearing liabilities:						
Interest-bearing checking	\$ 49,675	327	2.61%	\$ 61,976	34	0.22%
Saving and money market deposits	1,004,805	9,126	3.60%	871,269	2,866	1.31%
Time deposits	<u>281,990</u>	<u>2,733</u>	3.85%	<u>216,804</u>	<u>616</u>	1.13%
Total interest-bearing deposits	1,336,470	12,186	3.62%	1,150,049	3,516	1.21%
FHLB advances and other borrowings	<u>139,000</u>	<u>1,414</u>	4.04%	<u>37,500</u>	<u>215</u>	2.27%
Total interest-bearing liabilities	1,475,470	13,600	3.66%	1,187,549	3,731	1.25%
Non-interest-bearing demand deposits	577,133			653,820		
Other non-interest-bearing liabilities	<u>32,579</u>			<u>32,942</u>		
Total liabilities	2,085,182			1,874,311		
Stockholders' equity	<u>183,629</u>			<u>177,556</u>		
Total liabilities and stockholders' equity	<u>\$ 2,268,811</u>			<u>\$ 2,051,867</u>		
Net interest income		<u>\$ 14,376</u>		<u>\$ 16,866</u>		
Net interest spread ⁽⁴⁾			1.50%			2.96%
Net interest margin ⁽⁵⁾			2.65%			3.45%

(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				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Pre-tax pre-provision ("PTPP") income:⁽¹⁾					
Net income	\$ 2,721	\$ 3,819	\$ 4,196	\$ 5,809	\$ 4,434
Plus: Provision for income taxes	787	1,250	1,333	1,881	1,415
Plus: Provision for credit losses	1,475	653	38	201	880
PTPP income	\$ 4,983	\$ 5,722	\$ 5,567	\$ 7,891	\$ 6,729
PTPP return on average assets:⁽¹⁾					
PTPP income	\$ 4,983	\$ 5,722	\$ 5,567	\$ 7,891	\$ 6,729
Average assets	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867
PTPP return on average assets ⁽²⁾	0.87%	1.01%	1.02%	1.51%	1.30%
Operating net income:⁽¹⁾					
Net income	\$ 2,721	\$ 3,819	\$ 4,196	\$ 5,809	\$ 4,434
Less: Net gains (losses) on sale of securities	(883)	(955)	-	(21)	(1,989)
Less: Tax effect on sale of securities	224	242	-	5	504
Operating net income	\$ 3,380	\$ 4,532	\$ 4,196	\$ 5,825	\$ 5,919
Operating PTPP income:⁽¹⁾					
PTPP income	\$ 4,983	\$ 5,722	\$ 5,567	\$ 7,891	\$ 6,729
Less: Net gains (losses) on sale of securities	(883)	(955)	-	(21)	(1,989)
Operating PTPP income	\$ 5,866	\$ 6,677	\$ 5,567	\$ 7,912	\$ 8,718
Operating PTPP return on average assets:⁽¹⁾					
Operating PTPP income	\$ 5,866	\$ 6,677	\$ 5,567	\$ 7,912	\$ 8,718
Average assets	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867
Operating PTPP return on average assets ⁽²⁾	1.03%	1.18%	1.02%	1.51%	1.69%
Operating return on average assets:⁽¹⁾					
Operating net income	\$ 3,380	\$ 4,532	\$ 4,196	\$ 5,825	\$ 5,919
Average assets	\$ 2,268,811	\$ 2,250,258	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867
Operating return on average assets ⁽²⁾	0.59%	0.80%	0.77%	1.11%	1.14%
Operating return on average equity:⁽¹⁾					
Operating net income	\$ 3,380	\$ 4,532	\$ 4,196	\$ 5,825	\$ 5,919
Average equity	\$ 183,629	\$ 184,901	\$ 184,238	\$ 183,371	\$ 177,556
Operating return on average equity ⁽²⁾	7.30%	9.72%	9.13%	12.88%	13.23%
Operating Revenue:⁽¹⁾					
Net interest income	\$ 14,376	\$ 14,022	\$ 14,173	\$ 15,997	\$ 16,866
Non-interest income	1,326	2,161	1,846	2,070	(123)
Less: Net gains (losses) on sale of securities	(883)	(955)	-	(21)	(1,989)
Operating revenue	\$ 16,585	\$ 17,138	\$ 16,019	\$ 18,088	\$ 18,732
Operating Efficiency Ratio:⁽¹⁾					
Total non-interest expense	\$ 10,719	\$ 10,461	\$ 10,452	\$ 10,176	\$ 10,014
Operating revenue	\$ 16,585	\$ 17,138	\$ 16,019	\$ 18,088	\$ 18,732
Operating efficiency ratio	64.63%	61.04%	65.25%	56.26%	53.46%

(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				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Tangible book value per common share (at period-end):⁽¹⁾					
Total stockholders' equity	\$ 191,968	\$ 182,884	\$ 183,685	\$ 183,858	\$ 182,428
Less: Intangible assets ⁽²⁾	-	-	-	-	-
Tangible stockholders' equity ⁽²⁾	\$ 191,968	\$ 182,884	\$ 183,685	\$ 183,858	\$ 182,428
Total shares issued and outstanding (at period-end):					
Total common shares issued and outstanding	19,575,435	19,542,290	19,544,777	19,622,380	20,000,753
Tangible book value per common share ⁽²⁾⁽³⁾	\$ 9.81	\$ 9.36	\$ 9.40	\$ 9.37	\$ 9.12
Operating diluted net income per common share:⁽¹⁾					
Operating net income	\$ 3,380	\$ 4,532	\$ 4,196	\$ 5,825	\$ 5,919
Total weighted average diluted shares of common stock	19,573,350	19,611,897	19,639,682	19,940,606	20,172,438
Operating diluted net income per common share:	\$ 0.17	\$ 0.23	\$ 0.21	\$ 0.29	\$ 0.29
Tangible Common Equity/Tangible Assets⁽¹⁾					
Tangible stockholders' equity	\$ 191,968	\$ 182,884	\$ 183,685	\$ 183,858	\$ 182,428
Tangible total assets ⁽²⁾	\$ 2,339,093	\$ 2,244,602	\$ 2,225,914	\$ 2,163,821	\$ 2,085,834
Tangible Common Equity/Tangible Assets ⁽²⁾	8.21%	8.15%	8.25%	8.50%	8.75%

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

(2) Since the Company has no intangible assets, tangible stockholders' equity, tangible book value per share and tangible total assets are the same amounts as stockholders' equity, book value per share and total assets calculated under GAAP.

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

EARNINGS PRESENTATION

FOURTH QUARTER 2023

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," 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 results of operations and financial condition from expected 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, 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 cybersecurity-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 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 the presentation.²

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



Q4 2023 HIGHLIGHTS



GROWTH

Average deposits increased by \$109.7 million or 6.1% compared to the fourth quarter 2022.

Average loans increased \$241.8 million or 16.6% compared to the fourth quarter 2022.

Liquidity sources on December 31, 2023, totaled \$620 million in on-balance sheet and off-balance sheet sources.

Tangible Book Value per Share ⁽¹⁾ on December 31, 2023, of \$9.81 includes AOCI impact of (\$2.26) increased from \$9.36 in prior quarter end which included an AOCI impact of (\$2.62).



PROFITABILITY

Net income was \$2.7 million or \$0.14 per diluted share and includes a pre-tax securities loss sale of \$883 thousand.

Net interest income before provision and NIM increased in the quarter compared to third quarter 2023.

ROAA was 0.48% compared to 0.86% for the fourth quarter 2022.

Consulting and legal fees increased \$129 thousand due to a one-time, nonrecurring legal expense associated with the legacy shareholder lawsuit which was dismissed with prejudice.



CAPITAL/ CREDIT

During the quarter, the Company repurchased 92,317 shares of common stock at a weighted average price per share of \$10.45. As of December 31, 2023, 80,080 shares remained authorized for repurchase under the Company's publicly announced stock repurchase program

At December 31, 2023, one C&I loan classified as nonaccrual for a total of \$468 thousand.

ACL coverage ratio was 1.18% at December 31, 2023, compared to 1.16% at September 30, 2023. Effective January 1, 2023, the Company adopted the CECL methodology for estimating credit losses.

⁽¹⁾ Non-GAAP financial measure.

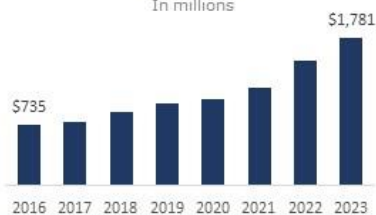


HISTORICAL FINANCIALS

EOP for Balance Sheet amounts

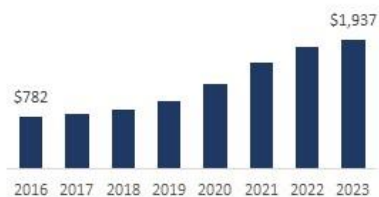
Loans ⁽¹⁾

In millions



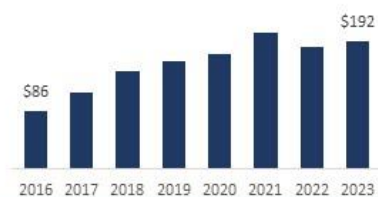
Deposits

In millions

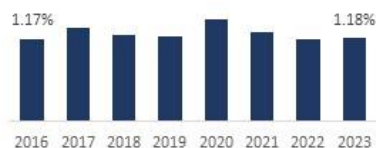


Total stockholders' equity

In millions



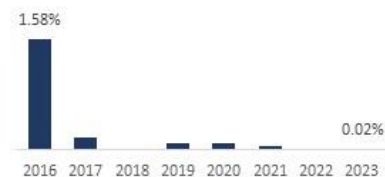
Allowance for credit losses to non-performing loans



Net charge-offs (recoveries) of loan losses

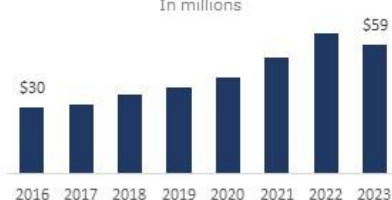


Non-performing assets to total assets

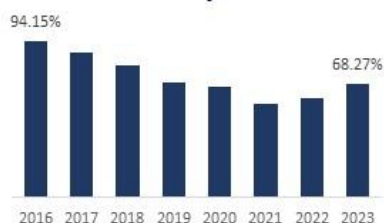


Net Interest Income

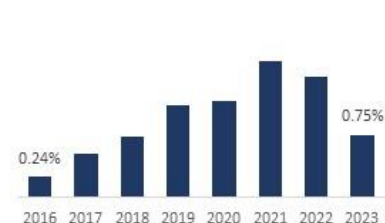
In millions



Efficiency ratio



PTPP ROAA ⁽²⁾



⁽¹⁾ Loan amounts include deferred fees/costs.
⁽²⁾ Non-GAAP financial measure.



FINANCIAL RESULTS

In thousands (except per share data)

	Q4 2023	Q3 2023	Q4 2022	
Balance Sheet (EOP)	Total Securities	\$404,303	\$415,920	\$418,839
	Total Loans ⁽¹⁾	\$1,780,827	\$1,676,520	\$1,507,338
	Total Assets	\$2,339,093	\$2,244,602	\$2,085,834
	Total Deposits	\$1,937,139	\$1,920,922	\$1,829,281
	Total Equity ⁽²⁾	\$191,968	\$182,844	\$182,428
Income Statement	Net Interest Income	\$14,376	\$14,022	\$16,866
	Non-Interest Income	\$1,326	\$2,161	(\$123)
	Total Revenue	\$15,702	\$16,183	\$16,743
	Provision for Credit Losses	\$1,475	\$653	\$880
	Non-Interest Expense	\$10,719	\$10,461	\$10,014
	Net Income	\$2,721	\$3,819	\$4,434
	Diluted Earning Per Share (EPS)	\$0.14	\$0.19	\$0.22
	Operating Diluted EPS ⁽³⁾	\$0.17	\$0.23	\$0.29
	Weighted Average Diluted Shares	19,573,350	19,611,897	20,172,438

⁽¹⁾ Loan amounts include deferred fees/costs.

⁽²⁾ Total Equity includes accumulated comprehensive loss of \$44.3 million for Q4 2023, \$51.2 million for Q3 2023, and \$44.8 million for Q4 2022.

⁽³⁾ Non-GAAP financial measure.



KEY PERFORMANCE INDICATORS



GROWTH



PROFITABILITY



CAPITAL/
CREDIT

	Q4 2023	Q3 2023	Q4 2022
	In thousands (except for TBV/share)		
Total Assets (EOP)	\$2,339,093	\$2,244,602	\$2,085,834
Total Loans (EOP)	\$1,780,827	\$1,676,520	\$1,507,338
Total Deposits (EOP)	\$1,937,139	\$1,920,922	\$1,829,281
Tangible Book Value/Share ⁽¹⁾⁽⁴⁾	\$9.81	\$9.36	\$9.12
Return On Average Assets (ROAA) ⁽³⁾	0.48%	0.67%	0.86%
Return On Average Equity (ROAE) ⁽³⁾	5.88%	8.19%	9.91%
Net Interest Margin ⁽³⁾	2.65%	2.60%	3.45%
Efficiency Ratio	68.27%	64.64%	59.81%
Non-Interest Expense/Avg Assets ⁽³⁾	1.87%	1.84%	1.94%
Tangible Common Equity/Tangible Assets ⁽¹⁾	8.21%	8.15%	8.75%
Total Risk-Based Capital ⁽²⁾	12.78%	13.10%	13.65%
NCO/Avg Loans ⁽³⁾	0.00%	0.00%	(0.00%)
NPA/Assets	0.02%	0.02%	0.00%
Allowance Credit Losses/Loans	1.18%	1.16%	1.16%

⁽¹⁾ Non-GAAP financial measures.

⁽²⁾ Reflects the Company's regulatory capital ratios which are provided for information 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 (\$2.26) for Q4 2023, (\$2.62) for Q3 2023 and (\$2.24) for Q4 2022.

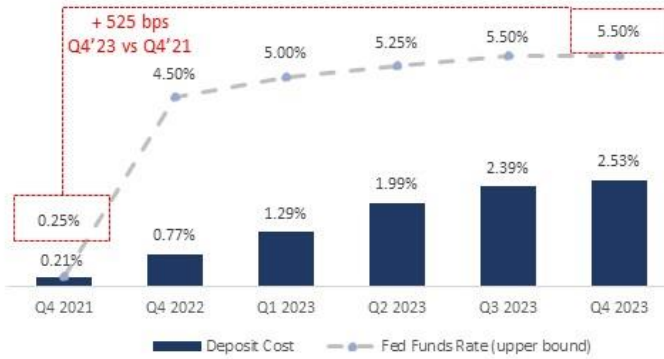


DEPOSIT PORTFOLIO

Deposits AVG In millions



Deposit Cost



Commentary

Average deposits decreased \$27.8 million or 5.69% annualized compared to the prior quarter and increased \$109.7 million or 6.1% compared to the fourth quarter 2022.

Deposit composition mix shifted towards interest-bearing deposits.

Average DDA balances comprised 30.1% of total deposits as of December 31, 2023.

Deposit beta of 44% since Q4 2021.

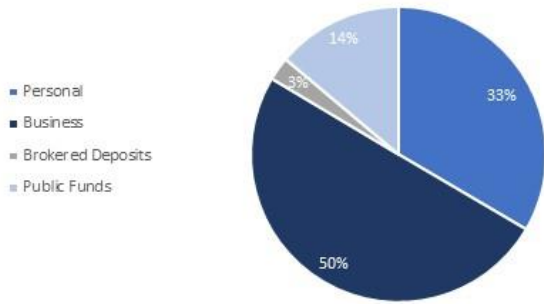
Deposit cost increasing but at a slower pace.



DEPOSIT DISTRIBUTION

EOP for Balance Sheet amounts

Deposits Composition



Deposits by Customer Segment

In thousands for balance sheet amounts

Deposit Type	Total Balance	% of Total	(#) Accounts	Average Balance per Account
Business	\$ 970,644	50%	7,243	\$ 134
Personal	\$ 648,095	33%	12,715	\$ 51
Public Funds	\$ 268,400	14%	47	\$ 5,711
Brokered CDs	\$ 50,000	3%	2	\$ 25,000
Grand Total	\$ 1,937,139	100%	20,007	\$ 97

Commentary

Our deposit base reflects our business model: a commercial bank.

The total amount of uninsured deposits was 55% at quarter end.

As of December 31, 2023, the deposit balance of ICS/CDARS was \$107.3 million, a decrease of \$9.2 million from end of third quarter 2023.

Uninsured Deposits to Total Deposits

In millions





DEPOSIT AGGREGATING VERTICALS

Deposits Trend (EOP) In millions



Commentary

\$404 million in deposit growth compared to December 31, 2018.

Growth by vertical from 2018 to 2023:

JA/PCG: \$134 million.

HOA: \$102 million.

Correspondent Banking & International Banking: \$152 million.

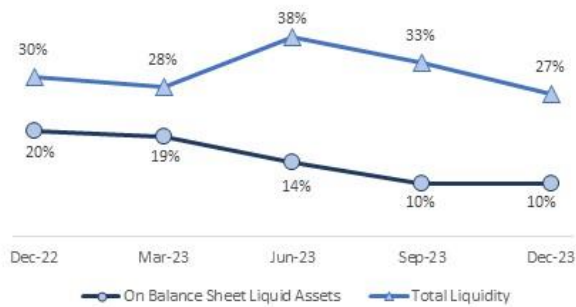
MD Advantage: \$16 million (new initiative).



LIQUIDITY

EOP for Balance Sheet amounts

Total Liquidity



Liquid Assets: On-Balance Sheet Liquidity / Total Assets
 Total Liquidity: Total Liquidity / Total Assets

Sources of Liquidity (in millions)	12/31/2023
On Balance Sheet Liquidity	
Cash	\$7
Due from banks	\$30
Investment securities unpledged	\$188
Total on balance sheet liquidity (Liquid Assets)	\$225
Off Balance Sheet Liquidity	
FHLB excess capacity	\$124
Bank Term Funding Program (BTFP)	\$132
Federal Reserve Discount Window	\$34
Fed Fund Lines	\$105
Total off balance sheet liquidity	\$395
Total Liquidity	\$620

Liquidity calculation excludes vault cash reserves

Commentary

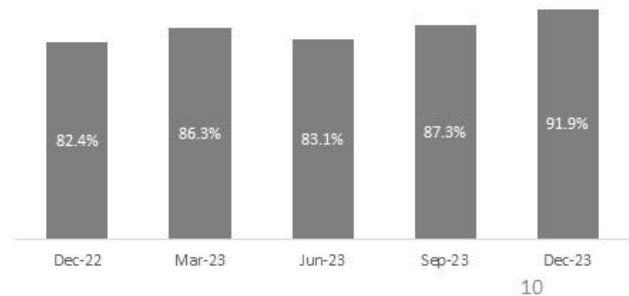
We believe we are well positioned to weather the current economic environment.

We have ample sources of liquidity both on and off-balance sheet.

Loan-to-deposit ratio increased due to additional loan production during the quarter.

We are enrolled in BTFP but did not draw any funds as of December 31, 2023. However, in early January, we drew down \$80 million and paid off a similar amount of FHLB borrowings to take advantage of the less expensive funding source (70bps on \$80 million).

Loan-to-Deposit Ratio





LOAN PORTFOLIO

Total Loans (AVG)

In millions



Commentary

Average loans increased \$87.7 million or 21.6% annualized compared to prior quarter and \$241.8 million or 16.6% compared to the fourth quarter 2022.

Loan coupon increased 26 bps compared to prior quarter and 97 bps compared to the fourth quarter 2022.

Loan fees for the fourth quarter 2023 decreased due to realization of premium on purchased loans.

While our average loan portfolio for the fourth quarter of 2023 was \$1.7 billion, our EOP loan balance was \$1.8 billion.

Loan Yields

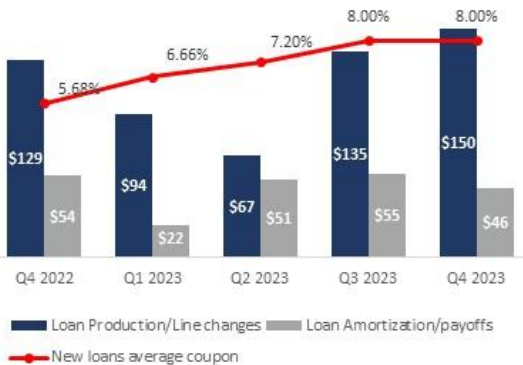




LOAN PRODUCTION

Net Loan Production Trend

In millions



Loan Composition Trend (1)

In millions



Commentary

\$446 million in new loan production in 2023 at higher rates.

Weighted average coupon on new loans was 8.00% for fourth quarter 2023, 221 bps above portfolio average.

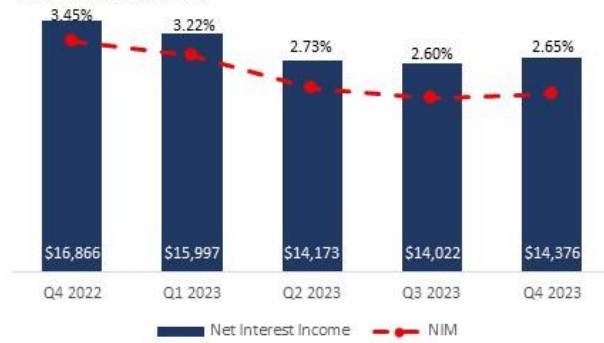
Loan composition shift from real estate loans to non-CRE loans is steadily increasing, further diversifying our loan portfolio.



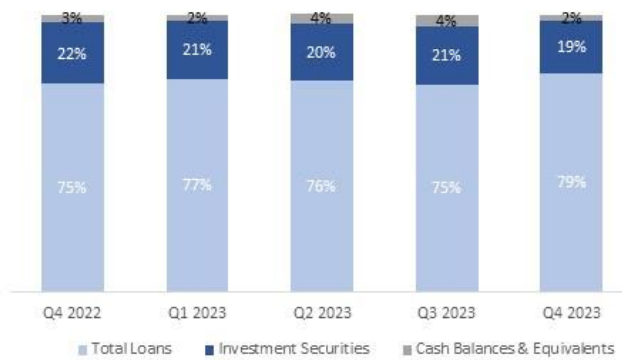
NET INTEREST MARGIN

Net Interest Income/Margin (1)

In thousands (except ratios)



Interest-Earning Assets Mix (AVG)



(1) Annualized.

Commentary

Net interest income before provision and NIM increased in the quarter.

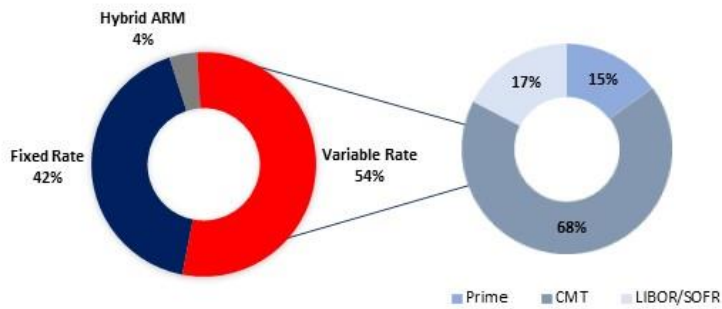
NIM is expected to increase going forward due to:

- Slower increases in deposit costs
- New loans coming on at higher rates
- New advance from BTFP will represent savings of 70 bps on \$80 million compared to previous FHLB borrowings.
- Loan to deposit ratio is increasing
- The mix of our interest-earning assets continue to improve.

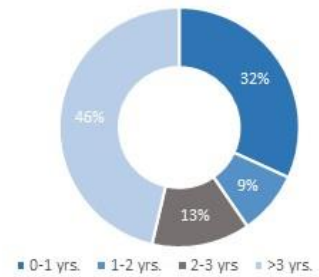


INTEREST RATE SENSITIVITY

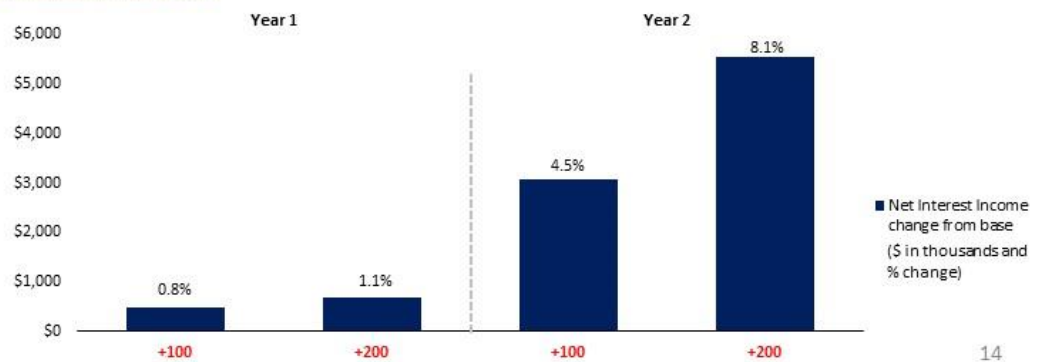
Loan Portfolio Repricing Profile by Rate Type



Loan Repricing Schedule Variable/Hybrid Rate Loans



Static NII Simulation Year 1 & 2

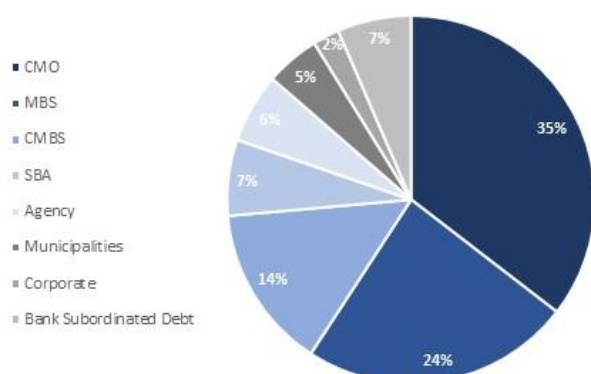




SECURITIES PORTFOLIO

EOP for Balance Sheet amounts, in millions

Portfolio Composition



Securities Portfolio Key Metrics

Metrics	as of 12/31/2023	
Securities Portfolio	\$	404.3
AFS as % of portfolio		56.7%
HTM as % of portfolio		43.3%
Portfolio Yield		2.4%
Average Life		6.9
Mod Duration		5.5
AFS AOCI	\$	(50.1)

Commentary

Securities portfolio was \$404.3 million; 56.7% of the portfolio is classified as AFS, while 43.3% is classified as HTM.

The modified duration is 5.5 and the average life is 6.9 years. Duration has increased as the result of higher rates and lower prepayments.

We expect to receive \$40.5 million from the securities portfolio in 2024 at current rates; these cashflows will support loan growth or debt repayment.

If rates drop 100 bps, we expect to receive \$43.3 million.

80.3% of the portfolio is invested in mortgage-backed securities, boosting the liquidity.

Estimated Short Term Cashflows

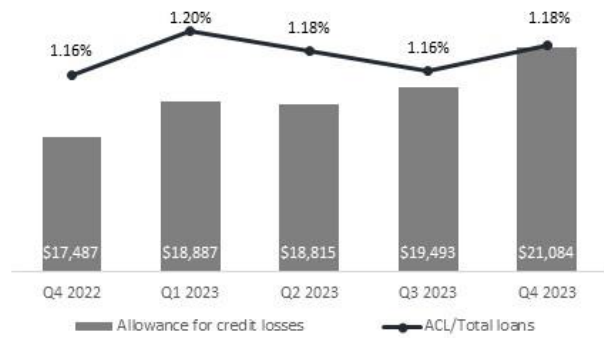
	-100	Base	+100
2024	\$43.3	\$40.5	\$37.6
2025	\$39.3	\$36.8	\$34.5
2026	\$48.2	\$46.4	\$44.7
Total	\$130.8	\$123.6	\$116.8
Securities Portfolio %	32.4%	30.6%	28.9%



ASSET QUALITY

Allowance for Credit Losses

In thousands (except ratios)



Commentary

ACL coverage ratio is at 1.18% on December 31, 2023, slightly up from prior quarter.

One C&I loan for \$468 thousand was classified as nonaccrual on December 31, 2023.

No OREO.

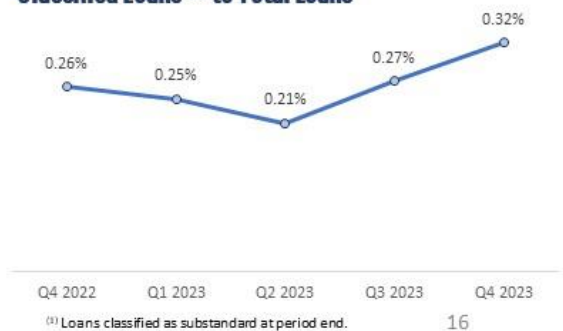
ACL increased by \$1.6 million due to net loan growth during the quarter.

Non-performing Loans

In thousands (except ratios)



Classified Loans (1) to Total Loans



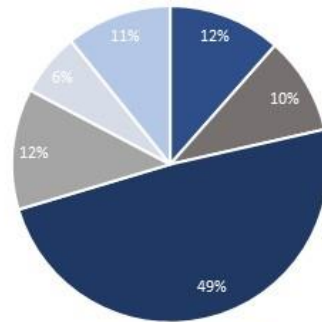
(1) Loans classified as substandard at period end.



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



\$1,779 MM ⁽¹⁾

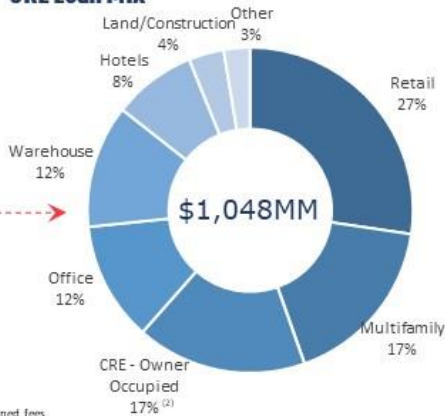
Commentary

Total loan balance at quarter end was \$1,779 million ⁽¹⁾.

Commercial Real Estate (owner occupied and non-owner occupied) was 59% or \$1,048 million of the total loan portfolio ⁽¹⁾.

CRE mix is diversified and granular. Retail non-owner occupied makes up 27% of total CRE or \$282.9 million.

CRE Loan Mix



\$1,048MM

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

Loan Type	Weighted Average		Average Loan Size ⁽³⁾
	LTV ⁽¹⁾	DSCR ⁽²⁾	
Retail	55%	1.92	\$2.9
Multifamily	59%	1.44	\$1.4
Office	57%	2.06	\$1.4
Warehouse	58%	1.82	\$1.6
Hotels	55%	2.11	\$5.1
Other	59%	1.94	\$1.7
Land/Construction	52%	NA	\$2.3

⁽¹⁾ LTV - Loan to value ratio.

⁽²⁾ DSCR - Debt service coverage ratio.

⁽³⁾ Balance in millions.

As of 12/31/23

⁽¹⁾ Excludes unearned fees

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



NON-INTEREST INCOME

In thousands (except ratios)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Service fees	\$1,348	\$1,329	\$1,173	\$1,205	\$1,093
Gain (loss) on sale of securities available for sale	(883)	(955)	-	(21)	(1,989)
Gain on sale of loans held for sale	105	255	94	347	205
Other income	756	1,532	579	539	568
Total non-interest income	\$1,326	\$2,161	\$1,846	\$2,070	(\$123)
Average total assets	\$2,268,811	\$2,250,258	\$2,183,542	\$2,120,218	\$2,051,867
Non-interest income (loss)/Average assets ⁽¹⁾	0.23%	0.38%	0.34%	0.40%	(0.02%)

Commentary

Service fees have increased year over year due to new foreign correspondent banks and strategic pricing on wire fees.

As part of our commitment to address NIM compression, we executed a \$10 million loss trade transaction selling lower yielding securities and reinvesting the funds in higher-yielding investments and loans; resulting in a loss of \$883 thousand.

Excluding the loss on securities in the fourth quarter in 2023, non-interest income over average assets was 0.39%, in line with prior quarters.

⁽¹⁾ Annualized.



NON-INTEREST EXPENSE

In thousands (except ratios)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Salaries and employee benefits	\$6,104	\$6,066	\$5,882	\$6,377	\$6,080
Occupancy	1,262	1,350	1,319	1,299	1,256
Regulatory assessments and fees	412	365	452	224	222
Consulting and legal fees	642	513	386	358	371
Network and information technology services	552	481	505	478	483
Other operating expense	1,747	1,686	1,908	1,440	1,602
Total non-interest expense	\$10,719	\$10,461	\$10,452	\$10,176	\$10,014
Efficiency ratio	68.27%	64.64%	65.25%	56.32%	59.81%
Average total assets	\$2,268,811	\$2,250,258	\$2,183,542	\$2,120,218	\$2,051,867
Non-interest expense / Average assets ⁽¹⁾	1.87%	1.84%	1.92%	1.95%	1.94%
Full-time equivalent employees	196	194	198	196	191

Commentary

Consulting and legal fees increased \$129 thousand due to a one-time, nonrecurring legal expense associated with the previously disclosed legacy shareholder lawsuit commenced in 2023 which was dismissed in December 2023.

Non-interest expense / Average assets has improved 7 bps year-over-year.

Operational efficiency ratio⁽²⁾ for the fourth quarter 2023 was 64.63%.

(1) Annualized.
(2) Non-GAAP financial measures.



CAPITAL

Capital Ratios ⁽¹⁾	Q4 2023	Q3 2023	Q4 2022	Well-Capitalized
Leverage Ratio	9.28%	9.26%	9.61%	5.00%
TCE/TA ⁽²⁾	8.09%	8.15%	8.75%	NA
Tier 1 Risk-Based Capital	11.62%	11.97%	12.53%	8.00%
Total Risk-Based Capital	12.78%	13.10%	13.65%	10.00%
AOCI In Millions	(\$44.3)	(\$51.2)	(\$44.8)	

Commentary

During the quarter, the Company repurchased 92,317 shares of common stock at a weighted average price per share of \$10.45.

AOCI was (\$44.3) million or (\$2.26) per share as of December 31, 2023.

Q4 2023 EOP shares outstanding:
Common Stock: 19,575,435

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

⁽²⁾ Non-GAAP financial measures.



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 29% non-interest-bearing deposits (EOP)



APPENDIX – NON-GAAP RECONCILIATION

In thousands (except ratios)

		As of or For the Three Months Ended				
		12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Pre-tax pre-provision ("PTPP") income:	(1)					
Net income		\$ 2,721	\$ 3,819	\$ 4,198	\$ 5,809	\$ 4,434
Plus: Provision for income taxes		787	1,250	1,333	1,881	1,415
Plus: Provision for credit losses		1,475	653	38	201	880
PTPP income		\$ 4,983	\$ 5,722	\$ 5,567	\$ 7,891	\$ 6,729
PTPP return on average assets:	(1)					
PTPP income		\$ 4,983	\$ 5,722	\$ 5,567	\$ 7,891	\$ 6,729
Average assets		\$ 2,266,811	\$ 2,250,258	\$ 2,183,542	\$ 2,120,218	\$ 2,061,887
PTPP return on average assets	(2)	0.87%	1.01%	1.02%	1.51%	1.30%
Operating net income:	(1)					
Net income		\$ 2,721	\$ 3,819	\$ 4,198	\$ 5,809	\$ 4,434
Less: Net gains (losses) on sale of securities		(883)	(959)	-	(21)	(1,989)
Less: Tax effect on sale of securities		224	242	-	5	504
Operating net income		\$ 3,380	\$ 4,532	\$ 4,198	\$ 5,825	\$ 5,919
Operating PTPP income:	(1)					
PTPP income		\$ 4,983	\$ 5,722	\$ 5,567	\$ 7,891	\$ 6,729
Less: Net gains (losses) on sale of securities		(883)	(959)	-	(21)	(1,989)
Operating PTPP income		\$ 5,886	\$ 6,877	\$ 5,567	\$ 7,912	\$ 8,718
Operating PTPP return on average assets:	(1)					
Operating PTPP income		\$ 5,886	\$ 6,877	\$ 5,567	\$ 7,912	\$ 8,718
Average assets		\$ 2,266,811	\$ 2,250,258	\$ 2,183,542	\$ 2,120,218	\$ 2,061,887
Operating PTPP return on average assets	(2)	1.03%	1.18%	1.02%	1.51%	1.69%
Operating return on average assets:	(1)					
Operating net income		\$ 3,380	\$ 4,532	\$ 4,198	\$ 5,825	\$ 5,919
Average assets		\$ 2,266,811	\$ 2,250,258	\$ 2,183,542	\$ 2,120,218	\$ 2,061,887
Operating return on average assets	(2)	0.59%	0.80%	0.77%	1.11%	1.14%
Operating return on average equity:	(1)					
Operating net income		\$ 3,380	\$ 4,532	\$ 4,198	\$ 5,825	\$ 5,919
Average equity		\$ 183,629	\$ 184,901	\$ 184,238	\$ 183,371	\$ 177,566
Operating return on average equity	(2)	7.30%	9.72%	9.13%	12.88%	13.23%
Operating Revenue:	(1)					
Net interest income		\$ 14,376	\$ 14,022	\$ 14,173	\$ 15,997	\$ 16,888
Non-interest income		1,328	2,161	1,848	2,070	(123)
Less: Net gains (losses) on sale of securities		(883)	(959)	-	(21)	(1,989)
Operating revenue		\$ 16,586	\$ 17,138	\$ 16,019	\$ 18,088	\$ 18,732
Operating Efficiency Ratio:	(1)					
Total non-interest expense		\$ 10,719	\$ 10,461	\$ 10,452	\$ 10,178	\$ 10,014
Operating revenue		\$ 16,586	\$ 17,138	\$ 16,019	\$ 18,088	\$ 18,732
Operating efficiency ratio		64.63%	61.04%	65.26%	58.26%	53.46%

(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				
	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022
Tangible book value per common share (at period-end): (1)					
Total stockholders' equity	\$ 191,968	\$ 182,884	\$ 183,685	\$ 183,858	\$ 182,428
Less: Intangible assets (2)	-	-	-	-	-
Tangible stockholders' equity (2)	\$ 191,968	\$ 182,884	\$ 183,685	\$ 183,858	\$ 182,428
Total shares issued and outstanding (at period-end):					
Total common shares issued and outstanding	19,575,435	19,542,290	19,544,777	19,622,380	20,000,753
Tangible book value per common share (2) (3)	\$ 9.81	\$ 9.36	\$ 9.40	\$ 9.37	\$ 9.12
Operating diluted net income per common share: (1)					
Operating net income	\$ 3,380	\$ 4,532	\$ 4,196	\$ 5,825	\$ 5,919
Total weighted average diluted shares of common stock	19,573,350	19,611,897	19,639,682	19,940,606	20,172,438
Operating diluted net income per common share:	\$ 0.17	\$ 0.23	\$ 0.21	\$ 0.29	\$ 0.29
Tangible Common Equity/Tangible Assets (1)					
Tangible stockholders' equity	\$ 191,968	\$ 182,884	\$ 183,685	\$ 183,858	\$ 182,428
Tangible total assets (2)	\$ 2,339,093	\$ 2,244,602	\$ 2,225,914	\$ 2,163,821	\$ 2,085,834
Tangible Common Equity/Tangible Assets (2)	8.21%	8.15%	8.25%	8.50%	8.75%

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

(2) Since the Company has no intangible assets, tangible stockholders' equity, tangible book value per share and tangible total assets are the same amounts as stockholders' equity, book value per share and total assets calculated under GAAP.

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



CONTACT INFORMATION

LOU DE LA AGUILERA

Chairman, President & CEO



(305) 715-5186



laguilera@uscentury.com

ROB ANDERSON

EVP, Chief Financial Officer



(305) 715-5393



rob.anderson@uscentury.com

INVESTOR RELATIONS



InvestorRelations@uscentury.com

