

**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): October 31, 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 October 31, 2024, USCB Financial Holdings, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended September 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (“Form 8-K”) and is incorporated herein by reference.

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

Item 7.01. Regulation FD Disclosure.

As previously announced, at 11:00 a.m. ET on November 1, 2024, the Company will hold an earnings conference call to discuss its financial performance for the quarter ended September 30, 2024. A copy of the slides forming the basis of the presentation is being furnished as Exhibit 99.2 to this Form 8-K and is incorporated herein by reference. A copy of the slides has also been posted to the Company’s investor relations website, located at investors.uscenturybank.com.

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

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.****Exhibit No. Description**

99.1	USCB Financial Holdings, Inc. Press Release, dated October 31, 2024
99.2	Earnings Presentation, dated October 31, 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: October 31, 2024

EARNINGS RELEASE

**USCB Financial Holdings, Inc. Reports Record Fully Diluted EPS of \$0.35 for Q3 2024; ROAA of 1.11% and ROAE of 13.38%**

MIAMI, FL – October 31, 2024 – USCB Financial Holdings, Inc. (the “Company”) (NASDAQ: USCB), the holding company for U.S. Century Bank (the “Bank”), reported net income of \$6.9 million or \$0.35 per fully diluted share for the three months ended September 30, 2024, compared with net income of \$3.8 million or \$0.19 per fully diluted share for the same period in 2023.

“We are proud to report our second consecutive quarter of record fully diluted earnings per share, demonstrating the strength of our strategic initiatives and operational performance,” said Luis de la Aguilera, Chairman, President, and CEO. “With a return on average assets of 1.11% and a NIM of 3.03%, we are effectively leveraging our assets to drive profitability. Additionally, our growth in non-interest income reflects our commitment to diversifying revenue streams and enhancing shareholder value. We remain focused on delivering strong performance and sustainable growth to our stakeholders.” said de la Aguilera.

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

Profitability

- Annualized return on average assets for the quarter ended September 30, 2024 was 1.11% compared to 0.67% for the third quarter of 2023.
- Annualized return on average stockholders’ equity for the quarter ended September 30, 2024 was 13.38% compared to 8.19% for the third quarter of 2023.
- The efficiency ratio for the quarter ended September 30, 2024 was 53.16% compared to 64.64% for the third quarter of 2023.
- Net interest margin for the quarter ended September 30, 2024 was 3.03% compared to 2.60% for the third quarter of 2023.
- Net interest income before provision for credit losses was \$18.1 million for the quarter ended September 30, 2024, an increase of \$4.1 million or 29.1% compared to the third quarter of 2023.

Balance Sheet

- Total assets were \$2.5 billion at September 30, 2024, representing an increase of \$259.4 million or 11.6% from \$2.2 billion at September 30, 2023.
- Total loans were \$1.9 billion at September 30, 2024, representing an increase of \$254.8 million or 15.2% from \$1.7 billion at September 30, 2023.
- Total deposits were \$2.1 billion at September 30, 2024, representing an increase of \$205.7 million or 10.7% from \$1.9 billion at September 30, 2023.
- Total stockholders’ equity was \$213.9 million at September 30, 2024, representing an increase of \$31.0 million or 17.0% from \$182.9 million at September 30, 2023. Total stockholders’ equity included accumulated comprehensive loss of \$38.0 million at September 30, 2024 compared to accumulated comprehensive loss of \$51.2 million at September 30, 2023.

Asset Quality

- The allowance for credit losses (“ACL”) increased by \$3.6 million to \$23.1 million at September 30, 2024 from \$19.5 million at September 30, 2023.
- The ACL represented 1.19% of total loans at September 30, 2024 and 1.16% at September 30, 2023.

- Provision for credit loss was \$931 thousand for the quarter ended September 30, 2024, an increase of \$278 thousand compared to the third quarter of 2023.
- Non-performing loans to total loans was 0.14% at September 30, 2024 and 0.03% at September 30, 2023. Nonperforming loans totaled \$2.7 million at September 30, 2024 and \$479 thousand at September 30, 2023.

Non-interest Income and Non-interest Expense

- Non-interest income was \$3.4 million for the three months ended September 30, 2024, an increase of \$1.3 million or 59.1% compared to \$2.2 million for the same period in 2023.
- Non-interest expense was \$11.5 million for the three months ended September 30, 2024, an increase of \$1.0 million or 9.5% compared to \$10.5 million for the same period in 2023.

Capital

- On October 28, 2024, the Company's Board of Directors declared a cash dividend of \$0.05 per share of the Company's Class A common stock. The dividend will be paid on December 5, 2024 to shareholders of record at the close of business on November 15, 2024.
- As of September 30, 2024, total risk-based capital ratios for the Company and the Bank were 13.22% and 13.14%, respectively.
- Tangible book value per common share (a non-GAAP measure) was \$10.90 at September 30, 2024, representing an increase of \$0.66 or 25.6% annualized from \$10.24 at June 30, 2024. At September 30, 2024, tangible book value per common share was negatively affected by \$1.94 due to an accumulated comprehensive loss of \$38.0 million. At June 30, 2024, tangible book value per common share was negatively affected by \$2.28 due to an accumulated comprehensive loss of \$44.7 million.
- During the quarter, the Company repurchased 10,000 shares of Class A common stock at a weighted average cost per share of \$12.03. The aggregate purchase price for these transactions was approximately \$120 thousand, including transaction costs. As of September 30, 2024, 537,980 shares remained authorized for repurchase under the Company's share repurchase programs.

Conference Call and Webcast

The Company will host a conference call on Friday, November 1, 2024, at 11:00 a.m. Eastern Time to discuss the Company's unaudited financial results for the quarter ended September 30, 2024. To access the conference call, dial (833) 816-1416 (U.S. toll-free) and ask to join the USCB Financial Holdings Call.

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

About USCB Financial Holdings, Inc.

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

Forward-Looking Statements

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

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

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

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

Non-GAAP Financial Measures

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

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

Contacts:

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest income:				
Loans, including fees	\$ 29,819	\$ 22,523	\$ 84,479	\$ 63,081
Investment securities	2,754	2,833	8,634	7,501
Interest-bearing deposits in financial institutions	989	1,026	3,953	2,459
Total interest income	33,562	26,382	97,066	73,041
Interest expense:				
Interest-bearing checking deposits	411	331	1,171	574
Savings and money market accounts	10,064	8,779	30,529	20,532
Time deposits	3,391	2,565	9,907	5,767
FHLB advances and other borrowings	1,587	685	4,881	1,976
Total interest expense	15,453	12,360	46,488	28,849
Net interest income before provision for credit losses	18,109	14,022	50,578	44,192
Provision for credit losses	931	653	2,127	892
Net interest income after provision for credit losses	17,178	13,369	48,451	43,300
Non-interest income:				
Service fees	2,544	1,329	6,172	3,707
Gain (loss) on sale of securities available for sale, net	-	(955)	14	(976)
Gain on sale of loans held for sale, net	109	255	593	696
Other non-interest income	785	1,532	2,334	2,650
Total non-interest income	3,438	2,161	9,113	6,077
Non-interest expense:				
Salaries and employee benefits	7,200	6,066	20,863	18,325
Occupancy	1,341	1,350	3,921	3,968
Regulatory assessments and fees	452	365	1,361	1,041
Consulting and legal fees	161	513	1,016	1,257
Network and information technology services	513	481	1,499	1,464
Other operating expense	1,787	1,686	5,528	5,034
Total non-interest expense	11,454	10,461	34,188	31,089
Net income before income tax expense	9,162	5,069	23,376	18,288
Income tax expense	2,213	1,250	5,606	4,464
Net income	\$ 6,949	\$ 3,819	\$ 17,770	\$ 13,824
Per share information:				
Net income per common share, basic	\$ 0.35	\$ 0.20	\$ 0.90	\$ 0.70
Net income per common share, diluted	\$ 0.35	\$ 0.19	\$ 0.90	\$ 0.70
Cash dividends declared	\$ 0.05	\$ -	\$ 0.15	\$ -
Weighted average shares outstanding:				
Common shares, basic	19,621,447	19,542,723	19,653,103	19,661,685
Common shares, diluted	19,825,211	19,611,897	19,761,242	19,729,181

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

	As of or For the Three Months Ended				
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Income statement data:					
Net interest income	\$ 18,109	\$ 17,311	\$ 15,158	\$ 14,376	\$ 14,022
Provision for credit losses	931	786	410	1,475	653
Net interest income after provision for credit losses	17,178	16,525	14,748	12,901	13,369
Service fees	2,544	1,977	1,651	1,348	1,329
Gain (loss) on sale of securities available for sale, net	-	14	-	(883)	(955)
Gain on sale of loans held for sale, net	109	417	67	105	255
Other income	785	803	746	756	1,532
Total non-interest income	3,438	3,211	2,464	1,326	2,161
Salaries and employee benefits	7,200	7,353	6,310	6,104	6,066
Occupancy	1,341	1,266	1,314	1,262	1,350
Regulatory assessments and fees	452	476	433	412	365
Consulting and legal fees	161	263	592	642	513
Network and information technology services	513	479	507	552	481
Other operating expense	1,787	1,723	2,018	1,747	1,686
Total non-interest expense	11,454	11,560	11,174	10,719	10,461
Net income before income tax expense	9,162	8,176	6,038	3,508	5,069
Income tax expense	2,213	1,967	1,426	787	1,250
Net income	\$ 6,949	\$ 6,209	\$ 4,612	\$ 2,721	\$ 3,819
Per share information:					
Net income per common share, basic	\$ 0.35	\$ 0.32	\$ 0.23	\$ 0.14	\$ 0.20
Net income per common share, diluted	\$ 0.35	\$ 0.31	\$ 0.23	\$ 0.14	\$ 0.19
Cash dividends declared	\$ 0.05	\$ 0.05	\$ 0.05	\$ -	\$ -
Balance sheet data (at period-end):					
Cash and cash equivalents	\$ 38,486	\$ 77,261	\$ 126,546	\$ 41,062	\$ 33,435
Securities available-for-sale	\$ 259,527	\$ 236,444	\$ 259,992	\$ 229,329	\$ 218,609
Securities held-to-maturity	\$ 167,001	\$ 169,606	\$ 173,038	\$ 174,974	\$ 197,311
Total securities	\$ 426,528	\$ 406,050	\$ 433,030	\$ 404,303	\$ 415,920
Loans held for investment ⁽¹⁾	\$ 1,931,362	\$ 1,869,249	\$ 1,821,196	\$ 1,780,827	\$ 1,676,520
Allowance for credit losses	\$ (23,067)	\$ (22,230)	\$ (21,454)	\$ (21,084)	\$ (19,493)
Total assets	\$ 2,503,954	\$ 2,458,270	\$ 2,489,142	\$ 2,339,093	\$ 2,244,602
Non-interest-bearing demand deposits	\$ 637,313	\$ 579,243	\$ 576,626	\$ 552,762	\$ 573,546
Interest-bearing deposits	\$ 1,489,304	\$ 1,477,459	\$ 1,526,168	\$ 1,384,377	\$ 1,347,376
Total deposits	\$ 2,126,617	\$ 2,056,702	\$ 2,102,794	\$ 1,937,139	\$ 1,920,922
FHLB advances and other borrowings	\$ 118,000	\$ 162,000	\$ 162,000	\$ 183,000	\$ 102,000
Total liabilities	\$ 2,290,038	\$ 2,257,250	\$ 2,294,131	\$ 2,147,125	\$ 2,061,718
Total stockholders' equity	\$ 213,916	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884
Capital ratios:⁽²⁾					
Leverage ratio	9.34%	9.03%	8.91%	9.28%	9.26%
Common equity tier 1 capital	12.01%	11.93%	11.80%	11.62%	11.97%
Tier 1 risk-based capital	12.01%	11.93%	11.80%	11.62%	11.97%
Total risk-based capital	13.22%	13.12%	12.98%	12.78%	13.10%

(1) Loan amounts include deferred fees/costs.

(2) Reflects the Company's regulatory capital ratios which are provided for informational purposes only; as a small bank holding company, the Company is not subject to regulatory capital requirements. The Bank's total risk-based capital for third quarter 2024 was 13.14%.

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

	As of or For the Three Months Ended				
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Average balance sheet data:					
Cash and cash equivalents	\$ 87,937	\$ 107,831	\$ 132,266	\$ 57,069	\$ 90,742
Securities available-for-sale	\$ 244,881	\$ 263,345	\$ 239,896	\$ 215,649	\$ 222,134
Securities held-to-maturity	\$ 168,632	\$ 171,682	\$ 174,142	\$ 181,151	\$ 218,694
Total securities	\$ 413,514	\$ 435,027	\$ 414,038	\$ 396,800	\$ 440,828
Loans held for investment ⁽¹⁾	\$ 1,878,230	\$ 1,828,487	\$ 1,781,528	\$ 1,698,611	\$ 1,610,864
Total assets	\$ 2,485,434	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258
Interest-bearing deposits	\$ 1,468,067	\$ 1,473,513	\$ 1,473,831	\$ 1,336,470	\$ 1,353,516
Non-interest-bearing demand deposits	\$ 609,456	\$ 610,370	\$ 574,760	\$ 577,133	\$ 587,917
Total deposits	\$ 2,077,523	\$ 2,083,883	\$ 2,048,591	\$ 1,913,603	\$ 1,941,433
FHLB advances and other borrowings	\$ 156,043	\$ 162,000	\$ 164,187	\$ 139,000	\$ 85,326
Total liabilities	\$ 2,278,793	\$ 2,281,467	\$ 2,243,011	\$ 2,085,182	\$ 2,065,357
Total stockholders' equity	\$ 206,641	\$ 197,755	\$ 193,092	\$ 183,629	\$ 184,901
Performance ratios:					
Return on average assets ⁽²⁾	1.11%	1.01%	0.76%	0.48%	0.67%
Return on average equity ⁽²⁾	13.38%	12.63%	9.61%	5.88%	8.19%
Net interest margin ⁽²⁾	3.03%	2.94%	2.62%	2.65%	2.60%
Non-interest income to average assets ⁽²⁾	0.55%	0.52%	0.41%	0.23%	0.38%
Non-interest expense to average assets ⁽²⁾	1.83%	1.88%	1.84%	1.87%	1.84%
Efficiency ratio ⁽³⁾	53.16%	56.33%	63.41%	68.27%	64.64%
Loans by type (at period end):⁽⁴⁾					
Residential real estate	\$ 283,477	\$ 256,807	\$ 237,906	\$ 204,419	\$ 188,880
Commercial real estate	\$ 1,095,112	\$ 1,053,030	\$ 1,057,800	\$ 1,047,593	\$ 1,005,280
Commercial and industrial	\$ 246,539	\$ 248,525	\$ 228,045	\$ 219,757	\$ 212,975
Correspondent banks	\$ 103,815	\$ 112,510	\$ 100,182	\$ 114,945	\$ 94,640
Consumer and other	\$ 198,604	\$ 194,644	\$ 194,325	\$ 191,930	\$ 173,096
Asset quality data:					
Allowance for credit losses to total loans	1.19%	1.19%	1.18%	1.18%	1.16%
Allowance for credit losses to non-performing loans	846%	2,933%	4,705%	4,505%	4,070%
Total non-performing loans ⁽⁵⁾	\$ 2,725	\$ 758	\$ 456	\$ 468	\$ 479
Non-performing loans to total loans	0.14%	0.04%	0.03%	0.03%	0.03%
Non-performing assets to total assets ⁽⁵⁾	0.11%	0.03%	0.02%	0.02%	0.02%
Net charge-offs (recoveries of) to average loans ⁽²⁾	(0.00)%	(0.00)%	(0.00)%	(0.00)%	(0.00)%
Net charge-offs (recovery) of credit losses	\$ (6)	\$ (2)	\$ (7)	\$ (3)	\$ (5)
Interest rates and yields:⁽²⁾					
Loans	6.32%	6.16%	6.01%	5.79%	5.55%
Investment securities	2.61%	2.80%	2.69%	2.46%	2.52%
Total interest-earning assets	5.61%	5.54%	5.34%	5.16%	4.89%
Deposits ⁽⁶⁾	2.66%	2.64%	2.76%	2.53%	2.39%
FHLB advances and other borrowings	4.05%	4.03%	4.10%	4.04%	3.19%
Total interest-bearing liabilities	3.79%	3.76%	3.86%	3.66%	3.41%
Other information:					
Full-time equivalent employees	198	197	199	196	194

(1) Loan amounts include deferred fees/costs.

(2) Annualized.

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

(4) Loan amounts exclude deferred fees/costs.

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

(6) Reflects effect of non-interest-bearing deposits.

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

Three Months Ended September 30,

	2024			2023		
	Average Balance	Interest	Yield/Rate ⁽¹⁾	Average Balance	Interest	Yield/Rate ⁽¹⁾
Assets						
Interest-earning assets:						
Loans ⁽²⁾	\$ 1,878,230	\$ 29,819	6.32%	\$ 1,610,864	\$ 22,523	5.55%
Investment securities ⁽³⁾	419,315	2,754	2.61%	445,828	2,833	2.52%
Other interest-earning assets	80,378	989	4.89%	83,479	1,026	4.88%
Total interest-earning assets	2,377,923	33,562	5.61%	2,140,171	26,382	4.89%
Non-interest-earning assets	107,511			110,087		
Total assets	<u>\$ 2,485,434</u>			<u>\$ 2,250,258</u>		
Liabilities and stockholders' equity						
Interest-bearing liabilities:						
Interest-bearing checking deposits	\$ 57,925	411	2.82%	\$ 52,080	331	2.52%
Saving and money market deposits	1,084,562	10,064	3.69%	1,011,164	8,779	3.44%
Time deposits	325,580	3,391	4.14%	290,272	2,565	3.51%
Total interest-bearing deposits	1,468,067	13,866	3.76%	1,353,516	11,675	3.42%
FHLB advances and other borrowings	156,043	1,587	4.05%	85,326	685	3.19%
Total interest-bearing liabilities	1,624,110	15,453	3.79%	1,438,842	12,360	3.41%
Non-interest-bearing demand deposits	609,456			587,917		
Other non-interest-bearing liabilities	45,227			38,598		
Total liabilities	2,278,793			2,065,357		
Stockholders' equity	206,641			184,901		
Total liabilities and stockholders' equity	<u>\$ 2,485,434</u>			<u>\$ 2,250,258</u>		
Net interest income		\$ 18,109			\$ 14,022	
Net interest spread ⁽⁴⁾			1.82%			1.48%
Net interest margin ⁽⁵⁾			3.03%			2.60%

(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				
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Pre-tax pre-provision ("PTPP") income:⁽¹⁾					
Net income	\$ 6,949	\$ 6,209	\$ 4,612	\$ 2,721	\$ 3,819
Plus: Provision for income taxes	2,213	1,967	1,426	787	1,250
Plus: Provision for credit losses	931	786	410	1,475	653
PTPP income	\$ 10,093	\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722
PTPP return on average assets:⁽¹⁾					
PTPP income	\$ 10,093	\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722
Average assets	\$ 2,485,434	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258
PTPP return on average assets ⁽²⁾	1.62%	1.45%	1.06%	0.87%	1.01%
Operating net income:⁽¹⁾					
Net income	\$ 6,949	\$ 6,209	\$ 4,612	\$ 2,721	\$ 3,819
Less: Net gains (losses) on sale of securities	-	14	-	(883)	(955)
Less: Tax effect on sale of securities	-	(4)	-	224	242
Operating net income	\$ 6,949	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532
Operating PTPP income:⁽¹⁾					
PTPP income	\$ 10,093	\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722
Less: Net gains (losses) on sale of securities	-	14	-	(883)	(955)
Operating PTPP income	\$ 10,093	\$ 8,948	\$ 6,448	\$ 5,866	\$ 6,677
Operating PTPP return on average assets:⁽¹⁾					
Operating PTPP income	\$ 10,093	\$ 8,948	\$ 6,448	\$ 5,866	\$ 6,677
Average assets	\$ 2,485,434	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258
Operating PTPP return on average assets ⁽²⁾	1.62%	1.45%	1.06%	1.03%	1.18%
Operating return on average assets:⁽¹⁾					
Operating net income	\$ 6,949	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532
Average assets	\$ 2,485,434	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258
Operating return on average assets ⁽²⁾	1.11%	1.01%	0.76%	0.59%	0.80%
Operating return on average equity:⁽¹⁾					
Operating net income	\$ 6,949	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532
Average equity	\$ 206,641	\$ 197,755	\$ 193,092	\$ 183,629	\$ 184,901
Operating return on average equity ⁽²⁾	13.38%	12.61%	9.61%	7.30%	9.72%
Operating Revenue:⁽¹⁾					
Net interest income	\$ 18,109	\$ 17,311	\$ 15,158	\$ 14,376	\$ 14,022
Non-interest income	3,438	3,211	2,464	1,326	2,161
Less: Net gains (losses) on sale of securities	-	14	-	(883)	(955)
Operating revenue	\$ 21,547	\$ 20,508	\$ 17,622	\$ 16,585	\$ 17,138
Operating Efficiency Ratio:⁽¹⁾					
Total non-interest expense	\$ 11,454	\$ 11,560	\$ 11,174	\$ 10,719	\$ 10,461
Operating revenue	\$ 21,547	\$ 20,508	\$ 17,622	\$ 16,585	\$ 17,138
Operating efficiency ratio	53.16%	56.37%	63.41%	64.63%	61.04%

(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				
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Tangible book value per common share (at period-end):⁽¹⁾					
Total stockholders' equity	\$ 213,916	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884
Less: Intangible assets	-	-	-	-	-
Tangible stockholders' equity	\$ 213,916	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884
Total shares issued and outstanding (at period-end):					
Total common shares issued and outstanding	19,620,632	19,630,632	19,650,463	19,575,435	19,542,290
Tangible book value per common share ⁽²⁾	\$ 10.90	\$ 10.24	\$ 9.92	\$ 9.81	\$ 9.36
Operating diluted net income per common share:⁽¹⁾					
Operating net income	\$ 6,949	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532
Total weighted average diluted shares of common stock	19,825,211	19,717,167	19,698,258	19,573,350	19,611,897
Operating diluted net income per common share:	\$ 0.35	\$ 0.31	\$ 0.23	\$ 0.17	\$ 0.23
Tangible Common Equity/Tangible Assets⁽¹⁾					
Tangible stockholders' equity	\$ 213,916	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884
Tangible total assets ⁽³⁾	\$ 2,503,954	\$ 2,458,270	\$ 2,489,142	\$ 2,339,093	\$ 2,244,602
Tangible Common Equity/Tangible Assets	8.54%	8.18%	7.83%	8.21%	8.15%

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

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

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

EARNINGS PRESENTATION

THIRD QUARTER 2024

NASDAQ: **USCB**





FORWARD-LOOKING STATEMENTS

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

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

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

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

Non-GAAP Financial Measures

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

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



Q3 2024 HIGHLIGHTS



GROWTH

Average deposits increased by \$136.1 million or 7.0% compared to the third quarter 2023.

Average loans increased \$267.4 million or 16.6% compared to the third quarter 2023.

Liquidity sources as of September 30, 2024, aggregated \$695 million in on-balance sheet and off-balance sheet sources.

Tangible book value per common share (a non-GAAP measure) ⁽¹⁾ on September 30, 2024 was \$10.90 includes AOCI impact of (\$1.94) increased \$0.66 or 25.7% annualized from \$10.24 in prior quarter end which included an AOCI impact of (\$2.28).



PROFITABILITY

Net income was \$6.9 million or \$0.35 per diluted share, an increase of \$3.1 million or 82.0% compared to the third quarter 2023.

Net interest income before provision increased \$4.1 million or 29.1% for the quarter compared to the third quarter 2023.

ROAA was 1.11% in the third quarter 2024 compared to 0.67% for the third quarter 2023.

ROAE was 13.38% in the third quarter 2024 compared to 8.19% for the third quarter 2023.



CAPITAL/ CREDIT

The Company's Board of Directors declared a cash dividend of \$0.05 per share of the Company's Class A common stock on October 28, 2024. The dividend will be paid on December 5, 2024 to shareholders of record at the close of business on November 15, 2024.

At September 30, 2024, four loans were classified as nonaccrual for a total of \$2.7 million.

ACL coverage ratio was 1.19% at September 30, 2024, and 1.16% at September 30, 2023.

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

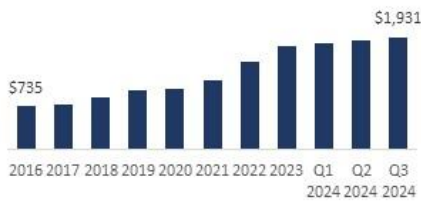


HISTORICAL FINANCIALS

EOP for Balance Sheet amounts

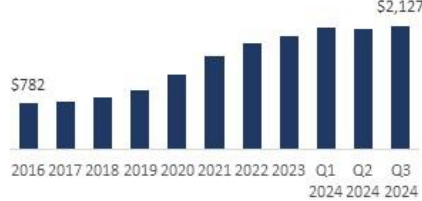
Loans ⁽¹⁾

In millions



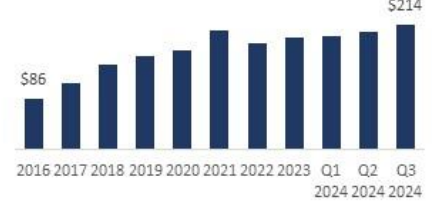
Deposits

In millions

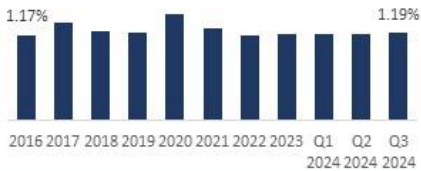


Total stockholders' equity

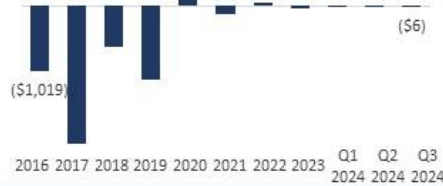
In millions



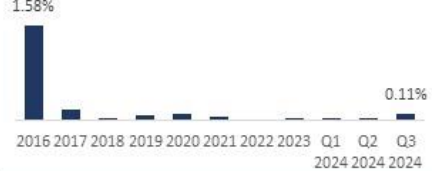
ACL/Total Loans ⁽²⁾



Net charge-offs

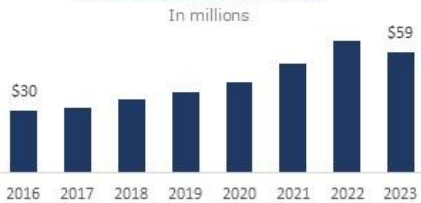


Nonperforming Assets/Total Assets

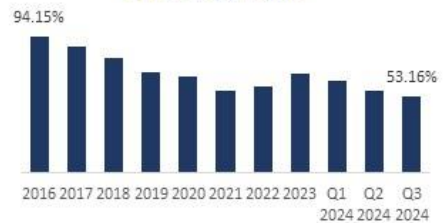


Net Interest Income

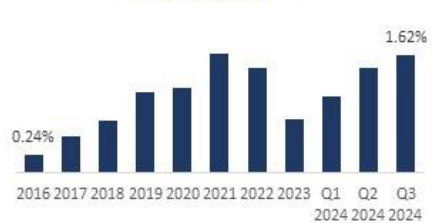
In millions



Efficiency ratio



PTPP ROAA ⁽³⁾



⁽¹⁾ Loan amounts include deferred fees/costs.

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

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



FINANCIAL RESULTS

In thousands (except per share data)

	Q3 2024	Q2 2024	Q3 2023	
Balance Sheet (EOP)	Total Securities	\$426,528	\$406,050	\$415,920
	Total Loans ⁽¹⁾	\$1,931,362	\$1,869,249	\$1,676,520
	Total Assets	\$2,503,954	\$2,458,270	\$2,244,602
	Total Deposits	\$2,126,617	\$2,056,702	\$1,920,922
	Total Equity ⁽²⁾	\$213,916	\$201,020	\$182,884
Income Statement	Net Interest Income	\$18,109	\$17,311	\$14,022
	Non-Interest Income	\$3,438	\$3,211	\$2,161
	Total Revenue	\$21,547	\$20,522	\$16,183
	Provision for Credit Losses	\$931	\$786	\$653
	Non-Interest Expense	\$11,454	\$11,560	\$10,461
	Net Income	\$6,949	\$6,209	\$3,819
	Diluted Earning Per Share (EPS)	\$0.35	\$0.31	\$0.19
	Weighted Average Diluted Shares	19,825,211	19,717,167	19,611,897

⁽¹⁾ Loan amounts include deferred fees/costs.

⁽²⁾ Total Equity includes accumulated comprehensive loss of \$38.0 million for Q3 2024, \$44.7 million for Q2 2024, and \$51.2 million for Q3 2023.



KEY PERFORMANCE INDICATORS



GROWTH



PROFITABILITY



CAPITAL/
CREDIT

	Q3 2024	Q2 2024	Q3 2023
	In thousands (except for TBV/share)		
Total Assets (EOP)	\$2,503,954	\$2,458,270	\$2,244,602
Total Loans (EOP)	\$1,931,362	\$1,869,249	\$1,676,520
Total Deposits (EOP)	\$2,126,617	\$2,056,702	\$1,920,922
Tangible Book Value/Share ⁽¹⁾⁽²⁾	\$10.90	\$10.24	\$9.36
Return On Average Assets (ROAA) ⁽³⁾	1.11%	1.01%	0.67%
Return On Average Equity (ROAE) ⁽³⁾	13.38%	12.63%	8.19%
Net Interest Margin ⁽³⁾	3.03%	2.94%	2.60%
Efficiency Ratio	53.16%	56.33%	64.64%
Non-Interest Expense/Avg Assets ⁽³⁾	1.83%	1.88%	1.84%
Tangible Common Equity/Tangible Assets ⁽¹⁾	8.54%	8.18%	8.15%
Total Risk-Based Capital ⁽⁴⁾	13.22%	13.12%	13.10%
NCO/Avg Loans ⁽³⁾	0.00%	0.00%	0.00%
NPA/Assets	0.11%	0.03%	0.02%
Allowance for Credit Losses/Loans	1.19%	1.19%	1.16%

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

⁽²⁾ AOCI effect on tangible book value per share was (\$1.94) for Q3 2024, (\$2.28) for Q2 2024 and (\$2.62) for Q3 2023.

⁽³⁾ Annualized.

⁽⁴⁾ Reflects the Company's regulatory capital ratios which are provided for informational purposes only; as a small bank holding company, the Company is not subject to regulatory capital requirements.



DEPOSIT PORTFOLIO

Deposits AVG In millions



Deposit Cost



Commentary

Average deposits slightly decreased to \$2,078 million compared to the prior quarter and increased \$136.1 million or 7.0% compared to the third quarter 2023.

DDA remained at 29% of total average deposits.

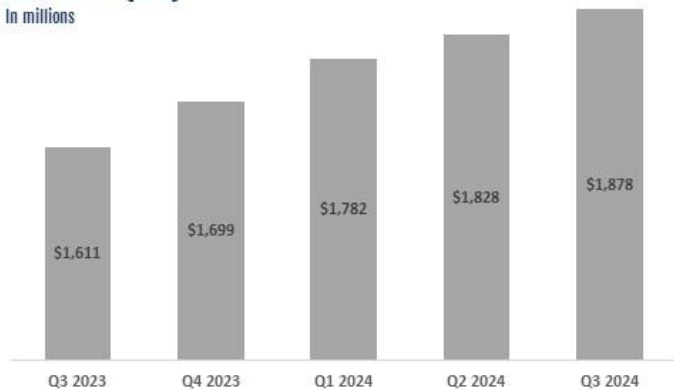
The quarterly average cost of deposits went up 2 bps during the third quarter of 2024 compared to the prior quarter; however, the monthly average deposit cost for September 2024 was 2.57%. The monthly decrease in deposit cost was due to the Company reducing Money Market rates in conjunction with the Fed Funds decrease during the month.



LOAN PORTFOLIO

Total Loans (AVG)

In millions

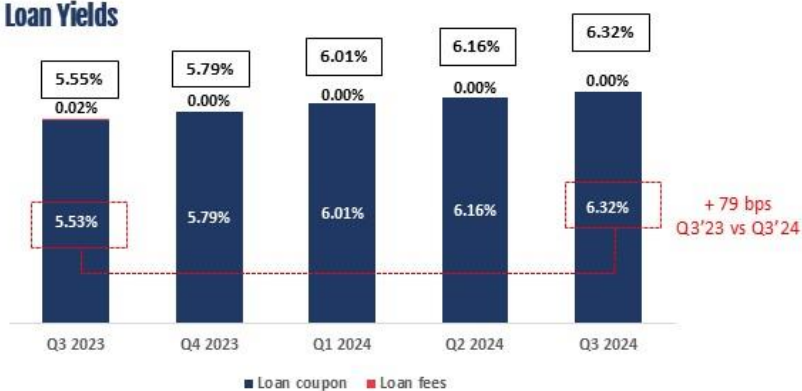


Commentary

Average loans increased \$49.7 million or 10.8% annualized compared to prior quarter and \$267.4 million or 16.6% compared to the third quarter 2023.

Loan coupon increased 16 bps compared to the prior quarter and 79 bps compared to the third quarter 2023.

Loan Yields

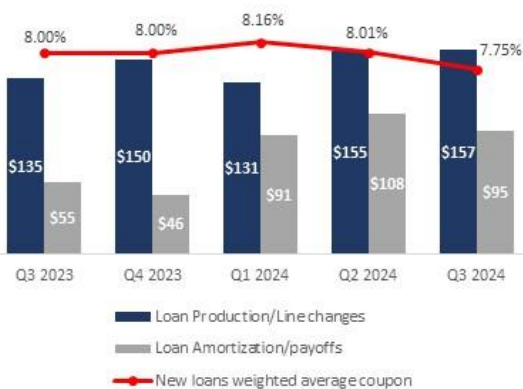




LOAN PRODUCTION

Net Loan Production Trend

In millions



Loan Composition Trend EOP ⁽¹⁾

In millions



Real Estate Loans

⁽¹⁾ Excludes deferred fees/cost.

Commentary

\$157.0 million in new loan production in the third quarter 2024.

Weighted average coupon on new loans was 7.75% for third quarter 2024, 143 bps above portfolio weighted average yield.

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



NET INTEREST MARGIN

Net Interest Income/Margin ⁽¹⁾

In thousands (except ratios)



Commentary

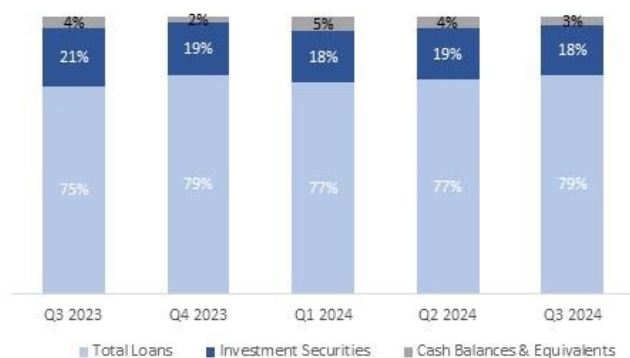
Net interest income increased \$798 thousand or 18.3% annualized compared to prior quarter and \$4.1 million or 29.1% compared to the third quarter 2023.

Net interest margin increased 9 bps compared to prior quarter and 43 bps compared to third quarter 2023.

NIM drivers:

- Interest earning asset mix improving at higher yields.
- Deposit cost remained stable.

Interest-Earning Assets Mix (AVG)

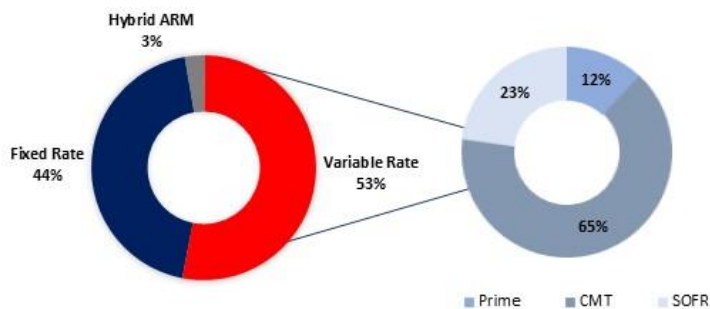


⁽¹⁾ Annualized.



INTEREST RATE SENSITIVITY

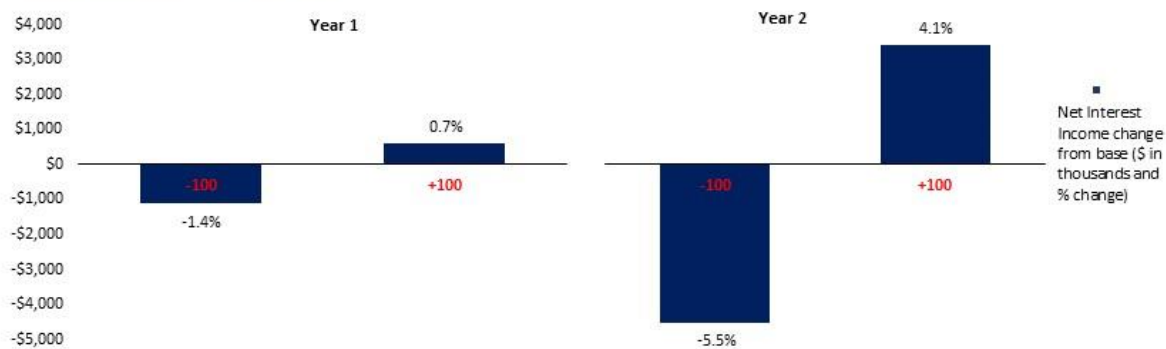
Loan Portfolio Repricing Profile by Rate Type



Loan Repricing Schedule Variable/Hybrid Rate Loans



Static NII Simulation Year 1 & 2

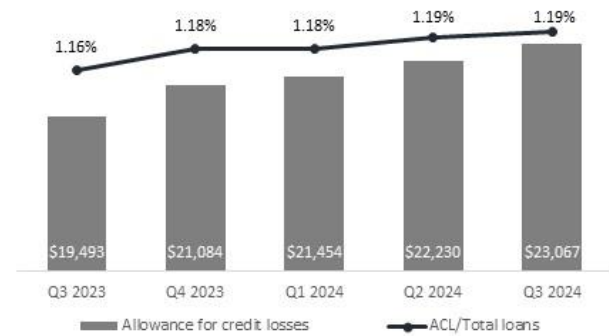




ASSET QUALITY

Allowance for Credit Losses

In thousands (except ratios)



Commentary

Allowance for credit losses increased \$837 thousand compared to prior quarter and \$3.6 million compared to third quarter 2023.

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

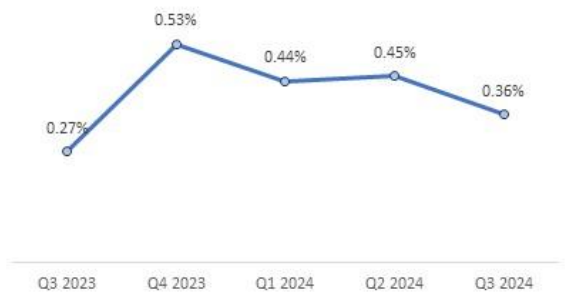
One C&I loan for \$420 thousand, two consumer loan for \$1,991 thousand, and one residential real estate loan for \$314 thousand were classified as nonaccrual as of September 30, 2024.

Non-performing Loans

In thousands (except ratios)



Classified Loans (1) to Total Loans



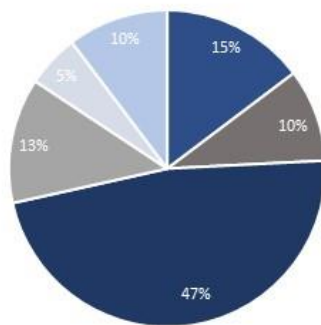
(1) Loans classified as substandard at period end. No loans classified doubtful at all the dates presented.



LOAN PORTFOLIO MIX

Loan Portfolio Mix ⁽¹⁾

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



\$1,928 MM ⁽¹⁾

CRE Loan Mix



\$1,095MM

As of 9/30/24

(1) Excludes deferred fees/cost

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

Commentary

Total loan balance at quarter end was \$1,928 million ⁽¹⁾.

Commercial Real Estate (owner occupied and non-owner occupied) was 57% or \$1,095 million of the total loan portfolio ⁽¹⁾.

CRE mix is diversified and granular. Retail non-owner occupied makes up 27% of total CRE or \$297.1 million.

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

Loan Type	Weighted Average			Average Loan Size ⁽¹⁾
	Outstanding Balance ⁽¹⁾	LTV ⁽²⁾	DSCR ⁽³⁾	
Retail	\$316	57%	1.53	\$3.0
Multifamily	\$203	56%	1.33	\$1.6
Office	\$182	56%	1.94	\$1.5
Warehouse	\$187	57%	2.25	\$1.6
Hotel	\$96	59%	2.23	\$4.8
Other	\$75	57%	2.07	\$1.7
Land/Construction	\$36	45%	NA	\$2.1

⁽¹⁾ Balance in millions. Excludes deferred fees/cost.

⁽²⁾ LTV - Loan to value ratio.

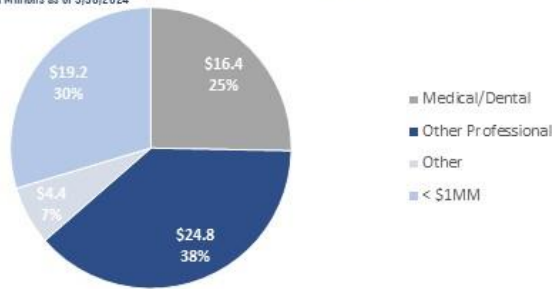
⁽³⁾ DSCR - Debt service coverage ratio.



CRE OFFICE PORTFOLIO

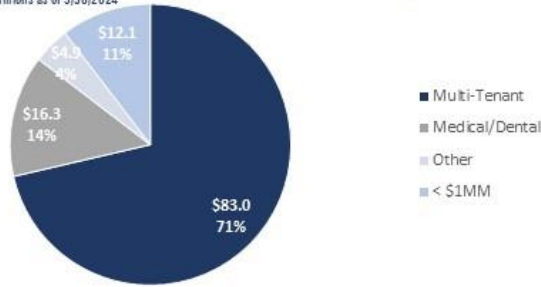
Owner Occupied Office by Business Type

In Millions as of 9/30/2024



Non-Owner Occupied Office by Business Type

In Millions as of 9/30/2024



Office Loan Portfolio Maturities and Repricing

< 1 year	1 year to 3 years	3 years to 5 years	5 years to 10 years	> 10 years
11%	28%	49%	12%	0%

Commentary

Total office loan portfolio (owner occupied and non-owner occupied) had 120 notes with an average balance of \$1.5 million, LTV of 56%, and DSCR of 1.94X at quarter end.

The largest business type in the office portfolio is multi-tenant with 46% of the portfolio.

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

CRE Office Key Metrics

	As of 9/30/24
Avg. Loan Size in millions	\$1.5
NCOs / Average Loans	0.00%
Delinquencies / Loans	0.00%
Nonaccruals / Loans	0.00%
Classified Loans / Loans	0.00%

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



NON-INTEREST INCOME

In thousands (except ratios)

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Total service fees	\$2,544	\$1,977	\$1,651	\$1,348	\$1,329
<i>Wire fees</i>	\$563	\$557	\$521	\$518	\$502
<i>Swap fees</i>	\$1,285	\$650	\$285	\$16	\$97
<i>Other</i>	\$696	\$770	\$845	\$814	\$730
Gain (loss) on sale of securities available for sale	-	14	-	(883)	(955)
Gain on sale of loans held for sale	109	417	67	105	255
Other income	785	803	746	756	1,532
Total non-interest income	\$3,438	\$3,211	\$2,464	\$1,326	\$2,161
Average total assets	\$2,485,434	\$2,479,222	\$2,436,103	\$2,268,811	\$2,250,258
Non-interest income/Average assets ⁽¹⁾	0.55%	0.52%	0.41%	0.23%	0.38%

Commentary

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

Gain on sale of SBA 7a loans represent \$109 thousand for the third quarter 2024.

Non-interest income is 16.0% of total revenue for third quarter 2024 and 0.55% to average assets; both metrics are higher than prior quarters.

⁽¹⁾ Annualized.



NON-INTEREST EXPENSE

In thousands (except ratios)

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Salaries and employee benefits	\$7,200	\$7,353	\$6,310	\$6,104	\$6,066
Occupancy	1,341	1,266	1,314	1,262	1,350
Regulatory assessments and fees	452	476	433	412	365
Consulting and legal fees	161	263	592	642	513
Network and information technology services	513	479	507	552	481
Other operating expense	1,787	1,723	2,018	1,747	1,686
Total non-interest expense	\$11,454	\$11,560	\$11,174	\$10,719	\$10,461
Efficiency ratio	53.16%	56.33%	63.41%	68.27%	64.64%
Average total assets	\$2,485,434	\$2,479,222	\$2,436,103	\$2,268,811	\$2,250,258
Non-interest expense / Average assets ⁽¹⁾	1.83%	1.88%	1.84%	1.87%	1.84%
Full-time equivalent employees	198	197	199	196	194

Commentary

Salaries and benefits decreased \$153 thousand compared to the prior quarter due to higher incentives paid in the second quarter 2024.

Consulting and legal fees decreased \$102 thousand compared to the prior quarter due to reimbursement of legal expenses.

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

Efficiency ratio improved for the third quarter 2024 primarily due to strong growth in non-interest income and a slight decrease in non-interest expenses.

⁽¹⁾ Annualized.



CAPITAL

Capital Ratios ⁽¹⁾	Q3 2024	Q2 2024	Q3 2023	Well-Capitalized
Leverage Ratio	9.34%	9.03%	9.26%	5.00%
TCE/TA ⁽²⁾	8.54%	8.18%	8.15%	NA
Tier 1 Risk-Based Capital	12.01%	11.93%	11.97%	8.00%
Total Risk-Based Capital	13.22%	13.12%	13.10%	10.00%
AOCI In Millions	(\$38.0)	(\$44.7)	(\$51.2)	

Commentary

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

During the quarter, the Company repurchased 10,000 shares of common stock at a weighted average cost per share of \$12.03. 537,980 shares remained authorized for repurchase under the Company's share repurchase programs at September 30, 2024.

Q3 2024 EOP common stock shares outstanding: 19,620,632.

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

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



TAKEAWAYS



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

Robust organic growth

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

Experienced and tested management team

Strong profitability, with pathway for future enhancement identified

Core funded deposit base with 30% non-interest-bearing deposits (EOP)



APPENDIX – NON-GAAP RECONCILIATION

In thousands (except ratios)

		As of or For the Three Months Ended				
		9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Pre-tax pre-provision ("PTPP") income:						
Net income	(1)	\$ 6,949	\$ 6,209	\$ 4,612	\$ 2,721	\$ 3,819
Plus: Provision for income taxes		2,213	1,967	1,428	787	1,250
Plus: Provision for credit losses		931	788	410	1,475	653
PTPP income		\$ 10,093	\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722
PTPP return on average assets:						
PTPP income	(1)	\$ 10,093	\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722
Average assets		\$ 2,485,434	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258
PTPP return on average assets	(2)	1.62%	1.45%	1.06%	0.87%	1.01%
Operating net income:						
Net income	(1)	\$ 6,949	\$ 6,209	\$ 4,612	\$ 2,721	\$ 3,819
Less: Net gains (losses) on sale of securities		-	14	-	(883)	(955)
Less: Tax effect on sale of securities		-	(4)	-	224	242
Operating net income		\$ 6,949	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532
Operating PTPP income:						
PTPP income	(1)	\$ 10,093	\$ 8,962	\$ 6,448	\$ 4,983	\$ 5,722
Less: Net gains (losses) on sale of securities		-	14	-	(883)	(955)
Operating PTPP income		\$ 10,093	\$ 8,948	\$ 6,448	\$ 5,866	\$ 6,677
Operating PTPP return on average assets:						
Operating PTPP income	(1)	\$ 10,093	\$ 8,948	\$ 6,448	\$ 5,866	\$ 6,677
Average assets		\$ 2,485,434	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258
Operating PTPP return on average assets	(2)	1.62%	1.45%	1.06%	1.03%	1.18%
Operating return on average assets:						
Operating net income	(1)	\$ 6,949	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532
Average assets		\$ 2,485,434	\$ 2,479,222	\$ 2,436,103	\$ 2,268,811	\$ 2,250,258
Operating return on average assets	(2)	1.11%	1.01%	0.76%	0.59%	0.80%
Operating return on average equity:						
Operating net income	(1)	\$ 6,949	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532
Average equity		\$ 206,641	\$ 197,755	\$ 193,092	\$ 183,629	\$ 184,901
Operating return on average equity	(2)	13.38%	12.61%	9.61%	7.30%	9.72%
Operating Revenue:						
Net interest income	(1)	\$ 18,109	\$ 17,311	\$ 15,158	\$ 14,376	\$ 14,022
Non-interest income		3,438	3,211	2,464	1,326	2,161
Less: Net gains (losses) on sale of securities		-	14	-	(883)	(955)
Operating revenue		\$ 21,547	\$ 20,508	\$ 17,622	\$ 16,585	\$ 17,138
Operating Efficiency Ratio:						
Total non-interest expense	(1)	\$ 11,454	\$ 11,560	\$ 11,174	\$ 10,719	\$ 10,461
Operating revenue		\$ 21,547	\$ 20,508	\$ 17,622	\$ 16,585	\$ 17,138
Operating efficiency ratio		53.16%	56.37%	63.41%	64.63%	61.04%

(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				
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Tangible book value per common share (at period-end): (1)					
Total stockholders' equity	\$ 213,916	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884
Less: Intangible assets	-	-	-	-	-
Tangible stockholders' equity	\$ 213,916	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884
Total shares issued and outstanding (at period-end):					
Total common shares issued and outstanding	19,620,632	19,630,632	19,650,463	19,575,435	19,542,290
Tangible book value per common share (2)	\$ 10.90	\$ 10.24	\$ 9.92	\$ 9.81	\$ 9.36
Operating diluted net income per common share: (1)					
Operating net income	\$ 6,949	\$ 6,199	\$ 4,612	\$ 3,380	\$ 4,532
Total weighted average diluted shares of common stock	19,825,211	19,717,167	19,698,258	19,573,350	19,611,897
Operating diluted net income per common share:	\$ 0.35	\$ 0.31	\$ 0.23	\$ 0.17	\$ 0.23
Tangible Common Equity/Tangible Assets (1)					
Tangible stockholders' equity	\$ 213,916	\$ 201,020	\$ 195,011	\$ 191,968	\$ 182,884
Tangible total assets (3)	\$ 2,503,954	\$ 2,458,270	\$ 2,489,142	\$ 2,339,093	\$ 2,244,602
Tangible Common Equity/Tangible Assets	8.54%	8.18%	7.83%	8.21%	8.15%

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

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

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



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