

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 27, 2023

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 July 27, 2023, USCB Financial Holdings, Inc. (the “Company”), issued a press release announcing its financial results for the second quarter ended June 30, 2023. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 2.02, including Exhibit 99.1, 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.

Item 7.01. Regulation FD Disclosure.

As previously announced, at 11:00 a.m. ET on July 28, 2023, the Company will hold an earnings conference call to discuss its financial performance for the quarter ended June 30, 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	USCB Financial Holdings, Inc. Press Release, dated July 27, 2023
99.2	Earnings Presentation, dated July 27, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

EARNINGS RELEASE



USCB Financial Holdings, Inc. Reports EPS of \$0.21 for Q2 2023

MIAMI, FL – July 27, 2023 – USCB Financial Holdings, Inc. (the “Company”) (NASDAQ: USCB), the holding company for U.S. Century Bank (the “Bank”), reported net income of \$4.2 million or \$0.21 per diluted share for the three months ended June 30, 2023, compared with net income of \$5.3 million or \$0.26 per diluted share, for the same period in 2022.

The Company announced on June 28, 2023 the appointment of Luis de la Aguilera to succeed Aida Levitan, Ph.D. as Chairman of the Board of Directors for both the Company and the Bank. Levitan had served as chairman of the Board since 2017 and will continue to contribute as a valued member of the Board.

“I am deeply grateful for the privilege of serving as Chairman of this respected institution for the past six years. I extend my heartfelt thanks to the Board of Directors, our dedicated employees, and supportive community for their unwavering commitment and collaboration,” said Aida Levitan, Ph.D., who will continue as Board Director. “It is with great confidence, that our Board of Directors passes its leadership as Chairman to Luis de La Aguilera, President and CEO, along with confirming Kirk Wycoff, Managing Partner of Patriot Financial Partners, as Lead Independent Director.”

“As President and CEO of USCB Financial Holdings, Inc., I am honored to assume the additional responsibility of Chairman of the Board. Our unwavering focus remains on organic and sustainable growth, ensuring that USCB Financial Holdings Inc. continues to thrive in a sound and prudent manner. We are a leading franchise in what I feel is one of the most attractive banking markets in the United States,” said de la Aguilera. “On behalf of the Board and the entire USCB team, I thank Aida Levitan for her leadership for the past six years.”

“Like others in the industry today, we are navigating a challenging operational environment with an inverted yield curve, higher deposit cost, and liquidity concerns. Despite these headwinds, we continue to execute our plans, steadily growing both loans and deposits, underscoring our resilience and commitment to serve our customers and community. As we look forward to the third quarter, we are encouraged by increased and diversified loan demand, which positions us well for the second half of 2023,” said Luis de la Aguilera, Chairman, President, and CEO.

Unless otherwise stated, all percentage comparisons in the bullet points below are calculated for the quarter ended June 30, 2023 compared to the quarter ended June 30, 2022 and annualized where appropriate.

Profitability

- Annualized return on average assets for the quarter ended June 30, 2023 was 0.77% compared to 1.08% for the second quarter of 2022.
- Annualized return on average stockholders’ equity for the quarter ended June 30, 2023 was 9.13% compared to 11.38% for the second quarter of 2022.
- The efficiency ratio for the quarter ended June 30, 2023 was 65.25% compared to 55.34% for the second quarter of 2022.
- Net interest margin for the quarter ended June 30, 2023 was 2.73% compared to 3.37% for the same quarter ended 2022.
- Net interest income before provision for credit losses was \$14.2 million for the quarter ended June 30, 2023, a decrease of \$1.5 million or 9.4% compared to the second quarter of 2022.

Balance Sheet

- Total assets were \$2.2 billion at June 30, 2023, representing an increase of \$209.8 million or 10.4% from June 30, 2022.
- Total loans were \$1.6 billion at June 30, 2023, representing an increase of \$223.2 million or 16.3% from June 30, 2022.
- Total deposits were \$1.9 billion at June 30, 2023, representing an increase of \$182.6 million or 10.5% from June 30, 2022.

- Total stockholders' equity was \$183.7 million at June 30, 2023, representing an increase of \$3.6 million or 2.0% from June 30, 2022. Total stockholders' equity includes after-tax unrealized security losses of \$47.1 million at June 30, 2023 compared to after-tax unrealized security losses of \$36.9 million at June 30, 2022.

Asset Quality

- Allowance for credit losses ("ACL") was calculated under the Current Expected Credit Losses ("CECL") standard methodology for the first and second quarter of 2023 and the incurred loss methodology for the preceding quarters.
- The ACL increased by \$3.0 million to \$18.8 million at June 30, 2023 from \$15.8 million at June 30, 2022.
- The allowance for credit losses represented 1.18% of total loans at June 30, 2023 compared to 1.15% at June 30, 2022.
- Non-performing loans to total loans was 0.03% at June 30, 2023 compared to 0.00% at June 30, 2022.

Non-interest Income and Non-interest Expense

- Non-interest income was \$1.8 million for the three months ended June 30, 2023, an increase of \$229 thousand or 14.2% compared to \$1.6 million for the same period in 2022.
- Non-interest expense was \$10.5 million for the three months ended June 30, 2023, an increase of \$901 thousand or 9.4% compared to the same period in 2022.

Capital

- During the quarter the Company repurchased 77,603 shares of USCB Financial Holdings Inc. at a weighted average price per share of \$9.58. The aggregate purchase price for these transactions was approximately \$746.9 thousand, including transaction costs. These repurchases were made through open market pursuant to the Company's publicly announced repurchase program. As of June 30, 2023, 172,397 shares remain authorized for repurchase under the program.
- As of June 30, 2023, total risk-based capital ratios for the Company and the Bank were 13.42% and 13.38%, respectively.
- Tangible book value per common share (a non-GAAP measure) of \$9.40 was negatively affected by \$2.41 due to after tax unrealized security losses of \$47.1 million at June 30, 2023. At June 30, 2022, tangible book value of \$9.00 was negatively affected by \$1.84 due to \$36.9 million after tax unrealized security losses.

Conference Call and Webcast

The Company will host a conference call on Friday, July 28, 2023, at 11:00 a.m. Eastern Time to discuss the Company's unaudited financial results for the quarter ended June 30, 2023. To access the conference call, dial (800) 715-9871 (U.S. toll-free) and ask to join the USCB Financial Holdings Call or provide conference ID 6813115.

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 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," "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 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 effects of our lack of a diversified loan portfolio and concentration in the South Florida market, including the risks of geographic, depositor, and industry concentrations, including our concentration in loans secured by real estate;
- 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 margin;
- 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.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Interest income:				
Loans, including fees	\$ 20,847	\$ 14,053	\$ 40,558	\$ 27,035
Investment securities	2,382	2,510	4,668	4,839
Interest-bearing deposits in financial institutions	1,051	121	1,433	152
Total interest income	24,280	16,684	46,659	32,026
Interest expense:				
Interest-bearing checking	200	17	243	33
Savings and money market accounts	6,968	615	11,753	1,166
Time deposits	2,145	271	3,202	530
FHLB advances and other borrowings	794	139	1,291	276
Total interest expense	10,107	1,042	16,489	2,005
Net interest income before provision for credit losses	14,173	15,642	30,170	30,021
Provision for credit losses	38	705	239	705
Net interest income after provision for credit losses	14,135	14,937	29,931	29,316
Non-interest income:				
Service fees	1,173	1,083	2,378	1,983
Gain (loss) on sale of securities available for sale, net	-	(3)	(21)	18
Gain on sale of loans held for sale, net	94	22	441	356
Loan settlement	-	-	-	161
Other non-interest income	579	515	1,118	1,044
Total non-interest income	1,846	1,617	3,916	3,562
Non-interest expense:				
Salaries and employee benefits	5,882	5,913	12,259	11,788
Occupancy	1,319	1,251	2,618	2,521
Regulatory assessments and fees	452	226	676	439
Consulting and legal fees	386	398	744	915
Network and information technology services	505	448	983	835
Other operating expense	1,908	1,315	3,348	2,665
Total non-interest expense	10,452	9,551	20,628	19,163
Net income before income tax expense	5,529	7,003	13,219	13,715
Income tax expense	1,333	1,708	3,214	3,566
Net income	4,196	5,295	10,005	10,149
Per share information:				
Net income per common share, basic	\$ 0.21	\$ 0.26	\$ 0.51	\$ 0.51
Net income per common share, diluted	\$ 0.21	\$ 0.26	\$ 0.51	\$ 0.50
Weighted average shares outstanding:				
Common shares, basic	19,590,359	20,000,753	19,722,152	19,997,869
Common shares, diluted	19,639,682	20,171,261	19,790,756	20,192,918

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

	As of or For the Three Months Ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Income statement data:					
Net interest income	\$ 14,173	\$ 15,997	\$ 16,866	\$ 16,774	\$ 15,642
Provision for credit losses	38	201	880	910	705
Net interest income after provision for credit losses	14,135	15,796	15,986	15,864	14,937
Service fees	1,173	1,205	1,093	934	1,083
Gain (loss) on sale of securities available for sale, net	-	(21)	(1,989)	(558)	(3)
Gain on sale of loans held for sale, net	94	347	205	330	22
Other income	579	539	568	1,083	515
Total non-interest income	1,846	2,070	(123)	1,789	1,617
Salaries and employee benefits	5,882	6,377	6,080	6,075	5,913
Occupancy	1,319	1,299	1,256	1,281	1,251
Regulatory assessments and fees	452	224	222	269	226
Consulting and legal fees	386	358	371	604	398
Network and information technology services	505	478	483	488	448
Other operating expense	1,908	1,440	1,602	1,415	1,315
Total non-interest expense	10,452	10,176	10,014	10,132	9,551
Net income before income tax expense	5,529	7,690	5,849	7,521	7,003
Income tax expense	1,333	1,881	1,415	1,963	1,708
Net income	\$ 4,196	\$ 5,809	\$ 4,434	\$ 5,558	\$ 5,295
Per share information:					
Net income per common share, basic	\$ 0.21	\$ 0.29	\$ 0.22	\$ 0.28	\$ 0.26
Net income per common share, diluted	\$ 0.21	\$ 0.29	\$ 0.22	\$ 0.28	\$ 0.26
Balance sheet data (at period-end):					
Cash and cash equivalents	\$ 87,280	\$ 63,251	\$ 54,168	\$ 73,326	\$ 83,272
Securities available-for-sale	\$ 218,442	\$ 229,409	\$ 230,140	\$ 248,571	\$ 339,464
Securities held-to-maturity	\$ 220,956	\$ 186,428	\$ 188,699	\$ 178,865	\$ 116,671
Total securities	\$ 439,398	\$ 415,837	\$ 418,839	\$ 427,436	\$ 456,135
Loans held for investment ⁽¹⁾	\$ 1,595,959	\$ 1,580,394	\$ 1,507,338	\$ 1,431,513	\$ 1,372,733
Allowance for credit losses	\$ (18,815)	\$ (18,887)	\$ (17,487)	\$ (16,604)	\$ (15,786)
Total assets	\$ 2,225,914	\$ 2,163,821	\$ 2,085,834	\$ 2,037,453	\$ 2,016,086
Non-interest-bearing deposits	\$ 572,360	\$ 633,606	\$ 629,776	\$ 662,808	\$ 653,708
Interest-bearing deposits	\$ 1,348,941	\$ 1,196,856	\$ 1,199,505	\$ 1,133,834	\$ 1,085,012
Total deposits	\$ 1,921,301	\$ 1,830,462	\$ 1,829,281	\$ 1,796,642	\$ 1,738,720
FHLB advances and other borrowings	\$ 87,000	\$ 120,000	\$ 46,000	\$ 26,000	\$ 66,000
Total liabilities	\$ 2,042,229	\$ 1,979,963	\$ 1,903,406	\$ 1,860,036	\$ 1,836,018
Total stockholders' equity	\$ 183,685	\$ 183,858	\$ 182,428	\$ 177,417	\$ 180,068
Capital ratios:⁽²⁾					
Leverage ratio	9.32%	9.36%	9.61%	9.48%	9.43%
Common equity tier 1 capital	12.27%	12.04%	12.53%	12.56%	12.65%
Tier 1 risk-based capital	12.27%	12.04%	12.53%	12.56%	12.65%
Total risk-based capital	13.42%	13.20%	13.65%	13.65%	13.74%

(1) Loan amounts include deferred fees/costs.

(2) Reflects the Company's regulatory capital ratios

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

	As of or For the Three Months Ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Average balance sheet data:					
Cash and cash equivalents	\$ 94,313	\$ 50,822	\$ 61,892	\$ 77,887	\$ 80,254
Securities available-for-sale	\$ 224,913	\$ 230,336	\$ 242,144	\$ 331,206	\$ 370,933
Securities held-to-maturity	\$ 192,628	\$ 187,826	\$ 184,459	\$ 116,733	\$ 120,130
Total securities	\$ 417,541	\$ 418,162	\$ 426,603	\$ 447,939	\$ 491,063
Loans held for investment ⁽¹⁾	\$ 1,569,266	\$ 1,547,393	\$ 1,456,780	\$ 1,398,761	\$ 1,296,476
Total assets	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867	\$ 2,026,791	\$ 1,968,381
Interest-bearing deposits	\$ 1,270,657	\$ 1,179,878	\$ 1,150,049	\$ 1,107,129	\$ 1,071,709
Non-interest-bearing deposits	\$ 601,778	\$ 664,369	\$ 653,820	\$ 655,853	\$ 644,975
Total deposits	\$ 1,872,435	\$ 1,844,247	\$ 1,803,869	\$ 1,762,982	\$ 1,716,684
FHLB advances and other borrowings	\$ 93,075	\$ 61,600	\$ 37,500	\$ 43,935	\$ 36,330
Total liabilities	\$ 1,999,304	\$ 1,936,847	\$ 1,874,311	\$ 1,841,503	\$ 1,781,784
Total stockholders' equity	\$ 184,238	\$ 183,371	\$ 177,556	\$ 185,288	\$ 186,597
Performance ratios:					
Return on average assets ⁽²⁾	0.77%	1.11%	0.86%	1.09%	1.08%
Return on average equity ⁽²⁾	9.13%	12.85%	9.91%	11.90%	11.38%
Net interest margin ⁽²⁾	2.73%	3.22%	3.45%	3.47%	3.37%
Non-interest income to average assets ⁽²⁾	0.34%	0.40%	(0.02)%	0.35%	0.33%
Efficiency ratio ⁽³⁾	65.25%	56.32%	59.81%	54.58%	55.34%
Loans by type (at period end): ⁽⁴⁾					
Residential real estate	\$ 183,093	\$ 184,427	\$ 185,636	\$ 186,551	\$ 203,662
Commercial real estate	\$ 989,401	\$ 987,757	\$ 970,410	\$ 928,531	\$ 843,445
Commercial and industrial	\$ 169,401	\$ 160,947	\$ 126,984	\$ 121,145	\$ 131,271
Foreign banks	\$ 85,409	\$ 97,405	\$ 93,769	\$ 94,450	\$ 84,770
Consumer and other	\$ 167,845	\$ 149,410	\$ 130,429	\$ 100,845	\$ 109,250
Asset quality data:					
Allowance for credit losses to total loans	1.18%	1.20%	1.16%	1.16%	1.15%
Allowance for credit losses to non-performing loans	3,871%	3,886%	-	-	-
Total non-performing loans ⁽⁵⁾	\$ 486	\$ 486	\$ -	\$ -	\$ -
Non-performing loans to total loans	0.03%	0.03%	-	-	-
Non-performing assets to total assets	0.02%	0.02%	-	-	-
Net charge-offs (recoveries of) to average loans ⁽²⁾	0.01%	(0.01)%	(0.00)%	0.03%	(0.00)%
Net charge-offs (recovery of) credit losses	\$ 29	\$ (49)	\$ (2)	\$ 91	\$ (7)
Interest rates and yields:⁽²⁾					
Loans	5.33%	5.17%	4.86%	4.53%	4.35%
Investment securities	2.26%	2.20%	2.13%	1.94%	2.04%
Total interest-earning assets	4.68%	4.51%	4.21%	3.82%	3.60%
Deposits	1.99%	1.29%	0.77%	0.34%	0.21%
FHLB advances and other borrowings	3.42%	3.27%	2.27%	1.63%	1.53%
Total interest-bearing liabilities	2.97%	2.08%	1.25%	0.59%	0.38%
Other information:					
Full-time equivalent employees	198	196	191	191	192

(1) Loan amounts include deferred fees/costs.

(2) Annualized.

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

(4) Loan amounts exclude deferred fees/costs.

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

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

	Three Months Ended June 30,					
	2023			2022		
	Average Balance	Interest	Yield/Rate ⁽¹⁾	Average Balance	Interest	Yield/Rate ⁽¹⁾
Assets						
Interest-earning assets:						
Loans ⁽²⁾	\$ 1,569,266	\$ 20,847	5.33%	\$ 1,296,476	\$ 14,053	4.35%
Investment securities ⁽³⁾	422,544	2,382	2.26%	493,352	2,510	2.04%
Other interest-earnings assets	<u>87,536</u>	<u>1,051</u>	4.82%	<u>69,503</u>	<u>121</u>	0.70%
Total interest-earning assets	2,079,346	24,280	4.68%	1,859,331	16,684	3.60%
Non-interest-earning assets	<u>104,196</u>			<u>109,050</u>		
Total assets	<u>\$ 2,183,542</u>			<u>\$ 1,968,381</u>		
Liabilities and stockholders' equity						
Interest-bearing liabilities:						
Interest-bearing checking	\$ 53,561	200	1.50%	\$ 66,349	17	0.10%
Saving and money market deposits	940,095	6,968	2.97%	781,076	615	0.32%
Time deposits	<u>277,001</u>	<u>2,145</u>	3.11%	<u>224,284</u>	<u>271</u>	0.48%
Total interest-bearing deposits	1,270,657	9,313	2.94%	1,071,709	903	0.34%
FHLB advances and other borrowings	<u>93,075</u>	<u>794</u>	3.42%	<u>36,330</u>	<u>139</u>	1.53%
Total interest-bearing liabilities	1,363,732	10,107	2.97%	1,108,039	1,042	0.38%
Non-interest-bearing demand deposits	601,778			644,975		
Other non-interest-bearing liabilities	<u>33,794</u>			<u>28,770</u>		
Total liabilities	1,999,304			1,781,784		
Stockholders' equity	<u>184,238</u>			<u>186,597</u>		
Total liabilities and stockholders' equity	<u>\$ 2,183,542</u>			<u>\$ 1,968,381</u>		
Net interest income		<u>\$ 14,173</u>		<u>\$ 15,642</u>		
Net interest spread ⁽⁴⁾			1.71%			3.22%
Net interest margin ⁽⁵⁾			2.73%			3.37%

(1) Annualized.

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

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

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

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

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

	As of or For the Three Months Ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Pre-tax pre-provision ("PTPP") income:⁽¹⁾					
Net income	\$ 4,196	\$ 5,809	\$ 4,434	\$ 5,558	\$ 5,295
Plus: Provision for income taxes	1,333	1,881	1,415	1,963	1,708
Plus: Provision for credit losses	38	201	880	910	705
PTPP income	\$ 5,567	\$ 7,891	\$ 6,729	\$ 8,431	\$ 7,708
PTPP return on average assets:⁽¹⁾					
PTPP income	\$ 5,567	\$ 7,891	\$ 6,729	\$ 8,431	\$ 7,708
Average assets	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867	\$ 2,026,791	\$ 1,968,381
PTPP return on average assets ⁽²⁾	1.02%	1.51%	1.30%	1.65%	1.57%
Operating net income:⁽¹⁾					
Net income	\$ 4,196	\$ 5,809	\$ 4,434	\$ 5,558	\$ 5,295
Less: Net gains (losses) on sale of securities	-	(21)	(1,989)	(558)	(3)
Less: Tax effect on sale of securities	-	5	504	141	1
Operating net income	\$ 4,196	\$ 5,825	\$ 5,919	\$ 5,975	\$ 5,297
Operating PTPP income:⁽¹⁾					
PTPP income	\$ 5,567	\$ 7,891	\$ 6,729	\$ 8,431	\$ 7,708
Less: Net gains (losses) on sale of securities	-	(21)	(1,989)	(558)	(3)
Operating PTPP income	\$ 5,567	\$ 7,912	\$ 8,718	\$ 8,989	\$ 7,711
Operating PTPP return on average assets:⁽¹⁾					
Operating PTPP income	\$ 5,567	\$ 7,912	\$ 8,718	\$ 8,989	\$ 7,711
Average assets	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867	\$ 2,026,791	\$ 1,968,381
Operating PTPP return on average assets ⁽²⁾	1.02%	1.51%	1.69%	1.76%	1.57%
Operating return on average assets:⁽¹⁾					
Operating net income	\$ 4,196	\$ 5,825	\$ 5,919	\$ 5,975	\$ 5,297
Average assets	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867	\$ 2,026,791	\$ 1,968,381
Operating return on average assets ⁽²⁾	0.77%	1.11%	1.14%	1.17%	1.08%
Operating return on average equity:⁽¹⁾					
Operating net income	\$ 4,196	\$ 5,825	\$ 5,919	\$ 5,975	\$ 5,297
Average equity	\$ 184,238	\$ 183,371	\$ 177,556	\$ 185,288	\$ 186,597
Operating return on average equity ⁽²⁾	9.13%	12.88%	13.23%	12.79%	11.39%
Operating Revenue:⁽¹⁾					
Net interest income	\$ 14,173	\$ 15,997	\$ 16,866	\$ 16,774	\$ 15,642
Non-interest income	1,846	2,070	(123)	1,789	1,617
Less: Net gains (losses) on sale of securities	-	(21)	(1,989)	(558)	(3)
Operating revenue	\$ 16,019	\$ 18,088	\$ 18,732	\$ 19,121	\$ 17,262
Operating Efficiency Ratio:⁽¹⁾					
Total non-interest expense	\$ 10,452	\$ 10,176	\$ 10,014	\$ 10,132	\$ 9,551
Operating revenue	\$ 16,019	\$ 18,088	\$ 18,732	\$ 19,121	\$ 17,262
Operating efficiency ratio	65.25%	56.26%	53.46%	52.99%	55.33%

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

(2) Annualized.

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

	As of or For the Three Months Ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Tangible book value per common share (at period-end):⁽¹⁾					
Total stockholders' equity	\$ 183,685	\$ 183,858	\$ 182,428	\$ 177,417	\$ 180,068
Less: Intangible assets	-	-	-	-	-
Tangible stockholders' equity	\$ 183,685	\$ 183,858	\$ 182,428	\$ 177,417	\$ 180,068
Total shares issued and outstanding (at period-end):					
Total common shares issued and outstanding	19,544,777	19,622,380	20,000,753	20,000,753	20,000,753
Tangible book value per common share ⁽²⁾	\$ 9.40	\$ 9.37	\$ 9.12	\$ 8.87	\$ 9.00
Operating diluted net income per common share:⁽¹⁾					
Operating net income	\$ 4,196	\$ 5,825	\$ 5,919	\$ 5,975	\$ 5,297
Total weighted average diluted shares of common stock	19,639,682	19,940,606	20,172,438	20,148,208	20,171,261
Operating diluted net income per common share:	\$ 0.21	\$ 0.29	\$ 0.29	\$ 0.30	\$ 0.26
Tangible Common Equity/Tangible Assets					
Tangible stockholders' equity	\$ 183,685	\$ 183,858	\$ 182,428	\$ 177,417	\$ 180,068
Tangible assets	\$ 2,225,914	\$ 2,163,821	\$ 2,085,834	\$ 2,037,453	\$ 2,016,086
Tangible Common Equity/Tangible Assets	8.25%	8.50%	8.75%	8.71%	8.93%

(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.



EARNINGS PRESENTATION

SECOND 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," "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 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 effects of our lack of a diversified loan portfolio and concentration in the South Florida market, including the risks of geographic, depositor, and industry concentrations, including our concentration in loans secured by real estate;
- 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 margin;
- 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 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 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.

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



Q2 2023 HIGHLIGHTS



GROWTH

Average deposits increased by **\$155.8 million** or 9.1% compared to the second quarter 2022.

Liquidity sources increased to **\$853 million** in on-balance sheet and off-balance sheet sources.

Insured and collateralized deposit, increased to 51% from 43% in the second quarter 2022.

Average loans, excluding PPP loans, increased **\$290.1 million** or 22.7% compared to the second quarter 2022.

Tangible Book Value per Share ⁽¹⁾ was **\$9.40** includes an after-tax unrealized security loss impact of **\$2.41**.



PROFITABILITY

Net income was **\$4.2 million** or **\$0.21** per diluted share.

ROAA was **0.77%** compared to 1.08% for the second quarter 2022.

ROAE was **9.13%** compared to 11.38% for the second quarter 2022.

Efficiency ratio was **65.25%** compared to 55.34% for the second quarter 2022.



CAPITAL/ CREDIT

Credit metrics remain strong.

One C&I loan classified as nonaccrual for a total of **\$486 thousand**.

ACL coverage ratio was **1.18%**. Effective January 1, 2023, the Company adopted the CECL methodology for estimating credit losses.

Repurchased **77,603** shares of common stock during the quarter at a weighted average price of **\$9.58**. **172,397** common shares remain authorized for repurchase under the repurchase program.

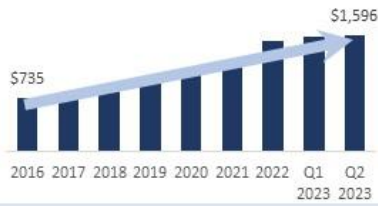
⁽¹⁾ Non-GAAP financial measure.



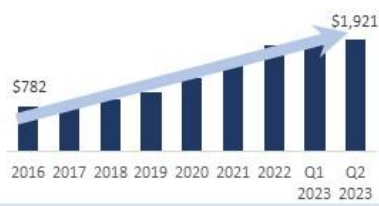
HISTORICAL FINANCIAL

EOP for Balance Sheet amounts

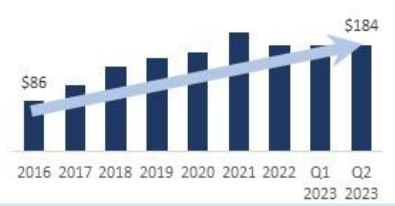
Loans ⁽¹⁾ In millions



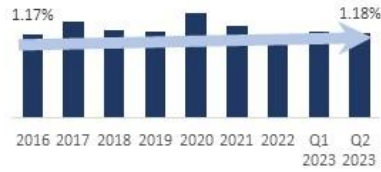
Deposits In millions



Total Stockholders' Equity In millions



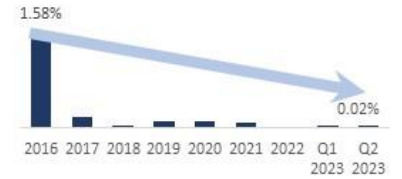
ACL/Total Loans



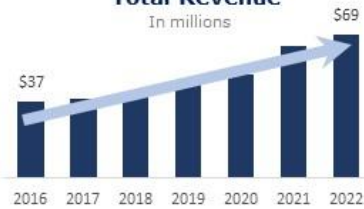
Net Charge Off In thousands



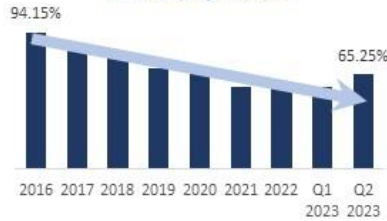
Nonperforming Assets/Total Assets



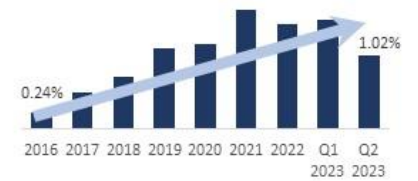
Total Revenue In millions



Efficiency Ratio



PTPP ROAA ⁽²⁾



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



FINANCIAL RESULTS

In thousands (except per share data)

	Q2 2023	Q1 2023	Q2 2022	
Balance Sheet (EOP)	Total Securities	\$439,398	\$415,837	\$456,135
	Total Loans ⁽¹⁾	\$1,595,959	\$1,580,394	\$1,372,733
	Total Assets	\$2,225,914	\$2,163,821	\$2,016,086
	Total Deposits	\$1,921,301	\$1,830,462	\$1,738,720
	Total Equity ⁽²⁾	\$183,685	\$183,858	\$180,068
Income Statement	Net Interest Income	\$14,173	\$15,997	\$15,642
	Non-interest Income	\$1,846	\$2,070	\$1,617
	Total Revenue	\$16,019	\$18,067	\$17,259
	Provision for Credit Losses	\$38	\$201	\$705
	Non-interest Expense	\$10,452	\$10,176	\$9,551
	Net Income	\$4,196	\$5,809	\$5,295
	Diluted Earning Per Share (EPS)	\$0.21	\$0.29	\$0.26
	Weighted Average Diluted Shares	19,639,682	19,940,606	20,171,261

⁽¹⁾ Loan amounts include deferred fees/costs.

⁽²⁾ Total Equity includes after-tax unrealized security losses of \$47.1 million for Q2 2023, \$42.1 million for Q1 2023, and \$36.9 million for Q2 2022.



KEY PERFORMANCE INDICATORS



CAPITAL/
CREDIT



PROFITABILITY



GROWTH

	Q2 2023	Q1 2023	Q2 2022
Tangible Common Equity/Tangible Assets ⁽¹⁾	8.25%	8.50%	8.93%
Total Risk-Based Capital ⁽²⁾	13.42%	13.20%	13.74%
NCO/Avg Loans ⁽³⁾	0.01%	(0.01%)	0.00%
NPA/Assets	0.02%	0.02%	0.00%
Allowance Credit Losses/Loans	1.18%	1.20%	1.15%
Return On Average Assets (ROAA) ⁽³⁾	0.77%	1.11%	1.08%
Return On Average Equity (ROAE) ⁽³⁾	9.13%	12.85%	11.38%
Net Interest Margin ⁽³⁾	2.73%	3.22%	3.37%
Efficiency Ratio	65.25%	56.32%	55.34%
	In thousands (except for TBV/share)		
Total Assets (EOP)	\$2,225,914	\$2,163,821	\$2,016,086
Total Loans (EOP)	\$1,595,959	\$1,580,394	\$1,372,733
Total Deposits (EOP)	\$1,921,301	\$1,830,462	\$1,738,720
Tangible Book Value/Share ⁽¹⁾⁽⁴⁾	\$9.40	\$9.37	\$9.00

⁽¹⁾Non-GAAP Financial Measures.

⁽²⁾For the Company.

⁽³⁾Annualized.

⁽⁴⁾After tax unrealized security loss effect on tangible book value per share was (\$2.41) for Q2 2023, (\$2.14) for Q1 2023 and (\$1.84) for Q2 2022.

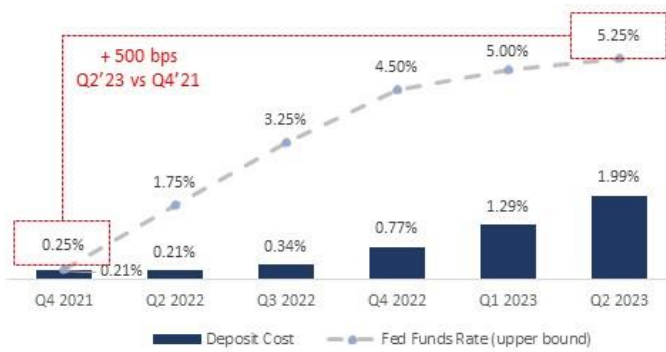


DEPOSIT PORTFOLIO

Deposits AVG In millions



Deposit Cost



Commentary

Average deposits increased \$28.2 million or 6.1% annualized compared to the prior quarter and \$155.8 million or 9.1% compared to the second quarter 2022.

Deposit composition mix shifted towards interest bearing and ICS/CDARS products.

Average DDA balances comprised 32.1% of total deposits as of June 30, 2023.

Deposit beta of 36% since Q4 2021.

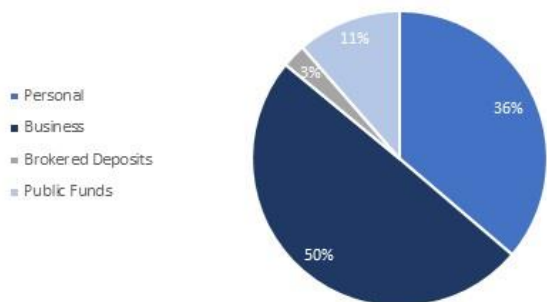
In abundance of caution given the recent bank failures, brought in \$50 million of brokered CDs at a weighted average rate of 4.98% to boost liquidity.



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	\$ 955,768	50%	6,979	\$ 137
Personal	\$ 696,101	36%	12,686	\$ 55
Public Funds	\$ 219,432	11%	31	\$ 7,078
Brokered CDs	\$ 50,000	3%	2	\$ 25,000
Grand Total	\$ 1,921,301	100%	19,698	\$ 98

Commentary

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

The total amount of uninsured deposits adjusted by the collateralized portion of public funds is 49% for quarter end. Excluding the collateralized portion of Public Funds, the uninsured deposits are 53%.

As of June 30, 2023, the deposit balance of ICS/CDARS was \$114.3 million, increase of \$78.6 million from first quarter 2023.

Uninsured Deposits to Total Deposits ⁽¹⁾ In millions



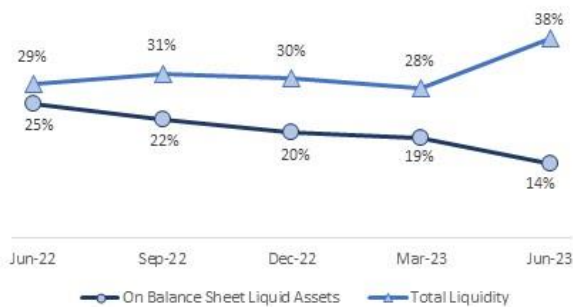
⁽¹⁾ Uninsured deposits excludes collateralized Public Funds.



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)	6/30/2023
On Balance Sheet Liquidity	
Cash	\$7
Due from banks	\$76
Investment securities unpledged	\$226
Total on balance sheet liquidity (Liquid Assets)	\$309
Off Balance Sheet Liquidity	
FHLB excess capacity	\$270
Bank Term Funding Program (BTFP)	\$137
Federal Reserve Discount Window	\$32
Fed Fund Lines	\$105
Total off balance sheet liquidity	\$544
Total Liquidity	\$853

Commentary

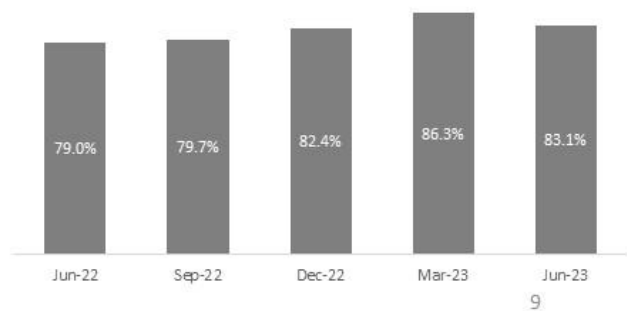
We believe we are well positioned to weather the current environment.

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

Loan-to-deposits ratio negatively impacted by additional liquidity brought on balance sheet with \$50 million of brokered CDs.

We are enrolled in BTFP but have not drawn.

Loan-to-Deposit Ratio





LOAN PORTFOLIO

Total Loans (AVG)

In millions



Commentary

Average loans, excluding PPP loans, increased \$22.5 million or 5.8% annualized compared to prior quarter and \$290.1 million or 22.7% compared to the second quarter 2022.

Loan coupon increased 17 bps compared to prior quarter and 109 bps compared to the second quarter 2022.

Loan fees yield decreased 11 bps compared to second quarter 2022 primarily due to a decrease of \$441 thousand in PPP loan fees.

Loan Yields

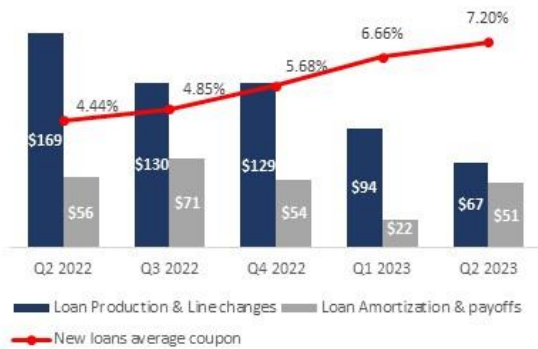




LOAN PRODUCTION

Net Loan Production Trend

In millions



Loan Composition Trend (1)

In millions



Commentary

\$88 million net growth for year-to-date 2023.

Average coupon on new loans was 7.20% for second quarter 2023, 189 bps above portfolio average.

Q2 2023 loan production for the quarter was well diversified; 46% C&I, 16% CRE; 31% consumer, 3% correspondent banks; and 3% residential.

Loan production was impacted by recent bank failures.

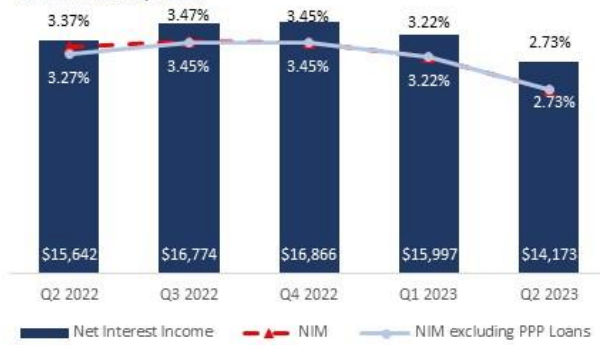
Loan composition shows diversification and growth in C&I and consumer loans.



NET INTEREST MARGIN

Net Interest Income/Margin ⁽¹⁾

In thousands (except ratios)



Interest-Earning Assets Mix (AVG)



⁽¹⁾ Annualized.

Commentary

Net interest income decreased by \$1.8 million compared to the prior quarter predominately due to increase in deposit cost and a liability sensitive balance sheet.

Held more cash in wake of recent bank failures and increased liquidity with higher priced brokered CD's (\$50 million) which negatively impacted NIM.

Shift in deposit mix; out of DDA and into interest bearing deposits.

Majority of Q2 loan production (higher yields) was booked at the end of the quarter, the full impact on the NIM is yet to be realized.

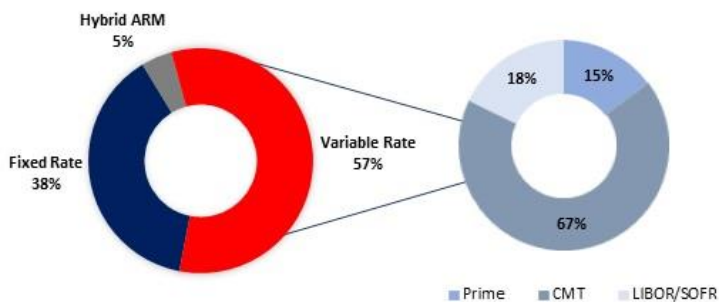
\$50 million notional pay fixed rate swap executed in Q2; \$100 million pay fixed rate swap executed in early Q3 to help future NIM.

Q3 loan pipeline is strong, (\$200 million) and loan coupons are above 7.50%.

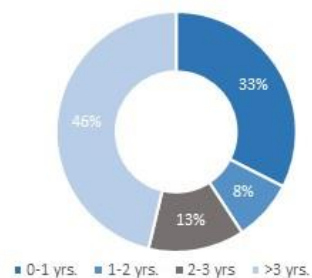


INTEREST RATE SENSITIVITY

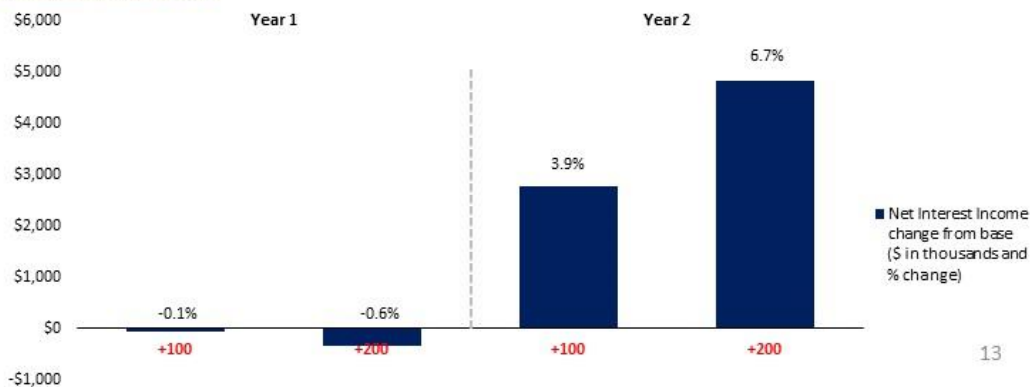
Loan Portfolio Repricing Profile by Rate Type



Loan Repricing Schedule Variable/Hybrid Rate Loans



Static NII Simulation Year 1 & 2

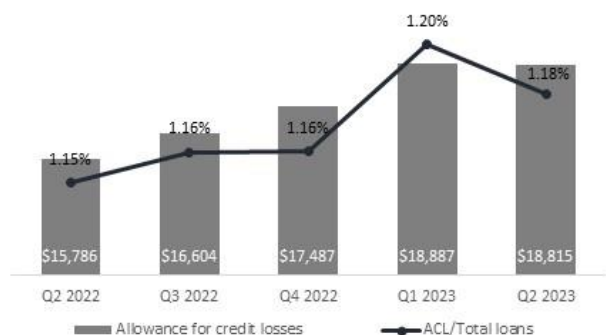




ASSET QUALITY

Allowance for Credit Losses

In thousands (except ratios)



Commentary

ACL coverage ratio is at 1.18%, slightly down from prior quarter due to improvement in economic outlook.

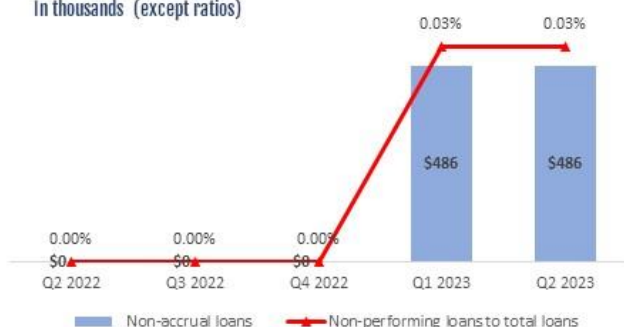
One C&I loan for \$486 thousand was classified as nonaccrual at June 30, 2023.

No OREO.

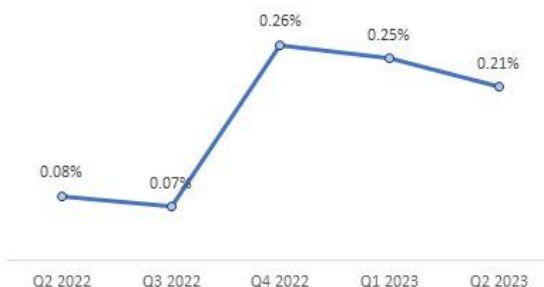
Improved economic forecasts drove a small reduction in expected loss rates and this was partially offset by net portfolio growth during the quarter.

Non-performing Loans

In thousands (except ratios)



Classified Loans ⁽¹⁾ to Total Loans



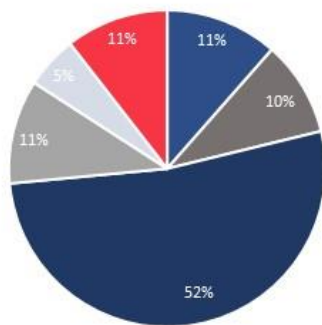
⁽¹⁾ Loans classified as substandard at period end. No loans classified doubtful or loss at period end.



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



\$1,595MM

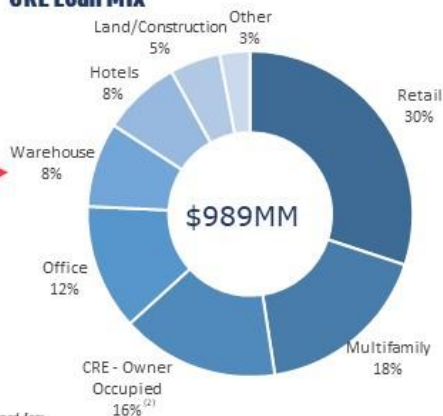
Commentary

Total Loan balance at quarter end was \$1,595 million ⁽¹⁾.

Commercial Real Estate (owner occupied and non-owner occupied) was 62% or \$989.4 million of the total loan portfolio ⁽¹⁾.

CRE mix is diversified and granular. Retail non-owner occupied makes up 30% of total CRE or \$297.4 million.

CRE Loan Mix



\$989MM

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

Loan Type	Weighted Average		
	LTV ⁽¹⁾	DSCR ⁽²⁾	Average Loan Size ⁽³⁾
Retail	56%	1.63	\$3.0
Multifamily	62%	1.41	\$1.4
Office	57%	2.20	\$1.5
Warehouse	58%	1.84	\$1.2
Hotels	54%	1.92	\$4.8
Other	57%	1.97	\$1.8
Land/Construction	58%	NA	\$3.1

⁽¹⁾ LTV - Loan to value ratio.

⁽²⁾ DSCR - Debt service coverage ratio.

⁽³⁾ Balance in millions.

As of 6/30/23

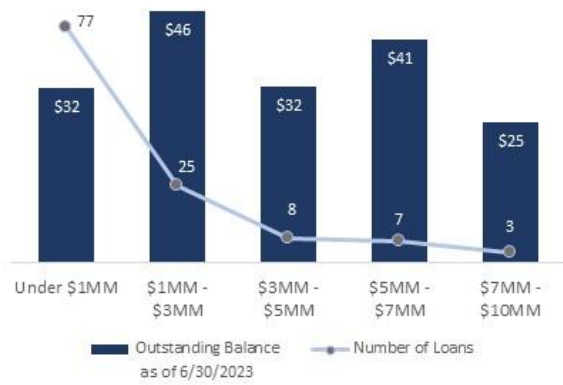
(1) Excludes unearned fees.

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



CRE OFFICE PORTFOLIO

Loan size



Key Metrics

At 6/30/2023	
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%

Portfolio performing with clean credit metrics

Commentary

Non-owner-occupied office is 8% of total loans and 70% have recourse to a guarantor.

Owner occupied office is 3% of the loan portfolio and 99% have recourse to a guarantor.

Total office loan portfolio (owner occupied and non-owner occupied) had 120 notes with an average balance of \$1.5 million dollars, LTV of 57%, and DSCR of 2.20X at quarter end.

91% of outstanding loan balances are within the USCB primary market.

Miami's office sector outperforms the national average with a lower vacancy rate of 9.4% and availability rate of 11.8%, compared to the estimated national average of 13% and 16.5%, respectively. ⁽¹⁾

Loan Maturity

< 1 year	1 year to 3 years	3 years to 5 years	5 years to 10 years	> 10 years
5%	9%	14%	71%	1%

⁽¹⁾ Data points source: CoStar Group, a NASDAQ company and world leader in commercial real estate information with a comprehensive database of real estate data throughout the US, Canada, UK and France. Published April 2023.



NON-INTEREST INCOME

In thousands (except ratios)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Service fees	\$1,173	\$1,205	\$1,093	\$934	\$1,083
Gain (loss) on sale of securities available for sale	-	(21)	(1,989)	(558)	(3)
Gain on sale of loans held for sale	94	347	205	330	22
Other income	579	539	568	1,083	515
Total non-interest income	\$1,846	\$2,070	(\$123)	\$1,789	\$1,617
Average total assets	\$2,183,542	\$2,120,218	\$2,051,867	\$2,026,791	\$1,968,381
Non-interest income / Average assets ⁽¹⁾	0.34%	0.40%	(0.02%)	0.35%	0.33%

Commentary

Service fees remain substantially consistent quarter over quarter.

SBA loan sales produced \$94 thousand of gains in the second quarter 2023.

Fluctuation of non-interest income primarily impacted by one-time items in other income and loss on sale of securities in prior quarters.

⁽¹⁾ Annualized.



NON-INTEREST EXPENSE

In thousands (except ratios)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Salaries and employee benefits	\$5,882	\$6,377	\$6,080	\$6,075	\$5,913
Occupancy	1,319	1,299	1,256	1,281	1,251
Regulatory assessments and fees	452	224	222	269	226
Consulting and legal fees	386	358	371	604	398
Network and information technology services	505	478	483	488	448
Other operating expense	1,908	1,440	1,602	1,415	1,315
Total non-interest expense	\$10,452	\$10,176	\$10,014	\$10,132	\$9,551
Efficiency ratio	65.25%	56.32%	59.81%	54.58%	55.34%
Average total assets	\$2,183,542	\$2,120,218	\$2,051,867	\$2,026,791	\$1,968,381
Non-interest expense / Average assets ⁽¹⁾	1.92%	1.95%	1.94%	1.98%	1.95%
Full-time equivalent employees	198	196	191	191	192

Commentary

Salaries and employee benefits decreased due to lower incentive accrual based on performance for the first half of 2023.

Regulatory assessments and fees increased \$228 thousand due to an increase in the FDIC deposit insurance assessment rate compared to first quarter 2023.

Other operating expense increased \$468 thousand due to increase in audit and tax services, internet banking fees, and special assets insurance expense.

Efficiency ratio impacted by lower revenue and increase in non-interest expenses.

⁽¹⁾ Annualized.



CAPITAL

Capital Ratios ⁽¹⁾	Q2 2023	Q1 2023	Q2 2022	Well-Capitalized
Leverage Ratio	9.32%	9.36%	9.43%	5.00%
TCE/TA ⁽²⁾	8.25%	8.50%	8.93%	NA
Tier 1 Risk Based Capital	12.27%	12.04%	12.65%	8.00%
Total Risk Based Capital	13.42%	13.20%	13.74%	10.00%
AOCI In Millions	(\$47.1)	(\$42.1)	(\$36.9)	

Commentary

Repurchased 77,603 shares during the quarter at a weighted average price of \$9.58. 172,397 common shares remain authorized for repurchase under the repurchase program.

AOCI was (\$47.1) million or (\$2.41) per share as of June 30, 2023.

Q2 2023 EOP shares outstanding:
Common Stock: 19,544,777

⁽¹⁾ For the Company.

⁽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 32.1% Non-Interest-Bearing Deposits (AVG)



APPENDIX – NON-GAAP RECONCILIATION

In thousands (except ratios)

	As of for the three months ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Pre-Tax Pre-Provision ("PTPP") Income:					
Net income	\$ 4,196	\$ 5,809	\$ 4,434	\$ 5,558	\$ 5,295
Plus: Provision for income taxes	1,333	1,881	1,415	1,963	1,708
Plus: Provision for credit losses	38	201	880	910	705
PTPP income	\$ 5,567	\$ 7,891	\$ 6,729	\$ 8,431	\$ 7,708
PTPP Return on Average Assets:					
PTPP income	\$ 5,567	\$ 7,891	\$ 6,729	\$ 8,431	\$ 7,708
Average assets	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867	\$ 2,026,791	\$ 1,968,381
PTPP return on average assets ⁽¹⁾	1.02%	1.51%	1.30%	1.65%	1.57%
Operating Net Income:					
Net income	\$ 4,196	\$ 5,809	\$ 4,434	\$ 5,558	\$ 5,295
Less: Net gains (losses) on sale of securities	-	(21)	(1,989)	(558)	(3)
Less: Tax effect on sale of securities	-	5	504	141	1
Operating net income	\$ 4,196	\$ 5,825	\$ 5,919	\$ 5,975	\$ 5,297
Operating PTPP Income:					
PTPP income	\$ 5,567	\$ 7,891	\$ 6,729	\$ 8,431	\$ 7,708
Less: Net gains (losses) on sale of securities	-	(21)	(1,989)	(558)	(3)
Operating PTPP Income	\$ 5,567	\$ 7,912	\$ 8,718	\$ 8,989	\$ 7,711
Operating PTPP Return on Average Assets:					
Operating PTPP income	\$ 5,567	\$ 7,912	\$ 8,718	\$ 8,989	\$ 7,711
Average assets	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867	\$ 2,026,791	\$ 1,968,381
Operating PTPP Return on average assets ⁽¹⁾	1.02%	1.51%	1.69%	1.76%	1.57%
Operating Return on Average Assets:					
Operating net income	\$ 4,196	\$ 5,825	\$ 5,919	\$ 5,975	\$ 5,297
Average assets	\$ 2,183,542	\$ 2,120,218	\$ 2,051,867	\$ 2,026,791	\$ 1,968,381
Operating return on average assets ⁽¹⁾	0.77%	1.11%	1.14%	1.17%	1.08%
Operating Return on Average Equity:					
Operating net income	\$ 4,196	\$ 5,825	\$ 5,919	\$ 5,975	\$ 5,297
Average equity	\$ 184,238	\$ 183,371	\$ 177,556	\$ 185,288	\$ 186,597
Operating return on average equity (1)	9.13%	12.88%	13.23%	12.79%	11.39%
Operating Revenue:					
Net interest income	\$ 14,173	\$ 15,997	\$ 16,866	\$ 16,774	\$ 15,642
Non-interest income	1,846	2,070	(123)	1,789	1,617
Less: Net gains (losses) on sale of securities	-	(21)	(1,989)	(558)	(3)
Operating revenue	\$ 16,019	\$ 18,088	\$ 18,732	\$ 19,121	\$ 17,262
Operating Efficiency Ratio:					
Total non-interest expense	\$ 10,452	\$ 10,176	\$ 10,014	\$ 10,132	\$ 9,551
Operating revenue	\$ 16,019	\$ 18,088	\$ 18,732	\$ 19,121	\$ 17,262
Operating efficiency ratio	65.25%	56.26%	53.46%	52.99%	55.33%

(1) Annualized.



APPENDIX – NON-GAAP RECONCILIATION

In thousands (except ratios and share data)

	As of and for the three months ended				
	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Tangible Book Value per Common Share (at period-end):					
Total stockholders' equity	\$ 183,685	\$ 183,858	\$ 182,428	\$ 177,417	\$ 180,068
Less: Intangible assets	-	-	-	-	-
Tangible stockholders' equity	\$ 183,685	\$ 183,858	\$ 182,428	\$ 177,417	\$ 180,068
Total shares issued and outstanding (at period-end):					
Total common shares issued and outstanding	19,544,777	19,622,380	20,000,753	20,000,753	20,000,753
Tangible book value per common share ⁽²⁾	\$ 9.40	\$ 9.37	\$ 9.12	\$ 8.87	\$ 9.00
Operating diluted net income per share of common stock:					
Operating net income	\$ 4,196	\$ 5,825	\$ 5,919	\$ 5,975	\$ 5,297
Weighted average shares					
Diluted	\$ 19,639,682	\$ 19,940,606	\$ 20,172,438	\$ 20,148,208	\$ 20,171,261
Operating diluted net income per share of common stock	0.21	0.29	0.29	0.30	0.26
Tangible Common Equity/Tangible Assets:					
Tangible stockholders' equity	\$ 183,685	\$ 183,858	\$ 182,428	\$ 177,417	\$ 180,068
Tangible Assets	2,225,914	2,163,821	2,085,834	2,037,453	2,016,086
Tangible Common Equity/Tangible Assets:	8.25%	8.50%	8.75%	8.71%	8.93%



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