



---

**Fourth Quarter 2021  
Earnings Presentation**  
**January 28, 2022**



# Forward-Looking Statements

Statements included in this presentation that are not historical in nature are intended to be, and are hereby identified as, forward-looking statements for purposes of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended. The words “may,” “will,” “anticipate,” “should,” “would,” “believe,” “contemplate,” “expect,” “aim,” “plan,” “estimate,” “continue,” and “intend,” as well as other similar words and expressions of the future, are intended to identify forward-looking statements. These forward-looking statements include statements related to our projected growth, anticipated future financial performance, and management’s long-term performance goals, as well as statements relating to the anticipated effects on results of operations and financial condition from expected developments or events, or business and growth strategies, including anticipated internal growth.

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

- the strength of the United States economy in general and the strength of the local economies in which we conduct operations;
- the COVID-19 pandemic and its impact on us, our employees, customers and third-party service providers, and the ultimate extent of the impacts of the pandemic and related government stimulus programs;
- our ability to successfully manage interest rate risk, credit risk, liquidity risk, and other risks inherent to our industry;
- the accuracy of our financial statement estimates and assumptions, including the estimates used for our credit loss reserve and deferred tax asset valuation allowance;
- the efficiency and effectiveness of our internal control environment;
- our ability to comply with the extensive laws and regulations to which we are subject, including the laws for each jurisdiction where we operate;
- legislative or regulatory changes and changes in accounting principles, policies, practices or guidelines, including the effects of forthcoming CECL implementation;
- the effects of our lack of a diversified loan portfolio and concentration in the South Florida market, including the risks of geographic, depositor, and industry concentrations, including our concentration in loans secured by real estate;
- the concentration of ownership of our Class A common stock;
- our ability to fund or access the capital markets at attractive rates and terms and manage our growth, both organic growth as well as growth through other means, such as future acquisitions;
- inflation, interest rate, unemployment rate, market, and monetary fluctuations;
- increased competition and its effect on pricing of our products and services as well as our margins;
- the effectiveness of our risk management strategies, including operational risks, including, but not limited to, client, employee, or third-party fraud and security breaches; and
- other risks described from time to time in the Bank or the Company’s filings with the FDIC or 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 statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, unless required to do so under the federal securities laws. You should also review the risk factors described in the reports the Company filed or will file with the SEC and, for periods prior to the completion of the bank holding company reorganization, the Bank filed with the FDIC.

## NON-GAAP FINANCIAL MEASURES

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

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



# Q4 2021 Highlights



## Capital/ Credit

- Formed a **Bank Holding Company** on December 30, 2021.
- **Exchanged** all **Common B shares** for Common A shares completing the last step in a capital simplification project. USCB now has one capital instrument and a simplified capital structure.
- On January 24, 2022 the Board of Directors approved a **share repurchase program** for 750,000 of Common A shares.
- **Credit metrics** remain at historical **low** levels.



## Profitability

- **Net income** was **\$5.7 million** an increase of \$1.4 million or 33.3% compared to the fourth quarter 2020.
- **ROAA** was **1.23%** compared to 1.11% in the fourth quarter 2020.
- **ROAE** was **11.08%** compared to 9.96% in the fourth quarter 2020.
- **Efficiency ratio** was **55.74%** compared to 63.81% in the fourth quarter 2020. Improvement of the efficiency ratio primarily driven by \$983K one-time gain on sale of the East Hialeah Banking Center building, an impact of \$0.04 EPS for Q4 2021.



## Growth

- **Expanded** presence in **Broward/Palm Beach market**. Loans \$224 million; Deposits \$156 million.
- **Average deposits** increased by **\$270.5 million** or 20.9% compared to fourth quarter 2020.
- **Average loans** excluding PPP increased by **\$179.9 million** or 19.4% compared to fourth quarter 2020.



# Financial Results

In thousands (except per share data)

	Q4 2021	Q3 2021	Q4 2020	
<b>Balance Sheet</b> (EOP)	Investment Securities	\$526,301	\$430,137	\$337,033
	Total Loans <sup>(1)</sup>	\$1,190,080	\$1,176,412	\$1,038,504
	Total Assets	\$1,853,939	\$1,755,011	\$1,501,742
	Total Deposits	\$1,590,379	\$1,484,589	\$1,273,402
	Total Equity	\$203,897	\$201,918	\$171,001
<b>Income Statement</b>	Net Interest Income	\$14,076	\$13,471	\$11,499
	Non-interest Income	\$2,644	\$4,217	\$1,454
	Revenue	\$16,720	\$17,688	\$12,953
	Provision for Credit Losses	-	-	-
	Non-interest Expense	\$9,319	\$9,007	\$8,265
	Net Income	\$5,650	\$6,593	\$4,239
	Net Income (loss) available to common stockholders <sup>(2)</sup>	\$5,650	\$(83,534)	\$3,457
	Diluted Earning Per Share (EPS)			
	Class A Common Stock	\$0.30	-\$5.11	\$0.67
	Class B Common Stock	-	-\$1.02	\$0.14
	Diluted Operating EPS <sup>(3)</sup>			
	Class A Common Stock	\$0.30	\$0.37	\$0.67
Class B Common Stock	-	\$0.07	\$0.14	

<sup>(1)</sup> Loan amounts includes deferred fees/costs.

<sup>(2)</sup> Includes preferred dividend expense and a one-time accounting impact of \$89.6 million for the exchange and redemption of preferred shares. 4

<sup>(3)</sup> Non-GAAP Financial Measures.



# Key Performance Indicators



	Q4 2021	Q3 2021	Q4 2020
Tangible Common Equity/Tangible Assets <sup>(1)</sup>	11.00%	11.51%	9.25%
Total Risk Based Capital	14.93%	15.10%	14.24%
NCO/Avg Loans <sup>(2)</sup>	-0.05%	-0.02%	0.05%
NPA/Assets	0.06%	0.00%	0.11%
Allowance Credit Losses/Loans	1.27%	1.27%	1.45%



Return On Average Assets (ROAA) <sup>(2)</sup>	1.23%	1.50%	1.11%
Return On Average Equity (ROAE) <sup>(2)</sup>	11.08%	13.41%	9.96%
Net Interest Margin <sup>(2)</sup>	3.19%	3.19%	3.14%
Efficiency Ratio	55.74%	50.92%	63.81%
PTPP ROAA <sup>(1)(2)</sup>	1.61%	1.98%	1.22%



In thousands (except for TBV/share)

Total Assets (EOP)	\$1,853,939	\$1,755,011	\$1,501,742
Total Loans (EOP)	\$1,190,081	\$1,176,412	\$1,038,504
Total Deposits (EOP)	\$1,590,379	\$1,484,589	\$1,273,402
Tangible Book Value/Share <sup>(1)</sup>	\$10.20	\$10.10	\$27.17

<sup>(1)</sup> Non-GAAP Financial Measures.

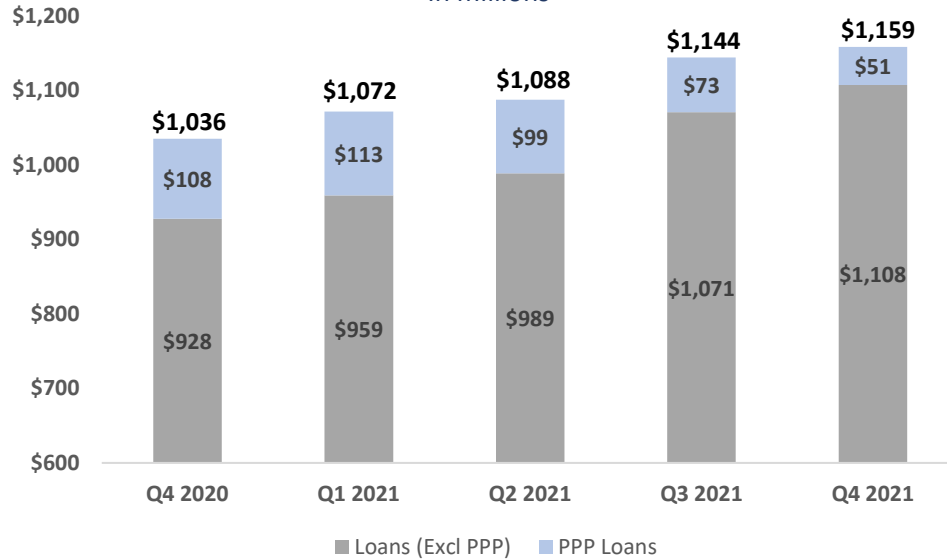
<sup>(2)</sup> Annualized.



# Loan Portfolio

## Total Loans (AVG)

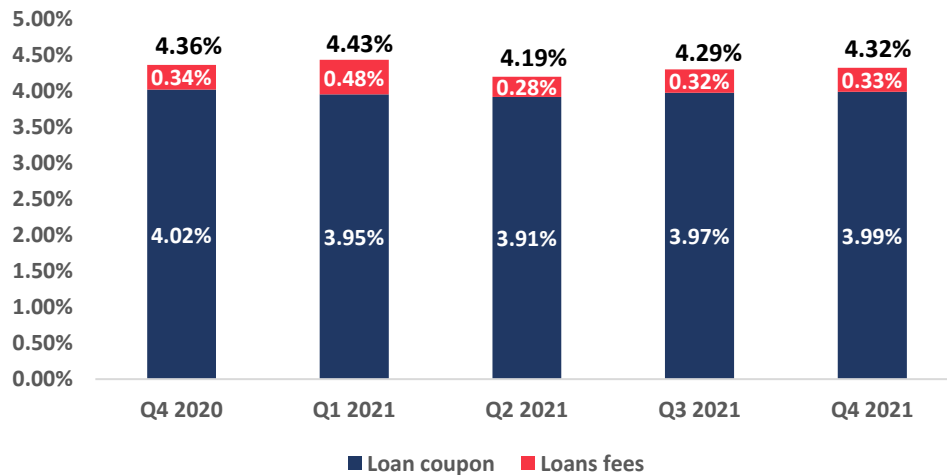
In millions



## Commentary

- Total average loans excluding PPP loans increased \$36.6 million or 13.6% annualized compared to last quarter and \$179.9 million or 19.4% compared to fourth quarter 2020.
- Loan coupon stable from prior quarter.
- PPP loans continue decreasing with forgiveness process.

## Loan Yields





# Paycheck Protection Program (PPP)

3 successful rounds of PPP loans, originating \$168.4 million. Forgiveness of the last round of PPP loans is in process.

In thousands (except for ROAA)

	Q4 2021	Q3 2021	Q4 2020
Pre-Tax Income	\$7,401	\$8,681	\$4,688
Net Income	\$5,650	\$6,593	\$4,239
Average Assets	\$1,828,037	\$1,741,423	\$1,522,735
ROAA <sup>(1)</sup>	1.23%	1.50%	1.11%

*of which*

PPP Income	\$978	\$1,071	\$1,135
Unrealized PPP Fees EOP	\$1,506	\$2,360	\$1,772
PPP Balance EOP	\$42,424	\$57,991	\$104,832
PPP AVG. Balance	\$51,098	\$73,215	\$108,529



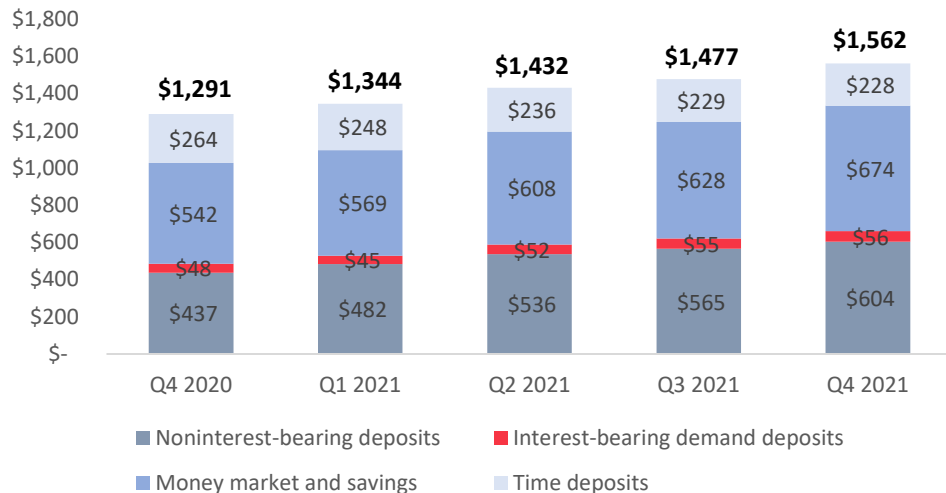
<sup>(1)</sup> Annualized.



# Deposit Portfolio

## Deposits (AVG)

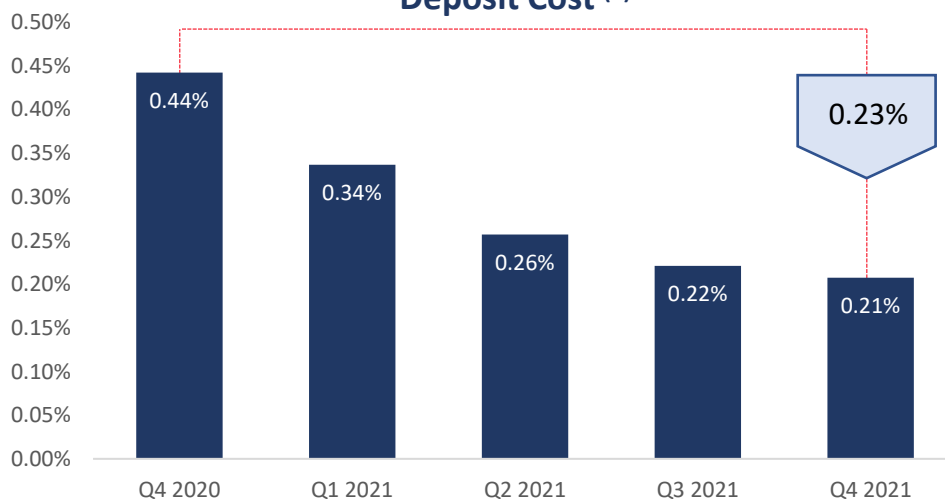
In millions



## Commentary

- Average deposits increased \$84.7 million or 22.8% annualized compared to last quarter and \$270.5 million or 20.9% compared to fourth quarter 2020.
- DDA average deposits grew \$39.1 million or 27.4% annualized compared to last quarter and \$166.8 million or 38.1% compared to fourth quarter 2020.
- DDA balances comprise 38.7% of total deposits.
- 23 bps decrease in deposit cost compared to fourth quarter 2020.

## Deposit Cost <sup>(1)</sup>



<sup>(1)</sup> Annualized.

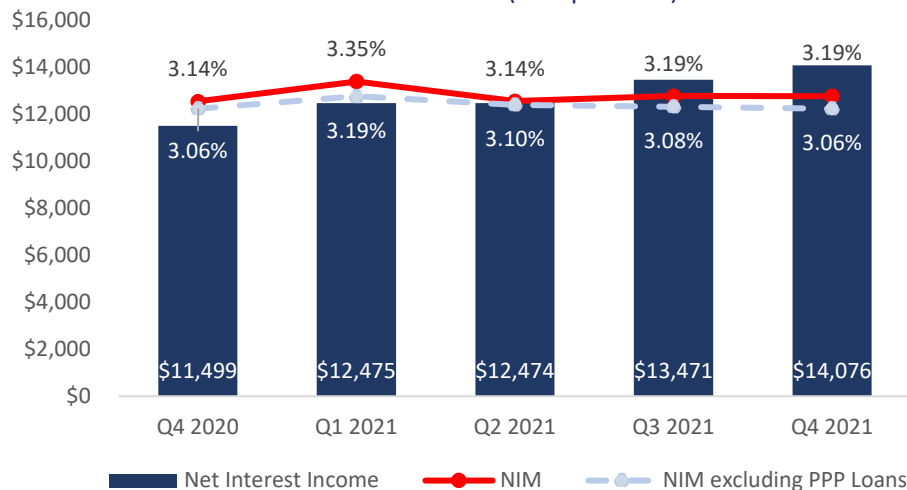




# Net Interest Margin

## Net Interest Income/Margin <sup>(1)</sup>

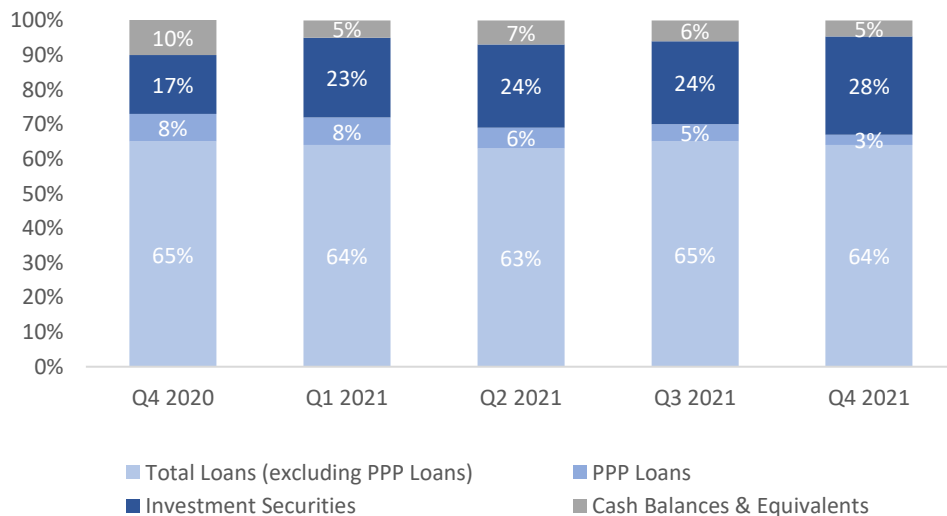
In thousands (except ratios)



## Commentary

- Net interest income increased by \$605K or 17.8% annualized compared to last quarter and \$2.6 million or 22.4% compared to fourth quarter 2020.
- NII growth driven by lower deposit cost and interest income generated by a larger loan and investment portfolio.
- NIM impacted by shift in balance sheet mix. Cash balances and securities make up 33% of total interest earning assets in the fourth quarter 2021.

## Interest Earning Assets Mix (AVG)

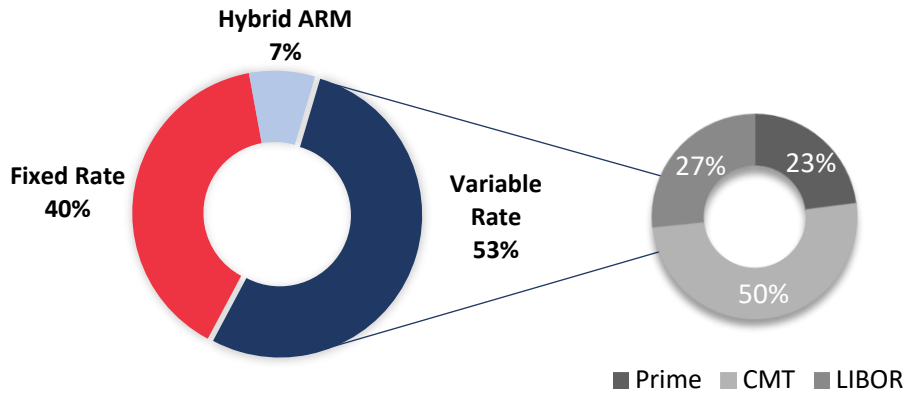


<sup>(1)</sup> NIM annualized.

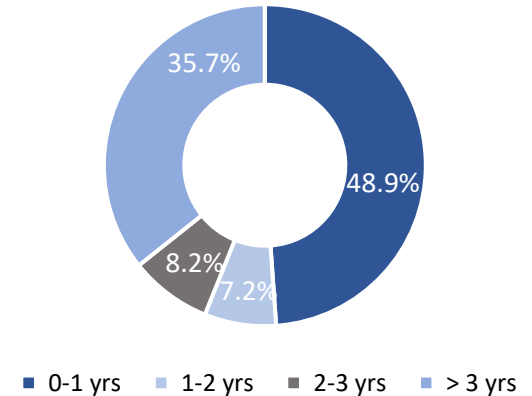


# Interest Rate Sensitivity

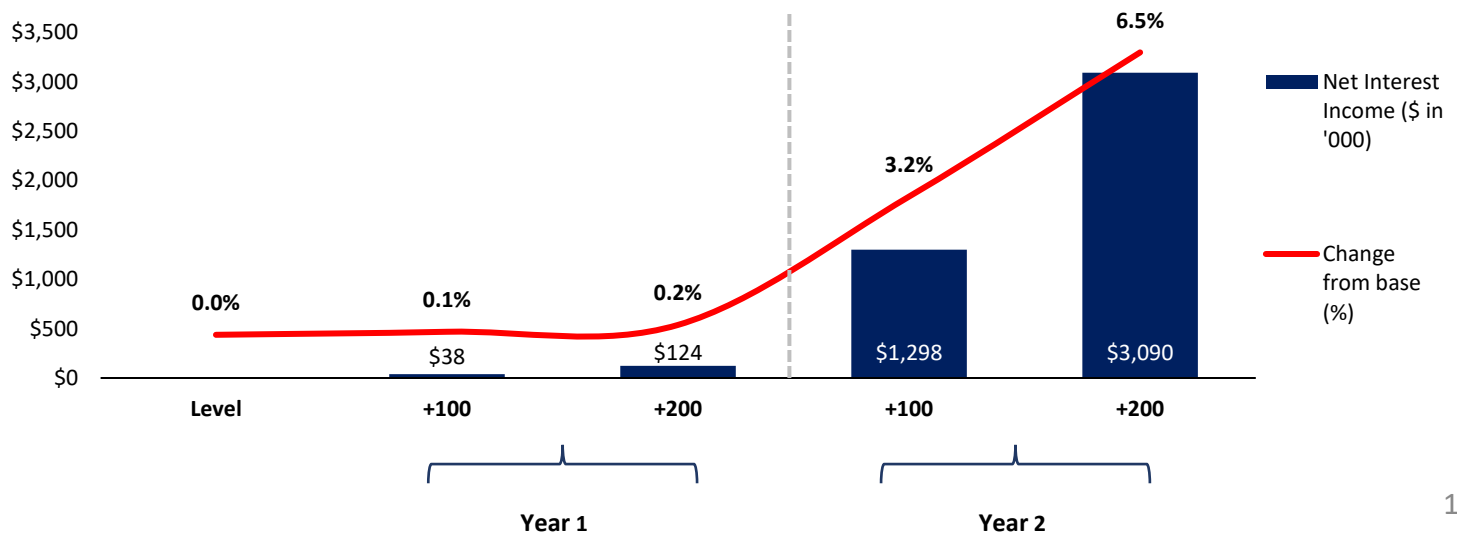
Loan Portfolio Repricing Profile  
by Rate Type



Loan Repricing Schedule



Static NII Simulation Year 1 & 2





# Non-interest Income

In thousands (except ratios)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Service fees	\$961	\$856	\$903	\$889	\$1,030
Gain (loss) on sale of securities available for sale	35	(70)	187	62	11
Gain (loss) on sale of loans held for sale	107	532	23	964	(1)
Gain on sale of other assets	983	-	-	-	-
Loan settlement	-	2,500	-	-	-
Other income	558	399	403	406	414
<b>Total non-interest income</b>	<b>\$2,644</b>	<b>\$4,217</b>	<b>\$1,516</b>	<b>\$2,321</b>	<b>\$1,454</b>
Average total assets	\$1,828,037	\$1,741,423	\$1,660,060	\$1,573,881	\$1,522,735
Non-interest income / Average assets <sup>(1)</sup>	0.57%	0.96%	0.37%	0.60%	0.38%
Revenue	\$16,720	\$17,688	\$13,990	\$14,796	\$12,953
Non-interest income as % of revenue	15.81%	23.85%	10.84%	15.69%	11.23%

## Commentary

- \$983K gain on sale of the East Hialeah Banking Center building.
- Increase in other income due to the purchase of additional bank owned life insurance.

<sup>(1)</sup> Annualized.



# Non-interest Expense

In thousands (except ratios and FTE)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Salaries and employee benefits	\$5,634	\$5,313	\$5,213	\$5,278	\$4,435
Occupancy	1,267	1,192	1,411	1,387	1,402
Regulatory assessment and fees	93	317	195	178	171
Consulting and legal fees	539	357	373	185	274
Network and information technology services	268	358	332	508	380
Other operating	1,518	1,470	1,150	1,141	1,603
<b>Total non-interest expenses</b>	<b>\$9,319</b>	<b>\$9,007</b>	<b>\$8,674</b>	<b>\$8,677</b>	<b>\$8,265</b>
Efficiency ratio	55.74%	50.92%	62.00%	58.64%	63.81%
Average total assets	\$1,828,037	\$1,741,423	\$1,660,060	\$1,573,881	\$1,522,735
Non-interest expense / Average assets <sup>(1)</sup>	2.02%	2.05%	2.10%	2.24%	2.16%
Full-time equivalent employees	187	184	183	186	179

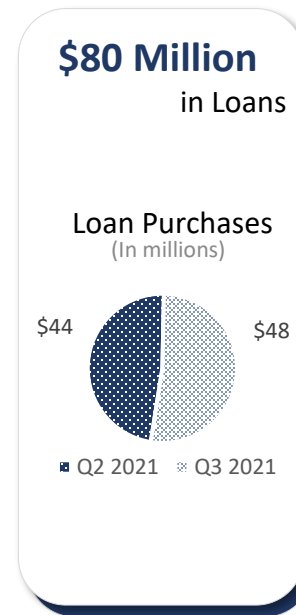
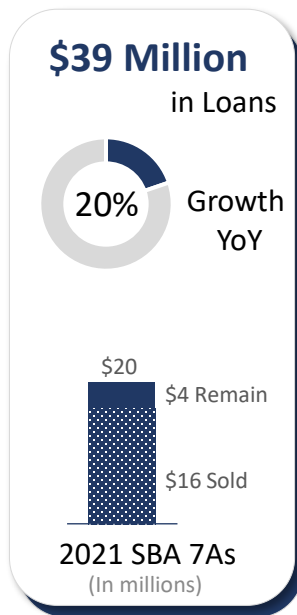
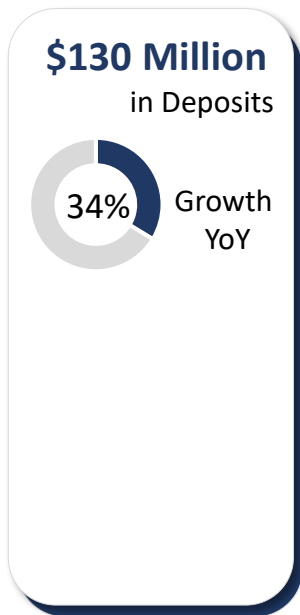
## Commentary

- Salaries and employee benefits increased due to stock options expense, new hires, and higher bonus accrual based on company performance.
- Lower regulatory assessment and fees due to decrease in FDIC insurance expense.
- Consulting and legal fees contains \$180K one-time fees associated with formation of the Bank Holding Company, legal fees, and employee placement fees.
- Network and information technology services decrease contains ~\$200K in one-time credits.

<sup>(1)</sup> Annualized.



# Business Verticals



Balances as of 12/31/21 EOP

<sup>(1)</sup> JA/PCG: Jurist Advantage/Private Client Group

<sup>(2)</sup> HOA: Homeowners Association

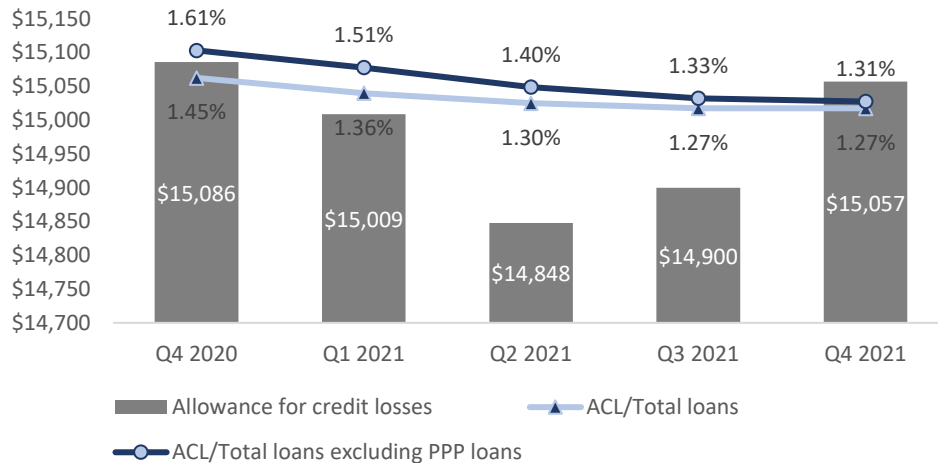
<sup>(3)</sup> Does not include PPP Loans.



# Asset Quality

## Allowance for Credit Losses

In thousands (except ratios)

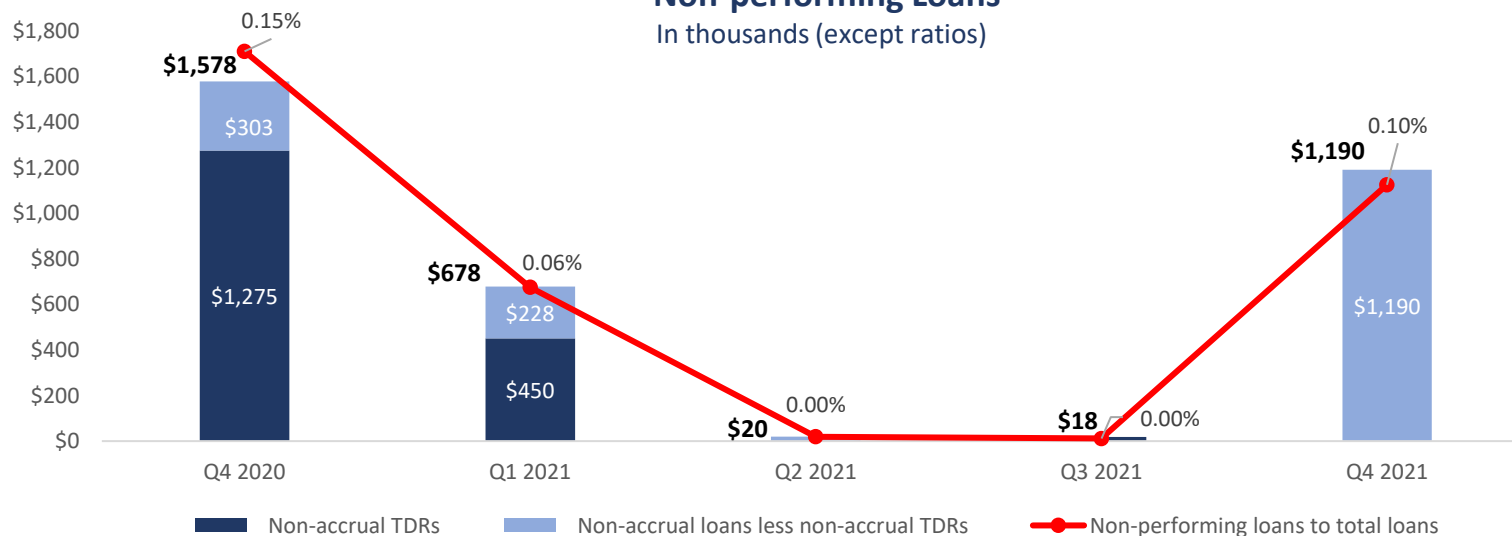


## Commentary

- No loans are under deferment due to Covid-19
- Non-performing loans is comprised of one loan
- No OREOs
- 0.10% non-performing loans to total loans ratio

## Non-performing Loans

In thousands (except ratios)





# Capital

Capital Ratios	Q4 2021	Q3 2021	Q4 2020	Well-Capitalized
Leverage Ratio	9.55%	9.69%	8.61%	5.00%
TCE/TA <sup>(1)</sup>	11.00%	11.51%	9.25%	NA
Tier 1 Risk Based Capital	13.70%	13.85%	12.99%	8.00%
Total Risk Based Capital	14.92%	15.10%	14.24%	10.00%

## Commentary

- Formed a Bank Holding Company on December 30, 2021
- All capital ratios remain significantly above “well capitalized” guidelines
- No remaining Common B shares at quarter-end
- The Board of Directors approved a share repurchase program for 750,000 of Common A shares.
- EOP Shares outstanding:  
Class A Common Stock: 19,991,753

<sup>(1)</sup> Non-GAAP.



# Takeaways



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



**Experienced and Tested Management Team**



**Robust Organic Growth**



**Low Risk, Commercially Oriented Loan Portfolio**



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



**Strong Profitability, with Pathway For Future Enhancement Identified**



**Core Funded Deposit Base with 38.1% Non-Interest Bearing Deposits (EOP)**



**Balanced Liquidity Profile – 74.8% Loan / Deposit Ratio to Support Future Loan Deployment**





# Non-GAAP Reconciliation

In thousands (except ratios)

	As of and for the three months ended				
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
<b>Pre-Tax Pre-Provision ("PTPP") Income:</b>					
Net income	\$ 5,650	\$ 6,593	\$ 4,053	\$ 4,781	\$ 4,239
Plus: Provision for income taxes	1,751	2,088	1,263	1,498	449
Plus: Provision for (recovery of) credit losses	-	-	-	(160)	-
PTPP income	<u>\$ 7,401</u>	<u>\$ 8,681</u>	<u>\$ 5,316</u>	<u>\$ 6,119</u>	<u>\$ 4,688</u>
<b>PTPP Return on Average Assets:</b>					
PTPP income	\$ 7,401	\$ 8,681	\$ 5,316	\$ 6,119	\$ 4,688
Average assets	\$ 1,828,037	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735
PTPP return on average assets <sup>(1)</sup>	1.61%	1.98%	1.28%	1.58%	1.22%
<b>Operating Net Income:</b>					
Net income	\$ 5,650	\$ 6,593	\$ 4,053	\$ 4,781	\$ 4,239
Less: Net gains (losses) on sale of securities	35	(70)	187	62	11
Less: Tax effect on sale of securities	(9)	17	(46)	(15)	(3)
Operating net income	<u>\$ 5,624</u>	<u>\$ 6,646</u>	<u>\$ 3,912</u>	<u>\$ 4,734</u>	<u>\$ 4,231</u>
<b>Operating PTPP Income:</b>					
PTPP income	\$ 7,401	\$ 8,681	\$ 5,316	\$ 6,119	\$ 4,688
Less: Net gains (losses) on sale of securities	35	(70)	187	62	11
Operating PTPP Income	<u>\$ 7,366</u>	<u>\$ 8,751</u>	<u>\$ 5,129</u>	<u>\$ 6,057</u>	<u>\$ 4,677</u>
<b>Operating PTPP Return on Average Assets:</b>					
Operating PTPP income	\$ 7,366	\$ 8,751	\$ 5,129	\$ 6,057	\$ 4,677
Average assets	\$ 1,828,037	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735
Operating PTPP Return on average assets <sup>(1)</sup>	1.60%	1.99%	1.24%	1.56%	1.22%
<b>Operating Return on Average Asset:</b>					
Operating net income	\$ 5,624	\$ 6,646	\$ 3,912	\$ 4,734	\$ 4,231
Average assets	\$ 1,828,037	\$ 1,741,423	\$ 1,660,060	\$ 1,573,881	\$ 1,522,735
Operating return on average assets <sup>(1)</sup>	1.22%	1.51%	0.95%	1.22%	1.11%

(1) Annualized.



# Non-GAAP Reconciliation

In thousands (except per share data)

	As of and for the three months ended				
	12/31/2021	9/30/2021	6/30/2021	3/31/2021	12/31/2020
<b>Tangible Book Value per Common Share (at period-end):</b>					
Total stockholders' equity (GAAP)	\$ 203,897	\$ 201,918	\$ 166,302	\$ 170,425	\$ 171,001
Less: Intangible assets	-	-	-	-	-
Less: Preferred stock	-	-	24,616	32,077	32,077
Tangible stockholders' equity (non-GAAP)	\$ 203,897	\$ 201,918	\$ 141,686	\$ 138,348	\$ 138,924
<b>Total shares issued and outstanding (at period-end):</b>					
Class A common shares	19,991,753	18,767,541	3,889,469	3,889,469	3,889,469
Class B common shares	-	1,224,212	1,224,212	1,224,212	1,224,212
Total common shares outstanding	19,991,753	19,991,753	5,113,681	5,113,681	5,113,681
Tangible book value per common share (non-GAAP)	\$ 10.20	\$ 10.10	\$ 27.71	\$ 27.05	\$ 27.17
<b>Operating Net Income Available to Common Stockholders:</b>					
Net income (GAAP)	\$ 5,650	\$ 6,593	\$ 4,053	\$ 4,781	\$ 4,239
Less: Preferred dividends	-	542	754	781	782
Less: Exchange and redemption of preferred shares	-	89,585	-	-	-
Net income (loss) available to common stockholders (GAAP)	5,650	(83,534)	3,299	4,000	3,457
Add back: Exchange and redemption of preferred shares	-	89,585	-	-	-
Operating net income avail. to common stock (non-GAAP) <sup>(1)</sup>	\$ 5,650	\$ 6,051	\$ 3,299	\$ 4,000	\$ 3,457
<b>Allocation of operating net income per common stock class:</b>					
Class A common stock	\$ 5,650	\$ 5,598	\$ 2,509	\$ 3,042	\$ 2,629
Class B common stock	\$ -	\$ 453	\$ 790	\$ 958	\$ 828
<b>Weighted average shares outstanding:</b>					
Class A common stock					
Basic	18,913,914	15,121,460	3,889,469	3,889,469	3,887,512
Diluted	19,023,686	15,187,729	3,933,636	3,913,279	3,911,322
Class B common stock					
Basic	-	6,121,052	6,121,052	6,121,052	6,121,052
Diluted	-	6,121,052	6,121,052	6,121,052	6,121,052
<b>Diluted EPS: <sup>(1) (2) (3)</sup></b>					
Class A common stock					
Net income (loss) per diluted share (GAAP)	\$ 0.30	\$ (5.11)	\$ 0.64	\$ 0.78	\$ 0.67
Add back: Exchange and redemption of preferred shares	-	5.48	-	-	-
Operating net income per diluted share (non-GAAP)	\$ 0.30	\$ 0.37	\$ 0.64	\$ 0.78	\$ 0.67
Class B common stock					
Net income (loss) per diluted share (GAAP)	\$ -	\$ (1.02)	\$ 0.13	\$ 0.16	\$ 0.14
Add back: Exchange and redemption of preferred shares	-	1.09	-	-	-
Operating net income per diluted share (non-GAAP)	\$ -	\$ 0.07	\$ 0.13	\$ 0.16	\$ 0.14

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

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

(3) During the quarter ended December 31, 2021, the Company entered into agreements with the Class B shareholders to exchange all outstanding Class B non-voting stock for Class A voting common stock at a ratio of 5 to 1. In calculating net income (loss) per diluted share for the prior quarters presented, the allocation of operating net income available to common stockholders was based on the weighted average shares outstanding per common share class to the total weighted average shares outstanding during each period. The operating net income allocation was calculated using the weighted average shares outstanding of Class B common stock on a as-converted basis.



# Non-GAAP Reconciliation

In thousands (except ratios)

	Year Ended December 31,	
	2021	2020
<b>Operating Net Income Available to Common Stockholders:</b>		
Net income (GAAP)	\$ 21,077	\$ 10,820
Less: Preferred dividends	2,077	3,127
Less: Exchange and redemption of preferred shares	89,585	-
Net income (loss) available to common stockholders (GAAP)	(70,585)	7,693
Add back: Exchange and redemption of preferred shares	89,585	-
Operating net income avail. to common stock (non-GAAP) <sup>(1)</sup>	\$ 19,000	\$ 7,693
<b>Allocation of operating net income per common stock class:</b>		
Class A common stock	\$ 19,000	\$ 5,851
Class B common stock	\$ -	\$ 1,842
<b>Weighted average shares outstanding:</b>		
Class A common stock		
Basic	10,507,530	3,887,480
Diluted	10,567,833	3,911,290
Class B common stock		
Basic	-	6,121,052
Diluted	-	6,121,052
<b>Diluted EPS:</b> <sup>(1) (2)</sup>		
Class A common stock		
Net income (loss) per diluted share (GAAP)	\$ (6.72)	\$ 1.50
Add back: Exchange and redemption of preferred shares	8.53	-
Operating net income per diluted share (non-GAAP)	\$ 1.81	\$ 1.50
Class B common stock		
Net income (loss) per diluted share (GAAP)	\$ -	\$ 0.30
Add back: Exchange and redemption of preferred shares	-	-
Operating net income per diluted share (non-GAAP)	\$ -	\$ 0.30

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

(2) During the year ended December 31, 2021, the Company entered into agreements with the Class B shareholders to exchange all outstanding Class B non-voting stock for Class A voting common stock at a ratio of 5 to 1. As such, there are no issued and outstanding shares of Class B common stock for the year ended 2021.



# Contact Information

---



**Lou de la Aguilera**  
*President, CEO & Director*



(305) 715-5186



laguilera@uscentury.com



**Rob Anderson**  
*Chief Financial Officer*



(305) 715-5393



rob.anderson@uscentury.com

---

**Investor Relations**



InvestorRelations@uscentury.com