SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

USB HOLDING CO INC	Mailing Address	Business Address
CIK:**707805**| IRS No.: **363197969** | State of Incorp.:**DE** | Fiscal Year End: **1231**	*100 DUTCH HILL ROAD*	*100 DUTCH HILL RD*
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SIC: **6022** State commercial banks		*9143654600*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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) April 28, 2005

U.S.B. HOLDING CO., INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	1-12811	36-3197969
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

100 Dutch Hill Road, Orangeburg, New York	10962
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (845) 365-4600

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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 (see General Instruction A.2. below):

|_| 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))

Item 2.02 Results of Operations and Financial Condition.

On April 28, 2005, the registrant issued a press release reporting on its financial results for the quarter ended March 31, 2005. A copy of the press release is attached as an exhibit to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits.

Exhibit No.	Description
99.1	Press release, dated April 28, 2005, reporting on financial results for the quarter ended March 31, 2005.

SIGNATURES

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.

U.S.B. HOLDING CO., INC.

Date: May 2, 2005

By: /s/ Thomas E. Hales

Name: Thomas E. Hales
Title: Chairman and C.E.O.

EXHIBIT 99.1

Contact: Steven T. Sabatini
Senior Executive V.P. &
Chief Financial Officer
(845) 365-4615

U.S.B. HOLDING CO., INC., PARENT OF UNION STATE BANK, REPORTS FIRST QUARTER 2005 EARNINGS OF $7.39 MILLION

Orangeburg, NY, April 28, 2005 - Thomas E. Hales, Chairman of the Board of U.S.B. Holding Co., Inc. (the "Company") (NYSE: UBH), the parent company of Union State Bank (the "Bank"), with consolidated assets of $2.8 billion, today announced that the Company reported net income for the quarter ended March 31, 2005 of $7.39 million, an increase of 0.5 percent compared to the $7.36 million earned for the first quarter of 2004. The Company's diluted earnings per common share was $0.35 for the three month period ended March 31, 2005 compared to $0.34 for the same period in 2004, an increase of 2.9 percent. The Company's return on average common stockholders' equity and return on average total assets was 16.03 percent and 1.07 percent for the three month period ended March 31, 2005, compared to 16.95 percent and 1.02 percent for the three month period ended March 31, 2004, respectively.

The increase in the 2005 first quarter net income and diluted earnings per common share compared to the 2004 period is due to a significant increase in net interest income. The net interest income increase was substantially offset by increases in the provision for credit losses related to loan growth, non-interest expenses from increases in salaries and benefits expenses, legal fees related to a non-performing real estate construction loan, and costs for compliance with the Sarbanes-Oxley Act of 2002, and a decrease in security gains. During the 2004 first quarter, $105.5 million of available for sale mortgage-backed securities were sold resulting in security gains of $1.1 million ($0.6 million after income tax and incentive compensation effect), while no security gains were realized for the quarter ended March 31, 2005.

Mr. Hales commented that, "We are happy with the Company's net income increase recognizing that we recorded $1.1 million in security gains during the 2004 first quarter. We are extremely pleased with the 13.1 percent increase in net interest income, the Company's core revenue."

Net interest income increased 13.1 percent to $23.0 million for the quarter ended March 31, 2005, compared to the prior year first quarter, as a result of a significant increase in the tax equivalent net interest margin from 3.02 percent for the quarter ended March 31, 2004 to 3.53 percent for the 2005 first quarter, while average interest earning assets decreased 3.5 percent.

Mr. Hales added, "If short-term interest rates continue to rise and the U.S. treasury yield curve widens, the Company's net interest income should be positively affected as the balance sheet remains asset sensitive. However, the Company's core revenue could be negatively affected if the U.S. treasury yield curve continues to flatten or becomes inverted resulting in short-term interest rates at higher levels than medium-to long-term interest rates, which would cause interest spreads to narrow."

The provision for credit losses increased to $0.4 million in the first quarter of 2005 compared to $0.2 million for the quarter ended March 31, 2004, reflecting overall loan growth, partially offset by a continued improvement in the credit quality of the loan portfolio. Non-performing assets at March 31, 2005 were $1.0 million compared to $5.0 million at March 31, 2004. At March 31, 2005, nonperforming assets to total assets was 0.03 percent compared to 0.17 percent at March 31, 2004.

Nonperforming assets at March 31, 2004 primarily consisted of a $4.1 million real estate construction loan. On November 30, 2004, the Superior Court of New Jersey issued an unfavorable ruling regarding the foreclosure on other collateral securing this loan and a related personal guarantee. As a result of the unfavorable ruling, the Company charged-off $2.9 million of this loan in the fourth quarter of 2004. The Company is appealing this decision. As of February 2, 2005, all 83 condominium units in the project that secured the real estate construction loan have been sold and the remaining loan balance has been paid in full. In addition, at March 31, 2005, the Company maintains a specific allocation of the allowance for loan losses for unfunded letters of credit related to this loan of $0.2 million.

Non-interest income increased slightly for the quarter ended March 31, 2005 compared to the prior 2004 period. The increase was primarily due to an increase in letter of credit fees, fee income on investment product sales, and other miscellaneous income, partially offset by a decrease in service charges on deposit accounts.

Non-interest expenses increased 11.2 percent for the quarter ended March 31, 2005 compared to the 2004 prior period. The $1.3 million increase in non-interest expenses was primarily a result of increases in salaries and benefits expense of $1.0 million resulting from higher medical benefit costs, headcount growth, and higher levels of incentive and deferred compensation, and a $0.3 million increase in professional fees related to the appeal of the unfavorable ruling by the Superior Court of New Jersey on a non-performing real estate construction loan discussed above, and additional costs for compliance with the Sarbanes-Oxley Act of 2002.

The Company operates through its banking subsidiary, Union State Bank, a commercial bank currently with 28 branches, of which 25 are in Rockland and Westchester Counties, New York, and one branch each in Stamford, Connecticut, Goshen, Orange County, New York, and Manhattan, New York City. The Bank also operates four loan production offices in Rockland, Westchester, and Orange Counties, New York, and Stamford, Connecticut. Further information on the Company can be found on the Bank's website at www.unionstate.com.

Forward-Looking Statements: This Press Release contains a number of "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by the use of such words as "believe," "expect," "anticipate," "intend," "should," "will," "would," "could," "may," "planned," "estimated," "potential," "outlook," "predict," "project" and similar terms and phrases, including references to assumptions.

Forward-looking statements are based on various assumptions and analyses made by us in light of our management's experience and its perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors (many of which are beyond our control) that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. These factors include, without limitation, the following: the timing and occurrence or non-occurrence of events may be subject to circumstances beyond our control; there may be increases in competitive pressure among financial institutions or from non-financial institutions; changes in the interest rate environment may reduce interest margins or affect the value of investments; changes in deposit flows, loan demand or real estate values may adversely affect our business; changes in accounting principles, policies or guidelines may cause our financial condition to be perceived differently; general economic conditions, either nationally or locally in some or all of the areas in which we do business, or conditions in the securities markets or the banking industry may be less favorable than we currently anticipate; legislative or regulatory changes may adversely affect our business;

applicable technological changes may be more difficult or expensive than we anticipate; success or consummation of new business initiatives may be more difficult or expensive than we anticipate; or litigation or matters before regulatory agencies, whether currently existing or commencing in the future, may delay the occurrence or non-occurrence of events longer than we anticipate.

The Company's forward-looking statements are only as of the date on which such statements are made. By making any forward-looking statements, the Company assumes no duty to update them to reflect new, changing or unanticipated events or circumstances. You should consider these risks and uncertainties in evaluating forward-looking statements and you should not place undue reliance on these statements.

U.S.B. HOLDING CO., INC.

SELECTED FINANCIAL INFORMATION -- UNAUDITED
(in thousands, except ratios and share amounts)

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	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Consolidated summary of operations data:		
Interest income	$ 37,221	$ 34,256
Interest expense	14,233	13,939
Net interest income	22,988	20,317
Provision for credit losses	391	211
Non-interest income	1,827	1,816
Security gains	--	1,112
Non-interest expenses	13,344	12,003
Income before income taxes	11,080	11,031
Provision for income taxes	3,689	3,674
Net income	$ 7,391	$ 7,357
Consolidated common share data:(1)		
Basic earnings per share	$ 0.36	$ 0.36
Diluted earnings per share	0.35	0.34
Weighted average shares	20,416,904	20,479,545
Adjusted weighted average shares	21,356,048	21,408,930
Cash dividends per share	$ 0.13	$ 0.105

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Selected balance sheet data at period end:	March 31, 2005	December 31, 2004	March 31, 2004
Securities available for sale, at estimated fair value	$ 476,168	$ 589,572	$ 1,014,208
Securities held to maturity	608,438	502,201	233,652
Loans, net of unearned income	1,526,787	1,508,098	1,485,762
Allowance for loan losses	15,501	15,226	14,820
Total assets	2,762,716	2,746,270	2,909,198
Deposits	1,796,867	1,858,218	1,877,589
Borrowings	598,271	625,032	752,516
Subordinated debt issued in connection with Corporation - Obligated mandatory redeemable			

capital securities of subsidiary trusts	61,858	61,858	61,858
Stockholders' equity	184,077	182,046	178,108
Tier 1 capital	$ 247,273	$ 241,494	$ 231,072
Common shares outstanding(1)	20,482,613	20,346,814	20,520,180
Book value per common share(1)	$ 8.99	$ 8.95	$ 8.68
Selected balance sheet financial ratios:			
Leverage ratio	8.99%	8.15%	8.05%
Allowance for loan losses to total loans	1.02%	1.01%	1.00%
Non-performing assets to total assets	0.03%	0.06%	0.17%

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Selected income statement data for the period ended:	Quarter Ended March 31, 2005	Year Ended December 31, 2004	Quarter Ended March 31, 2004
<S>	<C>	<C>	<C>
Return on average total assets	1.07%	0.96%	1.02%
Return on average common stockholders' equity	16.03%	16.13%	16.95%
Efficiency ratio	52.61%	52.55%	52.97%
Net interest spread - tax equivalent	3.41%	3.16%	2.95%
Net interest margin - tax equivalent	3.53%	3.21%	3.02%

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(1) Share amounts are adjusted for the five percent common stock dividend distributed in September 2004.

U.S.B. HOLDING CO., INC.

AVERAGE BALANCE INFORMATION -- UNAUDITED

	Three Months Ended March 31, 2005	2004
	(000's)	
ASSETS		
Federal funds sold	$ 59,053	$ 36,373
Securities(1)	1,098,886	1,272,976
Loans(2)	1,505,751	1,451,197
Earning assets	2,663,690	2,760,546
Total Assets	$ 2,758,037	$ 2,877,783
LIABILITIES AND STOCKHOLDERS' EQUITY		
Non-interest bearing deposits	$ 332,106	$ 292,343
Interest bearing deposits	1,547,288	1,546,394
Total deposits	1,879,394	1,838,737
Borrowings	600,962	783,992
Subordinated debt issued in connection with Corporation-Obligated mandatory redeemable capital securities of subsidiary trusts	61,858	52,227
Interest bearing liabilities	2,210,108	2,382,613
Stockholders' Equity	$ 184,417	$ 173,656

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(1) Securities exclude the mark-to-market adjustment required by FASB No. 115.

(2) Loans are net of both the unearned discount and the allowance for loan losses. Nonaccruing loans are included in average balances for purposes of computing average loans, average earning assets and total assets.

U.S.B. HOLDING CO., INC.

SUPPLEMENTAL FINANCIAL INFORMATION -- UNAUDITED

	Consolidated Balance Sheet Data at March 31, 2005	2004
	(000's)	
Commercial (time and demand) loans	$ 182,829	$ 172,292
Construction and land development loans	428,147	389,417
Commercial mortgages	579,472	604,362
Residential mortgages	246,213	247,841
Home equity loans	80,720	64,748
Personal installment loans	1,832	2,273
Credit card loans	6,059	5,338
Other loans	4,853	4,202
Deferred commitment fees	3,338	4,711
Intangibles	4,772	7,519
Goodwill	1,380	--
Nonaccrual loans	960	5,017
Restructured loans	136	141
Non-interest bearing deposits	327,501	304,079
Interest bearing deposits	1,469,366	1,573,510

	Consolidated Income Data for the Three Month Period Ended March 31, 2005	2004
	(000's)	
Interest income - FTE	$ 37,770	$ 34,781
Net interest income - FTE	23,537	20,842
Deposit service charges	904	1,096
Other income	923	720
Salaries and employee benefits expense	8,321	7,284
Occupancy and equipment expense	2,050	1,873
Advertising and business development expense	575	671
Professional fees expense	668	406
Communications expense	341	360
Stationery and printing expense	161	203
Amortization of intangibles	291	266
Other expense	937	940
Net charge-offs	(34)	142