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

July 27, 2023

MIAMI, July 27, 2023 (GLOBE NEWSWIRE) -- **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	87,536	1,051	4.82%	69,503	121	0.70%
Total interest-earning assets	2,079,346	24,280	4.68%	1,859,331	16,684	3.60%
Non-interest-earning assets	104,196			109,050		
Total assets	$ 2,183,542			$ 1,968,381		
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	277,001	2,145	3.11%	224,284	271	0.48%
Total interest-bearing deposits	1,270,657	9,313	2.94%	1,071,709	903	0.34%
FHLB advances and other borrowings	93,075	794	3.42%	36,330	139	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	33,794			28,770		
Total liabilities	1,999,304			1,781,784		
Stockholders' equity	184,238			186,597		
Total liabilities and stockholders' equity	$ 2,183,542			$ 1,968,381		
Net interest income		$ 14,173			$ 15,642	
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.