



USCB Financial Holdings, Inc. Reports Diluted EPS of \$0.23 for Q1 2024 and Announces Adoption of New 500,000 Share Repurchase Program

April 25, 2024

MIAMI, April 25, 2024 (GLOBE NEWSWIRE) -- **USCB Financial Holdings, Inc. (the "Company") (NASDAQ: USCB)**, the holding company for U.S. Century Bank (the "Bank"), reported net income of \$4.6 million or \$0.23 per diluted share for the three months ended March 31, 2024, compared with net income of \$5.8 million or \$0.29 per diluted share for the same period in 2023.

"We are pleased to report a robust start to the year, marked by a strong increase in deposits of \$165.7 million from the close of 2023. This achievement reflects our diligent execution of strategic plans emphasizing organic growth, including business and retail banking initiatives to deepen existing relationships, new production hires, and innovative deposit-aggregating business verticals," said Luis de la Aguilera, Chairman, President, and CEO. The growth in deposits continues to bolster our capacity for safe and sound lending activities, delivering accretive quarter-over-quarter improvement in average loan coupon rates which contributes to interest income."

"Last month, we initiated a dividend program starting with a rate of \$0.05 per share, underscoring our commitment to delivering shareholder value," affirmed de la Aguilera. "Looking ahead to the coming year and evaluating our thriving Florida economy, we anticipate diversified sustainable growth in both loans and deposits."

Unless otherwise stated, all percentage comparisons in the bullet points below are calculated for the quarter ended March 31, 2024 compared to the quarter ended March 31, 2023 and annualized where appropriate.

Profitability

- Annualized return on average assets for the quarter ended March 31, 2024 was 0.76% compared to 1.11% for the first quarter of 2023.
- Annualized return on average stockholders' equity for the quarter ended March 31, 2024 was 9.61% compared to 12.85% for the first quarter of 2023.
- The efficiency ratio for the quarter ended March 31, 2024 was 63.41% compared to 56.32% for the first quarter of 2023.
- Net interest margin for the quarter ended March 31, 2024 was 2.62% compared to 3.22% for the first quarter of 2023.
- Net interest income before provision for credit losses was \$15.2 million for the quarter ended March 31, 2024, a decrease of \$839 thousand or 5.2% compared to the first quarter of 2023.

Balance Sheet

- Total assets were \$2.5 billion at March 31, 2024, representing an increase of \$325.3 million or 15.0% from March 31, 2023.
- Total loans were \$1.8 billion at March 31, 2024, representing an increase of \$240.8 million or 15.2% from March 31, 2023.
- Total deposits were \$2.1 billion at March 31, 2024, representing an increase of \$272.3 million or 14.9% from March 31, 2023.
- Total stockholders' equity was \$195.0 million at March 31, 2024, representing an increase of \$11.2 million or 6.1% from March 31, 2023. Total stockholders' equity included accumulated comprehensive loss of \$45.4 million at March 31, 2024 compared to accumulated comprehensive loss of \$42.1 million at March 31, 2023.

Asset Quality

- The allowance for credit losses ("ACL") increased by \$2.6 million to \$21.5 million at March 31, 2024 from \$18.9 million at March 31, 2023.
- The allowance for credit losses represented 1.18% of total loans at March 31, 2024 and 1.20% at March 31, 2023.
- Non-performing loans to total loans was 0.03% at both March 31, 2024 and March 31, 2023.

Non-interest Income and Non-interest Expense

- Non-interest income was \$2.5 million for the three months ended March 31, 2024, an increase of \$394 thousand or 19.0% compared to \$2.1 million for the same period in 2023.
- Non-interest expense was \$11.2 million for the three months ended March 31, 2024, an increase of \$998 thousand or 9.8% compared to \$10.2 million for the same period in 2023.

Capital

- On January 29, 2024, the Company's Board of Directors declared a cash dividend of \$0.05 per share of the Company's Class A common stock. The dividend was paid on March 5, 2024 to shareholders of record at the close of business on February 15, 2023. The aggregate amount distributed in connection with this dividend was \$1.0 million.

- The Company's Board of Directors declared a cash dividend of \$0.05 per share of the Company's Class A common stock on April 22, 2024. The dividend will be paid on June 5, 2024 to shareholders of record at the close of business on May 15, 2024.
- As of March 31, 2024, total risk-based capital ratios for the Company and the Bank were 12.98% and 12.89%, respectively.
- Tangible book value per common share (a non-GAAP measure) of \$9.92 was negatively affected by \$2.31 due to accumulated comprehensive loss of \$45.4 million at March 31, 2024. At March 31, 2023, tangible book value per common share of \$9.37 was negatively affected by \$2.14 due to \$42.1 million in accumulated comprehensive loss.
- During the quarter the Company repurchased 7,100 shares of Class A common stock at a weighted average price per share of \$11.15. The aggregate purchase price for these transactions was approximately \$79.2 thousand, including transaction costs. As of March 31, 2024, 72,980 shares remain authorized for repurchase under the Company's previously announced share repurchase program.
- On April 22, 2024, the Board of Directors approved a new share repurchase program of up to 500,000 shares of Class A common stock or approximately 2.5% of the Company's issued and outstanding shares of common stock. Under the repurchase program, the Company may purchase shares of Class A common stock on a discretionary basis from time to time through open market repurchases, privately negotiated transactions, or other means. The repurchase program has no expiration date and may be modified, suspended, or terminated at any time. The new repurchase program will commence upon completion of the current repurchase program. Repurchases under this program will be funded from the Company's existing cash and cash equivalents or future cash flow. As of April 22, 2024, 572,980 shares remain authorized for repurchase under the Company's share repurchase programs.

Conference Call and Webcast

The Company will host a conference call on Friday, April 26, 2024, at 11:00 a.m. Eastern Time to discuss the Company's unaudited financial results for the quarter ended March 31, 2024. To access the conference call, dial (833) 816-1416 (U.S. toll-free) and ask to join the USCB Financial Holdings Call.

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

About USCB Financial Holdings, Inc.

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

Forward-Looking Statements

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

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

- the strength of the United States economy in general and the strength of the local economies in which we conduct operations;
- our ability to successfully manage interest rate risk, credit risk, liquidity risk, and other risks inherent to our industry;
- the accuracy of our financial statement estimates and assumptions, including the estimates used for our credit loss reserve and deferred tax asset valuation allowance;
- the efficiency and effectiveness of our internal control procedures and processes;
- our ability to comply with the extensive laws and regulations to which we are subject, including the laws for each jurisdiction where we operate;
- adverse changes or conditions in capital and financial markets, including actual or potential stresses in the banking industry;
- deposit attrition and the level of our uninsured deposits;
- legislative or regulatory changes and changes in accounting principles, policies, practices or guidelines, including the on-going effects of the implementation of the Current Expected Credit Losses ("CECL") standard;
- the lack of a significantly diversified loan portfolio and the concentration in the South Florida market, including the risks of

geographic, depositor, and industry concentrations, including our concentration in loans secured by real estate, in particular, commercial real estate;

- the effects of climate change;
- the concentration of ownership of our common stock;
- fluctuations in the price of our common stock;
- our ability to fund or access the capital markets at attractive rates and terms and manage our growth, both organic growth as well as growth through other means, such as future acquisitions;
- inflation, interest rate, unemployment rate, market and monetary fluctuations;
- impacts of international hostilities and geopolitical events;
- increased competition and its effect on the pricing of our products and services as well as our interest rate spread and net interest margin;
- the loss of key employees;
- the effectiveness of our risk management strategies, including operational risks, including, but not limited to, client, employee, or third-party fraud and security breaches; and
- other risks described in this earnings release and other filings we make with the Securities and Exchange Commission (“SEC”).

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

Non-GAAP Financial Measures

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

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

Contacts:

Investor Relations

InvestorRelations@uscentury.com

Media Relations

Martha Guerra-Kattou

MGuerra@uscentury.com

USCB FINANCIAL HOLDINGS, INC. CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Dollars in thousands, except per share data)

| | Three Months Ended March 31, | |
|--|------------------------------|---------------|
| | 2024 | 2023 |
| Interest income: | | |
| Loans, including fees | \$ 26,643 | \$ 19,711 |
| Investment securities | 2,811 | 2,286 |
| Interest-bearing deposits in financial institutions | 1,433 | 382 |
| Total interest income | <u>30,887</u> | <u>22,379</u> |
| Interest expense: | | |
| Interest-bearing checking | 369 | 43 |
| Savings and money market accounts | 10,394 | 4,785 |
| Time deposits | 3,294 | 1,057 |
| FHLB advances and other borrowings | 1,672 | 497 |
| Total interest expense | <u>15,729</u> | <u>6,382</u> |
| Net interest income before provision for credit losses | <u>15,158</u> | <u>15,997</u> |
| Provision for credit losses | 410 | 201 |

| | | |
|---|------------|------------|
| Net interest income after provision for credit losses | 14,748 | 15,796 |
| Non-interest income: | | |
| Service fees | 1,651 | 1,205 |
| Gain (loss) on sale of securities available for sale, net | - | (21) |
| Gain on sale of loans held for sale, net | 67 | 347 |
| Other non-interest income | 746 | 539 |
| Total non-interest income | 2,464 | 2,070 |
| Non-interest expense: | | |
| Salaries and employee benefits | 6,310 | 6,377 |
| Occupancy | 1,314 | 1,299 |
| Regulatory assessments and fees | 433 | 224 |
| Consulting and legal fees | 592 | 358 |
| Network and information technology services | 507 | 478 |
| Other operating expense | 2,018 | 1,440 |
| Total non-interest expense | 11,174 | 10,176 |
| Net income before income tax expense | 6,038 | 7,690 |
| Income tax expense | 1,426 | 1,881 |
| Net income | \$ 4,612 | \$ 5,809 |
| Per share information: | | |
| Net income per common share, basic | \$ 0.23 | \$ 0.29 |
| Net income per common share, diluted | \$ 0.23 | \$ 0.29 |
| Cash dividends declared | \$ 0.05 | \$ - |
| Weighted average shares outstanding: | | |
| Common shares, basic | 19,633,330 | 19,855,409 |
| Common shares, diluted | 19,698,258 | 19,940,606 |

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

| | As of or For the Three Months Ended | | | | |
|---|-------------------------------------|------------|-----------|-----------|-----------|
| | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 | 3/31/2023 |
| Income statement data: | | | | | |
| Net interest income | \$ 15,158 | \$ 14,376 | \$ 14,022 | \$ 14,173 | \$ 15,997 |
| Provision for credit losses | 410 | 1,475 | 653 | 38 | 201 |
| Net interest income after provision for credit losses | 14,748 | 12,901 | 13,369 | 14,135 | 15,796 |
| Service fees | 1,651 | 1,348 | 1,329 | 1,173 | 1,205 |
| Gain (loss) on sale of securities available for sale, net | - | (883) | (955) | - | (21) |
| Gain on sale of loans held for sale, net | 67 | 105 | 255 | 94 | 347 |
| Other income | 746 | 756 | 1,532 | 579 | 539 |
| Total non-interest income | 2,464 | 1,326 | 2,161 | 1,846 | 2,070 |
| Salaries and employee benefits | 6,310 | 6,104 | 6,066 | 5,882 | 6,377 |
| Occupancy | 1,314 | 1,262 | 1,350 | 1,319 | 1,299 |
| Regulatory assessments and fees | 433 | 412 | 365 | 452 | 224 |
| Consulting and legal fees | 592 | 642 | 513 | 386 | 358 |
| Network and information technology services | 507 | 552 | 481 | 505 | 478 |
| Other operating expense | 2,018 | 1,747 | 1,686 | 1,908 | 1,440 |
| Total non-interest expense | 11,174 | 10,719 | 10,461 | 10,452 | 10,176 |
| Net income before income tax expense | 6,038 | 3,508 | 5,069 | 5,529 | 7,690 |
| Income tax expense | 1,426 | 787 | 1,250 | 1,333 | 1,881 |
| Net income | \$ 4,612 | \$ 2,721 | \$ 3,819 | \$ 4,196 | \$ 5,809 |
| Per share information: | | | | | |
| Net income per common share, basic | \$ 0.23 | \$ 0.14 | \$ 0.20 | \$ 0.21 | \$ 0.29 |
| Net income per common share, diluted | \$ 0.23 | \$ 0.14 | \$ 0.19 | \$ 0.21 | \$ 0.29 |
| Cash dividends declared | \$ 0.05 | \$ - | \$ - | \$ - | \$ - |

Balance sheet data (at period-end):

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Cash and cash equivalents | \$ 126,546 | \$ 41,062 | \$ 33,435 | \$ 87,280 | \$ 63,251 |
| Securities available-for-sale | \$ 259,992 | \$ 229,329 | \$ 218,609 | \$ 218,442 | \$ 229,409 |
| Securities held-to-maturity | \$ 173,038 | \$ 174,974 | \$ 197,311 | \$ 220,956 | \$ 186,428 |
| Total securities | \$ 433,030 | \$ 404,303 | \$ 415,920 | \$ 439,398 | \$ 415,837 |
| Loans held for investment ⁽¹⁾ | \$ 1,821,196 | \$ 1,780,827 | \$ 1,676,520 | \$ 1,595,959 | \$ 1,580,394 |
| Allowance for credit losses | \$ (21,454) | \$ (21,084) | \$ (19,493) | \$ (18,815) | \$ (18,887) |
| Total assets | \$ 2,489,142 | \$ 2,339,093 | \$ 2,244,602 | \$ 2,225,914 | \$ 2,163,821 |
| Non-interest-bearing deposits | \$ 576,626 | \$ 552,762 | \$ 573,546 | \$ 572,360 | \$ 633,606 |
| Interest-bearing deposits | \$ 1,526,168 | \$ 1,384,377 | \$ 1,347,376 | \$ 1,348,941 | \$ 1,196,856 |
| Total deposits | \$ 2,102,794 | \$ 1,937,139 | \$ 1,920,922 | \$ 1,921,301 | \$ 1,830,462 |
| FHLB advances and other borrowings | \$ 162,000 | \$ 183,000 | \$ 102,000 | \$ 87,000 | \$ 120,000 |
| Total liabilities | \$ 2,294,131 | \$ 2,147,125 | \$ 2,061,718 | \$ 2,042,229 | \$ 1,979,963 |
| Total stockholders' equity | \$ 195,011 | \$ 191,968 | \$ 182,884 | \$ 183,685 | \$ 183,858 |

Capital ratios:⁽²⁾

| | | | | | |
|------------------------------|--------|--------|--------|--------|--------|
| Leverage ratio | 8.91% | 9.28% | 9.26% | 9.32% | 9.36% |
| Common equity tier 1 capital | 11.80% | 11.62% | 11.97% | 12.27% | 12.04% |
| Tier 1 risk-based capital | 11.80% | 11.62% | 11.97% | 12.27% | 12.04% |
| Total risk-based capital | 12.98% | 12.78% | 13.10% | 13.42% | 13.20% |

(1) Loan amounts include deferred fees/costs.

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

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

| | As of or For the Three Months Ended | | | | |
|---|-------------------------------------|--------------|--------------|--------------|--------------|
| | 3/31/2024 | 12/31/2023 | 9/30/2023 | 6/30/2023 | 3/31/2023 |
| Average balance sheet data: | | | | | |
| Cash and cash equivalents | \$ 132,266 | \$ 57,069 | \$ 90,742 | \$ 94,313 | \$ 50,822 |
| Securities available-for-sale | \$ 239,896 | \$ 215,649 | \$ 222,134 | \$ 224,913 | \$ 230,336 |
| Securities held-to-maturity | \$ 174,142 | \$ 181,151 | \$ 218,694 | \$ 192,628 | \$ 187,826 |
| Total securities | \$ 414,038 | \$ 396,800 | \$ 440,828 | \$ 417,541 | \$ 418,162 |
| Loans held for investment ⁽¹⁾ | \$ 1,781,528 | \$ 1,698,611 | \$ 1,610,864 | \$ 1,569,266 | \$ 1,547,393 |
| Total assets | \$ 2,436,103 | \$ 2,268,811 | \$ 2,250,258 | \$ 2,183,542 | \$ 2,120,218 |
| Interest-bearing deposits | \$ 1,473,831 | \$ 1,336,470 | \$ 1,353,516 | \$ 1,270,657 | \$ 1,179,878 |
| Non-interest-bearing deposits | \$ 574,760 | \$ 577,133 | \$ 587,917 | \$ 601,778 | \$ 664,369 |
| Total deposits | \$ 2,048,591 | \$ 1,913,603 | \$ 1,941,433 | \$ 1,872,435 | \$ 1,844,247 |
| FHLB advances and other borrowings | \$ 164,187 | \$ 139,000 | \$ 85,326 | \$ 93,075 | \$ 61,600 |
| Total liabilities | \$ 2,243,011 | \$ 2,085,182 | \$ 2,065,357 | \$ 1,999,304 | \$ 1,936,847 |
| Total stockholders' equity | \$ 193,092 | \$ 183,629 | \$ 184,901 | \$ 184,238 | \$ 183,371 |
| Performance ratios: | | | | | |
| Return on average assets ⁽²⁾ | 0.76% | 0.48% | 0.67% | 0.77% | 1.11% |
| Return on average equity ⁽²⁾ | 9.61% | 5.88% | 8.19% | 9.13% | 12.85% |
| Net interest margin ⁽²⁾ | 2.62% | 2.65% | 2.60% | 2.73% | 3.22% |
| Non-interest income (loss) to average assets ⁽²⁾ | 0.41% | 0.23% | 0.38% | 0.34% | 0.40% |
| Efficiency ratio ⁽³⁾ | 63.41% | 68.27% | 64.64% | 65.25% | 56.32% |
| Loans by type (at period end): ⁽⁴⁾ | | | | | |
| Residential real estate | \$ 237,906 | \$ 204,419 | \$ 188,880 | \$ 183,093 | \$ 184,427 |
| Commercial real estate | \$ 1,057,800 | \$ 1,047,593 | \$ 1,005,280 | \$ 989,401 | \$ 987,757 |
| Commercial and industrial | \$ 228,045 | \$ 219,757 | \$ 212,975 | \$ 169,401 | \$ 160,947 |
| Foreign banks | \$ 100,182 | \$ 114,945 | \$ 94,640 | \$ 85,409 | \$ 97,405 |
| Consumer and other | \$ 194,325 | \$ 191,930 | \$ 173,096 | \$ 167,845 | \$ 149,410 |
| Asset quality data: | | | | | |
| Allowance for credit losses to total loans | 1.18% | 1.18% | 1.16% | 1.18% | 1.20% |

| | | | | | | | | | | |
|---|----|---------|----|---------|----|---------|----|--------|----|---------|
| Allowance for credit losses to non-performing loans | | 4,705% | | 4,505% | | 4,070% | | 3,871% | | 3,886% |
| Total non-performing loans ⁽⁵⁾ | \$ | 456 | \$ | 468 | \$ | 479 | \$ | 486 | \$ | 486 |
| Non-performing loans to total loans | | 0.03% | | 0.03% | | 0.03% | | 0.03% | | 0.03% |
| Non-performing assets to total assets ⁽⁵⁾ | | 0.02% | | 0.02% | | 0.02% | | 0.02% | | 0.02% |
| Net charge-offs (recoveries of) to average loans ⁽²⁾ | | (0.00)% | | (0.00)% | | (0.00)% | | 0.01% | | (0.01)% |
| Net charge-offs (recovery) of credit losses | \$ | (7) | \$ | (3) | \$ | (5) | \$ | 29 | \$ | (49) |
| Interest rates and yields:⁽²⁾ | | | | | | | | | | |
| Loans | | 6.01% | | 5.79% | | 5.55% | | 5.33% | | 5.17% |
| Investment securities | | 2.69% | | 2.46% | | 2.52% | | 2.26% | | 2.20% |
| Total interest-earning assets | | 5.34% | | 5.16% | | 4.89% | | 4.68% | | 4.51% |
| Deposits | | 2.76% | | 2.53% | | 2.39% | | 1.99% | | 1.29% |
| FHLB advances and other borrowings | | 4.10% | | 4.04% | | 3.19% | | 3.42% | | 3.27% |
| Total interest-bearing liabilities | | 3.86% | | 3.66% | | 3.41% | | 2.97% | | 2.08% |
| Other information: | | | | | | | | | | |
| Full-time equivalent employees | | 199 | | 196 | | 194 | | 198 | | 196 |

(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 March 31, | | | | | |
|---|------------------------------|-----------|---------------------------|-----------------|-----------|---------------------------|
| | 2024 | | | 2023 | | |
| | Average Balance | Interest | Yield/Rate ⁽¹⁾ | Average Balance | Interest | Yield/Rate ⁽¹⁾ |
| Assets | | | | | | |
| Interest-earning assets: | | | | | | |
| Loans ⁽²⁾ | \$ 1,781,528 | \$ 26,643 | 6.01% | \$ 1,547,393 | \$ 19,711 | 5.17% |
| Investment securities ⁽³⁾ | 419,989 | 2,811 | 2.69% | 421,717 | 2,286 | 2.20% |
| Other interest-earning assets | 125,244 | 1,433 | 4.60% | 43,084 | 382 | 3.60% |
| Total interest-earning assets | 2,326,761 | 30,887 | 5.34% | 2,012,194 | 22,379 | 4.51% |
| Non-interest-earning assets | 109,342 | | | 108,024 | | |
| Total assets | \$ 2,436,103 | | | \$ 2,120,218 | | |
| Liabilities and stockholders' equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing checking | \$ 53,344 | 369 | 2.78% | \$ 58,087 | 43 | 0.30% |
| Saving and money market deposits | 1,097,575 | 10,394 | 3.81% | 897,061 | 4,785 | 2.16% |
| Time deposits | 322,912 | 3,294 | 4.10% | 224,730 | 1,057 | 1.91% |
| Total interest-bearing deposits | 1,473,831 | 14,057 | 3.84% | 1,179,878 | 5,885 | 2.02% |
| FHLB advances and other borrowings | 164,187 | 1,672 | 4.10% | 61,600 | 497 | 3.27% |
| Total interest-bearing liabilities | 1,638,018 | 15,729 | 3.86% | 1,241,478 | 6,382 | 2.08% |
| Non-interest-bearing demand deposits | 574,760 | | | 664,369 | | |
| Other non-interest-bearing liabilities | 30,233 | | | 31,000 | | |
| Total liabilities | 2,243,011 | | | 1,936,847 | | |
| Stockholders' equity | 193,092 | | | 183,371 | | |

| | | | | |
|--|---------------------|------------------|---------------------|------------------|
| Total liabilities and stockholders' equity | <u>\$ 2,436,103</u> | | <u>\$ 2,120,218</u> | |
| Net interest income | | <u>\$ 15,158</u> | | <u>\$ 15,997</u> |
| Net interest spread ⁽⁴⁾ | | | 1.48% | 2.43% |
| Net interest margin ⁽⁵⁾ | | | 2.62% | 3.22% |

(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 | | | | |
|---|--|-------------------|------------------|------------------|------------------|
| | <u>3/31/2024</u> | <u>12/31/2023</u> | <u>9/30/2023</u> | <u>6/30/2023</u> | <u>3/31/2023</u> |
| Pre-tax pre-provision ("PTPP") income:⁽¹⁾ | | | | | |
| Net income | \$ 4,612 | \$ 2,721 | \$ 3,819 | \$ 4,196 | \$ 5,809 |
| Plus: Provision for income taxes | 1,426 | 787 | 1,250 | 1,333 | 1,881 |
| Plus: Provision for credit losses | 410 | 1,475 | 653 | 38 | 201 |
| PTPP income | <u>\$ 6,448</u> | <u>\$ 4,983</u> | <u>\$ 5,722</u> | <u>\$ 5,567</u> | <u>\$ 7,891</u> |
| PTPP return on average assets:⁽¹⁾ | | | | | |
| PTPP income | \$ 6,448 | \$ 4,983 | \$ 5,722 | \$ 5,567 | \$ 7,891 |
| Average assets | \$ 2,436,103 | \$ 2,268,811 | \$ 2,250,258 | \$ 2,183,542 | \$ 2,120,218 |
| PTPP return on average assets ⁽²⁾ | 1.06% | 0.87% | 1.01% | 1.02% | 1.51% |
| Operating net income:⁽¹⁾ | | | | | |
| Net income | \$ 4,612 | \$ 2,721 | \$ 3,819 | \$ 4,196 | \$ 5,809 |
| Less: Net gains (losses) on sale of securities | - | (883) | (955) | - | (21) |
| Less: Tax effect on sale of securities | - | 224 | 242 | - | 5 |
| Operating net income | <u>\$ 4,612</u> | <u>\$ 3,380</u> | <u>\$ 4,532</u> | <u>\$ 4,196</u> | <u>\$ 5,825</u> |
| Operating PTPP income:⁽¹⁾ | | | | | |
| PTPP income | \$ 6,448 | \$ 4,983 | \$ 5,722 | \$ 5,567 | \$ 7,891 |
| Less: Net gains (losses) on sale of securities | - | (883) | (955) | - | (21) |
| Operating PTPP income | <u>\$ 6,448</u> | <u>\$ 5,866</u> | <u>\$ 6,677</u> | <u>\$ 5,567</u> | <u>\$ 7,912</u> |
| Operating PTPP return on average assets:⁽¹⁾ | | | | | |
| Operating PTPP income | \$ 6,448 | \$ 5,866 | \$ 6,677 | \$ 5,567 | \$ 7,912 |
| Average assets | \$ 2,436,103 | \$ 2,268,811 | \$ 2,250,258 | \$ 2,183,542 | \$ 2,120,218 |
| Operating PTPP return on average assets ⁽²⁾ | 1.06% | 1.03% | 1.18% | 1.02% | 1.51% |
| Operating return on average assets:⁽¹⁾ | | | | | |
| Operating net income | \$ 4,612 | \$ 3,380 | \$ 4,532 | \$ 4,196 | \$ 5,825 |
| Average assets | \$ 2,436,103 | \$ 2,268,811 | \$ 2,250,258 | \$ 2,183,542 | \$ 2,120,218 |
| Operating return on average assets ⁽²⁾ | 0.76% | 0.59% | 0.80% | 0.77% | 1.11% |
| Operating return on average equity:⁽¹⁾ | | | | | |
| Operating net income | \$ 4,612 | \$ 3,380 | \$ 4,532 | \$ 4,196 | \$ 5,825 |
| Average equity | \$ 193,092 | \$ 183,629 | \$ 184,901 | \$ 184,238 | \$ 183,371 |
| Operating return on average equity ⁽²⁾ | 9.61% | 7.30% | 9.72% | 9.13% | 12.88% |

Operating Revenue:⁽¹⁾

| | | | | | | | | | | |
|--|----|---------------|----|---------------|----|---------------|----|---------------|----|---------------|
| Net interest income | \$ | 15,158 | \$ | 14,376 | \$ | 14,022 | \$ | 14,173 | \$ | 15,997 |
| Non-interest income | | 2,464 | | 1,326 | | 2,161 | | 1,846 | | 2,070 |
| Less: Net gains (losses) on sale of securities | | - | | (883) | | (955) | | - | | (21) |
| Operating revenue | \$ | <u>17,622</u> | \$ | <u>16,585</u> | \$ | <u>17,138</u> | \$ | <u>16,019</u> | \$ | <u>18,088</u> |

Operating Efficiency Ratio:⁽¹⁾

| | | | | | | | | | | |
|----------------------------|----|--------|----|--------|----|--------|----|--------|----|--------|
| Total non-interest expense | \$ | 11,174 | \$ | 10,719 | \$ | 10,461 | \$ | 10,452 | \$ | 10,176 |
| Operating revenue | \$ | 17,622 | \$ | 16,585 | \$ | 17,138 | \$ | 16,019 | \$ | 18,088 |
| Operating efficiency ratio | | 63.41% | | 64.63% | | 61.04% | | 65.25% | | 56.26% |

(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)

| | <u>As of or For the Three Months Ended</u> | | | | | | | | | |
|---|--|-------------------|------------------|-------------------|------------------|-------------------|----|-------------------|----|-------------------|
| | <u>3/31/2024</u> | <u>12/31/2023</u> | <u>9/30/2023</u> | <u>6/30/2023</u> | <u>3/31/2023</u> | | | | | |
| Tangible book value per common share (at period-end): ⁽¹⁾ | | | | | | | | | | |
| Total stockholders' equity | \$ | 195,011 | \$ | 191,968 | \$ | 182,884 | \$ | 183,685 | \$ | 183,858 |
| Less: Intangible assets | | - | | - | | - | | - | | - |
| Tangible stockholders' equity | \$ | <u>195,011</u> | \$ | <u>191,968</u> | \$ | <u>182,884</u> | \$ | <u>183,685</u> | \$ | <u>183,858</u> |
| Total shares issued and outstanding (at period-end): | | | | | | | | | | |
| Total common shares issued and outstanding | | <u>19,650,463</u> | | <u>19,575,435</u> | | <u>19,542,290</u> | | <u>19,544,777</u> | | <u>19,622,380</u> |
| Tangible book value per common share ⁽²⁾ | \$ | <u>9.92</u> | \$ | <u>9.81</u> | \$ | <u>9.36</u> | \$ | <u>9.40</u> | \$ | <u>9.37</u> |
| Operating diluted net income per common share: ⁽¹⁾ | | | | | | | | | | |
| Operating net income | \$ | 4,612 | \$ | 3,380 | \$ | 4,532 | \$ | 4,196 | \$ | 5,825 |
| Total weighted average diluted shares of common stock | | <u>19,698,258</u> | | <u>19,573,350</u> | | <u>19,611,897</u> | | <u>19,639,682</u> | | <u>19,940,606</u> |
| Operating diluted net income per common share: | \$ | <u>0.23</u> | \$ | <u>0.17</u> | \$ | <u>0.23</u> | \$ | <u>0.21</u> | \$ | <u>0.29</u> |
| Tangible Common Equity/Tangible Assets ⁽¹⁾ | | | | | | | | | | |
| Tangible stockholders' equity | \$ | 195,011 | \$ | 191,968 | \$ | 182,884 | \$ | 183,685 | \$ | 183,858 |
| Tangible total assets ⁽³⁾ | \$ | 2,489,142 | \$ | 2,339,093 | \$ | 2,244,602 | \$ | 2,225,914 | \$ | 2,163,821 |
| Tangible Common Equity/Tangible Assets | | 7.83% | | 8.21% | | 8.15% | | 8.25% | | 8.50% |

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

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

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