USCB Financial Holdings, Inc. Reports ROAA of 1.09% and ROAE of 11.90% for 3Q2022

October 27, 2022

MIAMI, Oct. 27, 2022 (GLOBE NEWSWIRE) -- **USCB Financial Holdings, Inc. (the "Company") (NASDAQ: USCB)**, the holding company for U.S. Century Bank (the "Bank"), reported net income of $5.6 million or $0.28 per diluted Class A share for the three months ended September 30, 2022, compared with net income of $6.6 million or $5.11 loss and $1.02 loss per diluted share for Class A and Class B common stock, respectively, for the same period in 2021. On December 21, 2021, the Company agreed to exchange all the outstanding shares of Class B common stock for Class A common stock at a ratio of 1 share of Class A common stock for each 5 shares of Class B common stock. As of December 31, 2021, the Company's only class of securities issued and outstanding was Class A common stock.

"We are pleased to report another quarter of strong financial performance during the third quarter of 2022. Our loan and deposit activities remain strong, with total assets and loans growing 16.1% and 21.7%, respectively, from September 30, 2021. Even with the changing economic outlook and all the uncertainty, our ability to attract and retain clients continues to fuel outsized growth." said Luis de la Aguilera, President and Chief Executive Officer.

"On September 28, 2022, Hurricane Ian made landfall in Florida as a category 4 hurricane affecting some areas of the state with significant flooding, wind damage and power outages. The Company has assessed the impact of the hurricane on our borrowers, including the value of collateral underlying our loans and the financial condition of our borrowers impacted by the storm. Management visited the 3 counties most impacted by the storm (Lee, Charlotte, and Collier counties) and observed negligible to no damage to our clients' properties. We had 9 yachts in the path of the storm and are happy to report that all owners of the vessels reported no damage. Additionally, we have received no requests for loan modifications."

Unless otherwise stated, all percentage comparisons in the bullet points below are calculated for the quarter ended September 30, 2022 compared to the quarter ended September 30, 2021 and annualized where appropriate.

Profitability

- Annualized return on average assets for the quarter ended September 30, 2022 was 1.09% compared to 1.50% for the third quarter of 2021.
- Annualized return on average stockholders' equity for the quarter ended September 30, 2022 was 11.90% compared to 13.41% for the third quarter of 2021.
- The efficiency ratio for the quarter ended September 30, 2022 was 54.58% compared to 50.92% for the third quarter of 2021.
- Net interest margin increased to 3.47% for the quarter ended September 30, 2022 compared to 3.19% for the third quarter of 2021.
- Net interest income before provision for credit losses was $16.8 million for the quarter ended September 30, 2022, an increase of $3.3 million or 24.5% compared to the third quarter of 2021.

Balance Sheet

- Total assets were $2.0 billion at September 30, 2022, representing an increase of $282.4 million or 16.1% from September 30, 2021.
- Total loans were $1.4 billion at September 30, 2022, representing an increase of $255.1 million or 21.7% from September 30, 2021.
- Total deposits were $1.8 billion at September 30, 2022, representing an increase of $312.1 million or 21.0% from September 30, 2021.
- Total stockholders' equity was $177.4 million at September 30, 2022, representing a decrease of $24.5 million or 12.1% from September 30, 2021.
- Total stockholders' equity includes unrealized security losses of $45.2 million at September 30, 2022 compared to unrealized security gains of $1.2 million at September 30, 2021.
- The Company classified $74.4 million of securities to held-to-maturity (HTM) during the quarter ended September 30, 2022 to protect tangible book value in a rising rate environment.

Asset Quality

- The allowance for credit losses increased by $1.7 million to $16.6 million at September 30, 2022 from $14.9 million at September 30, 2021.
- The allowance for credit losses represented 1.16% of total loans at September 30, 2022 compared to 1.27% at September 30, 2021.
- Non-performing loans to total loans was 0.00% at September 30, 2022 and 2021.

Non-interest Income and Non-interest Expense

- Non-interest income was $1.8 million for the three months ended September 30, 2022, a decrease of $2.4 million or 57.6% compared to the same period in 2021.
- Non-interest expense was $10.1 million for the three months ended September 30, 2022, an increase of $1.1 million or 12.5% compared to the same period in 2021.

Capital

- As of September 30, 2022, total risk-based capital ratios for the Company and the Bank were 13.65% and 13.58%, respectively.
- Tangible book value per common share of $8.87 was negatively affected by $2.26 due to unrealized security losses at September 30, 2022. At September 30, 2021, tangible book value of $10.10 was positively affected by $0.06 due to unrealized security gains.

Conference Call and Webcast

The Company will host a conference call on Friday, October 28, 2022, at 9:00 a.m. Eastern Time to discuss the Company's unaudited financial results for the quarter ended September 30, 2022. To access the conference call, dial (866) 652-5200 (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 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. 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 continuation of the COVID-19 pandemic and its impact on us, our employees, customers and third-party service providers, and the ultimate extent of the impact 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 the forthcoming 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;
- the concentration of ownership of our Class A common stock;
- fluctuations in the price 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 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 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 in December 2021, the Bank filed with the FDIC.

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 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. 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 earnings release.

You should assume that all numbers 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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Interest income:				
Loans, including fees	$ 15,954	$ 12,538	$ 42,989	$ 35,944
Investment securities	2,201	1,858	7,040	5,670
Interest-bearing deposits in financial institutions	322	38	474	77
Total interest income	18,477	14,434	50,503	41,691
Interest expense:				
Interest-bearing checking	19	16	52	45
Savings and money market accounts	1,141	501	2,307	1,572
Time deposits	363	306	893	1,239
FHLB advances and other borrowings	180	140	456	415
Total interest expense	1,703	963	3,708	3,271
Net interest income before provision for credit losses	16,774	13,471	46,795	38,420
Provision for credit losses	910	-	1,615	(160)
Net interest income after provision for credit losses	15,864	13,471	45,180	38,580
Non-interest income:				
Service fees	934	856	2,917	2,648
Gain (loss) on sale of securities available for sale, net	(558)	(70)	(540)	179

Gain on sale of loans held for sale, net	330	532	686	1,519
Loan settlement	-	2,500	161	2,500
Other non-interest income	1,083	399	2,127	1,208
Total non-interest income	1,789	4,217	5,351	8,054
Non-interest expense:				
Salaries and employee benefits	6,075	5,313	17,863	15,804
Occupancy	1,281	1,192	3,802	3,990
Regulatory assessments and fees	269	317	708	690
Consulting and legal fees	604	357	1,519	915
Network and information technology services	488	358	1,323	1,198
Other operating expense	1,415	1,470	4,080	3,761
Total non-interest expense	10,132	9,007	29,295	26,358
Net income before income tax expense	7,521	8,681	21,236	20,276
Income tax expense	1,963	2,088	5,529	4,849
Net income	5,558	6,593	15,707	15,427
Preferred stock dividend	-	542	-	2,077
Exchange and redemption of preferred shares	-	89,585	-	89,585
Net income available to common stockholders	$ 5,558	$ (83,534)	$ 15,707	$ (76,235)
Allocation of net income (loss) per common stock class:(1)				
Class A	$ 5,558	$ (77,278)	$ 15,707	$ (65,747)
Class B	$ -	$ (6,256)	$ -	$ (10,488)
Per share information:(1)				
Class A common stock(2)				
Net income (loss) per share, basic	$ 0.28	$ (5.11)	$ 0.79	$ (8.57)
Net income (loss) per share, diluted	$ 0.28	$ (5.11)	$ 0.78	$ (8.57)
Class B common stock				
Net loss per share, basic	$ -	$ (1.02)	$ -	$ (1.71)
Net loss per share, diluted	$ -	$ (1.02)	$ -	$ (1.71)
Weighted average shares outstanding:				
Class A common stock(2)				
Basic	20,000,753	15,121,460	19,998,841	7,674,609
Diluted	20,148,208	15,121,460	20,178,089	7,674,609
Class B common stock				
Basic	-	6,121,052	-	6,121,052
Diluted	-	6,121,052	-	6,121,052

(1) For the three and nine months ended September 30, 2021, the allocation of 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 the period. The income allocation is calculated using the weighted average shares outstanding of Class B common stock on an as-converted basis (20% per share equivalent to Class A common stock).

(2) For the nine months ended September 30, 2021, the common stock outstanding, weighted average shares and net income per share for the Class A common stock have been adjusted to reflect the 1 for 5 reverse stock split that occurred in June 2021.

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

	As of or For the Three Months Ended				
	9/30/2022	**6/30/2022**	**3/31/2022**	**12/31/2021**	**9/30/2021**
Income statement data:					
Net interest income	$ 16,774	$ 15,642	$ 14,379	$ 14,076	$ 13,471
Provision for credit losses	910	705	-	-	-
Net interest income after provision for credit losses	15,864	14,937	14,379	14,076	13,471
Service fees	934	1,083	900	961	856
Gain (loss) on sale of securities available for sale, net	(558)	(3)	21	35	(70)
Gain on sale of loans held for sale, net	330	22	334	107	532
Gain on sale of other assets	-	-	-	983	-
Loan settlement	-	-	161	-	2,500
Other income	1,083	515	529	558	399

Total non-interest income	1,789	1,617	1,945	2,644	4,217
Salaries and employee benefits	6,075	5,913	5,875	5,634	5,313
Occupancy	1,281	1,251	1,270	1,267	1,192
Regulatory assessments and fees	269	226	213	93	317
Consulting and legal fees	604	398	517	539	357
Network and information technology services	488	448	387	268	358
Other operating expense	1,415	1,315	1,350	1,518	1,470
Total non-interest expense	10,132	9,551	9,612	9,319	9,007
Net income before income tax expense	7,521	7,003	6,712	7,401	8,681
Income tax expense	1,963	1,708	1,858	1,751	2,088
Net income	5,558	5,295	4,854	5,650	6,593
Preferred stock dividend	-	-	-	-	542
Exchange and redemption of preferred shares	-	-	-	-	89,585
Net income (loss) available to common stockholders	$ 5,558	$ 5,295	$ 4,854	$ 5,650	$ (83,534)
Allocation of net income (loss) per common stock class:[1]					
Class A	$ 5,558	$ 5,295	$ 4,854	$ 5,650	$ (77,278)
Class B	$ -	$ -	$ -	$ -	$ (6,256)
Per share information:					
Class A common stock					
Net income (loss) per share, basic	$ 0.28	$ 0.26	$ 0.24	$ 0.30	$ (5.11)
Net income (loss) per share, diluted	$ 0.28	$ 0.26	$ 0.24	$ 0.30	$ (5.11)
Class B common stock					
Net loss per share, basic	$ -	$ -	$ -	$ -	$ (1.02)
Net loss per share, diluted	$ -	$ -	$ -	$ -	$ (1.02)
Balance sheet data (at period-end):					
Cash and cash equivalents	$ 73,326	$ 83,272	$ 94,113	$ 46,228	$ 69,597
Securities available-for-sale	$ 248,571	$ 339,464	$ 392,214	$ 401,542	$ 328,171
Securities held-to-maturity	$ 178,865	$ 116,671	$ 122,361	$ 122,658	$ 99,866
Total securities	$ 427,436	$ 456,135	$ 514,575	$ 524,200	$ 428,037
Loans held for investment[2]	$ 1,431,513	$ 1,372,733	$ 1,258,388	$ 1,190,081	$ 1,176,412
Allowance for credit losses	$ (16,604)	$ (15,786)	$ (15,074)	$ (15,057)	$ (14,900)
Total assets	$ 2,037,453	$ 2,016,086	$ 1,967,252	$ 1,853,939	$ 1,755,011
Non-interest-bearing deposits	$ 662,808	$ 653,708	$ 656,622	$ 605,425	$ 570,091
Interest-bearing deposits	$ 1,133,834	$ 1,085,012	$ 1,056,672	$ 984,954	$ 914,498
Total deposits	$ 1,796,642	$ 1,738,720	$ 1,713,294	$ 1,590,379	$ 1,484,589
FHLB advances and other borrowings	$ 26,000	$ 66,000	$ 36,000	$ 36,000	$ 36,000
Total liabilities	$ 1,860,036	$ 1,836,018	$ 1,775,213	$ 1,650,042	$ 1,553,093
Total stockholders' equity	$ 177,417	$ 180,068	$ 192,039	$ 203,897	$ 201,918
Capital ratios:[3]					
Leverage ratio	9.48%	9.43%	9.47%	9.55%	9.69%
Common equity tier 1 capital	12.56%	12.65%	13.35%	13.70%	13.85%
Tier 1 risk-based capital	12.56%	12.65%	13.35%	13.70%	13.85%
Total risk-based capital	13.65%	13.74%	14.49%	14.92%	15.10%

(1) The allocation of net income (loss) 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 income (loss) allocation is calculated using the weighted average shares outstanding of Class B common stock on an as-converted basis (20% per share equivalent to Class A common stock).

(2) Loan amounts include deferred fees/costs.

(3) The Company was formed during the quarter ended December 31, 2021. As such, the capital ratios for Q3 2022, Q2 2022, Q1 2022 and Q4 2021 are for the Company and for Q3 2021 are for the Bank. The Company, as a small bank holding 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				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Average balance sheet data:					

Cash and cash equivalents	$ 77,887	$ 80,254	$ 99,911	$ 87,819	$ 116,622
Securities available-for-sale	$ 331,206	$ 370,933	$ 385,748	$ 374,589	$ 346,407
Securities held-to-maturity	$ 116,733	$ 120,130	$ 122,381	$ 114,108	$ 51,238
Total securities	$ 447,939	$ 491,063	$ 508,129	$ 488,697	$ 397,645
Loans held for investment[1]	$ 1,398,761	$ 1,296,476	$ 1,211,432	$ 1,158,755	$ 1,144,275
Total assets	$ 2,026,791	$ 1,968,381	$ 1,913,484	$ 1,828,037	$ 1,741,423
Interest-bearing deposits	$ 1,107,129	$ 1,071,709	$ 1,023,844	$ 958,241	$ 912,330
Non-interest-bearing deposits	$ 655,853	$ 644,975	$ 626,400	$ 603,735	$ 564,928
Total deposits	$ 1,762,982	$ 1,716,684	$ 1,650,244	$ 1,561,976	$ 1,477,258
FHLB advances and other borrowings	$ 43,935	$ 36,330	$ 36,011	$ 36,000	$ 36,000
Total liabilities	$ 1,841,503	$ 1,781,784	$ 1,711,624	$ 1,625,675	$ 1,546,414
Total stockholders' equity	$ 185,288	$ 186,597	$ 201,860	$ 202,362	$ 195,009
Performance ratios:					
Return on average assets[2]	1.09%	1.08%	1.03%	1.23%	1.50%
Return on average equity[2]	11.90%	11.38%	9.75%	11.08%	13.41%
Net interest margin[2]	3.47%	3.37%	3.22%	3.19%	3.19%
Non-interest income to average assets[2]	0.35%	0.33%	0.41%	0.57%	0.96%
Efficiency ratio[3]	54.58%	55.34%	58.88%	55.74%	50.92%
Loans by type (at period end):[4]					
Residential real estate	$ 186,551	$ 203,662	$ 204,317	$ 201,359	$ 201,124
Commercial real estate	$ 928,531	$ 843,445	$ 782,072	$ 704,988	$ 693,469
Commercial and industrial	$ 121,145	$ 131,271	$ 134,832	$ 146,592	$ 137,486
Foreign banks	$ 94,450	$ 84,770	$ 63,985	$ 59,491	$ 58,839
Consumer and other	$ 100,845	$ 109,250	$ 73,765	$ 79,229	$ 87,515
Asset quality data:					
Allowance for credit losses to total loans	1.16%	1.15%	1.20%	1.27%	1.27%
Allowance for credit losses to non-performing loans	-%	-%	-%	1,265%	82,778%
Non-accrual loans less non-accrual TDRs	-	-	-	1,190	-
Non-accrual TDRs	-	-	-	-	18
Loans over 90 days past due and accruing	-	-	-	-	-
Total non-performing loans[5]	-	-	-	1,190	18
Non-performing loans to total loans	-%	-%	-%	0.10%	0.00%
Non-performing assets to total assets	-%	-%	-%	0.06%	0.00%
Net charge-offs (recoveries of) to average loans[2]	0.03%	(0.00)%	(0.01)%	(0.05)%	(0.02)%
Net charge-offs (recovery of) credit losses	91	(7)	(17)	(157)	(51)
Interest rates and yields:[2]					
Loans	4.53%	4.35%	4.35%	4.32%	4.29%
Investment securities	1.94%	2.04%	1.85%	1.81%	1.86%
Total interest-earning assets	3.82%	3.60%	3.43%	3.41%	3.43%
Deposits	0.34%	0.21%	0.20%	0.21%	0.22%
FHLB advances and other borrowings	1.63%	1.53%	1.54%	1.51%	1.52%
Total interest-bearing liabilities	0.59%	0.38%	0.37%	0.38%	0.40%
Other information:					
Full-time equivalent employees	191	192	190	187	184

(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 for 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 September 30,	
	2022	**2021**

	Average Balance	Interest	Yield/Rate[1]	Average Balance	Interest	Yield/Rate[1]
Assets						
Interest-earning assets:						
Loans[2]	$ 1,398,761	$ 15,954	4.53%	$ 1,144,275	$ 12,538	4.29%
Investment securities[3]	450,514	2,201	1.94%	399,745	1,858	1.86%
Other interest-earnings assets	70,540	322	1.81%	109,639	38	0.14%
Total interest-earning assets	1,919,815	18,477	3.82%	1,653,659	14,434	3.43%
Non-interest-earning assets	106,976			87,764		
Total assets	$ 2,026,791			$ 1,741,423		
Liabilities and stockholders' equity						
Interest-bearing liabilities:						
Interest-bearing checking	$ 66,585	19	0.11%	$ 55,621	16	0.11%
Saving and money market deposits	823,521	1,141	0.55%	627,654	501	0.32%
Time deposits	217,023	363	0.66%	229,055	306	0.53%
Total interest-bearing deposits	1,107,129	1,523	0.55%	912,330	823	0.36%
FHLB advances and other borrowings	43,935	180	1.63%	36,000	140	1.52%
Total interest-bearing liabilities	1,151,064	1,703	0.59%	948,330	963	0.40%
Non-interest-bearing demand deposits	655,853			564,928		
Other non-interest-bearing liabilities	34,586			33,156		
Total liabilities	1,841,503			1,546,414		
Stockholders' equity	185,288			195,009		
Total liabilities and stockholders' equity	$ 2,026,791			$ 1,741,423		
Net interest income		$ 16,774			$ 13,471	
Net interest spread[4]			3.23%			3.03%
Net interest margin[5]			3.47%			3.19%

(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 on total interest-earning assets minus the average rate 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				
	9/30/2022	6/30/2022	3/31/2022	12/31/2021	9/30/2021
Pre-tax pre-provision ("PTPP") income:					
Net income	$ 5,558	$ 5,295	$ 4,854	$ 5,650	$ 6,593
Plus: Provision for income taxes	1,963	1,708	1,858	1,751	2,088
Plus: Provision for credit losses	910	705	-	-	-
PTPP income	$ 8,431	$ 7,708	$ 6,712	$ 7,401	$ 8,681
PTPP return on average assets:					
PTPP income	$ 8,431	$ 7,708	$ 6,712	$ 7,401	$ 8,681
Average assets	$ 2,026,791	$ 1,968,381	$ 1,913,484	$ 1,828,037	$ 1,741,423
PTPP return on average assets[1]	1.65%	1.57%	1.42%	1.61%	1.98%
Operating net income:					
Net income	$ 5,558	$ 5,295	$ 4,854	$ 5,650	$ 6,593
Less: Net gains (losses) on sale of securities	(558)	(3)	21	35	(70)
Less: Tax effect on sale of securities	141	1	(5)	(9)	17
Operating net income	$ 5,975	$ 5,297	$ 4,838	$ 5,624	$ 6,646
Operating PTPP income:					

PTPP income	$ 8,431	$ 7,708	$ 6,712	$ 7,401	$ 8,681
Less: Net gains (losses) on sale of securities	(558)	(3)	21	35	(70)
Operating PTPP income	$ 8,989	$ 7,711	$ 6,691	$ 7,366	$ 8,751
Operating PTPP return on average assets:					
Operating PTPP income	$ 8,989	$ 7,711	$ 6,691	$ 7,366	$ 8,751
Average assets	$ 2,026,791	$ 1,968,381	$ 1,913,484	$ 1,828,037	$ 1,741,423
Operating PTPP return on average assets[1]	1.76%	1.57%	1.42%	1.60%	1.99%
Operating return on average assets:					
Operating net income	$ 5,975	$ 5,297	$ 4,838	$ 5,624	$ 6,646
Average assets	$ 2,026,791	$ 1,968,381	$ 1,913,484	$ 1,828,037	$ 1,741,423
Operating return on average assets[1]	1.17%	1.08%	1.03%	1.22%	1.51%

(1) 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				
	9/30/2022	**6/30/2022**	**3/31/2022**	**12/31/2021**	**9/30/2021**
Tangible book value per common share (at period-end):[1]					
Total stockholders' equity	$ 177,417	$ 180,068	$ 192,039	$ 203,897	$ 201,918
Less: Intangible assets	-	-	-	-	-
Tangible stockholders' equity	$ 177,417	$ 180,068	$ 192,039	$ 203,897	$ 201,918
Total shares issued and outstanding (at period-end):[2]					
Class A common shares	20,000,753	20,000,753	20,000,753	19,991,753	18,767,541
Class B common shares	-	-	-	-	1,224,212
Total common shares issued and outstanding	20,000,753	20,000,753	20,000,753	19,991,753	19,991,753
Tangible book value per common share[3]	$ 8.87	$ 9.00	$ 9.60	$ 10.20	$ 10.10
Operating net income available to common stockholders:[1]					
Net income	$ 5,558	$ 5,295	$ 4,854	$ 5,650	$ 6,593
Less: Preferred dividends	-	-	-	-	542
Less: Exchange and redemption of preferred shares[2]	-	-	-	-	89,585
Net income (loss) available to common stockholders	5,558	5,295	4,854	5,650	(83,534)
Add back: Exchange and redemption of preferred shares	-	-	-	-	89,585
Operating net income avail. to common stock	$ 5,558	$ 5,295	$ 4,854	$ 5,650	$ 6,051
Allocation of operating net income per common stock class:					
Class A common stock	$ 5,558	$ 5,295	$ 4,854	$ 5,650	$ 5,598
Class B common stock	$ -	$ -	$ -	$ -	$ 453
Weighted average shares outstanding:					
Class A common stock					
Basic	20,000,753	20,000,753	19,994,953	18,913,914	15,121,460
Diluted	20,148,208	20,171,261	20,109,783	19,023,686	15,121,460
Class B common stock					
Basic	-	-	-	-	6,121,052
Diluted	-	-	-	-	6,121,052
Diluted EPS:[4] [5]					
Class A common stock					
Net income (loss) per diluted share	$ 0.28	$ 0.26	$ 0.24	$ 0.30	$ (5.11)
Add back: Exchange and redemption of preferred shares	-	-	-	-	5.48

Operating net income per diluted share	$ 0.28	$ 0.26	$ 0.24	$ 0.30	$ 0.37
Class B common stock					
Net income (loss) per diluted share	$ -	$ -	$ -	$ -	$ (1.02)
Add back: Exchange and redemption of preferred shares	-	-	-	-	1.09
Operating net income per diluted share	$ -	$ -	$ -	$ -	$ 0.07

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

(2) During the quarter ended September 30, 2021, 47,473 shares of Class C preferred stock and 11,061,552 shares of Class D preferred stock were converted into 10,278,072 shares of Class A common stock. Additionally, the Bank closed on the initial public offering of its Class A common stock on July 27, 2021, in which it issued 4,600,000 shares of Class A common stock. As such, the total shares issued and outstanding of Class A common stock was 18,767,541 shares at September 30, 2021.

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

(4) During 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.

(5) During the quarter ended December 31, 2021, the Company entered into agreements with the Class B common shareholders to exchange all outstanding Class B non-voting common stock for Class A voting common stock at a ratio of 1 share of Class A common stock for each 5 shares of Class B non-voting common stock. 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 an as-converted basis.