USCB Financial Holdings, Inc. Reports EPS of $0.29 and ROAA of 1.11% for Q1 2023

April 27, 2023

MIAMI, April 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 $5.8 million or $0.29 per diluted share for the three months ended March 31, 2023, compared with net income of $4.9 million or $0.24 per diluted share, for the same period in 2022.

"The beginning of 2023 was marked by significant events such as the sudden failure of three banks, prompting heightened concerns about the safety and soundness of the banking industry, and ongoing discussions of a potential recession. Despite these challenges, we are pleased to announce that the USCB team delivered strong performance in the first quarter of 2023, reflecting our ability to navigate this challenging operating environment with prudent consistency. Our financial results demonstrate robust earnings, driven by strong loan production, and disciplined credit underwriting and risk management practices," said Luis de la Aguilera, President and Chief Executive Officer. "Our strength and stability are reinforced by our growing core customer relationships, which have enabled us to build a granular deposit base and diversified loan portfolio, in one of the most vibrant markets in the United States." Mr. de la Aguilera went on to say, "Our deposits are derived primarily from our local customers and communities. We do not have any material exposure to either crypto currencies or investments or to crypto-related business."

Unless otherwise stated, all percentage comparisons in the bullet points below are calculated for the quarter ended March 31, 2023 compared to the quarter ended March 31, 2022 and annualized where appropriate.

Profitability

- Annualized return on average assets for the quarter ended March 31, 2023 was 1.11% compared to 1.03% for the first quarter of 2022.
- Annualized return on average stockholders' equity for the quarter ended March 31, 2023 was 12.85% compared to 9.75% for the first quarter of 2022.
- The efficiency ratio for the quarter ended March 31, 2023 was 56.32% compared to 58.88% for the first quarter of 2022.
- Net interest margin was 3.22% for both quarters ended March 31, 2023 and 2022.
- Net interest income before provision for credit losses was $16.0 million for the quarter ended March 31, 2023, an increase of $1.6 million or 11.3% compared to the first quarter of 2022.

Balance Sheet

- Total assets were $2.2 billion at March 31, 2023, representing an increase of $196.6 million or 10.0% from March 31, 2022.
- Total loans were $1.6 billion at March 31, 2023, representing an increase of $322.0 million or 25.6% from March 31, 2022.
- Total deposits were $1.8 billion at March 31, 2023, representing an increase of $117.2 million or 6.8% from March 31, 2022.
- Total stockholders' equity was $183.9 million at March 31, 2023, representing a decrease of $8.2 million or 4.3% from March 31, 2022. Total stockholders' equity includes after-tax unrealized security losses of $42.1 million at March 31, 2023 compared to after-tax unrealized security losses of $19.5 million at March 31, 2022.

Asset Quality

- Effective January 1, 2023, the Company adopted ASU 2016-13 Current Expected Credit Losses ("CECL") methodology for estimating credit losses, which resulted in an increase to the allowance for credit losses of loans of $1.1 million and an increase to the reserve for unfunded commitments of $259 thousand. This one-time cumulative adjustment resulted in an after-tax decrease of $1.0 million in retained earnings.
- The allowance for credit losses increased by $3.8 million to $18.9 million at March 31, 2023 from $15.1 million at March 31, 2022.
- The allowance for credit losses represented 1.20% of total loans at March 31, 2023 and at March 31, 2022.
- Non-performing loans to total loans was 0.03% at March 31, 2023 compared to 0.00% at March 31, 2022.

Non-interest Income and Non-interest Expense

- Non-interest income was $2.1 million for the three months ended March 31, 2023, an increase of $125 thousand or 6.4% compared to $1.9 million for the same period in 2022.

- Non-interest expense was $10.2 million for the three months ended March 31, 2023, an increase of $564 thousand or 5.9% compared to the same period in 2022.

Capital

- During the quarter the Company repurchased 500,000 shares of USCB Financial Holdings Inc at a weighted average price per share of $11.74. The aggregate purchase price for these transactions was approximately $5.9 million, including transaction costs. These repurchases were made through open market pursuant to the Company's publicly announced repurchase program. As of March 31, 2023, 250,000 shares remain authorized under this program.

- As of March 31, 2023, total risk-based capital ratios for the Company and the Bank were 13.20% and 13.12%, respectively.

- Tangible book value per common share of $9.37 was negatively affected by $2.14 due to after tax unrealized security losses of $42.1 million at March 31, 2023. At March 31, 2022, tangible book value of $9.60 was negatively affected by $0.97 due to $19.5 million after tax unrealized security losses.

Conference Call and Webcast

The Company will host a conference call on Friday, April 28, 2023, at 11:00 a.m. Eastern Time to discuss the Company's unaudited financial results for the quarter ended March 31, 2023. 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. 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 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;
- 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 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. 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 March 31,	
	2023	**2022**
Interest income:		
Loans, including fees	$ 19,711	$ 12,982
Investment securities	2,286	2,329
Interest-bearing deposits in financial institutions	382	31
Total interest income	22,379	15,342
Interest expense:		
Interest-bearing checking	43	16
Savings and money market accounts	4,785	551
Time deposits	1,057	259
FHLB advances and other borrowings	497	137
Total interest expense	6,382	963
Net interest income before provision for credit losses	15,997	14,379
Provision for credit losses	201	-
Net interest income after provision for credit losses	15,796	14,379
Non-interest income:		
Service fees	1,205	900
Gain (loss) on sale of securities available for sale, net	(21)	21

Gain on sale of loans held for sale, net	347	334
Loan settlement	-	161
Other non-interest income	539	529
Total non-interest income	2,070	1,945
Non-interest expense:		
Salaries and employee benefits	6,377	5,875
Occupancy	1,299	1,270
Regulatory assessments and fees	224	213
Consulting and legal fees	358	517
Network and information technology services	478	387
Other operating expense	1,440	1,350
Total non-interest expense	10,176	9,612
Net income before income tax expense	7,690	6,712
Income tax expense	1,881	1,858
Net income	5,809	4,854
Per share information:		
Net income per common share, basic	$ 0.29	$ 0.24
Net income per common share, diluted	$ 0.29	$ 0.24
Weighted average shares outstanding:		
Common shares, basic	19,855,409	19,994,953
Common shares, diluted	19,940,606	20,109,783

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

	As of or For the Three Months Ended				
	3/31/2023	**12/31/2022**	**9/30/2022**	**6/30/2022**	**3/31/2022**
Income statement data:					
Net interest income	$ 15,997	$ 16,866	$ 16,774	$ 15,642	$ 14,379
Provision for credit losses	201	880	910	705	-
Net interest income after provision for credit losses	15,796	15,986	15,864	14,937	14,379
Service fees	1,205	1,093	934	1,083	900
Gain (loss) on sale of securities available for sale, net	(21)	(1,989)	(558)	(3)	21
Gain on sale of loans held for sale, net	347	205	330	22	334
Loan settlement	-	-	-	-	161
Other income	539	568	1,083	515	529
Total non-interest income	2,070	(123)	1,789	1,617	1,945
Salaries and employee benefits	6,377	6,080	6,075	5,913	5,875
Occupancy	1,299	1,256	1,281	1,251	1,270
Regulatory assessments and fees	224	222	269	226	213
Consulting and legal fees	358	371	604	398	517
Network and information technology services	478	483	488	448	387
Other operating expense	1,440	1,602	1,415	1,315	1,350
Total non-interest expense	10,176	10,014	10,132	9,551	9,612
Net income before income tax expense	7,690	5,849	7,521	7,003	6,712
Income tax expense	1,881	1,415	1,963	1,708	1,858
Net income	$ 5,809	$ 4,434	$ 5,558	$ 5,295	$ 4,854
Per share information:					
Net income per common share, basic	$ 0.29	$ 0.22	$ 0.28	$ 0.26	$ 0.24
Net income per common share, diluted	$ 0.29	$ 0.22	$ 0.28	$ 0.26	$ 0.24
Balance sheet data (at period-end):					
Cash and cash equivalents	$ 63,251	$ 54,168	$ 73,326	$ 83,272	$ 94,113
Securities available-for-sale	$ 229,409	$ 230,140	$ 248,571	$ 339,464	$ 392,214
Securities held-to-maturity	$ 186,428	$ 188,699	$ 178,865	$ 116,671	$ 122,361

Total securities	$ 415,837	$ 418,839	$ 427,436	$ 456,135	$ 514,575
Loans held for investment [1]	$ 1,580,394	$ 1,507,338	$ 1,431,513	$ 1,372,733	$ 1,258,388
Allowance for credit losses	$ (18,887)	$ (17,487)	$ (16,604)	$ (15,786)	$ (15,074)
Total assets	$ 2,163,821	$ 2,085,834	$ 2,037,453	$ 2,016,086	$ 1,967,252
Non-interest-bearing deposits	$ 633,606	$ 629,776	$ 662,808	$ 653,708	$ 656,622
Interest-bearing deposits	$ 1,196,856	$ 1,199,505	$ 1,133,834	$ 1,085,012	$ 1,056,672
Total deposits	$ 1,830,462	$ 1,829,281	$ 1,796,642	$ 1,738,720	$ 1,713,294
FHLB advances and other borrowings	$ 120,000	$ 46,000	$ 26,000	$ 66,000	$ 36,000
Total liabilities	$ 1,979,963	$ 1,903,406	$ 1,860,036	$ 1,836,018	$ 1,775,213
Total stockholders' equity	$ 183,858	$ 182,428	$ 177,417	$ 180,068	$ 192,039
Capital ratios: [2]					
Leverage ratio	9.36%	9.61%	9.48%	9.43%	9.47%
Common equity tier 1 capital	12.04%	12.53%	12.56%	12.65%	13.35%
Tier 1 risk-based capital	12.04%	12.53%	12.56%	12.65%	13.35%
Total risk-based capital	13.20%	13.65%	13.65%	13.74%	14.49%

(1) Loan amounts include deferred fees/costs.

(2) Reflects the Company's capital ratios

USCB FINANCIAL HOLDINGS, INC.

AVERAGE BALANCES, RATIOS, AND OTHER DATA (UNAUDITED)

(Dollars in thousands)

	As of or For the Three Months Ended				
	3/31/2023	**12/31/2022**	**9/30/2022**	**6/30/2022**	**3/31/2022**
Average balance sheet data:					
Cash and cash equivalents	$ 50,822	$ 61,892	$ 77,887	$ 80,254	$ 99,911
Securities available-for-sale	$ 230,336	$ 242,144	$ 331,206	$ 370,933	$ 385,748
Securities held-to-maturity	$ 187,826	$ 184,459	$ 116,733	$ 120,130	$ 122,381
Total securities	$ 418,162	$ 426,603	$ 447,939	$ 491,063	$ 508,129
Loans held for investment[1]	$ 1,547,393	$ 1,456,780	$ 1,398,761	$ 1,296,476	$ 1,211,432
Total assets	$ 2,120,218	$ 2,051,867	$ 2,026,791	$ 1,968,381	$ 1,913,484
Interest-bearing deposits	$ 1,179,878	$ 1,150,049	$ 1,107,129	$ 1,071,709	$ 1,023,844
Non-interest-bearing deposits	$ 664,369	$ 653,820	$ 655,853	$ 644,975	$ 626,400
Total deposits	$ 1,844,247	$ 1,803,869	$ 1,762,982	$ 1,716,684	$ 1,650,244
FHLB advances and other borrowings	$ 61,600	$ 37,500	$ 43,935	$ 36,330	$ 36,011
Total liabilities	$ 1,936,847	$ 1,874,311	$ 1,841,503	$ 1,781,784	$ 1,711,624
Total stockholders' equity	$ 183,371	$ 177,556	$ 185,288	$ 186,597	$ 201,860
Performance ratios:					
Return on average assets [2]	1.11%	0.86%	1.09%	1.08%	1.03%
Return on average equity [2]	12.85%	9.91%	11.90%	11.38%	9.75%
Net interest margin [2]	3.22%	3.45%	3.47%	3.37%	3.22%
Non-interest income to average assets [2]	0.40%	(0.02)%	0.35%	0.33%	0.41%
Efficiency ratio [3]	56.32%	59.81%	54.58%	55.34%	58.88%
Loans by type (at period end): [4]					
Residential real estate	$ 184,427	$ 185,636	$ 186,551	$ 203,662	$ 204,317
Commercial real estate	$ 987,757	$ 970,410	$ 928,531	$ 843,445	$ 782,072
Commercial and industrial	$ 160,947	$ 126,984	$ 121,145	$ 131,271	$ 134,832
Foreign banks	$ 97,405	$ 93,769	$ 94,450	$ 84,770	$ 63,985
Consumer and other	$ 149,410	$ 130,429	$ 100,845	$ 109,250	$ 73,765
Asset quality data:					
Allowance for credit losses to total loans	1.20%	1.16%	1.16%	1.15%	1.20%
Allowance for credit losses to non-performing loans	3,886%	-%	-%	-%	-%
Total non-performing loans[5]	$ 486	$ -	$ -	$ -	$ -
Non-performing loans to total loans	0.03%	-%	-%	-%	-%
Non-performing assets to total assets	0.02%	-%	-%	-%	-%

Net charge-offs (recoveries of) to average loans [2]	(0.01)%	(0.00)%	0.03%	(0.00)%	(0.01)%
Net charge-offs (recovery of) credit losses	$ (49)	$ (2)	$ 91	$ (7)	$ (17)
Interest rates and yields:[2]					
Loans	5.17%	4.86%	4.53%	4.35%	4.35%
Investment securities	2.20%	2.13%	1.94%	2.04%	1.85%
Total interest-earning assets	4.51%	4.21%	3.82%	3.60%	3.43%
Deposits	1.29%	0.77%	0.34%	0.21%	0.20%
FHLB advances and other borrowings	3.27%	2.27%	1.63%	1.53%	1.54%
Total interest-bearing liabilities	2.08%	1.25%	0.59%	0.38%	0.37%
Other information:					
Full-time equivalent employees	196	191	191	192	190

(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,					
	2023			2022		
	Average Balance	Interest	Yield/Rate [1]	Average Balance	Interest	Yield/Rate [1]
Assets						
Interest-earning assets:						
Loans [2]	$ 1,547,393	$ 19,711	5.17%	$ 1,211,432	$ 12,982	4.35%
Investment securities [3]	421,717	2,286	2.20%	510,257	2,329	1.85%
Other interest-earnings assets	43,084	382	3.60%	90,137	31	0.14%
Total interest-earning assets	2,012,194	22,379	4.51%	1,811,826	15,342	3.43%
Non-interest-earning assets	108,024			101,658		
Total assets	$ 2,120,218			$ 1,913,484		
Liabilities and stockholders' equity						
Interest-bearing liabilities:						
Interest-bearing checking	$ 58,087	43	0.30%	$ 64,436	16	0.10%
Saving and money market deposits	897,061	4,785	2.16%	736,134	551	0.30%
Time deposits	224,730	1,057	1.91%	223,274	259	0.47%
Total interest-bearing deposits	1,179,878	5,885	2.02%	1,023,844	826	0.33%
FHLB advances and other borrowings	61,600	497	3.27%	36,011	137	1.54%
Total interest-bearing liabilities	1,241,478	6,382	2.08%	1,059,855	963	0.37%
Non-interest-bearing demand deposits	664,369			626,400		
Other non-interest-bearing liabilities	31,000			25,369		
Total liabilities	1,936,847			1,711,624		
Stockholders' equity	183,371			201,860		
Total liabilities and stockholders' equity	$ 2,120,218			$ 1,913,484		
Net interest income		$ 15,997			$ 14,379	
Net interest spread [4]			2.43%			3.07%
Net interest margin [5]			3.22%			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 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				
	3/31/2023	**12/31/2022**	**9/30/2022**	**6/30/2022**	**3/31/2022**
Pre-tax pre-provision ("PTPP") income:					
Net income	$ 5,809	$ 4,434	$ 5,558	$ 5,295	$ 4,854
Plus: Provision for income taxes	1,881	1,415	1,963	1,708	1,858
Plus: Provision for credit losses	201	880	910	705	-
PTPP income	$ 7,891	$ 6,729	$ 8,431	$ 7,708	$ 6,712
PTPP return on average assets:					
PTPP income	$ 7,891	$ 6,729	$ 8,431	$ 7,708	$ 6,712
Average assets	$ 2,120,218	$ 2,051,867	$ 2,026,791	$ 1,968,381	$ 1,913,484
PTPP return on average assets (1)	1.51%	1.30%	1.65%	1.57%	1.42%
Operating net income:					
Net income	$ 5,809	$ 4,434	$ 5,558	$ 5,295	$ 4,854
Less: Net gains (losses) on sale of securities	(21)	(1,989)	(558)	(3)	21
Less: Tax effect on sale of securities	5	504	141	1	(5)
Operating net income	$ 5,825	$ 5,919	$ 5,975	$ 5,297	$ 4,838
Operating PTPP income:					
PTPP income	$ 7,891	$ 6,729	$ 8,431	$ 7,708	$ 6,712
Less: Net gains (losses) on sale of securities	(21)	(1,989)	(558)	(3)	21
Operating PTPP income	$ 7,912	$ 8,718	$ 8,989	$ 7,711	$ 6,691
Operating PTPP return on average assets:					
Operating PTPP income	$ 7,912	$ 8,718	$ 8,989	$ 7,711	$ 6,691
Average assets	$ 2,120,218	$ 2,051,867	$ 2,026,791	$ 1,968,381	$ 1,913,484
Operating PTPP return on average assets (1)	1.51%	1.69%	1.76%	1.57%	1.42%
Operating return on average assets:					
Operating net income	$ 5,825	$ 5,919	$ 5,975	$ 5,297	$ 4,838
Average assets	$ 2,120,218	$ 2,051,867	$ 2,026,791	$ 1,968,381	$ 1,913,484
Operating return on average assets (1)	1.11%	1.14%	1.17%	1.08%	1.03%
Operating return on average equity:					
Operating net income	$ 5,825	$ 5,919	$ 5,975	$ 5,297	$ 4,838
Average equity	$ 183,371	$ 177,556	$ 185,288	$ 186,597	$ 201,860
Operating return on average equity	12.88%	13.23%	12.79%	11.39%	9.72%
Operating Revenue:					
Net interest income	$ 15,997	$ 16,866	$ 16,774	$ 15,642	$ 14,379
Non-interest income	2,070	(123)	1,789	1,617	1,945
Less: Net gains (losses) on sale of securities	(21)	(1,989)	(558)	(3)	21
Operating revenue	$ 18,088	$ 18,732	$ 19,121	$ 17,262	$ 16,303
Operating Efficiency Ratio:					
Total non-interest expense	$ 10,176	$ 10,014	$ 10,132	$ 9,551	$ 9,612
Operating revenue	$ 18,088	$ 18,732	$ 19,121	$ 17,262	$ 16,303
Operating efficiency ratio	56.26%	53.46%	52.99%	55.33%	58.96%

(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				
	3/31/2023	**12/31/2022**	**9/30/2022**	**6/30/2022**	**3/31/2022**
Tangible book value per common share (at period-end):[1]					
Total stockholders' equity	$ 183,858	$ 182,428	$ 177,417	$ 180,068	$ 192,039
Less: Intangible assets	-	-	-	-	-
Tangible stockholders' equity	$ 183,858	$ 182,428	$ 177,417	$ 180,068	$ 192,039
Total shares issued and outstanding (at period-end):					
Total common shares issued and outstanding	19,622,380	20,000,753	20,000,753	20,000,753	20,000,753
Tangible book value per common share[2]	$ 9.37	$ 9.12	$ 8.87	$ 9.00	$ 9.60
Operating diluted net income per common share:[1]					
Operating net income	$ 5,825	$ 5,919	$ 5,975	$ 5,297	$ 4,838
Total weighted average diluted shares of common stock	19,940,606	20,172,438	20,148,208	20,171,261	20,109,783
Operating diluted net income per common share:	$ 0.29	$ 0.29	$ 0.30	$ 0.26	$ 0.24
Tangible Common Equity/Tangible Assets					
Tangible stockholders' equity	$ 183,858	$ 182,428	$ 177,417	$ 180,068	$ 192,039
Tangible assets	$ 2,163,821	$ 2,085,834	$ 2,037,453	$ 2,016,086	$ 1,967,252
Tangible Common Equity/Tangible Assets	8.50%	8.75%	8.71%	8.93%	9.76%

(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.