USCB Financial Holdings, Inc. Reports Record Fully Diluted EPS Since Going Public of $0.31 for Q2 2024

July 25, 2024

MIAMI, July 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 $6.2 million or $0.31 per fully diluted share for the three months ended June 30, 2024, compared with net income of $4.2 million or $0.21 per fully diluted share for the same period in 2023.

"Today marks another milestone for our bank, as we report for the quarter a fully diluted EPS of $0.31. This achievement reflects the consistent execution of our strategic initiatives, supported by disciplined risk management practices and an associate base committed to superior customer service," said Luis de la Aguilera, Chairman, President, and CEO. "Our focused efforts have resulted in a ROAA above 1.00%, strong NIM expansion, an efficiency ratio of 56% and continued stable credit metrics." said de la Aguilera.

Unless otherwise stated, all percentage comparisons in the bullet points below are calculated at or for the quarter ended June 30, 2024 compared to at or for the quarter ended June 30, 2023 and annualized where appropriate.

Profitability

- Annualized return on average assets for the quarter ended June 30, 2024 was 1.01% compared to 0.77% for the second quarter of 2023.
- Annualized return on average stockholders' equity for the quarter ended June 30, 2024 was 12.63% compared to 9.13% for the second quarter of 2023.
- The efficiency ratio for the quarter ended June 30, 2024 was 56.33% compared to 65.25% for the second quarter of 2023.
- Net interest margin for the quarter ended June 30, 2024 was 2.94% compared to 2.73% for the second quarter of 2023.
- Net interest income before provision for credit losses was $17.3 million for the quarter ended June 30, 2024, an increase of $3.1 million or 22.1% compared to the second quarter of 2023.

Balance Sheet

- Total assets were $2.5 billion at June 30, 2024, representing an increase of $232.4 million or 10.4% from June 30, 2023.
- Total loans were $1.9 billion at June 30, 2024, representing an increase of $273.3 million or 17.1% from June 30, 2023.
- Total deposits were $2.1 billion at June 30, 2024, representing an increase of $135.4 million or 7.0% from June 30, 2023.
- Total stockholders' equity was $201.0 million at June 30, 2024, representing an increase of $17.3 million or 9.4% from June 30, 2023. Total stockholders' equity included accumulated comprehensive loss of $44.7 million at June 30, 2024 compared to accumulated comprehensive loss of $46.3 million at June 30, 2023.

Asset Quality

- The allowance for credit losses ("ACL") increased by $3.4 million to $22.2 million at June 30, 2024 from $18.8 million at June 30, 2023.
- The ACL represented 1.19% of total loans at June 30, 2024 and 1.18% at June 30, 2023.
- Non-performing loans to total loans was 0.04% at June 30, 2024 and 0.03% at June 30, 2023.

Non-interest Income and Non-interest Expense

- Non-interest income was $3.2 million for the three months ended June 30, 2024, an increase of $1.4 million or 73.9% compared to $1.8 million for the same period in 2023.
- Non-interest expense was $11.6 million for the three months ended June 30, 2024, an increase of $1.1 million or 10.6% compared to $10.5 million for the same period in 2023.

Capital

- On July 22, 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 will be paid on September 5, 2024 to shareholders of record at the close of business on August 15, 2024.

- As of June 30, 2024, total risk-based capital ratios for the Company and the Bank were 13.12% and 13.01%, respectively.

- Tangible book value per common share (a non-GAAP measure) was $10.24 at June 30, 2024, representing an increase of $0.84 or 8.9% increase from $9.40 at June 30, 2023.

- During the quarter the Company repurchased 25,000 shares of Class A common stock at a weighted average cost per share of $12.04. The aggregate purchase price for these transactions was approximately $301.0 thousand, including transaction costs. As of June 30, 2024, 547,980 shares remained authorized for repurchase under the Company's share repurchase programs.

Conference Call and Webcast

The Company will host a conference call on Friday, July 26, 2024, at 11:00 a.m. Eastern Time to discuss the Company's unaudited financial results for the quarter ended June 30, 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 our 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, and 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.

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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,	
	2024	2023	2024	2023
Interest income:				
Loans, including fees	$ 28,017	$ 20,847	$ 54,660	$ 40,558
Investment securities	3,069	2,382	5,880	4,668
Interest-bearing deposits in financial institutions	1,531	1,051	2,964	1,433
Total interest income	32,617	24,280	63,504	46,659
Interest expense:				
Interest-bearing checking	391	200	760	243
Savings and money market accounts	10,071	6,968	20,465	11,753
Time deposits	3,222	2,145	6,516	3,202
FHLB advances and other borrowings	1,622	794	3,294	1,291
Total interest expense	15,306	10,107	31,035	16,489
Net interest income before provision for credit losses	17,311	14,173	32,469	30,170
Provision for credit losses	786	38	1,196	239
Net interest income after provision for credit losses	16,525	14,135	31,273	29,931
Non-interest income:				
Service fees	1,977	1,173	3,628	2,378
Gain (loss) on sale of securities available for sale, net	14	-	14	(21)
Gain on sale of loans held for sale, net	417	94	484	441
Other non-interest income	803	579	1,549	1,118
Total non-interest income	3,211	1,846	5,675	3,916
Non-interest expense:				
Salaries and employee benefits	7,353	5,882	13,663	12,259

Occupancy	1,266	1,319	2,580	2,618
Regulatory assessments and fees	476	452	909	676
Consulting and legal fees	263	386	855	744
Network and information technology services	479	505	986	983
Other operating expense	1,723	1,908	3,741	3,348
Total non-interest expense	11,560	10,452	22,734	20,628
Net income before income tax expense	8,176	5,529	14,214	13,219
Income tax expense	1,967	1,333	3,393	3,214
Net income	$ 6,209	$ 4,196	$ 10,821	$ 10,005
Per share information:				
Net income per common share, basic	$ 0.32	$ 0.21	$ 0.55	$ 0.51
Net income per common share, diluted	$ 0.31	$ 0.21	$ 0.55	$ 0.51
Cash dividends declared	$ 0.05	$ -	$ 0.10	$ -
Weighted average shares outstanding:				
Common shares, basic	19,650,681	19,590,359	19,642,006	19,722,152
Common shares, diluted	19,717,167	19,639,682	19,707,561	19,790,756

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

	As of or For the Three Months Ended				
	6/30/2024	**3/31/2024**	**12/31/2023**	**9/30/2023**	**6/30/2023**
Income statement data:					
Net interest income	$ 17,311	$ 15,158	$ 14,376	$ 14,022	$ 14,173
Provision for credit losses	786	410	1,475	653	38
Net interest income after provision for credit losses	16,525	14,748	12,901	13,369	14,135
Service fees	1,977	1,651	1,348	1,329	1,173
Gain (loss) on sale of securities available for sale, net	14	-	(883)	(955)	-
Gain on sale of loans held for sale, net	417	67	105	255	94
Other income	803	746	756	1,532	579
Total non-interest income	3,211	2,464	1,326	2,161	1,846
Salaries and employee benefits	7,353	6,310	6,104	6,066	5,882
Occupancy	1,266	1,314	1,262	1,350	1,319
Regulatory assessments and fees	476	433	412	365	452
Consulting and legal fees	263	592	642	513	386
Network and information technology services	479	507	552	481	505
Other operating expense	1,723	2,018	1,747	1,686	1,908
Total non-interest expense	11,560	11,174	10,719	10,461	10,452
Net income before income tax expense	8,176	6,038	3,508	5,069	5,529
Income tax expense	1,967	1,426	787	1,250	1,333
Net income	$ 6,209	$ 4,612	$ 2,721	$ 3,819	$ 4,196
Per share information:					
Net income per common share, basic	$ 0.32	$ 0.23	$ 0.14	$ 0.20	$ 0.21
Net income per common share, diluted	$ 0.31	$ 0.23	$ 0.14	$ 0.19	$ 0.21
Cash dividends declared	$ 0.05	$ 0.05	$ -	$ -	$ -
Balance sheet data (at period-end):					
Cash and cash equivalents	$ 77,261	$ 126,546	$ 41,062	$ 33,435	$ 87,280
Securities available-for-sale	$ 236,444	$ 259,992	$ 229,329	$ 218,609	$ 218,442
Securities held-to-maturity	$ 169,606	$ 173,038	$ 174,974	$ 197,311	$ 220,956
Total securities	$ 406,050	$ 433,030	$ 404,303	$ 415,920	$ 439,398
Loans held for investment [(1)]	$ 1,869,249	$ 1,821,196	$ 1,780,827	$ 1,676,520	$ 1,595,959
Allowance for credit losses	$ (22,230)	$ (21,454)	$ (21,084)	$ (19,493)	$ (18,815)
Total assets	$ 2,458,270	$ 2,489,142	$ 2,339,093	$ 2,244,602	$ 2,225,914
Non-interest-bearing demand deposits	$ 579,243	$ 576,626	$ 552,762	$ 573,546	$ 572,360
Interest-bearing deposits	$ 1,477,459	$ 1,526,168	$ 1,384,377	$ 1,347,376	$ 1,348,941
Total deposits	$ 2,056,702	$ 2,102,794	$ 1,937,139	$ 1,920,922	$ 1,921,301
FHLB advances and other borrowings	$ 162,000	$ 162,000	$ 183,000	$ 102,000	$ 87,000

Total liabilities	$ 2,257,250	$ 2,294,131	$ 2,147,125	$ 2,061,718	$ 2,042,229
Total stockholders' equity	$ 201,020	$ 195,011	$ 191,968	$ 182,884	$ 183,685
Capital ratios:[2]					
Leverage ratio	9.03%	8.91%	9.28%	9.26%	9.32%
Common equity tier 1 capital	11.93%	11.80%	11.62%	11.97%	12.27%
Tier 1 risk-based capital	11.93%	11.80%	11.62%	11.97%	12.27%
Total risk-based capital	13.12%	12.98%	12.78%	13.10%	13.42%

(1) Loan amounts include deferred fees/costs.

(2) Reflects the Company's regulatory capital ratios which are provided for informational purposes only; as a small bank holding company, the Company is not subject to regulatory capital requirements. The Bank's total risk-based capital for second quarter 2024 was 13.01%.

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

	As of or For the Three Months Ended				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Average balance sheet data:					
Cash and cash equivalents	$ 107,831	$ 132,266	$ 57,069	$ 90,742	$ 94,313
Securities available-for-sale	$ 263,345	$ 239,896	$ 215,649	$ 222,134	$ 224,913
Securities held-to-maturity	$ 171,682	$ 174,142	$ 181,151	$ 218,694	$ 192,628
Total securities	$ 435,027	$ 414,038	$ 396,800	$ 440,828	$ 417,541
Loans held for investment[1]	$ 1,828,487	$ 1,781,528	$ 1,698,611	$ 1,610,864	$ 1,569,266
Total assets	$ 2,479,222	$ 2,436,103	$ 2,268,811	$ 2,250,258	$ 2,183,542
Interest-bearing deposits	$ 1,473,513	$ 1,473,831	$ 1,336,470	$ 1,353,516	$ 1,270,657
Non-interest-bearing demand deposits	$ 610,370	$ 574,760	$ 577,133	$ 587,917	$ 601,778
Total deposits	$ 2,083,883	$ 2,048,591	$ 1,913,603	$ 1,941,433	$ 1,872,435
FHLB advances and other borrowings	$ 162,000	$ 164,187	$ 139,000	$ 85,326	$ 93,075
Total liabilities	$ 2,281,467	$ 2,243,011	$ 2,085,182	$ 2,065,357	$ 1,999,304
Total stockholders' equity	$ 197,755	$ 193,092	$ 183,629	$ 184,901	$ 184,238
Performance ratios:					
Return on average assets [2]	1.01%	0.76%	0.48%	0.67%	0.77%
Return on average equity [2]	12.63%	9.61%	5.88%	8.19%	9.13%
Net interest margin [2]	2.94%	2.62%	2.65%	2.60%	2.73%
Non-interest income to average assets [2]	0.52%	0.41%	0.23%	0.38%	0.34%
Efficiency ratio [3]	56.33%	63.41%	68.27%	64.64%	65.25%
Loans by type (at period end): [4]					
Residential real estate	$ 256,807	$ 237,906	$ 204,419	$ 188,880	$ 183,093
Commercial real estate	$ 1,053,030	$ 1,057,800	$ 1,047,593	$ 1,005,280	$ 989,401
Commercial and industrial	$ 248,525	$ 228,045	$ 219,757	$ 212,975	$ 169,401
Correspondent banks	$ 112,510	$ 100,182	$ 114,945	$ 94,640	$ 85,409
Consumer and other	$ 194,644	$ 194,325	$ 191,930	$ 173,096	$ 167,845
Asset quality data:					
Allowance for credit losses to total loans	1.19%	1.18%	1.18%	1.16%	1.18%
Allowance for credit losses to non-performing loans	2,933%	4,705%	4,505%	4,070%	3,871%
Total non-performing loans[5]	$ 758	$ 456	$ 468	$ 479	$ 486
Non-performing loans to total loans	0.04%	0.03%	0.03%	0.03%	0.03%
Non-performing assets to total assets[5]	0.03%	0.02%	0.02%	0.02%	0.02%
Net charge-offs (recoveries of) to average loans [2]	(0.00)%	(0.00)%	(0.00)%	(0.00)%	0.01%
Net charge-offs (recovery) of credit losses	$ (2)	$ (7)	$ (3)	$ (5)	$ 29
Interest rates and yields:[2]					
Loans	6.16%	6.01%	5.79%	5.55%	5.33%
Investment securities	2.80%	2.69%	2.46%	2.52%	2.26%
Total interest-earning assets	5.54%	5.34%	5.16%	4.89%	4.68%
Deposits	2.64%	2.76%	2.53%	2.39%	1.99%
FHLB advances and other borrowings	4.03%	4.10%	4.04%	3.19%	3.42%
Total interest-bearing liabilities	3.76%	3.86%	3.66%	3.41%	2.97%

Other information:					
Full-time equivalent employees	197	199	196	194	198

(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 other real estate owned (OREO) recorded.

USCB FINANCIAL HOLDINGS, INC.
NET INTEREST MARGIN (UNAUDITED)
(Dollars in thousands)

	Three Months Ended June 30,					
	2024			2023		
	Average Balance	Interest	Yield/Rate (1)	Average Balance	Interest	Yield/Rate (1)
Assets						
Interest-earning assets:						
Loans (2)	$ 1,828,487	$ 28,017	6.16%	$ 1,569,266	$ 20,847	5.33%
Investment securities (3)	440,559	3,069	2.80%	422,544	2,382	2.26%
Other interest-earning assets	100,371	1,531	6.13%	87,536	1,051	4.82%
Total interest-earning assets	2,369,417	32,617	5.54%	2,079,346	24,280	4.68%
Non-interest-earning assets	109,805			104,196		
Total assets	$ 2,479,222			$ 2,183,542		
Liabilities and stockholders' equity						
Interest-bearing liabilities:						
Interest-bearing checking deposits	$ 56,369	391	2.79%	$ 53,561	200	1.50%
Saving and money market deposits	1,101,272	10,071	3.68%	940,095	6,968	2.97%
Time deposits	315,872	3,222	4.10%	277,001	2,145	3.11%
Total interest-bearing deposits	1,473,513	13,684	3.74%	1,270,657	9,313	2.94%
FHLB advances and other borrowings	162,000	1,622	4.03%	93,075	794	3.42%
Total interest-bearing liabilities	1,635,513	15,306	3.76%	1,363,732	10,107	2.97%
Non-interest-bearing demand deposits	610,370			601,778		
Other non-interest-bearing liabilities	35,584			33,794		
Total liabilities	2,281,467			1,999,304		
Stockholders' equity	197,755			184,238		
Total liabilities and stockholders' equity	$ 2,479,222			$ 2,183,542		
Net interest income		$ 17,311			$ 14,173	
Net interest spread (4)			1.78%			1.71%
Net interest margin (5)			2.94%			2.73%

(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				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Pre-tax pre-provision ("PTPP") income:(1)					

Net income	$ 6,209	$ 4,612	$ 2,721	$ 3,819	$ 4,196
Plus: Provision for income taxes	1,967	1,426	787	1,250	1,333
Plus: Provision for credit losses	786	410	1,475	653	38
PTPP income	$ 8,962	$ 6,448	$ 4,983	$ 5,722	$ 5,567
PTPP return on average assets:(1)					
PTPP income	$ 8,962	$ 6,448	$ 4,983	$ 5,722	$ 5,567
Average assets	$ 2,479,222	$ 2,436,103	$ 2,268,811	$ 2,250,258	$ 2,183,542
PTPP return on average assets (2)	1.45%	1.06%	0.87%	1.01%	1.02%
Operating net income:(1)					
Net income	$ 6,209	$ 4,612	$ 2,721	$ 3,819	$ 4,196
Less: Net gains (losses) on sale of securities	14	-	(883)	(955)	-
Less: Tax effect on sale of securities	(4)	-	224	242	-
Operating net income	$ 6,199	$ 4,612	$ 3,380	$ 4,532	$ 4,196
Operating PTPP income:(1)					
PTPP income	$ 8,962	$ 6,448	$ 4,983	$ 5,722	$ 5,567
Less: Net gains (losses) on sale of securities	14	-	(883)	(955)	-
Operating PTPP income	$ 8,948	$ 6,448	$ 5,866	$ 6,677	$ 5,567
Operating PTPP return on average assets:(1)					
Operating PTPP income	$ 8,948	$ 6,448	$ 5,866	$ 6,677	$ 5,567
Average assets	$ 2,479,222	$ 2,436,103	$ 2,268,811	$ 2,250,258	$ 2,183,542
Operating PTPP return on average assets (2)	1.45%	1.06%	1.03%	1.18%	1.02%
Operating return on average assets:(1)					
Operating net income	$ 6,199	$ 4,612	$ 3,380	$ 4,532	$ 4,196
Average assets	$ 2,479,222	$ 2,436,103	$ 2,268,811	$ 2,250,258	$ 2,183,542
Operating return on average assets (2)	1.01%	0.76%	0.59%	0.80%	0.77%
Operating return on average equity:(1)					
Operating net income	$ 6,199	$ 4,612	$ 3,380	$ 4,532	$ 4,196
Average equity	$ 197,755	$ 193,092	$ 183,629	$ 184,901	$ 184,238
Operating return on average equity (2)	12.61%	9.61%	7.30%	9.72%	9.13%
Operating Revenue:(1)					
Net interest income	$ 17,311	$ 15,158	$ 14,376	$ 14,022	$ 14,173
Non-interest income	3,211	2,464	1,326	2,161	1,846
Less: Net gains (losses) on sale of securities	14	-	(883)	(955)	-
Operating revenue	$ 20,508	$ 17,622	$ 16,585	$ 17,138	$ 16,019
Operating Efficiency Ratio:(1)					
Total non-interest expense	$ 11,560	$ 11,174	$ 10,719	$ 10,461	$ 10,452
Operating revenue	$ 20,508	$ 17,622	$ 16,585	$ 17,138	$ 16,019
Operating efficiency ratio	56.37%	63.41%	64.63%	61.04%	65.25%

(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				
	6/30/2024	**3/31/2024**	**12/31/2023**	**9/30/2023**	**6/30/2023**

Tangible book value per common share (at period-end):[1]					
Total stockholders' equity	$ 201,020	$ 195,011	$ 191,968	$ 182,884	$ 183,685
Less: Intangible assets	-	-	-	-	-
Tangible stockholders' equity	$ 201,020	$ 195,011	$ 191,968	$ 182,884	$ 183,685
Total shares issued and outstanding (at period-end):					
Total common shares issued and outstanding	19,630,632	19,650,463	19,575,435	19,542,290	19,544,777
Tangible book value per common share[2]	$ 10.24	$ 9.92	$ 9.81	$ 9.36	$ 9.40
Operating diluted net income per common share:[1]					
Operating net income	$ 6,199	$ 4,612	$ 3,380	$ 4,532	$ 4,196
Total weighted average diluted shares of common stock	19,717,167	19,698,258	19,573,350	19,611,897	19,639,682
Operating diluted net income per common share:	$ 0.31	$ 0.23	$ 0.17	$ 0.23	$ 0.21
Tangible Common Equity/Tangible Assets[1]					
Tangible stockholders' equity	$ 201,020	$ 195,011	$ 191,968	$ 182,884	$ 183,685
Tangible total assets[3]	$ 2,458,270	$ 2,489,142	$ 2,339,093	$ 2,244,602	$ 2,225,914
Tangible Common Equity/Tangible Assets	8.18%	7.83%	8.21%	8.15%	8.25%

(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.