

Bank of South Carolina Corporation Announces Third Quarter Earnings

CHARLESTON, S.C., Oct. 12, 2023 /PRNewswire/ -- The Bank of South Carolina Corporation (OTCQX: BKSC) announced unaudited earnings of \$1,263,371, or \$0.23 basic and diluted earnings per share, for the quarter ended September 30, 2023 – a decrease of \$576,896, or 31.35%, from earnings for the quarter ended September 30, 2022 of \$1,840,267, or \$0.33 basic and diluted earnings per share. Unaudited earnings for the nine months ended September 30, 2023 decreased \$717,489, or 14.80%, to \$4,129,866 compared to \$4,847,355 for the nine months ended September 30, 2022. Annualized returns on average assets and average equity for the nine months ended September 30, 2023 were 0.86% and 12.95%, respectively, compared with September 30, 2022 annualized returns on average assets and average equity of 0.98% and 14.11%, respectively.

Eugene H. Walpole, IV, President and Chief Executive Officer, stated, "During the quarter, we experienced sustained pressure on funding costs, as the Federal Reserve continues the march upward in its pursuit to combat inflation. The precipitous rise in interest rates over the last year and a half - while having some positive impact on earning asset yields - has also served to create immense competition within our market to maintain and attract customer deposits. As a result, net interest spread remains under pressure along with weakening demand for mortgage loans. Meanwhile, commercial loan activity has been steady and asset quality remains strong, as evidenced by past due loan balances over thirty days remaining less than one percent of total loans. As we look ahead to finishing out the year and moving into 2024, we eagerly anticipate the significant amount of upcoming maturities within our investment portfolio, which will not only strengthen liquidity but also provide the opportunity to redeploy at considerably higher yields."

Selected Condensed Consolidated Financial Data (Unaudited)

	For the Three Months Ended			
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Total Interest and Fee Income	\$ 6,154,138	\$ 6,027,060	\$ 5,631,834	\$ 5,312,520
Total Interest Expense	1,619,582	1,420,080	931,101	189,653
Net Interest Income	4,534,556	4,606,980	4,700,733	5,122,867
Provision for Credit Losses	-	-	45,000	-
Net Interest Income After Provision for Credit Losses	4,534,556	4,606,980	4,655,733	5,122,867
Total Other Income	480,449	437,121	449,201	393,270
Total Other Expense	3,381,506	3,386,022	3,250,361	3,181,330
Income Before Income Tax Expense	1,633,498	1,658,079	1,854,573	2,334,807
Income Tax Expense	370,128	380,362	265,794	527,022
Net Income	\$ 1,263,370	\$ 1,277,717	\$ 1,588,779	\$ 1,807,785
Earnings Per Share - Basic	\$ 0.23	\$ 0.23	\$ 0.29	\$ 0.33
Earnings Per Share - Diluted	\$ 0.23	\$ 0.23	\$ 0.28	\$ 0.32
Return on Average Assets	0.86 %	0.89 %	1.00 %	1.01 %
Return on Average Equity	12.95 %	13.61 %	15.73 %	15.26 %
Common Stock Shares Outstanding	5,485,755	5,548,239	5,552,351	5,552,351
Book Value Per Share	\$ 7.51	\$ 7.67	\$ 7.84	\$ 6.99
Efficiency Ratio	67.43 %	67.13 %	63.11 %	57.67 %
Allowance for Credit Losses as a Percentage of Total Loans	1.09 %	1.08 %	1.11 %	1.30 %

Quarterly Averages:

Total Assets	\$ 639,253,597	\$ 650,130,860	\$ 644,654,414	\$ 635,836,900
Total Loans	\$ 339,152,054	\$ 341,123,966	\$ 334,479,258	\$ 327,358,704
Total Deposits	\$ 540,290,630	\$ 574,075,057	\$ 579,875,165	\$ 579,838,511
Total Shareholders' Equity	\$ 42,997,996	\$ 43,952,144	\$ 40,955,613	\$ 36,663,342

About Bank of South Carolina Corporation

The Bank of South Carolina Corporation is the holding company of The Bank of South Carolina ("The Bank"). The Bank is a South Carolina state-chartered financial institution with offices in Charleston, North Charleston, Summerville, Mt. Pleasant, James Island, and the West Ashley community and has been in continuous operation since 1987. Our website is www.banksc.com. Bank of South Carolina Corporation currently trades its common stock on the OTCQX® Best Market under the symbol "BKSC".

Forward-Looking-Statements

This release contains forward-looking statements that are not historical facts and that are intended to be "forward-looking statements" as that term is defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include, but are not limited to, statements about the Company's plans, objectives, expectations and intentions and other statements contained in this release that are not historical facts and pertain to the Company's future operating results. When used in this release, the words "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions are generally intended to identify forward-looking statements. Actual results may differ materially from the results discussed in these forward-looking statements, because such statements are inherently subject to significant assumptions, risks and uncertainties, many of which are difficult to predict and are generally beyond the Company's control. These include but are not limited to: the possibility of adverse economic developments that may, among other things, increase default and delinquency risks in the Company's loan portfolios; shifts in interest rates; shifts in the rate of inflation; shifts in the demand for the Company's loan and other products; unforeseen increases in costs and expenses; lower-than-expected revenue or cost savings in connection with acquisitions; changes in accounting policies; changes in the monetary and fiscal policies of the federal government; and changes in laws, regulations and the competitive environment. Unless legally required, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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