

Bank of South Carolina Corporation Announces Annual and Fourth Quarter Earnings

CHARLESTON, S.C., Jan. 11, 2024 /PRNewswire/ -- The Bank of South Carolina Corporation (OTCQX: BKSC) announced unaudited earnings of \$5,493,616, or \$0.99 and \$0.98 basic and diluted earnings per share, respectively, for the year ended December 31, 2023 – a decrease of \$1,163,524, or 17.45%, from earnings for the year ended December 31, 2022 of \$6,655,140, or \$1.20 and \$1.18 basic and diluted earnings per share, respectively. Unaudited earnings for the three months ended December 31, 2023 decreased \$444,036, or 24.56%, to \$1,363,749 compared to \$1,807,785 for the three months ended December 31, 2022. Returns on average assets and average equity for the year ended December 31, 2023 were 0.86% and 12.90%, respectively, compared with December 31, 2022 returns on average assets and average equity of 1.01% and 15.26%, respectively.

Eugene H. Walpole, IV, President and Chief Executive Officer, stated, "Every year has its own set of challenges, and 2023 was certainly no exception. Nonetheless, we were quite pleased to finish on a high note, with net income for the fourth quarter up 8% over third quarter results. The quarter also yielded improvements to earnings per share and book value per share. Both quarterly and annual loan growth exceeded expectations, in large part due to strengthening commercial loan activity within the markets in which we operate. Meanwhile, loans greater than 30 days past due continue to track well under one percent of total loans, an indication that credit quality within our portfolio remains sound. Rising funding costs and competition for deposits continue to be our biggest challenges, but we see sunnier skies on the horizon. The Federal Reserve appears to be at or near the end of their tightening campaign, with inflation beginning to approach their desired target range. The likely forthcoming shift in monetary policy coupled with the repricing of approximately 30% of our investment portfolio and 15% of our loan portfolio in 2024 gives us much reason for optimism."

Selected Condensed Consolidated Financial Data (Unaudited)

	For the Three Months Ended			
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Total Interest and Fee Income	\$ 6,500,593	\$ 6,154,138	\$ 6,027,060	\$ 5,631,834
Total Interest Expense	1,821,435	1,619,582	1,420,080	931,101
Net Interest Income	4,679,158	4,534,556	4,606,980	4,700,733
Provision for Credit Losses	-	-	-	45,000
Net Interest Income After Provision for Credit Losses	4,679,158	4,534,555	4,606,980	4,655,733
Total Other Income	397,970	480,449	437,121	449,201
Total Other Expense	3,309,138	3,381,506	3,386,022	3,250,361
Income Before Income Tax Expense	1,767,988	1,633,499	1,658,046	1,854,573
Income Tax Expense	404,239	370,128	380,362	265,794
Net Income	\$ 1,363,749	\$ 1,263,371	\$ 1,277,717	\$ 1,588,779
Earnings Per Share - Basic	\$ 0.25	\$ 0.23	\$ 0.23	\$ 0.29
Earnings Per Share - Diluted	\$ 0.24	\$ 0.23	\$ 0.23	\$ 0.28
Return on Average Assets	0.86 %	0.86 %	0.89 %	1.00 %
Return on Average Equity	12.90 %	12.95 %	13.61 %	15.73 %
Common Stock Shares Outstanding	5,469,251	5,485,755	5,548,239	5,552,351
Book Value Per Share	\$ 8.61	\$ 7.51	\$ 7.67	\$ 7.84
Efficiency Ratio	65.18 %	67.43 %	67.13 %	63.11 %
Allowance for Credit Losses as a Percentage of Total Loans	1.07 %	1.09 %	1.08 %	1.11 %
Quarterly Averages:				
Total Assets	\$ 625,093,859	\$ 639,253,597	\$ 650,131,459	\$ 644,654,414
Total Loans	\$ 344,789,580	\$ 339,152,054	\$ 341,123,966	\$ 334,479,258
Total Deposits	\$ 518,397,166	\$ 540,290,630	\$ 574,075,057	\$ 579,875,165
Total Shareholders' Equity	\$ 42,464,898	\$ 42,997,996	\$ 43,952,144	\$ 40,955,613

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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For further information: Eugene H. Walpole, IV, President and Chief Executive Officer, (843) 724-1500

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