



South Atlantic Bancshares, Inc. Reports Earnings of \$0.58 per Diluted Common Share for the Quarter Ended March 31, 2026

MYRTLE BEACH, S.C., April 23, 2026 /PRNewswire/ -- South Atlantic Bancshares, Inc. ("South Atlantic" or the "Company") (OTCQX: SABK), parent of South Atlantic Bank (the "Bank"), reported consolidated net income of \$4.5 million, or \$0.58 per diluted common share, for the first quarter of 2026, compared to \$4.8 million, or \$0.62 per diluted common share for the fourth quarter of 2025, and compared to \$3.3 million, or \$0.43 per diluted common share, for the first quarter of 2025.

First Quarter 2026 Financial Highlights:

- **Net income totaled \$4.5 million for the first quarter of 2026, an increase of \$1.1 million, or 33.9 percent over the first quarter of 2025**
- **Total assets increased \$12.6 million to \$1.9 billion during the three months ended March 31, 2026, an annualized increase of 2.6 percent, from December 31, 2025**
- **Total loans grew \$11.7 million, or 3.2 percent annualized, during the three months ended March 31, 2026 and increased \$97.5 million, or 7.1 percent, from the same period in 2025**
- **Total deposits grew \$40.3 million during the quarter ended March 31, 2026, or 10.4 percent on an annualized basis**
- **Tangible book value per share (non-GAAP) at March 31, 2026 increased by \$0.48, or 2.8 percent, to \$17.53 per share when compared to December 31, 2025, and increased \$2.62 per share, or 17.6 percent, when compared to March 31, 2025**
- **Cost of funds (non-GAAP) was unchanged at 2.25% during the first quarter of 2026 when compared to the quarter ended December 31, 2025**

"We are pleased to report a strong first quarter for our Company," remarked K. Wayne Wicker, Chairman and CEO of the Company. "We saw growth on both sides of the balance sheet, with deposit growth outpacing loan growth during the quarter with total deposits increasing 10.4% on an annualized basis. The dynamic interest rate environment combined with FOMC rate cuts during the fourth quarter of 2025, along with payoffs and loan maturities produced some pressure on earning asset yields during the first quarter of 2026. Despite persistent funding pressure, cost of funds remained unchanged quarter-over-quarter. We believe loan and deposit pipelines are poised to deliver solid growth during the second quarter of 2026 across all our markets. Our team's focus on full relationship banking and prudent risk management positions us to navigate the ongoing uncertainty surrounding global macroeconomic events, and an ever-evolving interest rate environment. Credit quality and risk indicators remain superb, as economic activity across our geographic footprint continues to be robust and is enhanced by continued in-migration and population growth across our markets."

Selected Financial Highlights
For the Periods / Three Months Ended

Balance Sheet (000's)	March 31, 2026	December 31, 2025	Change (\$)	Change (%)¹
Total Assets	\$ 1,932,222	\$ 1,919,636	\$ 12,586	2.6%
Total Loans, Net of Unearned Income	1,478,121	1,466,440	11,681	3.2%
Total Deposits	1,594,643	1,554,325	40,318	10.4%
Borrowings (Excluding Subordinated Debt)	147,000	180,000	(33,000)	-73.3%
Total Equity	138,437	134,567	3,870	11.5%

Income Statement and Per Share Data	March 31, 2026	December 31, 2025	Change (\$)	Change (%)
Net Income (000's)	\$ 4,469	\$ 4,763	\$ (294)	-6.2%
Diluted Earnings Per Share	0.58	0.62	(0.04)	-6.5%
Tangible Book Value Per Share*	17.53	17.05	0.48	2.8%

Selected Financial Ratios	March 31, 2026	December 31, 2025
Return on Average Assets	0.96%	1.02%
NPAs to Average Assets	0.00%	0.00%
Efficiency Ratio*	62.98%	60.02%
Net Interest Margin	3.24%	3.35%

For the Periods / Three Months Ended

Balance Sheet (000's)	March 31, 2026	March 31, 2025	Change (\$)	Change (%)
Total Assets	\$ 1,932,222	\$ 1,867,705	\$ 64,517	3.5%
Total Loans, Net of Unearned Income	1,478,121	1,380,593	97,528	7.1%
Total Deposits	1,594,643	1,567,932	26,711	1.7%
Borrowings (Excluding Subordinated Debt)	147,000	130,000	17,000	13.1%
Total Equity	138,437	118,384	20,053	16.9%

Income Statement and Per Share Data	March 31, 2026	March 31, 2025	Change (\$)	Change (%)
Net Income (000's)	\$ 4,469	\$ 3,337	\$ 1,132	33.9%
Diluted Earnings Per Share	0.58	0.43	0.15	34.9%
Tangible Book Value Per Share*	17.53	14.91	2.62	17.6%

¹ Results annualized.

Earnings Summary

Net interest income increased \$1.5 million, or 11.5 percent, for the three months ended March 31, 2026 when compared to the three months ended March 31, 2025, comprised of an increase in interest income of \$1.0 million, or 4.3 percent, and a decrease in interest expense of \$500.0 thousand, or 5.0 percent, when compared to the first quarter of 2025. The increase in interest income was driven by an increase in loan interest income of \$1.4 million, or 7.1 percent, due to increased volume related to the Company's loan portfolio. The increase in interest income on loans was partially offset by a reduction in interest income on investment securities and cash balances of \$453.0 thousand, or 16.1 percent. The decrease in interest income on investments was attributable to a targeted and strategic bond restructuring completed in the second quarter of 2025, of which the proceeds were redeployed into loans. The decrease in interest income on cash balances was attributable to lower interest rates paid on cash balances as well as lower average balances held when

compared to the same period in 2025. The decrease in interest expense for the period ended March 31, 2026 was primarily due to lower yields on interest bearing deposit balances.

Noninterest income increased \$244.0 thousand, or 16.8 percent, for the three months ended March 31, 2026 compared to the same three-month period in 2025, primarily due to an increase in secondary mortgage income of \$213.0 thousand, or 61.2 percent, when compared to the same three-month period in 2025.

Noninterest expense increased \$419.0 thousand, or 4.3 percent, for the three months ended March 31, 2026, compared to the same three-month period during 2025. The increase was driven primarily by an increase of \$599.0 thousand, or 11.1 percent, in compensation and employee benefits. That increase was partially offset by a \$129.0 thousand, or 5.7 percent, decrease in other non interest expense, as well as a decrease of \$56.0 thousand, or 6.2 percent, in data processing and software expense.

The increase in net interest income of 11.5 percent for the three months ended March 31, 2026 and the increase in noninterest income of 16.8 percent, partially offset by the increase in noninterest expense of 4.3 percent for the three months ended March 31, 2026 when compared to the same three-month period in 2025, resulted in improvement to the Company's efficiency ratio (non-GAAP) by 4.7 percentage points to 62.98 percent for the quarter ended March 31, 2026.

Financial Performance

Dollars in Thousands Except Per Share Data

	Three Months Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Interest Income					
Loans	\$ 21,526	\$ 22,152	\$ 22,263	\$ 21,090	\$ 20,097
Investments	2,362	2,231	2,506	2,422	2,815
Total Interest Income	\$ 23,888	\$ 24,383	\$ 24,769	\$ 23,512	\$ 22,912
Interest Expense	9,588	9,597	10,202	10,139	10,088
Net Interest Income	\$ 14,300	\$ 14,786	\$ 14,567	\$ 13,373	\$ 12,824
Provision for Credit Losses	300	600	450	625	397
Noninterest Income	1,696	1,673	1,795	1,756	1,452
Noninterest Expense	10,074	9,879	10,401	9,906	9,655
Income Before Taxes	\$ 5,622	\$ 5,980	\$ 5,511	\$ 4,598	\$ 4,224
Provision for Income Taxes	1,153	1,217	1,128	912	887
Net Income	\$ 4,469	\$ 4,763	\$ 4,383	\$ 3,686	\$ 3,337
Basic Earnings Per Share	\$ 0.59	\$ 0.63	\$ 0.59	\$ 0.49	\$ 0.44
Diluted Earnings Per Share	\$ 0.58	\$ 0.62	\$ 0.57	\$ 0.48	\$ 0.43
Weighted Average Shares Outstanding					
Basic	7,586,345	7,523,195	7,469,487	7,566,808	7,572,042
Diluted	7,768,831	7,690,660	7,646,539	7,723,349	7,692,154
Total Shares Outstanding	7,589,514	7,575,873	7,469,563	7,469,063	7,572,253

Noninterest Income/Expense

Dollars in Thousands

	Three Months Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Noninterest Income					
Service charges and fees	\$ 122	\$ 129	\$ 123	\$ 115	\$ 105
Secondary mortgage income	561	496	555	531	348
Merchant and interchange income	589	632	695	697	560
Other income	424	416	422	413	439
Total noninterest income	\$ 1,696	\$ 1,673	\$ 1,795	\$ 1,756	\$ 1,452
Noninterest expense					
Salaries and employee benefits	\$ 5,979	\$ 5,773	\$ 5,978	\$ 5,438	\$ 5,380
Occupancy	1,094	996	1,132	1,125	1,089
Data processing & Software	852	886	1,032	858	908
Other expense	2,149	2,224	2,259	2,485	2,278
Total noninterest expense	\$ 10,074	\$ 9,879	\$ 10,401	\$ 9,906	\$ 9,655

Balance Sheet Activity

Total assets increased \$64.5 million, or 3.5 percent, to \$1.93 billion as of March 31, 2026, compared to \$1.87 billion as of March 31, 2025. The increase in total assets during the comparable quarters was driven primarily by an increase in loans of \$97.5 million, or 7.1 percent, offset by a decrease in cash and cash equivalents of \$23.5 million, or 24.4 percent, and a decrease in investment securities of \$10.4 million, or 3.4 percent.

Total deposits increased \$26.7 million, or 1.7 percent, compared to the quarter ended March 31, 2025, driven by growth of interest-bearing customer deposits. The increase in total deposits during the comparable quarters was partially offset by a decrease in brokered funding \$21.3 million, or 26.3 percent, when compared to the same period of 2025. Outstanding borrowings (excluding subordinated debt) increased \$17.0 million, or 13.1 percent, for the quarter ended March 31, 2026. Shareholders' equity totaled \$138.4 million as of March 31, 2026, an increase of \$20.1 million, or 16.9 percent, from March 31, 2025, primarily driven by \$17.3 million in earnings during the preceding four quarters ended March 31, 2026 as well as a reduction in the unrealized loss on the Company's investment portfolio of \$4.1 million, partially offset by the declaration and payment of an ordinary cash dividend of \$750.0 thousand on the Company's common stock during the first quarter of 2026.

The Company reported 7,589,514 total shares of common stock outstanding as of March 31, 2026. The increase of 13,641 shares of common stock outstanding during the three months ended March 31, 2026 was due to the exercise during the period of stock options granted. Tangible book value (non-GAAP) increased \$0.48 per share, or 2.8 percent, to \$17.53 per share as of March 31, 2026, when compared to \$17.05 per share as of December 31, 2025.

Balance Sheets

Dollars in Thousands

	For the Periods Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30 2025	March 31, 2025
Cash and Cash Equivalents	\$ 72,711	\$ 68,975	\$ 90,119	\$ 65,944	\$ 96,195
Investment Securities	294,760	293,140	288,486	280,473	305,150
Loans Held for Sale	3,743	7,293	1,619	3,159	1,473
Loans					
Loans	1,478,121	1,466,440	1,426,537	1,434,251	1,380,593
Less Allowance for Credit Losses	(14,010)	(13,715)	(13,155)	(12,706)	(12,648)
Loans, Net	\$ 1,464,111	\$ 1,452,725	\$ 1,413,382	\$ 1,421,545	\$ 1,367,945
OREO					
Property, net of accumulated depreciation	\$ 29,273	\$ 29,575	\$ 29,386	\$ 29,413	\$ 29,192
BOLI	36,806	36,522	36,234	35,949	35,670
Goodwill	5,349	5,349	5,349	5,349	5,349
Core Deposit Intangible	67	85	104	126	150
Other Assets	25,402	25,972	26,694	27,875	26,581
Total Assets	\$ 1,932,222	\$ 1,919,636	\$ 1,891,373	\$ 1,869,833	\$ 1,867,705
Deposits					
Noninterest bearing	\$ 325,894	\$ 324,851	\$ 347,469	\$ 362,360	\$ 326,681
Interest bearing	1,268,749	1,229,474	1,241,213	1,253,133	1,241,251
Total Deposits	\$ 1,594,643	\$ 1,554,325	\$ 1,588,682	\$ 1,615,493	\$ 1,567,932
Subordinated Debt	30,000	30,000	30,000	30,000	30,000
Other Borrowings	147,000	180,000	120,000	80,000	130,000
Other Liabilities	22,142	20,744	24,094	23,285	21,389
Total Liabilities	\$ 1,793,785	\$ 1,785,069	\$ 1,762,776	\$ 1,748,778	\$ 1,749,321
Stock with Related Surplus	\$ 78,095	\$ 77,840	\$ 77,638	\$ 77,566	\$ 78,643
Retained Earnings	77,148	73,428	68,666	64,284	60,599
Accumulated Other Comprehensive Loss	(16,806)	(16,701)	(17,707)	(20,795)	(20,858)
Shareholders' Equity	\$ 138,437	\$ 134,567	\$ 128,597	\$ 121,055	\$ 118,384
Total Liabilities and Shareholders' Equity	\$ 1,932,222	\$ 1,919,636	\$ 1,891,373	\$ 1,869,833	\$ 1,867,705

Net Interest Margin

Net interest margin decreased 11 basis points to 3.24 percent for the three months ended March 31, 2026, compared to 3.35 percent for the quarter ended December 31, 2025, and a 19 basis point increase when compared to 3.05 percent for the three months ended March 31, 2025. The yield on interest earning assets decreased by 11 basis points during the first quarter of 2026 to 5.41 percent from 5.52 percent for the fourth quarter of 2025, while cost of funds were unchanged at 2.25 percent.

Net Interest Margin Analysis

Dollars in Millions

	Three Months Ended											
	March 31, 2026			December 31, 2025			September 30, 2025			June 30, 2025		
	Average Balance	Related Interest	Yield/Rate	Average Balance	Related Interest	Yield/Rate	Average Balance	Related Interest	Yield/Rate	Average Balance	Related Interest	Yield/Rate
Interest earning assets												
Loans	\$ 1,466	\$ 21.6	5.99%	\$ 1,447	\$ 22.2	6.06%	\$ 1,439	\$ 22.2	6.12%	\$ 1,406	\$ 21.2	6.05%
Loan fees	0.0	(0.1)	-0.04%	0.0	0.01%		0.1	0.02%		(0.1)	-0.03%	
Loans with fees	\$ 1,466	\$ 21.5	5.95%	\$ 1,447	\$ 22.2	6.07%	\$ 1,439	\$ 22.3	6.14%	\$ 1,406	\$ 21.1	6.02%
Total interest earning assets	\$ 1,791	\$ 23.9	5.41%	\$ 1,752	\$ 24.4	5.52%	\$ 1,764	\$ 24.8	5.57%	\$ 1,733	\$ 23.5	5.44%
Interest-bearing liabilities												
Total interest bearing deposits	\$ 1,241	\$ 7.9	2.61%	\$ 1,216	\$ 8.2	2.67%	\$ 1,252	\$ 9.0	2.86%	\$ 1,246	\$ 8.9	2.86%
Total interest bearing liabilities	\$ 1,410	\$ 9.6	2.76%	\$ 1,347	\$ 9.6	2.83%	\$ 1,363	\$ 10.2	2.97%	\$ 1,333	\$ 10.1	3.05%
Cost of funds*			2.25%			2.25%			2.36%			2.40%
Net interest margin			3.24%			3.35%			3.28%			3.09%

Credit Quality

We continue to see excellent credit quality in our markets through March 31, 2026, with no loans classified as non-accrual, and one loan past due greater than 30 days as of March 31, 2026.

The Company recorded a provision for credit losses of \$300 thousand during the three months ended March 31, 2026, compared to a provision of \$600 thousand for the three months ended December 31, 2025 and a provision of \$397 thousand for the three months ended March 31, 2025.

The Company continues to closely monitor credit quality in light of the ongoing economic uncertainty caused by, among other factors, the prolonged elevated interest rate environment, the lingering inflationary pressures, and the risk of the resurgence of elevated levels of inflation, in the United States and our market areas, persistent ambiguity surrounding U.S. trade and tariff policies, and geopolitical instability. Accordingly, additional provisions for credit losses may be necessary in future periods.

Credit Quality Analysis

	For the Periods Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
LLR to Total Loans	0.95%	0.94%	0.92%	0.89%	0.92%
NPAs to Avg Assets	0.00%	0.00%	0.00%	0.00%	0.00%
NCOs to Total Loans	0.00%	0.00%	0.00%	0.00%	0.00%
Past Due > 30 Days to Total Loans	0.00%	0.00%	0.00%	0.01%	0.00%
Total NPAs (thousands)	\$ -	\$ -	\$ -	\$ -	\$ -

Performance Ratios

	Three Months Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
ROAA	0.96%	1.02%	0.93%	0.80%	0.75%
ROAE	13.12%	14.25%	13.89%	12.28%	11.67%
Efficiency*	62.98%	60.02%	63.57%	65.48%	67.63%
NIM	3.24%	3.35%	3.28%	3.09%	3.05%
Book Value	\$ 18.24	\$ 17.76	\$ 17.22	\$ 16.21	\$ 15.63
Tangible Book Value*	\$ 17.53	\$ 17.05	\$ 16.49	\$ 15.47	\$ 14.91

Regulatory Capital Position

The Bank's capital position remains above the regulatory thresholds required to be deemed "well-capitalized," as shown in the table below, with a total risk-based capital ratio of 12.32 percent and leverage ratio of 9.27 percent as of March 31, 2026. The Company currently operates under the Small Bank Holding Company Policy Statement of the Board of Governors of the Federal Reserve System (the "Federal Reserve") and, therefore, is not currently subject to the Federal Reserve's consolidated capital reporting requirements.

Regulatory Capital Ratios

Bank Only	For the Periods Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Tier 1	11.37%	11.24%	11.30%	10.85%	10.83%
Leverage	9.27%	9.19%	8.86%	8.74%	8.67%
CET-1	11.37%	11.24%	11.30%	10.85%	10.83%
Total	12.32%	12.18%	12.23%	11.74%	11.70%

Additional Data	For the Periods Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Branches	12	12	12	12	12
Employees (Full Time Equivalent)	173	170	168	172	164

About South Atlantic Bancshares, Inc.

South Atlantic Bancshares, Inc. (OTCQX: SABK) is a registered bank holding company based in Myrtle Beach, South Carolina with approximately \$1.9 billion in total assets as of March 31, 2026. The Company's banking subsidiary, South Atlantic Bank, is a full-service financial institution spanning the entire coastal area of South Carolina, and is locally owned, controlled and operated. The Bank operates twelve locations in Myrtle Beach, Carolina Forest, North Myrtle Beach, Murrells Inlet, Pawleys Island, Georgetown, Mount Pleasant, Charleston, Bluffton, Hilton Head Island, Summerville and Beaufort, South Carolina. The Bank specializes in providing personalized community banking services to individuals, small businesses and corporations. Services include a full range of consumer and commercial banking products, including mortgage, and treasury management, including South Atlantic Bank goMobile, the Bank's mobile banking app. The Bank also offers internet banking, no-fee ATM access, checking, certificates of deposit and money market accounts, merchant services, mortgage loans, remote deposit capture, and more. For more information, visit www.SouthAtlantic.bank.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures include tangible book value, tangible book value per share, cost of funds, and efficiency ratio. The Company believes these non-GAAP financial measures provide both management and investors a more complete understanding of the Company's financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures.

We classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP as in effect from time to time in the United States in our statements of income, balance sheets or statements of cash flows. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies.

A reconciliation of non-GAAP financial measures to GAAP financial measures is provided at the end of this press release.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains, among other things, certain statements about future events that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements with references to a future period or statements preceded by, followed by, or that include the words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "project," "outlook" or similar terms or expressions. These statements are based upon the current beliefs and good faith expectations of the Company's management team and are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control). These risks, uncertainties and other factors may cause the actual results, performance, and achievements of the Company to be materially different from the anticipated future results, performance or achievements expressed in, or implied by, the forward-looking statements. Factors that could cause such differences include, but are not limited to: (i) the impact on us or our customers of a decline in general economic conditions, and any regulatory responses thereto; (ii) slower economic growth rates or potential recession in the United States and our market areas; (iii) uncertainty or perceived instability in the banking industry as a whole; (iv) increased competition for deposits among traditional and nontraditional financial services companies, and related changes in deposit customer behavior; (v) the impact of changes in market interest rates, whether due to a continuation of the elevated interest rate environment or further reductions in interest rates and a resulting decline in net interest income; (vi) the lingering inflationary pressures, and the risk of the resurgence of elevated levels of inflation, in the United States and our market areas; (vii) the uncertain impacts of current and future monetary policies of the Board of Governors of the Federal Reserve System; (viii) changes in unemployment rates in the United States and our market areas; (ix) adverse

changes in customer spending, borrowing and savings habits; (x) declines in commercial real estate values and prices; (xi) a deterioration of the credit rating for the United States long-term sovereign debt or the impact of uncertain or changing political conditions, including federal government shutdowns and uncertainty regarding United States fiscal debt, deficit and budget matters; (xii) cyber incidents or other failures, disruptions or breaches of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber-attacks; (xiii) severe weather, natural disasters, military conflicts (including the conflicts in the Middle East, the possible expansion of such conflicts and potential geopolitical and economic consequences), acts of terrorism, geopolitical instability, domestic civil unrest or other external events, including as a result of in the policies of the current U.S. presidential administration or Congress; (xiv) the impact of tariffs, sanctions and other trade policies of the United States and its global trading counterparts and the resulting impact on the Company and its customers; (xv) competition and market expansion opportunities; (xvi) changes in non-interest expenditures or in the anticipated benefits of such expenditures; (xvii) the receipt of required regulatory approvals; (xviii) changes in tax laws; (xix) the risks related to the development, implementation, use and management of emerging technologies, including artificial intelligence and machine learning; (xx) potential costs related to the impacts of climate change; (xxi) current or future litigation, regulatory examinations or other legal and/or regulatory actions; (xxii) changes in accounting principles and standards, including those related to loan loss recognition under the current expected credit loss, or CECL, methodology; and (xxiii) changes in applicable laws, regulations or policies in the United States, including those affecting our business, operations, pricing, products or services. These forward-looking statements are based on current information and/or management's good faith belief as to future events. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized. Due to these and other possible uncertainties and risks, readers are cautioned not to place undue reliance on the forward-looking statements contained in this press release. The inclusion of this forward-looking information should not be construed as a representation by the Company or any person that the future events, plans, or expectations contemplated by the Company will be achieved. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Any forward-looking statements contained in this press release are made as of the date hereof, and the Company does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made, except as required by applicable law. All forward-looking statements, express or implied, included in the press release are qualified in their entirety by this cautionary statement.

Information contained herein, other than information as of December 31, 2025, is unaudited. All financial data should be read in conjunction with the notes to the consolidated financial statements of the Company and the Bank as of and for the fiscal year ended December 31, 2025, as contained in the Company's 2025 Annual Report located on the Company's website.

Available Information

The Company maintains an Internet web site at www.southatlantic.bank/about-us/investor-relations. The Company makes available, free of charge, on its web site the Company's annual meeting materials, annual reports, quarterly earnings reports, and other press releases. In addition, the OTC Markets Group maintains an Internet site that contains reports, proxy and information statements, and other information regarding the Company (at www.otcmarkets.com/stock/SABK/overview).

The Company routinely posts important information for investors on its web site (under www.southatlantic.bank and, more specifically, under the Investor Relations tab at www.southatlantic.bank/about-us/investor-relations). The Company intends to use its web site as a means of disclosing material non-public information and for complying with its disclosure obligations under the OTC Markets Group OTCQX Rules for U.S. Banks. Accordingly, investors should monitor the Company's web site, in addition to following the Company's press releases, OTC filings, public conference calls, presentations and webcasts.

The information contained on, or that may be accessed through, the Company's web site is not incorporated by reference into, and is not a part of, this press release.

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Member FDIC



Non-GAAP Reconciliation

	Three Months Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Common Equity (GAAP)	\$ 138,437	\$ 134,567	\$ 128,597	\$ 121,055	\$ 118,384
Intangible Assets (GAAP)	5,416	5,434	5,453	5,475	5,499
Tangible Common Equity (Book Value) (non-GAAP)	\$ 133,021	\$ 129,133	\$ 123,144	\$ 115,580	\$ 112,885

	Three Months Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Tangible Book Value Per Common Share (non-GAAP)	\$ 18.24	\$ 17.76	\$ 17.22	\$ 16.21	\$ 15.63
Effect to Adjust for Intangible Assets	0.71	0.71	0.73	0.73	0.73
Book Value Per Common Share (GAAP)	\$ 17.53	\$ 17.05	\$ 16.49	\$ 15.47	\$ 14.91

<i>Dollars in Thousands</i>	Three Months Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Total Quarterly Interest Expense (GAAP)	\$ 9,588	\$ 9,597	\$ 10,202	\$ 10,139	\$ 10,088
Days In Quarter	90	92	92	91	90
Interest Expense Per Day	107	104	111	111	112
Annualization of Daily Interest Expense	38,885	38,075	40,475	40,667	40,912
Average Interest Bearing Liabilities (non-GAAP)	1,410,436	1,347,334	1,362,528	1,362,436	1,350,607
Average Noninterest Bearing DDA (non-GAAP)	320,188	347,431	355,222	332,421	313,224
Total Average Funding Liabilities (non-GAAP)	\$ 1,730,624	\$ 1,694,765	\$ 1,717,750	\$ 1,694,857	\$ 1,663,831
Cost of Funds (non-GAAP)	2.25%	2.25%	2.36%	2.40%	2.46%

	Three Months Ended				
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Total Noninterest Expense (GAAP)	\$ 10,074	\$ 9,879	\$ 10,401	\$ 9,906	\$ 9,655
Net Interest Income (GAAP)	14,300	14,786	14,567	13,373	12,824
Noninterest Income (GAAP)	1,696	1,673	1,795	1,756	1,452
Total Net Interest Revenue (non-GAAP)	\$ 15,996	\$ 16,459	\$ 16,362	\$ 15,129	\$ 14,276
Efficiency Ratio (non-GAAP)	62.98%	60.02%	63.57%	65.48%	67.63%