



South Atlantic Bancshares, Inc. Reports Record Earnings of \$1.57 per Diluted Common Share for the Year Ended December 31, 2022

MYRTLE BEACH, S.C., January 24, 2023 /PRNewswire/ -- South Atlantic Bancshares, Inc. ("South Atlantic" or the "Company") (OTCQX: SABK), parent of South Atlantic Bank (the "Bank"), reported consolidated net income of \$12.1 million, or \$1.57 per diluted common share, for the year ended December 31, 2022, an increase of \$1.2 million, or \$0.15 per diluted common share, compared to the year ended December 31, 2021. Consolidated net income totaled \$4.0 million, or \$0.52 per diluted common share for the quarter ended December 31, 2022, an increase of \$1.7 million, or \$0.23 per diluted common share, compared to the quarter ended December 31, 2021.

Year-End 2022 Financial Highlights:

- **Net income in 2022 totaled \$12.1 million, an 11.5 percent increase over 2021 annual results.**
- **Loan interest income, excluding fees, increased \$9.2 million in 2022, or 32.2 percent when compared to 2021.**
- **Total assets as of December 31, 2022 reached \$1.4 billion, a 14.5 percent increase year-over-year.**
- **Total gross loans grew 36.6 percent during 2022, ending the year totaling \$1.0 billion.**
- **Total deposits were \$1.2 billion at December 31, 2022, a 12.4 percent increase year-over-year.**

K. Wayne Wicker, the Company's Chairman and Chief Executive Officer, commented, "2022 was a transformational year for our Company with key strategic hires, market expansion, record growth, and record profitability. The record quarterly and annual earnings announced today are a testament to our entire team, who continue to execute at an extremely high level. Our fourth quarter 2022 results mark the second straight quarter of record profitability for our Company. While the macro-economic backdrop in the United States continues to signal potential headwinds for the upcoming year, primarily due to persistent inflation and the continued rising interest rate environment, our credit quality remains pristine and our markets are maintaining high levels of economic activity. We enter the year with great momentum, and we look forward to continued success in 2023."

Earnings Summary

Net interest income increased \$8.7 million, or 24.4 percent, to \$44.5 million in the year ended December 31, 2022, compared to \$35.8 million in the year ended December 31, 2021. The increase during the period was driven primarily by a \$6.6 million increase in loan interest income as well as a \$4.1 million increase in interest income on investments. The increase in net interest income in 2022 was partially offset by an increase in interest expense of \$2.0 million, driven primarily by interest expense on the Company's outstanding subordinated debt and increased deposit-related interest expense. Net interest income increased in 2022 despite a \$2.6 million reduction in loan fees received from the Small Business Administration ("SBA") related to the Paycheck Protection Program ("PPP") when compared to the same period in 2021. The decrease in SBA loan fees in 2022 is attributable to the cessation of fees recognized from the Company's participation in the PPP, as all of the PPP loans originated by the Company during the duration of the PPP have been forgiven by the SBA, resulting in all deferred SBA loan fees being accreted to earnings.

Noninterest income declined \$4.8 million, or 48.5 percent, to \$5.1 million for the year ended December 31, 2022, compared to \$9.8 million for the year ended December 31, 2021. The year-over-year decline is primarily due to a \$3.5 million decrease in secondary mortgage fees and a \$1.7 million decrease in net gains on the sale of securities.

Noninterest expense increased \$1.9 million, or 6.1 percent, to \$32.6 million for the year ended December 31, 2022, compared to \$30.7 million for the year ended December 31, 2021. This increase in noninterest expense during the year

was primarily due to an increase in salary and benefits expense of \$786 thousand from the hiring of additional seasoned bankers in key growth markets.

Net interest income was \$12.4 million for the fourth quarter of 2022 compared to \$9.2 million for the same period in 2021, an increase of \$3.2 million, or 35.2 percent. The increase of net interest income during the period was primarily due to higher interest income on loans and securities, which was partially offset by an increase in interest expense during the period. Loan interest income grew \$3.7 million for the three months ended December 31, 2022, with the increase primarily attributable to higher loan portfolio balances and yields on the loan portfolio. Interest income on investments for the three months ended December 31, 2022 increased \$759 thousand, primarily due to securities purchased in late 2021. Interest expense increased \$1.2 million for the three months ended December 31, 2022, with the increase attributable to interest expense related to the Company's fourth quarter 2021 subordinated debt issuance, and an increase in interest rates paid on interest bearing deposit balances.

Noninterest income declined \$746 thousand, or 38.1 percent, to \$1.2 million for the fourth quarter of 2022 compared to \$2.0 million for the fourth quarter of 2021, primarily due to an \$857 thousand decrease in secondary mortgage fees.

Noninterest expense decreased \$300 thousand, or 3.8 percent, to \$7.5 million for the three months ended December 31, 2022 compared to \$7.8 million for the same period in 2021. The decrease in noninterest expense was primarily due to a \$423 thousand decrease in salary and benefits expense related to lower mortgage commissions.

Financial Performance

Dollars in Thousands Except Per Share Data

| | Three Months Ended | | | | |
|--------------------------------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
| | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 |
| Interest Income | | | | | |
| Loans | \$ 11,727 | \$ 10,589 | \$ 9,065 | \$ 8,231 | \$ 8,020 |
| Investments | 2,457 | 2,598 | 2,208 | 1,832 | 1,698 |
| Total Interest Income | \$ 14,184 | \$ 13,187 | \$ 11,273 | \$ 10,063 | \$ 9,718 |
| Interest Expense | 1,793 | 877 | 787 | 740 | 550 |
| Net Interest Income | \$ 12,391 | \$ 12,310 | \$ 10,486 | \$ 9,323 | \$ 9,168 |
| Provision for Loan Losses | 900 | 650 | 325 | 75 | 553 |
| Noninterest Income | 1,210 | 1,198 | 1,494 | 1,163 | 1,956 |
| Noninterest Expense | 7,518 | 8,594 | 8,467 | 8,003 | 7,818 |
| Income Before Taxes | \$ 5,183 | \$ 4,264 | \$ 3,188 | \$ 2,408 | \$ 2,753 |
| Provision for Income Taxes | 1,232 | 675 | 680 | 402 | 499 |
| Net Income | \$ 3,951 | \$ 3,589 | \$ 2,508 | \$ 2,006 | \$ 2,254 |
| Basic Earnings Per Share | \$ 0.52 | \$ 0.47 | \$ 0.33 | \$ 0.26 | \$ 0.30 |
| Diluted Earnings Per Share | \$ 0.52 | \$ 0.47 | \$ 0.33 | \$ 0.26 | \$ 0.29 |
| Weighted Average Shares Outstanding | | | | | |
| Basic | 7,581,823 | 7,588,505 | 7,586,465 | 7,580,618 | 7,573,020 |
| Diluted | 7,671,118 | 7,701,507 | 7,702,831 | 7,707,204 | 7,694,569 |
| Total Shares Outstanding | 7,596,198 | 7,592,520 | 7,592,520 | 7,591,915 | 7,577,805 |

| | Year Ended | |
|--------------------------------------------|----------------------|----------------------|
| | December 31, 2022 | December 31, 2021 |
| Interest Income | | |
| Loans | \$ 39,612 | \$ 33,025 |
| Investments | 9,095 | 4,961 |
| Total Interest Income | \$ 48,707 | \$ 37,986 |
| Interest Expense | 4,197 | 2,198 |
| Net Interest Income | \$ 44,510 | \$ 35,788 |
| Provision for Loan Losses | 1,950 | 1,324 |
| Noninterest Income | 5,065 | 9,839 |
| Noninterest Expense | 32,582 | 30,722 |
| Income Before Taxes | \$ 15,043 | \$ 13,581 |
| Provision for Income Taxes | 2,989 | 2,734 |
| Net Income | \$ 12,054 | \$ 10,847 |
| | | |
| Basic Earnings Per Share | \$ 1.59 | \$ 1.45 |
| Diluted Earnings Per Share | \$ 1.57 | \$ 1.43 |
| | | |
| Weighted Average Shares Outstanding | | |
| Basic | 7,581,823 | 7,492,737 |
| Diluted | 7,693,485 | 7,607,050 |
| | | |
| Total Shares Outstanding | 7,596,198 | 7,577,805 |

Noninterest Income/Expense

Dollars in Thousands

| | Three Months Ended | | | | |
|----------------------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
| | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 |
| Noninterest Income | | | | | |
| Service charges and fees | \$ 126 | \$ 138 | \$ 145 | \$ 134 | \$ 131 |
| Securities gains, net | 126 | (71) | (110) | (545) | 86 |
| Secondary mortgage income | 157 | 303 | 614 | 804 | 1,014 |
| Other income | 801 | 828 | 845 | 770 | 725 |
| Total noninterest income | \$ 1,210 | \$ 1,198 | \$ 1,494 | \$ 1,163 | \$ 1,956 |
| | | | | | |
| Noninterest expense | | | | | |
| Salaries and employee benefits | \$ 4,344 | \$ 5,257 | \$ 5,357 | \$ 5,161 | \$ 4,767 |
| Occupancy | 1,086 | 1,074 | 1,100 | 1,042 | 1,257 |
| Other expense | 2,088 | 2,263 | 2,010 | 1,800 | 1,794 |
| Total noninterest expense | \$ 7,518 | \$ 8,594 | \$ 8,467 | \$ 8,003 | \$ 7,818 |

| | Year Ended | |
|----------------------------------|----------------------|----------------------|
| | December 31, 2022 | December 31, 2021 |
| Noninterest Income | | |
| Service charges and fees | \$ 543 | \$ 500 |
| Securities gains, net | (600) | 1,122 |
| Secondary mortgage income | 1,878 | 5,348 |
| Other income | 3,244 | 2,869 |
| Total noninterest income | \$ 5,065 | \$ 9,839 |
| Noninterest expense | | |
| Salaries and employee benefits | \$ 20,119 | \$ 19,299 |
| Occupancy | 4,302 | 4,513 |
| Other expense | 8,161 | 6,910 |
| Total noninterest expense | \$ 32,582 | \$ 30,722 |

Balance Sheet Activity

Total assets increased \$178.1 million to \$1.4 billion as of December 31, 2022, compared to \$1.2 billion as of December 31, 2021. This increase in total assets during the year ended December 31, 2022 was driven primarily by an increase in net loans of \$266.8 million, partially offset by a reduction in mortgage loans held for sale of \$9.0 million and a decline in cash and cash equivalents of \$79.5 million. Net loans grew 36.8 percent in the year ended December 31, 2022 compared to 6.7 percent for the year ended December 31, 2021.

Total deposits increased \$134.7 million in the twelve months ended December 31, 2022, of which \$24.9 million was noninterest bearing, compared to an increase of \$247.2 million in the twelve months ended December 31, 2021.

Shareholders' equity totaled \$91.0 million as of December 31, 2022, a decrease of \$14.5 million from December 31, 2021, driven primarily by a \$27.0 million adjustment for unrealized losses in the Bank's available-for-sale securities portfolio since December 31, 2021, partially offset by \$12.1 million in earnings during the year ended December 31, 2022. The \$27.0 million adjustment for unrealized losses during the period resulted from a decrease in the market value of securities in the Bank's available-for-sale securities portfolio, which is attributed to the Federal Open Market Committee of the Board of Governors of the Federal Reserve System repeatedly raising their target benchmark interest rate throughout the course of 2022, resulting in subsequent prime rate increases of 425 basis points between March and December of 2022, and further resulting in a significant increase in market interest rates during the period. At this time, the Company expects the current rising interest rate environment to continue in light of the persistent inflationary environment in the United States. Generally, the Bank classifies its debt securities held in the Bank's securities portfolio as available-for-sale. During the year ended December 31, 2022, the Bank reclassified a portion of its securities portfolio to held to maturity. The Bank anticipates these securities will mature at par. The Company reported 7,596,198 total shares outstanding as of December 31, 2022. The increase of 18,393 shares outstanding during the year ended December 31, 2022 is due to the exercise of stock options granted.

Total assets increased \$36.6 million in the fourth quarter of 2022 to \$1.4 billion as of December 31, 2022. The increase in total assets during the fourth quarter of 2022 was the result of an increase in net loans of \$53.7 million, partially offset by a decrease in cash and cash equivalents of \$15.5 million. Net loans increased by 5.7% for the quarter ended December 31, 2022 when compared to September 30, 2022.

Total deposits decreased \$19.6 million, or 1.6%, during the three months ended December 31, 2022, ending the year at \$1.2 billion. Total liabilities increased by 2.6% in the fourth quarter of 2022, or \$33.8 million, to \$1.3 billion at December 31, 2022.

Shareholder's equity totaled \$91.0 million at December 31, 2022, an increase of \$2.8 million, or 3.1% compared to September 30, 2022. This increase is the result of \$4.0 million in net income for the fourth quarter of 2022, partially offset by the \$1.4 million adjustment for unrealized losses in the Bank's available-for-sale securities portfolio.

Balance Sheets

Dollars in Thousands

| | For the Periods Ended | | | | |
|---------------------------------------------------|-----------------------|-----------------------|---------------------|---------------------|----------------------|
| | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 |
| Cash and Cash Equivalents | \$ 15,852 | \$ 31,397 | \$ 118,495 | \$ 108,901 | \$ 95,378 |
| Trading Securities | - | - | - | 9,510 | 10,055 |
| Investment Securities | 318,011 | 321,496 | 330,436 | 338,293 | 324,176 |
| Loans Held for Sale | 677 | 766 | 2,156 | 3,840 | 9,692 |
| Loans | | | | | |
| Loans | 1,002,633 | 948,031 | 887,712 | 772,978 | 733,896 |
| Less Allowance for Loan Losses | (10,111) | (9,210) | (8,560) | (8,235) | (8,159) |
| Loans, Net | \$ 992,522 | \$ 938,821 | \$ 879,152 | \$ 764,743 | \$ 725,737 |
| OREO | | | | - | - |
| Property, net of accumulated depreciation | \$ 19,888 | \$ 19,332 | \$ 19,371 | \$ 19,550 | \$ 19,772 |
| BOLI | 29,517 | 29,324 | 24,143 | 23,990 | 23,839 |
| Goodwill | 5,349 | 5,349 | 5,349 | 5,349 | 5,349 |
| Core Deposit Intangible | 453 | 496 | 542 | 590 | 640 |
| Other Assets | 27,791 | 26,480 | 24,040 | 21,366 | 17,315 |
| Total Assets | \$ 1,410,060 | \$ 1,373,461 | \$ 1,403,684 | \$ 1,296,132 | \$ 1,231,953 |
| Deposits | | | | | |
| Noninterest bearing | \$ 371,412 | \$ 400,321 | \$ 408,474 | \$ 356,345 | \$ 346,525 |
| Interest bearing | 845,350 | 836,060 | 858,491 | 799,866 | 735,577 |
| Total Deposits | \$ 1,216,762 | \$ 1,236,381 | \$ 1,266,965 | \$ 1,156,211 | \$ 1,082,102 |
| Other Borrowings | - | - | - | - | - |
| Other Liabilities | 102,292 | 48,840 | 46,790 | 45,438 | 44,339 |
| Total Liabilities | \$ 1,319,054 | \$ 1,285,221 | \$ 1,313,755 | \$ 1,201,649 | \$ 1,126,441 |
| Shareholders' Equity | \$ 91,006 | \$ 88,240 | \$ 89,929 | \$ 94,483 | \$ 105,512 |
| Total Liabilities and Shareholders' Equity | \$ 1,410,060 | \$ 1,373,461 | \$ 1,403,684 | \$ 1,296,132 | \$ 1,231,953 |

PPP Loans

The Company participated in both phases of the PPP and processed an aggregate of 1,532 PPP loans, totaling \$146.3 million. As of the second quarter of 2022, all PPP loans originated by the Bank have been forgiven by the SBA or otherwise paid off, and the Bank has accreted to earnings all remaining PPP-related SBA fees. In addition, the Bank successfully converted 375 of its PPP loan borrowers without existing banking relationships into full-service deposit and loan relationship customers.

Net Interest Margin

Net interest margin, on a tax equivalent basis ("net interest margin"), increased by 40 basis points to 3.72 percent for the three months ended December 31, 2022, compared to 3.32 percent for the three months ended December 31, 2021. The increase is primarily attributable to a 73 basis point increase in yields on interest earning assets during the period. Cost of funds increased by 36 basis points to 0.56 percent for the three months ended December 31, 2022 compared to 0.20 percent for the three months ended December 31, 2021.

Net interest margin decreased by 3 basis points to 3.51 percent for the year ended December 31, 2022, compared to 3.54% for the year ended December 31, 2021. While the Company experienced an increase in yield on total earning assets of 8 basis points, ending the year ended December 31, 2022 at 3.84 percent compared to 3.76 percent for the year ended December 31, 2021, cost of funds increased by 12 basis points during the period, resulting in a cost of funds of 0.34 percent for the year ended December 31, 2022, when compared to 0.22 percent for the same period in 2021,

Net Interest Margin Analysis

Dollars in Millions

| | Three Months Ended | | | | | | | | | |
|-------------------------------------|--------------------|--------------|--------------------|--------------|-----------------|--------------|-----------------|--------------|-------------------|--------------|
| | December 31, 2022 | | September 30, 2022 | | June 30, 2022 | | March 31, 2022 | | December 31, 2021 | |
| | Average Balance | Yield/Rate | Average Balance | Yield/Rate | Average Balance | Yield/Rate | Average Balance | Yield/Rate | Average Balance | Yield/Rate |
| Interest earning assets | | | | | | | | | | |
| Loans | \$ 971 | 4.69% | \$ 920 | 4.39% | \$ 822 | 4.11% | \$ 751 | 4.00% | \$ 719 | 3.97% |
| Loan fees | | 0.10% | | 0.17% | | 0.29% | | 0.42% | | 0.42% |
| Loans with fees | \$ 971 | 4.79% | \$ 920 | 4.56% | \$ 822 | 4.40% | \$ 751 | 4.42% | \$ 719 | 4.40% |
| Total interest earning assets | \$ 1,332 | 4.25% | \$ 1,357 | 3.88% | \$ 1,258 | 3.61% | \$ 1,157 | 3.54% | \$ 1,105 | 3.52% |
| Interest-bearing liabilities | | | | | | | | | | |
| Total interest bearing deposits | \$ 831 | 0.62% | \$ 851 | 0.28% | \$ 825 | 0.25% | \$ 750 | 0.25% | \$ 741 | 0.27% |
| Total interest bearing liabilities | \$ 882 | 0.80% | \$ 881 | 0.39% | \$ 855 | 0.37% | \$ 779 | 0.38% | \$ 747 | 0.29% |
| Cost of funds | | 0.56% | | 0.27% | | 0.26% | | 0.27% | | 0.20% |
| Net interest margin | | 3.72% | | 3.63% | | 3.36% | | 3.28% | | 3.32% |

| | Year Ended | | | |
|-------------------------------------|--------------------|----------------|--------------------|----------------|
| | December 31, 2022 | | December 31, 2021 | |
| | Average Balance | Yield/ Rate | Average Balance | Yield/ Rate |
| Interest earning assets | | | | |
| Loans | \$ 867 | 4.32% | \$ 706 | 3.97% |
| Loan fees | | 0.23% | | 0.65% |
| Loans with fees | \$ 867 | 4.56% | \$ 706 | 4.61% |
| Total interest earning assets | \$ 1,277 | 3.84% | \$ 1,017 | 3.76% |
| Interest-bearing liabilities | | | | |
| Total interest bearing deposits | \$ 814 | 0.35% | \$ 667 | 0.32% |
| Total interest bearing liabilities | \$ 850 | 0.49% | \$ 668 | 0.33% |
| Cost of funds | | 0.34% | | 0.22% |
| Net interest margin | | 3.51% | | 3.54% |

Credit Quality

We continue to see solid credit quality throughout our markets through December 31, 2022, with no loans classified as non-accrual, and one loan totaling \$5.8 thousand past due greater than 30 days as of December 31, 2022. Provision expense during the three months ended December 31, 2022 was \$900 thousand compared to \$553 thousand for the three months ended December 31, 2021. Provision expense for the year ended December 31, 2022 totaled \$2.0 million compared to \$1.3 million for the year ended December 31, 2021.

Credit Quality Analysis

| | For the Periods Ended | | | | |
|-----------------------------------|-----------------------|-----------------------|------------------|-------------------|----------------------|
| | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 |
| LLR to Total Loans | 1.01% | 0.97% | 0.96% | 1.07% | 1.11% |
| LLR to Total Loans (Net PPP) | 1.01% | 0.97% | 0.96% | 1.08% | 1.15% |
| NPAs to Avg Assets | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% |
| 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) | \$ - | \$ - | \$ - | \$ - | \$ 75 |

Performance Ratios

| | For the Periods Ended | | | | |
|---------------------|-----------------------|-----------------------|------------------|-------------------|----------------------|
| | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 |
| ROAA | 1.13% | 0.81% | 0.70% | 0.65% | 0.74% |
| ROAE | 20.03% | 10.52% | 9.16% | 7.94% | 8.61% |
| Efficiency | 55.50% | 67.79% | 70.80% | 72.06% | 70.28% |
| NIM | 3.72% | 3.63% | 3.36% | 3.28% | 3.32% |
| Book Value | \$ 11.62 | \$ 11.62 | \$ 11.84 | \$ 12.45 | \$ 13.92 |
| Tangible Book Value | \$ 11.21 | \$ 10.84 | \$ 11.04 | \$ 11.63 | \$ 13.10 |

Regulatory Capital Position

The Bank's capital position remains above the regulatory thresholds required to be considered "well-capitalized," with a total risk-based capital ratio of 12.12 percent and leverage ratio of 8.56 percent as of December 31, 2022. The Company maintains \$19.5 million of the proceeds from its 2021 subordinated debt issuance at the holding company level and available for use to supplement the capital ratios of the Bank.

Regulatory Capital Ratios

| Bank Only | For the Periods Ended | | | | |
|-----------|-----------------------|-----------------------|------------------|-------------------|----------------------|
| | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 |
| Tier 1 | 11.18% | 11.13% | 10.81% | 11.61% | 12.01% |
| Leverage | 8.56% | 8.33% | 8.37% | 8.35% | 8.38% |
| CET-1 | 11.18% | 11.13% | 10.81% | 11.61% | 12.01% |
| Total | 12.12% | 12.01% | 11.63% | 12.53% | 12.99% |

| Additional Data | For the Periods Ended | | | | |
|----------------------------------|-----------------------|-----------------------|------------------|-------------------|----------------------|
| | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 |
| Branches | 12 | 12 | 12 | 11 | 11 |
| Employees (Full Time Equivalent) | 158 | 152 | 153 | 150 | 150 |

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 \$1.4 billion in total assets as of December 31, 2022. 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 offices in Myrtle Beach, Carolina Forest, North Myrtle Beach, Murrells Inlet, Pawleys Island, Georgetown, Mount Pleasant, Charleston, Bluffton, Hilton Head Island 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.

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, general economic conditions, the impact of the ongoing COVID-19 pandemic (and any current or future variants thereof), changes in market interest rates, the persistence of the current inflationary environment in our market areas and the United States, the uncertain impacts of quantitative tightening and current and future monetary policies of the Board of Governors of the Federal Reserve System, regulatory considerations, competition and market expansion opportunities, changes in non-interest expenditures or in the anticipated benefits of such expenditures, the receipt of required regulatory approvals, changes in tax laws, and current or future litigation, regulatory examinations or other legal and/or regulatory actions, including as a result of our participation in and execution of government programs related to the COVID-19 pandemic and any current or future variants thereof. 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 and 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 and readers are cautioned not to place undue reliance on the forward-looking statements contained in this press release. 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 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, 2021, 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, 2021, as contained in the Company's 2021 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, and quarterly earnings reports. 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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