



## **South Atlantic Bancshares, Inc. Reports Earnings of \$0.30 per Diluted Common Share for the Three Months Ended June 30, 2024**

**MYRTLE BEACH, S.C., July 25, 2024 /PRNewswire/** -- South Atlantic Bancshares, Inc. ("South Atlantic" or the "Company") (OTCQX: SABK), parent of South Atlantic Bank (the "Bank"), reported consolidated net income of \$2.3 million, or \$0.30 per diluted common share, for the second quarter of 2024, compared to \$2.0 million, or \$0.26 per diluted common share for the first quarter of 2024. The Company reported \$4.3 million, or \$0.56 per diluted common share, for the six months ended June 30, 2024, compared to \$5.6 million, or \$0.74 per diluted common share, for the six months ended June 30, 2023.

### **Second Quarter 2024 Financial Highlights:**

- **Net income totaled \$2.3 million for the second quarter of 2024, which represents an increase of 13.4 percent quarter-over-quarter**
- **Total assets increased \$124.5 million to \$1.75 billion during the six months ended June 30, 2024, an increase of 15.4 percent annualized from December 31, 2023**
- **Total deposits grew \$117.9 million to \$1.41 billion during the six months ended June 30, 2024, an increase of 18.2 percent annualized from December 31, 2023**
- **Cash and cash equivalents increased \$99.3 million during the first two quarters of 2024 to \$136.5 million, which represents an increase of 267.0 percent**
- **Total loans increased \$36.3 million during the first half of 2024 with a weighted average yield on new production of 8.5 percent**
- **Tangible book value per share at June 30, 2024 increased by \$1.45, or 12.1 percent, to \$13.40 per share when compared to June 30, 2023**
- **Interest income on loans and investments increased \$1.1 million during the second quarter of 2024, or 5.6 percent when compared to the first quarter of 2024**
- **Net interest margin, calculated on a tax equivalent basis ("net interest margin") (non-GAAP) was flat for the second quarter of 2024 at 2.64 percent, compared to a 0.18 percent decline during the first quarter of 2024**
- **Upon approval by the Board of Directors, the Company executed a share repurchase of 35,000 during the second quarter of 2024**

"We are pleased to report solid financial results for the second quarter of 2024 and continued positive momentum across our franchise," remarked K. Wayne Wicker Chairman and CEO of the Company. "Net income increased notably over the first quarter of 2024, with a 13.4 percent increase. Deposit and loan growth remains strong across all our markets, with year-to-date deposit growth of \$117.9 million, and annualized year-to-date loan growth of 6.1 percent. Our net interest margin was stable during the quarter of 2024, along with reduced upward pressure on funding costs. Given our strong liquidity and capital positions, during the second quarter, our board of directors authorized a stock repurchase program for up to 5.0 percent of our outstanding common stock, and the Company completed aggregate repurchases of 35,000 shares during the quarter. Our credit quality remains strong, and we are optimistic about the second half of 2024."

**Selected Financial Highlights**  
**For the Periods/Three Months Ended**

<b>Balance Sheet (000's)</b>	<b>June 30, 2024</b>	<b>March 31, 2024</b>	<b>Change (\$)</b>	<b>Change (%)<sup>1</sup></b>
Total Assets	\$ 1,746,759	\$ 1,669,955	\$ 76,804	18.4%
Cash and Cash Equivalents	136,537	78,534	58,003	295.4%
Total Loans, Net of Unearned Income	1,220,489	1,205,453	15,036	5.0%
Total Deposits	1,411,958	1,339,290	72,668	21.7%
Total Equity	107,046	104,872	2,174	8.3%
	<b>June 30, 2024</b>	<b>March 31, 2024</b>	<b>Change (\$)</b>	<b>Change (%)</b>
<b>Income Statement and Per Share Data</b>				
Net Income (000's)	\$ 2,276	\$ 2,007	\$ 269	13.4%
Earnings Per Share	0.30	0.26	0.04	15.4%
	<b>June 30, 2024</b>	<b>March 31, 2024</b>		
<b>Selected Financial Ratios</b>				
Return on Average Assets	0.51%	0.49%		
NPAs to Average Assets	0.00%	0.00%		
Efficiency Ratio	71.14%	75.22%		
Net Interest Margin	2.64%	2.64%		

<sup>1</sup> Results annualized.

### Earnings Summary

Net interest income increased \$160 thousand, or 1.5 percent, to \$10.5 million for the three months ended June 30, 2024, when compared to \$10.3 million for the three months ended June 30, 2023. The Company experienced an increase in interest income of \$4.5 million, or 27.0 percent, during the second quarter of 2024 compared to the second quarter of 2023, partially offset by a \$4.4 million increase in interest expense during the second quarter of 2024 primarily due to the prolonged environment of elevated market interest rates for deposits across the Bank's market areas and increased competition from bank and non-bank alternatives, as well as higher balances in interest bearing deposit accounts during the period. The increase in interest income during the three months ended June 30, 2024 compared to the prior year period was primarily driven by a \$3.5 million increase in interest income on the Company's loan portfolio due to increased yields and volume, as well as an increase of \$1.0 million of interest income from the Company's investment securities portfolio and interest earnings on cash balances held with the Federal Reserve Bank of Richmond (the "FRB") and correspondent banks.

For the six months ended June 30, 2024, net interest income decreased \$880 thousand, or 4.1 percent, to \$20.6 million when compared to \$21.5 million for the six months ended June 30, 2023. This decrease was driven primarily by the increase in interest expense of \$10.2 million, or 95.2 percent, from \$10.7 million for the six months ended June 30, 2023 to \$20.9 million for the six months ended June 30, 2024, and was partially offset by the increase in interest income on loans of \$7.7 million, or 28.4 percent, and increase in interest income on investments and cash and cash equivalents of \$1.6 million, or 31.7 percent, during the first two quarters of 2024.

Noninterest income decreased \$47.0 thousand, or 3.2 percent, for the three months ended June 30, 2024 compared to the same three-month period in 2023, primarily driven by a decrease in service charge income of \$223.0 thousand from a one-time collection of an early certificate of deposit redemption. The decline in service charge income was partially offset by an increase in secondary mortgage income of \$131.0 thousand, or 58.2 percent when compared to the same period in 2023. When compared to the first quarter of 2024, secondary mortgage income increased \$172.0 thousand or 93.5 percent. Noninterest expense increased \$405 thousand, or 4.8 percent for the three months ended June 30, 2024, when compared to same period during 2023. The increase was driven primarily by an increase of \$129.0 thousand in compensation and employee benefits, led by increases in retirement and group insurance expense, as well as increases in

other operating expenses, primarily driven by software maintenance, data processing, regulatory assessments, and compliance costs.

For the six months ended June 30, 2024, noninterest income increased \$7.0 thousand, or 0.3 percent when compared to the six months ended June 30, 2023, with a decrease in service charge income of \$213.0 thousand, primarily driven by a one-time collection of an early certificate of deposit redemption during the second quarter of 2023, offset by increases in secondary mortgage income of \$119.0 thousand, or 28.3 percent, and an increase of \$92.0 thousand, or 16.3 percent, in other noninterest income. Noninterest expense increased \$666.0 thousand, or 4.0 percent, for the six months ended June 30, 2024, when compared to the six months ended June 30, 2023, primarily driven by increases of \$197.0 thousand, or 10.7 percent in occupancy expenses related to branch footprint expansion and increased property insurance costs, as well as increases in salaries and employee benefits of \$190.0 thousand, or 1.9 percent, primarily driven by increased expense related to retirement and group medical insurance.

## Financial Performance

Dollars in Thousands Except Per Share Data

	Three Months Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Interest Income					
Loans	\$ 17,637	\$ 17,194	\$ 16,324	\$ 15,186	\$ 14,122
Investments	3,656	2,971	3,092	2,964	2,648
<b>Total Interest Income</b>	<b>\$ 21,293</b>	<b>\$ 20,165</b>	<b>\$ 19,416</b>	<b>\$ 18,150</b>	<b>\$ 16,770</b>
Interest Expense	10,803	10,048	8,781	7,776	6,440
<b>Net Interest Income</b>	<b>\$ 10,490</b>	<b>\$ 10,117</b>	<b>\$ 10,635</b>	<b>\$ 10,374</b>	<b>\$ 10,330</b>
Provision for Loan Losses	150	175	400	-	180
Noninterest Income	1,434	1,180	1,165	1,166	1,481
Noninterest Expense	8,847	8,583	8,394	8,772	8,442
<b>Income Before Taxes</b>	<b>\$ 2,927</b>	<b>\$ 2,539</b>	<b>\$ 3,006</b>	<b>\$ 2,768</b>	<b>\$ 3,189</b>
Provision for Income Taxes	651	532	813	579	676
<b>Net Income</b>	<b>\$ 2,276</b>	<b>\$ 2,007</b>	<b>\$ 2,193</b>	<b>\$ 2,189</b>	<b>\$ 2,513</b>

<b>Basic Earnings Per Share</b>	<b>\$ 0.30</b>	<b>\$ 0.26</b>	<b>\$ 0.29</b>	<b>\$ 0.29</b>	<b>\$ 0.33</b>
<b>Diluted Earnings Per Share</b>	<b>\$ 0.30</b>	<b>\$ 0.26</b>	<b>\$ 0.29</b>	<b>\$ 0.29</b>	<b>\$ 0.33</b>

### Weighted Average Shares Outstanding

Basic	7,604,515	7,606,024	7,605,854	7,546,086	7,545,922
Diluted	7,657,325	7,669,225	7,644,120	7,589,725	7,606,002
<b>Total Shares Outstanding</b>	<b>7,571,823</b>	<b>7,606,823</b>	<b>7,605,854</b>	<b>7,605,854</b>	<b>7,596,779</b>

	Six Months Ended	
	June 30, 2024	June 30, 2023
Interest Income		
Loans	\$ 34,831	\$ 27,137
Investments	6,627	5,031
<b>Total Interest Income</b>	<b>\$ 41,458</b>	<b>\$ 32,168</b>
Interest Expense	20,851	10,681
<b>Net Interest Income</b>	<b>\$ 20,607</b>	<b>\$ 21,487</b>
Provision for Loan Losses	325	355
Noninterest Income	2,614	2,607
Noninterest Expense	17,430	16,764
<b>Income Before Taxes</b>	<b>\$ 5,466</b>	<b>\$ 6,975</b>
Provision for Income Taxes	1,183	1,338
<b>Net Income</b>	<b>\$ 4,283</b>	<b>\$ 5,637</b>

<b>Basic Earnings Per Share</b>	<b>\$ 0.57</b>	<b>\$ 0.74</b>
<b>Diluted Earnings Per Share</b>	<b>\$ 0.56</b>	<b>\$ 0.74</b>

### Weighted Average Shares Outstanding

Basic	7,605,270	7,568,717
Diluted	7,663,209	7,668,383
<b>Total Shares Outstanding</b>	<b>7,571,823</b>	<b>7,596,779</b>

## Noninterest Income/Expense

Dollars in Thousands

	Three Months Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
<b>Noninterest Income</b>					
Service charges and fees	\$ 166	\$ 138	\$ 138	\$ 142	\$ 389
Secondary mortgage income	356	184	190	137	225
Merchant and interchange income	596	516	541	585	582
Other income	316	342	296	302	285
<b>Total noninterest income</b>	<b>\$ 1,434</b>	<b>\$ 1,180</b>	<b>\$ 1,165</b>	<b>\$ 1,166</b>	<b>\$ 1,481</b>
<b>Noninterest expense</b>					
Salaries and employee benefits	\$ 5,247	\$ 5,097	\$ 4,193	\$ 5,272	\$ 5,118
Occupancy	1,000	1,036	1,048	973	944
Data processing	630	772	829	674	604
Other expense	1,970	1,678	2,324	1,853	1,776
<b>Total noninterest expense</b>	<b>\$ 8,847</b>	<b>\$ 8,583</b>	<b>\$ 8,394</b>	<b>\$ 8,772</b>	<b>\$ 8,442</b>

	Six Months Ended	
	June 30, 2024	June 30, 2023
<b>Noninterest Income</b>		
Service charges and fees	\$ 304	\$ 517
Securities gains, net	-	3
Secondary mortgage income	540	421
Merchant and interchange	1,112	1,100
Other income	658	566
<b>Total noninterest income</b>	<b>\$ 2,614</b>	<b>\$ 2,607</b>
<b>Noninterest expense</b>		
Salaries and employee benefits	\$ 10,344	\$ 10,154
Occupancy	2,036	1,839
Data processing	1,402	1,264
Other expense	3,648	3,507
<b>Total noninterest expense</b>	<b>\$ 17,430</b>	<b>\$ 16,764</b>

## Balance Sheet Activity

Total assets increased \$124.5 million to \$1.75 billion as of June 30, 2024, compared to \$1.62 billion as of December 31, 2023, an increase of 15.4 percent, annualized. The increase in total assets during the six months ended June 30, 2024 was driven primarily by an increase in cash and cash equivalents of \$99.3 million, or 267.0 percent, and an increase of \$36.3 million, or 3.1 percent in net loans, partially offset by a reduction in investment securities of \$8.8 million due to the maturity of investments held.

Total deposits increased \$117.9 million, or 9.1 percent, during the six months ended June 30, 2024. The overall increase in deposits during the period is attributable to organic growth of core deposit accounts, with no additions to brokered deposits during the first half of 2024.

Shareholders' equity totaled \$107.0 million as of June 30, 2024, an increase of \$4.1 million, or 4.0 percent, from December 31, 2023, primarily driven by \$4.3 million in earnings during the six months ended June 30, 2024 partially offset by the declaration and payment of an ordinary cash dividend of \$757.4 thousand on the Company's common stock during the first quarter of 2024.

The Company reported 7,571,823 total shares of common stock outstanding as of June 30, 2024. The decrease of 34,031 shares of common stock outstanding during the six months ended June 30, 2024 is due to a share repurchase completed by the Company during the second quarter of 2024, partially offset by the exercise during the period of stock options granted. Tangible book value increased \$0.61 per share, or 4.7 percent, to \$13.40 per share as of June 30, 2024, when compared to \$12.79 per share as of December 31, 2023, and has increased \$1.45 per share, or 12.1 percent, when compared to \$11.95 per share as of June 30, 2023.

## Balance Sheets

Dollars in Thousands

	For the Periods Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Cash and Cash Equivalents	\$ 136,537	\$ 78,534	\$ 37,200	\$ 24,273	\$ 38,011
Investment Securities	304,930	297,287	313,681	306,334	313,202
Loans Held for Sale	3,605	1,185	949	1,345	426
Loans					
Loans	1,220,489	1,205,453	1,184,187	1,136,231	1,095,316
Less Allowance for Loan Losses	(11,184)	(11,038)	(10,863)	(10,463)	(10,462)
Loans, Net	\$ 1,209,305	\$ 1,194,415	\$ 1,173,324	\$ 1,125,768	\$ 1,084,854
OREO					
Property, net of accumulated depreciation	\$ 23,388	\$ 22,360	\$ 22,290	\$ 22,041	\$ 22,494
BOLI	34,863	34,603	34,345	30,132	29,924
Goodwill	5,349	5,349	5,349	5,349	5,349
Core Deposit Intangible	232	264	298	375	455
Other Assets	28,550	35,958	34,814	35,655	30,698
<b>Total Assets</b>	<b>\$ 1,746,759</b>	<b>\$ 1,669,955</b>	<b>\$ 1,622,250</b>	<b>\$ 1,551,272</b>	<b>\$ 1,525,413</b>
Deposits					
Noninterest bearing	\$ 321,763	\$ 293,998	\$ 331,933	\$ 344,011	\$ 355,549
Interest bearing	1,090,195	1,045,292	962,164	959,310	922,494
Total Deposits	\$ 1,411,958	\$ 1,339,290	\$ 1,294,097	\$ 1,303,321	\$ 1,278,043
Subordinated Debt	29,703	29,673	29,642	29,611	29,580
Other Borrowings	175,000	175,000	175,000	104,000	104,900
Other Liabilities	23,052	21,120	20,557	19,414	16,304
<b>Total Liabilities</b>	<b>\$ 1,639,713</b>	<b>\$ 1,565,083</b>	<b>\$ 1,519,296</b>	<b>\$ 1,456,346</b>	<b>\$ 1,428,827</b>
Stock with Related Surplus	\$ 78,640	\$ 79,027	\$ 78,978	\$ 78,601	\$ 78,483
Retained Earnings	52,237	49,961	48,711	46,517	44,329
Accumulated Other Comprehensive Income	(23,831)	(24,116)	(24,735)	(30,192)	(26,226)
<b>Shareholders' Equity</b>	<b>\$ 107,046</b>	<b>\$ 104,872</b>	<b>\$ 102,954</b>	<b>\$ 94,926</b>	<b>\$ 96,586</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,746,759</b>	<b>\$ 1,669,955</b>	<b>\$ 1,622,250</b>	<b>\$ 1,551,272</b>	<b>\$ 1,525,413</b>

## Net Interest Margin

Net interest margin remained flat at 2.64 percent for the three months ended June 30, 2024 when compared to the three months ended March 31, 2024. The yield on interest earning assets increased by 14 basis points during the second quarter of 2024 to 5.36 percent from 5.22 percent for the first quarter of 2024, offset by an increase in cost of funds of 14 basis points during the second quarter of 2024 to 2.81 percent from 2.67 percent for the first quarter of 2024.

## Net Interest Margin Analysis

Dollars in Millions

	Three Months Ended									
	June 30, 2024		March 31, 2024		December 31, 2023		September 30, 2023		June 30, 2023	
	Average Balance	Yield/Rate	Average Balance	Yield/Rate	Average Balance	Yield/Rate	Average Balance	Yield/Rate	Average Balance	Yield/Rate
<b>Interest earning assets</b>										
Loans	\$ 1,211	5.84%	\$ 1,192	5.76%	\$ 1,159	5.54%	\$ 1,110	5.33%	\$ 1,081	5.14%
Loan fees		0.01%		0.03%		0.04%		0.09%		0.09%
Loans with fees	\$ 1,211	5.86%	\$ 1,192	5.79%	\$ 1,159	5.58%	\$ 1,110	5.42%	\$ 1,081	5.23%
Total interest earning assets	\$ 1,598	5.36%	\$ 1,560	5.22%	\$ 1,517	5.11%	\$ 1,478	4.91%	\$ 1,437	4.71%
<b>Interest-bearing liabilities</b>										
Total interest bearing deposits	\$ 1,056	3.23%	\$ 1,005	3.10%	\$ 961	2.77%	\$ 938	2.57%	\$ 920	2.15%
Total interest bearing liabilities	\$ 1,261	3.45%	\$ 1,209	3.33%	\$ 1,121	3.10%	\$ 1,069	2.88%	\$ 1,046	2.46%
<b>Cost of funds</b>		<b>2.81%</b>		<b>2.67%</b>		<b>2.38%</b>		<b>2.16%</b>		<b>1.86%</b>
<b>Net interest margin</b>		<b>2.64%</b>		<b>2.64%</b>		<b>2.82%</b>		<b>2.83%</b>		<b>2.92%</b>

## Credit Quality

We continue to see excellent credit quality in our markets through June 30, 2024, with one loan classified as non-accrual, and no loans past due greater than 30 days as of June 30, 2024.

The Company recorded a provision for credit losses of \$150 thousand during the three months ended June 30, 2024, compared to a provision of \$175 thousand for the three months ended March 31, 2024 and a provision of \$180 thousand for the three months ended June 30, 2023.

The Company continues to closely monitor credit quality in light of the continued economic uncertainty due to the prolonged elevated interest rate environment and persistent inflationary pressures in the United States and our market areas. Accordingly, additional provisions for credit losses may be necessary in future periods.

## Credit Quality Analysis

	For the Periods Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
LLR to Total Loans	0.92%	0.92%	0.92%	0.92%	0.96%
NPAs to Avg Assets	0.00%	0.00%	0.00%	0.01%	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%	0.03%	0.00%	0.00%
Total NPAs (thousands)	\$ 25	\$ 25	\$ -	\$ 156	\$ -



## Performance Ratios

	Three Months Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
ROAA	0.51%	0.49%	0.55%	0.56%	0.67%
ROAE	8.23%	7.98%	9.98%	9.65%	11.03%
Efficiency	71.14%	75.22%	70.46%	75.32%	70.84%
NIM	2.64%	2.64%	2.82%	2.83%	2.92%
Book Value	\$ 14.14	\$ 13.79	\$ 13.54	\$ 12.48	\$ 12.71
Tangible Book Value	\$ 13.40	\$ 13.05	\$ 12.79	\$ 11.73	\$ 11.95

## 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 12.46 percent and leverage ratio of 8.57 percent as of June 30, 2024.

## Regulatory Capital Ratios

Bank Only	For the Periods Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Tier 1	11.58%	11.62%	11.37%	11.84%	12.00%
Leverage	8.57%	8.76%	8.84%	9.11%	9.23%
CET-1	11.58%	11.62%	11.37%	11.84%	12.00%
Total	12.46%	12.51%	12.24%	12.73%	12.91%

Additional Data	For the Periods Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Branches	12	12	12	12	12
Employees (Full Time Equivalent)	161	161	163	165	170

## Liquidity and Interest Rate Risk Management

The Company regularly pledges loans and securities to the FRB and the Federal Home Loan Bank ( the "FHLB"), resulting in total net borrowing capacity with the FRB, the FHLB, and correspondent lines of credit of approximately \$175.0 million. Additionally, the Company pledges portions of its investment securities portfolio to secure public funds deposits.

As part of the Company's ongoing interest rate risk management, the Company has entered into a series of pay-fixed rate, receive-floating cash flow swap transactions ("Pay-Fixed Swap Agreements"). The Pay-Fixed Swap Agreements are designed as an interest rate hedge for matched-term FHLB advances and to hedge the risk of changes in fair value of certain fixed rate loans in the Company's loan portfolio, which converts the hedged loans from a fixed rate to a synthetic floating Secured Overnight Financing Rate (SOFR). The Pay-Fixed Swap Agreements have a total notional value of \$175.0 million, have stratified maturities, and have a weighted average life of less than two years.

## **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 \$1.7 billion in total assets as of June 30, 2024. 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 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](http://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: the impact on us or our customers of a decline in general economic conditions, and any regulatory responses thereto; potential recession in the United States and our market areas; the impacts related to or resulting from bank failures and any continuation of uncertainty in the banking industry, including the associated impact to the Company and other financial institutions of any regulatory changes or other mitigation efforts taken by government agencies in response thereto; increased competition for deposits and related changes in deposit customer behavior; the impact of changes in market interest rates, whether due to continued elevated interest rates or potential reductions in interest rates and a resulting decline in net interest income; the persistence of the current inflationary pressures, or the resurgence of elevated levels of inflation, in our market areas and the United States; the uncertain impacts of ongoing quantitative tightening and current and future monetary policies of the Board of Governors of the Federal Reserve System; increases in unemployment rates in the United States and our market areas; declines in commercial real estate values and prices; uncertainty regarding United States fiscal debt and budget matters; 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; severe weather, natural disasters, acts of war or terrorism, geopolitical instability or other external events; 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; the risks related to the development, implementation, use and management of emerging technologies, including artificial intelligence and machine learnings; potential increased regulatory requirements and costs related to the transition and physical impacts of climate change; and current or future litigation, regulatory examinations or other legal and/or regulatory actions. 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 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, 2023, 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, 2023, as contained in the Company's 2023 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](http://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](http://www.otcmarkets.com/stock/SABK/overview)).

The Company routinely posts important information for investors on its web site (under [www.southatlantic.bank](http://www.southatlantic.bank) and, more specifically, under the Investor Relations tab at [www.southatlantic.bank/about-us/investor-relations](http://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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