South Atlantic Bancshares, Inc. Reports Earnings of $0.48 per Diluted Common Share for the Three Months Ended June 30, 2025

MYRTLE BEACH, S.C., July 24, 2025 /PRNewswire/ -- South Atlantic Bancshares, Inc. ("South Atlantic" or the "Company") (OTCQX: SABK), parent of South Atlantic Bank (the "Bank"), reported consolidated net income of $3.7 million, or $0.48 per diluted common share, for the second quarter of 2025, compared to $3.3 million, or $0.43 per diluted common share for the first quarter of 2025. The Company reported $7.0 million, or $0.91 per diluted common share, for the six months ended June 30, 2025, compared to $4.3 million, or $0.56 per diluted common share, for the six months ended June 30, 2024.

Second Quarter 2025 Financial Highlights:

- **Net income totaled $3.7 million for the second quarter of 2025, a quarter over quarter increase of $349.0 thousand or 10.5 percent, and an increase of $1.4 million, or 62.0 percent over the second quarter of 2024, despite a loss on sale of securities of $322.4 thousand in the second quarter of 2025**
- **Total assets increased $82.7 million to $1.9 billion during the six months ended June 30, 2025, an annualized increase of 9.3 percent, from December 31, 2024**
- **Total loans grew $53.7 million during the three months ended June 30, 2025, a quarter over quarter increase of 3.9 percent; total loans grew $95.3 million in the six months ended June 30, 2025, an increase of 7.1 percent over December 31, 2024**
- **Total deposits grew $47.6 million during the three months ended June 30, 2025, a quarter over quarter increase of 3.0 percent; total deposits grew $154.8 million in the six months ended June 30, 2025, an increase of 10.6 percent over December 31, 2024**
- **Utilization of short term borrowings were reduced by $50.0 million from $130.0 million to $80.0 million, a decrease of 38.5 percent, during the three months ended June 30, 2025**

“We are pleased to report solid financial results for the second quarter of 2025,” remarked K. Wayne Wicker Chairman and CEO of the Company.” Net income increased 10.5 percent over the first quarter of 2025. Deposit and loan growth remains strong across all our markets, with loans increasing by $53.7 million during the quarter, while deposits grew $47.6 million. While market interest rates remain elevated, we continue to see the benefits from a stable interest rate environment, as our net interest margin increased 4 basis points during the quarter, cost of funds decreased 6 basis points, and loan yields improved by 2 basis points. We were pleased to accomplish some targeted balance sheet restructuring during the quarter which has strengthened our overall balance sheet position. This included a targeted sale of securities with the proceeds immediately redeployed into higher yielding loans, as well as the retirement of higher cost short-term funding facilities which were repaid with on balance sheet liquidity. Additionally, our board of directors authorized a stock repurchase program for up to 5.0 percent of our outstanding common stock, and the Company completed an aggregate repurchase of 112,023 shares during the quarter. Economic activity remains strong across the markets we serve, and we believe our credit quality remains pristine. We continue to monitor both macroeconomic and geopolitical uncertainty, but we are encouraged by the continued positive momentum of our Company and are optimistic regarding the second half of 2025.”

Selected Financial Highlights
For the Periods/Three Months Ended

Balance Sheet (000's)	June 30, 2025	March 31, 2025	Change ($)	Change (%)[1]
Total Assets	$ 1,869,833	$ 1,867,705	$ 2,128	0.5%
Total Loans, Net of Unearned Income	1,434,251	1,380,593	53,658	15.5%
Total Deposits	1,615,493	1,567,932	47,561	12.1%
Borrowings (Excluding Subordinated Debt)	80,000	130,000	(50,000)	-153.8%
Total Equity	121,055	118,384	2,671	9.0%

Income Statement and Per Share Data	June 30, 2025	March 31, 2025	Change ($)	Change (%)
Net Income (000's)	$ 3,686	$ 3,337	$ 349	10.5%
Diluted Earnings Per Share	0.48	0.43	0.05	11.6%
Tangible Book Value Per Share	15.47	14.91	0.56	3.8%

Selected Financial Ratios	June 30, 2025	March 31, 2025
Return on Average Assets	0.80%	0.74%
NPAs to Average Assets	0.00%	0.00%
Efficiency Ratio	65.48%	67.63%
Net Interest Margin	3.09%	3.05%

For the Periods/Six Months Ended

Balance Sheet (000's)	June 30, 2025	June 30, 2024	Change ($)	Change (%)
Total Assets	$ 1,869,833	$ 1,746,759	$ 123,074	7.0%
Total Loans, Net of Unearned Income	1,434,251	1,220,489	213,762	17.5%
Total Deposits	1,615,493	1,411,958	203,535	14.4%
Borrowings (Excluding Subordinated Debt)	80,000	175,000	(95,000)	-54.3%
Total Equity	121,055	107,046	14,009	13.1%

Income Statement and Per Share Data	June 30, 2025	June 30, 2024	Change ($)	Change (%)
Net Income (000's)	$ 7,023	$ 4,283	$ 2,740	64.0%
Diluted Earnings Per Share	0.91	0.56	0.35	62.5%

[1] Results annualized.

Earnings Summary

Net interest income increased $2.9 million, or 27.5 percent, to $13.4 million for the three months ended June 30, 2025, when compared to $10.5 million for the three months ended June 30, 2024. The increase in interest income during the three months ended June 30, 2025 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 organic growth of the Company's loan portfolio, partially offset by a reduction in interest income of $1.2 million, or 33.8 percent, on the Company's investment portfolio and cash and cash equivalents held with the Federal Reserve Bank of Richmond (the "FRB") and correspondent banks, which was primarily due to a reduction of cash on hand and associated rates on cash held. The Company recognized a decrease in interest expense of $664.0 thousand, or 6.1 percent, for the three months ended June 30, 2025 compared to the same period in 2024. The reduction in interest expense during the period was primarily driven by decreases in interest rates on interest bearing deposits, despite deposit growth in interest bearing deposit balances. Also contributing to the decline in realized interest expense in the period were decreases in interest rates on short-term borrowings as well as lower utilization of short-term borrowings during the period..

For the six months ended June 30, 2025, net interest income increased $5.6 million, or 27.1 percent, to $26.2 million when compared to $20.6 million for the six months ended June 30, 2024. This increase was driven primarily by an increase in interest income of $5.0 million, or 12.0 percent, from $41.5 million for the six months ended June 30, 2024 to $46.4 million for the six months ended June 30, 2025, coupled with the decrease in interest expense on deposits and borrowings of $624.0 thousand, or 3.0 percent, for the six months ended June 30, 2025 when compared to the same six month period in 2024.

Noninterest income increased $322.0 thousand, or 22.5 percent, for the three months ended June 30, 2025 compared to the same three-month period in 2024, primarily driven by an increase in secondary mortgage income of $175.0 thousand, or 49.2 percent, as well as an increase in service charges and fees of $39.0 thousand, or 23.5 percent, and an increase in merchant and interchange income of $81.0 thousand, or 13.6 percent when compared to the same quarter period in 2024. The Company recognized an increase in noninterest expense of $1.1 million, or 12.0 percent, for the three months ended June 30, 2025 when compared to the same three-month period in 2024, primarily driven by an increase in other noninterest expense of $621.0 thousand, or 35.5 percent, which included a $322.4 thousand loss on the targeted sale of securities as part of a portfolio restructure to reinvest proceeds into higher yielding loans. For the three months ended June 30, 2025 compared to the same three-month period in 2024, the Company recognized additional increases in noninterest expense of $160.0 thousand, or 16.0 percent in occupancy expense related to the opening of a de novo branch location, and an increase in data processing and software of $134.0 thousand, or 14.1 percent.

For the six months ended June 30, 2025, noninterest income increased $594.0 thousand, or 22.7 percent, when compared to the six months ended June 30, 2024, primarily from the benefit of increased secondary mortgage income of $339.0 thousand, or 62.8 percent, as well as an increase of $68.0 thousand, or 20.5 percent, in service charge and fee income, and an increase of $107.0 thousand, or 9.6 percent, in merchant and interchange income. For the six months ended June 30, 2025, noninterest expense increased $2.1 million, or 12.2 percent, when compared to the six months ended June 30, 2024, primarily resulting from increases of $1.2 million, or 37.3 percent, in other noninterest expense, including a $322.4 thousand loss on the targeted sale of securities, an increase in audit, compliance, and regulatory assessments, as well as increases of $301.0 thousand, or 15.7 percent, in data processing and software, and increase of $220.0 thousand, or 10.6 percent, in occupancy expense and insurance.

Financial Performance

Dollars in Thousands Except Per Share Data

	Three Months Ended				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Interest Income					
Loans	$ 21,090	$ 20,097	$ 19,349	$ 18,510	$ 17,637
Investments	2,422	2,815	3,457	4,419	3,656
Total Interest Income	**$ 23,512**	**$ 22,912**	**$ 22,806**	**$ 22,929**	**$ 21,293**
Interest Expense	10,139	10,088	10,732	11,477	10,803
Net Interest Income	**$ 13,373**	**$ 12,824**	**$ 12,074**	**$ 11,452**	**$ 10,490**
Provision for Loan Losses	625	397	532	575	150
Noninterest Income	1,756	1,452	1,890	1,583	1,434
Noninterest Expense	9,906	9,655	9,385	8,992	8,847
Income Before Taxes	**$ 4,598**	**$ 4,224**	**$ 4,047**	**$ 3,468**	**$ 2,927**
Provision for Income Taxes	912	887	879	864	651
Net Income	**$ 3,686**	**$ 3,337**	**$ 3,168**	**$ 2,604**	**$ 2,276**
Basic Earnings Per Share	**$ 0.49**	**$ 0.44**	**$ 0.42**	**$ 0.34**	**$ 0.30**
Diluted Earnings Per Share	**$ 0.48**	**$ 0.43**	**$ 0.41**	**$ 0.34**	**$ 0.30**
Weighed Average Shares Outstanding					
Basic	7,574,194	7,572,042	7,571,823	7,571,823	7,604,515
Diluted	7,730,735	7,692,154	7,669,723	7,663,132	7,657,325
Total Shares Outstanding	7,469,063	7,572,253	7,571,823	7,571,823	7,571,823

	Six Months Ended	
	June 30, 2025	June 30, 2024
Interest Income		
Loans	$ 41,187	$ 34,831
Investments	5,237	6,627
Total Interest Income	**$ 46,424**	**$ 41,458**
Interest Expense	20,227	20,851
Net Interest Income	**$ 26,197**	**$ 20,607**
Provision for Loan Losses	1,022	325
Noninterest Income	3,208	2,614
Noninterest Expense	19,561	17,430
Income Before Taxes	**$ 8,822**	**$ 5,466**
Provision for Income Taxes	1,799	1,183
Net Income	**$ 7,023**	**$ 4,283**
Basic Earnings Per Share	**$ 0.94**	**$ 0.57**
Diluted Earnings Per Share	**$ 0.91**	**$ 0.56**
Weighed Average Shares Outstanding		
Basic	7,573,125	7,605,270
Diluted	7,712,374	7,663,209
Total Shares Outstanding	7,469,063	7,571,823

Noninterest Income/Expense

Dollars in Thousands

	Three Months Ended				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Noninterest Income					
Service charges and fees	$ 205	$ 194	$ 188	$ 195	$ 166
Secondary mortgage income	531	348	383	425	356
Merchant and interchange income	677	541	575	646	596
Other income	343	369	744	317	316
Total noninterest income	**$ 1,756**	**$ 1,452**	**$ 1,890**	**$ 1,583**	**$ 1,434**
Noninterest expense					
Salaries and employee benefits	$ 5,291	$ 5,236	$ 5,388	$ 5,071	$ 5,147
Occupancy	1,160	1,134	1,177	1,148	1,000
Data processing & Software	1,083	1,134	998	1,023	949
Other expense	2,372	2,151	1,822	1,750	1,751
Total noninterest expense	**$ 9,906**	**$ 9,655**	**$ 9,385**	**$ 8,992**	**$ 8,847**

	Six Months Ended	
	June 30, 2025	June 30, 2024
Noninterest Income		
Service charges and fees	$ 399	$ 331
Secondary mortgage income	879	540
Merchant and interchange	1,218	1,111
Other income	712	632
Total noninterest income	**$ 3,208**	**$ 2,614**
Noninterest expense		
Salaries and employee benefits	$ 10,527	$ 10,145
Occupancy	2,294	2,074
Data processing & Software	2,217	1,916
Other expense	4,523	3,295
Total noninterest expense	**$ 19,561**	**$ 17,430**

Balance Sheet Activity

Total assets increased $82.7 million to $1.9 billion as of June 30, 2025, compared to $1.8 billion as of December 31, 2024, an increase of 4.6 percent. The increase in total assets during the six months ended June 30, 2025 was driven primarily by an increase in the Company's loan portfolio of $95.3 million, or 7.1 percent, and an increase of $4.6 million, or 7.5 percent, in cash and cash equivalents, partially offset by a reduction in investment securities of $19.0 million due to the targeted sale of securities held for investment, the proceeds of which were reinvested into higher yielding loans.

Total deposits increased $154.8 million, or 10.6 percent, during the six months ended June 30, 2025, partially offset by the reduction of short-term borrowings held by $80.0 million, or 50.0 percent, during the six months ended June 30, 2025.

Shareholders' equity totaled $121.1 million as of June 30, 2025, an increase of $7.3 million, or 6.4 percent, from December 31, 2024, primarily driven by $7.0 million in retained earnings during the six months ended June 30, 2025, partially offset by the declaration and payment of an ordinary cash dividend of $757.0 thousand on the Company's common stock during the first quarter of 2025, as well as a $1.7 million outlay to repurchase common stock during the second quarter of 2025 pursuant to the Company's authorized stock repurchase program.

The Company reported 7,469,063 total shares of common stock outstanding as of June 30, 2025. The decrease of 102,760 shares of common stock outstanding during the six months ended June 30, 2025 was due to a share repurchase completed by the Company during the second quarter of 2025 pursuant to the Company's authorized stock repurchase program, partially offset by the exercise during the period of stock options granted. Tangible book value increased $1.17 per share, or 8.2 percent, to $15.47 per share as of June 30, 2025, when compared to $14.30 per share as of December 31, 2024, and has increased $2.07 per share, or 15.4 percent, when compared to $13.40 per share as of June 30, 2024.

Balance Sheets

Dollars in Thousands

	For the Periods Ended				
	June 30 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Cash and Cash Equivalents	$ 65,944	$ 96,195	$ 61,370	$ 123,637	$ 136,537
Investment Securities	280,559	305,261	299,592	309,245	304,930
Loans Held for Sale	3,159	1,473	1,176	3,081	3,605
Loans					
Loans	1,434,251	1,380,593	1,338,904	1,283,190	1,220,489
Less Allowance for Loan Losses	(12,706)	(12,648)	(11,698)	(11,759)	(11,184)
Loans, Net	$ 1,421,545	$ 1,367,945	$ 1,327,206	$ 1,271,431	$ 1,209,305
OREO					
Property, net of accumulated depreciation	$ 29,413	$ 29,192	$ 27,903	$ 25,287	$ 23,388
BOLI	35,949	35,670	35,403	35,132	34,863
Goodwill	5,349	5,349	5,349	5,349	5,349
Core Deposit Intangible	126	150	175	203	232
Other Assets	27,789	26,470	28,976	24,976	28,550
Total Assets	**$ 1,869,833**	**$ 1,867,705**	**$ 1,787,150**	**$ 1,798,341**	**$ 1,746,759**
Deposits					
Noninterest bearing	$ 362,360	$ 326,681	$ 315,069	$ 332,054	$ 321,763
Interest bearing	1,253,133	1,241,251	1,145,584	1,139,528	1,090,195
Total Deposits	$ 1,615,493	$ 1,567,932	$ 1,460,653	$ 1,471,582	$ 1,411,958
Subordinated Debt	29,826	29,795	29,765	29,734	29,703
Other Borrowings	80,000	130,000	160,000	160,000	175,000
Other Liabilities	23,459	21,594	22,963	22,601	23,052
Total Liabilities	**$ 1,748,778**	**$ 1,749,321**	**$ 1,673,381**	**$ 1,683,917**	**$ 1,639,713**
Stock with Related Surplus	$ 77,566	$ 78,643	$ 78,745	$ 78,693	$ 78,640
Retained Earnings	64,284	60,599	58,009	54,840	52,237
Accumulated Other Comprehensive Income	(20,795)	(20,858)	(22,985)	(19,109)	(23,831)
Shareholders' Equity	**$ 121,055**	**$ 118,384**	**$ 113,769**	**$ 114,424**	**$ 107,046**
Total Liabilities and Shareholders' Equity	**$ 1,869,833**	**$ 1,867,705**	**$ 1,787,150**	**$ 1,798,341**	**$ 1,746,759**

Net Interest Margin

Net interest margin increased 4 basis points to 3.09 percent for the three months ended June 30, 2025 when compared to the three months ended March 31, 2025. The yield on interest earning assets decreased by 2 basis points during the second quarter of 2025 to 5.44 percent from 5.46 percent for the first quarter of 2025, coupled with a decrease in cost of funds of 6 basis points during the second quarter of 2025 to 2.40 percent from 2.46 percent for the first quarter of 2025.

Net Interest Margin Analysis

Dollars in Millions

	Three Months Ended											
	June 30, 2025			March 31, 2025			December 31, 2024			September 30, 2024		
	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	$ 1,406	$ 21.2	6.05%	$ 1,358	$ 20.0	5.96%	$ 1,303	$ 19.5	5.94%	$ 1,243	$ 18.6	5.96%
Loan fees		(0.1)	-0.03%		0.1	0.04%		(0.1)	-0.03%		(0.1)	-0.03%
Loans with fees	$ 1,406	$ 21.1	6.02%	$ 1,358	$ 20.1	6.00%	$ 1,303	$ 19.3	5.91%	$ 1,243	$ 18.5	5.92%
Total interest earning assets	$ 1,733	$ 23.5	5.44%	$ 1,699	$ 22.9	5.46%	$ 1,697	$ 22.8	5.35%	$ 1,683	$ 22.9	5.42%
Interest-bearing liabilities												
Total interest bearing deposits	$ 1,246	$ 8.9	2.86%	$ 1,187	$ 8.3	2.84%	$ 1,143	$ 8.6	2.99%	$ 1,118	$ 9.2	3.29%
Total interest bearing liabilities	$ 1,333	$ 10.1	3.05%	$ 1,351	$ 10.1	3.03%	$ 1,333	$ 10.7	3.20%	$ 1,318	$ 11.5	3.46%
Cost of funds			**2.40%**			**2.46%**			**2.58%**			**2.77%**
Net interest margin			**3.09%**			**3.05%**			**2.83%**			**2.71%**

Credit Quality

We continue to see excellent credit quality in our markets through June 30, 2025, with no loans classified as non-accrual, and one loan totaling $133.9 thousand past due greater than 30 days as of June 30, 2025.

The Company recorded a provision for credit losses of $625 thousand during the three months ended June 30, 2025, compared to a provision of $397 thousand for the three months ended March 31, 2025 and a provision of $150 thousand for the three months ended June 30, 2024.

The Company continues to closely monitor credit quality in light of the continued economic uncertainty caused by, among other factors, the prolonged elevated interest rate environment, stronger than expected employment data in recent periods, continued uncertainty regarding U.S. trade and tariff policy, the lingering inflationary pressures, and the risk of the resurgence of elevated levels of inflation, in the U.S. 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, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
LLR* to Total Loans	0.92%	0.92%	0.92%	0.92%	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	0.01%	0.00%	0.00%	0.00%	0.00%
Total NPAs (thousands)	$ -	$ -	$ 55	$ 25	$ 25

*Including reserve for credit losses for unfunded commitments outstanding.

Performance Ratios

	Three Months Ended				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
ROAA	0.80%	0.74%	0.71%	0.58%	0.54%
ROAE	12.25%	11.50%	11.06%	9.40%	8.62%
Efficiency	65.48%	67.63%	67.21%	68.98%	74.19%
NIM	3.09%	3.05%	2.83%	2.71%	2.64%
Book Value	$ 16.21	$ 15.63	$ 15.03	$ 15.11	$ 14.14
Tangible Book Value	$ 15.47	$ 14.91	$ 14.30	$ 14.38	$ 13.40

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 11.68 percent and leverage ratio of 8.73 percent as of June 30, 2025. 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

	For the Periods Ended				
Bank Only	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Tier 1	10.83%	10.83%	10.87%	11.14%	11.55%
Leverage	8.73%	8.67%	8.49%	8.36%	8.55%
CET-1	10.83%	10.83%	10.87%	11.14%	11.55%
Total	11.68%	11.70%	11.74%	12.01%	12.43%

	For the Periods Ended				
Additional Data	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Branches	12	12	12	12	12
Employees (Full Time Equivalent)	172	164	159	160	161

Liquidity and Interest Rate Risk Management

The Company regularly pledges loans and securities to the FRB and the Federal Home Loan Bank of Atlanta (the "FHLB"), resulting in total net borrowing capacity with the FRB, the FHLB, and correspondent lines of credit of approximately $233.6 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 $136.3 million, have stratified maturities, and have a weighted average life of less than one and a half 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 $1.9 billion in total assets as of June 30, 2025. 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.

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) potential recession in the United States and our market areas; (iii) the impacts related to or resulting from uncertainty in the banking industry as a whole; (iv) increased competition for deposits 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 ongoing quantitative tightening and 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 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 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, acts of war or terrorism, geopolitical instability or other external events, including as a result of in the policies of the current U.S. presidential administration or Congress; (xiv) in 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; the receipt of required regulatory approvals; (xvii) changes in tax laws; (xviii) the risks related to the development, implementation, use and management of emerging technologies, including artificial intelligence and machine learnings; (xix) potential costs related to the impacts of climate change; (xx) 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, 2024, 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, 2024, as contained in the Company's 2024 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.

Contacts: K. Wayne Wicker, Chairman & CEO, 843-839-4410

Matthew Hobert, EVP & CFO 843-839-4945

Member FDIC