

South Atlantic Bank

Annual Meeting of Shareholders
April 20, 2021

Forward Looking Statement



This presentation contains, among other things, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements preceded by, followed by, or that include the words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "projects," "outlook" or similar expressions, including statements related to the integration of Atlantic Bancshares. These statements are based upon the current beliefs and 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). 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. 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. 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.

2020 Highlights



- ▶ Produced record results
 - Total assets increased 32% to \$946.5 million
 - Net income increased 19% to \$7.2 million
 - Noninterest income increased 64%
- ▶ Paycheck Protection Program
 - Processed 1,013 PPP loans
 - Totaling \$91.7 million

2020 Highlights



► Mortgage Group

- Record year
- Closed 867 mortgage loans totaling \$265 million
- Produced \$4.2 million in fee income
- Incredible performance from loan officers and operations staff

2020 Highlights *(Continued)*

▶ New Website

- Updated design for mobile and desktop users
- Digital marketing efforts drive traffic via ads, social media and email

▶ Strong performance across all markets

- Horry-Georgetown Counties: 7th with just 6 offices
- South Strand offices rank 2nd
- Bluffton and Hilton Head moved up in rankings

2020 Highlights *(Continued)*

▶ Covid-19 Response

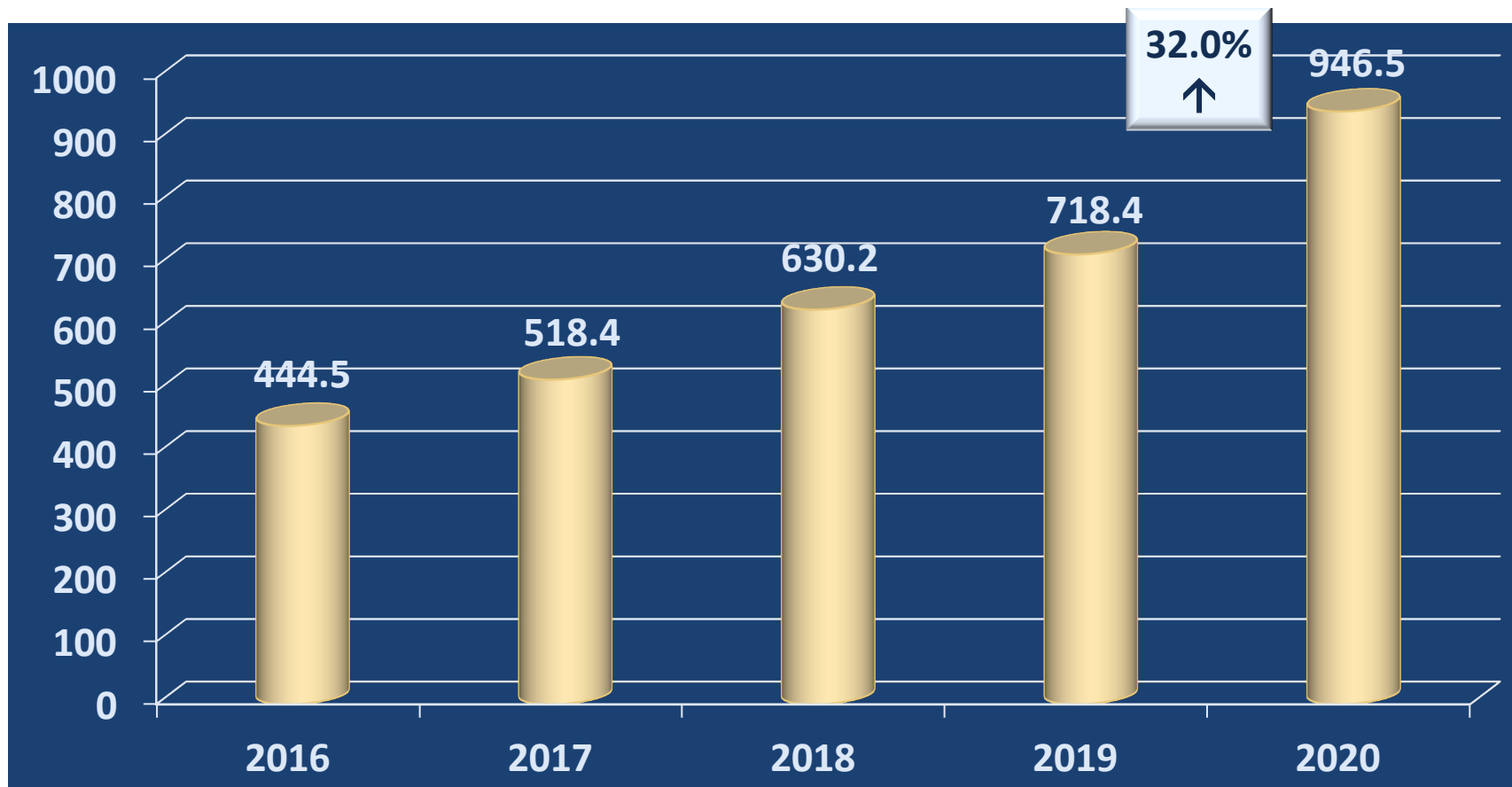
- Crisis Management Team
- Safety protocol
- Drive-thru service and branch staff rotation
- Remote work using VDI software
- Re-opened all lobbies in October

▶ Stellar Teamwork

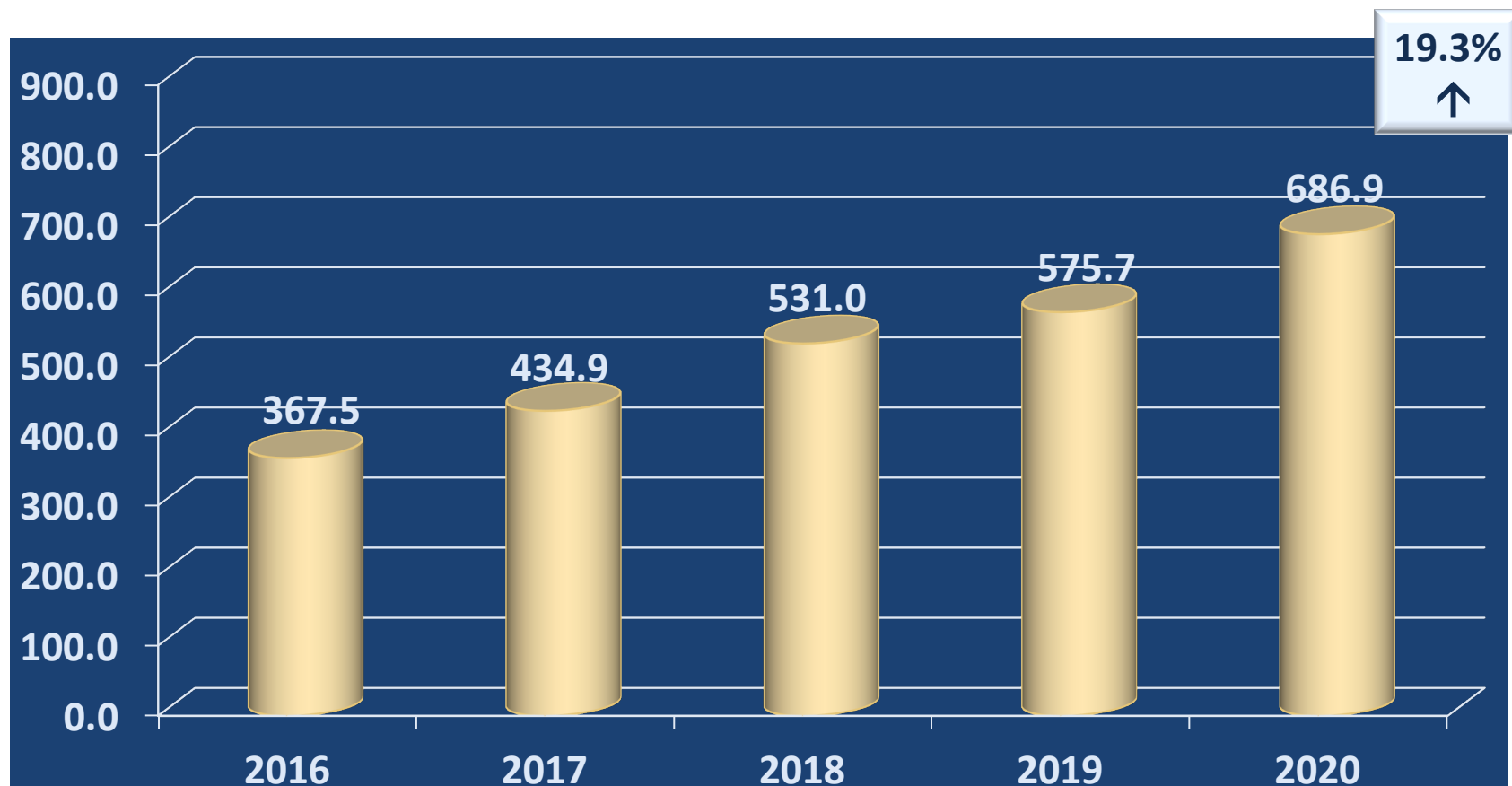
- Employees worked seven days a week to process loans and open accounts during Round 1 of PPP

2020 Financials

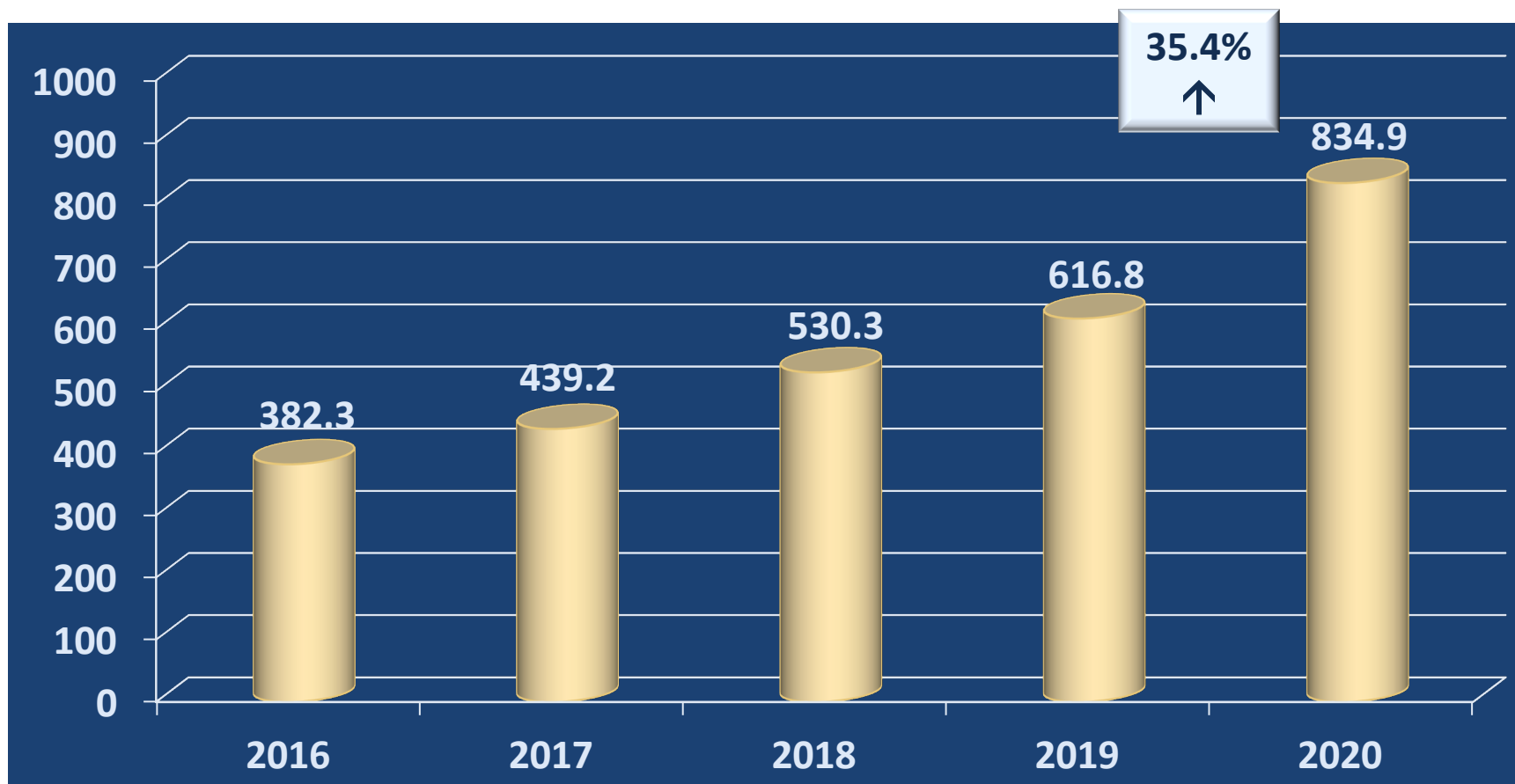
Assets *(periods ending December 31, \$000)*



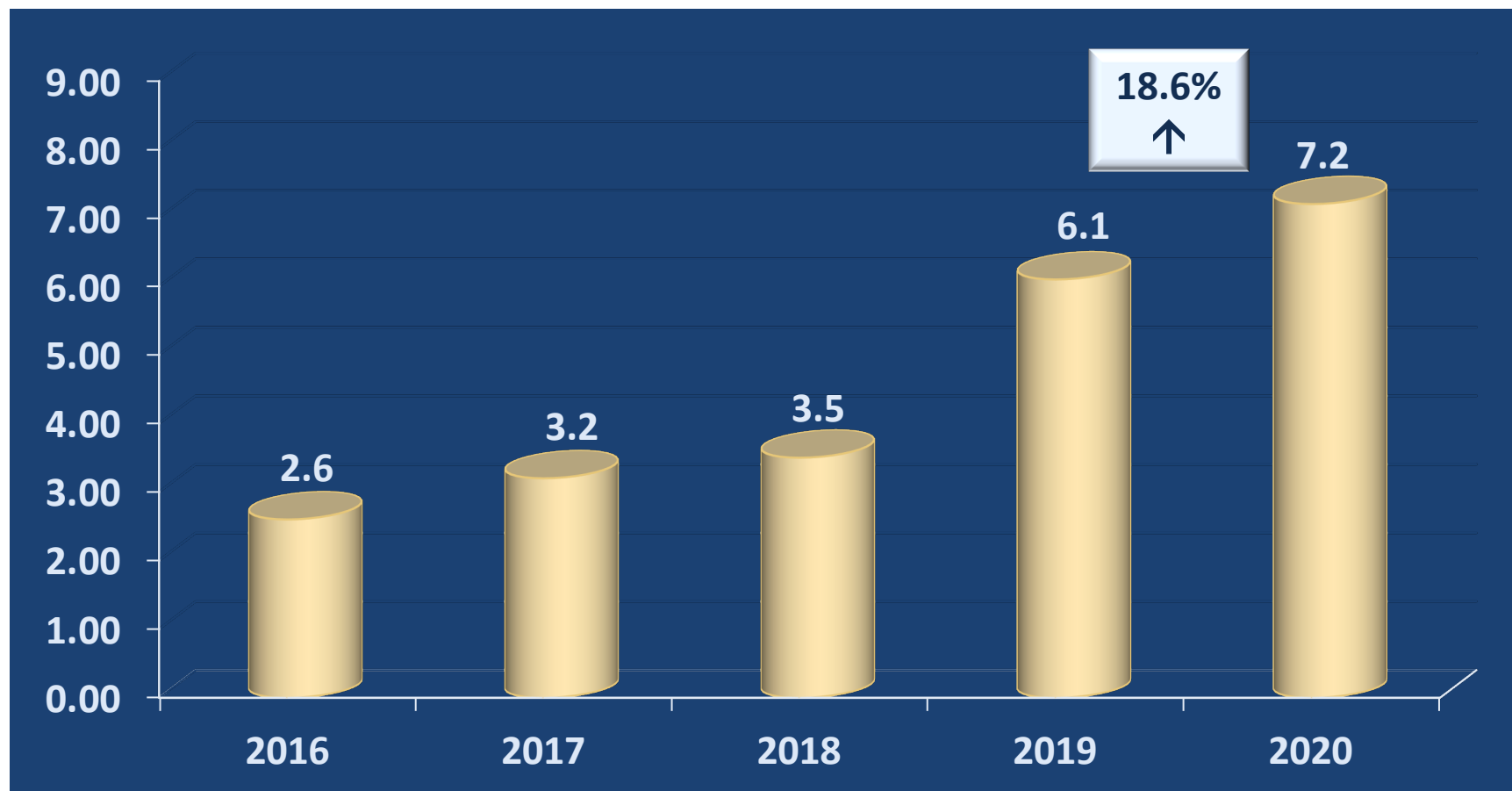
Loans *(periods ending as of December 31, \$000)*



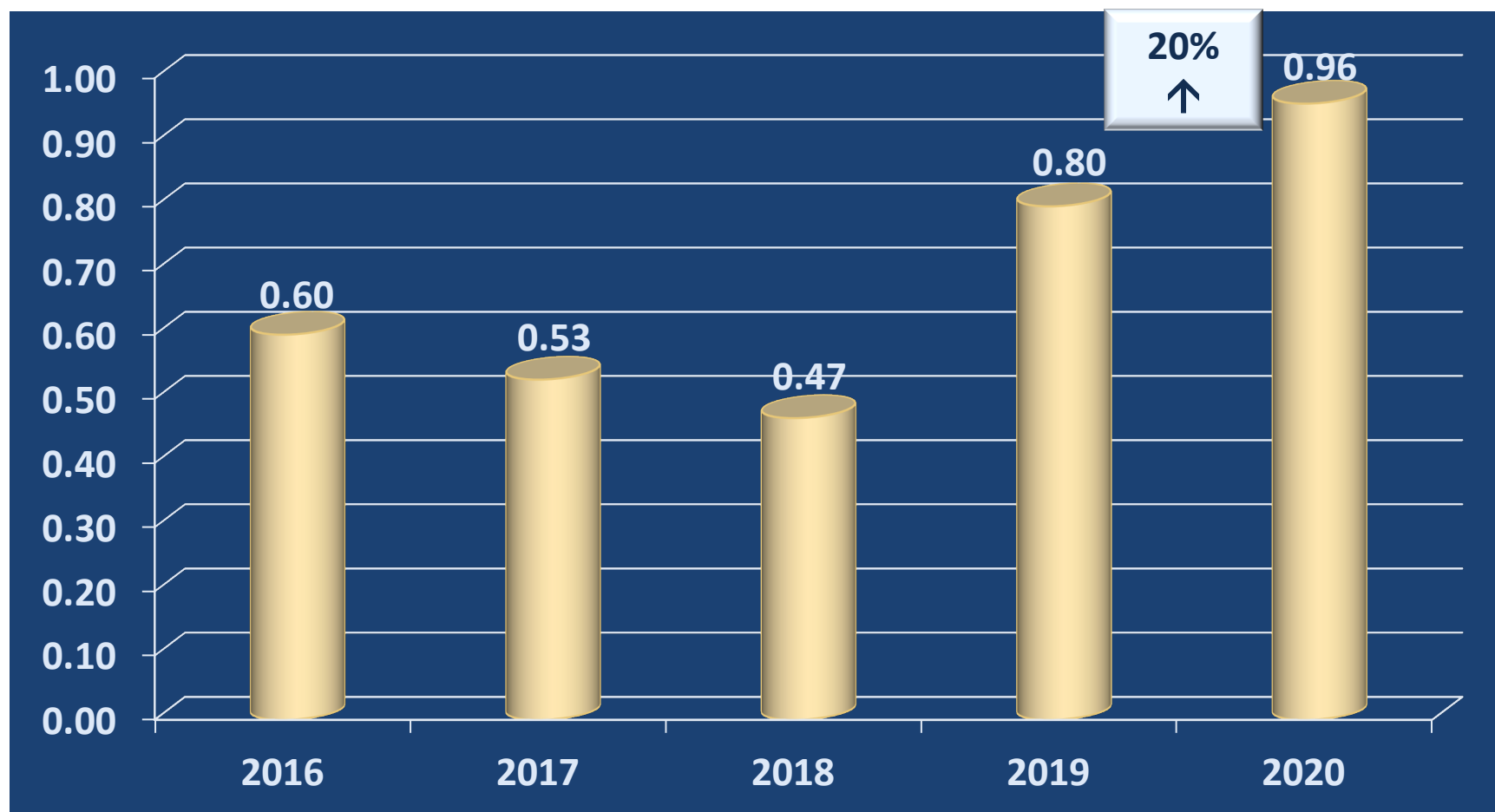
Deposits *(periods as of December 31, \$000)*



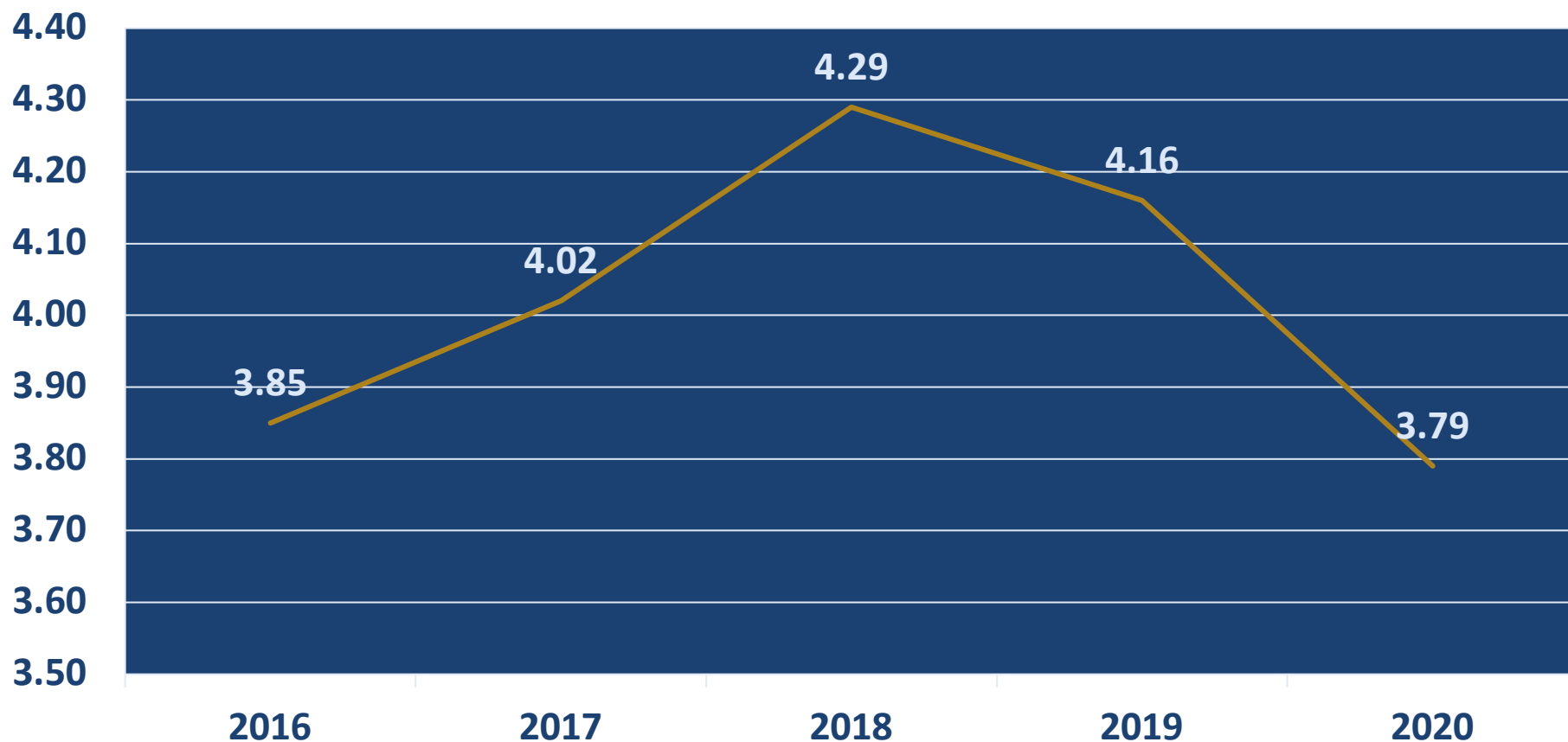
Net Income *(periods as of December 31, \$000)*



Earnings per Share *(Diluted, \$)*



Net Interest Margin *(periods ending December 31, %)*



Comparative Income Statement

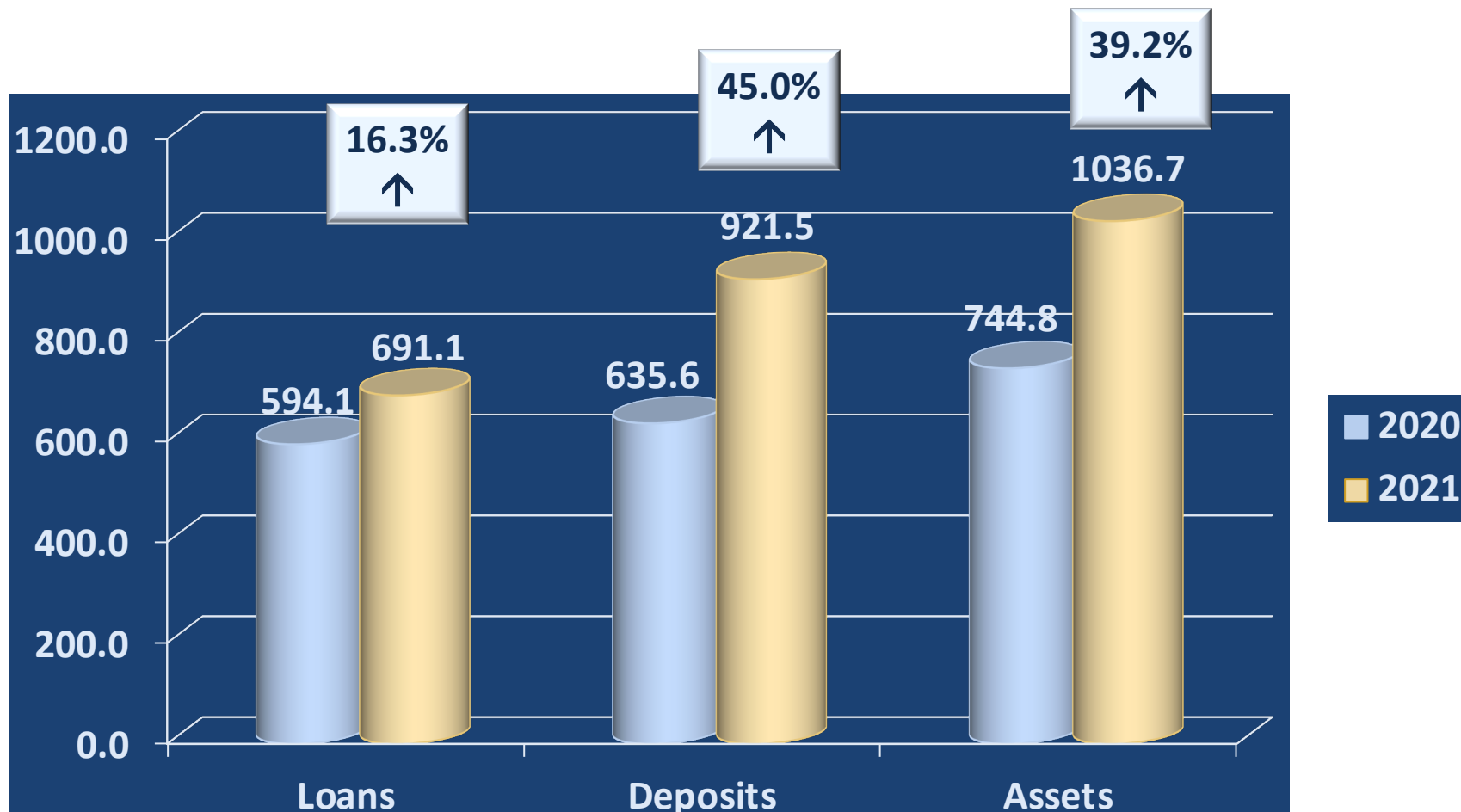
(at December 31)

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Total interest income.....	\$33,584,205	\$32,243,765	4.2%
Total interest expense.....	<u>3,556,542</u>	<u>5,429,119</u>	-34.5%
Net interest income.....	<u>\$30,027,663</u>	<u>\$26,814,646</u>	12.0%
Provision for loan losses.....	1,685,000	810,000	108.0%
Total other income.....	7,982,102	4,859,317	64.3%
Total other operating expense...	<u>27,497,286</u>	<u>23,357,797</u>	17.7%
Income before taxes.....	8,827,479	7,506,166	17.6%
Income taxes.....	<u>1,631,428</u>	<u>1,440,009</u>	13.3%
Net income.....	<u>\$ 7,196,051</u>	<u>\$ 6,066,157</u>	18.6%

Questions about 2020?

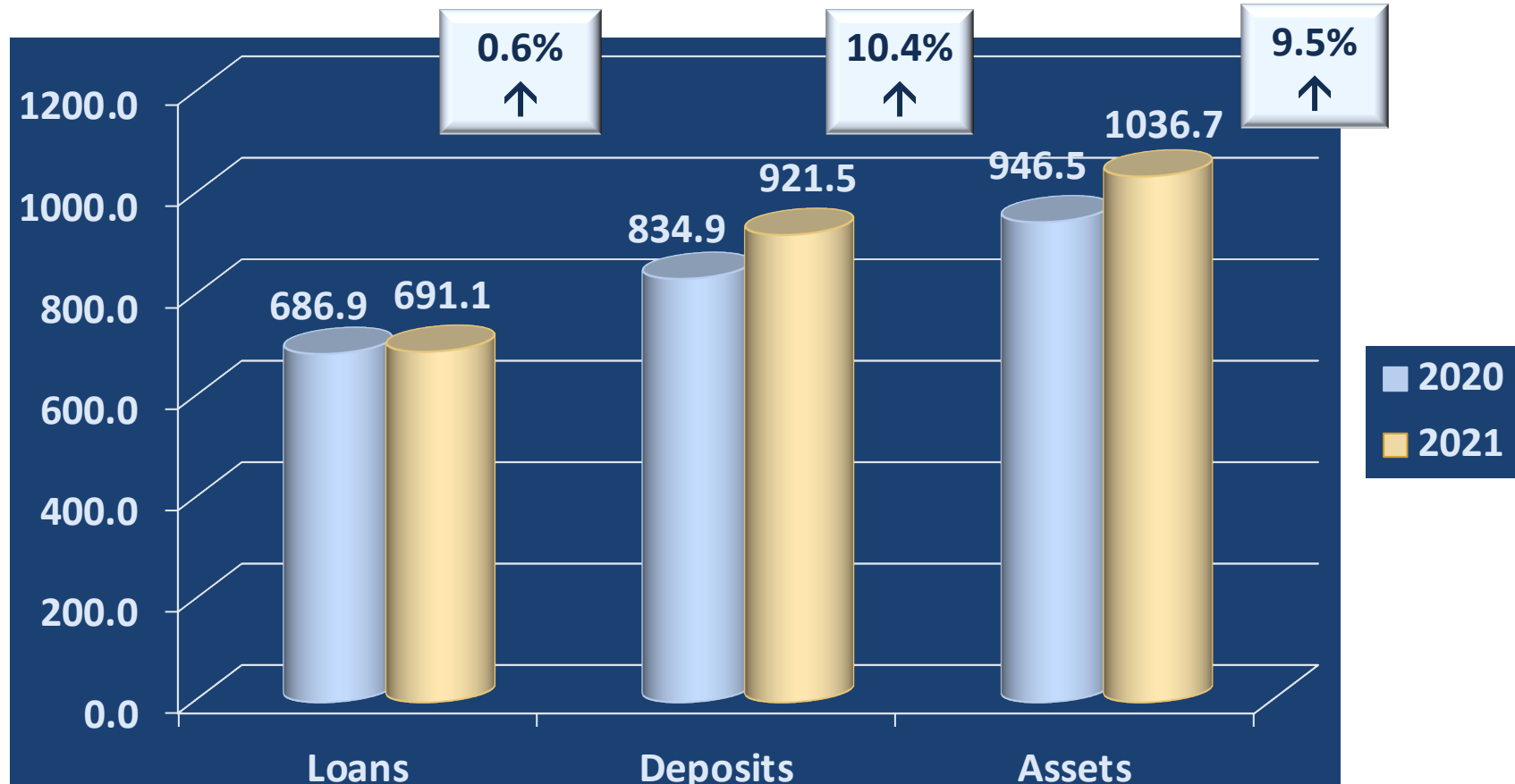
First Quarter 2021

First Quarter 2021 vs. 2020



Consecutive Quarters Comparison

(December 31, 2020 to March 31, 2021)



Comparative Income Statement

(at March 31st)

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Total interest income.....	\$ 9,432,155	\$ 8,038,544	17.3%
Total interest expense.....	<u>575,095</u>	<u>1,332,104</u>	(56.8)%
Net interest income.....	<u>\$ 8,857,060</u>	<u>\$ 6,706,440</u>	32.1%
Provision for loan losses.....	285,000	245,000	16.3%
Total non interest income.....	3,477,560	1,629,880	113.4%
Total non interest expense.....	<u>7,557,963</u>	<u>6,464,132</u>	16.9%
Income before taxes.....	4,491,657	1,627,188	176.0%
Income taxes.....	<u>977,856</u>	<u>339,949</u>	187.6%
Net income.....	<u>\$3,513,801</u>	<u>\$1,287,239</u>	173.0%

2021 Accomplishments

- ▶ Opened New Hilton Head Office
 - Our 11th office
 - Ideal location in the business and medical district near prominent neighborhoods
 - Office added in response to growth at our Park Lane office

2021 Accomplishments

- ▶ Reached \$1 billion in assets
 - Achieved through deliberate growth
 - Focus remains on customer service, culture and community support
- ▶ Payroll Protection Program Loans
 - Continued to process loans to support our business customers and their employees
 - Currently funded \$52 million totaling almost 500 loans

Focus in 2021



- ▶ Technology upgrades to better serve our customers
 - New enhancements to our current platform
 - Updated mobile and online banking platforms
 - New Customer Relationship Management software
- ▶ Continue to support the communities we serve

Mission Statement

South Atlantic
Bank

To serve, in a fair, balanced, and superior manner, the interest of shareholders, customers, employees, and the public through adherence to high standards of financial soundness, exemplary customer service, employee professionalism, business ethics, corporate citizenship, and profitability.

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