

Investor Presentation

Janney Montgomery Scott 2022
Community Bank Conference

September 19-20, 2022

A photograph of a brick building with a white balcony. The words "South Atlantic Bank" are mounted on the brick wall in blue, with a yellow swoosh underneath. The image is partially obscured by a white wavy graphic at the bottom.

South Atlantic
Bank

**TAILOR-MADE
FOR THE CAROLINA COAST.**

South Atlantic Bancshares, Inc.

OTCQX: SABK

CONFIDENTIAL PRESENTATION

FORWARD LOOKING STATEMENTS

This presentation contains projections, predictions, expectations, and other statements with respect to South Atlantic Bancshares, Inc. (the "Company") and its subsidiaries as to beliefs, future events, and/or results that are based on current expectations, estimates, and projections about, among other things, the industry and the markets in which the Company operates. Such statements constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Those statements are subject to known and unknown risks, uncertainties, and other factors that could cause the actual results to differ materially from those contemplated by the statements. The forward-looking statements are based on various factors and were derived using numerous assumptions. In most cases, you can identify forward-looking statements by words like "may," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential," or "continue" or the negative of those words and other comparable words. You should be aware that those statements reflect only the predictions of the Company.

If known or unknown risks or uncertainties should materialize, or if the underlying assumptions should prove inaccurate, actual results could differ materially from past results and those anticipated, estimated, or projected. You should bear this in mind in reading this presentation. Factors that might cause such actual results to differ include, but are not limited to:

- The impact of the COVID-19 Pandemic, and the government's response to the Pandemic, on the Company, its employees and operations, its customers and their employees and operations, and on the economy in the Company's trade area;
- General business and economic conditions in the markets that the Company and its affiliates serve may be less favorable than anticipated which could decrease the demand for loan, deposit, and other financial services and increase loan delinquencies and defaults;
- Changes in market rates and prices may adversely impact the value of securities, loans, deposits, and other financial instruments and the interest rate sensitivity of the Company's balance sheet;
- The Company's liquidity requirements could be adversely affected by changes in assets and liabilities;
- The effect of legislative or regulatory developments, including changes in laws concerning taxes, banking, securities, insurance, and other aspects of the financial services industry, such as, for example, the Dodd-Frank Wall Street Reform and Consumer Protection Act;
- Competitive factors among financial services organizations, including product and pricing pressures and the Company's ability to attract, develop, and retain qualified banking professionals;
- The effect of changes in accounting policies and practices, as may be adopted by the Financial Accounting Standards Board, the SEC, the Public Company Accounting Oversight Board, and other regulatory agencies that apply to the Company and its subsidiaries; and
- The effect of fiscal and governmental policies of the United States federal government.

The Company undertakes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise.

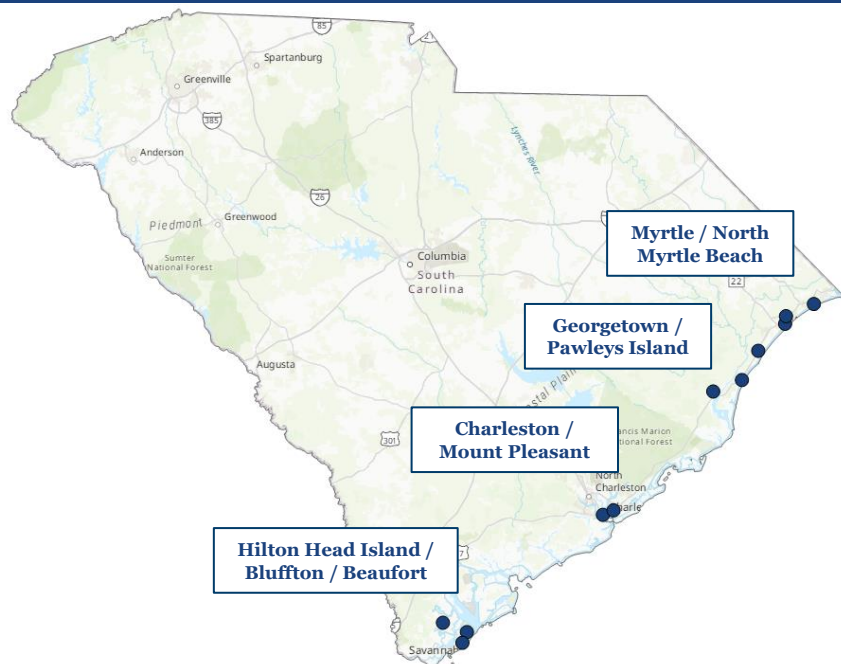
We note these risks and other factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. You should understand that it is not possible to predict or identify all such risks or factors regarding the Company, its business and the sale of its Securities. Consequently, you should not consider such disclosures to be a complete discussion of all potential risks, factors, or uncertainties.

≡ SOUTH ATLANTIC PROFILE

Why South Atlantic Bancshares, Inc.?

- Community bank of choice in favorable Myrtle Beach, Charleston, and Hilton Head markets – Top 3 community bank⁽¹⁾ deposit market share in all markets served
- One of South Carolina's fastest growing banks, successfully executing on expansion strategy into adjacent markets – 2nd highest loan growth and asset growth rate in the state for the 2nd quarter of 2022
- Experienced executive team with deep ties to the communities served and demonstrated leadership skills to continue growing organically
- Proven stewards of shareholder value – 8.7% TBV CAGR (excluding AOCI) since 2017, while maintaining near-zero NPAs/assets, disciplined liquidity, expense control and capital preservation

BRANCH FOOTPRINT:



FINANCIAL HIGHLIGHTS:

\$1.4B Total Assets	0.02% NPAs / Assets	\$2.5M MRQ Net Income
\$889M Total Loans	0.96% Reserves / Loans	0.74% MRQ ROAA
\$1.3B Total Deposits	6.00% TCE / TA ⁽²⁾	11.80% MRQ ROATCE ⁽²⁾
70.1% Loans / Deposits	93% Core Deposits ⁽³⁾	3.43% MRQ NIM



RECENT HIGHLIGHTS

2nd Quarter Financial Results and Recent Company Developments

BALANCE SHEET UPDATES

- Total assets increased to \$1.4 billion, a 13.9% increase year-to-date and 22.5% increase year-over year
- Total net loans increased to \$879.2 million, a 25.1% increase year-to-date⁽¹⁾ and 23.7% increase year-over-year
- Total deposits increased to \$1.3 billion, a 17.1% increase year-to-date and 23.3% increase year-over-year
- Tangible book value per share declined by \$0.59 to \$11.04 during the 2nd quarter; solid earnings were offset by an increase in unrealized losses in the Bank's available for sale securities

PROFITABILITY UPDATES

- Net income totaled \$2.5 million for the second quarter of 2022, a 25% increase over the first quarter and a 1.3% increase over the second quarter of 2021
- Diluted earnings per share of \$0.33 for the second quarter of 2022, compared to \$0.26 for the 1st quarter
- Cost of funds decreased one basis point to 0.26% in the second quarter, compared to 0.27% in the first quarter of 2022

OTHER UPDATES AND RECENT DEVELOPMENTS

- Issued \$30.0 million of subordinated debt in December 2021, capitalizing on the favorable rate environment for issuers. Additional capital positions the bank for strong organic growth in 2022 – 2023
- Relocating downtown Charleston branch to an ideal larger location, expect to complete transition in early 2023
- Opened second office on Hilton Head Island in early 2021
- Expanded into Beaufort, South Carolina with a loan production office in November 2021, conversion into a full-service branch expected to conclude in late 2022.
- Continued trend of pristine asset quality throughout our markets, with no OREO; one loan past due with a principal balance of ~\$31 thousand; and 4 consecutive quarters with no charge-offs

EXPERIENCED MANAGEMENT TEAM



K. Wayne Wicker | Chairman & Chief Executive Officer

Mr. K. Wayne Wicker serves as Chairman of the Board and Chief Executive Officer of South Atlantic Bancshares, Inc. and South Atlantic Bank. He is a veteran banker with more than 35 years of experience in the Myrtle Beach and South Carolina markets. He holds a B.S. degree in business administration from The Citadel. He has also completed the Graduate School of Banking of the South at Louisiana State University and the South Carolina Bankers School at the University of South Carolina. He currently serves as Past Chairman of the Board of the South Carolina Bankers Association. In 2018, he was appointed by the governor to serve as a Board Member of the South Carolina Board of Financial Institutions. He is involved in a number of community activities, having served on the Boards of the South Carolina Young Bankers Association, the Myrtle Beach Area and North Myrtle Beach Chambers of Commerce. A former Member of the South Carolina Air National Guard, Mr. Wicker is a Gulf War veteran.



R. Scott Plyler | President & Director

Mr. R. Scott Plyler has been President and Director of South Atlantic Bancshares, Inc. since 2007. Mr. Plyler has years of banking experience along the Grand Strand, including six years as Market President of Carolina First Bank's South Carolina coastal region, which included 23 branches and 245 employees. He previously served as a Commercial Lender with Anchor Bank and Wachovia Bank in Myrtle Beach, South Carolina. A graduate of the University of South Carolina with a B.S. degree in business administration, Mr. Plyler also completed The Graduate School of Banking of the South and the South Carolina Bankers School. He is a faculty advisor for the South Carolina Bankers School held at Lander University and also serves in the Darla Moore School of Business Mentor Program. Mr. Plyler is a past Chairman and Board Member of the South Carolina Bankers School and the Coastal Carolina Sertoma Club. He is a former Board Member of the South Carolina Young Bankers Association, the Ocean View Memorial Foundation and the South Strand United Way. The South Carolina Bankers Association named him Young Banker of the Year in 2009.



Matthew H. Hobert | Executive Vice President & Chief Financial Officer

Mr. Matthew H. Hobert, C.P.A., also known as Matt, is an Executive Vice President and Chief Financial Officer of South Atlantic Bancshares, Inc. since April 2022. He previously served as director of investment banking at FIG Partners/Janney Montgomery Scott in Atlanta, Georgia, and has nine years of financial experience. He earned a Bachelor of Business Administration in Accounting and a Master of Accountancy from the University of Georgia and holds his Series 79 securities license.

BOARD OF DIRECTORS



K. Wayne Wicker

Chairman & Chief Executive Officer, South Atlantic Bancshares, Inc.
Director Since 2007



James Carson Benton, Jr.

Co-Owner and Operator of CL Benton & Sons, Inc.
Director Since 2007



Thomas C. "Tommy" Brittain

Trial Lawyer and Partner of Brittain Law Firm
Director Since 2007



Tony K. Cox

Executive Vice President of Burroughs and Chapin Company
Director Since 2007



Miles M. Herring

Commercial Real Estate Management and Development
Director Since 2007



Martha S. Lewis

Senior Physical Therapist at Next Step Rehabilitation
Director Since 2011



R. Scott Plyler

President, South Atlantic Bancshares, Inc.
Director Since 2007



Albert A. Springs IV

Co-Owner / President of HB Springs Company
Director Since 2007



Jack L. "Jay" Springs Jr.

Co-Owner & Vice President of Century 21 Barefoot Realty
Director Since 2007



Michael C. Tawes Sr.

Partner of Valbridge Property Advisor / Atlantic Appraisals
Director Since 2016



Edgar L. Woods

President of Palmetto Grain Brokerage
Director Since 2018

FRANCHISE FOOTPRINT

Tailor-made for the Carolina Coast

- 11 full-service branch locations along the coast of South Carolina
- 12th full service branch location in Beaufort opening in late 2022; permanent stand-alone location expected late 2023
- 2nd Hilton Head location added in 2021
- Average deposits per branch of \$117 million

BRANCH LIST⁽¹⁾

Street Address	City	2022 Deposits (\$000)
630 29th Ave N	Myrtle Beach	359,089
11019 Tournament Blvd	Murrells Inlet	210,744
10970 Ocean Hwy	Pawleys Island	188,067
1 Sheridan Park Cir	Bluffton	148,048
1187 N Fraser St	Georgetown	87,946
1801 Hwy 17 S	North Myrtle Beach	72,911
5A Park Ln	Hilton Head Island	55,630
930 Johnnie Dodds Blvd	Mount Pleasant	69,314
480 E Bay St	Charleston	44,014
3990 River Oaks Dr	Myrtle Beach	39,139
81 N Main St	Hilton Head Island	12,077



- | | |
|--|--|
| 1 North Myrtle Beach
1801 Highway 17 South | 7 Mount Pleasant
930 Johnnie Dodds Blvd. |
| 2 Myrtle Beach (Headquarters)
630 29th Avenue North | 8 Charleston
480 East Bay Street |
| 3 Towne Centre
3990 River Oaks Drive | 9 Bluffton
1 Sheridan Park Circle |
| 4 Murrells Inlet
11019 Tournament Blvd. | 10 Hilton Head Island (Park Ln.)
5A Park Lane |
| 5 Pawleys Island
10970 Ocean Highway | 11 Hilton Head Island (Main St.)
81 Main Street |
| 6 Georgetown
1187 North Fraser Street | 12 Beaufort
Coming Soon |



STRONG MARKET DEMOGRAPHICS & POSITIONING

KEY MSAs SERVED



Myrtle Beach, SC



Georgetown, SC

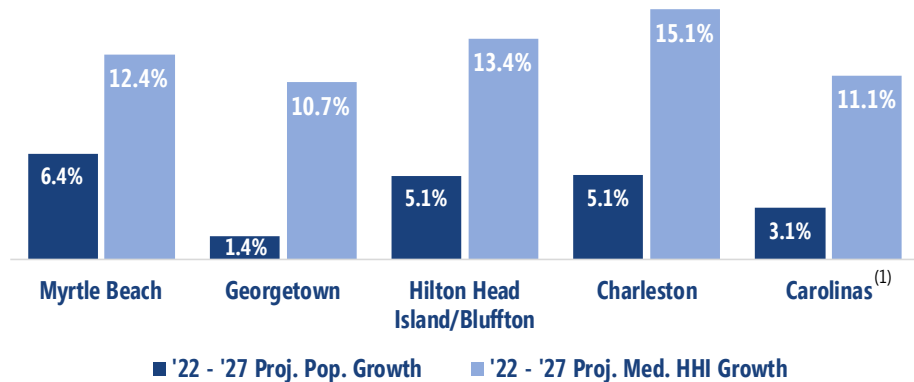


Hilton Head Island / Bluffton, SC



Charleston, SC

DEMOGRAPHICS HIGHLIGHTS (MSA-LEVEL)



DEPOSIT MARKET SHARE SUMMARY

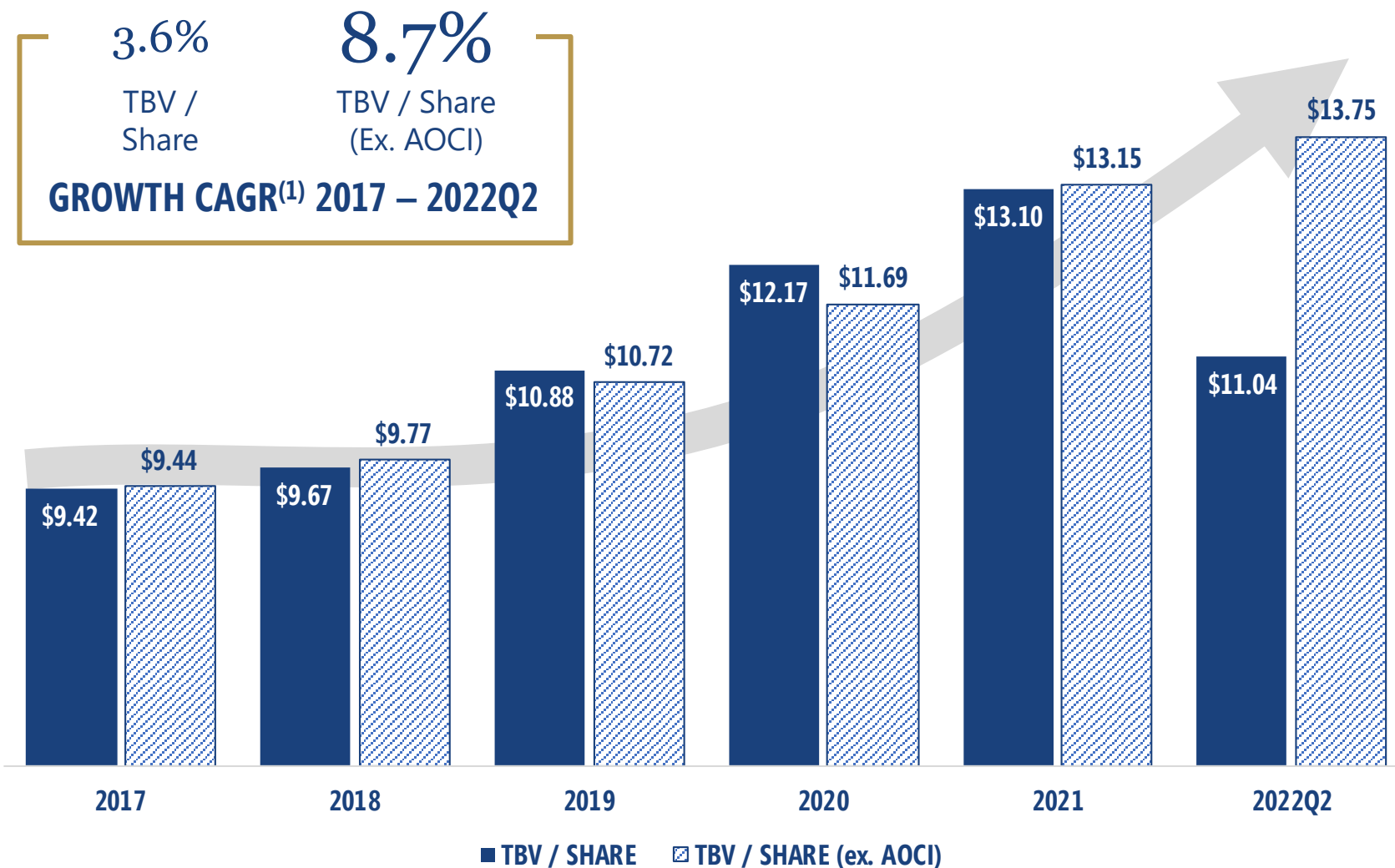
Market	Deposits (\$M)	Total Branches	Overall Rank	Community Bank Rank ⁽²⁾
COUNTY-LEVEL DEPOSIT MARKET SHARE SUMMARY				
Horry, SC	564	4	8	3
Georgetown, SC	240	2	4	1
Beaufort, SC	162	3	10	2
Charleston, SC	68	2	21	2
MSA-LEVEL DEPOSIT MARKET SHARE SUMMARY				
Myrtle Beach, SC	564	4	10	3
Georgetown, SC	240	2	4	1
Hilton Head Island, SC	162	3	10	2
Charleston, SC	68	2	23	1

(1) Carolinas defined as average demographic data for states of South and North Carolina weighted by deposits

(2) Community Bank defined as banks under \$10.0 Billion in total assets
 Deposit market share data based upon most recent available FDIC data as of June 30, 2021
 Source: S&P Capital IQ Pro

≡ SHAREHOLDER VALUE CREATION

Consistent Growth in Tangible Book Value Since 2017 Capital Raise





FINANCIAL PROFILE

In \$000s except for per share data	For the Twelve Months Ended					Quarters Ended			
	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022

Consolidated Balance Sheet

Total Assets	\$518,404	\$630,216	\$718,402	\$946,541	\$1,231,953	\$1,164,515	\$1,231,953	\$1,296,132	\$1,403,645
Total Gross Loans	\$434,918	\$531,035	\$580,626	\$723,570	\$743,588	\$714,067	\$743,588	\$776,818	\$889,868
Total Deposits	\$439,226	\$530,339	\$616,807	\$834,854	\$1,082,102	\$1,043,695	\$1,082,102	\$1,156,211	\$1,266,965
Loans/Deposits	99.02%	100.13%	93.34%	82.28%	67.82%	67.88%	67.82%	66.85%	70.07%

Capital

Consolidated TCE / TA	11.60%	11.64%	11.47%	9.72%	8.10%	8.47%	8.12%	6.86%	6.00%
Bank TRBC Ratio	11.49%	12.16%	11.91%	12.18%	12.99%	12.27%	12.99%	12.53%	11.63%
Bank Tier 1 Ratio	10.59%	11.30%	11.01%	11.16%	12.01%	11.30%	12.01%	11.61%	10.81%
Bank Leverage Ratio	8.57%	9.38%	9.07%	8.08%	8.38%	7.63%	8.38%	8.35%	8.37%

Profitability Measures

Net Interest Margin	4.02%	4.29%	4.16%	3.79%	3.54%	3.38%	3.32%	3.29%	3.43%
Non Interest Income/Average Assets	0.63%	0.58%	0.64%	0.80%	0.79%	0.73%	0.62%	0.55%	0.48%
Non Interest Expense/Average Assets	3.41%	3.45%	3.33%	3.19%	2.77%	2.67%	2.61%	2.57%	2.51%
Efficiency Ratio	78.87%	75.45%	73.51%	73.72%	68.54%	69.64%	70.36%	72.10%	69.64%
ROAA	0.64%	0.57%	0.87%	0.83%	0.98%	0.90%	0.75%	0.64%	0.74%
ROAE	5.93%	4.74%	7.21%	7.69%	10.64%	10.06%	8.60%	8.02%	10.80%
Earnings per share	\$0.53	\$0.47	\$0.81	\$0.96	\$1.45	\$0.34	\$0.30	\$0.26	\$0.33
Net Income	\$3,216	\$3,457	\$6,066	\$7,196	\$10,847	\$2,604	\$2,254	\$2,006	\$2,508

Bank Level Asset Quality

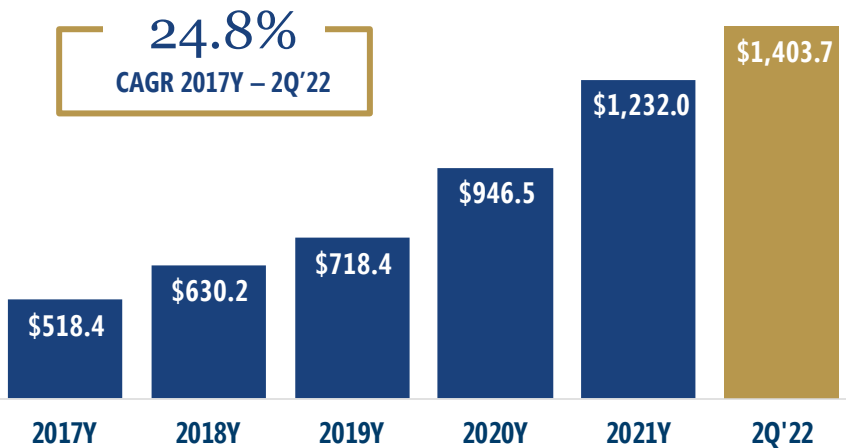
NPAs/Assets	0.08%	0.16%	0.14%	0.07%	0.03%	0.03%	0.03%	0.02%	0.02%
NPAs (excl TDRs)/Assets	0.01%	0.09%	0.07%	0.02%	0.01%	0.01%	0.01%	0.00%	0.00%
NCOs/Avg Loans	0.17%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Reserves/Loans	0.87%	0.83%	0.91%	0.95%	1.10%	1.07%	1.10%	1.06%	0.97%



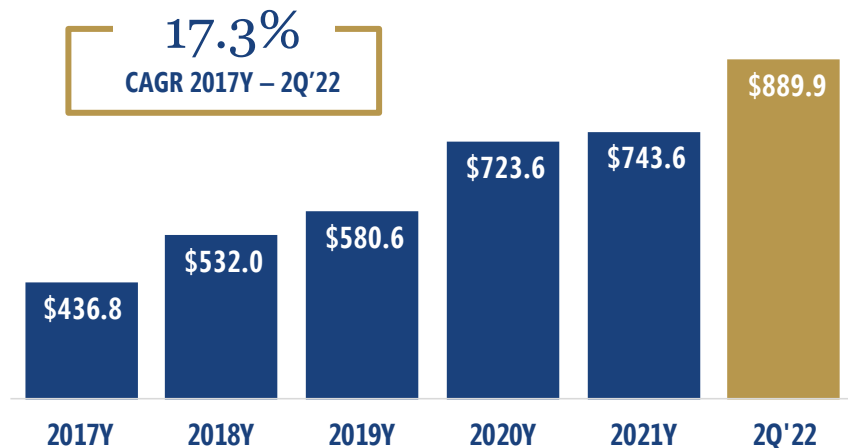
BALANCE SHEET TRENDS

History of Strong, Disciplined Growth

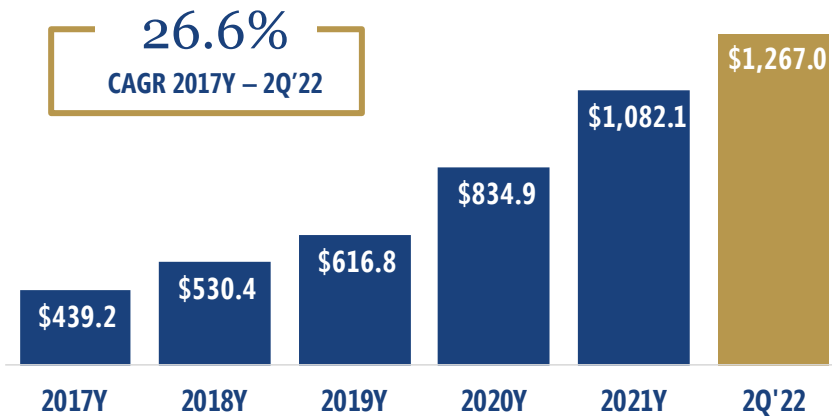
TOTAL ASSETS (\$M)



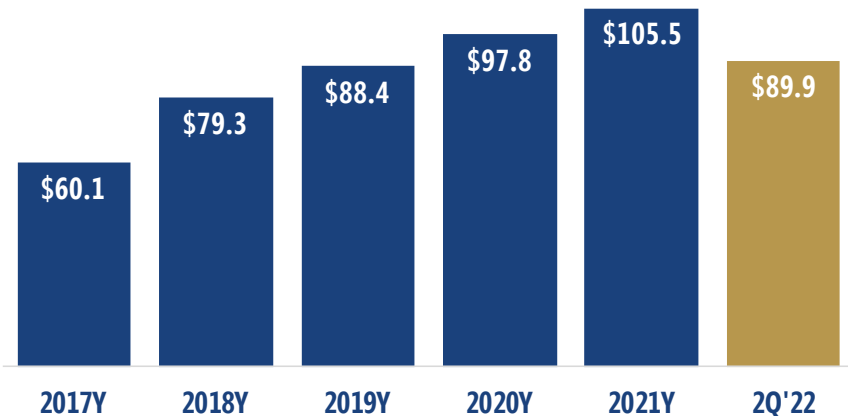
TOTAL GROSS LOANS (\$M)



TOTAL DEPOSITS (\$M)

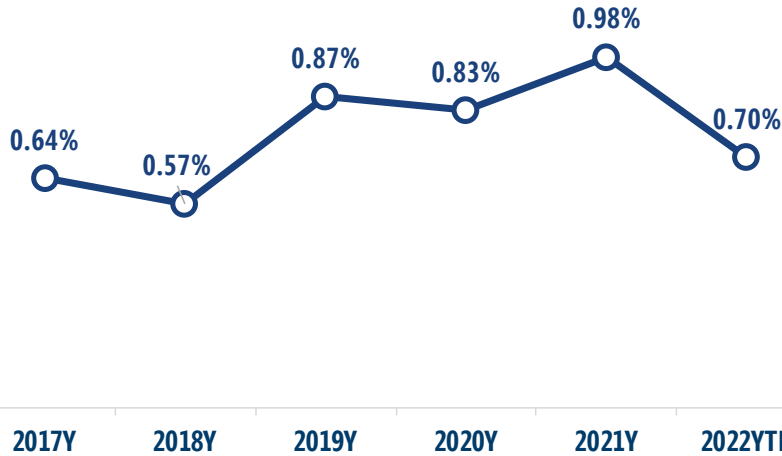


TOTAL EQUITY (\$M)

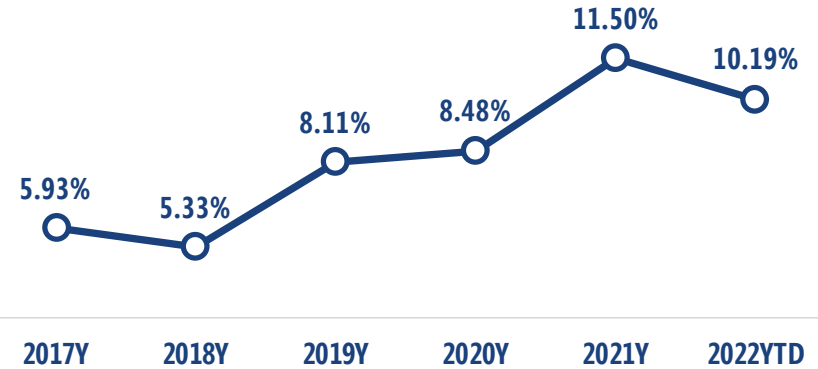


PROFITABILITY TRENDS

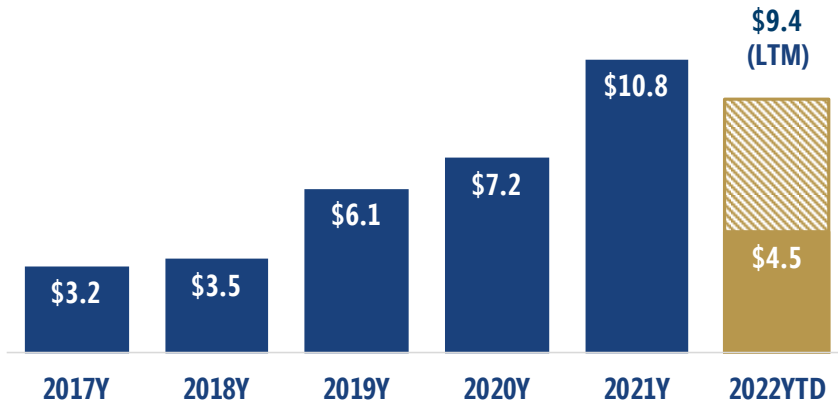
RETURN ON AVERAGE ASSETS (%)



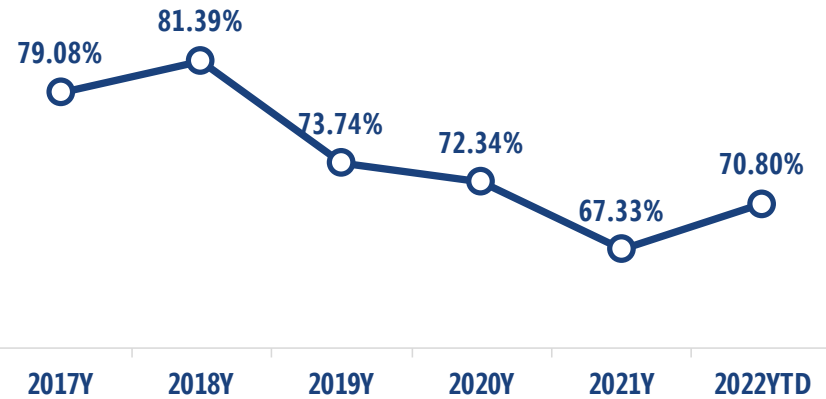
RETURN ON AVERAGE TANGIBLE COMMON EQUITY (%)



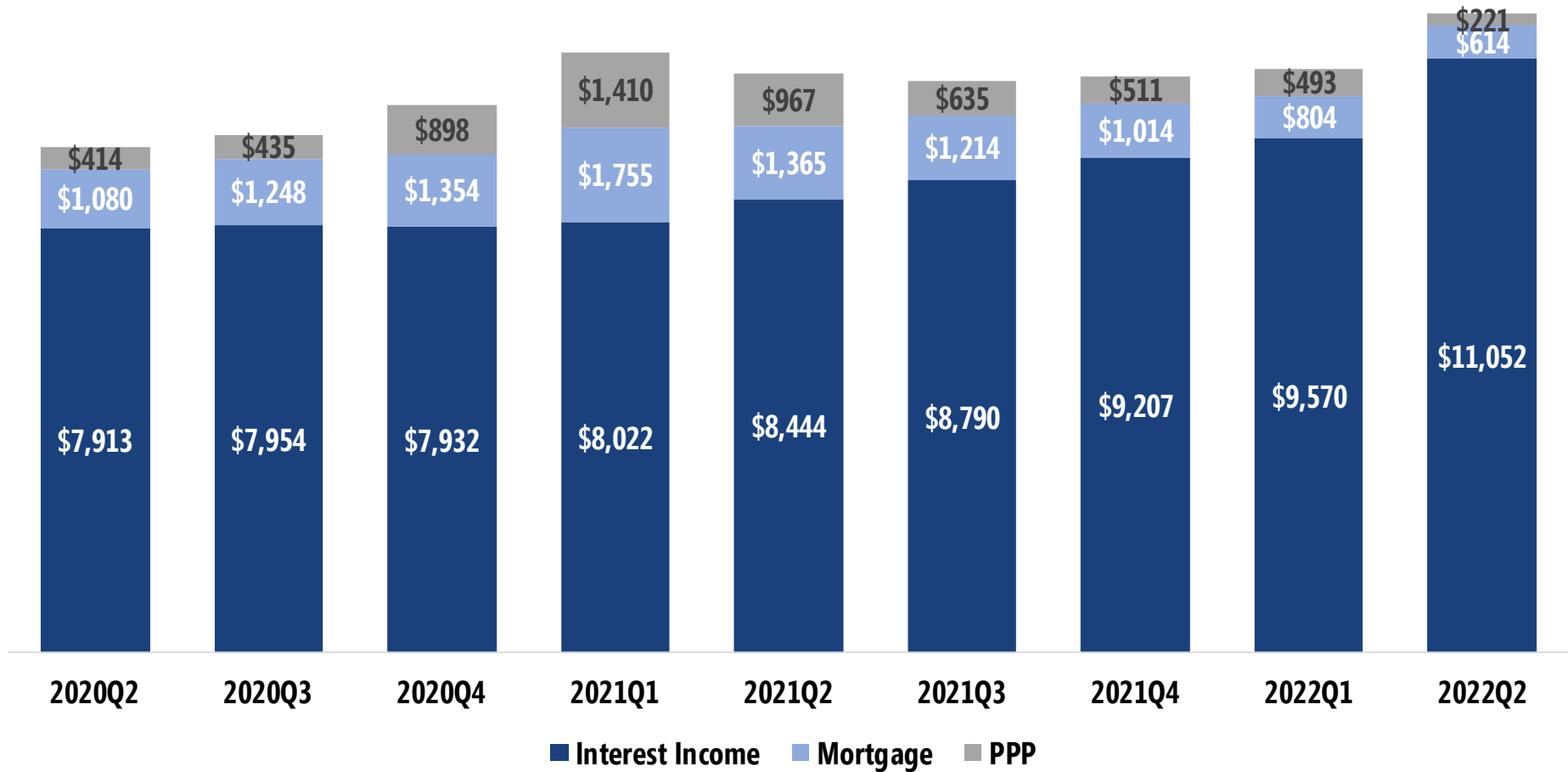
NET INCOME (\$M)



EFFICIENCY RATIO (%)



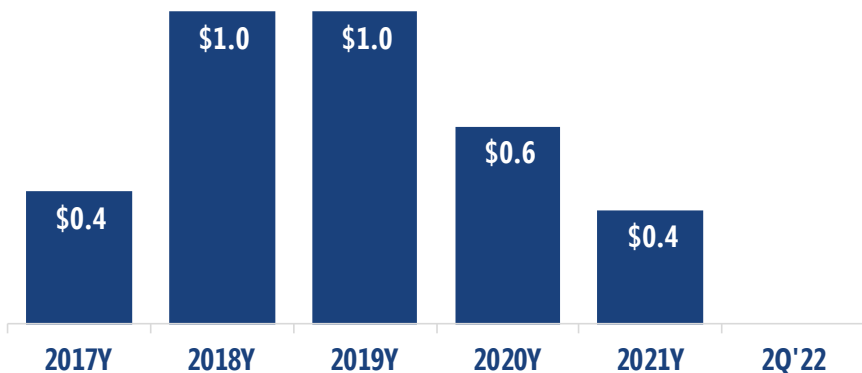
STRONG GROWTH IN CORE BANKING REVENUE



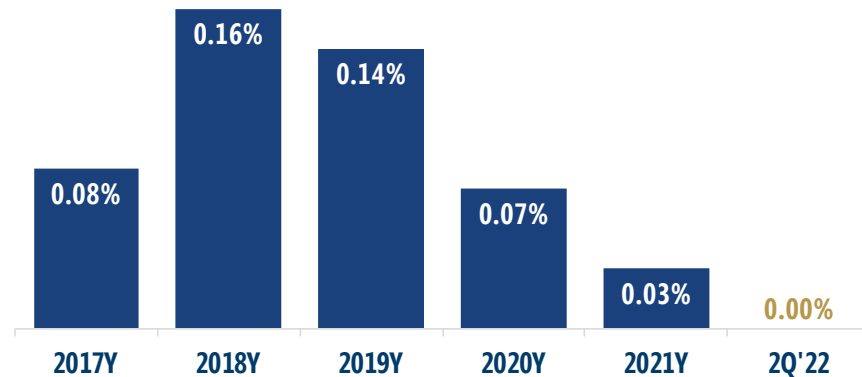
ASSET QUALITY HIGHLIGHTS

Stable Profile, with \$0 OREO and \$31 Thousand in Total Past Due Loans

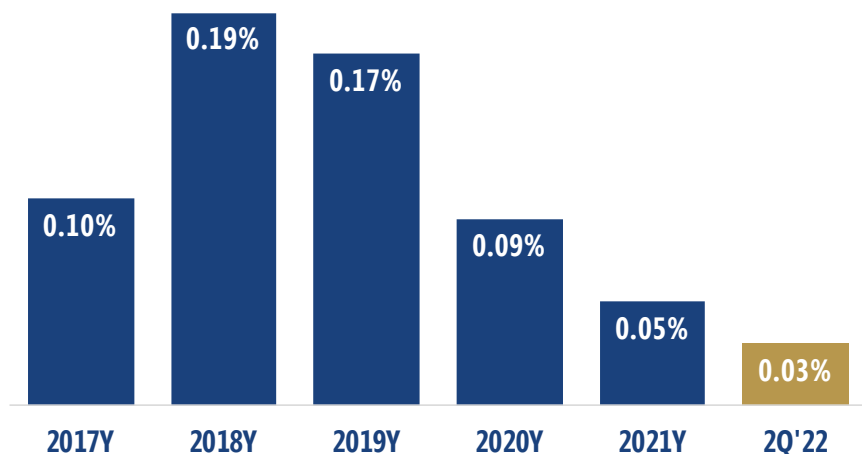
NONPERFORMING ASSETS (\$M, EX. TDRs)



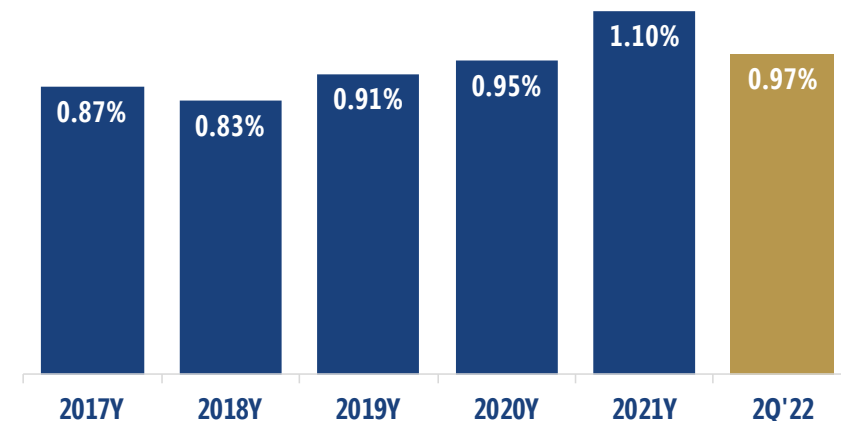
NPA'S / ASSETS (% , Ex. TDRs)



NPL'S / LOANS (%)



RESERVES / GROSS LOANS (%)



APPENDIX

South Atlantic Bancshares, Inc.

OTCQX: SABK

NON-GAAP RECONCILIATION

Tangible common equity, tangible assets, and tangible book value per share are non GAAP financial measures calculated using GAAP amounts. Tangible common equity is calculated by excluding the balance of goodwill and the core deposit intangible from the calculation of shareholders' equity. Tangible assets are calculated by excluding the balance of goodwill and core deposit intangible from the calculation of total assets. Tangible book value per share is calculated by dividing tangible common equity by the number of shares outstanding. SABK believes that these non GAAP financial measures provide information to investors that is useful in understanding its financial condition, because, in the case of the tangible common equity to tangible assets ratio, the ratio is an additional measure used to assess capital adequacy and, in the case of tangible book value per share, tangible book value per share is an additional measure used to assess SABK's value because not all companies use the same calculations of tangible common equity and tangible assets, this presentation may not be comparable to other similarly titled measures calculated by other companies. A reconciliation of these non-GAAP financial measures is provided below (dollars in thousands, except per share data):

<i>Dollars in thousands, except per share data</i>	As of or for the year ending December 31,					As of or for quarter,
	2017	2018	2019	2020	2021	6/30/2022
Total common stockholder's equity (GAAP)	\$60,142	\$79,336	\$88,406	\$97,822	\$105,512	\$89,929
Less goodwill and other intangible assets	\$0	\$6,744	\$6,796	\$6,460	\$6,241	\$6,143
Tangible common equity (non-GAAP)	\$60,142	\$72,592	\$81,610	\$91,362	\$99,271	\$83,786
Shares outstanding	6,384,169	7,504,040	7,504,040	7,509,333	7,577,805	7,592,520
Book value per common share	\$9.42	\$10.57	\$11.78	\$13.03	\$13.92	\$11.84
Tangible book value per common share (Non-GAAP)	\$9.42	\$9.67	\$10.88	\$12.17	\$13.10	\$11.04
Total assets (GAAP)	\$518,404	\$630,216	\$718,402	\$946,541	\$1,231,953	\$1,403,645
Less goodwill and other intangible assets	\$0	\$6,744	\$6,796	\$6,460	\$6,241	\$6,143
Tangible common assets (Non-GAAP)	\$518,404	\$623,472	\$711,606	\$940,081	\$1,225,712	\$1,397,502
Tangible common equity to tangible assets (GAAP)	11.60%	11.64%	11.47%	9.72%	8.10%	6.00%

NON-GAAP RECONCILIATION

<i>Dollars in thousands, except per share data</i>	As of or for the year ending December 31,					As of or for quarter,	Year-to-Date
	2017	2018	2019	2020	2021	6/30/2022	6/30/2022
Average Common Equity	\$54,220	\$72,957	\$84,146	\$93,553	\$101,908	\$92,187	\$96,092
LESS: Average Intangibles	-	4,681	6,559	6,332	6,097	5,915	5,939
Average Tangible common equity (non-GAAP)	\$54,220	\$68,276	\$77,587	\$87,222	\$95,811	\$86,272	\$90,153
Net Income Available to Common	3,216	3,457	6,066	7,196	10,847	2,508	4,514
ADD: Tax-Affected Amortization of Intangibles	-	185	224	199	174	38	77
Net Income + Tax-Affected Amortization of Intangibles	\$3,216	\$3,642	\$6,290	\$7,395	\$11,021	\$2,546	\$4,591
Return on Average Tangible Common Equity	5.93%	5.33%	8.11%	8.48%	11.50%	11.80%	10.19%