

Investor Presentation

Third Quarter 2023 Financials

A photograph of a brick building facade for South Atlantic Bank. The building features a white balcony with a railing on the upper level. The bank's name is displayed in large, blue, three-dimensional letters on the brick wall, with a yellow swoosh graphic underneath. The sky is overcast.

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.

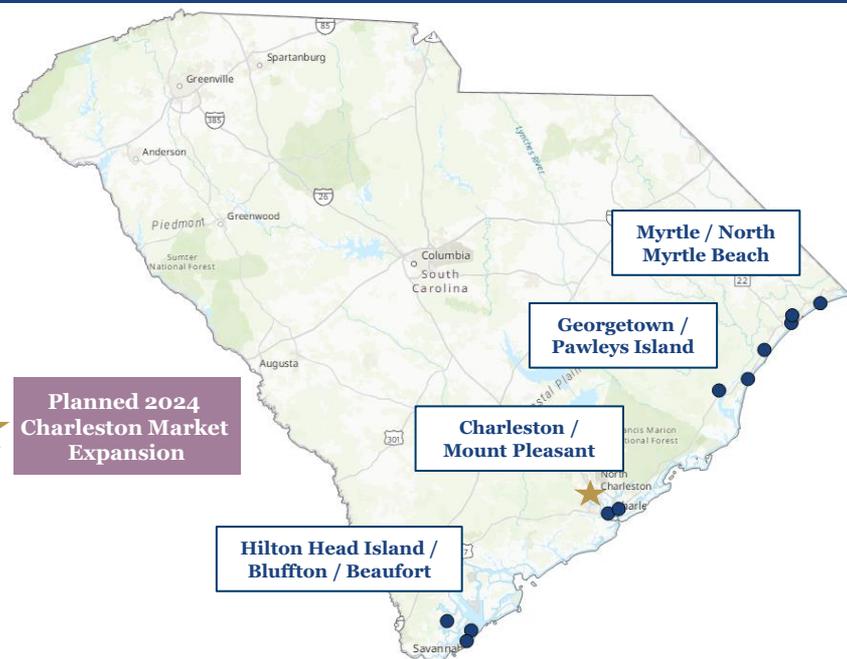
We note these risks and other factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. You should understand that it is not possible to predict or identify all such risks or factors regarding the Company, its business and the sale of its Securities. Consequently, you 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, Murrells Inlet, Hilton Head, and Charleston MSAs – Top 3 community bank⁽¹⁾ deposit market share in three of the four market served
- One of South Carolina's fastest growing banks, successfully executing on expansion strategy into adjacent markets – recent expansion into Beaufort completed late 2022
- Experienced executive team with deep ties to the communities served and demonstrated leadership skills to continue growing organically
- Proven stewards of shareholder value – 9.3% TBV CAGR (excluding AOCI) since 2017, while maintaining near-zero NPAs/assets, disciplined liquidity, expense control and capital preservation

BRANCH FOOTPRINT:



FINANCIAL HIGHLIGHTS:

\$1.6B Total Assets	0.0% NPAs / Assets	\$2.2M MRQ Net Income
\$1.1B Total Loans	0.92% Reserves / Loans	0.56% MRQ ROAA
\$1.3B Total Deposits	5.77% TCE / TA ⁽²⁾	9.27% MRQ ROATCE ⁽²⁾
87.2% Loans / Deposits	89% Core Deposits ⁽³⁾	2.83% MRQ NIM

(1) Community bank defined as banks with Total Assets <\$10.0B

(2) Non-GAAP financial measure; see appendix for reconciliation

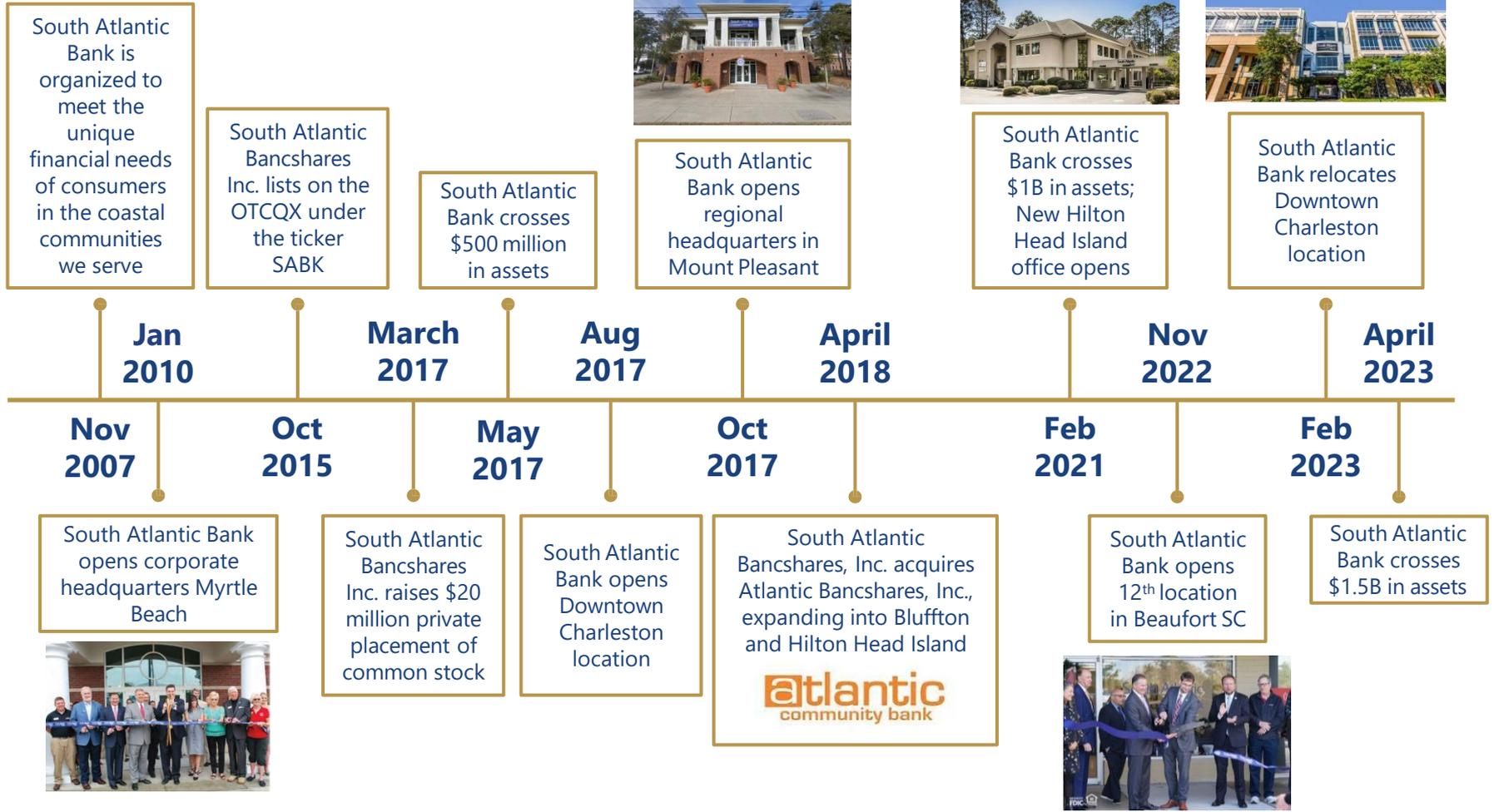
(3) Core deposits defined as total deposits less time deposits



CORPORATE TIMELINE

Our Mission:

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.



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

MSA HIGHLIGHTS

Tailor-made for the Carolina Coast

- 12 full-service branch locations along the coast of South Carolina
- 12th branch location in Beaufort opened in late 2022; permanent stand-alone location currently under construction
- 2nd Hilton Head location added in 2021
- Average deposits per branch of \$107 million
- Acquired real estate for 13th location in the Summerville area; a fast-growing community of Greater Charleston

BRANCH LIST

Street Address	City	2023 Deposits (\$000)
630 29th Ave N	Myrtle Beach	316,496
11019 Tournament Blvd	Murrells Inlet	202,409
10970 Ocean Hwy	Pawleys Island	186,199
1 Sheridan Park Cir	Bluffton	143,053
1187 N Fraser St	Georgetown	97,087
930 Johnnie Dodds Blvd	Mount Pleasant	73,868
1801 Hwy 17 S	North Myrtle Beach	68,545
40 Calhoun St	Charleston	61,551
3990 River Oaks Dr	Myrtle Beach	54,475
5A Park Ln	Hilton Head Island	45,265
11 Robert Smalls Pkwy	Beaufort	25,068
81 N Main St	Hilton Head Island	11,673



- | | |
|--|--|
| 1 North Myrtle Beach
1801 Highway 17 South | 7 Mount Pleasant
930 Johnnie Dodds Blvd. |
| 2 Myrtle Beach (Headquarters)
630 29 th 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 I 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
11 Robert Smalls Pkwy |



STRONG MARKET DEMOGRAPHICS & POSITIONING

KEY MSAs SERVED



Myrtle Beach, SC



Murrells Inlet, SC

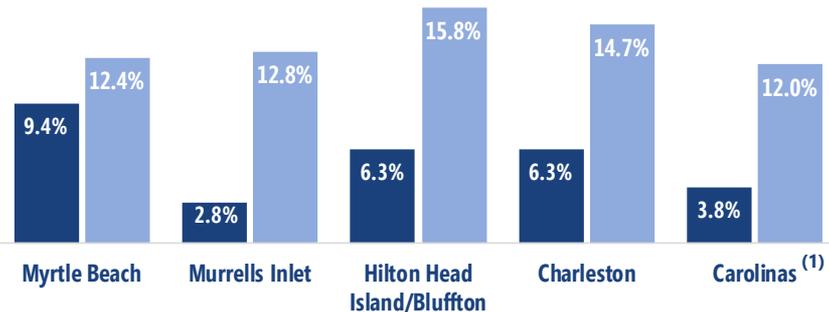


Hilton Head Island / Bluffton, SC



Charleston, SC

DEMOGRAPHICS HIGHLIGHTS (MSA-LEVEL)



■ '23 - '28 Proj. Pop. Growth ■ '23 - '28 Proj. Med. HHI Growth

DEPOSIT MARKET SHARE SUMMARY

Market	Deposits (\$M)	Total Branches	Overall Rank	Community Bank Rank ⁽²⁾
COUNTY-LEVEL DEPOSIT MARKET SHARE SUMMARY				
Horry, SC	642	4	7	3
Georgetown, SC	283	2	3	1
Beaufort, SC	225	4	9	2
Charleston, SC	135	2	20	5
MSA-LEVEL DEPOSIT MARKET SHARE SUMMARY				
Myrtle Beach, SC	642	4	7	3
Murrells Inlet, SC	283	2	3	1
Hilton Head Island, SC	225	4	9	2
Charleston, SC	135	2	22	7

(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 as of September 30, 2023

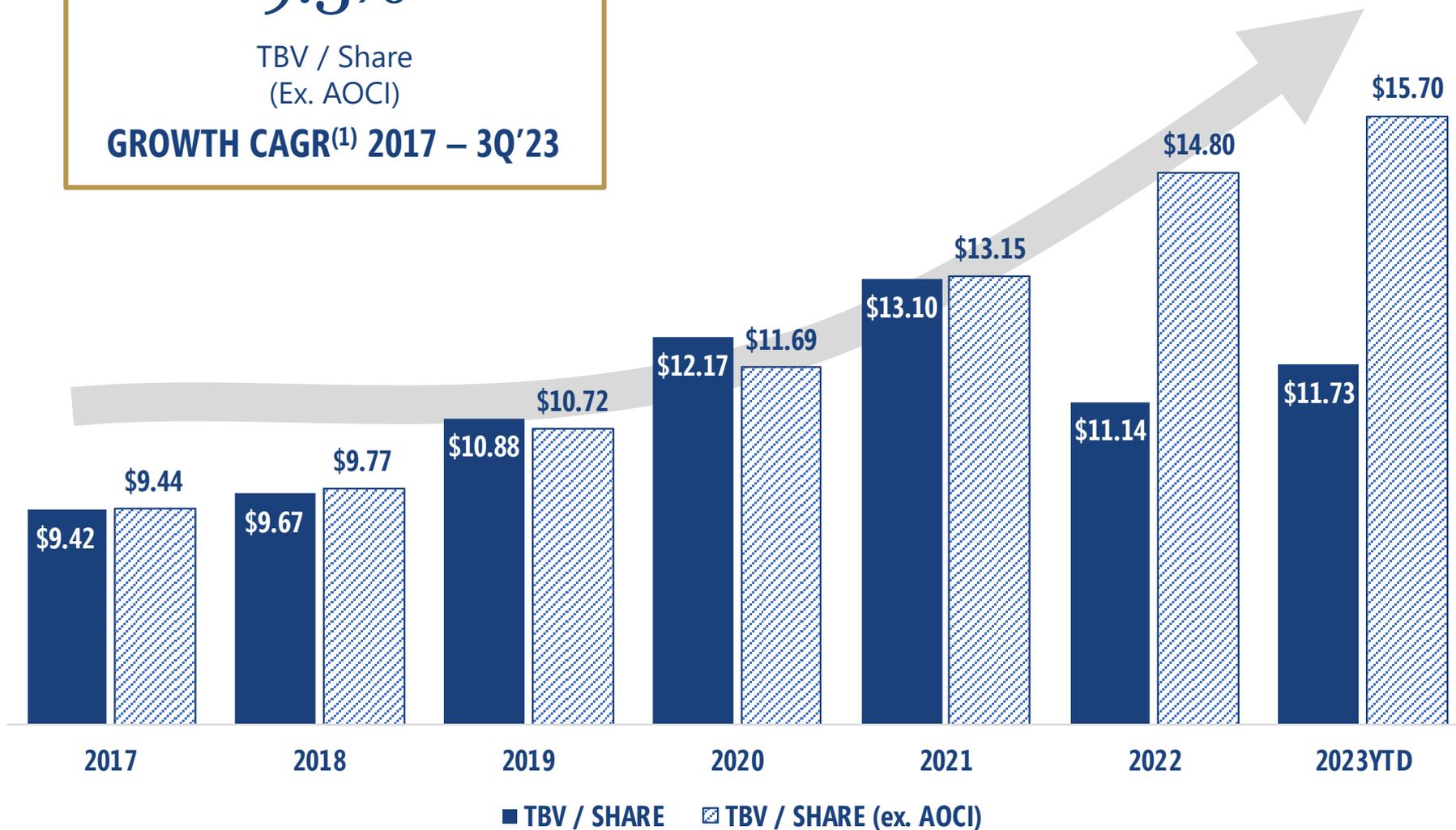
Deposit market share data based upon most recent available FDIC data as of June 30, 2023

Source: S&P Capital IQ Pro

≡ SHAREHOLDER VALUE CREATION

Consistent Growth in Tangible Book Value Since 2017 Capital Raise

9.3%
TBV / Share
(Ex. AOCI)
GROWTH CAGR⁽¹⁾ 2017 – 3Q'23





FINANCIAL PROFILE

In \$000s except for per share data	As Of Or For The Year Ending December 31,					As Of Or For The Quarter Ending			
	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2022	3/31/2023	6/30/2023	09/30/23

Consolidated Balance Sheet

Total Assets	\$630,216	\$718,402	\$946,541	\$1,231,953	\$1,409,593	\$1,409,593	\$1,477,844	\$1,525,413	\$1,551,272
Total Gross Loans	\$531,035	\$580,626	\$723,570	\$743,588	\$1,002,633	\$1,002,633	\$1,048,555	\$1,095,316	\$1,136,231
Total Deposits	\$530,339	\$616,807	\$834,854	\$1,082,102	\$1,216,762	\$1,216,762	\$1,256,818	\$1,278,043	\$1,303,321
Loans/Deposits	100.13%	93.34%	82.28%	67.82%	82.40%	82.40%	83.43%	85.70%	87.18%

Capital

Consolidated TCE / TA	11.64%	11.47%	9.72%	8.10%	6.04%	6.04%	6.02%	5.97%	5.77%
Bank TRBC Ratio	12.16%	11.91%	12.18%	12.99%	12.12%	12.12%	13.05%	12.93%	12.83%
Bank Tier 1 Ratio	11.30%	11.01%	11.16%	12.01%	11.18%	11.18%	12.12%	12.01%	11.94%
Bank Leverage Ratio	9.38%	9.07%	8.08%	8.38%	8.56%	8.56%	9.13%	9.00%	8.90%

Profitability Measures

Net Interest Margin	4.29%	4.16%	3.79%	3.54%	3.52%	3.76%	3.29%	2.92%	2.83%
Non Interest Income/Average Assets	0.58%	0.64%	0.80%	0.79%	0.42%	0.31%	0.31%	0.39%	0.30%
Non Interest Expense/Average Assets	3.45%	3.33%	3.19%	2.77%	2.42%	2.15%	2.31%	2.25%	2.28%
Efficiency Ratio	75.45%	73.51%	73.72%	68.54%	64.33%	54.99%	67.11%	70.84%	75.32%
ROAA	0.57%	0.87%	0.83%	0.98%	0.89%	1.13%	0.88%	0.67%	0.56%
ROAE	4.74%	7.21%	7.69%	10.64%	13.40%	25.18%	13.93%	11.03%	9.14%
Earnings per share	\$0.47	\$0.81	\$0.96	\$1.45	\$1.60	\$0.52	\$0.41	\$0.33	\$0.29
Net Income	\$3,457	\$6,066	\$7,196	\$10,847	\$12,094	\$3,951	\$3,124	\$2,513	\$2,189

Bank Level Asset Quality

NPAs/Assets	0.16%	0.14%	0.07%	0.03%	0.02%	0.02%	0.02%	0.02%	0.03%
NPAs (excl TDRs)/Assets	0.09%	0.07%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%
NCOs/Avg Loans	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Reserves/Loans	0.83%	0.91%	0.95%	1.10%	1.01%	1.01%	0.98%	0.96%	0.92%

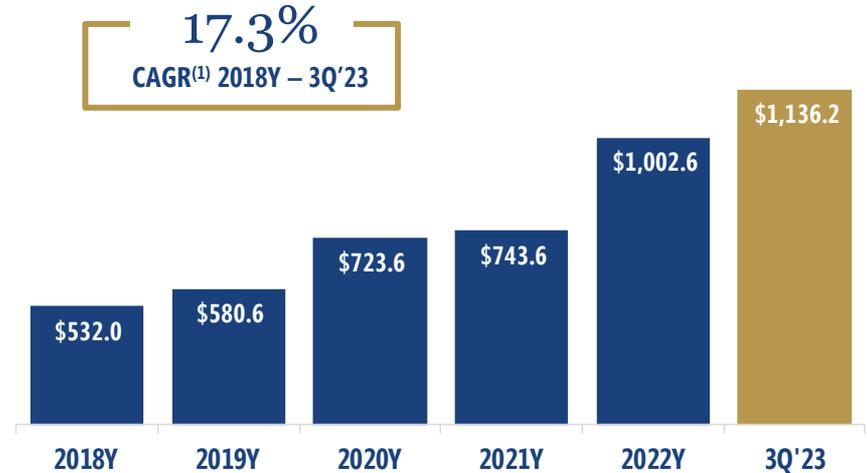
≡ BALANCE SHEET TRENDS

History of Strong, Disciplined Growth

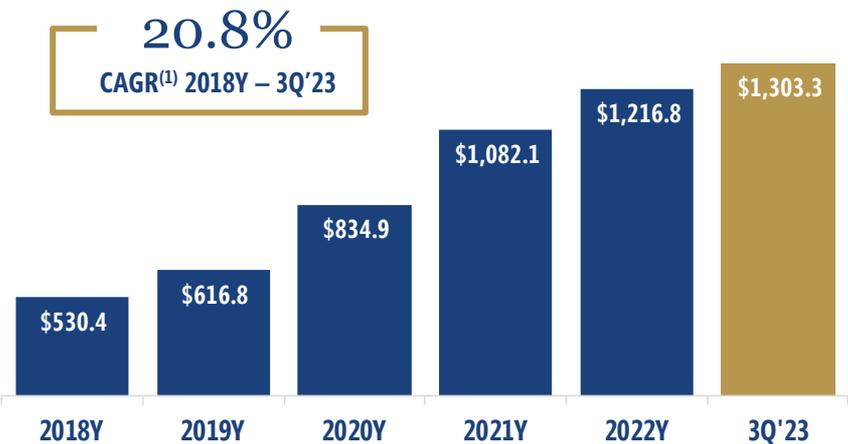
TOTAL ASSETS (\$M)



TOTAL GROSS LOANS (\$M)



TOTAL DEPOSITS (\$M)

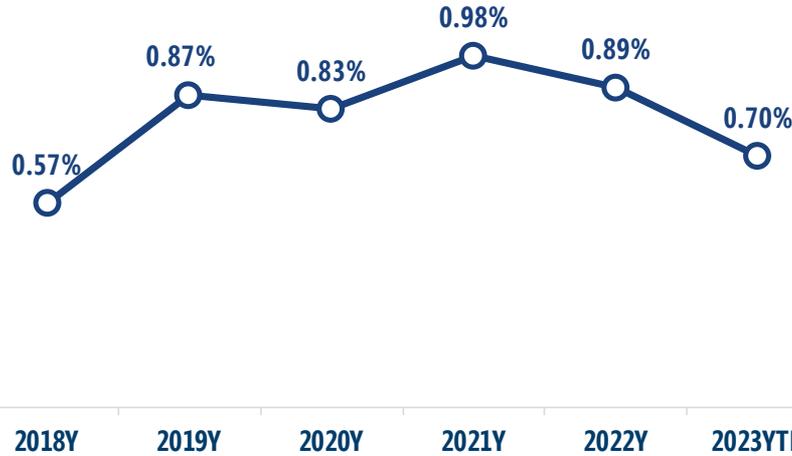


TOTAL EQUITY (\$M)



PROFITABILITY TRENDS

RETURN ON AVERAGE ASSETS (%)



RETURN ON AVERAGE TANGIBLE COMMON EQUITY (%)



NET INCOME (\$M)



EFFICIENCY RATIO (%)



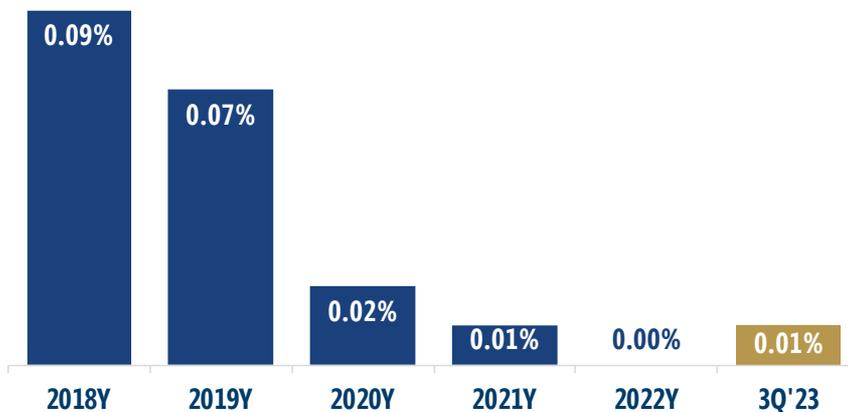
ASSET QUALITY HIGHLIGHTS

Stable Profile, with \$0 OREO

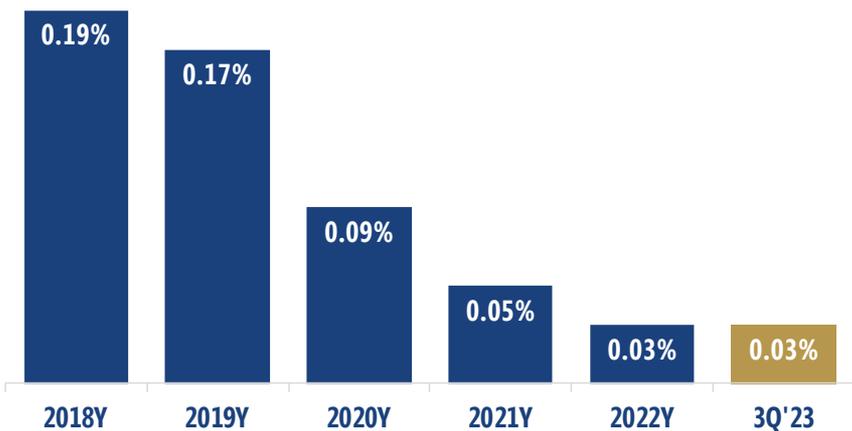
NONPERFORMING ASSETS (\$M, EX. TDRs)



NPA_s / ASSETS (% , Ex. TDRs)



NPLs / LOANS (%)



RESERVES / GROSS LOANS (%)

