



## **South Atlantic Bancshares, Inc. Reports Earnings of \$0.34 per Diluted Common Share for the Three Months Ended September 30, 2024**

**MYRTLE BEACH, S.C., October 23, 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 \$2.6 million, or \$0.34 per diluted common share, for the third quarter of 2024, compared to \$2.3 million, or \$0.30 per diluted common share for the second quarter of 2024. The Company reported \$6.9 million, or \$0.90 per diluted common share, for the nine months ended September 30, 2024, compared to \$7.8 million, or \$1.03 per diluted common share, for the nine months ended September 30, 2023.

### **Third Quarter 2024 Financial Highlights:**

- **Net Income totaled \$2.6 million for the third quarter of 2024, a quarterly increase of \$328.0 thousand or 14.4 percent**
- **Pre-provision net revenue totaled \$4.0 million for the third quarter of 2024, compared to \$3.1 million for the second quarter of 2024, representing an increase of 31.4 percent quarter-over-quarter**
- **Total assets increased \$176.1 million to \$1.8 billion during the nine months ended September 30, 2024, an increase of 14.5 percent annualized from December 31, 2023**
- **Total loans grew \$62.7 million, or 20.5 percent annualized, during the three months ended September 30, 2024**
- **Total deposits grew \$59.6 million during the third quarter of 2024 and \$177.5 million during the nine months ended September 30, 2024, with annualized growth rates of 16.9 percent and 18.3 percent, respectively**
- **Cash and cash equivalents increased \$86.4 million during the nine months ended September 30, 2024 to \$123.6 million, which represents an increase of 309.8 percent annualized from December 31, 2023**
- **Tangible book value per share at September 30, 2024 increased by \$2.65, or 22.6 percent, to \$14.38 per share when compared to September 30, 2023**
- **Net interest margin, calculated on a tax equivalent basis ("net interest margin") (non-GAAP) increased by 7 basis points during the third quarter of 2024 to 2.71 percent, compared to a flat net interest margin during the second quarter of 2024**

"We are pleased to report another quarter of improving financial metrics," remarked K. Wayne Wicker, Chairman and CEO of the Company. "Net income increased 14.4 percent over the second quarter of 2024, and pre-provision net revenue increased 31.4 percent. Deposit and loan growth remains strong across all our markets, with quarterly deposit growth of \$59.6 million, and quarterly loan growth of \$62.7 million. Our net interest margin expanded by 7 basis points during the third quarter of 2024, driven by improved earning asset yields and flat funding costs during the quarter. Our credit quality remains pristine, and we believe we are well positioned to benefit from the anticipated additional target rate cuts by the Federal Open Market Committee of the Federal Reserve over coming months as inflationary pressures continue to cool. We are optimistic about our Company and the markets we serve as we work to conclude 2024 and look ahead to 2025."

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

<b>Balance Sheet (000's)</b>	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>Change (\$)</b>	<b>Change (%)<sup>1</sup></b>
Total Assets	\$ 1,798,341	\$ 1,746,759	\$ 51,582	11.8%
Cash and Cash Equivalents	123,637	136,537	(12,900)	-37.8%
Total Loans, Net of Unearned Income	1,283,190	1,220,489	62,701	20.5%
Total Deposits	1,471,582	1,411,958	59,624	16.9%
Total Equity	114,424	107,046	7,378	27.6%
<b>Income Statement and Per Share Data</b>	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Net Income (000's)	\$ 2,604	\$ 2,276	\$ 328	14.4%
Earnings Per Share	0.34	0.30	0.04	13.3%
Tangible Book Value Per Share	14.38	13.40	0.98	7.3%
<b>Selected Financial Ratios</b>	<b>September 30, 2024</b>	<b>June 30, 2024</b>		
Return on Average Assets	0.58%	0.54%		
NPAs to Average Assets	0.00%	0.00%		
Efficiency Ratio	68.98%	74.19%		
Net Interest Margin	2.71%	2.64%		

<sup>1</sup> Results annualized.

### Earnings Summary

Net interest income increased \$1.1 million, or 10.4 percent, to \$11.5 million for the three months ended September 30, 2024, when compared to \$10.4 million for the three months ended September 30, 2023. The Company experienced an increase in interest income of \$4.8 million, or 26.3 percent, during the third quarter of 2024 compared to the third quarter of 2023, partially offset by a \$3.7 million increase in interest expense during the third 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 for deposits from bank and non-bank alternatives. The increase in interest income during the three months ended September 30, 2024 compared to the prior year period was primarily driven by a \$3.3 million increase in interest income on the Company's loan portfolio due to increased yields and volume, as well as an increase of \$1.5 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 nine months ended September 30, 2024, net interest income increased \$198 thousand, or 0.6 percent, to \$32.1 million when compared to \$31.9 million for the nine months ended September 30, 2023. This increase was driven primarily by the increase in interest income on the Bank's loan portfolio of \$11.0 million, or 26.0 percent, from \$42.3 million for the nine months ended September 30, 2023 to \$53.3 million for the nine months ended September 30, 2024, coupled with an increase of \$3.1 million, or 38.2 percent, in interest income on investments and cash reserves from \$8.0 million for the nine months ended September 30, 2023 to \$11.0 million for the nine months ended September 30, 2024. This increase in interest income was partially offset by an increase of \$13.9 million, or 75.2 percent, in interest expense for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Noninterest income increased \$417 thousand, or 35.8 percent, for the three months ended September 30, 2024 compared to the same three month period in 2023, primarily due to an increase in secondary mortgage income of \$288 thousand, or 210.2 percent, when compared to the same period in 2023 and an increase in service charges of \$53 thousand, or 37.3 percent, when comparing the three months ended September 30, 2024 to the same period in 2023.

Noninterest expense increased \$220 thousand, or 2.5 percent for the three months ended September 30, 2024, compared to same three month period during 2023. The increase was driven primarily by an increase of \$175 thousand, or 18.0 percent, in occupancy expense as a result of branch expansion efforts, followed by an increase of \$127 thousand, or 14.2 percent, in data processing and software expense, partially offset by a reduction in compensation and employee benefits of \$201 thousand, or 3.8 percent.

For the nine months ended September 30, 2024, noninterest income increased \$424 thousand, or 11.2 percent compared to the nine months ended September 30, 2023, with a decrease in service charge income of \$216 thousand, primarily driven by a one-time collection of an early certificate of deposit redemption during the second quarter of 2023, partially offset by increases in secondary mortgage income of \$405 thousand, or 72.5 percent, and an increase of \$167 thousand, or 21.3 percent, in other noninterest income. Noninterest expense increased \$885 thousand, or 3.5 percent, for the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023, primarily driven by increases of \$422 thousand, or 16.8 percent, in data processing and software expense, an increase of \$272 thousand, or 9.2 percent, in occupancy expenses related to branch footprint expansion and increased property insurance costs, as well as increases in salaries and employee benefits of \$82 thousand, or 0.5 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				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Interest Income					
Loans	\$ 18,510	\$ 17,637	\$ 17,194	\$ 16,324	\$ 15,186
Investments	4,419	3,656	2,971	3,092	2,964
<b>Total Interest Income</b>	<b>\$ 22,929</b>	<b>\$ 21,293</b>	<b>\$ 20,165</b>	<b>\$ 19,416</b>	<b>\$ 18,150</b>
Interest Expense	11,477	10,803	10,048	8,781	7,776
<b>Net Interest Income</b>	<b>\$ 11,452</b>	<b>\$ 10,490</b>	<b>\$ 10,117</b>	<b>\$ 10,635</b>	<b>\$ 10,374</b>
Provision for Loan Losses	575	150	175	400	-
Noninterest Income	1,583	1,434	1,180	1,165	1,166
Noninterest Expense	8,992	8,847	8,583	8,394	8,772
<b>Income Before Taxes</b>	<b>\$ 3,468</b>	<b>\$ 2,927</b>	<b>\$ 2,539</b>	<b>\$ 3,006</b>	<b>\$ 2,768</b>
Provision for Income Taxes	864	651	532	813	579
<b>Net Income</b>	<b>\$ 2,604</b>	<b>\$ 2,276</b>	<b>\$ 2,007</b>	<b>\$ 2,193</b>	<b>\$ 2,189</b>
<b>Basic Earnings Per Share</b>	<b>\$ 0.34</b>	<b>\$ 0.30</b>	<b>\$ 0.26</b>	<b>\$ 0.29</b>	<b>\$ 0.29</b>
<b>Diluted Earnings Per Share</b>	<b>\$ 0.34</b>	<b>\$ 0.30</b>	<b>\$ 0.26</b>	<b>\$ 0.29</b>	<b>\$ 0.29</b>
<b>Weighed Average Shares Outstanding</b>					
Basic	7,571,823	7,604,515	7,606,024	7,605,854	7,546,086
Diluted	7,663,132	7,657,325	7,669,225	7,644,120	7,589,725
<b>Total Shares Outstanding</b>	<b>7,571,823</b>	<b>7,571,823</b>	<b>7,606,823</b>	<b>7,605,854</b>	<b>7,605,854</b>

	Nine Months Ended	
	September 30, 2024	September 30, 2023
Interest Income		
Loans	\$ 53,341	\$ 42,323
Investments	11,046	7,995
<b>Total Interest Income</b>	<b>\$ 64,387</b>	<b>\$ 50,318</b>
Interest Expense	32,328	18,457
<b>Net Interest Income</b>	<b>\$ 32,059</b>	<b>\$ 31,861</b>
Provision for Loan Losses	900	355
Noninterest Income	4,197	3,773
Noninterest Expense	26,421	25,536
<b>Income Before Taxes</b>	<b>\$ 8,935</b>	<b>\$ 9,743</b>
Provision for Income Taxes	2,048	1,918
<b>Net Income</b>	<b>\$ 6,887</b>	<b>\$ 7,825</b>
<b>Basic Earnings Per Share</b>	<b>\$ 0.91</b>	<b>\$ 1.03</b>
<b>Diluted Earnings Per Share</b>	<b>\$ 0.90</b>	<b>\$ 1.03</b>
<b>Weighed Average Shares Outstanding</b>		
Basic	7,594,040	7,546,190
Diluted	7,661,157	7,610,152
<b>Total Shares Outstanding</b>	<b>7,571,823</b>	<b>7,605,854</b>

## Noninterest Income/Expense

Dollars in Thousands

	Three Months Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<b>Noninterest Income</b>					
Service charges and fees	\$ 195	\$ 166	\$ 138	\$ 138	\$ 142
Secondary mortgage income	425	356	184	190	137
Merchant and interchange income	646	596	516	541	585
Other income	317	316	342	296	302
<b>Total noninterest income</b>	<b>\$ 1,583</b>	<b>\$ 1,434</b>	<b>\$ 1,180</b>	<b>\$ 1,165</b>	<b>\$ 1,166</b>
<b>Noninterest expense</b>					
Salaries and employee benefits	\$ 5,071	\$ 5,247	\$ 5,097	\$ 4,193	\$ 5,272
Occupancy	1,148	1,000	1,036	1,048	973
Data processing & Software	1,023	949	966	1,088	896
Other expense	1,750	1,651	1,484	2,065	1,631
<b>Total noninterest expense</b>	<b>\$ 8,992</b>	<b>\$ 8,847</b>	<b>\$ 8,583</b>	<b>\$ 8,394</b>	<b>\$ 8,772</b>

	Nine Months Ended	
	September 30, 2024	September 30, 2023
<b>Noninterest Income</b>		
Service charges and fees	\$ 526	\$ 742
Securities gains, net	-	3
Secondary mortgage income	964	559
Merchant and interchange	1,757	1,686
Other income	950	783
<b>Total noninterest income</b>	<b>\$ 4,197</b>	<b>\$ 3,773</b>
<b>Noninterest expense</b>		
Salaries and employee benefits	\$ 15,216	\$ 15,134
Occupancy	3,222	2,950
Data processing & Software	2,939	2,517
Other expense	5,044	4,935
<b>Total noninterest expense</b>	<b>\$ 26,421</b>	<b>\$ 25,536</b>

## Balance Sheet Activity

Total assets increased \$176.1 million to \$1.80 billion as of September 30, 2024, compared to \$1.62 billion as of December 31, 2023, an increase of 14.5 percent, annualized. The increase in total assets during the nine months ended September 30, 2024 was driven primarily by an increase in net loans of \$98.1 million, or 11.1 percent annualized, followed by an increase in cash and cash equivalents of \$86.4 million, or 309.8 percent annualized, partially offset by a reduction in investment securities of \$4.4 million due to the maturity of investments held.

Total deposits increased \$177.5 million, or 18.3 percent, annualized, during the nine months ended September 30, 2024, primarily driven by organic growth of interest-bearing customer deposits. Shareholders' equity totaled \$114.4 million as of September 30, 2024, an increase of \$11.5 million, or 14.9 percent, annualized, from December 31, 2023, primarily driven by \$6.9 million in earnings during the nine months ended September 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 September 30, 2024. The decrease of 34,031 shares of common stock outstanding during the nine months ended September 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 \$1.58 per share, or 16.6 percent annualized, to \$14.38 per share as of September 30, 2024, when compared to \$12.79 per share as of December 31, 2023, and has increased \$2.65 per share, or 22.6 percent, when compared to \$11.73 per share as of September 30, 2023.

## Balance Sheets

Dollars in Thousands

	For the Periods Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Cash and Cash Equivalents	\$ 123,637	\$ 136,537	\$ 78,534	\$ 37,200	\$ 24,273
Investment Securities	309,245	304,930	297,287	313,681	306,334
Loans Held for Sale	3,081	3,605	1,185	949	1,345
Loans					
Loans	1,283,190	1,220,489	1,205,453	1,184,187	1,136,231
Less Allowance for Loan Losses	(11,759)	(11,184)	(11,038)	(10,863)	(10,463)
Loans, Net	\$ 1,271,431	\$ 1,209,305	\$ 1,194,415	\$ 1,173,324	\$ 1,125,768
OREO					
Property, net of accumulated depreciation	\$ 25,287	\$ 23,388	\$ 22,360	\$ 22,290	\$ 22,041
BOLI	35,132	34,863	34,603	34,345	30,132
Goodwill	5,349	5,349	5,349	5,349	5,349
Core Deposit Intangible	203	232	264	298	375
Other Assets	24,976	28,550	35,958	34,814	35,655
<b>Total Assets</b>	<b>\$ 1,798,341</b>	<b>\$ 1,746,759</b>	<b>\$ 1,669,955</b>	<b>\$ 1,622,250</b>	<b>\$ 1,551,272</b>
Deposits					
Noninterest bearing	\$ 332,054	\$ 321,763	\$ 293,998	\$ 331,933	\$ 344,011
Interest bearing	1,139,528	1,090,195	1,045,292	962,164	959,310
Total Deposits	\$ 1,471,582	\$ 1,411,958	\$ 1,339,290	\$ 1,294,097	\$ 1,303,321
Subordinated Debt	29,734	29,703	29,673	29,642	29,611
Other Borrowings	160,000	175,000	175,000	175,000	104,000
Other Liabilities	22,601	23,052	21,120	20,557	19,414
<b>Total Liabilities</b>	<b>\$ 1,683,917</b>	<b>\$ 1,639,713</b>	<b>\$ 1,565,083</b>	<b>\$ 1,519,296</b>	<b>\$ 1,456,346</b>
Stock with Related Surplus	\$ 78,693	\$ 78,640	\$ 79,027	\$ 78,978	\$ 78,601
Retained Earnings	54,840	52,237	49,961	48,711	46,517
Accumulated Other Comprehensive Income	(19,109)	(23,831)	(24,116)	(24,735)	(30,192)
<b>Shareholders' Equity</b>	<b>\$ 114,424</b>	<b>\$ 107,046</b>	<b>\$ 104,872</b>	<b>\$ 102,954</b>	<b>\$ 94,926</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,798,341</b>	<b>\$ 1,746,759</b>	<b>\$ 1,669,955</b>	<b>\$ 1,622,250</b>	<b>\$ 1,551,272</b>

## Net Interest Margin

Net interest margin increased 7 basis points to 2.71 percent for the three months ended September 30, 2024, up from 2.64 percent for the quarters ended June 30, 2024 and March 31, 2024. The yield on interest earning assets increased by 7 basis points during the third quarter of 2024 to 5.42 percent from 5.35 percent for the second quarter of 2024, while cost of funds remained flat at 2.77 percent during the third quarter of 2024.

## Net Interest Margin Analysis

Dollars in Millions

	Three Months Ended									
	September 30, 2024		June 30, 2024		March 31, 2024		December 31, 2023		September 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	\$ 1,243	5.96%	\$ 1,211	5.85%	\$ 1,192	5.76%	\$ 1,159	5.54%	\$ 1,110	5.33%
Loan fees		-0.03%		0.01%		0.03%		0.04%		0.09%
Loans with fees	\$ 1,243	5.92%	\$ 1,211	5.86%	\$ 1,192	5.79%	\$ 1,159	5.58%	\$ 1,110	5.42%
<b>Total interest earning assets</b>	\$ 1,683	5.42%	\$ 1,598	5.35%	\$ 1,560	5.22%	\$ 1,517	5.11%	\$ 1,478	4.91%
<b>Interest-bearing liabilities</b>										
Total interest bearing deposits	\$ 1,118	3.29%	\$ 1,055	3.23%	\$ 1,005	3.10%	\$ 961	2.77%	\$ 938	2.57%
Total interest bearing liabilities	\$ 1,318	3.46%	\$ 1,260	3.45%	\$ 1,209	3.33%	\$ 1,121	3.10%	\$ 1,069	2.88%
<b>Cost of funds</b>		2.77%		2.77%		2.67%		2.38%		2.16%
<b>Net interest margin</b>		2.71%		2.64%		2.64%		2.82%		2.83%

## Credit Quality

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

The Company recorded a provision for credit losses of \$575 thousand during the three months ended September 30, 2024, compared to a provision of \$150 thousand for the three months ended June 30, 2024 and no provision for the three months ended September 30, 2023. The increase in provision expense was driven by the organic increase in loan production for the third quarter of 2024, with an increase in gross loans of \$62.7 million, or 20.5 percent, annualized.

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				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
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%	0.01%
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%	0.00%	0.03%	0.00%
<b>Total NPAs (thousands)</b>	\$ 25	\$ 25	\$ 25	\$ -	\$ 156



## Performance Ratios

	Three Months Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
ROAA	0.58%	0.54%	0.49%	0.55%	0.56%
ROAE	9.40%	8.62%	7.98%	9.98%	9.65%
Efficiency	68.98%	74.19%	75.98%	71.14%	76.01%
NIM	2.71%	2.64%	2.64%	2.82%	2.83%
Book Value	\$ 15.11	\$ 14.14	\$ 13.79	\$ 13.54	\$ 12.48
Tangible Book Value	\$ 14.38	\$ 13.40	\$ 13.05	\$ 12.79	\$ 11.73

## 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 12.01 percent and leverage ratio of 8.36 percent as of September 30, 2024.

## Regulatory Capital Ratios

Bank Only	For the Periods Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Tier 1	11.14%	11.55%	11.62%	11.37%	11.84%
Leverage	8.36%	8.55%	8.76%	8.84%	9.11%
CET-1	11.14%	11.55%	11.62%	11.37%	11.84%
Total	12.01%	12.43%	12.51%	12.24%	12.73%

Additional Data	For the Periods Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Branches	12	12	12	12	12
Employees (Full Time Equivalent)	160	161	161	163	165

## 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 \$173.8 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 \$156.3 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 \$1.8 billion in total assets as of September 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, 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](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 the current elevated interest rate environment or future reductions in interest rates and a resulting decline in net interest income; the resurgence of elevated levels of inflation, or inflationary pressures 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, deficit 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; the impact of changes in U.S. presidential administrations or Congress; 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.

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

Matthew Hobert, EVP & CFO 843-839-4945

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