South Atlantic Bancshares, Inc. Reports Earnings of $0.61 per Diluted Common Share for the Three Months Ended June 30, 2026

MYRTLE BEACH, S.C., July 23, 2026 /PRNewswire/ -- South Atlantic Bancshares, Inc. ("South Atlantic" or the "Company") (OTCQX: SABK), parent of South Atlantic Bank (the "Bank"), reported consolidated net income of $4.7 million, or $0.61 per diluted common share, for the second quarter of 2026, compared to $4.5 million, or $0.58 per diluted common share for the first quarter of 2026. The Company reported $9.2 million, or $1.18 per diluted common share, for the six months ended June 30, 2026, compared to $7.0 million, or $0.91 per diluted common share, for the six months ended June 30, 2025.

Second Quarter 2026 Financial Highlights:

- **Net income totaled $4.7 million for the second quarter of 2026, a quarter over quarter increase of $278.0 thousand, or 6.2 percent, and an increase of $1.1 million, or 28.8 percent, over the second quarter of 2025**
- **Pre-provision net revenue (non-GAAP) improved 11.0 percent when compared to the first quarter of 2026**
- **Total assets increased $50.3 million to $2.0 billion during the three months ended June 30, 2026, an annualized increase of 10.4 percent, from March 31, 2026**
- **Total loans grew $61.9 million during the three months ended June 30, 2026, a quarter over quarter increase of 4.2 percent; total loans grew $73.6 million in the six months ended June 30, 2026, an annualized increase of 10.0 percent over December 31, 2025**
- **Total deposits grew $82.2 million during the three months ended June 30, 2026, a quarter over quarter increase of 5.2 percent; total deposits grew $122.5 million in the six months ended June 30, 2026, an annualized increase of 15.8 percent over December 31, 2025**
- **Cost of funds (non-GAAP) decreased six basis points during the second quarter of 2026 to 2.19 percent when compared to the first quarter of 2026**
- **Net interest margin improved 12 basis points during the second quarter of 2026 to 3.36 percent when compared to the first quarter of 2026**

"We are very pleased to announce strong financial results for the second quarter of 2026," remarked K. Wayne Wicker Chairman and CEO of the Company. "We saw strong growth on both sides of the balance sheet, with deposit growth exceeding loan growth during the quarter. Profitability measures were also improved during the quarter, with net income improving by 6.2 percent compared to the linked quarter, pre-provision net revenue improving 11.0 percent, also compared to the linked quarter, and net interest margin expanding by 12 basis points as our cost of funds declined. We continue to benefit from the high level of economic activity occurring across our geographic footprint, and we believe our loan and deposit pipelines are positioned to provide continued growth in 2026. We continue to closely monitor both macroeconomic and geopolitical uncertainty, as well as credit and other risk indicators, which remain benign. We are encouraged by the continued positive momentum of our Company and are optimistic regarding the second half of 2026."

* Non-GAAP financial measure, please see non-GAAP reconciliation at conclusion of this earnings press release

Selected Financial Highlights
For the Periods / Three Months Ended

Balance Sheet (000's)	June 30, 2026	March 31, 2026	Change ($)	Change (%)[1]
Total Assets	$ 1,982,571	$ 1,932,222	$ 50,349	10.4%
Total Loans, Net of Unearned Income	1,540,002	1,478,121	61,881	16.7%
Total Deposits	1,676,805	1,594,643	82,162	20.6%
Borrowings (Excluding Subordinated Debt)	109,000	147,000	(38,000)	-103.4%
Total Equity	143,131	138,437	4,694	13.6%

Income Statement and Per Share Data	June 30, 2026	March 31, 2026	Change ($)	Change (%)
Net Income (000's)	$ 4,747	$ 4,469	$ 278	6.2%
Diluted Earnings Per Share	0.61	0.58	0.03	5.2%
Tangible Book Value Per Share*	18.10	17.53	0.57	3.3%

Selected Financial Ratios	June 30, 2026	March 31, 2026
Return on Average Assets	0.99%	0.96%
NPAs to Average Assets	0.01%	0.00%
Efficiency Ratio*	61.31%	62.98%
Net Interest Margin	3.36%	3.24%

For the Periods / Six Months Ended

Balance Sheet (000's)	June 30, 2026	June 30, 2025	Change ($)	Change (%)
Total Assets	$ 1,982,571	$ 1,869,833	$ 112,738	6.0%
Total Loans, Net of Unearned Income	1,540,002	1,434,251	105,751	7.4%
Total Deposits	1,676,805	1,615,493	61,312	3.8%
Borrowings (Excluding Subordinated Debt)	109,000	80,000	29,000	36.3%
Total Equity	143,131	121,055	22,076	18.2%

Income Statement and Per Share Data	June 30, 2026	June 30, 2025	Change ($)	Change (%)
Net Income (000's)	$ 9,216	$ 7,023	$ 2,193	31.2%
Diluted Earnings Per Share	1.18	0.91	0.27	29.7%
Tangible Book Value Per Share*	18.10	15.47	2.63	17.0%

[1] Results annualized.

Earnings Summary

Net interest income increased $1.8 million, or 13.8 percent, to $15.2 million for the three months ended June 30, 2026, when compared to $13.4 million for the three months ended June 30, 2025. The increase in interest income during the three months ended June 30, 2026 compared to the prior year period was driven by a $1.4 million increase in interest income on the Company's loan portfolio due to organic growth of the Company's loan portfolio, partially offset by a reduction in interest income of $67.0 thousand, or 2.8 percent, on the Company's investment portfolio and cash and cash equivalents held with the Federal Reserve Bank of Richmond and correspondent banks. The Company recognized a decrease in interest expense of $566.0 thousand, or 5.6 percent, for the three months ended June 30, 2026 compared to the same three-month period in 2025. The reduction in interest expense during the period was primarily driven by decreases in interest rates on interest

* Non-GAAP financial measure, please see non-GAAP reconciliation at conclusion of this earnings press release

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, 2026, net interest income increased $3.3 million, or 12.7 percent, to $29.5 million when compared to $26.2 million for the six months ended June 30, 2025. This increase was driven primarily by an increase in interest income of $2.3 million, or 4.9 percent, from $46.4 million for the six months ended June 30, 2025 to $48.7 million for the six months ended June 30, 2026, coupled with the decrease in interest expense on deposits and borrowings of $1.1 million, or 5.3 percent, for the six months ended June 30, 2026 when compared to the same six month period in 2025.

Noninterest income increased $4.0 thousand, for the three months ended June 30, 2026 compared to the same three-month period in 2025. The Company recognized an increase in noninterest expense of $505.0 thousand, or 5.1 percent, for the three months ended June 30, 2026 when compared to the same three-month period in 2025, primarily driven by an increase in salaries and employee benefit expense of $623.0 thousand, or 11.5 percent, compared to the prior year period. For the three months ended June 30, 2026 compared to the same three-month period in 2025, the Company saw little change in the other components of non-interest expense.

For the six months ended June 30, 2026, noninterest income increased $248.0 thousand, or 7.7 percent, when compared to the six months ended June 30, 2025, primarily from the benefit of increased secondary mortgage income of $186.0 thousand, or 21.2 percent, as well as an increase of $28.0 thousand, or 12.7 percent, in service charge and fee income, and an increase of $22.0 thousand, or 1.8 percent, in merchant and interchange income. For the six months ended June 30, 2026, noninterest expense increased $924.0 thousand, or 4.7 percent, when compared to the six months ended June 30, 2025, primarily resulting from an increase of $1.2 million, or 11.3 percent, in salary and employee benefits expense. The Company realized a decrease in other noninterest expense primarily related to elevated other non interest expense during the same period in 2025 related to a $322.4 thousand loss on the targeted sale of securities in the first half of 2025. The Company also saw a $71.0 thousand, or 4.0 percent, decrease in data processing and software expense when compared to the same period in 2025.

Financial Performance

Dollars in Thousands Except Per Share Data

	Three Months Ended				
	June 30, 2026	**March 31, 2026**	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**
Interest Income					
Loans	$ 22,440	$ 21,526	$ 22,152	$ 22,263	$ 21,090
Investments	2,355	2,362	2,231	2,506	2,422
Total Interest Income	**$ 24,795**	**$ 23,888**	**$ 24,383**	**$ 24,769**	**$ 23,512**
Interest Expense	9,573	9,588	9,597	10,202	10,139
Net Interest Income	**$ 15,222**	**$ 14,300**	**$ 14,786**	**$ 14,567**	**$ 13,373**
Provision for Credit Losses	600	300	600	450	625
Noninterest Income	1,760	1,696	1,673	1,795	1,756
Noninterest Expense	10,411	10,074	9,879	10,401	9,906
Income Before Taxes	**$ 5,971**	**$ 5,622**	**$ 5,980**	**$ 5,511**	**$ 4,598**
Provision for Income Taxes	1,224	1,153	1,217	1,128	912
Net Income	**$ 4,747**	**$ 4,469**	**$ 4,763**	**$ 4,383**	**$ 3,686**
Basic Earnings Per Share	**$ 0.62**	**$ 0.59**	**$ 0.63**	**$ 0.59**	**$ 0.49**
Diluted Earnings Per Share	**$ 0.61**	**$ 0.58**	**$ 0.62**	**$ 0.57**	**$ 0.48**
Weighted Average Shares Outstanding					
Basic	7,597,714	7,586,345	7,523,195	7,469,487	7,566,808
Diluted	7,805,093	7,768,831	7,690,660	7,646,539	7,723,349
Total Shares Outstanding	7,607,440	7,589,514	7,575,873	7,469,563	7,469,063

	Six Months Ended	
	June 30, 2026	June 30, 2025
Interest Income		
Loans	$ 43,966	$ 41,187
Investments	4,717	5,237
Total Interest Income	**$ 48,683**	**$ 46,424**
Interest Expense	19,161	20,227
Net Interest Income	**$ 29,522**	**$ 26,197**
Provision for Loan Losses	900	1,022
Noninterest Income	3,456	3,208
Noninterest Expense	20,485	19,561
Income Before Taxes	**$ 11,593**	**$ 8,822**
Provision for Income Taxes	2,377	1,799
Net Income	**$ 9,216**	**$ 7,023**
Basic Earnings Per Share	**$ 1.21**	**$ 0.94**
Diluted Earnings Per Share	**$ 1.18**	**$ 0.91**
Weighed Average Shares Outstanding		
Basic	7,593,041	7,573,125
Diluted	7,793,687	7,712,374
Total Shares Outstanding	7,607,440	7,469,063

Noninterest Income/Expense

Dollars in Thousands

	Three Months Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Noninterest Income					
Service charges and fees	$ 126	$ 122	$ 129	$ 123	$ 115
Secondary mortgage income	504	561	496	555	531
Merchant and interchange income	690	589	632	695	697
Other income	440	424	416	422	413
Total noninterest income	**$ 1,760**	**$ 1,696**	**$ 1,673**	**$ 1,795**	**$ 1,756**
Noninterest expense					
Salaries and employee benefits	$ 6,061	$ 5,979	$ 5,773	$ 5,978	$ 5,438
Occupancy	1,126	1,094	996	1,132	1,125
Data processing & Software	843	852	886	1,032	858
Other expense	2,381	2,149	2,224	2,259	2,485
Total noninterest expense	**$ 10,411**	**$ 10,074**	**$ 9,879**	**$ 10,401**	**$ 9,906**

	Six Months Ended	
	June 30, 2026	June 30, 2025
Noninterest Income		
Service charges and fees	$ 248	$ 220
Secondary mortgage income	1,065	879
Merchant and interchange	1,279	1,257
Other income	864	852
Total noninterest income	**$ 3,456**	**$ 3,208**
Noninterest expense		
Salaries and employee benefits	$ 12,040	$ 10,818
Occupancy	2,220	2,214
Data processing & Software	1,695	1,766
Other expense	4,530	4,763
Total noninterest expense	**$ 20,485**	**$ 19,561**

Balance Sheet Activity

Total assets increased $62.9 million to $2.0 billion as of June 30, 2026, compared to $1.9 billion as of December 31, 2025, an increase of 3.3 percent. The increase in total assets during the six months ended June 30, 2026 was driven primarily by an increase in the Company's loan portfolio of $73.6 million, or 5.0 percent, and partially offset by a decrease of $5.6 million, or 8.2 percent, in cash and cash equivalents.

Total deposits increased $122.5 million, or 7.9 percent, during the six months ended June 30, 2026. The increase in total deposits was partially offset by a decrease in brokered deposits of $14.0 million during the six months ended June 30, 2026. Short-term borrowings decreased by $71.0 million, or 39.4 percent, during the six months ended June 30, 2026.

Shareholders' equity totaled $143.1 million as of June 30, 2026, an increase of $8.6 million, or 6.4 percent, from December 31, 2025, primarily driven by $8.5 million in retained earnings during the six months ended June 30, 2026, partially offset by the declaration and payment of an ordinary cash dividend of $750.0 thousand on the Company's common stock during the first quarter of 2026.

The Company reported 7,607,440 total shares of common stock outstanding as of June 30, 2026. The increase of 31,567 shares of common stock outstanding during the six months ended June 30, 2026 was due to the exercise during the period of stock options. Tangible book value increased $1.05 per share, or 6.2 percent, to $18.10 per share as of June 30, 2026, when compared to $17.05 per share as of December 31, 2025, and has increased $2.63 per share, or 17.0 percent, when compared to $15.47 per share as of June 30, 2025.

Balance Sheets

Dollars in Thousands

	For the Periods Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30 2025
Cash and Cash Equivalents	$ 63,355	$ 72,711	$ 68,975	$ 90,119	$ 65,944
Investment Securities	290,076	294,760	293,140	288,486	280,473
Loans Held for Sale	6,109	3,743	7,293	1,619	3,159
Loans					
Loans	1,540,002	1,478,121	1,466,440	1,426,537	1,434,251
Less Allowance for Credit Losses	(14,610)	(14,010)	(13,715)	(13,155)	(12,706)
Loans, Net	$ 1,525,392	$ 1,464,111	$ 1,452,725	$ 1,413,382	$ 1,421,545
OREO					
Property, net of accumulated depreciation	$ 29,095	$ 29,273	$ 29,575	$ 29,386	$ 29,413
BOLI	37,095	36,806	36,522	36,234	35,949
Goodwill	5,349	5,349	5,349	5,349	5,349
Core Deposit Intangible	52	67	85	104	126
Other Assets	26,048	25,402	25,972	26,694	27,875
Total Assets	**$ 1,982,571**	**$ 1,932,222**	**$ 1,919,636**	**$ 1,891,373**	**$ 1,869,833**
Deposits					
Noninterest bearing	$ 361,777	$ 325,894	$ 324,851	$ 347,469	$ 362,360
Interest bearing	1,315,028	1,268,749	1,229,474	1,241,213	1,253,133
Total Deposits	$ 1,676,805	$ 1,594,643	$ 1,554,325	$ 1,588,682	$ 1,615,493
Subordinated Debt	30,000	30,000	30,000	30,000	30,000
Other Borrowings	109,000	147,000	180,000	120,000	80,000
Other Liabilities	23,635	22,142	20,744	24,094	23,285
Total Liabilities	**$ 1,839,440**	**$ 1,793,785**	**$ 1,785,069**	**$ 1,762,776**	**$ 1,748,778**
Stock with Related Surplus	$ 78,443	$ 78,095	$ 77,840	$ 77,638	$ 77,566
Retained Earnings	81,895	77,148	73,428	68,666	64,284
Accumulated Other Comprehensive Loss	(17,207)	(16,806)	(16,701)	(17,707)	(20,795)
Shareholders' Equity	**$ 143,131**	**$ 138,437**	**$ 134,567**	**$ 128,597**	**$ 121,055**
Total Liabilities and Shareholders' Equity	**$ 1,982,571**	**$ 1,932,222**	**$ 1,919,636**	**$ 1,891,373**	**$ 1,869,833**

Net Interest Margin

Net interest margin increased 12 basis points to 3.36 percent for the three months ended June 30, 2026 when compared to the three months ended March 31, 2026. The yield on interest earning assets increased by 6 basis points during the second quarter of 2026 to 5.47 percent from 5.41 percent for the first quarter of 2026, coupled with a decrease in cost of funds of 6 basis points during the second quarter of 2026 to 2.19 percent from 2.25 percent for the first quarter of 2026.

Net Interest Margin Analysis

Dollars in Millions

	Three Months Ended											
	June 30, 2026			March 31, 2026			December 31, 2025			September 30, 2025		
	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	$ 1,504	$ 22.5	6.01%	$ 1,466	$ 21.6	5.99%	$ 1,447	$ 22.2	6.06%	$ 1,439	$ 22.2	6.12%
Loan fees	0.0	(0.1)	-0.03%	0.0	(0.1)	-0.04%	0.0	0.0	0.01%	0.0	0.1	0.02%
Loans with fees	$ 1,504	$ 22.4	5.98%	$ 1,466	$ 21.5	5.95%	$ 1,447	$ 22.2	6.07%	$ 1,439	$ 22.3	6.14%
Total interest earning assets	$ 1,818	$ 24.8	5.47%	$ 1,791	$ 23.9	5.41%	$ 1,752	$ 24.4	5.52%	$ 1,764	$ 24.8	5.57%
Interest-bearing liabilities												
Total interest bearing deposits	$ 1,275	$ 8.2	2.58%	$ 1,241	$ 7.9	2.61%	$ 1,216	$ 8.2	2.67%	$ 1,252	$ 9.0	2.86%
Total interest bearing liabilities	$ 1,413	$ 9.6	2.72%	$ 1,410	$ 9.6	2.76%	$ 1,347	$ 9.6	2.83%	$ 1,363	$ 10.2	2.97%
Cost of funds*			**2.19%**			**2.25%**			**2.25%**			**2.36%**
Net interest margin			**3.36%**			**3.24%**			**3.35%**			**3.28%**

Credit Quality

We continue to see excellent credit quality in our markets through June 30, 2026, with one loan classified as non-accrual, and one loan totaling $42.0 thousand past due greater than 30 days as of June 30, 2026.

The Company recorded a provision for credit losses of $600 thousand during the three months ended June 30, 2026, compared to a provision of $300 thousand for the three months ended March 31, 2026 and a provision of $625 thousand for the three months ended June 30, 2025. The increase in provision expense during the three months ended June 30, 2026 was primarily due to organic loan growth during the period.

The Company continues to closely monitor credit quality in light of the ongoing economic uncertainty caused by, among other factors, the fluctuating market interest rate environment, the lingering inflationary pressures in the United States and our market areas, evolving U.S. trade and tariff policies, ongoing military conflicts and geopolitical instability. Accordingly, additional provisions for credit losses may be necessary in future periods.

* Non-GAAP financial measure, please see non-GAAP reconciliation at conclusion of this earnings press release

Credit Quality Analysis

	For the Periods Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30 2025
LLR to Total Loans	0.95%	0.95%	0.94%	0.92%	0.89%
NPAs to Avg Assets	0.01%	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	0.00%	0.00%	0.00%	0.00%	0.01%
Total NPAs (thousands)	$ 131	$ -	$ -	$ -	$ -

Performance Ratios

	Three Months Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
ROAA	0.99%	0.96%	1.02%	0.93%	0.80%
ROAE	13.43%	13.12%	14.25%	13.89%	12.28%
Efficiency*	61.31%	62.98%	60.02%	63.57%	65.48%
NIM	3.36%	3.24%	3.35%	3.28%	3.09%
Book Value	$ 18.81	$ 18.24	$ 17.76	$ 17.22	$ 16.21
Tangible Book Value*	$ 18.10	$ 17.53	$ 17.05	$ 16.49	$ 15.47

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 12.21 percent and leverage ratio of 9.42 percent as of June 30, 2026. 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, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Tier 1	11.26%	11.37%	11.24%	11.30%	10.85%
Leverage	9.42%	9.27%	9.19%	8.86%	8.74%
CET-1	11.26%	11.37%	11.24%	11.30%	10.85%
Total	12.21%	12.32%	12.18%	12.23%	11.74%

	For the Periods Ended				
Additional Data	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Branches	12	12	12	12	12
Employees (Full Time Equivalent)	175	173	170	168	172

* Non-GAAP financial measure, please see non-GAAP reconciliation at conclusion of this earnings press release

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 $2.0 billion in total assets as of June 30, 2026. 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.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures include tangible book value, tangible book value per share, pre-provision net revenue, cost of funds, and efficiency ratio. The Company believes these non-GAAP financial measures provide both management and investors a more complete understanding of the Company's financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures.

We classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP as in effect from time to time in the United States in our statements of income, balance sheets or statements of cash flows. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies.

A reconciliation of non-GAAP financial measures to GAAP financial measures is provided at the end of this press release.

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) slower economic growth rates or potential recession in the United States and our market areas; (iii) uncertainty or perceived instability in the banking industry as a whole; (iv) increased competition for deposits among traditional and nontraditional financial services companies, 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 future reductions in interest rates and a resulting decline in net interest income; (vi) the persistent inflationary pressures in the United States and our market areas; (vii) the uncertain impacts of current and future monetary policies of the Federal Reserve; (viii) changes in unemployment rates in the United States and our market areas; (ix) adverse changes in customer spending, borrowing and savings habits; (x) elevated asset prices; (xi) declines in housing and commercial real estate values and prices; (xii) a deterioration of the credit rating for the United States long-term sovereign debt or the impact of uncertain or changing political conditions, including federal government shutdowns and uncertainty regarding United States fiscal debt, deficit and budget matters; (xiii) 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; (xiv) severe weather, natural disasters, military conflicts (including the conflicts in the Middle East, the possible expansion of such conflicts and potential geopolitical and economic consequences), acts of terrorism, geopolitical instability, domestic civil unrest or other external events, including as a result of in the policies of the current U.S. presidential administration or Congress; (xv) 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; (xvi) competition and market expansion opportunities; (xvii) changes in non-interest expenditures or in the anticipated benefits of such expenditures; (xviii) the receipt of required regulatory approvals; (xix) changes in tax laws; (xx) the risks related to the development, implementation, use and management of emerging technologies, including digital assets, artificial intelligence and machine learning; (xxi) potential costs related to the impacts of climate change; (xxii) current or future litigation, regulatory examinations or other legal and/or regulatory actions; (xxiii) changes in accounting principles and standards, including those related to loan loss recognition under the current expected credit loss, or CECL, methodology; and (xxiv) changes in applicable laws, regulations or policies in the United States, including those affecting our business, operations, pricing, products or services. 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 applicable 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, 2025, 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, 2025, as contained in the Company's 2025 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

Non-GAAP Reconciliation

	Three Months Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30 2025
Common Equity (GAAP)	$ 143,131	$ 138,437	$ 134,567	$ 128,597	$ 121,055
Intangible Assets (GAAP)	5,401	5,416	5,434	5,453	5,475
Tangible Common Equity (Book Value) (non-GAAI	$ 137,730	$ 133,021	$ 129,133	$ 123,144	$ 115,580

	Three Months Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30 2025
Tangible Book Value Per Common Share (non-GA/	$ 18.10	$ 17.53	$ 17.05	$ 16.49	$ 15.47
Effect to Adjust for Intangible Assets	0.71	0.71	0.72	0.73	0.73
Book Value Per Common Share (GAAP)	$ 18.81	$ 18.24	$ 17.76	$ 17.22	$ 16.21

	Three Months Ended				
Dollars in Thousands	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30 2025
Total Quarterly Interest Expense (GAAP)	$ 9,573	$ 9,588	$ 9,597	$ 10,202	$ 10,139
Days In Quarter	91	90	92	92	91
Interest Expense Per Day	105	107	104	111	111
Annualization of Daily Interest Expense	38,397	38,885	38,075	40,475	40,667
Average Interest Bearing Liabilities (non-GAAP)	1,413,238	1,410,436	1,347,334	1,362,528	1,362,436
Average Noninterest Bearing DDA (non-GAAP)	339,721	320,188	347,431	355,222	332,421
Total Average Funding Liabilities (non-GAAP)	$ 1,752,959	$ 1,730,624	$ 1,694,765	$ 1,717,750	$ 1,694,857
Cost of Funds (non-GAAP)	2.19%	2.25%	2.25%	2.36%	2.40%

	Three Months Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30 2025
Total Noninterest Expense (GAAP)	$ 10,411	$ 10,074	$ 9,879	$ 10,401	$ 9,906
Net Interest Income (GAAP)	15,222	14,300	14,786	14,567	13,373
Noninterest Income (GAAP)	1,760	1,696	1,673	1,795	1,756
Total Net Interest Revenue (non-GAAP)	$ 16,982	$ 15,996	$ 16,459	$ 16,362	$ 15,129
Efficiency Ratio (non-GAAP)	61.31%	62.98%	60.02%	63.57%	65.48%

	Three Months Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30 2025
Income Before Taxes (GAAP)	$ 5,971	$ 5,622	$ 5,980	$ 5,511	$ 4,598
Provision for Credit Losses (GAAP)	600	300	600	450	625
Pre-Provision Net Revenue (Non-GAAP)	$ 6,571	$ 5,922	$ 6,580	$ 5,961	$ 5,223