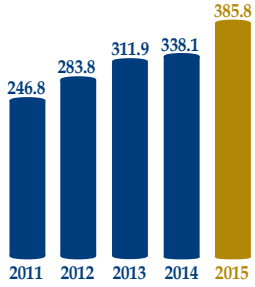
South Atlantic Bank

Take Stock

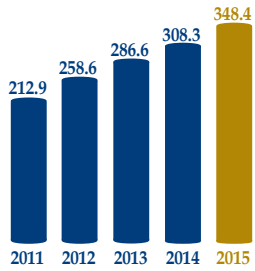
Third Quarter 2015

Total Assets *(September 30)*



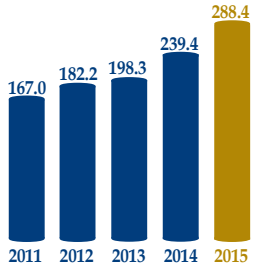
$ in millions

Total Deposits *(September 30)*



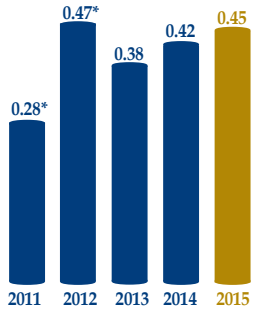
$ in millions

Total Loans *(September 30)*



$ in millions

Diluted Earnings per Share *(September 30)*



$

**Pre-tax EPS. Company became fully taxable in 2013.*

Year-to-Date Earnings Show Continued Improvement

As we move into the fourth quarter of 2015, our company remains focused on its financial performance and year-end goals.

Net income for the nine months ended September 30, 2015 rose to $1,612,352 or $0.45 per diluted share, from $1,482,184 or $0.42 per diluted share reported for the same period a year ago. This represents an increase of 8.8 percent in earnings year-over-year. Net income for the three months ended September 30, 2015 was $595,012 or $0.17, and represented the company's 19th consecutive quarterly profit.

Solid growth in South Atlantic Bank's loan portfolio contributed to our financial performance. Total loans grew 20.5 percent, to $288.4 million at September 30, 2015, from $239.4 million for the same period a year ago. Calling officer efforts in our expanded geographic footprint combined with better economic times to drive loan gains. Credit quality remains strong in this period of growth, with no net charge-offs in the third quarter and we continue to lead our peer group banks in this category. We also recorded a 13.0 percent increase in total deposits, to $348.4 million at September 30, 2015, compared to $308.3 million at September 30, 2014.

Continued improvement from our merchant services and mortgage banking areas of the bank, along with securities gains, also helped the bottom line. Results in these areas led to a 22.4 percent increase in noninterest income at September 30, 2015, compared to the same period a year ago. Our net interest margin ended the third quarter at 3.64 percent. During the past nine months, the margin has ranged from 3.78 to 3.64 percent.

In other banking news, we have received the necessary approvals from the Town of Mount Pleasant and expect to break ground before the end of the year on our new office building. The 8,000 square foot building will have a full-service branch on the first floor and space for tenants on the second floor. Drive-thru lanes including an ATM are planned for the facility on Johnnie Dodds Boulevard.

Our bank continues to make strides in deposit market share according to data released by the FDIC as of June 30, 2015. South Atlantic Bank ranks eighth out of twenty-three banks in Horry and Georgetown counties, on the strength of just five locations. The banks holding the first seven places on the list have at least double the number of branches. The bank continues to do well in Myrtle Beach zip code 29577, holding fourth place trailing only larger, regional banks, and in Murrells Inlet zip code 29576, where it ranks first.

We are also pleased to announce that our website address is now SouthAtlantic.bank as we completed the move from the dot com domain to the new dot bank domain during the third quarter. Dot bank offers a higher level of security for our customers' online commerce and we are among the first financial institutions in our market and the state of South Carolina to make this move.

Lastly, our board approved the listing of our South Atlantic Bancshares common stock on the OTCQX® Best Market and it began trading on October 1 under the symbol "SABK." The Best Market is a great fit for South Atlantic Bancshares because it is designed for high-performing companies interested in increasing their visibility to investors.

With 2015 drawing to a close, we are eager to continue moving our bank forward. We hope you are pleased with our progress and if we can be of service to you, please call on us.

Inside this Issue

...Stock Listed on OTCQX...Credit Card Chips Deter Fraud!...On the Move to dot Bank!...Fundraiser Works Miracles...Promotions and Additions...

Selected Financial Highlights

	For the Three Months Ended September 30, 2015	For the Three Months Ended September 30, 2014	For the Nine Months Ended September 30, 2015	For the Nine Months Ended September 30, 2014
Year End/Quarter End Balances (In Thousands)				
Total assets	$ 385,780	$ 338,097	$ 385,780	$ 338,097
Investment securities	49,481	71,023	49,481	71,023
Loans, net of unearned income (total loans)	288,427	239,402	288,427	239,402
Deposits	348,389	308,263	348,389	308,263
Shareholders' equity	34,635	27,937	34,635	27,937
Average Balances (In Thousands)				
Total assets	$ 398,895	$ 354,152	$ 369,667	$ 339,879
Earning assets	346,608	313,962	331,588	308,869
Investment securities	50,203	70,901	51,045	70,968
Loans, net of unearned income (total loans)	280,638	240,986	273,476	236,225
Deposits	354,492	325,608	333,610	307,397
Shareholders' equity	34,216	27,480	33,573	26,342
Earnings Breakdown (In Thousands)				
Total interest income	$ 3,587	$ 3,309	$ 10,418	$ 9,743
Total interest expense	309	275	860	910
Net interest income	3,277	3,034	9,558	8,833
Total noninterest income	618	505	1,954	1,196
Total noninterest expense	3,086	2,724	9,175	7,851
Provision for loan losses	0	75	165	400
Income before taxes	809	739	2,173	1,778
Taxes	214	136	561	295
Net income	595	603	1,612	1,482
Diluted earnings per share	0.17	0.17	0.45	0.42
Selected % Increases		*(Year over Year.)*		
Total assets	14.10%	8.41%	14.10%	8.41%
Total interest earning assets	9.61%	11.87%	9.61%	11.37%
Total loans	20.48%	20.74%	20.48%	20.74%
Total deposits	13.02%	7.55%	13.02%	7.55%
Interest income	8.40%	17.41%	6.93%	17.11%
Interest expense	12.43%	(14.34)%	(5.51)%	(9.25)%
Noninterest income	22.35%	36.86%	63.46%	(20.56)%
Noninterest expense	13.28%	25.89%	16.86%	24.03%
Net income	(1.33)%	24.58%	8.78%	9.91%
Selected Ratios (Year-to-Date)				
Return on assets	0.61%	0.68%	0.58%	0.58%
Return on equity	6.90%	8.71%	8.18%	7.52%
Interest income to total average assets	3.65%	3.71%	3.77%	3.83%
Interest expense to total average assets	0.31%	0.31%	0.31%	0.36%
Net interest income to total average assets	3.33%	3.40%	3.46%	3.47%
Loan loss reserve to total loans	0.99%	1.11%	0.99%	1.11%
Nonperforming assets to total average assets	0.14%	0.09%	0.14%	0.09%
Net charge-offs to total average loans	(0.02)%	0.04%	(0.02)%	0.04%
Net interest margin	3.64%	3.73%	3.78%	3.81%

Stock Trades on the OTCQX® Best Market

It's official! The common stock of South Atlantic Bancshares, Inc. now trades on the OTCQX Best Market. Listing the stock improves the visibility of the company to investors interested in high-performing community banks while providing a source of liquidity. Companies that trade on the OTCQX are required to be well-managed and capitalized with strong financial principles and integrity.

Our listing provides a shareholder friendly trading experience along with easy access to financial reports and other company news.

To find current financial disclosures and Real-Time Level 2 quotes for South Atlantic Bancshares, Inc., visit www.otcmarkets.com and enter the symbol SABK.

FIG Partners, an employee-owned broker/dealer specializing in financial institutions, serves as South Atlantic Bancshares' corporate broker on the OTCQX.

If you are interested in purchasing or selling shares, you can contact your broker or **Mike Acampora of FIG Partners at 904.354.0441.** He is a specialist in the community bank stock sector with nearly 30 years of experience with community bank boards and their shareholders.

OTCQX: SABK

One Small Chip – One Giant Leap Forward for Security!

South Atlantic Bank credit card holders will soon receive new cards using the latest technology in the fight against fraud – the EMV microchip. EMV stands for "Euro-Pay, MasterCard, Visa." Cards with embedded chips have been in use in Europe and other parts of the world for some time. With fraud an expensive and continuing problem, the processing companies – MasterCard, Visa, and American Express – along with the banking industry, wanted stronger card security here in the U.S.

The microchip appears on the card's front, to the left. It protects the customer's personal data because each time the card is used for a transaction, it encrypts the information into a unique code that can't be used again for any additional transactions. It makes the cards harder to copy, also a source of fraud.



The move to chip technology also affects merchants who will need to switch from the magnetic stripe readers to chip-enabled readers or risk liability for card fraud that takes place in their stores. Our merchant services team is working to ensure a smooth transition to the new readers as more chip-embedded cards enter the market.

SouthAtlantic.bank Makes its Debut!

South Atlantic Bank moved to new real estate on the Internet, exchanging its dot com digs for the financially-oriented and security-driven dot bank domain.

Dot bank is one of more than 1000 new generic top level domain (gTLD) names that will be developed and implemented over the next several years.

The bank's new website address is SouthAtlantic.bank.

.bank

The dot bank domain is operated by fTLD Registry, a private company owned, operated, and governed by banks, insurance companies and their trade associations. fTLD Registry ensures that the dot bank domain is controlled by the financial services industry and operates in the best of interest of banks and their customers. fTLD Registry is also responsible for dot insurance.

Stronger security requirements set dot bank apart from other gTLDs such as dot com. For example:

- Only legitimate, verified members of the global banking community are awarded dot bank domain names.
- Registration data is re-verified every two years.
- Multi-factor authentication ensures that changes to registration data are made only by authorized users of the domain name.
- Email authentication reduces spoofing, phishing and other malicious activities.
- Strong encryption ensures Internet communication is secure.
- Domain Name System Security Extensions (DNSSEC) ensure that Internet users are landing on legitimate websites and not imposter sites.
- Anonymous registrations that cybercriminals use to pose as legitimate entities are prohibited.
- Domains are hosted on dot bank nameservers to ensure compliance with all technical security requirements.

K. Wayne Wicker, South Atlantic Bank chairman of the board and chief executive officer, said, "As customers increasingly migrate to online and mobile banking services, banks need to take every opportunity to continually improve security for online commerce. By moving to dot bank, we are committed to providing our customers with a safe and secure environment for their online and mobile banking activities."

Customers who access the bank's website or send e-mail via the dot com address will be automatically redirected to the dot bank address, which affords them all of the security of the new domain.

It's the People Who Make the Difference

Staff Promotions and Additions



Angie Potter is the new accounting assistant at our Myrtle Beach headquarters. Angie joined the bank in March 2013, serving as a customer service representative at our Pawleys Island office. In our accounting department, she is responsible for accounts payable, prepaid and fixed assets, and accruals. She also prepares1099 reporting, updates policy and procedure manuals, and assists with audit and examination preparation. Angie is a graduate of Waccamaw High School and attended Coastal Carolina University.



Kelly Byrd was promoted from teller to customer service representative at the Pawleys Island office. She joined South Atlantic Bank in December 2014 and her previous business experience includes a three-year stint with Bank of America in customer service. Kelly relocated to Murrells Inlet from Virginia in 2008. She attended Horry-Georgetown Technical College.



Leah Rodriguez now serves as a mortgage loan officer for the North Myrtle Beach and Myrtle Beach markets. She joined the bank in February 2012 as a teller in Myrtle Beach, and advanced through the ranks, most recently serving as the assistant branch manager at our Murrells Inlet office. A graduate of Coastal Carolina University with a B. A. degree, Leah recently completed the South Carolina Bankers Association School of Banking. She is a Conway native who now resides in Myrtle Beach.



Savannah Richard joined the bank's staff as a float teller for the Grand Strand locations. She is based at our Myrtle Beach headquarters and will travel to branches as staffing needs dictate. Savannah is a recent graduate of the University of South Carolina with a B. A. degree in psychology. While at school, she participated in several service organizations to develop leadership skills.



Loretta Jones is the new teller and back-up customer service representative at our Pawleys Island office. Loretta began her banking career more than 20 years ago in her home state of New Hampshire. She relocated to the Myrtle Beach area in 2008 and worked as an office manager before returning to the banking industry in 2010 with Carolina First. She most recently served TD Bank as a customer service representative. She attended St. Johnsbury College in Vermont.

Bank Named "Roaring Twenties" Winner

For the third time in the past four years, South Atlantic Bank has been named a "Roaring Twenties" winner by SC Biz News. This honor recognizes the state's 20 best-performing companies in small and large categories. To qualify, companies must have a physical presence in South Carolina and be a for-profit entity or a non-profit organization (government entities and charitable organizations including 501 (c) 3 companies are not eligible).

South Atlantic Bank was the only Grand Strand-based business and the only bank to be honored at the awards presentation in Columbia on October 28. The majority of companies hail from Columbia, Charleston, and Greenville.

SC Biz News produces several state-wide business publications including *SC Biz News*, *Charleston Regional Business Journal*, *Columbia Regional Business Report*, and *GSA Business*.



Next Issue

...Financial Update for 2015...Customer Appreciation Events...Promotions and Additions...Upcoming Events...

Miracle Leagues Fundraiser Sets Record!

Our fund drive for the Grand Strand Miracle Leagues' fall baseball opener was our most successful to date, raising more than $5,700 for the organization.

The fall opener took place at the James C. Benton Miracle Leagues Field in Myrtle Beach on September 10. Opening ceremonies began at 6 p.m. as Rollin' Thunder presented the colors, Father Angelo Pappas of St. John the Baptist Greek Orthodox Church gave the invocation, and Savannah Thompson sang the National Anthem. After South Atlantic Bank's executive officers presented the "big check" for the campaign, it was time to play ball!

Two teams battled on the field and then enjoyed a barbecue supper. Volunteers from the community, South Atlantic Bank, and Coastal Carolina University came together to provide the players with a memorable evening of fall baseball!

The Miracle Leagues organization was founded in 2001 to provide people with special needs the opportunity to play baseball. The rules are simple: Everyone plays. Everyone crosses home plate. Everyone wins! The organization expanded in 2011 to include soccer, and in 2013 added the All-Star Park, an all access playground. New to the organization this year is a golf program. For more information, call 843.448.7712 or visit GrandStrandMiracleLeague. com





Above: Carson Benton, chairman of the Grand Strand Miracle Leagues, receives a check from South Atlantic Bank executive officers Wayne Wicker, Scott Plyler, and Dick Burch during the opening ceremonies. Bank employees raised money through several fundraisers, including the sale of "Dress Down Fridays," always a popular event.

At right, Savannah Thompson, a Miracle Leagues team member, sings the National Anthem before the start of the game.

Take Stock is published quarterly for the shareholders and friends of South Atlantic Bancshares, Inc. Send correspondence to:

Barbara Marshall, Editor
South Atlantic Bank
630 29th Avenue North
Myrtle Beach, SC 29577

bmarshall@southatlantic.bank

Address Changes and Additions

To update the U.S. mail and e-mail addresses that you have on file with us, please visit the Investor Relations section of our website, SouthAtlantic.bank.

SouthAtlantic.bank > Who We Are > Investor Relations

Click on the link for the form, follow the directions provided, and and return the form to us. Your information will be updated upon receipt.

Mission Statement

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.

Directors

Carson Benton
Co-Owner and Operator
C.L. Benton and Sons, Inc.

Tommy Brittain
Attorney at Law
Brittain Law Firm, P.A.

Dick Burch
Executive Vice President
and Chief Financial Officer
South Atlantic Bank

Tony Cox
Executive Vice President
Real Estate
Burroughs and Chapin Company

Miles Herring
Franchisee and Operator
Krispy Kreme Doughnuts

Martha Lewis
Senior Physical Therapist
NextStep Rehabilitation

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President
South Atlantic Bank

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HB Springs Company

Jay Springs
Co-Owner/Broker
Century 21 Barefoot Realty

Zeb Thomas, Jr.
President
The Dayton House

Wayne Wicker
Chairman and
Chief Executive Officer
South Atlantic Bank

Locations

Myrtle Beach
630 29th Avenue North
(P) 843.839.0100

North Myrtle Beach
1801 Highway 17 South
(P) 843.848.2260

Mount Pleasant
1127 Queensborough Blvd., Ste.105
(P) 843.972.4300

Murrells Inlet
11019 Tournament Blvd.
(P) 843.848.2000

Pawleys Island
10970 Ocean Highway
(P) 843.848.2049

Georgetown
1187 North Fraser Street
(P) 843.436.6800