South Atlantic Bancshares, Inc.

630 29th Avenue North
Myrtle Beach, South Carolina 29577

Notice of Annual Meeting of Shareholders
To be held April 19, 2016

Dear Fellow Shareholder:

We cordially invite you to attend the 2016 Annual Meeting of Shareholders of South Atlantic Bancshares, Inc., the holding company of South Atlantic Bank. At the meeting, we will report on our performance in 2015 and answer your questions. We are pleased to discuss our achievements, along with our plans for 2016, with you. We hope that you can attend the meeting and look forward to seeing you there.

This letter serves as your official notice that we will hold the meeting on April 19, 2016, at 5:30 p.m. at South Atlantic Bank, 630 29th Avenue North, Myrtle Beach, South Carolina 29577, for the following purposes:

1. To elect three members to our Board of Directors;

2. To transact any other business that may properly come before the meeting or any adjournment of the meeting.

Shareholders owning our common stock at the close of business on March 4, 2016, are entitled to attend and vote at the meeting. A complete list of these shareholders will be available at our offices prior to the meeting. In addition to the specific matters to be acted upon, there also will be a report on our operations, and our directors and officers will be present to respond to your questions.

Please use this opportunity to take part in the affairs of your company by voting on the business to come before this meeting. Even if you plan to attend the meeting, we encourage you to vote your proxy online or by phone, or return the proxy card via U.S. mail, as promptly as possible.

By Order of the Board of Directors,

K. Wayne Wicker

K. Wayne Wicker
Chairman and Chief Executive Officer

Myrtle Beach, South Carolina
March 21, 2016

South Atlantic Bancshares, Inc.

630 29th Avenue North
Myrtle Beach, South Carolina 29577

Proxy Statement

FOR ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 19, 2016

Our Board of Directors is soliciting proxies for the 2016 Annual Meeting of Shareholders. This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. We encourage you to read it carefully.

Voting Information

The Board set March 4, 2016, as the record date for the meeting. Shareholders owning our common stock at the close of business on that date are entitled to attend and vote at the meeting, with each share entitled to one vote. There were 3,829,672 shares of common stock outstanding on the record date. A majority of the outstanding shares of common stock represented at the meeting will constitute a quorum. We will count abstentions and broker non-votes, which are described below, in determining whether a quorum exists.

Some of our shareholders hold their shares through a stockbroker, bank, or other nominee rather than directly in their own name. If you hold our shares in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these materials are being forwarded to you by your broker or nominee, which is considered the shareholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker or nominee how to vote and are also invited to attend the Annual Meeting. However, because you are not the shareholder of record, you may not vote these shares in person at the meeting unless you obtain a signed proxy from the shareholder of record giving you the right to vote the shares. Your broker or nominee has enclosed or provided a voting instruction card for you to use to direct your broker or nominee how to vote these shares.

When you sign the proxy card, you appoint Richard N. Burch as your representative at the meeting. Mr. Burch will vote your proxy as you have instructed on the proxy card. If you submit a proxy but do not specify how you would like it to be voted, the shares will be voted in favor of all proposals set forth herein. However, if any other matters come before the meeting, Mr. Burch will vote your proxy on such matters in accordance with his judgment.

You may revoke your proxy and change your vote at any time before the polls close at the meeting. You may do this by signing and delivering another proxy with a later date or by voting in person at the meeting.

Brokers who hold shares for the accounts of their clients may vote these shares either as directed by their clients or in their own discretion if permitted by the exchange or other organization of which they are members. Proxies that brokers do not vote on some proposals but that they do vote on others are referred to as "broker non-votes" with respect to the proposals not voted upon. A broker non-vote does not count as a vote in favor of or against a particular proposal for which the broker has no discretionary voting authority. In addition, if a shareholder abstains from voting on a particular proposal, the abstention does not count as a vote in favor of or against the proposal.

We are paying for the costs of preparing and mailing the proxy materials and of reimbursing brokers and others for their expenses of forwarding copies of the proxy materials to our shareholders. Our officers and employees may assist in soliciting proxies but will not receive additional compensation for doing so. We are distributing this proxy statement on or about March 21, 2016.

You may review these materials and complete your proxy online by going to www.iproxydirect.com/SABK. Enter your control ID, which appears in a box on the front of the proxy card and follow the instructions. Voting online is the preferred method. You may also vote your shares via telephone by calling 1.866.752.VOTE (8683) or returning the proxy via U.S. mail in the envelope provided.

Proposal No. 1: Election of Directors

The Board of Directors is divided into three classes with staggered terms, so that the terms of only approximately one-third of the board members expire at each Annual Meeting. The current terms of the Class III directors will expire at the meeting. The terms of the Class I directors will expire at the 2017 Annual Meeting. The terms of the Class II directors will expire at the 2018 Annual Meeting. Our directors and their classes are:

Class I	Class II	Class III
R. Scott Plyler	Richard N. Burch	K. Wayne Wicker
Thomas C. Brittain	James Carson Benton, Jr.	Miles M. Herring
Tony K. Cox	Albert A. Springs, IV	Martha S. Lewis
Zeb M. Thomas, Jr.	Jack L. Springs, Jr.	

At the meeting, shareholders will elect three nominees as Class III directors to serve three year terms. The terms of the Class III directors will expire at the 2019 Annual Meeting. The directors will be elected by a plurality of the votes cast at the meeting. This means that the three nominees receiving the highest number of votes will be elected.

The Board of Directors recommends that you elect K. Wayne Wicker, Miles M. Herring, and Martha S. Lewis as Class III directors.

If you submit a proxy but do not specify how you would like it to be voted, Mr. Burch will vote your proxy to elect Mr. Wicker, Mr. Herring, and Ms. Lewis. If any of these nominees is unable or fails to accept nomination or election (which we do not anticipate), Mr. Burch will vote instead for a replacement to be recommended by the Board of Directors, unless you specifically instruct otherwise in the proxy.

Set forth below is certain information about the nominees. Each director also is an organizer and a director of South Atlantic Bank, except for Ms. Lewis, who was appointed to the Board of Directors of our company and our subsidiary in 2010, and elected to her first term at the 2011 Annual Meeting.

The Board unanimously recommends a vote FOR these nominees:



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 28 years of experience in the Myrtle Beach and South Carolina markets, including leadership positions with Nexity Bank as senior vice president for correspondent banking and Anchor Bank as senior vice president and regional executive for the North Coast. Mr. Wicker 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 is involved in a number of community activities, having served on the boards of the South Carolina Young Bankers Association and the Myrtle Beach Area and North Myrtle Beach Chambers of Commerce. He currently serves on the board of the South Carolina Bankers Association and its political action committee, and is a member of the City of Myrtle Beach Recreation Advisory Committee. A former member of the South Carolina Air National Guard, Mr. Wicker is a Gulf War veteran.



Miles M. Herring, a native of Myrtle Beach, is the franchisee/operator of Krispy Kreme Doughnuts in Myrtle Beach and Charleston, South Carolina and Wilmington and Jacksonville, North Carolina. He is a graduate of the College of Charleston with a B.A. degree in political science. In addition to his banking experience as a former advisory board member of Carolina First Bank, Mr. Herring brings an entrepreneurial spirit and a strong business acumen to his roles as chairman of the audit finance committee and member of the executive and compensation committees. He is a member of the franchise advisory council of Krispy Kreme Doughnut Corporation. Mr. Herring is a member of Belin United Methodist Church.



Martha S. Lewis serves as senior physical therapist at Next Step Rehabilitation, an affiliate of Tidelands Health. Ms. Lewis co-founded Atlantic Physical Therapy, an outpatient rehabilitation facility in 1986, and oversaw its expansion to several locations along the Grand Strand. Atlantic Physical Therapy became a part of Georgetown Hospital System (now Tidelands Health) in January 2013. Ms. Lewis' strong entrepreneurial and business building skills are an asset to the bank in her role as a member of the board's audit finance and compensation committees. A North Carolina native, she attended East Carolina University and received a B.S. degree in physical therapy from the Medical University of South Carolina. Ms. Lewis is a member of the American Physical Therapy Association (APTA) and the orthopedic section of the APTA. A resident of Conway, Ms. Lewis is strongly committed to the community and serves on the board of the Horry-Georgetown Technical College Foundation. She attends St. Anne's Episcopal Church in Conway.

Set forth below is information about each of our other directors. Each director is also an organizer and a director of South Atlantic Bank.



James Carson Benton, Jr. has been in the general contracting business for 34 years and is a third generation owner and co-owner/operator of C.L. Benton and Sons, Inc. As a former member of the advisory boards of Anchor Bank and Carolina First Bank, Mr. Benton has a thorough knowledge of retail and commercial banking in the Grand Strand market. His experience in business to business and residential contracting makes him uniquely qualified to lead the bank's loan committee and serve on the executive committee. A Myrtle Beach resident since 1958, Mr. Benton is an active member of the community and currently serves as chairman of the board of the Grand Strand Miracle League. He is a former board member of the Horry County Solid Waste Authority, the Myrtle Beach Area Chamber of Commerce, the Waccamaw Community Foundation, and the Ocean View Memorial Foundation. Mr. Benton is a graduate of Clemson University with a B.S. degree in industrial education. He is a member of Ocean View Baptist Church.



Thomas C. (Tommy) Brittain is a partner in the Brittain Law Firm, serving the Grand Strand for more than 30 years. He is a graduate of Conway High School and attended Wofford College on a football scholarship. He graduated magna cum laude, Phi Beta Kappa, from Wofford in 1975, and received a law degree from the University of South Carolina School of Law in 1978. He was a law clerk for Governor Robert E. McNair. After graduation, he entered active duty in the United States Army and served as a captain at Fort Hood, Texas, for four years. Through his life-long experiences as a scholar-athlete, a member of the armed forces, and an attorney, Mr. Brittain brings financial, legal, and management skills to his role on the board and as a member of the compensation committee. He served as chairman of the Wofford College Board of Trustees (2003-2009), is a fellow of the American College of Trial Lawyers, and is a member of the Fourth Circuit Judicial Conference. His accomplishments have been recognized by the legal community and by his peers, as he was designated a "Super Lawyer" by The New York Times (2007-2014) and has been rated AV Preeminent (the highest ranking awarded from a lawyer's peers) for the past 15 years by Martindale-Hubbell Law Directory. In May 2010, he was awarded an Honorary Doctorate of Humanities degree from Wofford College.



Richard N. (Dick) Burch is the executive vice president, chief financial officer, and secretary of South Atlantic Bancshares, Inc. and South Atlantic Bank. He brings more than 31 years of banking experience to his post, including six years as a bank examiner for the South Carolina Board of Financial Institutions. His local banking experience includes six years as executive vice president and chief financial officer for the former Beach First National Bank in Myrtle Beach, South Carolina and seven years as senior vice president and director of operations for Anchor Bank. Mr. Burch possesses extensive knowledge of banking technology and operations, and has served on committees of the South Carolina Bankers Association and Jack Henry & Associates, Inc. as a technical advisor for the development of various banking software applications. He is a graduate of The Citadel with a B.S. degree in business administration and the Darla Moore

School of Business in Bank Investments and Financial Management. Having lived in the Myrtle Beach area for more than 21 years, he is a past board member and chairman of the Myrtle Beach High School Booster Club and Chicora Rotary Club, and was president of the North South All-Star Football Game committee for three years. He is a member of First Presbyterian Church.



Tony K. Cox has been in the real estate business for 36 years and serves as executive vice president for the real estate division of Burroughs and Chapin Company, Inc. in Myrtle Beach. He is a graduate of the University of South Carolina with a B. A. degree in public administration/real estate and completed the Harvard Graduate School of Design, Advanced Management Development Program. Mr. Cox is a Certified Commercial Investment Member (CCIM) and a Graduate, Realtor® Institute (GRI). A native of Horry County, he has extensive knowledge of the Grand Strand real estate market. In addition, Mr. Cox has considerable banking experience as a former member of the advisory boards of the National Bank of South Carolina and Crescent Mortgage. He brings a strong educational and business background to his post on the board, as chairman of the compensation committee, and as a member of the executive and loan committees. Mr. Cox is a past chairman of the South Carolina Real Estate Commission and has played leadership roles as chairman of the membership committee of the Myrtle Beach Area Chamber of Commerce and as a former chairman of the Horry County Planning Commission.



R. Scott Plyler is president of South Atlantic Bancshares, Inc., and South Atlantic Bank. Mr. Plyler has 23 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 has a strong record of service to the community and currently sits on the board of the Myrtle Beach Economic Regional Development Authority. He also serves as a faculty advisor for the South Carolina Bankers School held at Lander University. 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.



Albert A. Springs, IV has been in the insurance and real estate business for 28 years and is co-owner and president of H.B. Springs Company in Myrtle Beach, South Carolina. He is a graduate of the University of South Carolina with a B.S. degree in business administration and the University of Georgia with an M.B.A. degree in risk management and real estate. His qualifications are augmented by his service on the advisory boards of the former Anchor Bank and Carolina First Bank. He is a member of the board's loan and audit finance committees. A lifelong resident of Myrtle Beach, Mr. Springs serves on the Chapin Foundation Board of Advisors and is active in the First United Methodist Church of Myrtle Beach. He has also served on the boards of the Myrtle Beach Education Foundation and Helping Hand.



Jack L. (Jay) Springs, Jr. is an owner/broker for Century 21 Barefoot in North Myrtle Beach, South Carolina. Prior to entering the real estate business, he managed his family's North Myrtle Beach restaurant. He is a graduate of the University of South Carolina with a B. S. degree in hotel, restaurant, and tourism. In addition to his business and educational qualifications, Mr. Springs has local banking experience as a former advisory board member of Horry County State Bank. He serves on the board's loan and compensation committees. Mr. Springs has resided along the Grand Strand for more than 46 years. In the community, he is a member of the Coastal Carolina University Housing committee, and has served as president of the Myrtle Beach High School Booster Club. A member of the First Presbyterian Church, Mr. Springs has served on several church ministry committees.



Zeb M. Thomas, Jr. is a retired hotelier and the former president of The Dayton House in Myrtle Beach, South Carolina. A life-long hotelier who grew up in the family business and oversaw its expansion from a 14-room cottage to a 328-room resort, Mr. Thomas brings strong business and management skills to his role on the board and as a member of the audit finance and loan committees. He is a graduate of the University of South Carolina with a B. S. degree in economics. Mr. Thomas has played an active role in the Grand Strand community, having held leadership positions with the Myrtle Beach Area Hospitality Association, the Myrtle Beach Area Chamber of Commerce, and the City of Myrtle Beach Zoning Board of Adjustment. He was a charter member of the Myrtle Beach Sertoma and Chicora Rotary Clubs and is an active member of the Episcopal Church of Myrtle Beach. Currently, Mr. Thomas serves as a South Carolina Constable, providing assistance to the Myrtle Beach Police Department.

Compensation of Directors

The eight outside directors received compensation in the amount of $2,000 per director per meeting attended and $500 per director per committee meeting attended. Directors Wicker, Plyler, and Burch, who are employees of the holding company and the bank, did not receive compensation as directors.

Beneficial Owners and Management

The following table shows how much common stock is owned by our directors and executive officers and by owners of more than 5% of the outstanding common stock, as of March 4, 2016. The mailing address for each of our directors and executive officers is our headquarters at P.O. Box 70130, Myrtle Beach, South Carolina 29572.

	Number of Shares [1]	Right To Acquire [2]	% of Ownership [3]
James Carson Benton, Jr.	78,238	12,100	2.36%
Thomas C. Brittain	33,550	12,100	1.20%
Richard N. Burch	37,994	111,967	3.92%
Tony K. Cox	61,666	12,100	1.93%
Miles M. Herring	96,360	12,100	2.84%
Martha S. Lewis	12,155	—	*
R. Scott Plyler	48,093	111,967	4.18%
Albert A. Springs, IV	48,180	12,100	1.58%
Jack L. Springs, Jr.	34,375	12,100	1.22%
Zeb M. Thomas, Jr.	77,000	—	2.01%
K. Wayne Wicker	50,176	178,546	5.98%
Executive Officers and Directors as a group (11 persons)	577,787	475,080	27.50%

* Less than 1%

1) Includes shares for which the named person:
   - has sole voting and investment power,
   - has shared voting and investment power with a spouse or other person, or
   - holds in an IRA or other retirement plan program, unless otherwise indicated in these footnotes.

   Does not include shares that may be acquired by exercising stock options.
2) Includes shares that may be acquired within the next 60 days by exercising stock options, but does not include any other stock options.
3) Determined by assuming the named person exercises all options which he or she has the right to acquire within 60 days, but that no other persons exercise any options.

Other Matters

The Board of Directors of South Atlantic Bancshares, Inc. knows of no other matters that may be brought before the Annual Meeting. If, however, any matters other than those described in the Notice of Annual Meeting of Shareholders should properly come before the meeting, votes will be cast pursuant to the proxies in accordance with the best judgment of the proxy holders.

If you cannot be present in person, you are requested to complete your proxy online by going to www.iproxydirect.com/SABK. You will be prompted for your control number, which appears in a box on the front of the proxy card. Enter the control number and follow the instructions. If you complete your proxy online, there is no need for you to return the paper proxy card to us. You may also vote your shares via telephone by calling 1.866.752.VOTE (8683) or by completing and returning the enclosed proxy card in the envelope provided. No postage is required if mailed in the United States.

Richard N. Burch

By Order of the Board of Directors
Richard N. Burch, Secretary

March 21, 2016
Myrtle Beach, South Carolina