630 29TH AVENUE NORTH • MYRTLE BEACH, SC 29577 • 843.839.0100

PRESS RELEASE

For Immediate Release

Contact: Barbara W. Marshall, Senior Vice President and Director of Marketing
bmarshall@southatlantic.bank
843.839.4948

Net Income Shows Improvement for South Atlantic Bancshares

Myrtle Beach, South Carolina, April 19, 2016 – South Atlantic Bancshares, Inc. (OTCQX: SABK), parent of South Atlantic Bank, today reported net income of $496,913 or $0.14 per diluted share for the three months ended March 31, 2016, compared to $482,504 or $0.12 per diluted share reported for the same period a year ago. This represents a 3.0% increase in net income year over year.

Financial Highlights

- The first quarter 2016 was the company's 21st consecutive profitable quarter, continuing a string of strong performances that began with the first quarter 2011.
- Credit quality remains strong with no net charge-offs and nonperforming assets to average total assets of just 0.10 percent.
- Excluding securities gains, pre-tax net income grew 51.6 percent year over year.
- Excluding securities gains, noninterest income grew 21.7 percent year over year.
- Strong performance continued even as the company absorbed the full effect of North Myrtle Beach expansion during the first quarter.
- The net interest margin improved to 4.0 percent.
- Total loans grew 22.5 percent, from $269.3 million at March 31, 2015 to $329.9 million at March 31, 2016.
- Total deposits grew 12.5 percent, from $322.5 million reported at March 31, 2015, to $362.8 million at March 31, 2016.
- Total assets grew 17.2 percent, from $356.7 million at March 31, 2015, to $418.2 million at March 31, 2016.

"Several factors drove the company's financial performance in the first quarter," said K. Wayne Wicker, chairman of the board and chief executive officer. "Loan growth was solid throughout our geographic footprint, fueling gains in net interest income. The net interest margin improved to four percent for the first time in our history. Our mortgage area reported its strongest quarter in the bank's history, reaching highs for both earnings and volume. Additionally, core deposits continued to grow, comprising nearly thirty-three percent of total deposits.

In other news, we will break ground on a new office in Mount Pleasant on Johnnie Dodds Boulevard during the second quarter and expect to occupy the facility by mid-2017. Until then, banking operations will continue at our current location at 1027 Queensborough Boulevard," Wicker said.

About South Atlantic Bank

South Atlantic Bank, the subsidiary bank of South Atlantic Bancshares, Inc. (OTCQX: SABK), is a $419.6 million financial institution that is locally owned, controlled, and operated. The bank is headquartered in Myrtle Beach, South Carolina, with additional offices in Murrells Inlet, Pawleys Island, Georgetown, North Myrtle Beach, and Mount Pleasant, South Carolina. South Atlantic Bank offers a wide variety of services for businesses and consumers, including South Atlantic Bank *go*Mobile, its mobile banking app. The bank also offers internet banking, no-fee ATM access, checking, CD, and money market accounts, merchant services, mortgage loans, remote deposit capture, and more. South Atlantic Bank was named a "Roaring Twenties" winner as one of the best performing large companies in the state of South Carolina by *SC Biz News*, in 2012, 2013, and 2015. For more information, visit SouthAtlantic.bank.

Member FDIC

###

South Atlantic Bancshares, Inc.
Selected Financial Highlights

	For the Three Months Ended **March 31, 2016**	For the Three Months Ended **March 31, 2015**	For the Twelve Months Ended **December 31, 2015**
Year End/Quarter End Balances (in thousands)			
Total assets	$ 418,159	$ 356,736	$ 400,218
Investment securities	41,572	51,386	51,820
Loans, net of unearned income (total loans)	329,890	269,310	313,988
Deposits	362,831	322,482	337,362
Shareholders' equity	36,499	33,679	35,645
Average Balances (in thousands)			
Total assets	$ 397,820	$ 352,383	$ 374,291
Earning assets	371,181	327,515	348,172
Investment securities	44,709	51,987	51,238
Loans, net of unearned income	317,514	264,121	279,810
Deposits	339,263	314,232	335,849
Shareholders' equity	36,329	32,582	33,961
Earnings Breakdown (in thousands)			
Total interest income	$ 3,914	$ 3,369	$ 14,137
Total interest expense	320	266	1,161
Net interest income	3,594	3,103	12,976
Total noninterest income	588	688	2,633
Total noninterest expense	3,346	3,028	12,272
Provision for loan losses	150	100	230
Income before taxes	687	663	3,106
Taxes	190	181	865
Net income	497	483	2,241
Diluted earnings per share	0.14	0.12	0.63
Selected % Increases *(March 2016 compared to March 2015)* *(December 2015 compared to December 2014)*			
Total assets	17.22%	7.89%	10.15%
Total interest earning assets	16.43%	7.44%	9.09%
Total loans	22.49%	15.87%	19.55%
Total deposits	12.51%	8.08%	3.30%
Interest income	16.20%	7.18%	9.00%
Interest expense	20.49%	(15.43)%	(2.00)%
Noninterest income	(14.55)%	142.85%	54.37%
Noninterest expense	10.49%	19.68%	15.58%
Net income	2.98%	28.80%	11.80%
Selected Ratios (year-to-date)			
Return on assets	0.50%	0.56%	0.59%
Return on equity	5.50%	6.01%	6.60%
Interest income to total average assets	3.96%	3.88%	3.78%
Interest expense to total average assets	0.32%	0.31%	0.31%
Net interest income to total average assets	3.63%	3.57%	3.47%
Loan loss reserve to total loans	0.92%	1.02%	0.90%
Nonperforming assets to total average assets	0.10%	0.12%	0.11%
Net charge-offs to total average loans	0.00%	0.00%	0.00%
Net interest margin	4.02%	3.90%	3.80%