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PRESS RELEASE

For Immediate Release
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Quarterly Earnings Grow 37 Percent at South Atlantic Bancshares, Inc.
Third Quarter Performance Best in Company's History

Myrtle Beach, South Carolina, October 25, 2016 – South Atlantic Bancshares, Inc. (OTCQX: SABK), parent of South Atlantic Bank, today reported net income of $815,653 or $0.21 per diluted share for the three months ended September 30, 2016, compared to the $595,015 or $0.15 per diluted share reported for the same period a year ago. These figures represent the company's best quarterly performance in its nine-year history, and a 37.1 percent increase in net income when compared to the third quarter 2015.

Net income for the nine months ended September 30, 2016, was $1,945,321 or $0.49 per diluted share, compared $1,612,354 or $0.42 per diluted share for the nine months ended September 30, 2015. Year over year, net income grew 20.7 percent.

Financial Highlights

- Third quarter 2016 represents the company's 23rd consecutive quarterly profit, dating back to the first quarter 2011
- Credit quality remains strong with no net charge-offs for the nine months ended September 30, 2016
- Net interest margin is 3.67 percent for the quarter and 3.83 percent for the year
- Total loans grew 23.2 percent, to $351.5 million at September 30, 2016 from $285.4 million at September 30, 2015
- Total deposits grew 13.9 percent, to $397.0 million at September 30, 2016 from $348.4 million at September 30, 2015
- Total assets grew 13.2 percent, to $436.9 million at September 30, 2016 from $385.8 million at September 30, 2015

"The company's historic performance in the third quarter is attributed to growth throughout our geographic footprint," said South Atlantic Bank chairman and chief executive officer K. Wayne Wicker. "Our established branches and our newer locations have performed well, as shown in deposit market share data recently released by the FDIC. On the strength of five locations along the Grand Strand, South Atlantic Bank now ranks seventh in deposit market share for Horry and Georgetown counties, while our Mount Pleasant region is gaining traction with one office. The Charleston/Mount Pleasant market is one of the fastest growing regions in the country and South Atlantic Bank has a strong commitment there with a new 8,000 square-foot office due to be completed on Johnnie Dodds Boulevard next summer. This new office will be our regional headquarters in the market."

Additionally, Wicker cited the bank's mortgage area in the company's success, stating "Our revamped mortgage operation continued its robust performance, helping to fuel improvement in non-interest income during the third quarter. With an improved economy, our loan originators are seeing increased activity in construction-perm loans, and also in refinancing due to the continued low rate environment," he said.

About South Atlantic Bank
South Atlantic Bank, the subsidiary bank of South Atlantic Bancshares, Inc. (OTCQX: SABK), is a $443.7 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.

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South Atlantic Bancshares, Inc.
Selected Financial Highlights

	For the Three Months Ended September 30, 2016	For the Three Months Ended September 30, 2015	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015
Quarter End Balances (In Thousands)				
Total assets	$ 436,881	$ 385,780	$ 436,881	$ 385,780
Investment securities	45,282	49,481	45,282	49,481
Loans, net of unearned income (total loans)	351,499	285,364	351,499	285,364
Deposits	396,985	348,414	396,985	348,414
Shareholders' equity	38,330	34,635	38,330	34,635
Average Balances (In Thousands)				
Total assets	$ 455,675	$ 389,895	$ 427,703	$ 369,667
Earning assets	422,539	346,608	394,244	331,588
Investment securities	40,648	50,203	41,269	51,045
Loans, net of unearned income	346,691	280,638	334,246	273,476
Deposits	416,033	354,494	380,149	333,611
Shareholders' equity	38,449	34,216	37,327	33,573
Earnings Breakdown (In Thousands)				
Total interest income	$ 4,215	$ 3,586	$ 12,193	$ 10,418
Total interest expense	378	309	1,066	860
Net interest income	3,837	3,277	11,127	9,558
Total noninterest income	1,002	618	2,331	1,954
Total noninterest expense	3,562	3,086	10,316	9,175
Provision for loan losses	175	–	495	165
Income before taxes	1,102	809	2,647	2,173
Taxes	286	214	702	560
Net income	816	595	1,945	1,612
Diluted earnings per share	0.21	0.15	0.49	0.42
Selected % Increases		Year over Year		
Total assets	13.25%	14.10%	13.25%	14.10%
Total interest earning assets	12.67%	12.91%	12.67%	12.91%
Total loans	23.18%	19.20%	23.18%	19.20%
Total deposits	13.94%	13.02%	13.94%	13.02%
Interest income	17.51%	8.40%	17.04%	6.93%
Interest expense	22.07%	12.43%	23.99%	(5.51)%
Noninterest income	62.18%	22.35%	19.29%	63.46%
Noninterest expense	15.43%	13.28%	12.44%	16.86%
Net income	37.08%	(1.33)%	20.65%	8.78%
Selected Ratios (Year-to-Date)				
Return on assets	0.71%	0.61%	0.61%	0.58%
Return on equity	8.44%	6.90%	6.96%	6.42%
Interest income to total average assets	3.67%	3.65%	3.81%	3.77%
Interest expense to total average assets	0.33%	0.31%	0.33%	0.31%
Net interest income to total average assets	3.34%	3.33%	3.48%	3.46%
Loan loss reserve to total loans	0.97%	1.00%	0.97%	1.00%
Nonperforming assets to total average assets	0.11%	0.14%	0.12%	0.15%
Net charge-offs to total average assets	(0.02)%	(0.01)%	(0.02)%	(0.01)%
Net interest margin	3.67%	3.64%	3.83%	3.78%