

South Atlantic Bancshares, Inc. to Acquire Atlantic Bancshares, Inc.

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MYRTLE BEACH, S.C., Dec. 13, 2017 /PRNewswire/ -- South Atlantic Bancshares, Inc. (OTCQX: SABK) ("South Atlantic"), parent of South Atlantic Bank, today announced the signing of a definitive merger agreement with Atlantic Bancshares, Inc., (OTCPink: ATBA) ("Atlantic Bancshares"), parent of Atlantic Community Bank, under which South Atlantic will acquire Atlantic Bancshares. The transaction is expected to close by April 30, 2018, and is subject to customary closing conditions, including approval from Atlantic Bancshares' shareholders and bank regulatory authorities.

In making the announcement, South Atlantic Chairman and Chief Executive Officer K. Wayne Wicker said, "The addition of Atlantic Community Bank's offices in Bluffton and Hilton Head is a natural extension of South Atlantic Bank's geographic footprint, which will span 330 miles of the South Carolina coast after the merger is completed. The two companies fit well together, as Atlantic Bancshares shares our community banking philosophy that values strong credit quality, sound banking practices, and exemplary customer service. We look forward to serving the communities of Bluffton and Hilton Head Island."

After the merger is completed, the combined company will operate under the South Atlantic Bank brand, have nine offices serving coastal South Carolina's most desirable markets, and have assets in excess of \$600 million. Based on September 30, 2017 financials, the combined company will have total loans of \$488 million and total deposits of \$541 million.

"We have found a strong partner for the future in South Atlantic Bank," said Robert L. McKinney, President and Chief Executive Officer of Atlantic Bancshares. "Our customers will benefit from being part of a larger institution through an increased legal lending limit, more diversified product offerings, and a continued focus on technology solutions in banking. Best of all, their relationships with the bankers they've worked with in the past will continue unchanged as we become part of the South Atlantic Bank team."

Under the merger agreement, Atlantic Bancshares shareholders holding Atlantic Bancshares common stock and Atlantic Bancshares Series AAA preferred stock will receive 0.2452 shares of South Atlantic common stock for each share exchanged. The transaction is valued at \$18.1 million based on the closing price of South Atlantic common stock on Friday, December 8.

With its headquarters in Myrtle Beach, South Atlantic expanded its geographic footprint to seven locations via de novo branching; the proposed merger with Atlantic Bancshares is South Atlantic's first addition of offices by acquisition.

FIG Partners, LLC served as financial advisor to South Atlantic and Hunton & Williams LLP acted as legal counsel for the company. Banks Streets Partners served as financial advisor to Atlantic Bancshares and Bryan Cave LLP served as legal counsel for the company.

About South Atlantic Bank

South Atlantic Bank, the subsidiary bank of South Atlantic Bancshares, Inc. (OTCQX: SABK), is a \$525 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,

Charleston, and Mount Pleasant, South Carolina. South Atlantic Bank offers a wide variety of services for businesses and consumers, including South Atlantic Bank *goMobile*, 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. For more information, visit SouthAtlantic.bank.

About Atlantic Community Bank

Atlantic Community Bank is the subsidiary bank of Atlantic Bancshares, Inc. (OTCPink: ATBA), founded in 2006 to meet the needs of business and consumers in the Beaufort County region of South Carolina. A \$92 million financial institution, Atlantic Community Bank has its headquarters in Bluffton and an additional office on Hilton Head Island. The bank offers a wide variety of consumer and business products including banking technology. For more information, visit atlanticcommunitybank.com.

Cautionary Statement Regarding Forward-Looking Statements

Forward-looking statements in this press release, such as statements relating to future plans and expectations, are subject to risks, uncertainties, and other important factors, such as continued economic difficulties at local, national, or global levels, greater than expected noninterest expenses, regulatory changes, unpredictable

natural or other disasters, or a deterioration in credit quality, which could cause actual results to differ materially from our expectations of future results, performance or achievements, or industry results, expressed or implied by such forward-looking statements. These statements are "forward looking statements" for purposes of applicable securities laws, and are based on current information and/or management's good faith belief as to future events. The words "believe," "expect," "anticipate," "project," "should," and similar expressions signify forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance.

South Atlantic Bancshares, Inc. and Atlantic Bancshares, Inc. undertake no obligation to revise or update publicly any forward-looking statements for any reason.

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