

South Atlantic Bank

Dear Shareholder,

We are pleased to announce that South Atlantic Bank will be opening for business on November 28, 2007. This is truly an exciting time for our staff and the culmination of a lot of hard work by many individuals since this process began back in March.



As you are aware, we had a very successful stock offering and are pleased with the amount of capital raised in such a short period of time. Our offering officially concluded on October 19th having sold 2,753,674 shares of stock which equates to \$27,536,740 in capital. Again, we are very pleased with this number and thank you for your support!

As a sign of our appreciation for you being a Founding Shareholder, we would like to offer you our special Founders Club Account. We have assembled a package of services with a very attractive interest rate which are included in this newsletter. Please stop by at your convenience and take advantage of this product.

We have completed hiring our staff and will open the bank with 14 employees. This is a very talented group of bankers and we are extremely fortunate to have them on board. Please see their pictures and bios in this newsletter.

Our website is now available and is located at www.southatlanticbank.com. We are continuously updating the site with news concerning your bank and our products and services. Please take a moment and visit the site.

As we begin this new chapter in banking, the Board of Directors and the staff of South Atlantic Bank want to thank you again for the confidence you have expressed in us. We look forward to not only serving you as a shareholder but also as a customer of the Bank. Please call on any of us if we may be of service.

We hope your family has a wonderful Thanksgiving holiday.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Wayne Wicker".

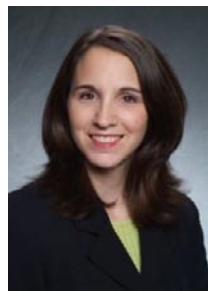
K. Wayne Wicker
Chief Executive Officer

Our Staff



Douglas A. (Doug) Arseneau – Senior Vice President, Director of Mortgage Services

Doug is the former Regional Mortgage Manager for Carolina First Bank in Myrtle Beach, South Carolina. His 15 year banking career in the Myrtle Beach area includes retail branch management with Wachovia Bank and The Anchor Bank and residential mortgage lending with First Federal of Charleston and Allied Home Mortgage Capital Corporation. Mr. Arseneau is a 1990 graduate of the Citadel with a B.S. degree in Business Administration.



Karen M. Atwood, Vice President, Director of Loan Operations

Karen began her banking career over 16 years ago and has successfully performed various functions over the years with a strong background in commercial lending and loan administration. Karen is a graduate of the South Carolina Bankers School and the RMA Commercial Real Estate Lending School. Prior to joining South Atlantic Bank, Karen was employed with Carolina First Bank as a Construction Loan Administration Officer. Karen is an active member of Little River United Methodist Church.



Candace L. "Candy" Cherry, Vice President, Corporate Assistant

Native of Conway, South Carolina, Mrs. Cherry has 24 years of banking experience with the last 14 years concentrated in the loan servicing and supervising areas. Most recently employed with Nexity Bank, Correspondent Lending as Assistant Vice President and Loan Servicing Manager in the Myrtle Beach office. A graduate of Conway High School, she is an active member of the Contemporary Service Praise and Worship Band/ Choir of First Baptist Church of Conway.



Anne B. Cote – Vice President, Branch Manager

Anne is the former Vice President, Retail Loan Specialist with Carolina First Bank in Myrtle Beach, South Carolina. Her 20 year banking career includes service as a Branch Manager and Retail Lender with South Carolina National Bank and Wachovia Bank in Myrtle Beach, South Carolina. She is a graduate of the University of South Carolina with B.S. degrees in Finance and Management and is a member of St. Andrew Catholic Church.



Melissa Downs-High – Vice President, Controller

Melissa Downs-High has over 17 years of accounting experience. Her career includes service as Internal Auditor with Anchor Bank and most recently as controller for Beach First National Bank. She is a graduate of Augusta State University, with a B.S. degree in Business Administration. Ms. Downs-High serves as Vice President of Educational Affairs for the Conway Chamber of Commerce and is the Chairperson for the Leadership Conway program. She was named Chamber "Volunteer of the Year" in 2005 by the Conway Chamber of Commerce. In addition, she serves on the Advisory Board of the Small Business Development Center of Coastal Carolina University.



Courtney B. Hicks – Banking Officer, Merchant Operations Manager

Courtney Hicks graduated from Wofford College, received her Bachelor of Science in Psychology and began her banking career with a community bank in Greenville, South Carolina. Since moving to Myrtle Beach, she has continued her focus on the ideals of community banking, most recently as the Merchant Services Representative for a local bank. Courtney is an active member of First United Methodist Church.



Shirley Y. Kulcsar – Banking Officer, Personal Banker

Shirley is a native of Myrtle Beach, South Carolina and graduated from Socastee High School. She has over 13 years of banking experience in Myrtle Beach in several areas including service as Customer Service Representative and Loan Assistant.



Mary Jo Rogers – Senior Vice President, Commercial Banker

Mary Jo Rogers is a Commercial Banker and Certified Financial Planner® with over seventeen years of experience most recently serving as Commercial Banking Manager for Carolina First Bank in Myrtle Beach. She has Undergraduate and Master’s degrees from East Carolina University in Greenville, North Carolina. Mary Jo is also a group fitness instructor with American Athletic Club and writes a health and fitness column for the Myrtle Beach Herald.



Tiffany Platt Suggs – Vice President, Director of Deposit Operations

Tiffany, a native of North Myrtle Beach, has 17 years of banking experience in the Myrtle Beach area. Most recently she served as Vice President of Operations for Beach First National Bank. She is a current member of the South Carolina Bankers Association Operations Committee, Profit Stars Enterprise Payment Solutions National User Group and is a 2007 graduate of The Payment Institute – NACHA. Mrs. Suggs was recognized with an outstanding Leadership Award from Limestone College and is an active member of Trinity United Methodist Church.

Board of Directors

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

Tommy Brittain, Attorney
Hearn, Brittain and Martin, P.A.

Dick Burch,
Executive V. P. and CFO
South Atlantic Bank

Tony Cox, Chief Real Estate Officer
Burroughs & Chapin Company, Inc.

Tracy DuRant, Vice President of Finance
Puckett, Sheetz and Hogan

Shep Guyton, Attorney
Robert S. Guyton, P.C.

Miles Herring, Franchisee/Operator
Krispy Kreme Doughnuts

Scott Plyler, President
South Atlantic Bank

Albert Springs, IV, Partner
H.B. Springs Company

Jay Springs, Co-Owner and Vice
President
Century 21 Barefoot Realty

Zeb Thomas, Jr., Vice President
Dayton House

Wayne Wicker, Chairman and CEO
South Atlantic Bank

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Founders Club

Interest bearing checking account with unlimited check writing abilities and a highly competitive variable rate of interest. The initial interest rate on the account will be 50% of Prime Rate, currently 3.75% with an Annual Percentage Yield of 3.82%. Interest is compounded daily on collected balances and credited to the account monthly. The initial interest rate is a variable rate and is subject to change.

Account Features:

- Free special checks and Debit MasterCard indicating “Founders Club” member.
- No minimum balance requirements
- No monthly service fee or per item fees
- Free Internet Banking provides up to date account information 24 hours a day
- Free Bill Pay Service
- Free Telephone Banking provides up to date account information 24 hours a day
- Free ATM withdrawals at other Financial Institution ATM’s
- Free Electronic Statements available for easy storage and added security of financial information
- Earns a highly competitive rate of interest that is compounded daily on collected balances and credited to the account monthly.
- Limited to two accounts per shareholder

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