



Southern Financial Corporation and Southern Bank Announce the Proposed Sale of Georgia Branches to Palmetto Citizens FCU

SPARTANBURG, SC AND AUGUSTA, GA / November 3, 2025 / [Southern Financial Corporation](#) and [Southern Bank](#) today announced they have entered into a definitive agreement to sell their Georgia branches to [Palmetto Citizens Federal Credit Union](#) ("Palmetto Citizens"). Palmetto Citizens will acquire the physical locations and most of the deposit and loan accounts associated with Southern Bank's four branches located in Georgia. Upon consummation of the transaction, Southern Bank will continue to operate as an independent community bank.

As of September 30, 2025, the deposits and loans to be conveyed to Palmetto Citizens were approximately \$83 million and \$20 million, respectively. Palmetto Citizens plans to hire all current Southern Bank employees at each of the acquired branches. Southern Financial Corporation estimates that the transaction will be accretive to its tangible book value per share in a range of \$0.75 to \$1.00 at the closing. The transaction is expected to close in the first half of 2026, subject to customary closing conditions and regulatory approvals.

"As Southern Bank has evolved into a commercially focused community bank over the past couple years, we began assessing our options related to portions of our enterprise that did not entirely fit the new business plan. Once identified, we set out to find the best possible overall result for our shareholders, team members, customers and communities related to that portion of our business. The sale of our Georgia branches to Palmetto Citizens will provide additional capital for the continued growth of the bank for shareholders and a strong consumer and community focused partner for our team members, customers and communities," said Jamin Hujik, Executive Vice Chairman of Southern Bank.

"For nearly 90 years, Palmetto Citizens has stood for trust, stability, and care for our members and the communities we serve," said Robert Dozier, President & CEO of Palmetto Citizens. "This agreement represents an exciting opportunity to build on that legacy by thoughtfully expanding our service beyond South Carolina and into Georgia. We look forward to welcoming these new members into the Palmetto Citizens family and providing them with the same personal, community-focused service and value that have long defined who we are."

Until the transaction closes, it will be business as usual for customers of both financial institutions. Upon the transaction's closing, Southern Bank's Georgia branch customers will become members of Palmetto Citizens.

Burke Stelling Group served as financial advisor, and Nelson Mullins Riley & Scarborough LLP served as legal counsel to Southern Bank. Mercer Capital served as financial advisor, and Hongiman, LLP served as legal counsel to Palmetto Citizens.

ABOUT SOUTHERN FINANCIAL CORPORATION AND SOUTHERN BANK

Southern Financial Corporation, Spartanburg, South Carolina is a registered bank holding company incorporated under the laws of South Carolina. The company's wholly owned subsidiary, Southern Bank, has been providing financial services since 1945 and currently operates in 8 locations in the Spartanburg, Greenville, Aiken and Myrtle Beach markets of South Carolina as well as the Sardis, Waynesboro, Hephzibah and Gibson markets of Georgia. Southern Financial Corporation has consolidated assets of approximately \$360 million, and its common stock is traded on The OTC Market under the symbol "SFCO."

ABOUT PALMETTO CITIZENS FEDERAL CREDIT UNION

Since 1936, Palmetto Citizens Federal Credit Union has been a trusted financial partner, providing personalized guidance and affordable solutions to help members live their best financial lives. Today, Palmetto Citizens manages more than \$1.4 billion in assets, employs over 300 people, and proudly serves more than 86,000 members through 14 branch locations and nearly 50 ATMs across central South Carolina. For more information, visit www.palmettocitizens.org or call 803-732-5000.

Forward Looking Statements

Certain statements contained herein are "forward looking statements" within the meaning of federal and state securities laws, including Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are generally identified by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," "pro forma," or similar expressions, or future or conditional verbs, such as "will," "would," "should," "could," or "may." These forward-looking statements are based on current beliefs and expectations of Palmetto Citizens' management or Southern Bank's management, respectively, which each management team believes to be reasonable as of the date of this press release. These forward-looking statements are inherently subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of Palmetto Citizens or Southern Bank. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from those set forth in or implied by the forward-looking statements as a result of numerous factors, and depend on the Palmetto Citizens' and Southern Bank's ability to close the transaction in a timely manner and to realize the anticipated benefits of the transaction.

The transaction is subject to regulatory approval and other conditions. The actual amount of deposits that are acquired under the agreement is subject to change prior to closing. Targeted financial benefits are subject to significant uncertainty, and Palmetto Citizens' expected benefits of the transaction may be affected or offset by other conditions related to Palmetto Citizens' operation. You should not place undue reliance on forward-looking statements, which reflect expectations only as of the date of this release. Neither Palmetto Citizens nor Southern Bank undertake any obligation to update any forward-looking statement, except as otherwise required by law.

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