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Carolina Alliance Bank, PBSC Financial Corporation, and Pinnacle Bank Announce Shareholder Approval of Merger

SPARTANBURG, S.C. (June 30, 2015) – Carolina Alliance Bank (OTCQX: CRLN), PBSC Financial Corporation (PBSC), and PBSC’s wholly-owned subsidiary, Pinnacle Bank of South Carolina (Pinnacle) jointly announced today that the previously announced merger under which PBSC and Pinnacle will merge with and into Carolina Alliance, has been approved by each entity’s shareholders. Special meetings of Carolina Alliance shareholders and PBSC shareholders were held on June 29, 2015 and June 25, 2015, respectively. The merger is expected to close in October of 2015, subject to receipt of regulatory approvals.

“Both Carolina Alliance and Pinnacle are committed to serving each community in which we operate through experienced local bankers,” said John Poole, Chief Executive Officer of Carolina Alliance. “This combination sharpens the vision upon which our bank was founded: knowledgeable bankers offering consultative financial advice through a local financial institution,” noted David Barnett, President and Chief Executive Officer of PBSC and Pinnacle. He added, “The resulting larger and stronger financial institution allows us to continue serving our existing communities - and new ones - with a significantly higher lending limit, expanded product offerings, and the ability to generate efficiencies, which we believe in turn will increase profitability.”

Carolina Alliance began operations in January 2007 and is headquartered in Spartanburg, South Carolina and serves its customers through seven offices throughout the upstate of South Carolina and western North Carolina. More information about Carolina Alliance can be found on its website at www.carolinaalliancebank.com.

Headquartered in Greenville, South Carolina, Pinnacle opened for business in January 2006 and serves upstate South Carolina from offices in Greenville, Powdersville, and Easley. For more information, please see PBSC’s website at www.PinnacleBankSC.com.

Note

Certain statements in this news release contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to future plans and expectations, and are thus prospective. Such forward-looking statements are subject to risks, uncertainties, and other factors, such as an economic downturn, competitive pressures among depository and other financial institutions, the rate of delinquencies and amounts of charge-offs, the level of allowance for loan loss, the rates of loan growth, or adverse changes in asset quality in the banks’ loan portfolios, and changes in the U.S. legal and regulatory framework, including the effect of recent financial reform legislation on the banking industry, any of which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements.

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