

Prince George's Federal Savings Bank (OTCQB: PCGO) has agreed to merge with Southern National Bancorp of Virginia, Inc. (NASDAQ: SONA)

Deal Value: \$11.5 million

Sandler O'Neill + Partners, L.P. served as financial advisor to Prince George's Federal Savings Bank and rendered a fairness opinion in connection with the transaction. This transaction is Sandler O'Neill's 109th bank or thrift transaction nationwide since January 1, 2011. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

This transaction represents Sandler O'Neill's 12th bank and thrift transaction in North Carolina since January 1, 2011, more than any other investment bank during that time period.¹

Southern National Bancorp of Virginia, Inc. (NASDAQ:SONA) ("Southern National"), the holding company of Sonabank, and Prince George's Federal Savings Bank ("Prince George's FSB") jointly announced today the signing of a definitive merger agreement, under which Southern National has agreed to acquire Prince George's FSB in a cash and stock transaction with a total current value of approximately \$11.5 million or \$12.75 per share, subject to the terms of the definitive merger agreement.

Upon completion of the transaction, the combined company will have approximately \$805 million in total assets, \$700 million in total deposits and \$600 million in total loans. The transaction will add four new banking locations for Sonabank within the Washington, D.C. metropolitan statistical area, two in Prince George's County, Maryland and two in Calvert County, Maryland. This will give Sonabank a total of 24 locations, 20 of which, with over \$500 million in deposits, will be in the Washington, D.C. metropolitan statistical area. The merger agreement has been approved by the Board of Directors of each company. Closing of the transaction, which is expected to occur late in the second quarter of 2014, is subject to customary conditions, including regulatory approval and approval by the shareholders of Prince George's FSB.

Per the merger agreement, 50% of the consideration will be paid in cash and 50% will be in newly-issued shares of Southern National common stock, based on an election by the shareholders of Prince George's FSB and subject to proration. The exchange ratio for the stock component of the transaction will be determined by dividing \$12.75 by Southern National's weighted average stock price during a twenty trading day period ending five business days before the closing of the transaction.

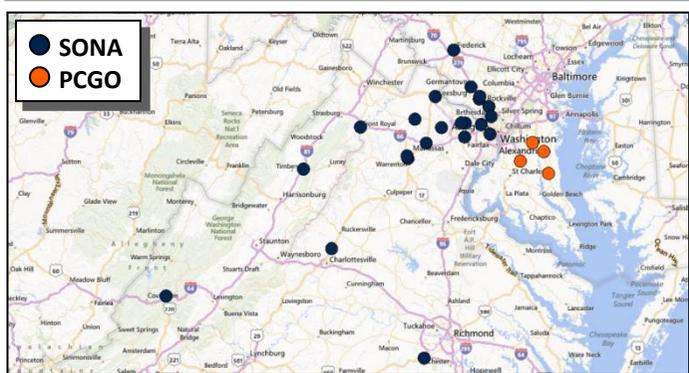
Georgia Derrico, Chairman and CEO of Southern National, commented: "We are extremely pleased that Bob Clagett, the grandson of the founder of the Prince George's FSB and current Chairman of the Board, has agreed to serve on the Board of Southern National after the merger." Hal Rich, the current President of Prince George's FSB, has agreed to remain with Sonabank in an executive capacity following the merger.

Financial Highlights

<i>(Dollars in millions)</i>	PCGO	SONA
Total Assets	\$104	\$708
Net Loans	\$73	\$519
Total Deposits	\$91	\$546
Total Equity	\$13	\$106
Tang. Comm. Equity / Tang. Assets	12.39%	13.74%

(1) Excludes terminated transactions and self-advisory roles
Note: Financial data as of 9/30/13
Source: SNL Financial

Pro Forma Branch Map



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