



For Immediate Release

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VERACITY PAYMENT SOLUTIONS ANNOUNCES STRATEGIC ALLIANCE WITH SECURITY FEDERAL BANK

ATLANTA – April 30, 2008–Veracity Payment Solutions, a full-service electronic payments provider, announced today a strategic alliance with Security Federal Bank (SFB). Under the alliance, Veracity will provide payment processing and marketing services to SFB.

Security Federal Bank, headquartered in Aiken, South Carolina, offers a complete line of personal and commercial banking products such as online banking, online bill payment, and a full array of mortgage loan products. Its holding company, Security Federal Corporation, which trades on the Over the Counter (OTC) Bulletin Board under the symbol SFDL.OB, has over \$800 million in assets with branches located throughout Aiken, Lexington and Richland counties in South Carolina and Columbia County in Georgia.

"We are excited about this partnership," said J. Chris Verenes, president of Security Federal Bank. "Our combined strengths will allow us to grow as the single-source business service provider beyond the banking needs for our customers. We will be working with a first class organization that has demonstrated its commitment to our community by locating its operations here. This alliance allows us to support a company that has made a major investment in our community."

"We are thrilled to partner with Security Federal", said Tom Boyer, executive vice president of business development with Veracity. "This endorsement by Security Federal is a testament to our commitment to deliver products and services tailored to meet the needs of our partners. We are both keenly focused on the needs of the customer and believe this partnership is an ideal match."

Security Federal Bank will be serviced locally through Veracity's new Customer Contact Center located in Aiken. "We have experienced a quality of service from Veracity that reinforces the decision we made to partner with them. With their local presence, we know we'll receive the hands-on approach we want for our customers," commented Verenes.

Under the terms of the alliance, Veracity will appoint a general manager to support the operations of the partnership.

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About Veracity Payment Solutions

Veracity Payment Solutions is a full-service electronic payments provider dedicated to operating with the highest ethical standards to deliver superior service and pricing transparency to its customers. Headquartered in Atlanta, Veracity partners with trade associations, community banks, and merchant level sales agents to deliver point-of-sale solutions, web-based reporting and management tools to the merchant community. Visit www.veracitypayments.com for more information.

About Federal Security Bank

Founded in 1922 in Aiken, South Carolina, Security Federal Bank (SFB) is a federally chartered savings bank that, in addition to providing a full line of personal and commercial banking and mortgage loan products, also provides financial expertise in debt management, trust, investment, and insurance services to improve, grow, and achieve the financial goals of the customers and communities SFB serves in the Aiken, Lexington and Columbia markets in South Carolina along with the Evans, Georgia market. For more information please visit www.securityfederalbank.com.