

For Immediate Release

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**THE SOUTHERN BANC COMPANY, INC. ANNOUNCES
FIRST QUARTER EARNINGS**

The Southern Banc Company, Inc. (OTCBB: SRNN), the holding company for The Southern Bank Company, formerly First Federal Savings and Loan Association of Gadsden, Alabama, announced a net income of \$242,982, or \$0.32 per basic and diluted share, for the quarter ended September 30, 2021, as compared to a net income \$28,984, or \$0.04 per basic and diluted share, for the quarter ended September 30, 2020.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest margins increased by \$391,327 or 41.51% during the quarter as compared to the same period in 2020. For the three-months ended September 30, 2021 total interest income increased \$264,036 or 21.99% as compared to the same period in 2020. Total interest expense decreased \$127,292 or (49.35%) for the three-months ended September 30, 2021 as compared to the same period in 2020. There were no provisions for loan and lease losses during the quarters ended September 30, 2021 and 2020. For the quarter ended September 30, 2021, total non-interest income increased \$53,020 or 91.65% while total non-interest expense increased \$156,102 or 16.27% as compared to the same three-month period in 2020. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of \$45,956 or 151.08% and customer service fees of \$7,063 or 25.75%. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of \$74,549 or 13.65%, professional service expenses of \$19,033 or 21.56%, office occupancy expenses of \$7,608 or 13.00% and data processing expenses of \$23,816 or 16.41%.

President Little continued, "the Company's interest margins increased due to an increase in interest and fees on loans primarily from the activities of the banks Commercial Finance Division and a decrease in interest expense on deposits in a falling rate environment."

The Company's total assets at September 30, 2021 were \$110.7 million, as compared to \$112.4 million at June 30, 2021. Total stockholders' equity was approximately \$12.5 million at September 30, 2021 or 11.31% of total assets as compared to approximately \$12.4 million at June 30, 2021 or approximately 11.08% of total assets.

The Bank has four offices located in Gadsden, Albertville, Guntersville, and Centre, Alabama. The stock of The Southern Banc Company, Inc. trades in the over-the-counter market under the symbol "SRNN".

Certain statements in this release contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which statements can generally be identified by the use of forward-looking terminology, such as "may," "will," "expect," "estimate," "anticipate," "believe," "target," "plan," "project," "continue," or the negatives thereof, or other variations thereon or similar terminology, and are made on the basis of management's plans and current analyses of the Company, its business and the industry as a whole. These forward-looking statements are subject to risks and uncertainties, including, but not limited to, economic conditions, competition, interest rate sensitivity and exposure to regulatory and legislative changes. The above factors, in some cases, have affected, and in the future could affect the Company's financial performance and could cause actual results to differ materially from those expressed or implied in such forward-looking statements, even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

(Selected financial data on following pages)

THE SOUTHERN BANC COMPANY, INC.
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
 (Dollar Amounts in Thousands)

	<u>September 30, 2021 Unaudited</u>	<u>June 30, 2021 Audited</u>
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 11,243	\$ 11,417
SECURITIES AVAILABLE FOR SALE, at fair value	44,126	44,608
FEDERAL HOME LOAN BANK STOCK	141	141
LOANS RECEIVABLE, net of allowance for loan losses of \$896 and \$827, respectively	53,069	54,127
PREMISES AND EQUIPMENT, net	727	727
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	256	276
PREPAID EXPENSES AND OTHER ASSETS	1,092	1,128
TOTAL ASSETS	\$ <u>110,654</u>	\$ <u>112,425</u>
LIABILITIES		
DEPOSITS	\$ 93,890	\$ 93,839
FHLB ADVANCES	0	430
OTHER LIABILITIES	4,251	5,701
TOTAL LIABILITIES	<u>98,141</u>	<u>99,970</u>
STOCKHOLDERS' EQUITY:		
Preferred stock, par value \$.01 per share 500,000 shares authorized; no shares issued and outstanding	0	0
Common stock, par value \$.01 per share, 3,500,000 authorized, 1,454,750 shares issued	15	15
Additional paid-in capital	13,924	13,922
Shares held in trust, 48,793 and 45,243 shares at cost, respectively	(786)	(761)
Retained earnings	8,313	8,070
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive (loss) income	(128)	35
TOTAL STOCKHOLDERS' EQUITY	<u>12,513</u>	<u>12,454</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ <u>110,654</u>	\$ <u>112,425</u>

THE SOUTHERN BANC COMPANY, INC.
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Dollar Amounts in Thousands, except per share data)

	Three Months Ended September 30,	
	2021 (Unaudited)	2020 (Unaudited)
INTEREST INCOME:		
Interest and fees on loans	\$ 1,307	\$ 1,049
Interest and dividends on securities	156	150
Other interest income	2	2
Total interest income	1,465	1,201
INTEREST EXPENSE:		
Interest on deposits	131	258
Interest on borrowings	0	0
Total interest expense	131	258
Net interest income before provision for loan losses	1,334	943
Provision for loan losses	0	0
Net interest income after provision for loan losses	1,334	943
NON-INTEREST INCOME:		
Fees and other non-interest income	35	28
Net gain on sale of securities	0	0
Miscellaneous income	76	30
Total non-interest income	111	58
NON-INTEREST EXPENSE:		
Salaries and employee benefits	621	546
Office building and equipment expenses	66	59
Professional Services Expense	107	88
Data Processing Expense	169	145
Other operating expense	153	122
Total non-interest expense	1,116	960
Income before income tax expense	329	41
INCOME TAX EXPENSE		
	86	12
Net Income	\$ 243	\$ 29
LOSS PER SHARE:		
Basic	\$ 0.32	\$ 0.04
Diluted	\$ 0.32	\$ 0.04
DIVIDENDS DECLARED PER SHARE		
	\$ 0.00	\$ 0.00
AVERAGE SHARES OUTSTANDING:		
Basic	757,563	764,146
Diluted	758,337	764,146