

For Immediate Release

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**THE SOUTHERN BANC COMPANY, INC. ANNOUNCES
SECOND 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 approximately \$451,000 or \$0.59 per basic and diluted share, for the quarter ended December 31, 2021, as compared to a net income of approximately \$140,000 or \$0.18 per basic and diluted share, for the quarter ended December 31, 2020. For the six months ended December 31, 2021, the Company recorded net income of approximately \$694,000 or \$0.91 per basic and diluted share, as compared to net income of approximately \$169,000 or \$0.22 per basic and diluted share for the six months ended December 31, 2020.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest margins increased approximately \$526,000 during the quarter as compared to the same period in 2020. Net interest income before provision for loan losses for the quarter ended December 31, 2021 was approximately \$1.66 million as compared to approximately \$1.14 million for the quarter ended December 31, 2020, an increase of approximately \$526,000, or 46.24%. The increase in the net interest margin before provision for loan losses for the quarter was primarily attributable to an increase in total interest income of approximately \$424,000, and a decrease in total interest expense of approximately \$102,000. For the three months ended December 31, 2021 no additional provision for loan and lease losses was required as compared to a provision of approximately \$41,000 for the same period in 2020. Net interest income after provision for loan and lease losses increased approximately \$568,000 or 51.73% for the quarter ended December 31, 2021, as compared to the same quarter in 2020. For the quarter ended December 31, 2021, total non-interest income increased approximately \$16,000 or 16.58% while total non-interest expense increased approximately \$165,000 or 16.42% as compared to the same three-month period in 2020. The increase in non-interest income was primarily attributable to increases in customer fees of approximately \$9,000 or 25.66% and an increase in miscellaneous income of approximately \$7,000 or 11.44%. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$131,000, professional service expense of approximately \$20,000, and data processing expenses of approximately \$22,000.

The Company's total assets at December 31, 2021 were \$112.1 million, as compared to \$112.4 million at June 30, 2021. Total stockholders' equity was approximately \$12.7 million at December 31, 2021 or 11.34% of total assets as compared to approximately \$12.4 million at June 30, 2021 or 11.08% of total assets.

The Bank has four full-service banking offices located in Gadsden, Albertville, Guntersville, and Centre, AL, and one loan production office in Birmingham, AL. 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 attached)

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

| | December 31, 2021 (Unaudited) | June 30, 2021 (Audited) |
|--|-------------------------------------|-------------------------------|
| ASSETS | | |
| CASH AND CASH EQUIVALENTS | \$ 7,913 | \$ 11,417 |
| SECURITIES AVAILABLE FOR SALE, at fair value | 45,950 | 44,608 |
| FEDERAL HOME LOAN BANK STOCK | 141 | 141 |
| LOANS RECEIVABLE, net of allowance for loan losses of \$895 and \$827, respectively | 55,961 | 54,127 |
| PREMISES AND EQUIPMENT, net | 717 | 727 |
| ACCRUED INTEREST AND DIVIDENDS RECEIVABLE | 280 | 276 |
| PREPAID EXPENSES AND OTHER ASSETS | 1,107 | 1,128 |
| TOTAL ASSETS | \$ 112,069 | \$ 112,425 |
| LIABILITIES | | |
| DEPOSITS | \$ 94,447 | \$ 93,839 |
| FHLB ADVANCES | 0 | 430 |
| OTHER LIABILITIES | 4,911 | 5,701 |
| TOTAL LIABILITIES | 99,358 | 99,970 |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock, par value \$.01 per share 500,000 shares authorized; shares issued and outstanding-- none | 0 | 0 |
| Common stock, par value \$.01 per share, 3,500,000 authorized, 1,454,750 shares issued | 15 | 15 |
| Additional paid-in capital | 13,926 | 13,922 |
| Shares held in trust, 49,712 and 45,243 shares at cost, Respectively | (793) | (761) |
| Retained earnings | 8,764 | 8,070 |
| Treasury stock, at cost, 648,664 shares | (8,825) | (8,825) |
| Accumulated other comprehensive income (loss) | (376) | 35 |
| TOTAL STOCKHOLDERS' EQUITY | 12,711 | 12,454 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 112,069 | \$ 112,425 |

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

| | Three Months Ended December 31, | | Year-to-Date December 31, | |
|---|------------------------------------|----------|------------------------------|----------|
| | 2021 (Unaudited) | 2020 | 2021 (Unaudited) | 2020 |
| INTEREST INCOME: | | | | |
| Interest and fees on loans | \$ 1,627 | \$ 1,212 | \$ 2,934 | \$ 2,261 |
| Interest and dividends on securities | 155 | 146 | 310 | 295 |
| Other interest income | 3 | 2 | 5 | 5 |
| Total interest income | 1,785 | 1,360 | 3,249 | 2,561 |
| INTEREST EXPENSE: | | | | |
| Interest on deposits | 120 | 222 | 250 | 480 |
| Interest on borrowings | 0 | 0 | 0 | 0 |
| Total interest expense | 120 | 222 | 250 | 480 |
| Net interest income before provision for loan losses | 1,665 | 1,138 | 2,999 | 2,081 |
| Provision for loan losses | 0 | 41 | 0 | 41 |
| Net interest income after provision for loan losses | 1,665 | 1,097 | 2,999 | 2,040 |
| NON-INTEREST INCOME: | | | | |
| Fees and other non-interest income | 44 | 35 | 79 | 63 |
| Miscellaneous income | 69 | 62 | 145 | 92 |
| Total non-interest income | 113 | 97 | 224 | 155 |
| NON-INTEREST EXPENSE: | | | | |
| Salaries and employee benefits | 643 | 512 | 1,264 | 1,058 |
| Office building and equipment expenses | 64 | 61 | 130 | 120 |
| Professional Services Expense | 122 | 102 | 229 | 190 |
| Data Processing Expense | 191 | 169 | 360 | 314 |
| Other operating expense | 148 | 159 | 301 | 281 |
| Total non-interest expense | 1,168 | 1,003 | 2,284 | 1,963 |
| Income before income taxes | 610 | 191 | 939 | 232 |
| PROVISION FOR INCOME TAXES | | | | |
| | 159 | 51 | 245 | 63 |
| Net Income | \$ 451 | \$ 140 | \$ 694 | \$ 169 |
| EARNINGS PER SHARE: | | | | |
| Basic | \$ 0.60 | \$ 0.18 | \$ 0.92 | \$ 0.22 |
| Diluted | \$ 0.60 | \$ 0.18 | \$ 0.92 | \$ 0.22 |
| DIVIDENDS DECLARED PER SHARE | | | | |
| | \$ --- | \$ --- | \$ --- | \$ --- |
| AVERAGE SHARES OUTSTANDING: | | | | |
| Basic | 757,214 | 764,146 | 757,389 | 764,146 |
| Diluted | 757,214 | 764,146 | 757,793 | 764,146 |