

**For Immediate Release**

Contact: Gates Little

(256) 543-3860

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

The Southern Banc Company, Inc. (OTCBB: SRNN), the holding company for The Southern Bank Company (the “Bank”), announced net income of approximately \$472,000, or \$0.62 per basic and diluted share, for the quarter ended March 31, 2022, as compared to net income of approximately \$138,000, or \$0.18 per basic and diluted share, for the quarter ended March 31, 2021. The Company announced that for the nine-month period ended March 31, 2022, the Company recorded net income of approximately \$1,165,000, as compared to net income of approximately \$307,000 for the nine-month period ended March 31, 2021.

Gates Little, President and Chief Executive Officer of the Company stated that the Company’s net interest margins increased approximately \$582,000, or 50.4%, during the quarter as compared to the same period in 2021. The increase in the net interest margin before provision for loan losses for the quarter was primarily attributable to a decrease in total interest expense of approximately \$57,000 and an increase in total interest income of approximately \$525,000. For the three months ended March 31, 2022 and March 31, 2021 the Company recorded no provision for loan and lease losses. For the quarter ended March 31, 2022, total non-interest income increased approximately \$40,000, or 54.5%, while total non-interest expense increased approximately \$171,000, or 16.4%, as compared to the same three-month period in 2021. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$25,000 and an increase in customer services fees of approximately \$14,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$117,000, data processing expenses of approximately \$34,000, and occupancy expenses of approximately \$8,000.

For the nine-months ended March 31, 2022, net interest income increased approximately \$1,500,000, or 46.3%. Provision for loan and lease losses decreased approximately \$41,000, or 100.0%, during the nine-month period as compared to the same period in 2021. Net interest income after provision for loan and lease losses increased approximately \$1,541,000, or 48.22%, for the nine-months ended March 31, 2022, as compared to the same period in 2021. For the nine-months ended March 31, 2022, total non-interest income increased approximately \$109,000, or 47.8%, while total non-interest expense increased approximately \$492,000, or 16.4%, as compared to the same period in 2021. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$79,000, or 58.3%, and an increase in customer service fees of approximately \$30,000, or 32.6%. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$323,000, data processing expenses of approximately \$80,000 and professional service expense of approximately \$38,000. President Little went on to say that approximately 80% of the increase in net interest income was due to growth in the Bank’s factoring of business receivables and other assets.

The Company’s total assets at March 31, 2022 were approximately \$114.6 million, as compared to \$112.4 million at June 30, 2021. Total stockholders’ equity was approximately \$11.2 million at March 31, 2022 or 9.7% of total assets as compared to approximately \$12.4 million at June 30, 2021 or approximately 11.1% 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 that conducts factoring activities. Common 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)

	March 31, 2022 <u>(Unaudited)</u>	June 30, 2021 <u>(Audited)</u>
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 8,460	\$ 11,417
SECURITIES AVAILABLE FOR SALE, at fair value	48,008	44,608
FEDERAL HOME LOAN BANK STOCK	141	141
LOANS RECEIVABLE, net of allowance for loan losses of \$887 and \$827, respectively	55,759	54,127
PREMISES AND EQUIPMENT, net	764	727
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	258	276
PREPAID EXPENSES AND OTHER ASSETS	1,215	1,128
<b>TOTAL ASSETS</b>	<b>\$ <u>114,605</u></b>	<b>\$ <u>112,425</u></b>
<b>LIABILITIES</b>		
DEPOSITS	\$ 98,197	\$ 93,839
FHLB ADVANCES AND OTHER BORROWED MONEY	1,000	430
OTHER LIABILITIES	4,257	5,701
<b>TOTAL LIABILITIES</b>	<b>103,454</b>	<b>99,970</b>
<b>STOCKHOLDERS' EQUITY:</b>		
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	13,929	13,922
Shares held in trust, 49,712 and 45,243 shares at cost, Respectively	(793)	(761)
Retained earnings	9,234	8,070
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive (loss) income	<u>(2,409)</u>	<u>35</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b><u>11,151</u></b>	<b><u>12,454</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ <u>114,605</u></b>	<b>\$ <u>112,425</u></b>

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022 (Unaudited)	2021	2022 (Unaudited)	2021
<b>INTEREST INCOME:</b>				
Interest and fees on loans	\$ 1,666	\$ 1,173	\$ 4,600	\$ 3,434
Interest and dividends on securities	176	145	486	440
Other interest income	4	3	9	7
	1,846	1,321	5,095	3,881
<b>INTEREST EXPENSE:</b>				
Interest on deposits	109	165	359	645
Interest on borrowings	0	0	0	0
Total interest expense	109	165	359	645
Net interest income before provision for loan losses	1,737	1,155	4,736	3,236
Provision for loan losses	0	0	0	41
Net interest income after provision for loan losses	1,737	1,155	4,736	3,195
<b>NON-INTEREST INCOME:</b>				
Fees and other non-interest income	45	31	124	93
Net gain on sale of securities	0	0	0	0
Miscellaneous income	68	42	213	135
Total non-interest income	113	73	337	228
<b>NON-INTEREST EXPENSE:</b>				
Salaries and employee benefits	691	573	1,955	1,630
Office building and equipment expenses	68	60	198	180
Professional Services Expense	105	105	334	296
Data Processing Expense	191	157	551	471
Net loss on sale of securities	0	0	0	0
Other operating expense	157	146	458	427
Total non-interest expense	1,212	1,041	3,496	3,004
Income before income taxes	638	187	1,577	419
<b>PROVISION FOR INCOME TAXES</b>	166	49	412	112
Net Income	\$ 472	\$ 138	\$ 1,165	\$ 307
<b>EARNINGS PER SHARE:</b>				
Basic	\$ 0.62	\$ 0.18	\$ 1.54	\$ 0.40
Diluted	\$ 0.62	\$ 0.18	\$ 1.54	\$ 0.40
<b>DIVIDENDS DECLARED PER SHARE</b>	\$ ---	\$ ---	\$ ---	\$ ---
<b>AVERAGE SHARES OUTSTANDING:</b>				
Basic	756,374	761,335	757,055	761,335
Diluted	758,942	761,335	758,181	761,335