

For Immediate Release

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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 \$462,000, or \$0.61 per basic and \$0.60 per diluted share, for the quarter ended March 31, 2023, as compared to net income of approximately \$472,000, or \$0.62 per basic and diluted share, for the quarter ended March 31, 2022. The Company announced that for the nine-month period ended March 31, 2023, the Company recorded net income of approximately \$1,693,000, as compared to net income of approximately \$1,165,000 for the nine-month period ended March 31, 2022.

Gates Little, President and Chief Executive Officer of the Company stated that the Company’s net interest margins increased approximately \$151,000, or 8.72%, during the quarter as compared to the same period in 2022. The increase in the net interest margin before provision for credit losses for the quarter was primarily attributable to an increase in total interest income of approximately \$332,000 offset by an increase in total interest expense of approximately \$180,000. For the three month periods ended March 31, 2023 and March 31, 2022 the Company did not make a provision for loan and lease losses. For the quarter ended March 31, 2023, total non-interest income increased approximately \$18,000, or 15.8%, while total non-interest expense increased approximately \$183,000, or 15.1%, as compared to the same three-month period in 2022. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$23,000 offset in part by a decrease in customer services fees of approximately \$5,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$168,000, professional service expense of approximately \$28,000, and occupancy and other operating expenses of approximately \$6,000 offset in part by a decrease in data processing expense of approximately \$19,000.

For the nine-months ended March 31, 2023, net interest income increased approximately \$1,278,000, or 27.0%. During the nine-month periods ended March 31, 2023 and 2022, respectively, the Company did not make a provision for credit losses. For the nine-months ended March 31, 2023, total non-interest income increased approximately \$38,000, or 11.3%, while total non-interest expense increased approximately \$603,000, or 17.3%, as compared to the same period in 2022. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$42,000, or 19.6%, offset in part by a decrease in customer service fees of approximately \$4,000, or 3.0%. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$506,000, professional services expense of approximately \$94,000 and occupancy and other operating expenses of approximately \$50,000, offset in part by a decrease in data processing expense of approximately \$47,000. President Little went on to say that the increase in interest income was due to growth in the Bank’s factoring of business receivables and other assets, while the increase in interest expense was primarily attributable to the increase in interest rates paid on deposits in a rising rate environment.

The Company’s total assets at March 31, 2023 were approximately \$110.1 million, as compared to \$115.3 million at June 30, 2022. Total stockholders’ equity was approximately \$11.7 million at March 31, 2023 or 10.6% of total assets as compared to approximately \$10.6 million at June 30, 2022 or approximately 9.2% 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, 2023 Unaudited		June 30, 2022 Audited
	Unaudited		Audited
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 9,484	\$	10,039
SECURITIES AVAILABLE FOR SALE, at fair value	41,466		45,345
FEDERAL HOME LOAN BANK STOCK	226		141
LOANS RECEIVABLE, net of allowance for loan losses of \$1,055 and \$1,057, respectively	55,168		56,894
PREMISES AND EQUIPMENT, net	737		778
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	770		297
PREPAID EXPENSES AND OTHER ASSETS	2,230		1,787
TOTAL ASSETS	\$ 110,081	\$	115,281
 LIABILITIES			
DEPOSITS	\$ 89,193	\$	97,112
FHLB ADVANCES	4,000		2,000
OTHER LIABILITIES	5,230		5,568
TOTAL LIABILITIES	98,423		104,680
 STOCKHOLDERS' EQUITY:			
Preferred stock, par value \$.01 per share 500,000 shares authorized; no shares issued and outstanding	-		-
Common stock, par value \$.01 per share, 3,500,000 authorized, 1,454,750 shares issued, 806,086 shares outstanding	15		15
Additional paid-in capital	13,937		13,931
Shares held in trust, 44,829 and 49,712 shares at cost, respectively	(752)		(793)
Retained earnings	11,499		9,806
Treasury stock, at cost, 648,664 shares	(8,825)		(8,825)
Accumulated other comprehensive (loss)	(4,216)		(3,533)
TOTAL STOCKHOLDERS' EQUITY	11,658		10,601
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 110,081	\$	115,281

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,	
	2023 (Unaudited)	2022	2023 (Unaudited)	2022
INTEREST INCOME:				
Interest and fees on loans	\$ 1,940	\$ 1,666	\$ 5,908	\$ 4,600
Interest and dividends on securities	192	176	580	486
Other interest income	46	4	99	9
	2,178	1,846	6,587	5,095
INTEREST EXPENSE:				
Interest on deposits	248	109	487	359
Interest on borrowings	41	0	86	0
Total interest expense	290	109	573	359
Net interest income before provision for loan losses	1,889	1,737	6,014	4,736
Provision for loan losses	0	0	0	0
Net interest income after provision for loan losses	1,889	1,737	6,014	4,736
NON-INTEREST INCOME:				
Fees and other non-interest income	40	45	120	124
Net gain on sale of securities	0	0	0	0
Miscellaneous income	90	68	255	213
Total non-interest income	130	113	375	337
NON-INTEREST EXPENSE:				
Salaries and employee benefits	859	691	2,461	1,955
Office building and equipment expenses	71	68	207	198
Professional Services Expense	132	105	428	334
Data Processing Expense	172	191	504	551
Net loss on sale of securities	0	0	0	0
Other operating expense	161	157	499	458
Total non-interest expense	1,395	1,212	4,099	3,496
Income before income taxes	624	638	2,290	1,577
PROVISION FOR INCOME TAXES	162	166	597	412
Net Income	\$ 462	\$ 472	\$ 1,693	\$ 1,165
EARNINGS PER SHARE:				
Basic	\$ 0.61	\$ 0.62	\$ 2.23	\$ 1.54
Diluted	\$ 0.60	\$ 0.62	\$ 2.21	\$ 1.54
DIVIDENDS DECLARED PER SHARE	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	760,874	756,374	757,852	757,055
Diluted	767,533	758,942	765,034	758,181