

**For Immediate Release**

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**THE SOUTHERN BANC COMPANY, INC. ANNOUNCES  
PRELIMINARY FOURTH QUARTER EARNINGS**

Gates Little, President and Chief Executive Officer of The Southern Banc Company, Inc. (OTCBB: SRNN), the holding company for The Southern Bank Company, announced preliminary unaudited results (subject to audit adjustments following the fiscal year-end audit) of operations for the fourth quarter and year ended June 30, 2023:

- For the three months ended June 30, 2023, the Company reported net income of approximately \$784,000, or \$1.03 per basic and \$1.02 per diluted share as compared to net income of approximately \$571,000, or \$0.76 per basic and \$0.75 per diluted share, for the three months ended June 30, 2022.
- For the fiscal year ended June 30, 2023, the Company recorded net income of approximately \$2,477,000, or \$3.26 per basic and \$3.23 per diluted share, as compared to net income of approximately \$1,736,000, or \$2.29 per basic and diluted share, for the fiscal year ended June 30, 2022.
- For the three months ended June 30, 2023, net interest income before provision for loan losses increased approximately \$404,000, or 21.57% as compared to the same period in 2022. The increase in net interest income for the three-month period was primarily attributable to an increase in interest and fees on loans in the amount of approximately \$569,000 or 32.00%, an increase in other interest income of approximately \$86,000, or 966.29%, offset in part by an increase in interest on deposits of approximately \$225,000, or 208.15%. For the three months ended June 30, 2023, interest paid on deposits and borrowings increased approximately \$242,000 as compared to the same period in 2022. The current interest rate environment continues to have an impact on the bank's lending and deposit activities.
- For the fiscal year ended June 30, 2023, total interest income increased approximately \$2,137,000, or 30.20% while total interest expenses increased approximately \$455,000, or 96.93%. The increase in interest income for the fiscal year ended June 30, 2023 was primarily attributable to an increase in interest and fees on loans of approximately \$1,876,000 and an increase in other interest income of approximately \$176,000 as compared to fiscal year 2022. For the fiscal year ended June 30, 2023, interest on deposits increased approximately \$353,000, or 75.62% as compared to fiscal year 2022. For the fiscal years ended June 30, 2023 and 2022, the Company recorded no provision for loan losses.
- For the fiscal year ended June 30, 2023, non-interest income increased approximately \$60,000, or 12.43% from \$478,000 for fiscal year 2022 to \$538,000 for fiscal year 2023. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$61,000, or 19.53% offset in part by a decrease in customer service fees of approximately \$1,000, or (0.79%).
- For the three months ended June 30, 2023, total non-interest expenses increased approximately \$176,000, or 14.19%, as compared to the same three-month period in 2022. The increase in non-interest expense for the three-month period was primarily attributable to increases in salaries and benefits of approximately \$200,000, or 29.53%, data processing expenses of approximately \$17,000, or 9.58% offset in part by decreases in other operating expenses of approximately \$12,000, or (7.25%), professional service expenses of approximately \$33,000, or (23.90%).
- For the fiscal year ended June 30, 2023, total non-interest expenses increased approximately \$779,000, or 16.46%, as compared to fiscal year 2022. The increase in total non-interest expense for the fiscal year was primarily attributable to increases in salary and benefit expenses of approximately \$706,000, or 26.83%, other operating expenses of approximately \$28,000, or 4.38%, professional services expenses of approximately \$61,000, or 12.71% offset in part by a decrease in data processing expenses of approximately \$31,000, or (4.14%).
- The Company's total assets on June 30, 2023, were approximately \$108.5 million as compared to \$115.3 million at June 30, 2022. Total stockholders' equity was approximately \$12.1 million, or 11.17% of assets and \$10.6 million, or 9.20% of assets at June 30, 2023 and 2022, respectively.

The unaudited financial information for the three and twelve months ended June 30, 2023, has been prepared on the same basis as our audited financial information and includes, in the opinion of management, all adjustments necessary to present the data for such periods. The Company expects to release its final year end results and its related audited financial statements in October 2023, following completion of the year-end audit. Historical results are not necessarily indicative of future results. 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. is listed on the OTC Bulletin Board 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.  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
(Dollar Amounts in Thousands)

	June 30, 2023 (Unaudited)	June 30, 2022 (Audited)
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 8,745	\$ 10,039
SECURITIES AVAILABLE FOR SALE, at fair value	40,425	45,345
FEDERAL HOME LOAN BANK (FHLB) STOCK	98	141
LOANS RECEIVABLE, net of allowance for loan losses of \$1,049 and \$1,057, respectively	55,356	56,894
PREMISES AND EQUIPMENT, net	725	778
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	782	297
PREPAID EXPENSES AND OTHER ASSETS	2,368	1,787
<b>TOTAL ASSETS</b>	<b>\$ 108,499</b>	<b>\$ 115,281</b>
<b>LIABILITIES</b>		
DEPOSITS	\$ 90,952	\$ 97,112
FHLB ADVANCES AND OTHER BORROWED MONEY	0	2,000
OTHER LIABILITIES	5,422	5,568
<b>TOTAL LIABILITIES</b>	<b>96,374</b>	<b>104,680</b>
<b>STOCKHOLDERS' EQUITY:</b>		
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	13,938	13,931
Shares held in trust, 44,829 and 49,712 shares at cost, respectively	(752)	(793)
Retained earnings	12,283	9,806
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income / (loss)	(4,534)	(3,533)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>12,125</b>	<b>10,601</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 108,499</b>	<b>\$ 115,281</b>

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

	Three Months Ended June 30,		Year Ended June 30,	
	2023 (Unaudited)	2022	2023 (Unaudited)	2022 (Audited)
<b>INTEREST INCOME:</b>				
Interest and fees on loans	\$ 2,347	\$ 1,778	\$ 8,254	\$ 6,378
Interest and dividends on securities	188	197	768	683
Other interest income	95	9	194	18
<b>Total interest income</b>	<b>2,630</b>	<b>1,984</b>	<b>9,216</b>	<b>7,079</b>
<b>INTEREST EXPENSE:</b>				
Interest on deposits	333	108	820	467
Interest on borrowings	20	3	105	3
<b>Total interest expense</b>	<b>353</b>	<b>111</b>	<b>925</b>	<b>470</b>
Net interest income before provision for loan losses	2,277	1,873	8,291	6,609
Provision for loan losses	0	0	0	0
<b>Net interest income after provision for loan losses</b>	<b>2,277</b>	<b>1,873</b>	<b>8,291</b>	<b>6,609</b>
<b>NON-INTEREST INCOME:</b>				
Fees and other non-interest income	46	43	166	167
Gain / (loss) on sale of securities, net	0	0	0	0
Miscellaneous income	117	98	372	311
<b>Total non-interest income</b>	<b>163</b>	<b>141</b>	<b>538</b>	<b>478</b>
<b>NON-INTEREST EXPENSE:</b>				
Salaries and employee benefits	879	679	3,340	2,634
Equipment and Occupancy expenses	70	66	278	263
Professional Services Expense	107	140	535	474
Data Processing Expense	193	176	696	727
Other operating expense	165	177	664	636
<b>Total non-interest expense</b>	<b>1,414</b>	<b>1,238</b>	<b>5,513</b>	<b>4,734</b>
<b>Income before income taxes</b>	<b>1,026</b>	<b>776</b>	<b>3,316</b>	<b>2,353</b>
<b>PROVISION FOR INCOME TAXES</b>	<b>242</b>	<b>205</b>	<b>839</b>	<b>617</b>
<b>Net Income</b>	<b>\$ 784</b>	<b>\$ 571</b>	<b>\$ 2,477</b>	<b>\$ 1,736</b>
<b>EARNINGS PER SHARE:</b>				
Basic	\$ 1.03	\$ 0.76	\$ 3.26	\$ 2.29
Diluted	\$ 1.02	\$ 0.75	\$ 3.23	\$ 2.29
<b>DIVIDENDS DECLARED PER SHARE</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>
<b>AVERAGE SHARES OUTSTANDING:</b>				
Basic	761,374	756,374	758,730	756,885
Diluted	768,306	762,136	765,850	759,170