

**For Immediate Release**

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November 10, 2023

**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 approximately \$367,000, or \$0.48 per basic and diluted share, for the quarter ended September 30, 2023, as compared to a net income of approximately \$619,000, or \$0.82 per basic share and \$0.81 per diluted share, for the quarter ended September 30, 2022.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest margins decreased approximately \$246,000 or (11.60%) during the quarter as compared to the same period in 2022. For the three-months ended September 30, 2023, total interest income increased by approximately \$35,000 or 1.60% as compared to the same period in 2022. Total interest expense increased approximately \$281,000 or 260.96% for the three-months ended September 30, 2023, as compared to the same period in 2022. There were no provisions for loan and lease losses during the quarters ended September 30, 2023 and 2022. For the quarter ended September 30, 2023, total non-interest income increased approximately by \$29,000 or 24.58%, while total non-interest expense increased approximately by \$124,000 or 8.93% as compared to the same three-month period in 2022. The increase in non-interest income was primarily attributable to increases in miscellaneous income of approximately \$30,000 or 36.92% offset in part by a decrease in customer service fees of approximately \$1,000 or (2.07%). The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$113,000 or 14.27%; other operating expenses of approximately \$31,000 or 16.66%; occupancy expenses of approximately \$17,000 or 24.45% and data processing expenses of approximately \$18,000 or 11.32%, offset in part by a decrease in professional service expenses of approximately \$55,000 or (30.34%).

The Company's total assets at September 30, 2023 were 105.4 million, as compared to \$108.6 million at June 30, 2023. Total stockholders' equity was approximately \$12.0 million at September 30, 2023, or 11.36% of total assets, as compared to approximately \$12.1 million at June 30, 2023, or approximately 11.16% of total assets.

The Bank has four offices located in Gadsden, Albertville, Guntersville, and Centre, Alabama and a loan production office located 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 on following pages)

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

|  | September 30,<br>2023<br>Unaudited |    | June 30,<br>2023<br>Audited |
|--|------------------------------------|----|-----------------------------|
|  | <u>                    </u>        |    | <u>                    </u> |
| <b>ASSETS</b>  |                                    |    |                             |
| CASH AND CASH EQUIVALENTS  | \$ 7,527                           | \$ | 8,745                       |
| SECURITIES AVAILABLE FOR SALE, at fair value   | 39,075                             |    | 40,425                      |
| FEDERAL HOME LOAN BANK STOCK   | 120                                |    | 98                          |
| LOANS RECEIVABLE, net of allowance for loan losses<br>of \$1,045 and \$1,049                                 | 54,214                             |    | 55,356                      |
| PREMISES AND EQUIPMENT, net  | 1,122                              |    | 858                         |
| ACCRUED INTEREST AND DIVIDENDS RECEIVABLE  | 758                                |    | 782                         |
| PREPAID EXPENSES AND OTHER ASSETS  | 2,536                              |    | 2,367                       |
| <br>   |                                    |    |                             |
| TOTAL ASSETS   | <u>\$ 105,352</u>                  | \$ | <u>108,631</u>              |
| <br>   |                                    |    |                             |
| <b>LIABILITIES</b>   |                                    |    |                             |
| DEPOSITS   | \$ 87,727                          | \$ | 90,952                      |
| FHLB ADVANCES  | 0                                  |    | 0                           |
| OTHER LIABILITIES  | 5,657                              |    | 5,557                       |
| TOTAL LIABILITIES  | <u>93,384</u>                      |    | <u>96,509</u>               |
| <br>   |                                    |    |                             |
| <b>STOCKHOLDERS' EQUITY:</b>   |                                    |    |                             |
| Preferred stock, par value \$.01 per share<br>500,000 shares authorized; no shares issued<br>and outstanding | -                                  |    | -                           |
| Common stock, par value \$.01 per share,<br>3,500,000 authorized, 1,454,750 shares issued                    | 15                                 |    | 15                          |
| Additional paid-in capital   | 13,939                             |    | 13,938                      |
| Shares held in trust, 44,829 at cost   | (752)                              |    | (752)                       |
| Retained earnings  | 12,649                             |    | 12,280                      |
| Treasury stock, at cost, 648,664 shares  | (8,825)                            |    | (8,825)                     |
| Accumulated other comprehensive (loss) income  | (5,058)                            |    | (4,534)                     |
| TOTAL STOCKHOLDERS' EQUITY   | <u>11,968</u>                      |    | <u>12,122</u>               |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY   | <u>\$ 105,352</u>                  | \$ | <u>108,631</u>              |

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

|   | Three Months Ended<br>September 30, |                     |
|---|-------------------------------------|---------------------|
|   | 2023<br>(Unaudited)                 | 2022<br>(Unaudited) |
| <b>INTEREST INCOME:</b>                                 |                                     |                     |
| Interest and fees on loans                              | \$ 1,966                            | \$ 2,007            |
| Interest and dividends on securities                    | 185                                 | 193                 |
| Other interest income                                   | 108                                 | 25                  |
| Total interest income                                   | 2,260                               | 2,225               |
| <b>INTEREST EXPENSE:</b>                                |                                     |                     |
| Interest on deposits                                    | 389                                 | 107                 |
| Interest on borrowings                                  | 0                                   | 1                   |
| Total interest expense                                  | 389                                 | 108                 |
| Net interest income before provision<br>for loan losses | 1,871                               | 2,117               |
| Provision for loan losses                               | -                                   | -                   |
| Net interest income after provision<br>for loan losses  | 1,871                               | 2,117               |
| <b>NON-INTEREST INCOME:</b>                             |                                     |                     |
| Fees and other non-interest income                      | 36                                  | 37                  |
| Net gain on sale of securities                          | -                                   | -                   |
| Miscellaneous income                                    | 109                                 | 79                  |
| Total non-interest income                               | 145                                 | 116                 |
| <b>NON-INTEREST EXPENSE:</b>                            |                                     |                     |
| Salaries and employee benefits                          | 906                                 | 793                 |
| Office building and equipment expenses                  | 86                                  | 69                  |
| Professional Services Expense                           | 127                                 | 182                 |
| Data Processing Expense                                 | 184                                 | 166                 |
| Other operating expense                                 | 217                                 | 186                 |
| Total non-interest expense                              | 1,521                               | 1,396               |
| Income before income tax expense                        | 496                                 | 837                 |
| <b>INCOME TAX EXPENSE</b>                               | 129                                 | 218                 |
| Net Income  | \$ 367                              | \$ 619              |
| <b>INCOME PER SHARE:</b>                                |                                     |                     |
| Basic   | \$ 0.48                             | \$ 0.82             |
| Diluted   | 0.48                                | 0.81                |
| <b>DIVIDENDS DECLARED PER SHARE</b>                     | \$ -                                | \$ -                |
| <b>AVERAGE SHARES OUTSTANDING:</b>                      |                                     |                     |
| Basic   | 761,257                             | 756,374             |
| Diluted   | 768,861                             | 763,542             |