

**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 net income of approximately \$471,000, or \$0.62 per basic share and \$0.61 per diluted share, for the three months ended December 31, 2023, as compared to net income of approximately \$612,000, or \$0.81 per basic share and \$0.80 per diluted share, for the three months ended December 31, 2022. For the six months ended December 31, 2023, the Company recorded net income of approximately \$837,000, or \$1.10 per basic share and \$1.09 per diluted share, as compared to net income of approximately \$1,231,000, or \$1.63 per basic share and \$1.61 per diluted share, for the six months ended December 31, 2022. The Company's fiscal year ends June 30, 2024.

Gates Little, President and Chief Executive Officer of the Company, stated that the Company's net interest income before provision for loan losses totaled approximately \$2.013 million during the three months ended December 31, 2023, as compared to approximately \$2.008 million in the same period in 2022, an increase of approximately \$5,000, or 0.21%. The increase in the net interest income before provision for loan losses for the three months ended December 31, 2023 was primarily attributable to an increase in total interest income of approximately \$289,000, offset by an increase in total interest expense of approximately \$284,000. In the three months ended in both December 31, 2023, and 2022, the Bank made no provision for loan losses. For the three months ended December 31, 2023, total non-interest income increased approximately \$18,000, or 14.4%, while total non-interest expense increased approximately \$214,000, or 16.4%, 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 \$29,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$108,000, office building expense of approximately \$17,000, other operating expense of approximately \$44,000, professional service expense of approximately \$11,000, and data processing expense of approximately \$34,000.

For the six months ended December 31, 2023, the Company's net interest income before provision for loan losses totaled approximately \$3.884 million, a decrease of approximately \$241,000, or 5.85%, when compared to the six months ended December 31, 2022. The decrease in net interest income before provision for loan losses was primarily attributable to an increase in total interest income of approximately \$324,000 offset by an increase in total interest expense of approximately \$565,000. There was no provision for loan losses in the six months ended December 31, 2023 or for the same period in 2022. For the six months ended December 31, 2023, total non-interest income increased approximately \$47,000, or 19.27%, compared to the same period in 2022, while non-interest expense increased approximately \$339,000, or 12.53%. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$59,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$221,000, office and equipment of approximately \$34,000, data processing expense of approximately \$52,000, and other operating expense of approximately \$75,000.

The Company's total assets at December 31, 2023 were approximately \$109.7 million, as compared to approximately \$108.6 million at June 30, 2023. Total stockholders' equity was approximately \$13.7 million at December 31, 2023, or 12.5% of total assets, as compared to approximately \$12.1 million at June 30, 2023, or 11.2% 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. 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, 2023 Unaudited	June 30, 2023 Audited
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 11,344	\$ 8,745
SECURITIES AVAILABLE FOR SALE, at fair value	40,222	40,425
FEDERAL HOME LOAN BANK STOCK	120	98
LOANS RECEIVABLE, net of allowance for loan losses of \$971 and \$1,049	53,929	55,356
PREMISES AND EQUIPMENT, net	1,112	858
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	822	782
PREPAID EXPENSES AND OTHER ASSETS	2,142	2,367
TOTAL ASSETS	\$ 109,691	\$ 108,631
<b>LIABILITIES</b>		
DEPOSITS	\$ 90,431	\$ 90,952
FHLB ADVANCES	0	0
OTHER LIABILITIES	5,558	5,557
TOTAL LIABILITIES	95,989	96,509
<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	15	15
Additional paid-in capital	13,940	13,938
Shares held in trust, 44,829 shares at cost	(752)	(752)
Retained earnings	13,120	12,280
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive (loss) income	(3,796)	(4,534)
TOTAL STOCKHOLDERS' EQUITY	13,702	12,122
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 109,691	\$ 108,631

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023 (Unaudited)	2022	2023 (Unaudited)	2022
<b>INTEREST INCOME:</b>				
Interest and fees on loans	\$ 2,210	\$ 1,960	\$ 4,176	\$ 3,967
Interest and dividends on securities	183	195	369	388
Other interest income	80	29	188	54
Total interest income	2,473	2,184	4,733	4,409
<b>INTEREST EXPENSE:</b>				
Interest on deposits	460	132	849	239
Interest on borrowings	0	44	0	45
Total interest expense	460	176	849	284
Net interest income before provision for loan losses	2,013	2,008	3,884	4,125
Provision for loan losses	0	0	0	0
Net interest income after provision for loan losses	2,013	2,008	3,884	4,125
<b>NON-INTEREST INCOME:</b>				
Fees and other non-interest income	32	43	68	80
Miscellaneous income	114	85	223	164
Total non-interest income	146	128	291	244
<b>NON-INTEREST EXPENSE:</b>				
Salaries and employee benefits	916	808	1,823	1,602
Office building and equipment expenses	84	67	170	136
Professional Services Expense	125	114	252	295
Data Processing Expense	200	166	384	332
Other operating expense	197	153	414	339
Total non-interest expense	1,522	1,308	3,043	2,704
Income before income taxes	637	828	1,132	1,665
<b>PROVISION FOR INCOME TAXES</b>	166	216	295	434
Net Income	\$ 471	\$ 612	\$ 837	\$ 1,231
<b>EARNINGS PER SHARE:</b>				
Basic	\$ 0.62	\$ 0.81	\$ 1.10	\$ 1.63
Diluted	\$ 0.61	\$ 0.80	\$ 1.09	\$ 1.61
<b>DIVIDENDS DECLARED PER SHARE</b>				
	\$ ---	\$ ---	\$ ---	\$ ---
<b>AVERAGE SHARES OUTSTANDING:</b>				
Basic	761,257	756,374	761,257	756,374
Diluted	768,395	764,094	768,628	763,818