

For Immediate Release

Contact: Gates Little

(256) 543-3860

May 14, 2024

**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 \$340,000, or \$0.45 per basic and \$0.44 per diluted share, for the quarter ended March 31, 2024, as compared to net income of approximately \$462,000, or \$0.61 per basic and \$0.60 per diluted share, for the quarter ended March 31, 2023. The Company announced that for the nine-month period ended March 31, 2024, the Company recorded net income of approximately \$1,177,000, or \$1.55 per basic and \$1.53 per diluted share, as compared to net income of approximately \$1,693,000, or \$2.23 per basic and \$2.21 per diluted share, for the nine-month period ended March 31, 2023. 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 margins decreased approximately \$20,000, or 1.04%, during the quarter as compared to the same period in 2023. The decrease 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 \$234,000 offset by an increase in total interest expense of approximately \$254,000. For the three-month periods ended March 31, 2024, and March 31, 2023, the Company did not make a provision for loan and lease losses. For the quarter ended March 31, 2024, total non-interest income increased approximately \$60,000, or 45.8%, while total non-interest expense increased approximately \$205,000, or 14.7%, as compared to the same three-month period in 2023. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$68,000 offset in part by a decrease in customer services fees of approximately \$8,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$90,000, professional service expense of approximately \$37,000, other operating expense of approximately \$31,000, data processing expense of approximately \$23,000, and occupancy expense of approximately \$22,000.

For the nine-months ended March 31, 2024, net interest income decreased approximately \$261,000, or 4.3%, as compared to the same period in 2023. During the nine-month periods ended March 31, 2024, and 2023, respectively, the Company did not make a provision for credit losses. For the nine-months ended March 31, 2024, total non-interest income increased approximately \$107,000, or 28.5%, while total non-interest expense increased approximately \$544,000, or 13.3%, as compared to the same period in 2023. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$126,000, offset in part by a decrease in customer service fees of approximately \$19,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$311,000, data processing expenses of approximately \$76,000, and occupancy expense of approximately \$57,000, offset in part by a decrease in professional service expense of approximately \$7,000.

The Company’s total assets on March 31, 2024, were approximately \$107.0 million, as compared to \$108.6 million at June 30, 2023. Total stockholders’ equity was approximately \$14.0 million on March 31, 2024, or 13.05% of total assets as compared to approximately \$12.1 million on June 30, 2023 or approximately 11.16% 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, 2024 Unaudited	June 30, 2023 Audited
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 11,142	\$ 8,745
SECURITIES AVAILABLE FOR SALE, at fair value	38,615	40,425
FEDERAL HOME LOAN BANK STOCK	120	98
LOANS RECEIVABLE, net of allowance for loan losses of \$983 and \$1,049, respectively	53,001	55,356
PREMISES AND EQUIPMENT, net	1,079	858
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	802	782
PREPAID EXPENSES AND OTHER ASSETS	2,208	2,367
TOTAL ASSETS	\$ 106,967	\$ 108,631
LIABILITIES		
DEPOSITS	\$ 87,122	\$ 90,952
FHLB ADVANCES	0	0
OTHER LIABILITIES	5,881	5,557
TOTAL LIABILITIES	93,003	96,509
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	15	15
Additional paid-in capital	13,942	13,938
Shares held in trust, 46,454 and 44,829 shares at cost, respectively	(772)	(752)
Retained earnings	13,460	12,280
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive (loss)	(3,856)	(4,534)
TOTAL STOCKHOLDERS' EQUITY	13,964	12,122
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 106,967	\$ 108,631

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,	
	2024 (Unaudited)	2023	2024 (Unaudited)	2023
INTEREST INCOME:				
Interest and fees on loans	\$ 2,108	\$ 1,940	\$ 6,284	\$ 5,908
Interest and dividends on securities	182	192	551	580
Other interest income	122	46	310	99
	2,412	2,178	7,145	6,587
INTEREST EXPENSE:				
Interest on deposits	543	248	1,392	487
Interest on borrowings	0	41	0	86
Total interest expense	543	290	1,392	573
Net interest income before provision for loan losses	1,869	1,889	5,753	6,014
Provision for loan losses	0	0	0	0
Net interest income after provision for loan losses	1,869	1,889	5,753	6,014
NON-INTEREST INCOME:				
Fees and other non-interest income	32	40	101	120
Net gain on sale of securities	0	0	0	0
Miscellaneous income	158	90	381	255
Total non-interest income	190	130	482	375
NON-INTEREST EXPENSE:				
Salaries and employee benefits	950	859	2,772	2,461
Office building and equipment expenses	93	71	264	207
Professional Services Expense	169	132	421	428
Data Processing Expense	195	172	580	504
Net loss on sale of securities	0	0	0	0
Other operating expense	192	161	606	499
Total non-interest expense	1,599	1,395	4,643	4,099
Income before income taxes	460	624	1,592	2,290
PROVISION FOR INCOME TAXES	120	162	415	597
Net Income	\$ 340	\$ 462	\$ 1,177	\$ 1,693
EARNINGS PER SHARE:				
Basic	\$ 0.45	\$ 0.61	\$ 1.55	\$ 2.23
Diluted	\$ 0.44	\$ 0.60	\$ 1.53	\$ 2.21
DIVIDENDS DECLARED PER SHARE				
	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	759,650	760,874	760,729	757,852
Diluted	766,093	767,533	767,791	765,034