

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, 2024:

- For the three months ended June 30, 2024, the Company reported net income of approximately \$424,000, or \$0.56 per basic and \$0.55 per diluted share as compared to net income of approximately \$784,000, or \$1.03 per basic and \$1.02 per diluted share, for the three months ended June 30, 2023.
- For the fiscal year ended June 30, 2024, the Company recorded net income of approximately \$1,602,000, or \$2.11 per basic and \$2.09 per diluted share, as compared to net income of approximately \$2,474,000, or \$3.26 per basic and \$3.24 per diluted share, for the fiscal year ended June 30, 2023.
- For the three months ended June 30, 2024, net interest income decreased approximately \$240,000, or (10.52%) as compared to the same period in 2023. The decrease 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 \$133,000 or 5.65%, an increase in other interest income of approximately \$55,000, or 57.44%, offset in part by an increase in interest on deposits of approximately \$270,000, or 81.08%. For the three months ended June 30, 2024, the Company recorded approximately \$155,000 in provisions for loan losses as compared to the same period in 2023. For the three months ended June 30, 2024, total interest paid on deposits and borrowings increased approximately \$250,000, or 71.02% as compared to the same period in 2023. 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, 2024, net interest income decreased approximately \$346,000, or (4.17%) as compared to fiscal year 2023. The decrease in net interest income for the fiscal year ended June 30, 2024, was primarily attributable to an increase in interest and fees on loans of approximately \$510,000 or 6.17%, an increase in other interest income of approximately \$230,000 or 100.44%, offset in part by an increase in interest on deposits of approximately \$1,175,000, or 143.19% as compared to fiscal year 2023. For the fiscal year ended June 30, 2024, the Company recorded approximately \$155,000 in provisions for loan losses as compared to no provision in 2023. For the fiscal year ended June 30, 2024, total interest paid on deposits and borrowings increased approximately \$1,071,000, or 115.56%.
- For the three months ended June 30, 2024, non-interest income increased approximately \$13,000, or 8.5% 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 \$25,000, or 21.5% offset in part by a decrease in customer service fees of approximately \$12,000, or (24.91%).
- For the fiscal year ended June 30, 2024, non-interest income increased approximately \$120,000, or 22.46% as compared to fiscal year 2023. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$151,000, or 40.78% offset in part by a decrease in customer service fees of approximately \$31,000, or (18.66%).
- For the three months ended June 30, 2024, total non-interest expenses increased approximately \$251,000, or 17.82%, as compared to the same three-month period in 2023. The increase in non-interest expense for the three-month period was primarily attributable to increases in salaries and benefits of approximately \$157,000, or 17.78%, office occupancy expenses of approximately \$21,000, or 29.30%, professional services of approximately \$56,000, or 52.01%, and other operating expenses of approximately \$21,000, or 13.38%, offset in part by decreases in data processing expenses of approximately \$4,000, or (1.41%).
- For the fiscal year ended June 30, 2024, total non-interest expenses increased approximately \$795,000, or 14.43%, as compared to fiscal year 2023. The increase in total non-interest expense for the fiscal year was primarily attributable to increases in salary and benefit expenses of approximately \$468,000, or 14.01%, other operating expenses of approximately \$129,000, or 19.46%, professional services expenses of approximately \$49,000, or 9.06%, data processing expenses of approximately \$73,000, or 10.46%, and office occupancy expenses of approximately \$77,000, or 27.69%.
- The Company's total assets on June 30, 2024, were approximately \$113.1 million as compared to \$108.6 million at June 30, 2023. Total stockholders' equity was approximately \$14.5 million, or 12.79% of assets and \$12.1 million, or 11.16% of assets at June 30, 2024 and 2023, respectively.

The unaudited financial information for the three and twelve months ended June 30, 2024, 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 2024, 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, 2024 (Unaudited)	June 30, 2023 (Audited)
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 12,632	\$ 8,745
SECURITIES AVAILABLE FOR SALE, at fair value	37,912	40,425
FEDERAL HOME LOAN BANK (FHLB) STOCK	120	98
LOANS RECEIVABLE, net of allowance for loan losses of \$1,160 and \$1,049, respectively	58,199	55,356
PREMISES AND EQUIPMENT, net	1,133	858
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	934	782
PREPAID EXPENSES AND OTHER ASSETS	2,166	2,367
TOTAL ASSETS	\$ 113,096	\$ 108,631
LIABILITIES		
DEPOSITS	\$ 92,250	\$ 90,952
FHLB ADVANCES AND OTHER BORROWED MONEY	0	0
OTHER LIABILITIES	6,380	5,557
TOTAL LIABILITIES	98,630	96,609
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	13,943	13,938
Shares held in trust, 46,454 and 44,829 shares at cost, respectively	(772)	(752)
Retained earnings	13,884	12,280
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income / (loss)	(3,779)	(4,534)
TOTAL STOCKHOLDERS' EQUITY	14,466	12,122
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 113,096	\$ 108,631

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,	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Audited)
INTEREST INCOME:				
Interest and fees on loans	\$ 2,480	\$ 2,347	\$ 8,764	\$ 8,254
Interest and dividends on securities	166	188	717	732
Other interest income	150	95	460	230
Total interest income	2,796	2,630	9,941	9,216
INTEREST EXPENSE:				
Interest on deposits	603	333	1,995	820
Interest on borrowings	0	20	1	105
Total interest expense	603	353	1,996	925
Net interest income before provision for loan losses	2,192	2,277	7,945	8,291
Provision for loan losses	155	0	155	0
Net interest income after provision for loan losses	2,037	2,277	7,790	8,291
NON-INTEREST INCOME:				
Fees and other non-interest income	34	46	135	166
Gain / (loss) on sale of securities, net	0	0	0	0
Miscellaneous income	142	117	523	372
Total non-interest income	176	163	658	538
NON-INTEREST EXPENSE:				
Salaries and employee benefits	1,036	879	3,808	3,287
Equipment and Occupancy expenses	91	70	355	280
Professional Services Expense	163	107	583	535
Data Processing Expense	189	193	769	696
Other operating expense	186	165	793	717
Total non-interest expense	1,665	1,414	6,308	5,515
Income before income taxes	548	1,026	2,140	3,313
PROVISION FOR INCOME TAXES	124	242	538	839
Net Income	\$ 424	\$ 784	\$ 1,602	\$ 2,474
EARNINGS PER SHARE:				
Basic	\$ 0.56	\$ 1.03	\$ 2.11	\$ 3.26
Diluted	\$ 0.55	\$ 1.02	\$ 2.09	\$ 3.24
DIVIDENDS DECLARED PER SHARE	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	759,632	761,374	760,456	758,651
Diluted	765,895	768,306	767,318	763,064