

**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 \$369,000, or \$0.49 per basic share and \$0.48 per diluted share, for the three months ended December 31, 2024, as compared to 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. For the six months ended December 31, 2024, the Company recorded net income of approximately \$545,000, or \$0.72 per basic share and \$0.71 per diluted share, as compared to net income of approximately \$837,000, or \$1.10 per basic share and \$1.09 per diluted share, for the six months ended December 31, 2023. The Company's fiscal year ends June 30, 2025.

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 \$2.213 million during the three months ended December 31, 2024, as compared to approximately \$2.013 million in the same period in 2023, an increase of approximately \$201,000, or 9.96%. The increase in the net interest income before provision for loan losses for the three months ended December 31, 2024, was primarily attributable to an increase in total interest income of approximately \$430,000, offset by an increase in total interest expense of approximately \$230,000. In the three months ended December 31, 2024, the Bank recorded a provision for loan losses of approximately \$70,000 and no provision for loan losses in during the three months ended December 31, 2023. For the three months ended December 31, 2024, total non-interest income increased approximately \$9,000, or 6.09%, while total non-interest expense increased approximately \$278,000, or 18.25%, 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 \$10,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$222,000, office building expense of approximately \$6,000, other operating expense of approximately \$16,000, professional service expense of approximately \$45,000, offset by a decrease in data processing expense of approximately \$12,000.

For the six months ended December 31, 2024, the Company's net interest income before provision for loan losses totaled approximately \$4.363 million, an increase of approximately \$479,000, or 12.33%, when compared to the six months ended December 31, 2023. The increase in net interest income before provision for loan losses was primarily attributable to an increase in total interest income of approximately \$965,000, or 20.38%, offset by an increase in total interest expense of approximately \$486,000, or 57.19%. For the six months ended December 31, 2024, the Bank recorded provisions for loan losses of approximately \$442,000. There was no provision for loan losses during the six months ended December 31, 2023. For the six months ended December 31, 2024, total non-interest income increased approximately \$12,000, or 4.10%, compared to the same period in 2023, while non-interest expense increased approximately \$444,000, or 14.59%. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$14,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$340,000, office and equipment of approximately \$14,000, professional service expenses of approximately \$119,000 offset in part by decreases in data processing expense of approximately \$15,000, and other operating expense of approximately \$15,000.

The Company's total assets at December 31, 2024 were approximately \$117.0 million, as compared to approximately \$113.0 million at June 30, 2024. Total stockholders' equity was approximately \$15.5 million at December 31, 2024, or 13.2% of total assets, as compared to approximately \$14.5 million at June 30, 2024, or 12.80% 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.

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

	December 31, 2024 <u>Unaudited</u>	June 30, 2024 <u>Audited</u>
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 16,592	\$ 12,632
SECURITIES AVAILABLE FOR SALE, at fair value	39,238	37,912
FEDERAL HOME LOAN BANK STOCK	120	120
LOANS RECEIVABLE, net of allowance for loan losses of \$1,548 and \$1,151, respectively	56,999	58,199
PREMISES AND EQUIPMENT, net	1,059	1,133
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	946	934
PREPAID EXPENSES AND OTHER ASSETS	2,055	2,124
TOTAL ASSETS	<u>\$ 117,009</u>	<u>\$ 113,054</u>
LIABILITIES		
DEPOSITS	\$ 95,528	\$ 92,250
FHLB ADVANCES	0	0
OTHER LIABILITIES	6,035	6,338
TOTAL LIABILITIES	<u>101,563</u>	<u>98,588</u>
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	13,946	13,943
Shares held in trust, 49,081 and 46,454 shares at cost, respectively	(804)	(772)
Retained earnings	14,429	13,884
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive (loss) income	(3,315)	(3,779)
TOTAL STOCKHOLDERS' EQUITY	<u>15,446</u>	<u>14,466</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 117,009</u>	<u>\$ 113,054</u>

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,	
	2024 (Unaudited)	2023	2024 (Unaudited)	2023
INTEREST INCOME:				
Interest and fees on loans	\$ 2,598	\$ 2,210	\$ 5,072	\$ 4,176
Interest and dividends on securities	179	183	345	369
Other interest income	126	80	281	188
Total interest income	2,903	2,473	5,698	4,733
INTEREST EXPENSE:				
Interest on deposits	690	460	1,335	849
Interest on borrowings	0	0	0	0
Total interest expense	690	460	1,335	849
Net interest income before provision for loan losses	2,213	2,013	4,363	3,884
Provision for loan losses	69	0	442	0
Net interest income after provision for loan losses	2,144	2,013	3,921	3,884
NON-INTEREST INCOME:				
Fees and other non-interest income	31	32	66	68
Miscellaneous income	124	114	237	223
Total non-interest income	155	146	303	291
NON-INTEREST EXPENSE:				
Salaries and employee benefits	1,138	916	2,163	1,823
Office building and equipment expenses	90	84	184	170
Professional Services Expense	170	125	371	252
Data Processing Expense	188	200	370	384
Other operating expense	214	197	399	414
Total non-interest expense	1,800	1,522	3,487	3,043
Income before income taxes	499	637	737	1,132
PROVISION FOR INCOME TAXES	130	166	192	295
Net Income	\$ 369	\$ 471	\$ 545	\$ 837
EARNINGS PER SHARE:				
Basic	\$ 0.49	\$ 0.62	\$ 0.72	\$ 1.10
Diluted	\$ 0.48	\$ 0.61	\$ 0.71	\$ 1.09
DIVIDENDS DECLARED PER SHARE				
	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	759,632	761,257	759,632	761,257
Diluted	766,615	768,395	765,926	768,628