

For Immediate Release

Contact: Gates Little
(256) 543-3860
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**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 \$230,000, or \$0.30 per basic and \$0.30 per diluted share, for the quarter ended March 31, 2025, as compared to net income of approximately \$340,000, or \$0.45 per basic and \$0.44 per diluted share, for the quarter ended March 31, 2024. The Company announced that for the nine-month period ended March 31, 2025, the Company recorded net income of approximately \$775,000, or \$1.02 per basic and \$1.01 per diluted share, as compared to net income of approximately \$1,177,000, or \$1.55 per basic and \$1.53 per diluted share, for the nine-month period ended March 31, 2024. 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 margins increased approximately \$335,000, or 17.92%, during the quarter as compared to the same period in 2024. The increase 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 \$477,000 offset by an increase in total interest expense of approximately \$142,000. For the three-month period ending March 31, 2025, the Company recorded a provision for loan and lease losses in the amount of approximately \$99,000 as compared to no provision for the three-month period ended March 31, 2024. For the quarter ending March 31, 2025, total non-interest income decreased approximately \$53,000, or (27.88%), while total non-interest expense increased approximately \$332,000, or 20.70%, as compared to the same three-month period in 2024. The decrease in non-interest income was primarily attributable to a decrease in miscellaneous income of approximately \$51,000 and customer services fees of approximately \$2,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$289,000, professional service expense of approximately \$26,000, and occupancy expense of approximately \$8,000 offset in part by a decrease in data processing expenses of approximately \$10,000.

For the nine months ending March 31, 2025, net interest income increased approximately \$1,442,000, or 20.17%, as compared to the same period in 2024. For the nine-month period ending March 31, 2025, the Company recorded a provision for loan and lease losses in the amount of approximately \$541,000 as compared to no provision for the nine-month period ended March 31, 2024. For the nine-months ended March 31, 2025, total non-interest income decreased approximately \$42,000, or (8.53%), while total non-interest expense increased approximately \$774,000, or 16.70%, as compared to the same period in 2024. The decrease in non-interest income was primarily attributable to decreases in miscellaneous income of approximately \$37,000 and customer service fees of approximately \$5,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$630,000, occupancy expense of approximately \$21,000, professional fees of approximately \$144,000, offset in part by a decrease in data processing expense of approximately \$25,000.

The Company’s total assets on March 31, 2025, were approximately \$127.7 million, as compared to \$113.1 million at June 30, 2024. Total stockholders’ equity was approximately \$16.3 million on March 31, 2025, or 12.73% of total assets as compared to approximately \$14.5 million on June 30, 2024, or approximately 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 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, 2025 Unaudited	June 30, 2024 Audited
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 26,537	\$ 12,632
SECURITIES AVAILABLE FOR SALE, at fair value	38,922	37,912
FEDERAL HOME LOAN BANK STOCK	125	120
LOANS RECEIVABLE, net of allowance for loan losses of \$1,605 and \$1,160, respectively	58,408	58,199
PREMISES AND EQUIPMENT, net	1,025	1,133
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	955	934
PREPAID EXPENSES AND OTHER ASSETS	1,763	2,124
TOTAL ASSETS	\$ 127,735	\$ 113,054
LIABILITIES		
DEPOSITS	\$ 104,249	\$ 92,250
FHLB ADVANCES	0	0
OTHER LIABILITIES	7,227	6,338
TOTAL LIABILITIES	111,476	98,588
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	13,947	13,943
Shares held in trust, 44,081 and 46,454 shares at cost, respectively	(762)	(772)
Retained earnings	14,660	13,884
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive (loss)	(2,776)	(3,779)
TOTAL STOCKHOLDERS' EQUITY	16,259	14,466
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 127,735	\$ 113,054

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,	
	2025 (Unaudited)	2024	2025 (Unaudited)	2024
INTEREST INCOME:				
Interest and fees on loans	\$ 2,476	\$ 2,108	\$ 7,548	\$ 6,284
Interest and dividends on securities	200	182	545	551
Other interest income	213	122	494	310
Total interest income	2,889	2,412	8,587	7,145
INTEREST EXPENSE:				
Interest on deposits	685	543	2,020	1,392
Interest on borrowings	0	0	0	0
Total interest expense	685	543	2,020	1,392
Net interest income before provision for loan losses	2,204	1,869	6,567	5,753
Provision for loan losses	99	0	541	0
Net interest income after provision for loan losses	2,105	1,869	6,026	5,753
NON-INTEREST INCOME:				
Fees and other non-interest income	30	32	96	101
Net gain on sale of securities	0	0	0	0
Miscellaneous income	107	158	344	381
Total non-interest income	137	190	440	482
NON-INTEREST EXPENSE:				
Salaries and employee benefits	1,239	950	3,402	2,772
Office building and equipment expenses	101	93	285	264
Professional Services Expense	195	169	565	421
Data Processing Expense	185	195	555	580
Net loss on sale of securities	0	0	0	0
Other operating expense	211	192	610	606
Total non-interest expense	1,931	1,599	5,417	4,643
Income before income taxes	311	460	1,049	1,592
PROVISION FOR INCOME TAXES	81	120	274	415
Net Income	\$ 230	\$ 340	\$ 775	\$ 1,177
EARNINGS PER SHARE:				
Basic	\$ 0.30	\$ 0.45	\$ 1.02	\$ 1.55
Diluted	\$ 0.30	\$ 0.44	\$ 1.01	\$ 1.53
DIVIDENDS DECLARED PER SHARE				
	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	763,918	759,650	761,050	760,729
Diluted	768,309	766,093	766,710	767,791