

For Immediate Release

Contact: Gates Little

(256) 543-3860

August 15, 2025

**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, 2025:

- For the three months ended June 30, 2025, the Company reported net income of approximately \$140,000, or \$0.18 per basic and diluted share as compared to net income of approximately \$424,000, or \$0.56 per basic and \$0.55 per diluted share, for the three months ended June 30, 2024.
- For the fiscal year ended June 30, 2025, the Company recorded net income of approximately \$915,000, or \$1.20 per basic and diluted share, as compared to net income of approximately \$1,602,000, or \$2.11 per basic and \$2.09 per diluted share, for the fiscal year ended June 30, 2024.
- For the three months ended June 30, 2025, net interest income increased approximately \$78,000, or 12.90% as compared to the same period in 2024. The increase 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 \$2,000 or 0.11%, an increase in interest on securities of approximately \$42,000, or 24.87%, an increase in other interest income of approximately \$111,000, or 74.69%. During the three-month period interest on deposits increased approximately \$78,000, or 12.90%. For the three months ended June 30, 2025, the Company recorded approximately \$249,000 in provisions for loan losses as compared to \$155,000 for the same period in 2024.
- For the fiscal year ended June 30, 2025, net interest income increased approximately \$892,000, or 11.23% as compared to fiscal year 2024. The increase in net interest income for the fiscal year ended June 30, 2025, was primarily attributable to an increase in interest and fees on loans of approximately \$1,266,000 or 14.45%, an increase in interest on securities of approximately \$59,000, or 8.4%, and an increase in other interest income of approximately \$272,000 or 56.47%, offset in part by an increase in interest on deposits of approximately \$706,000, or 35.37% as compared to fiscal year 2024. For the fiscal year ended June 30, 2025, the Company recorded approximately \$790,000 in provisions for loan losses as compared to \$155,000 provision in 2024.
- For the three months ended June 30, 2025, non-interest income decreased approximately \$22,000, or (12.44%) as compared to the same period in 2024. The decrease in non-interest income was primarily attributable to a decrease in miscellaneous income of approximately \$18,000, or (12.50%), and a decrease in customer service fees of approximately \$4,000, or (12.17%).
- For the fiscal year ended June 30, 2025, non-interest income decreased approximately \$63,000, or (9.58%) as compared to fiscal year 2024. The decrease in non-interest income was primarily attributable to a decrease in miscellaneous income of approximately \$54,000, or (10.46%), and a decrease in customer service fees of approximately \$9,000, or (6.18%).
- For the three months ended June 30, 2025, total non-interest expenses increased approximately \$354,000, or 21.24%, as compared to the same three-month period in 2024. The increase in non-interest expense for the three-month period was primarily attributable to increases in salaries and benefits of approximately \$294,000, or 28.47%, professional services of approximately \$44,000, or 26.98%, data processing of approximately \$5,000, or 2.03%, and other operating expenses of approximately \$12,000, or 6.35%, offset in part by a decrease in occupancy expenses of approximately \$1,000, or (0.70%).
- For the fiscal year ended June 30, 2025, total non-interest expenses increased approximately \$1,129,000, or 17.90%, as compared to fiscal year 2024. The increase in total non-interest expense for the fiscal year was primarily attributable to increases in salary and benefit expenses of approximately \$991,000, or 26.48%, professional services expenses of approximately \$189,000, or 32.30%, office occupancy expenses of approximately \$21,000, or 5.99%, offset in part by a decrease in other operating expenses of approximately \$51,000, or (5.90%) and data processing expenses of approximately \$21,000, or (2.73%).
- The Company's total assets on June 30, 2025, were approximately \$124.1 million as compared to \$113.1 million at June 30, 2024. Total stockholders' equity was approximately \$16.7 million, or 13.47% of assets and \$14.5 million, or 12.80% of assets at June 30, 2025 and 2024, respectively.

The unaudited financial information for the three and twelve months ended June 30, 2025, 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 2025, 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, 2025 (Unaudited)	June 30, 2024 (Audited)
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 25,208	\$ 12,632
SECURITIES AVAILABLE FOR SALE, at fair value	39,326	37,912
FEDERAL HOME LOAN BANK (FHLB) STOCK	125	120
LOANS RECEIVABLE, net of allowance for loan losses of \$1,850 and \$1,160, respectively	55,783	58,199
PREMISES AND EQUIPMENT, net	1,007	1,133
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	869	934
PREPAID EXPENSES AND OTHER ASSETS	1,787	2,124
TOTAL ASSETS	\$ 124,105	\$ 113,054
LIABILITIES		
DEPOSITS	\$ 101,307	\$ 92,250
FHLB ADVANCES AND OTHER BORROWED MONEY	0	0
OTHER LIABILITIES	6,080	6,338
TOTAL LIABILITIES	98,630	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, 806,086 shares outstanding	15	15
Additional paid-in capital	13,948	13,943
Shares held in trust, 44,081 and 46,454 shares at cost, respectively	(762)	(772)
Retained earnings	14,799	13,884
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income / (loss)	(2,457)	(3,779)
TOTAL STOCKHOLDERS' EQUITY	16,718	14,466
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 124,105	\$ 113,054

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,	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Audited)
INTEREST INCOME:				
Interest and fees on loans	\$ 2,482	\$ 2,480	\$ 10,030	\$ 8,764
Interest and dividends on securities	208	166	753	694
Other interest income	261	150	755	483
Total interest income	2,951	2,796	11,538	9,941
INTEREST EXPENSE:				
Interest on deposits	681	603	2,701	1,995
Interest on borrowings	0	0	0	1
Total interest expense	681	603	2,701	1,996
Net interest income before provision for loan losses	2,270	2,192	8,837	7,945
Provision for loan losses	249	155	790	155
Net interest income after provision for loan losses	2,021	2,037	8,047	7,790
NON-INTEREST INCOME:				
Fees and other non-interest income	30	34	126	135
Gain / (loss) on sale of securities, net	0	0	0	0
Miscellaneous income	124	142	469	523
Total non-interest income	154	176	595	658
NON-INTEREST EXPENSE:				
Salaries and employee benefits	1,330	1,036	4,733	3,742
Equipment and Occupancy expenses	90	91	376	355
Professional Services Expense	207	163	772	583
Data Processing Expense	194	189	748	769
Other operating expense	198	186	808	859
Total non-interest expense	2,019	1,665	7,437	6,308
Income before income taxes	156	548	1,205	2,140
PROVISION FOR INCOME TAXES	16	124	290	538
Net Income	\$ 140	\$ 424	\$ 915	\$ 1,602
EARNINGS PER SHARE:				
Basic	\$ 0.18	\$ 0.56	\$ 1.20	\$ 2.11
Diluted	\$ 0.18	\$ 0.55	\$ 1.20	\$ 2.09
DIVIDENDS DECLARED PER SHARE				
	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	762,005	759,632	760,318	760,438
Diluted	765,124	765,895	765,342	765,242