

**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 \$371,000, or \$0.49 per basic and diluted share, for the three months ended December 31, 2025, as compared to 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. For the six months ending December 31, 2025, the Company recorded net income of approximately \$559,000, or \$0.73 per basic and diluted share, as compared to net income of approximately \$545,000, or \$0.72 per basic share and \$0.71 per diluted share, for the six months ending December 31, 2024. The Company's fiscal year ends June 30, 2026.

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 \$2.4 million during the three months ended December 31, 2025, as compared to approximately \$2.2 million in the same period in 2024, an increase of approximately \$150,000, or 6.74%. The increase in the net interest income before provision for loan losses for the three months ended December 31, 2025, was primarily attributable to an increase in total interest income of approximately \$177,000, offset by an increase in total interest expense of approximately \$27,000. In the three months ending December 31, 2025, the Bank recorded a provision for loan losses of approximately \$8,000 compared to the \$69,000 provision for loan losses during the three months ending December 31, 2024. For the three months ending December 31, 2025, total non-interest income decreased approximately \$14,000, or (9.24%), while total non-interest expense increased approximately \$193,000, or 10.73%, 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 \$10,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$124,000, office building expense of approximately \$5,000, other operating expenses of approximately \$43,000, professional service expenses of approximately \$9,000, and an increase in data processing expense of approximately \$12,000.

For the six months ended December 31, 2025, the Company's net interest income before provision for loan losses totaled approximately \$4.6 million, an increase of approximately \$254,000, or 5.82%, when compared to the six months ended December 31, 2024. The increase in net interest income before provision for loan losses was primarily attributable to an increase in total interest income of approximately \$323,000, or 5.67%, offset by an increase in total interest expense of approximately \$69,000, or 5.18%. For the six months ending December 31, 2025, the Bank recorded provisions for loan losses of approximately \$84,000 as compared to \$442,000 for the same period in 2024. For the six months ended December 31, 2025, total non-interest income decreased approximately \$16,000, or 5.10%, compared to the same period in 2024, while non-interest expense increased approximately \$577,000, or 16.55%. The decrease in non-interest income was primarily attributable to a decrease in customer service fees of approximately \$10,000 and a decrease in miscellaneous income of approximately \$6,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$436,000, office and equipment of approximately \$9,000, professional service expenses of approximately \$19,000, data processing expense of approximately \$26,000, and other operating expenses of approximately \$87,000.

The Company's total assets at December 31, 2025, were approximately \$128.8 million, as compared to approximately \$124.0 million at June 30, 2025. Total stockholders' equity was approximately \$17.8 million at December 31, 2025, or 13.79% of total assets, as compared to approximately \$16.7 million at June 30, 2025, or 13.48% 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, 2025 Unaudited	June 30, 2025 Audited
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 27,001	\$ 25,208
SECURITIES AVAILABLE FOR SALE, at fair value	40,924	39,327
FEDERAL HOME LOAN BANK STOCK	125	125
LOANS RECEIVABLE, net of allowance for loan losses of \$1,109 and \$1,839, respectively	57,369	55,794
PREMISES AND EQUIPMENT, net	955	1,007
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	980	869
PREPAID EXPENSES AND OTHER ASSETS	1,423	1,706
TOTAL ASSETS	\$ 128,777	\$ 124,036
LIABILITIES		
DEPOSITS	\$ 102,864	\$ 101,307
OTHER LIABILITIES	8,155	6,011
TOTAL LIABILITIES	111,019	107,318
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	13,950	13,948
Shares held in trust, 45,911 and 44,081 shares at cost, respectively	(787)	(762)
Retained earnings	15,359	14,799
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive (loss) income	(1,954)	(2,457)
TOTAL STOCKHOLDERS' EQUITY	17,758	16,718
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 128,777	\$ 124,036

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,	
	2025 (Unaudited)	2024	2025 (Unaudited)	2024
INTEREST INCOME:				
Interest and fees on loans	\$ 2,557	\$ 2,598	\$ 4,989	\$ 5,072
Interest and dividends on securities	265	179	503	345
Other interest income	258	126	529	281
Total interest income	3,080	2,903	6,021	5,698
INTEREST EXPENSE:				
Interest on deposits	717	690	1,404	1,335
Interest on borrowings	0	0	0	0
Total interest expense	717	690	1,404	1,335
Net interest income before provision for loan losses	2,362	2,213	4,617	4,363
Provision for loan losses	8	69	84	442
Net interest income after provision for loan losses	2,354	2,144	4,533	3,921
NON-INTEREST INCOME:				
Fees and other non-interest income	27	31	56	66
Miscellaneous income	114	124	231	237
Total non-interest income	141	155	287	303
NON-INTEREST EXPENSE:				
Salaries and employee benefits	1,262	1,138	2,599	2,163
Office building and equipment expenses	95	90	193	184
Professional Services Expense	179	170	390	371
Data Processing Expense	200	188	396	370
Other operating expense	257	214	486	399
Total non-interest expense	1,993	1,800	4,064	3,487
Income before income taxes	502	499	756	737
PROVISION FOR INCOME TAXES	131	130	197	192
Net Income	\$ 371	\$ 369	\$ 559	\$ 545
EARNINGS PER SHARE:				
Basic	\$ 0.49	\$ 0.49	\$ 0.73	\$ 0.72
Diluted	\$ 0.49	\$ 0.48	\$ 0.73	\$ 0.71
DIVIDENDS DECLARED PER SHARE				
	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	760,613	759,632	761,309	759,632
Diluted	762,808	766,615	764,046	765,926