

For Immediate Release

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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 \$363,000, or \$0.48 per basic and diluted share, for the quarter ended March 31, 2026, as compared to net income of approximately \$230,000, or \$0.30 per basic and diluted share, for the quarter ended March 31, 2025. The Company announced that for the nine-month period ended March 31, 2026, the Company recorded net income of approximately \$922,000, or \$1.21 per basic and diluted share, as compared to net income of approximately \$775,000, or \$1.02 per basic and \$1.01 per diluted share, for the nine-month period ended March 31, 2025. 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 increased approximately \$200,000, or 9.05%, during the quarter as compared to the same period in 2025. The increase in the net interest income before provision for credit losses for the quarter was primarily attributable to an increase in total interest income of approximately \$185,000 and a decrease in total interest expense of approximately \$15,000. For the three-month period ending March 31, 2026, the Company recorded a provision for loan and lease losses in the amount of approximately \$57,000 as compared to \$99,000 for the three-month period ending March 31, 2025. For the quarter ending March 31, 2026, total non-interest income decreased approximately \$10,000, or (7.60%), while total non-interest expense increased approximately \$53,000, or 2.74%, as compared to the same three-month period in 2025. The decrease in non-interest income was primarily attributable to a decrease in miscellaneous income of approximately \$11,000. The increase in non-interest expenses was primarily attributable to increases in salaries and benefits of approximately \$55,000 and data processing expenses of approximately \$14,000, offset in part by a decrease in professional service expenses of approximately \$17,000 and occupancy expenses of approximately \$11,000.

For the nine months ending March 31, 2026, net interest income increased approximately \$453,000, or 6.91%, as compared to the same period in 2025. The increase in the net interest income before provision for credit losses for the quarter was primarily attributable to an increase in total interest income of approximately \$508,000 and an increase in total interest expense of approximately \$55,000. For the nine-month period ending March 31, 2026, the Company recorded a provision for loan and lease losses in the amount of approximately \$141,000 as compared to \$541,000 for the nine-month period ending March 31, 2025. For the nine-months ending March 31, 2026, total non-interest income decreased approximately \$25,000, or (5.88%), while total non-interest expense increased approximately \$631,000, or 11.63%, as compared to the same period in 2025. The decrease in non-interest income was primarily attributable to decreases in miscellaneous income of approximately \$16,000 and customer service fees of approximately \$9,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$518,000, data processing expenses of approximately \$40,000 and professional fees of approximately \$2,000, offset in part by a decrease in occupancy expense of approximately \$1,000.

The Company’s total assets on March 31, 2026, were approximately \$127.6 million, as compared to \$124.0 million at June 30, 2025. Total stockholders’ equity was approximately \$18.1 million on March 31, 2026, or 14.15% of total assets as compared to approximately \$16.7 million on June 30, 2025, or approximately 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 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, 2026 Unaudited		June 30, 2025 Audited
	Unaudited		Audited
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 24,074	\$	25,208
SECURITIES AVAILABLE FOR SALE, at fair value	44,046		39,327
FEDERAL HOME LOAN BANK STOCK	133		125
LOANS RECEIVABLE, net of allowance for loan losses of \$1,323 and \$1,839, respectively	55,957		55,794
PREMISES AND EQUIPMENT, net	926		1,007
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	934		869
PREPAID EXPENSES AND OTHER ASSETS	1,489		1,706
TOTAL ASSETS	\$ 127,559	\$	124,036
 LIABILITIES			
DEPOSITS	\$ 101,966	\$	101,307
FHLB ADVANCES	0		0
OTHER LIABILITIES	7,542		6,011
TOTAL LIABILITIES	109,508		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	13,951		13,948
Shares held in trust, 45,911 and 44,081 shares at cost, respectively	(787)		(762)
Retained earnings	15,721		14,799
Treasury stock, at cost, 648,664 shares	(8,825)		(8,825)
Accumulated other comprehensive (loss)	(2,024)		(2,457)
TOTAL STOCKHOLDERS' EQUITY	18,051		16,718
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 127,559	\$	124,036

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,	
	2026 (Unaudited)	2025	2026 (Unaudited)	2025
INTEREST INCOME:				
Interest and fees on loans	\$ 2,586	\$ 2,476	\$ 7,575	\$ 7,548
Interest and dividends on securities	266	200	769	545
Other interest income	222	213	751	494
	3,074	2,889	9,095	8,587
INTEREST EXPENSE:				
Interest on deposits	670	685	2,075	2,020
Interest on borrowings	0	0	0	0
Total interest expense	670	685	2,075	2,020
Net interest income before provision for loan losses	2,404	2,204	7,021	6,567
Provision for loan losses	57	99	141	541
Net interest income after provision for loan losses	2,347	2,105	6,880	6,026
NON-INTEREST INCOME:				
Fees and other non-interest income	31	30	87	96
Net gain on sale of securities	0	0	0	0
Miscellaneous income	96	107	328	344
Total non-interest income	127	137	415	440
NON-INTEREST EXPENSE:				
Salaries and employee benefits	1,294	1,239	3,920	3,402
Office building and equipment expenses	90	101	284	285
Professional Services Expense	178	195	567	565
Data Processing Expense	199	185	595	555
Net loss on sale of securities	0	0	0	0
Other operating expense	223	211	682	610
Total non-interest expense	1,984	1,931	6,048	5,417
Income before income taxes	490	311	1,247	1,049
PROVISION FOR INCOME TAXES	127	81	325	274
Net Income	\$ 363	\$ 230	\$ 922	\$ 775
EARNINGS PER SHARE:				
Basic	\$ 0.48	\$ 0.30	\$ 1.21	\$ 1.02
Diluted	\$ 0.48	\$ 0.30	\$ 1.21	\$ 1.01
DIVIDENDS DECLARED PER SHARE	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	760,175	763,918	760,934	761,050
Diluted	763,188	768,309	763,763	766,710