

**THE SOUTHERN BANC COMPANY, INC. ANNOUNCES
FOURTH QUARTER AND FULL-YEAR EARNINGS RELEASE**

Gates Little, President and Chief Executive Officer of The Southern Banc Company, Inc. (OTCID: SRNN), the holding company for The Southern Bank Company, announced unaudited fourth quarter and audited full-year results for the fourth quarter and year ended June 30, 2026.

For the three months ended June 30, 2026, the Company reported net income of approximately \$493,000, or \$0.65 per basic and \$0.64 per diluted share compared to net income of approximately \$140,000, or \$0.18 per basic and diluted share, for the three months ended June 30, 2025. For the fiscal year ended June 30, 2026, the Company recorded net income of approximately \$1,415,000, or \$1.86 per basic and \$1.85 per diluted share, compared to net income of approximately \$915,000, or \$1.20 per basic and diluted share, for the fiscal year ended June 30, 2025.

For the three months ended June 30, 2026, net interest income increased approximately \$599,000, or 26.39% compared to the same period in 2025. 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 \$615,000, or 24.78%, and an increase in interest on securities of approximately \$86,000, or 41.35%. During the period, interest on deposits decreased approximately \$5,000, or 0.73%. For the three months ended June 30, 2026, the Company recorded approximately \$330,000 in provision for loan losses, compared to \$249,000 for the same period in 2025.

For the fiscal year ended June 30, 2026, net interest income increased approximately \$1,052,000, or 11.90% compared to fiscal year 2025. The increase in net interest income for the fiscal year ended June 30, 2026, was primarily attributable to an increase in interest and fees on loans of approximately \$642,000 or 6.40%, an increase in interest on securities of approximately \$311,000, or 42.20%, and an increase in other interest income of approximately \$149,000 or 19.33%, offset in part by an increase in interest on deposits of approximately \$50,000, or 1.85% compared to fiscal year 2025. For the fiscal year ended June 30, 2026, the Company recorded approximately \$471,000 in provision for loan losses compared to \$790,000 in 2025.

For the three months ended June 30, 2026, non-interest income decreased approximately \$48,000, or 31.17% compared to the same period in 2025. The decrease in non-interest income was primarily attributable to a decrease in miscellaneous income of approximately \$47,000, or 37.90%.

For the fiscal year ended June 30, 2026, non-interest income decreased approximately \$74,000, or 12.44% compared to fiscal year 2025. The decrease in non-interest income was primarily attributable to a decrease in miscellaneous income of approximately \$65,000, or 13.86%, and a decrease in customer service fees of approximately \$9,000, or 7.14%.

For the three months ended June 30, 2026, total non-interest expense decreased approximately \$25,000, or 1.24%, compared to the same three-month period in 2025. The decrease in non-interest expense for the three-month period was primarily attributable to decreases in salaries and benefits of approximately \$64,000, or 4.81%, professional services of approximately \$43,000, or 20.77%, office occupancy expenses of approximately \$3,000, or 3.33%, offset in part by increases in data processing expense of approximately \$19,000, or 9.79% and other operating expense of approximately \$64,000, or 32.32%.

For the fiscal year ending June 30, 2026, total non-interest expense increased approximately \$605,000, or 8.14%, compared to fiscal year 2025. The increase in total non-interest expense for the fiscal year was primarily attributable to increases in salary and benefit expense of approximately \$468,000, or 10.01%, data processing expense of approximately \$60,000, or 8.02%, other operating expense of approximately \$120,000, or 13.89%, offset in part by a decrease in professional services expense of approximately \$40,000, or 5.18% and office occupancy expense of approximately \$5,000, or 1.33%.

The Company's total assets on June 30, 2026, were approximately \$131.8 million compared to \$124.0 million on June 30, 2025. Total stockholders' equity was approximately \$18.4 million, or 13.97% of assets and \$16.7 million, or 13.48% of assets on June 30, 2026 and 2025, respectively. The Company's capital position remained strong at June 30, 2026. The increase in stockholders' equity was primarily attributable to fiscal year net income in addition to a decrease in the accumulated comprehensive losses due an improvement in the bond market.

The improvement in earnings for both the fourth quarter and fiscal year 2026 were primarily driven by higher net interest income, the result of growth in both loans receivable and securities available for sale. For the fiscal year, the Company also benefited from lower provision for loan losses, partially offset by higher salaries and employee benefits, data processing expense, and other operating expense.

The fiscal year end 2026 results include audited financial information, while the specific results for the fourth quarter of fiscal year 2026 are unaudited. The unaudited financial information for the three months ended June 30, 2026, 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 full fiscal year-end 2026 financial information, including the Annual Report to Shareholders in October of 2026. 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 Basic 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.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Dollar Amounts in Thousands)

	June 30, 2026 (Audited)	June 30, 2025 (Audited)
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 19,184	\$ 25,208
SECURITIES AVAILABLE FOR SALE, at fair value	43,424	39,327
FEDERAL HOME LOAN BANK (FHLB) STOCK	133	125
LOANS RECEIVABLE, net of allowance for loan losses of \$1,715 and \$1,839, respectively	65,358	55,794
PREMISES AND EQUIPMENT, net	1,148	1,007
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	1,105	869
PREPAID EXPENSES AND OTHER ASSETS	1,413	1,706
TOTAL ASSETS	\$ 131,765	\$ 124,036
LIABILITIES		
DEPOSITS	\$ 104,341	\$ 101,307
FHLB ADVANCES AND OTHER BORROWED MONEY	0	0
OTHER LIABILITIES	9,012	6,011
TOTAL LIABILITIES	113,353	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, 806,086 shares outstanding	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	16,215	14,799
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income / (loss)	(2,157)	(2,457)
TOTAL STOCKHOLDERS' EQUITY	18,412	16,718
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 131,765	\$ 124,036

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,	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Audited)	2025 (Audited)
INTEREST INCOME:				
Interest and fees on loans	\$ 3,097	\$ 2,482	\$ 10,672	\$ 10,030
Interest and dividends on securities	294	208	1,048	737
Other interest income	154	261	920	771
Total interest income	3,545	2,951	12,640	11,538
INTEREST EXPENSE:				
Interest on deposits	676	681	2,751	2,701
Interest on borrowings	0	0	0	0
Total interest expense	676	681	2,751	2,701
Net interest income before provision for loan losses	2,869	2,270	9,890	8,837
Provision for loan losses	330	249	471	790
Net interest income after provision for loan losses	2,539	2,021	9,419	8,047
NON-INTEREST INCOME:				
Fees and other non-interest income	29	30	117	126
Miscellaneous income	77	124	404	469
Total non-interest income	106	154	521	595
NON-INTEREST EXPENSE:				
Salaries and employee benefits	1,266	1,330	5,145	4,677
Equipment and Occupancy expenses	87	90	371	376
Professional Services Expense	164	207	732	772
Data Processing Expense	213	194	808	748
Loss on sale of securities, net	2	0	2	0
Other operating expense	262	198	984	864
Total non-interest expense	1,994	2,019	8,042	7,437
Income before income taxes	651	156	1,897	1,205
PROVISION FOR INCOME TAXES	158	16	482	290
Net Income	\$ 493	\$ 140	\$ 1,415	\$ 915
EARNINGS PER SHARE:				
Basic	\$ 0.65	\$ 0.18	\$ 1.86	\$ 1.20
Diluted	\$ 0.64	\$ 0.18	\$ 1.85	\$ 1.20
DIVIDENDS DECLARED PER SHARE	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	760,175	762,005	760,752	760,322
Diluted	764,709	765,124	764,813	763,237