For Immediate Release

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THE SOUTHERN BANC COMPANY, INC. ANNOUNCES FIRST QUARTER EARNINGS

The Southern Banc Company, Inc. (OTCID: SRNN) ("the Company"), the holding company for The Southern Bank Company ("the Bank"), formerly First Federal Savings and Loan Association of Gadsden, Alabama, announced net income of approximately $762,000, or $1.00 per basic and $0.99 per diluted share, for the quarter ended September 30, 2026, compared to a net income of approximately $188,000, or $0.25 per basic and diluted share, for the quarter ended September 30, 2025.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest income increased approximately $842,000, or 37.34%, during the quarter, compared to the same period in 2025. For the three months ending September 30, 2026, total interest income increased by approximately $851,000, or 28.93%, compared to the same period in 2025. Total interest expense increased approximately $9,000, or 1.31%, for the three-months ended September 30, 2026, compared to the same period in 2025. There was no provision for credit losses for the quarter ended September 30, 2026, compared to approximately $76,000 for the three-months ended September 30, 2025. For the quarter ending September 30, 2026, total non-interest income decreased approximately by $13,000, or (8.84%), while total non-interest expense increased approximately by $130,000, or 6.28%, 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, or (9.40%). The increase in non-interest expense was primarily attributable to increases in other operating expenses of approximately $85,000, or 37.12%, and salaries and benefits of approximately $69,000, or 5.16%, offset in part by a decrease in professional service expenses of approximately $27,000, or (12.80%).

The Company's total assets at September 30, 2026 were $132.3 million, compared to $131.8 million at June 30, 2026. Total stockholders' equity was approximately $18.4 million at September 30, 2026, or 13.89% of total assets, compared to approximately $18.4 million at June 30, 2026, or approximately 13.97% of total assets.

The Bank has four offices located in Gadsden, Albertville, Guntersville, and Centre, Alabama and a loan production office located in Birmingham, AL. The stock of The Southern Banc Company, Inc. trades 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 on following pages)

THE SOUTHERN BANC COMPANY, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Dollar Amounts in Thousands)

		September 30, 2026 Unaudited		June 30, 2026 Audited
ASSETS				
CASH AND CASH EQUIVALENTS	$	9,396	$	19,184
SECURITIES AVAILABLE FOR SALE, at fair value		43,262		43,424
FEDERAL HOME LOAN BANK (FHLB) STOCK		133		133
LOANS RECEIVABLE, net of allowance for loan losses of $2,032 and $1,715		75,379		65,358
PREMISES AND EQUIPMENT, net		1,147		1,148
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE		1,270		1,105
PREPAID EXPENSES AND OTHER ASSETS		1,738		1,413
TOTAL ASSETS	$	132,325	$	131,765
LIABILITIES				
DEPOSITS	$	103,117	$	104,341
FHLB ADVANCES AND OTHER BORROWED MONEY		-		-
OTHER LIABILITIES		10,833		9,012
TOTAL LIABILITIES		113,950		113,353
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		13,951
Shares held in trust, 45,911 at cost		(787)		(787)
Retained earnings		16,977		16,215
Treasury stock, at cost, 648,664 shares		(8,825)		(8,825)
Accumulated other comprehensive (loss) income		(2,955)		(2,157)
TOTAL STOCKHOLDERS' EQUITY		18,375		18,412
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	132,325	$	131,765

THE SOUTHERN BANC COMPANY, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Dollar Amounts in Thousands, except per share data)

	Three Months Ended September 30,	
	2026 (Unaudited)	2025 (Unaudited)
INTEREST INCOME:		
Interest and fees on loans	$ 3,337	$ 2,431
Interest and dividends on securities	313	239
Other interest income	143	272
Total interest income	3,793	2,942
INTEREST EXPENSE:		
Interest on deposits	696	687
Interest on borrowings	-	-
Total interest expense	696	687
Net interest income before provision for loan losses	3,097	2,255
Provision for loan losses	-	76
Net interest income after provision for loan losses	3,097	2,179
NON-INTEREST INCOME:		
Fees and other non-interest income	28	30
Net gain on sale of securities	-	-
Miscellaneous income	106	117
Total non-interest income	134	147
NON-INTEREST EXPENSE:		
Salaries and employee benefits	1,406	1,337
Office building and equipment expenses	102	98
Professional services expense	184	211
Data processing expense	195	196
Other operating expense	314	229
Total non-interest expense	2,201	2,071
Income before income tax expense	1,030	255
INCOME TAX EXPENSE	268	67
Net income	$ 762	$ 188
INCOME PER SHARE:		
Basic	$ 1.00	$ 0.25
Diluted	0.99	0.25
DIVIDENDS DECLARED PER SHARE	$ -	$ -
AVERAGE SHARES OUTSTANDING:		
Basic	760,175	762,005
Diluted	766,439	765,285