

**For Immediate Release**

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**THE SOUTHERN BANC COMPANY, INC. ANNOUNCES  
FIRST 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 a net income of \$126,221, or \$0.16 per basic and diluted share, for the quarter ended September 30, 2019, as compared to a net income \$125,807, or \$0.16 per basic and diluted share, for the quarter ended September 30, 2018.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest margins decreased by approximately \$12,000 or (1.06%) during the quarter as compared to the same period in 2018. Net interest income before provision for loan losses was approximately \$1.2 million for the quarters ended September 30, 2019 and 2018, respectively. For the three-months ended September 30, 2019 total interest income increased approximately \$64,000 or 4.67% as compared to the same period in 2018. Total interest expense increased approximately \$77,000 or 36.93% for the three-months ended September 30, 2019 as compared to the same period in 2018. Provision for loan and lease losses increased approximately \$6,000 during the quarter as compared to the same period in 2018. Net interest income after provision for loan and lease losses decreased approximately \$19,000, or (1.58%) for the quarter ended September 30, 2019, as compared to the same quarter in 2018. For the quarter ended September 30, 2019, total non-interest income decreased approximately \$1,300 or (3.27%) while total non-interest expense decreased approximately \$22,000 or (2.13%) as compared to the same three-month period in 2018. The decrease in non-interest income was primarily attributable to a decrease in customer service fees of approximately \$2,900 or (8.85%) offset in part by an increase in miscellaneous income of approximately \$1,600 or 24.61%. The decrease in non-interest expense was primarily attributable to decreases in salaries and benefits of approximately \$12,000, professional service expenses of approximately \$14,000 and data processing expenses of approximately \$1,400 offset in part by an increase in occupancy expenses of approximately \$5,000.

The Company's total assets at September 30, 2019 were \$96.2 million, as compared to \$97.7 million at June 30, 2019. Total stockholders' equity was approximately \$11.9 million at September 30, 2019 or 12.4% of total assets as compared to approximately \$11.8 million at June 30, 2019 or approximately 12.0% of total assets.

The Bank has four offices located in Gadsden, Albertville, Guntersville, and Centre, Alabama. The stock of The Southern Banc Company, Inc. trades in the over-the-counter market on the OTC Pink Marketplace<sup>®</sup> 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)

	September 30, 2019	June 30, 2019
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 19,930	\$ 17,696
SECURITIES AVAILABLE FOR SALE, at fair value	16,863	18,566
FEDERAL HOME LOAN BANK STOCK	177	177
LOANS RECEIVABLE, net of allowance for loan losses of \$857 and \$974, respectively	56,919	58,874
PREMISES AND EQUIPMENT, net	769	783
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	166	193
PREPAID EXPENSES AND OTHER ASSETS	1,409	1,416
<b>TOTAL ASSETS</b>	<b>\$ 96,233</b>	<b>\$ 97,705</b>
<b>LIABILITIES</b>		
DEPOSITS	\$ 82,241	\$ 82,342
FHLB ADVANCES	0	2,000
OTHER LIABILITIES	2,080	1,603
<b>TOTAL LIABILITIES</b>	<b>84,321</b>	<b>85,945</b>
<b>STOCKHOLDERS' EQUITY:</b>		
Preferred stock, par value \$.01 per share 500,000 shares authorized, no shares issued and outstanding	0	0
Common stock, par value \$.01 per share, 3,500,000 authorized, 1,454,750 shares issued	15	15
Additional paid-in capital	13,892	13,887
Shares held in trust, 39,260 shares at cost, respectively	(706)	(706)
Retained earnings	7,404	7,278
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income	132	111
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>11,912</b>	<b>11,760</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 96,233</b>	<b>\$ 97,705</b>

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

	Three Months Ended September 30,	
	2019 (Unaudited)	2018 (Unaudited)
<b>INTEREST INCOME:</b>		
Interest and fees on loans	\$ 1,252	\$ 1,244
Interest and dividends on securities	107	114
Other interest income	84	22
Total interest income	1,443	1,380
<b>INTEREST EXPENSE:</b>		
Interest on deposits	280	185
Interest on borrowings	4	23
Total interest expense	284	208
Net interest income before provision for loan losses	1,159	1,172
Provision for loan losses	6	0
Net interest income after provision for loan losses	1,153	1,172
<b>NON-INTEREST INCOME:</b>		
Fees and other non-interest income	30	33
Net gain on sale of securities	0	0
Miscellaneous income	8	7
Total non-interest income	38	40
<b>NON-INTEREST EXPENSE:</b>		
Salaries and employee benefits	585	598
Office building and equipment expenses	60	55
Professional Services Expense	102	116
Data Processing Expense	129	131
Other operating expense	143	142
Total non-interest expense	1,019	1,042
Income before income tax expense	172	170
<b>INCOME TAX EXPENSE</b>		
	46	44
Net Income	\$ 126	\$ 126
<b>LOSS PER SHARE:</b>		
Basic	\$ 0.16	\$ 0.16
Diluted	\$ 0.16	\$ 0.16
<b>DIVIDENDS DECLARED PER SHARE</b>		
	\$ 0.00	\$ 0.00
<b>AVERAGE SHARES OUTSTANDING:</b>		
Basic	766,826	766,826
Diluted	766,826	766,826