

For Immediate Release

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**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 a net income of approximately \$75,000, or \$0.10 per basic and diluted share, for the quarter ended December 31, 2019, as compared to a net income of approximately \$133,000, or \$0.17 per basic and diluted share, for the quarter ended December 31, 2018. For the six months ended December 31, 2019, the Company recorded net income of approximately \$201,000, or \$0.26 per basic and diluted share, as compared to net income of approximately \$259,000, or \$0.34 per basic and diluted share for the six months ended December 31, 2018.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest margins decreased during the quarter as compared to the same period in 2018. Net interest income before provision for loan losses for the quarter ended December 31, 2019 was approximately \$1.1 million as compared to approximately \$1.2 million for the quarter ended December 31, 2018, a decrease of approximately \$58,000, or (4.9%). The decrease in the net interest margin before provision for loan losses for the quarter was primarily attributable to an increase in total interest expense of approximately \$62,000, offset by an increase in total interest income of approximately \$4,000. For the three months ended December 31, 2019 the Company recorded a provision for loan and lease losses of approximately \$38,000 as compared to no provision for the same period in 2018. Net interest income after provision for loan and lease losses decreased approximately \$96,000, or (8.1%) for the quarter ended December 31, 2019, as compared to the same quarter in 2018. For the quarter ended December 31, 2019, total non-interest income increased approximately \$27,000, or 68.1% while total non-interest expense increased approximately \$8,000, or 0.8% as compared to the same three month period in 2018. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$14,000, or 160.5% and an increase in customer service fees of approximately \$13,000, or 41.6%. The increase in non-interest expense was primarily attributable to an increase in salaries and benefits of approximately \$17,000, data processing expenses of approximately \$16,000 and occupancy expense of approximately \$4,000 offset in part by a decrease in professional service expense of approximately \$23,000.

The Company's total assets at December 31, 2019 were \$98.5 million, as compared to \$97.7 million at June 30, 2019. Total stockholders' equity was approximately \$11.9 million at December 31, 2019 or 12.1% 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 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 Bulletin Board 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)

	December 31, 2019	June 30, 2019
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 22,462	\$ 17,696
SECURITIES AVAILABLE FOR SALE, at fair value	16,925	18,566
FEDERAL HOME LOAN BANK STOCK	177	177
LOANS RECEIVABLE, net of allowance for loan losses of \$895 and \$974, respectively	56,498	58,874
PREMISES AND EQUIPMENT, net	764	783
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	181	193
PREPAID EXPENSES AND OTHER ASSETS	1,526	1,416
TOTAL ASSETS	\$ 98,533	\$ 97,705
LIABILITIES		
DEPOSITS	\$ 84,444	\$ 82,342
FHLB ADVANCES	0	2,000
OTHER LIABILITIES	2,179	1,603
TOTAL LIABILITIES	86,623	85,945
STOCKHOLDERS' EQUITY:		
Preferred stock, par value \$.01 per share 500,000 shares authorized, shares issued and outstanding-- none	0	0
Common stock, par value \$.01 per share, 3,500,000 authorized, 1,454,750 shares issued	15	15
Additional paid-in capital	13,896	13,887
Shares held in trust, 44,297 and 39,260 shares at cost, respectively	(752)	(706)
Retained earnings	7,479	7,278
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income	97	111
TOTAL STOCKHOLDERS' EQUITY	11,910	11,760
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 98,533	\$ 97,705

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

	Three Months Ended December 31,		Year-to-Date December 31,	
	2019 (Unaudited)	2018	2019 (Unaudited)	2018
INTEREST INCOME:				
Interest and fees on loans	\$ 1,236	\$ 1,247	\$ 2,488	\$ 2,491
Interest and dividends on securities	100	109	207	223
Other interest income	71	47	157	70
Total interest income	1,407	1,403	2,852	2,784
INTEREST EXPENSE:				
Interest on deposits	284	202	564	388
Interest on borrowings	0	19	5	43
Total interest expense	284	221	569	431
Net interest income before provision for loan losses	1,123	1,182	2,283	2,353
Provision for loan losses	38	0	45	0
Net interest income after provision for loan losses	1,085	1,182	2,238	2,353
NON-INTEREST INCOME:				
Fees and other non-interest income	43	28	74	63
Miscellaneous income	23	11	30	15
Total non-interest income	66	39	104	78
NON-INTEREST EXPENSE:				
Salaries and employee benefits	592	561	1,177	1,172
Office building and equipment expenses	62	58	123	113
Professional Services Expense	124	147	225	263
Data Processing Expense	147	130	276	261
Other operating expense	123	145	266	272
Total non-interest expense	1,048	1,041	2,067	2,081
Income before income taxes	103	180	275	350
PROVISION FOR INCOME TAXES				
Net Income	\$ 75	\$ 133	\$ 201	\$ 259
LOSS PER SHARE:				
Basic	\$ 0.10	\$ 0.17	\$ 0.26	\$ 0.34
Diluted	\$ 0.10	\$ 0.17	\$ 0.26	\$ 0.34
DIVIDENDS DECLARED PER SHARE				
	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	766,498	766,826	766,662	766,826
Diluted	767,358	766,826	767,244	766,826