

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 announced net income of approximately \$73,000, or \$0.10 per basic and diluted share, for the quarter ended March 31, 2020, as compared to net income of approximately \$110,000, or \$0.14 per basic and diluted share, for the quarter ended March 31, 2019. For the nine-month period ended March 31, 2020 the Company recorded net income of approximately \$274,000, as compared to net income of approximately \$370,000 for the nine-month period ended March 31, 2019.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest margins decreased approximately \$44,000 or (3.9%) during the quarter as compared to the same period in 2019. 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 \$48,000, offset by an increase in total interest income of approximately \$4,000. For the three months ended March 31, 2020 the Company recorded no provision for loan and lease losses as compared to a provision of approximately \$8,000 for the same period in 2019. Net interest income after provision for loan and lease losses decreased approximately \$37,000, or (3.3%) for the quarter ended March 31, 2020, as compared to the same quarter in 2019. For the quarter ended March 31, 2020, total non-interest income increased approximately \$29,000, or 82.1% while total non-interest expense increased approximately \$41,000, or 4.0% as compared to the same three-month period in 2019. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$18,000 and an increase in customer service fees of approximately \$10,000. The increase in non-interest expense was primarily attributable to an increase in data processing expenses of approximately \$61,000, offset in part by decreases in professional service expenses of approximately \$12,000 and salaries and employee benefits of approximately \$6,000.

For the nine-months ended March 31, 2020, net interest income decreased approximately \$114,000 or (3.3%). Provision for loan and lease losses increased approximately \$37,000 or 464% during the nine-month period as compared to the same period in 2019. Net interest income after provision for loan and lease losses decreased approximately \$151,000 or (4.3%) for the nine-months ended March 31, 2020, as compared to the same period in 2019. For the nine-months ended March 31, 2020, total non-interest income increased approximately \$54,000 or 47.5% while total non-interest expense increased approximately \$26,000 or 0.9% as compared to the same period in 2019. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$33,000 and an increase in customer service fees of approximately \$20,000. The increase in non-interest expense was primarily attributable to increases in data processing expenses of approximately \$76,000, occupancy expenses of approximately \$10,000, offset in part by a decrease in other professional service expenses of approximately \$49,000.

The Company's total assets at March 31, 2020 were approximately \$98.4 million, as compared to \$97.7 million at June 30, 2019. Total stockholders' equity was approximately \$12.3 million at March 31, 2020 or 12.5% 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)

	March 31, 2020	June 30, 2019
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 20,270	\$ 17,696
SECURITIES AVAILABLE FOR SALE, at fair value	21,593	18,567
FEDERAL HOME LOAN BANK STOCK	174	177
LOANS RECEIVABLE, net of allowance for loan losses of \$895 and \$974, respectively	53,931	58,874
PREMISES AND EQUIPMENT, net	756	783
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	164	193
PREPAID EXPENSES AND OTHER ASSETS	1,521	1,416
TOTAL ASSETS	\$ 98,408	\$ 97,705
LIABILITIES		
DEPOSITS	\$ 83,689	\$ 82,342
FHLB ADVANCES	0	2,000
OTHER LIABILITIES	2,430	1,603
TOTAL LIABILITIES	86,119	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	13,887	13,887
Shares held in trust, 44,506 and 39,260 shares at cost, Respectively	(754)	(706)
Retained earnings	7,552	7,278
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income	400	113
TOTAL STOCKHOLDERS' EQUITY	12,289	11,760
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 98,408	\$ 97,705

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

	Three Months Ended March 31,		Year-to-Date March 31,	
	2020 (Unaudited)	2019	2020 (Unaudited)	2019
INTEREST INCOME:				
Interest and fees on loans	\$ 1,198	\$ 1,193	\$ 3,686	\$ 3,684
Interest and dividends on securities	103	112	311	335
Other interest income	64	57	221	126
	1,366	1,362	4,218	4,145
INTEREST EXPENSE:				
Interest on deposits	280	213	845	597
Interest on borrowings	1	15	4	57
Total interest expense	281	228	849	654
Net interest income before provision for loan losses	1,085	1,134	3,369	3,491
Provision for loan losses	0	8	45	8
Net interest income after provision for loan losses	1,085	1,126	3,324	3,483
NON-INTEREST INCOME:				
Fees and other non-interest income	37	23	110	81
Net gain on sale of securities	1	0	1	0
Miscellaneous income	26	12	57	33
Total non-interest income	64	35	168	114
NON-INTEREST EXPENSE:				
Salaries and employee benefits	587	581	1,764	1,732
Office building and equipment expenses	61	60	184	174
Professional Services Expense	96	108	322	370
Data Processing Expense	181	120	456	381
Net loss on sale of securities	0	0	0	0
Other operating expense	124	143	390	441
Total non-interest expense	1,049	1,012	3,116	3,098
Income before income taxes	100	149	376	499
PROVISION FOR INCOME TAXES	27	39	102	129
Net Income	\$ 73	\$ 110	\$ 274	\$ 370
LOSS PER SHARE:				
Basic	\$ 0.10	\$ 0.14	\$ 0.36	\$ 0.48
Diluted	\$ 0.10	\$ 0.14	\$ 0.36	\$ 0.48
DIVIDENDS DECLARED PER SHARE	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	761,596	766,826	764,998	766,826
Diluted	763,627	766,826	766,063	766,826