

For Immediate Release

Contact: Gates Little

(256) 543-3860

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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 \$140,000 or \$0.18 per basic and diluted share, for the quarter ended December 31, 2020, as compared to a net income of approximately \$75,000 or \$0.10 per basic and diluted share, for the quarter ended December 31, 2019. For the six months ended December 31, 2020, the Company recorded net income of approximately \$169,000 or \$0.22 per basic and diluted share, as compared to net income of approximately \$201,000, or \$0.26 per basic and diluted share for the six months ended December 31, 2019.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest margins increased approximately \$15,000 during the quarter as compared to the same period in 2019. Net interest income before provision for loan losses for the quarter ended December 31, 2020 was approximately \$1.14 million as compared to approximately \$1.12 million for the quarter ended December 31, 2019, an increase of approximately \$15,000, or 1.3%. The increase in the net interest margin before provision for loan losses for the quarter was primarily attributable to a decrease in total interest expense of approximately \$62,000, offset by a decrease in total interest income of approximately \$47,000. For the three months ended December 31, 2020 the Company recorded a provision for loan and lease losses of approximately \$41,000 as compared to a provision of approximately \$38,000 for the same period in 2019. Net interest income after provision for loan and lease losses increased approximately \$12,000 or 1.1% for the quarter ended December 31, 2020, as compared to the same quarter in 2019. For the quarter ended December 31, 2020, total non-interest income increased approximately \$32,000, or 48.3% while total non-interest expense decreased approximately \$44,000 or (4.2%) as compared to the same three-month period in 2019. The increase in non-interest income was primarily attributable to gains of approximately \$39,000 related to our leasing and mortgage lending activities, offset in part by a decrease in customer service fees of approximately \$8,000 or (18.1%). The decrease in non-interest expense was primarily attributable to decreases in salaries and benefits of approximately \$80,000 and professional service expense of approximately \$22,000 offset in part by an increase in data processing expenses of approximately \$22,000.

The Company's total assets at December 31, 2020 were \$111.8 million, as compared to \$103.3 million at June 30, 2020. Total stockholders' equity was approximately \$12.5 million at December 31, 2020 or 11.2% of total assets as compared to approximately \$12.3 million at June 30, 2020 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, 2020 (Unaudited)	June 30, 2020
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 17,099	\$ 25,766
SECURITIES AVAILABLE FOR SALE, at fair value	35,639	25,874
FEDERAL HOME LOAN BANK STOCK	174	174
LOANS RECEIVABLE, net of allowance for loan losses of \$829 and \$895, respectively	56,579	49,105
PREMISES AND EQUIPMENT, net	700	736
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	281	224
PREPAID EXPENSES AND OTHER ASSETS	1,294	1,423
TOTAL ASSETS	\$ 111,766	\$ 103,302
LIABILITIES		
DEPOSITS	\$ 92,597	\$ 88,766
FHLB ADVANCES	0	0
OTHER LIABILITIES	6,657	2,188
TOTAL LIABILITIES	99,254	90,954
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	13,917	13,906
Shares held in trust, 45,243 and 44,506 shares at cost, respectively	(761)	(754)
Retained earnings	7,761	7,592
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income	405	414
TOTAL STOCKHOLDERS' EQUITY	12,512	12,348
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 111,766	\$ 103,302

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,	
	2020 (Unaudited)	2019	2020 (Unaudited)	2019
INTEREST INCOME:				
Interest and fees on loans	\$ 1,212	\$ 1,236	\$ 2,261	\$ 2,488
Interest and dividends on securities	146	100	295	207
Other interest income	2	72	5	157
Total interest income	1,360	1,408	2,561	2,852
INTEREST EXPENSE:				
Interest on deposits	222	284	480	565
Interest on borrowings	0	0	0	4
Total interest expense	222	284	480	569
Net interest income before provision for loan losses	1,138	1,124	2,081	2,283
Provision for loan losses	41	38	41	44
Net interest income after provision for loan losses	1,097	1,085	2,040	2,239
NON-INTEREST INCOME:				
Fees and other non-interest income	35	43	63	73
Miscellaneous income	62	23	92	31
Total non-interest income	97	66	155	104
NON-INTEREST EXPENSE:				
Salaries and employee benefits	512	592	1,058	1,177
Office building and equipment expenses	61	62	120	123
Professional Services Expense	102	124	190	226
Data Processing Expense	169	147	314	276
Other operating expense	159	123	281	266
Total non-interest expense	1,003	1,048	1,963	2,068
Income before income taxes	191	103	232	275
PROVISION FOR INCOME TAXES	51	28	63	74
Net Income	\$ 140	\$ 75	\$ 169	\$ 201
LOSS PER SHARE:				
Basic	\$ 0.18	\$ 0.10	\$ 0.22	\$ 0.26
Diluted	\$ 0.18	\$ 0.10	\$ 0.22	\$ 0.26
DIVIDENDS DECLARED PER SHARE				
	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	764,146	766,826	764,146	766,826
Diluted	764,146	766,826	764,146	766,826