

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 announced a net loss of approximately \$560,000, or (\$0.72) per basic and diluted share, for the quarter ended December 31, 2017, as compared to a net loss of approximately \$177,000, or (\$0.23) per basic and diluted share, for the quarter ended December 31, 2016. For the six-month period ended December 31, 2017 the Company recorded a net loss of approximately \$737,000, which included an income tax expense of approximately \$606,000 due to the recent tax law changes, as compared to a net loss of approximately \$283,000 for the six-month period ended December 31, 2016.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net loss for the quarter ended December 31, 2017 was primarily due to the revaluation of the Company's deferred tax assets and liabilities resulting from the recent change in the statutory corporate income tax rate from 34% to 21%. During the quarter ended December 31, 2017 the Company's net interest margins improved as compared to the same period in 2016. Net interest income for the quarter ended December 31, 2017 was approximately \$1.1 million as compared to approximately \$820,000 for the quarter ended December 31, 2016, an increase of approximately \$253,000 or 30.9%. The improvement in the net interest margin for the quarter was primarily attributable to an increase in total interest income of approximately \$270,000 or 26.8%, offset in part by an increase in total interest expense of approximately \$16,000. Provision for loan and lease losses decreased approximately \$222,000 during the quarter as compared to the same period in 2016. Net interest income after provision for loan and lease losses increased approximately \$475,000 or 81.0% for the quarter ended December 31, 2017, as compared to the same quarter in 2016. For the quarter ended December 31, 2017, total non-interest income increased approximately \$10,000 or 29.9% while total non-interest expense increased approximately \$48,000 or 5.4% as compared to the same three month period in 2016. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$7,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$13,000, other operating expenses of approximately \$41,000, offset in part by decreases in professional service expenses of approximately \$1,000, data processing expenses of approximately \$1,000, office building and equipment expenses of approximately \$4,000.

For the six-months ended December 31, 2017, net interest income increased approximately \$532,000 or 31.8%. Provision for loan and lease losses increased approximately \$261,000 during the six-month period as compared to the same period in 2016. Net interest income after provision for loan and lease losses increased approximately \$271,000 or 20.0% for the six-months ended December 31, 2017, as compared to the same period in 2016. For the six-months ended December 31, 2017, total non-interest income increased approximately \$5,000 or 5.3% while total non-interest expense decreased approximately \$46,000 or 2.5% as compared to the same period in 2016. The increase in non-interest income was primarily attributable to increases in customer service fees of approximately \$8,000, miscellaneous income of approximately \$20,000 offset in part by a decrease in the net gain on sales of securities of approximately \$23,000. The decrease in non-interest expense was primarily attributable to decreases in salaries and benefits of approximately \$26,000, occupancy expenses of approximately \$9,000, professional fees of approximately \$17,000, data processing fees of approximately \$7,000 offset in part by an increase other operating expenses of approximately \$13,000.

The Company's total assets at December 31, 2017 were approximately \$98.3 million, as compared to \$96.5 million at June 30, 2017. Total stockholders' equity was approximately \$11.0 million at December 31, 2017 or 11.2% of total assets as compared to approximately \$11.8 million at June 30, 2017 or approximately 12.3% of total assets.

The Bank has four offices located in Gadsden, Albertville, Guntersville, and Centre, Alabama. 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, 2017	June 30, 2017
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 1,722	\$ 2,910
SECURITIES AVAILABLE FOR SALE, at fair value	23,918	28,775
FEDERAL HOME LOAN BANK STOCK	510	340
LOANS RECEIVABLE, net of allowance for loan losses of \$1,432 and \$1,238, respectively	69,436	61,309
PREMISES AND EQUIPMENT, net	732	754
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	275	216
PREPAID EXPENSES AND OTHER ASSETS	1,748	2,238
TOTAL ASSETS	\$ 98,341	\$ 96,542
LIABILITIES		
DEPOSITS	\$ 76,127	\$ 79,383
FHLB ADVANCES	8,765	5,000
OTHER LIABILITIES	2,468	311
TOTAL LIABILITIES	87,360	84,694
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, at cost, 39,260 shares	(706)	(706)
Retained earnings	6,636	7,373
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income	(26)	103
TOTAL STOCKHOLDERS' EQUITY	10,981	11,847
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 98,341	\$ 96,542

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,	
	2017 (Unaudited)	2016	2017 (Unaudited)	2016
INTEREST INCOME:				
Interest and fees on loans	\$ 1,120	\$ 819	\$ 2,284	\$ 1,670
Interest and dividends on securities	144	183	305	380
Other interest income	12	4	18	10
	1,276	1,006	2,607	2,060
INTEREST EXPENSE:				
Interest on deposits	167	179	335	366
Interest on borrowings	35	7	62	16
Total interest expense	202	186	397	382
Net interest income before provision for loan losses	1,073	820	2,210	1,678
Provision for loan losses	11	233	581	320
Net interest income after provision for loan losses	1,062	587	1,629	1,358
NON-INTEREST INCOME:				
Fees and other non-interest income	25	23	49	41
Net gain on sale of securities	0	0	0	23
Miscellaneous income	16	8	32	12
Total non-interest income	41	31	81	76
NON-INTEREST EXPENSE:				
Salaries and employee benefits	497	484	1,016	1,042
Office building and equipment expenses	57	61	115	124
Professional Services Expense	94	95	171	188
Data Processing Expense	121	122	233	240
Other operating expense	181	140	307	294
Total non-interest expense	950	902	1,842	1,888
Income (loss) before income taxes	153	(283)	(132)	(454)
PROVISION (BENEFIT) FOR INCOME TAXES	713	(107)	606	(171)
Net Loss	\$ (560)	\$ (177)	\$ (737)	\$ (283)
LOSS PER SHARE:				
Basic	\$ (0.73)	\$ (0.23)	\$ (0.96)	\$ (0.37)
Diluted	\$ (0.73)	\$ (0.23)	\$ (0.96)	\$ (0.37)
DIVIDENDS DECLARED PER SHARE	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	766,826	773,299	766,826	773,371
Diluted	766,826	773,299	766,826	773,371