

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 \$112,000, or \$0.15 per basic and diluted share, for the quarter ended March 31, 2018, as compared to a net loss of approximately \$63,000, or (\$0.08) per basic and diluted share, for the quarter ended March 31, 2017. For the nine-month period ended March 31, 2018 the Company recorded a net loss of approximately \$625,000, which included an income tax expense of approximately \$655,000 due to the recent tax law changes, as compared to a net loss of approximately \$346,000 for the nine-month period ended March 31, 2017.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net income for the quarter ended March 31, 2018 was primarily due to an increase in interest and fees on loans. During the quarter ended March 31, 2018 the Company's net interest margin improved as compared to the same period in 2017. Net interest income for the quarter ended March 31, 2018 was approximately \$1.1 million as compared to approximately \$844,000 for the quarter ended March 31, 2017, an increase of approximately \$217,000 or 25.7%. The improvement in the net interest margin for the quarter was primarily attributable to an increase in total interest income of approximately \$240,000 or 23.4%, offset in part by a decrease in interest and dividends on securities of approximately \$40,000 and an increase in interest on borrowing of approximately \$28,000. Provision for loan and lease losses decreased approximately \$76,000 during the quarter as compared to the same period in 2017. Net interest income after provision for loan and lease losses increased approximately \$293,000 or 38.1% for the quarter ended March 31, 2018, as compared to the same quarter in 2017. For the quarter ended March 31, 2018, total non-interest income increased approximately \$17,000 or 53.1% while total non-interest expense increased approximately \$57,000 or 6.3% as compared to the same three month period in 2017. The increase in non-interest income was primarily attributable to an increase in gain on sale of securities of approximately \$7,000, customer service fees of \$7,000 and miscellaneous income of \$3,000. The increase in non-interest expense was primarily attributable to increases in salaries and employee benefits of approximately \$17,000, professional services of approximately \$28,000, loss on sale of securities of approximately \$9,000, other operating expenses of approximately \$4,000, offset in part by a decrease in office building and equipment expenses of approximately \$5,000.

For the nine-months ended March 31, 2018, net interest income increased approximately \$749,000 or 29.7%. Provision for loan and lease losses increased approximately \$185,000 or 46.8% during the nine-month period as compared to the same period in 2017. Net interest income after provision for loan and lease losses increased approximately \$564,000 or 26.5% for the nine-months ended March 31, 2018, as compared to the same period in 2017. For the nine-months ended March 31, 2018, total non-interest income increased approximately \$21,000 or 19.2% while total non-interest expense increased approximately \$10,000 or 0.4% as compared to the same period in 2017. The increase in non-interest income was primarily attributable to increases in customer service fees of approximately \$14,000, miscellaneous income of approximately \$23,000 offset in part by a decrease in gain on sale of securities of approximately \$16,000. The increase in non-interest expense was primarily attributable to increases in professional service expenses of approximately \$11,000, other operating expense of approximately \$17,000, loss on sale of securities of approximately \$9,000, offset in part by decreases in salaries and employee benefits of approximately \$10,000, office building and equipment expenses of approximately \$13,000, data processing expenses of approximately \$4,000.

The Company's total assets at March 31, 2018 were approximately \$98.6 million, as compared to \$96.5 million at June 30, 2017. Total stockholders' equity was approximately \$10.9 million at March 31, 2018 or 11.0% 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)

	March 31, 2018	June 30, 2017
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 4,876	\$ 2,910
SECURITIES AVAILABLE FOR SALE, at fair value	20,383	28,775
FEDERAL HOME LOAN BANK STOCK	578	340
LOANS RECEIVABLE, net of allowance for loan losses of \$1,004 and \$1,238, respectively	70,012	61,309
PREMISES AND EQUIPMENT, net	720	754
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	216	216
PREPAID EXPENSES AND OTHER ASSETS	1,772	2,238
TOTAL ASSETS	\$ 98,557	\$ 96,542
LIABILITIES		
DEPOSITS	\$ 75,961	\$ 79,383
FHLB ADVANCES	10,000	5,000
OTHER LIABILITIES	1,708	312
TOTAL LIABILITIES	87,669	84,695
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	6,747	7,373
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income (loss)	(230)	103
TOTAL STOCKHOLDERS' EQUITY	10,888	11,847
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 98,557	\$ 96,542

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,	
	2018 (Unaudited)	2017	2018 (Unaudited)	2017
INTEREST INCOME:				
Interest and fees on loans	\$ 1,118	\$ 843	\$ 3,402	\$ 2,513
Interest and dividends on securities	135	175	440	555
Other interest income	11	6	29	16
	1,264	1,024	3,871	3,084
INTEREST EXPENSE:				
Interest on deposits	165	170	500	536
Interest on borrowings	38	10	100	26
Total interest expense	203	180	600	562
Net interest income before provision for loan losses	1,061	844	3,271	2,522
Provision for loan losses	0	76	581	396
Net interest income after provision for loan losses	1,061	768	2,690	2,126
NON-INTEREST INCOME:				
Fees and other non-interest income	27	20	76	62
Gain on sale of securities	7	0	7	23
Miscellaneous income	14	11	46	23
Total non-interest income	48	31	129	108
NON-INTEREST EXPENSE:				
Salaries and employee benefits	526	507	1,540	1,550
Office building and equipment expenses	58	63	173	186
Professional Services Expense	103	75	275	264
Data Processing Expense	121	118	354	358
Loss on sale of securities	9	0	9	0
Other operating expense	141	137	448	431
Total non-interest expense	958	900	2,799	2,789
Income (loss) before income taxes	151	(101)	20	(555)
PROVISION (BENEFIT) FOR INCOME TAXES	39	(38)	645	(209)
Net income (loss)	\$ 112	\$ (63)	\$ (625)	\$ (346)
LOSS PER SHARE:				
Basic	\$ 0.15	\$ (0.08)	\$ (0.82)	\$ (0.45)
Diluted	\$ 0.15	\$ (0.08)	\$ (0.82)	\$ (0.45)
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