

For Immediate Release

Contact: Gates Little

(256) 543-3860

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**THE SOUTHERN BANC COMPANY, INC. ANNOUNCES
FIRST 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 \$126,000, or \$0.16 per basic and diluted share, for the quarter ended September 30, 2018, as compared to a net loss of approximately \$177,000, or (\$0.23) per basic and diluted share, for the quarter ended September 30, 2017.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest margins improved during the quarter as compared to the same period in 2017. Net interest income before provision for loan losses for the quarter ended September 30, 2018 was approximately \$1.2 million as compared to approximately \$1.1 million for the quarter ended September 30, 2017, an increase of approximately \$38,000 or 3.3%. The improvement in the net interest margin before provision for loan losses for the quarter was primarily attributable to an increase in total interest income of approximately \$48,000, offset by an increase in total interest expense of approximately \$10,000. Provision for loan and lease losses decreased approximately (\$570,000) during the quarter as compared to the same period in 2017. Net interest income after provision for loan and lease losses increased approximately \$608,000, or 107.1% for the quarter ended September 30, 2018, as compared to the same quarter in 2017. For the quarter ended September 30, 2018, total non-interest income decreased approximately \$1,000 or (1.6%) while total non-interest expense increased approximately \$153,000 or 17.1% as compared to the same three month period in 2017. The decrease in non-interest income was primarily attributable to a decrease in miscellaneous income of approximately (\$8,000) or (45.3%) offset in part by an increase in customer service fees of approximately \$7,000 or 30.7%. The increase in non-interest expense was primarily attributable to an increase in salaries and benefits of approximately \$73,000, professional service expenses of approximately \$38,000, data processing expenses of approximately \$18,000 and other operating expenses of approximately \$26,000 offset in part by a decrease in occupancy expenses of approximately (\$2,000).

The Company's total assets at September 30, 2018 were \$94.5 million, as compared to \$94.1 million at June 30, 2018. Total stockholders' equity was approximately \$11.0 million at September 30, 2018 or 11.6% of total assets as compared to approximately \$10.9 million at June 30, 2018 or approximately 11.6% of total assets.

The Bank has four offices located in Gadsden, Albertville, Guntersville, and Centre, Alabama. The stock of The Southern Banc Company, Inc. trades in the over-the-counter market on the OTC Pink Marketplace[®] 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)

	September 30, 2018	June 30, 2018
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ASSETS		
CASH AND CASH EQUIVALENTS	\$ 9,453	\$ 4,208
SECURITIES AVAILABLE FOR SALE, at fair value	18,575	19,599
FEDERAL HOME LOAN BANK STOCK	301	429
LOANS RECEIVABLE, net of allowance for loan losses of \$1,081 and \$1,093, respectively	63,601	67,218
PREMISES AND EQUIPMENT, net	738	715
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	190	207
PREPAID EXPENSES AND OTHER ASSETS	1,606	1,705
TOTAL ASSETS	\$ 94,464	\$ 94,081
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LIABILITIES		
DEPOSITS	\$ 76,736	\$ 77,014
FHLB ADVANCES	5,000	6,000
OTHER LIABILITIES	1,724	157
TOTAL LIABILITIES	83,460	83,171
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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, 39,260 shares at cost, respectively	(706)	(706)
Retained earnings	6,939	6,813
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income	(306)	(274)
TOTAL STOCKHOLDERS' EQUITY	11,004	10,910
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 94,464	\$ 94,081
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THE SOUTHERN BANC COMPANY, INC.
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Dollar Amounts in Thousands, except per share data)

	Three Months Ended September 30,	
	2018 (Unaudited)	2017 (Unaudited)
INTEREST INCOME:		
Interest and fees on loans	\$ 1,244	\$ 1,164
Interest and dividends on securities	114	161
Other interest income	22	7
Total interest income	1,380	1,332
INTEREST EXPENSE:		
Interest on deposits	182	168
Interest on borrowings	23	27
Total interest expense	205	195
Net interest income before provision for loan losses	1,175	1,137
Provision for loan losses	0	570
Net interest income after provision for loan losses	1,175	567
NON-INTEREST INCOME:		
Fees and other non-interest income	30	23
Net gain on sale of securities	0	0
Miscellaneous income	9	17
Total non-interest income	39	40
NON-INTEREST EXPENSE:		
Salaries and employee benefits	591	518
Office building and equipment expenses	55	57
Professional Services Expense	116	78
Data Processing Expense	130	112
Other operating expense	152	126
Total non-interest expense	1,044	891
Income (Loss) before income tax expense (benefit)	170	(284)
INCOME TAX EXPENSE (BENEFIT)		
	44	(107)
Net Income (Loss)	\$ 126	\$ (177)
LOSS PER SHARE:		
Basic	\$ 0.16	\$ (0.23)
Diluted	\$ 0.16	\$ (0.23)
DIVIDENDS DECLARED PER SHARE		
	\$ 0.00	\$ 0.00
AVERAGE SHARES OUTSTANDING:		
Basic	766,826	766,826
Diluted	766,826	766,826