

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 \$110,000, or \$0.14 per basic and diluted share, for the quarter ended March 31, 2019, as compared to net income of approximately \$112,000, or \$0.15 per basic and diluted share, for the quarter ended March 31, 2018. For the nine-month period ended March 31, 2019 the Company recorded net income of approximately \$370,000, as compared to a net loss of approximately \$616,000 for the nine-month period ended March 31, 2018 which included an income tax expense of approximately \$655,000 due to the tax law changes,

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net income for the quarter ended March 31, 2019 was primarily due to an increase in interest and fees on loans. During the quarter ended March 31, 2019 the Company's net interest margin improved as compared to the same period in 2018. Net interest income for the quarter ended March 31, 2019 was approximately \$1.1 million as compared to approximately \$1.0 million for the quarter ended March 31, 2018. For the quarter ended March 31, 2019, total interest income increased approximately \$98,000 or 7.8% while total interest expense increased approximately \$25,000 or 12.4%. Provision for loan and lease losses increased approximately \$8,000 during the quarter as compared to the same quarter in 2018. Net interest income after provision for loan and lease losses increased approximately \$65,000 or 6.2% for the quarter ended March 31, 2019, as compared to the same quarter in 2018. For the quarter ended March 31, 2019, total non-interest income decreased approximately \$13,000 or 27.0% while total non-interest expense increased approximately \$54,000 or 5.7% as compared to the same three-month period in 2018. The decrease in non-interest income was primarily attributable to a decrease in customer service fees of approximately \$5,000, a decrease of approximately \$7,000 in net gain on sale of securities and a decrease in miscellaneous income of approximately \$2,000. The increase in non-interest expense was primarily attributable to increases in salaries and employee benefits of approximately \$56,000, professional services of approximately \$4,000, occupancy expense of approximately \$2,000 and other operating expenses of approximately \$2,000, offset in part by a decrease in data processing expenses of approximately \$2,000 and a decrease in net loss on sale of securities of approximately \$9,000.

For the nine-months ended March 31, 2019, net interest income increased approximately \$220,000 or 6.7%. Provision for loan and lease losses decreased approximately \$573,000 or 98.6% during the nine-month period as compared to the same period in 2018. Net interest income after provision for loan and lease losses increased approximately \$793,000 or 29.5% for the nine-months ended March 31, 2019, as compared to the same period in 2018. For the nine-months ended March 31, 2019, total non-interest income decreased approximately \$15,000 or 11.8% while total non-interest expense increased approximately \$307,000 or 11.0% as compared to the same period in 2018. The decrease in non-interest income was primarily attributable to a decrease in miscellaneous income of approximately \$13,000, a decrease in gain on sale of securities of approximately \$7,000, offset in part by an increase in customer service fees of approximately \$5,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$192,000, professional service expenses of approximately \$96,000, data processing expenses of approximately \$26,000, occupancy expenses of approximately \$2,000, offset in part by a decrease in other operating expenses of approximately \$8,000.

The Company's total assets at March 31, 2019 were approximately \$95.6 million, as compared to \$94.0 million at June 30, 2018. Total stockholders' equity was approximately \$11.5 million at March 31, 2019 or 12.1% 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. 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, 2019	June 30, 2018
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 15,074	\$ 4,208
SECURITIES AVAILABLE FOR SALE, at fair value	19,048	19,599
FEDERAL HOME LOAN BANK STOCK	177	429
LOANS RECEIVABLE, net of allowance for loan losses of \$1,038 and \$1,093, respectively	58,741	67,218
PREMISES AND EQUIPMENT, net	775	715
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	175	207
PREPAID EXPENSES AND OTHER ASSETS	1,580	1,705
TOTAL ASSETS	\$ 95,570	\$ 94,081
LIABILITIES		
DEPOSITS	\$ 80,219	\$ 77,014
FHLB ADVANCES	2,000	6,000
OTHER LIABILITIES	1,830	157
TOTAL LIABILITIES	84,049	83,171
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	7,182	6,813
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive loss	(32)	(274)
TOTAL STOCKHOLDERS' EQUITY	11,521	10,910
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 95,570	\$ 94,081

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,	
	2019 (Unaudited)	2018	2019 (Unaudited)	2018
INTEREST INCOME:				
Interest and fees on loans	\$ 1,193	\$ 1,118	\$ 3,684	\$ 3,402
Interest and dividends on securities	112	135	335	440
Other interest income	57	11	126	29
	1,362	1,264	4,145	3,871
INTEREST EXPENSE:				
Interest on deposits	213	165	597	500
Interest on borrowings	15	38	57	100
Total interest expense	228	203	654	600
Net interest income before provision for loan losses	1,134	1,061	3,491	3,271
Provision for loan losses	8	0	8	581
Net interest income after provision for loan losses	1,126	1,061	3,483	2,690
NON-INTEREST INCOME:				
Fees and other non-interest income	23	27	81	76
Net gain on sale of securities	0	7	0	7
Miscellaneous income	12	14	33	46
Total non-interest income	35	48	114	129
NON-INTEREST EXPENSE:				
Salaries and employee benefits	581	525	1,732	1,540
Office building and equipment expenses	60	58	174	173
Professional Services Expense	108	103	370	275
Data Processing Expense	120	122	381	354
Net loss on sale of securities	0	9	0	0
Other operating expense	143	141	441	448
Total non-interest expense	1,012	958	3,098	2,790
Income before income taxes	149	151	499	29
PROVISION FOR INCOME TAXES	39	39	129	645
Net Income (Loss)	\$ 110	\$ 112	\$ 370	\$ (616)
LOSS PER SHARE:				
Basic	\$ 0.14	\$ 0.15	\$ 0.48	\$ (0.80)
Diluted	\$ 0.14	\$ 0.15	\$ 0.48	\$ (0.80)
DIVIDENDS DECLARED PER SHARE	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	766,826	766,826	766,826	766,826
Diluted	766,826	766,826	766,826	766,826