

**For Immediate Release**

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**June 22, 2016**

### **THE SOUTHERN BANK COMPANY, INC. TAKES CHARGE FOR BAD LOAN**

Gadsden, Alabama (June 22, 2016) – Gates Little, Chairman, President and Chief Executive Officer of The Southern Bank Company, a wholly owned commercial bank subsidiary of The Southern Banc Company, Inc., announced that, after analyzing a large credit, the Bank has decided to charge off the loan completely and take a provision of \$1,500,000 to its Allowance for Losses on Loans and Leases. The \$1,500,000 charge is related to a single credit to one borrower.

This current action by the Bank may result in a loss for the fiscal year ending June 30, 2016.

Mr. Little stated: “The Bank’s management has closely monitored this credit, as we do all loans in our portfolio, and believes it has taken the appropriate and necessary action to represent accurately our expectations of repayment. Despite the adverse impact of the charge off, the Bank continues to maintain strong regulatory capital.”

The Southern Bank Company operates through four full service banking offices located in Gadsden, Albertville, Guntersville and Centre, Alabama, and one commercial finance office located in Birmingham, Alabama.

*Information contained in this press release, other than historical information, may be considered forward-looking in nature and is subject to various risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected. The Company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company’s expectations.*