

**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 a net loss of approximately \$84,000, or \$(0.11) per basic and diluted share, for the quarter ended March 31, 2014, as compared to a net loss of approximately \$31,000, or \$(0.04) per basic and diluted share, for the quarter ended March 31, 2013. For the nine month period ended March 31, 2014, the company recorded a net loss of approximately \$266,000, or \$(0.34) per basic and diluted share, as compared to a net loss of approximately \$211,000, or \$(0.27) per basic and diluted share, for the nine month period ended March 31, 2013.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest income increased approximately \$79,000, or 15.8% during the three month period ended March 31, 2014 as compared to the same period in 2013. The increase in the net interest income for the three month period was primarily attributable to an increase in interest and fees on loans in the amount of approximately \$37,000 offset by a decrease in interest paid on deposits and borrowings of approximately \$41,000 and \$3,000, respectively. Net interest income for the nine month period ended March 31, 2014 increased approximately \$126,530, or 8.0% as compared to the same nine month period in 2013. The increase in the net interest margin for the nine month period was primarily attributable to a decrease in interest paid on deposits and borrowings of approximately \$130,000, or (20.2%) and \$13,000, or (18.6%), respectively, offset by decreases in total interest income of approximately \$16,000, or (0.7%). For the nine month period ended March 31, 2013, total non-interest income decreased approximately \$72,000, or (17.5%), and total non-interest expense increased approximately \$192,000, or 8.4%, as compared to the same nine month period in 2013. The decrease in non-interest income was primarily attributable to decreases of gains on the sale of securities. The increase in non-interest expense was primarily attributable to an increase in salaries and employee benefits relating to staff increases and an increase in data processing expenses.

The Company's total assets at March 31, 2014 were approximately \$95.8 million, as compared to \$95.6 million at June 30, 2013. Total stockholders' equity was approximately \$14.6 million, or approximately 15.0% of total assets, at March 31, 2014 as compared to approximately \$14.9 million, or approximately 15.6% of total assets, at June 30, 2013.

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, 2014	June 30, 2013
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 6,760	\$ 4,049
SECURITIES AVAILABLE FOR SALE, at fair value	56,128	62,435
SECURITIES HELD TO MATURITY, at amortized cost, fair value of \$6 and \$14, respectively	6	13
FEDERAL HOME LOAN BANK (FHLB) STOCK	504	454
LOANS AND LEASES RECEIVABLE, net of allowance for loan losses of \$364 and \$365, respectively	29,189	25,823
PREMISES AND EQUIPMENT, net	844	811
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	323	335
PREPAID EXPENSES AND OTHER ASSETS	2,001	1,685
<b>TOTAL ASSETS</b>	<b>\$ 95,755</b>	<b>\$ 95,605</b>
<b>LIABILITIES</b>		
DEPOSITS	\$ 72,498	\$ 73,158
FHLB ADVANCES	8,312	7,313
OTHER LIABILITIES	372	212
<b>TOTAL LIABILITIES</b>	<b>81,182</b>	<b>80,683</b>
<b>STOCKHOLDERS' EQUITY:</b>		
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, 32,643 and 25,768 shares, respectively	(640)	(571)
Retained earnings	9,935	10,200
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive (loss)	201	216
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>14,573</b>	<b>14,922</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 95,755</b>	<b>\$ 95,605</b>

THE SOUTHERN BANC COMPANY, INC.  
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (Dollar Amounts in Thousands, except per share data)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
<b>INTEREST INCOME:</b>				
Interest and fees on loans	\$ 404	\$ 367	\$ 1,180	\$ 1,168
Interest and dividends on securities	349	353	1,079	1,108
Other interest income	6	4	17	17
Total interest income	759	724	2,276	2,293
<b>INTEREST EXPENSE:</b>				
Interest on deposits	160	201	514	644
Interest on borrowings	17	20	57	70
Total interest expense	177	221	571	714
Net interest income before provision for loan losses	582	503	1,705	1,579
Provision for loan losses	0	6	0	51
Net interest income after provision for loan losses	582	497	1,705	1,528
<b>NON-INTEREST INCOME:</b>				
Fees and other non-interest income	21	24	70	80
Gain on sale of securities	0	53	0	94
Miscellaneous income	81	121	272	240
Total non-interest income	102	198	342	414
<b>NON-INTEREST EXPENSE:</b>				
Salaries and employee benefits	494	415	1,472	1,307
Office building and equipment expenses	59	54	167	163
Professional Services Expense	69	75	238	225
Data Processing Expense	94	88	279	247
Other operating expense	103	110	317	339
Total non-interest expense	819	742	2,473	2,281
Income / (loss) before income taxes	(135)	(47)	(426)	(339)
<b>PROVISION / (BENEFIT) FOR INCOME TAXES</b>	(51)	(16)	(160)	(128)
Net Income / (Loss)	\$ (84)	\$ (31)	\$ (266)	\$ (211)
<b>EARNINGS / (LOSS) PER SHARE:</b>				
Basic	\$ (0.11)	\$ (0.04)	\$ (0.34)	\$ (0.27)
Diluted	\$ (0.11)	\$ (0.04)	\$ (0.34)	\$ (0.27)
DIVIDENDS DECLARED PER SHARE	\$ ---	\$ ---	\$ ---	\$ ---
<b>AVERAGE SHARES OUTSTANDING:</b>				
Basic	773,443	780,318	773,443	780,318
Diluted	773,443	780,318	773,443	780,318