

For Immediate Release

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May 15, 2015

**THE SOUTHERN BANC COMPANY, INC. ANNOUNCES
THIRD 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 loss of approximately \$69,000, or (\$0.09) per basic and diluted share, for the quarter ended March 31, 2015, as compared to a net loss of approximately \$84,000, or (\$0.11) per basic and diluted share, for the quarter ended March 31, 2014.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest margins declined during the quarter ended March 31, 2015 as compared to the same period in 2014. Net interest income for the quarter ended March 31, 2015 was approximately \$607,000 as compared to approximately \$655,000 for the quarter ended March 31, 2014, a decrease of approximately \$48,000 or 7.29%. The decrease in the net interest margin for the quarter was primarily attributable to a decrease in total interest income of approximately \$35,000 and an increase in total interest expense of approximately \$13,000. For the nine months ended March 31, 2015, net interest income decreased approximately \$7,000 or 0.35%. During the quarter ended March 31, 2015 total non-interest income increased approximately \$119,000 or 392.74% while total non-interest expense increased approximately \$6,000 or 0.70% as compared to the same nine month period in 2014. The increase in non-interest income for the quarter was primarily attributable to a bond penalty received of approximately \$117,000. For the three and nine month periods ended March 31, 2015 non-interest expenses increased approximately \$6,000 and \$87,000, respectively. The increase in non-interest expenses was primarily attributable to increases in occupancy, equipment, professional services, data processing and other operating expenses.

The Company's total assets at March 31, 2015 were \$97.3 million, as compared to \$94.3 million at June 30, 2014. Total stockholders' equity was approximately \$14.7 million at March 31, 2015 or 15.1% of total assets as compared to approximately \$14.7 million at June 30, 2014 or approximately 15.6% 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, 2015	June 30, 2014
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 4,876	\$ 3,784
SECURITIES AVAILABLE FOR SALE, at fair value	46,446	53,525
SECURITIES HELD TO MATURITY, at amortized cost, fair value of \$2 and \$5, respectively	2	5
FEDERAL HOME LOAN BANK STOCK	543	407
LOANS RECEIVABLE, net of allowance for loan losses of \$442 and \$361, respectively	43,867	34,904
PREMISES AND EQUIPMENT, net	864	828
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	246	291
PREPAID EXPENSES AND OTHER ASSETS	446	593
TOTAL ASSETS	\$ 97,290	\$ 94,337
LIABILITIES		
DEPOSITS	\$ 73,150	\$ 72,064
FHLB ADVANCES	9,156	7,156
OTHER LIABILITIES	294	413
TOTAL LIABILITIES	82,600	79,633
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, 32,643 shares	(640)	(640)
Retained earnings	9,582	9,935
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income (loss)	671	332
TOTAL STOCKHOLDERS' EQUITY	14,690	14,704
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 97,290	\$ 94,337

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,	
	2015	2014	2015	2014
INTEREST INCOME:				
Interest and fees on loans	\$ 592	\$ 476	\$ 1,668	\$ 1,432
Interest and dividends on securities	199	349	826	1,079
Other interest income	5	7	14	16
Total interest income	796	832	2,508	2,527
INTEREST EXPENSE:				
Interest on deposits	169	160	500	514
Interest on borrowings	20	17	59	57
Total interest expense	189	177	559	571
Net interest income before provision for loan losses	607	655	1,949	1,956
Provision for loan losses	40	0	165	0
Net interest income after provision for loan losses	567	655	1,784	1,956
NON-INTEREST INCOME:				
Fees and other non-interest income	23	21	71	69
Gain on sale of securities	0	0	0	0
Miscellaneous income	126	9	137	21
Total non-interest income	149	30	208	90
NON-INTEREST EXPENSE:				
Salaries and employee benefits	471	495	1,456	1,472
Office building and equipment expenses	62	59	185	167
Professional Services Expense	70	69	264	238
Data Processing Expense	111	94	309	279
Other operating expense	112	103	345	317
Total non-interest expense	826	820	2,559	2,473
Income / (loss) before income taxes	(110)	(135)	(567)	(427)
PROVISION / (BENEFIT) FOR INCOME TAXES	(41)	(51)	(214)	(161)
Net Income / (Loss)	\$ (69)	\$ (84)	\$ (353)	\$ (266)
EARNINGS / (LOSS) PER SHARE:				
Basic	\$ (0.09)	\$ (0.11)	\$ (0.46)	\$ (0.34)
Diluted	\$ (0.09)	\$ (0.11)	\$ (0.46)	\$ (0.34)
DIVIDENDS DECLARED PER SHARE				
	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	773,443	773,443	773,443	773,443
Diluted	773,443	773,443	773,443	773,443