

**THE SOUTHERN BANC COMPANY, INC. ANNOUNCES
PRELIMINARY FOURTH QUARTER EARNINGS**

Gates Little, President and Chief Executive Officer of The Southern Banc Company, Inc. (OTCBB: SRNN), the holding company for The Southern Bank Company, announced preliminary unaudited results (subject to audit adjustments following the year-end audit) of operations for the fourth quarter and year ended June 30, 2015:

- For the three months ended June 30, 2015, the Company reported net loss of approximately \$57,000, or \$(0.07) per basic and diluted share as compared to a net income of approximately \$1,000, or \$(0.00) per basic and diluted share, for the three months ended June 30, 2014.
- For the fiscal year ended June 30, 2015, the Company recorded a net loss of approximately \$410,000, or \$(0.53) per basic and diluted share, as compared to a net loss of approximately \$265,000, or \$(0.34) per basic and diluted share, for the fiscal year ended June 30, 2014.
- For the three months ended June 30, 2015, net interest income before provision for loan losses increased approximately \$59,000, or 9.42% as compared to the same period in 2014. 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 \$151,000 offset by a decrease in interest and dividends on securities of approximately \$74,000. For the three months ended June 30, 2015, interest paid on deposits and borrowings increased approximately \$20,000.
- For the fiscal year ended June 30, 2015, net interest income before provision for loan losses increased approximately \$52,000, or 2.01% as compared to fiscal year 2014. The increase in the net interest margin for the fiscal year was primarily attributable to an increase in total interest income of approximately \$60,000, or 1.80%, offset by an increase in total interest expense of approximately \$8,000, or 1.06%. For the fiscal year ended June 30, 2015 provision for loan losses increased approximately \$280,000. There was not a provision for loan losses for fiscal year 2014.
- For the fiscal year ended June 30, 2015, non-interest income increased \$99,000, or 32.35% as compared to fiscal year 2014. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of \$115,000 offset by decreases in fees and other non-interest income and gains on sale of securities of approximately \$16,000. This increase in non-interest income for the fiscal year was primarily attributable to a penalty received due to the prepayment of a bond in the bank's portfolio.
- For the three months ended June 30, 2015 total non-interest expenses increased approximately \$15,000, or 1.75%, as compared to the same three month period in 2014. The increase in non-interest expense for the three month period was primarily attributable to increases in data processing expenses, other operating expenses, salaries and benefits of approximately \$63,000 offset in part by a decrease of approximately \$48,000 or 34.29% in professional services expense.
- For the fiscal year ended June 30, 2015, total non-interest expenses increased approximately \$101,000, or 3.03%, as compared to fiscal year 2014. The increase in non-interest expense for the fiscal year was primarily attributable to increases in occupancy expense, data processing expense, and other operating expense of approximately \$135,000, offset in part by a decrease in professional services expense and salary and benefit expenses of approximately \$34,000.

The Company's total assets at June 30, 2015 were approximately \$97.2 million, as compared to \$94.3 million at June 30, 2014. Total stockholders' equity was approximately \$14.2 million, or 14.6% of assets and \$14.7 million, or 15.6% of assets at June 30, 2015 and 2014, respectively.

The unaudited financial information for the three and twelve months ended June 30, 2015 and 2014, has been prepared on the same basis as our audited financial information and includes, in the opinion of management, all adjustments necessary to present the data for such periods. The Company expects to release its final year end results and its related audited financial statements in October 2015, following completion of the year end audit. Historical results are not necessarily indicative of future results.

The Bank has four full service banking offices located in Gadsden, Albertville, Guntersville, and Centre, AL, and one loan production office in Birmingham, AL. 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.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Dollar Amounts in Thousands)

	June 30, 2015 (Unaudited)	June 30, 2014
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 8,396	\$ 3,784
SECURITIES AVAILABLE FOR SALE, at fair value	42,443	53,525
SECURITIES HELD TO MATURITY, at amortized cost, fair value of \$1,281 and \$5,371, respectively	1	5
FEDERAL HOME LOAN BANK (FHLB) STOCK	391	407
LOANS AND LEASES RECEIVABLE, net of allowance for loan losses of \$551,103 and \$360,670, respectively	43,936	34,904
PREMISES AND EQUIPMENT, net	847	828
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	274	291
PREPAID EXPENSES AND OTHER ASSETS	877	593
TOTAL ASSETS	\$ 97,165	\$ 94,337
LIABILITIES		
DEPOSITS	\$ 75,279	\$ 72,064
FHLB ADVANCES	7,156	7,156
OTHER LIABILITIES	498	413
TOTAL LIABILITIES	82,933	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, 806,086 shares outstanding	15	15
Additional paid-in capital	13,887	13,887
Shares held in trust, at cost, 32,643 shares	(640)	(640)
Retained earnings	9,524	9,935
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income	271	332
TOTAL STOCKHOLDERS' EQUITY	14,232	14,704
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 97,165	\$ 94,337

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

	Three Months Ended June 30,		Year Ended June 30,	
	2015 (Unaudited)	2014	2015 (Unaudited)	2014
INTEREST INCOME:				
Interest and fees on loans	\$ 614	\$ 463	\$ 2,282	\$ 1,895
Interest and dividends on securities	266	340	1,092	1,419
Other interest income	<u>6</u>	<u>4</u>	<u>20</u>	<u>20</u>
Total interest income	886	807	3,394	3,334
INTEREST EXPENSE:				
Interest on deposits	182	163	682	677
Interest on borrowings	<u>19</u>	<u>18</u>	<u>78</u>	<u>75</u>
Total interest expense	<u>201</u>	<u>181</u>	<u>760</u>	<u>752</u>
Net interest income before provision for loan losses	685	626	2,634	2,582
Provision for loan losses	<u>115</u>	<u>0</u>	<u>280</u>	<u>0</u>
Net interest income after provision for loan losses	570	626	2,354	2,582
NON-INTEREST INCOME:				
Fees and other non-interest income	37	54	120	134
Gain on sale of securities, net	160	162	160	162
Miscellaneous income	<u>0</u>	<u>0</u>	<u>125</u>	<u>10</u>
Total non-interest income	<u>197</u>	<u>216</u>	<u>405</u>	<u>306</u>
NON-INTEREST EXPENSE:				
Salaries and employee benefits	523	519	1,979	1,991
Equipment and Occupancy expenses	60	60	245	227
Professional Services Expense	92	140	356	378
Data Processing Expense	110	94	419	373
Other operating expense	<u>86</u>	<u>43</u>	<u>431</u>	<u>360</u>
Total non-interest expense	<u>871</u>	<u>856</u>	<u>3,430</u>	<u>3,329</u>
Loss before income taxes	(104)	(14)	(671)	(441)
BENEFIT FOR INCOME TAXES	<u>(47)</u>	<u>(15)</u>	<u>(261)</u>	<u>(176)</u>
Net Loss	<u>\$ (57)</u>	<u>\$ 1</u>	<u>\$ (410)</u>	<u>\$ (265)</u>
LOSS PER SHARE:				
Basic	\$ (0.07)	\$ (0.00)	\$ (0.53)	\$ (0.34)
Diluted	\$ (0.07)	\$ (0.00)	\$ (0.53)	\$ (0.34)
DIVIDENDS DECLARED PER SHARE	\$ ---	\$ ---	\$ ---	\$ ---
AVERAGE SHARES OUTSTANDING:				
Basic	773,443	774,931	773,443	774,931
Diluted	773,443	774,931	773,443	774,931