

**For Immediate Release**

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**THE SOUTHERN BANC COMPANY, INC. ANNOUNCES  
FIRST 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 \$105,000, or (\$0.14) per basic and diluted share, for the quarter ended September 30, 2015, as compared to a net loss of approximately \$139,000, or (\$0.18) per basic and diluted share, for the quarter ended September 30, 2014.

Gates Little, President and Chief Executive Officer of the Company stated that the Company's net interest margins improved during the quarter as compared to the same period in 2014. Net interest income for the quarter ended September 30, 2015 was approximately \$727,000 as compared to approximately \$690,000 for the quarter ended September 30, 2014, an increase of approximately \$37,000 or 5.4%. The improvement in the net interest margin for the quarter was primarily attributable to an increase in total interest income of approximately \$61,000 offset by an increase in total interest expense of approximately \$24,000. Provision for loan and lease losses increased approximately \$60,000 during the quarter as compared to the same period in 2014. Net interest income after provision for loan and lease losses decreased approximately \$23,000 for the quarter ended September 30, 2015, as compared to the same quarter in 2014. For the quarter ended September 30, 2015, total non-interest income increased approximately \$11,000 or 38.1% while total non-interest expense decreased approximately \$66,000 or 7.1% as compared to the same three month period in 2014. The increase in non-interest income was primarily attributable to an increase in miscellaneous income of approximately \$15,000 offset by a decrease in customer service fees of approximately \$4,000. The decrease in non-interest expense was primarily attributable to a decrease in salaries and benefits of approximately \$36,000, professional service expenses of approximately \$25,000 and other operating expenses of approximately \$17,000.

The Company's total assets at September 30, 2015 were \$98.0 million, as compared to \$97.2 million at June 30, 2015. Total stockholders' equity was approximately \$14.3 million at September 30, 2015 or 14.6% of total assets as compared to approximately \$14.2 million at June 30, 2015 or approximately 14.6% 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)

	September 30, 2015	June 30, 2015
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 7,558	\$ 8,396
SECURITIES AVAILABLE FOR SALE, at fair value	43,197	42,443
SECURITIES HELD TO MATURITY, at amortized cost, fair value of \$1	1	1
FEDERAL HOME LOAN BANK STOCK	391	391
LOANS RECEIVABLE, net of allowance for loan losses of \$458 and \$551, respectively	44,842	43,936
PREMISES AND EQUIPMENT, net	835	847
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	294	274
PREPAID EXPENSES AND OTHER ASSETS	919	877
<b>TOTAL ASSETS</b>	<b>\$ 98,037</b>	<b>\$ 97,165</b>
<b>LIABILITIES</b>		
DEPOSITS	\$ 77,846	\$ 75,279
FHLB ADVANCES	5,156	7,156
OTHER LIABILITIES	700	498
<b>TOTAL LIABILITIES</b>	<b>83,702</b>	<b>82,933</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 shares	(640)	(640)
Retained earnings	9,419	9,524
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income	479	271
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>14,335</b>	<b>14,232</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 98,037</b>	<b>\$ 97,165</b>

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

	Three Months Ended September 30,	
	2015 (Unaudited)	2014 (Unaudited)
<b>INTEREST INCOME:</b>		
Interest and fees on loans	\$ 649	\$ 544
Interest and dividends on securities	277	323
Other interest income	6	4
Total interest income	932	871
<b>INTEREST EXPENSE:</b>		
Interest on deposits	187	162
Interest on borrowings	18	19
Total interest expense	205	181
Net interest income before provision for loan losses	727	690
Provision for loan losses	60	0
Net interest income after provision for loan losses	667	690
<b>NON-INTEREST INCOME:</b>		
Fees and other non-interest income	18	22
Net gain on sale of securities	0	0
Miscellaneous income	21	6
Total non-interest income	39	28
<b>NON-INTEREST EXPENSE:</b>		
Salaries and employee benefits	492	528
Office building and equipment expenses	61	64
Professional Services Expense	72	97
Data Processing Expense	113	98
Other operating expense	137	154
Total non-interest expense	874	941
Loss before income tax benefit	(169)	(223)
<b>INCOME TAX BENEFIT</b>	(64)	(84)
Net Loss	\$ (105)	\$ (139)
<b>LOSS PER SHARE:</b>		
Basic	\$ (0.14)	\$ (0.18)
Diluted	\$ (0.14)	\$ (0.18)
<b>DIVIDENDS DECLARED PER SHARE</b>	\$ 0.00	\$ 0.00
<b>AVERAGE SHARES OUTSTANDING:</b>		
Basic	773,443	773,443
Diluted	773,443	773,443