

For Immediate Release

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**THE SOUTHERN BANC COMPANY, INC. ANNOUNCES
SECOND 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 \$103,000, or (\$0.13) per basic and diluted share, for the quarter ended December 31, 2015, as compared to a net loss of approximately \$146,000, or (\$0.19) per basic and diluted share, for the quarter ended December 31, 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 December 31, 2015 was approximately \$750,000 as compared to approximately \$653,000 for the quarter ended December 31, 2014, an increase of approximately \$97,000 or 14.8%. The improvement in the net interest margin for the quarter was primarily attributable to an increase in total interest income of approximately \$108,000 offset by an increase in total interest expense of approximately \$11,000. Provision for loan and lease losses decreased approximately \$92,000 during the quarter as compared to the same period in 2014. Net interest income after provision for loan and lease losses increased approximately \$188,000 for the quarter ended December 31, 2015, as compared to the same quarter in 2014. For the quarter ended December 31, 2015, total non-interest income decreased approximately \$3,000 or 8.8% while total non-interest expense decreased approximately \$118,000 or 14.9% as compared to the same three month period in 2014. The decrease in non-interest income was primarily attributable to a decrease in customer service fees of approximately \$4,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$50,000, other operating expenses of approximately \$72,000, data processing fees of approximately \$6,000, office building and equipment of approximately \$3,000 offset in part by a decrease in professional service expenses of approximately \$13,000 or 13.2%.

For the six months ended December 31, 2015, net interest income increased approximately \$134,000 or 9.9%. Provision for loan and lease losses decreased approximately \$32,000 during the six month period as compared to the same period in 2014. Net interest income after provision for loan and lease losses increased approximately \$166,000 or 13.6% for the six months ended December 31, 2015, as compared to the same quarter in 2014. For the six months ended December 31, 2015, total non-interest income increased approximately \$8,000 or 13.3% while total non-interest expense increased approximately \$51,000 or 3.0% as compared to the same period in 2014. The decrease in non-interest income was primarily attributable to a decrease in customer service fees of approximately \$7,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$13,500, other operating expenses of approximately \$54,000, and data processing fees of approximately \$22,000 offset in part by a decrease in professional service expenses of approximately \$38,000 or 19.7%.

The Company's total assets at December 31, 2015 were approximately \$100.1 million, as compared to \$97.2 million at June 30, 2015. Total stockholders' equity was approximately \$13.9 million at December 31, 2015 or 13.9% 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)

	December 31, 2015	June 30, 2015
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 2,631	\$ 8,396
SECURITIES AVAILABLE FOR SALE, at fair value	40,986	42,443
SECURITIES HELD TO MATURITY, at amortized cost, fair value of \$0 and \$1, respectively	0	1
FEDERAL HOME LOAN BANK STOCK	299	391
LOANS RECEIVABLE, net of allowance for loan losses of \$492 and \$551, respectively	54,077	43,936
PREMISES AND EQUIPMENT, net	831	847
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	307	274
PREPAID EXPENSES AND OTHER ASSETS	1,018	877
TOTAL ASSETS	\$ 100,149	\$ 97,165
LIABILITIES		
DEPOSITS	\$ 80,643	\$ 75,279
FHLB ADVANCES	5,000	7,156
OTHER LIABILITIES	558	498
TOTAL LIABILITIES	86,201	82,933
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	9,316	9,524
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income	195	271
TOTAL STOCKHOLDERS' EQUITY	13,948	14,232
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 100,149	\$ 97,165

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

	Three Months Ended December 31,		Year-to-Date December 31,	
	2015 (Unaudited)	2014	2015 (Unaudited)	2014
INTEREST INCOME:				
Interest and fees on loans	\$ 692	\$ 532	\$ 1,341	\$ 1,076
Interest and dividends on securities	253	304	530	627
Other interest income	4	5	11	9
Total interest income	949	841	1,882	1,712
INTEREST EXPENSE:				
Interest on deposits	190	169	377	331
Interest on borrowings	9	19	28	38
Total interest expense	199	188	405	369
Net interest income before provision for loan losses	750	653	1,477	1,343
Provision for loan losses	34	125	94	125
Net interest income after provision for loan losses	716	528	1,383	1,218
NON-INTEREST INCOME:				
Fees and other non-interest income	22	26	41	48
Miscellaneous income	6	5	27	11
Total non-interest income	28	31	68	59
NON-INTEREST EXPENSE:				
Salaries and employee benefits	507	457	999	985
Office building and equipment expenses	62	59	122	123
Professional Services Expense	84	97	156	195
Data Processing Expense	106	101	220	198
Other operating expense	151	79	289	233
Total non-interest expense	910	793	1,786	1,734
Loss before income taxes	(166)	(234)	(335)	(457)
BENEFIT FOR INCOME TAXES	(63)	(88)	(126)	(172)
Net Loss	\$ (103)	\$ (146)	\$ (209)	\$ (285)
LOSS PER SHARE:				
Basic	\$ (0.13)	\$ (0.19)	\$ (0.27)	\$ (0.37)
Diluted	\$ (0.13)	\$ (0.19)	\$ (0.27)	\$ (0.37)
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