

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, formerly First Federal Savings and Loan Association of Gadsden, Alabama, announced net income of approximately \$92,000, or \$0.12 per basic and diluted share, for the quarter ended March 31, 2016, as compared to a net loss of approximately \$69,000, or (\$0.09) per basic and diluted share, for the quarter ended March 31, 2015.

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 2015. Net interest income for the quarter ended March 31, 2016 was approximately \$882,000, as compared to approximately \$607,000 for the quarter ended March 31, 2015, an increase of approximately \$275,000 or 45.4%. The improvement in the net interest margin for the quarter was primarily attributable to an increase in total interest income of approximately \$289,000 offset by an increase in total interest expense of approximately \$14,000. Provision for loan and lease losses decreased approximately \$7,000 during the quarter as compared to the same period in 2015. Net interest income after provision for loan and lease losses increased approximately \$282,000 for the quarter ended March 31, 2016, as compared to the same quarter in 2015. For the quarter ended March 31, 2016, total non-interest income increased approximately \$36,000 or 24.5% while total non-interest expense increased approximately \$61,000 or 7.4%, as compared to the same three month period in 2015. The increase in non-interest income was primarily attributable to an increase in net gain on sale of securities offset in part by a decrease in customer service fees of approximately \$7,000 and a decrease in miscellaneous income of approximately \$117,000. The decrease in miscellaneous income was primarily attributable to a bond prepayment penalty received in the quarter ended March 31, 2015. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$4,000, other operating expenses of approximately \$20,000, data processing fees of approximately \$2,000, professional service expenses of approximately \$38,000 offset in part by a decrease in office building and equipment of approximately \$3,000.

For the nine months ended March 31, 2016, net interest income increased approximately \$410,000 or 21.0%. Provision for loan and lease losses decreased approximately \$38,000 during the nine month period as compared to the same period in 2015. Net interest income after provision for loan and lease losses increased approximately \$448,000 or 25.1% for the nine months ended March 31, 2016, as compared to the same quarter in 2015. For the nine months ended March 31, 2016, total non-interest income increased approximately \$45,000 or 21.3% while total non-interest expense increased approximately \$113,000 or 4.4% as compared to the same period in 2015. The increase in non-interest income was primarily attributable to an increase in net gain on sale of securities of approximately \$159,000 offset in part by decreases in customer service fees of approximately \$14,000 and miscellaneous income of approximately \$101,000. The increase in non-interest expense was primarily attributable to increases in salaries and benefits of approximately \$17,000, other operating expenses of approximately \$76,000, and data processing expenses of approximately \$24,000 offset in part by a decrease in office building and equipment expenses of approximately \$4,000.

The Company's total assets at March 31, 2016 were approximately \$100.1 million, as compared to \$97.2 million at June 30, 2015. Total stockholders' equity was approximately \$14.3 million at March 31, 2016 or 14.3% 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)

	March 31, 2016	June 30, 2015
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 3,036	\$ 8,396
SECURITIES AVAILABLE FOR SALE, at fair value	37,159	42,443
SECURITIES HELD TO MATURITY, at amortized cost, fair value of \$0 and \$1, respectively	0	1
FEDERAL HOME LOAN BANK STOCK	388	391
LOANS RECEIVABLE, net of allowance for loan losses of \$525 and \$551, respectively	57,413	43,936
PREMISES AND EQUIPMENT, net	817	847
ACCRUED INTEREST AND DIVIDENDS RECEIVABLE	288	274
PREPAID EXPENSES AND OTHER ASSETS	958	877
TOTAL ASSETS	\$ 100,059	\$ 97,165
LIABILITIES		
DEPOSITS	\$ 79,972	\$ 75,279
FHLB ADVANCES	5,000	7,156
OTHER LIABILITIES	766	498
TOTAL LIABILITIES	85,738	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	9,407	9,524
Treasury stock, at cost, 648,664 shares	(8,825)	(8,825)
Accumulated other comprehensive income	477	271
TOTAL STOCKHOLDERS' EQUITY	14,321	14,232
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 100,059	\$ 97,165

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

	Three Months Ended March 31,		Year-to-Date March 31,	
	2016 (Unaudited)	2015	2016 (Unaudited)	2015
INTEREST INCOME:				
Interest and fees on loans	\$ 852	\$ 592	\$ 2,192	\$ 1,668
Interest and dividends on securities	228	199	759	826
Other interest income	5	5	15	14
Total interest income	1,085	796	2,966	2,508
INTEREST EXPENSE:				
Interest on deposits	192	169	568	500
Interest on borrowings	11	20	39	59
Total interest expense	203	189	607	559
Net interest income before provision for loan losses	882	607	2,359	1,949
Provision for loan losses	33	40	127	165
Net interest income after provision for loan losses	849	567	2,232	1,784
NON-INTEREST INCOME:				
Fees and other non-interest income	16	23	57	71
Net gain on sale of securities	160	0	160	0
Miscellaneous income	9	126	36	137
Total non-interest income	185	149	253	208
NON-INTEREST EXPENSE:				
Salaries and employee benefits	475	471	1,473	1,456
Office building and equipment expenses	59	62	181	185
Professional Services Expense	108	70	264	264
Data Processing Expense	113	111	333	309
Other operating expense	132	112	421	345
Total non-interest expense	887	826	2,672	2,559
Income / (Loss) before income taxes	147	(110)	(187)	(567)
PROVISION / (BENEFIT) FOR INCOME TAXES	55	(41)	(70)	(214)
Net Income / (Loss)	\$ 92	\$ (69)	\$ (117)	\$ (353)
EARNINGS / (LOSS) PER SHARE:				
Basic	\$ 0.12	\$ (0.09)	\$ (0.15)	\$ (0.46)
Diluted	\$ 0.12	\$ (0.09)	\$ (0.15)	\$ (0.46)
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