

Press Release

FOR IMMEDIATE RELEASE

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DATE: January 26, 2015

the little bank releases fourth quarter results, announces record year of earnings

Kinston, NC – (Business Wire) – January 26, 2015 - the little bank (OTCBB: LTLB) reports a record year of earnings for the year ended December 31, 2014.

The little bank (the "Company"), is pleased to report record annual net income for fiscal year 2014. Unaudited net income for the year ended December 31, 2014 was \$2,925,000, or \$0.95 per basic share, compared to \$2,788,000, or \$0.91 per basic share, in the prior year. This represents a 4.9% increase in earnings and a 9.29% return on average equity. After adjusting for dividends and the accretion of discount on preferred stock outstanding, net income available to common shareholders increased 9.5% to \$2,925,000, or \$0.95 per basic share, for fiscal year 2014 compared to \$2,672,000, or \$0.87 per basic share, for the prior year. The little bank repurchased and retired all remaining shares of its preferred stock outstanding during June 2013, as was previously reported.

For the quarter ended December 31, 2014, unaudited net income increased 9.6% to \$753,000, or \$0.24 per basic share. This compares favorably to the \$687,000, or \$0.22 per basic share, reported in the quarter ended December 31, 2013.

Total assets as of December 31, 2014 were \$339.2 million, compared to total assets of \$312.0 million as of December 31, 2013. Total loans, net of reserves, were \$242.5 million and deposits were \$277.4 million, representing increases of 10.7% and 6.1%, respectively, over the December 31, 2013 levels. Currently, 3,074,021 shares of common stock are issued and outstanding. The little bank currently pays a semi-annual cash dividend totaling \$0.15 per share annually.

Rob Jones, President and Chief Executive Officer stated, "We are pleased to report record annual net income for the third consecutive year." Jones continued, "Our decision to invest in lending personnel in the second half of fiscal year 2013 provided the momentum to grow our business in 2014. Loan production was excellent as evidenced by the growth of our loan portfolio during the year."

The little bank's common stock had a tangible book value per share of approximately \$10.58 at December 31, 2014. On May 19, 2014 the Company announced the continuation of its share repurchase plan whereby the Company could repurchase shares of its common stock in the open market and retire such shares. The Company continues to make open market purchases of its shares and will continue such a policy, within certain regulatory thresholds, until the Board of Directors feels that the shares' market price are reflective of the value of the shares outstanding. During 2014, the Company has repurchased approximately 46,806 shares.

The little bank is headquartered in Kinston, North Carolina and currently serves the Lenoir, Wayne, Onslow, Pitt, Craven and New Hanover county markets. The Bank prides itself on the special care with which it serves its customers. The Bank's website is www.thelittlebank.com. The little bank stock can be found on the Over-the-Counter Electronic Bulletin Board trading under the symbol "LTLB".

This press release includes certain forward-looking statements in reliance on the "safe-harbor" provisions of The Private Securities Litigation Reform Act of 1995. Any such forward-looking statements are subject to a number of risks and uncertainties. Actual results may differ materially from those anticipated in any such forward-looking statements. The Company undertakes no obligation to update or revise any such forward-looking statements.

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Summary of Operations (un-audited)
(000's omitted except per share data)

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013	Twelve Months Ended December 31, 2014	Twelve Months Ended December 31, 2013 *
Interest Income	\$ 3,247	\$ 3,025	\$ 12,652	\$ 11,862
Interest Expense	<u>326</u>	<u>374</u>	<u>1,352</u>	<u>1,637</u>
Net interest income	2,921	2,651	11,300	10,225
Provision for loan losses	<u>-</u>	<u>(57)</u>	<u>150</u>	<u>(57)</u>
Net interest income after Provision for losses	<u>2,921</u>	<u>2,708</u>	<u>11,150</u>	<u>10,282</u>
Non-interest income	363	334	1,447	1,443
Non-interest expense	<u>2,147</u>	<u>2,023</u>	<u>8,142</u>	<u>7,543</u>
Income before taxes	1,137	1,019	4,455	4,182
Income taxes	<u>384</u>	<u>332</u>	<u>1,530</u>	<u>1,394</u>
Net Income	753	687	2,925	2,788
Preferred Stock Dividends	-	-	-	(78)
Accretion of Discount, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38)</u>
Net Income available for common shareholders	<u>\$ 753</u>	<u>\$ 687</u>	<u>\$ 2,925</u>	<u>\$ 2,672</u>
Net Income available per basic common share	<u>\$ 0.24</u>	<u>\$ 0.22</u>	<u>\$ 0.95</u>	<u>\$ 0.87</u>

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Balance Sheets
(000's omitted except per share data)

	December 31, 2014 <u>(un-audited)</u>	September 30, 2014 <u>(un-audited)</u>	December 31, 2013 * <u></u>
Assets			
Cash and due from banks	\$ 10,792	\$ 5,842	\$ 5,896
Overnight investments	3,717	7,177	3,825
Investment securities AFS	65,606	65,370	68,118
Loans	246,147	248,024	222,830
Less Allowance for loan losses	<u>(3,688)</u>	<u>(3,984)</u>	<u>(3,850)</u>
Net Loans	242,459	244,040	218,980
Other Real Estate Owned	350	386	520
Other Assets	<u>16,245</u>	<u>15,682</u>	<u>14,620</u>
Total Assets	<u>\$ 339,169</u>	<u>\$ 338,497</u>	<u>\$ 311,959</u>
Liabilities & Stockholders' Equity			
Liabilities			
Deposits	\$ 277,432	\$ 275,680	\$ 261,393
FHLB Advances	28,500	30,000	20,000
Other liabilities	<u>703</u>	<u>842</u>	<u>838</u>
Total liabilities	306,635	306,522	282,231
Stockholders' Equity			
Preferred stock, Series A & B	\$ -	\$ -	\$ -
Common stock, no par value	28,262	26,819	27,107
Retained earnings	4,101	5,151	3,198
Accumulated other comprehensive income (loss)	<u>171</u>	<u>5</u>	<u>(577)</u>
Total stockholders' equity	<u>\$ 32,534</u>	<u>\$ 31,975</u>	<u>\$ 29,728</u>
Total liabilities and stockholders' equity	<u>\$ 339,169</u>	<u>\$ 338,497</u>	<u>\$ 311,959</u>

* Derived from audited financial statements