

Press Release

FOR IMMEDIATE RELEASE

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the little bank releases second quarter earnings today

Kinston, NC – (Business Wire) – July 23, 2015 - the little bank (OTCQX: LTLB) reports earnings results for the quarter and six months ended June 30, 2015.

The little bank (the "Company"), today announced a 7% increase in unaudited net income for the quarter ended June 30, 2015. Net income was \$784,000 or \$.25 per basic share compared to earnings of \$734,000 or \$.24 per basic share for the quarter ended June 30, 2014.

Unaudited net income for the first six months of 2015 increased 10% to \$1,489,000, or \$.48 per basic share compared to earnings of \$1,357,000, or \$.44 per basic share for the first six months of 2014. The Bank recorded no provision for loan losses during the first six months of 2015 compared to \$100,000 in provision for loan losses during the same six-month period in 2014. Nominal loan growth and net recoveries on prior loan charge-offs was the justification for no provision for loan losses.

Total assets as of June 30, 2015 were \$344.4 million, compared to total assets of \$339.0 million as of December 31, 2014, and \$327.3 million as of June 30, 2014. Total loans, net of reserves, were \$249.5 million and deposits were \$277.1 million, representing an increase of 2.9% in loan balances and no change in deposit balances, over the December 31, 2014 levels. Currently 3,075,018 shares of common stock are issued and outstanding.

Vincent R. Jones, President and Chief Executive Officer stated, "We are pleased to report solid growth in earnings for the second quarter and the six month period for the fiscal year. These results were driven by outstanding asset quality combined with our ability to continue to find some loan growth." Mr. Jones continued, "Our industry continues to suffer from a general lack of loan demand which in turn creates downward pressure on loan production and loan yields in all loan portfolios. It is our intention to maintain our disciplined approach to loan quality during this period of low demand."

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 OTCQX 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 June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Interest Income	\$ 3,242	\$ 3,142	\$ 6,390	\$ 6,195
Interest Expense	<u>320</u>	<u>342</u>	<u>640</u>	<u>688</u>
Net interest income	2,922	2,800	5,750	5,507
Provision for loan losses	<u>0</u>	<u>50</u>	<u>0</u>	<u>100</u>
Net interest income after Provision for losses	<u>2,922</u>	<u>2,750</u>	<u>5,750</u>	<u>5,407</u>
Non-interest income	369	407	771	730
Non-interest expense	<u>2,107</u>	<u>2,027</u>	<u>4,275</u>	<u>4,071</u>
Income before taxes	1,184	1,130	2,246	2,066
Income taxes	<u>400</u>	<u>396</u>	<u>757</u>	<u>709</u>
Net Income	<u>\$ 784</u>	<u>\$ 734</u>	<u>\$ 1,489</u>	<u>\$ 1,357</u>
Net Income available per basic common share	<u>\$ 0.25</u>	<u>\$ 0.24</u>	<u>\$ 0.48</u>	<u>\$ 0.44</u>

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

	June 30, 2015 (un-audited)	December 31, 2014 * (un-audited)	June 30, 2014 (un-audited)
Assets			
Cash and due from banks	\$ 7,826	\$ 10,792	\$ 6,379
Overnight investments	3,060	3,717	7,225
Investment securities AFS	67,128	65,605	64,859
Loans	253,229	246,147	237,502
Less Allowance for loan losses	<u>(3,695)</u>	<u>(3,688)</u>	<u>(3,930)</u>
Net Loans	249,534	242,459	233,572
Other Real Estate Owned	83	350	386
Other Assets	<u>16,809</u>	<u>16,125</u>	<u>14,839</u>
Total Assets	<u>\$ 344,440</u>	<u>\$ 339,048</u>	<u>\$ 327,260</u>

Liabilities & Stockholders' Equity**Liabilities**

Deposits	\$ 277,071	\$ 277,381	\$ 266,355
FHLB Advances	33,000	28,500	29,000
Other liabilities	<u>877</u>	<u>633</u>	<u>629</u>
Total liabilities	310,948	306,514	295,984

Stockholders' Equity

Common stock, no par value	28,129	28,262	26,953
Retained earnings	5,362	4,101	4,336
Accumulated other comprehensive income (loss)	<u>1</u>	<u>171</u>	<u>(13)</u>
Total stockholders' equity	<u>\$ 33,492</u>	<u>\$ 32,534</u>	<u>\$ 31,276</u>

Total liabilities and stockholders' equity

\$ 344,440	\$ 339,048	\$ 327,260
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* Derived from audited financial statements