

**Press Release**

**FOR IMMEDIATE RELEASE**

**CONTACT: Doyle M. Thigpen, Chief Financial Officer  
(252) 317-2804**

**DATE: October 23, 2015**

**the little bank releases third quarter earnings, announces 5% stock dividend and increase in semi-annual cash dividend**

Kinston, NC – (Business Wire) – October 23, 2015 - the little bank (OTCQX: LTLB) reports earnings results for the quarter and nine months ended September 30, 2015, and announces stock and cash dividends.

The little bank (the "Company"), today announced an increase in unaudited net income for the quarter ended September 30, 2015. Net income was \$827,000 or \$.27 per basic share compared to earnings of \$814,000 or \$.27 per basic share for the quarter ended September 30, 2014.

Unaudited net income for the first nine months of 2015 increased 7% to \$2,317,000, or \$.76 per basic share compared to earnings of \$2,172,000, or \$.71 per basic share for the first nine months of 2014. The Company recorded a \$25,000 negative provision for loan losses during the nine month period ended September 30, 2015, compared to a \$150,000 provision for the comparable period in 2014. The decrease in provision is related to a decrease in loan balances and continued recoveries of prior period loan charge-offs.

Total assets as of September 30, 2015 were \$365.1 million, compared to total assets of \$339.0 million as of December 31, 2014, and \$338.5 million as of September 30, 2014. Total loans, net of reserves, were \$241.1 million and deposits were \$297.6 million, representing a decrease of .5% and an increase of 7.3%, respectively, over the December 31, 2014 levels. Loan and deposit balances were impacted by an influx of life insurance proceeds associated with the passing of a customer. Absent those transactions, loans would have increased 5.4% and deposits would have increased 3.1% for the nine-month period. Management believes that these transactions are immaterial to the overall performance of the Company. Currently, 3,060,376 shares of common stock are issued and outstanding.

Rob Jones, President and Chief Executive Officer stated, "We are pleased to report another solid quarter of results and to announce an increase in our cash dividend. We continue to have stellar asset quality and have demonstrated an ability to achieve modest loan growth in spite of a general lack of loan demand."

The Company's Board of Directors has authorized the issuance of a 5% stock dividend to shareholders. The 5% stock dividend will be payable November 30, 2015 to shareholders of record as of November 13, 2015. Cash-in-lieu will be paid on fractional shares based on the stock's market value at the close of business on November 13, 2015.

The Board has also approved a semi-annual cash dividend, payable December 31, 2015 to shareholders of record as of the close of business on December 15, 2015. The amount payable is at the rate of \$0.0850 per common share. This represents a 13% increase over the \$0.0750 cash dividend paid in June.

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](http://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.

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

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Interest Income	\$ 3,257	\$ 3,210	\$ 9,648	\$ 9,405
Interest Expense	<u>331</u>	<u>338</u>	<u>971</u>	<u>1,026</u>
Net interest income	2,926	2,872	8,677	8,379
Provision (recovery) for loan losses	<u>(25)</u>	<u>50</u>	<u>(25)</u>	<u>150</u>
Net interest income after Provision (recovery) for losses	<u>2,951</u>	<u>2,822</u>	<u>8,702</u>	<u>8,229</u>
Non-interest income	390	353	1,161	1,084
Non-interest expense	<u>2,085</u>	<u>1,924</u>	<u>6,360</u>	<u>5,995</u>
Income before taxes	1,256	1,251	3,503	3,318
Income taxes	<u>429</u>	<u>437</u>	<u>1,186</u>	<u>1,146</u>
Net Income	<u>\$ 827</u>	<u>\$ 814</u>	<u>\$ 2,317</u>	<u>\$ 2,172</u>
Net Income available per basic common share	<u>\$ 0.27</u>	<u>\$ 0.27</u>	<u>\$ 0.76</u>	<u>\$ 0.71</u>

**the little bank**  
**Balance Sheets**  
(000's omitted except per share data)

	September 30, 2015 (un-audited)	December 31, 2014 * (un-audited)	September 30, 2014 (un-audited)
<b>Assets</b>			
Cash and due from banks	\$ 5,714	\$ 10,792	\$ 5,842
Overnight investments	25,873	3,717	7,177
Investment securities AFS	75,832	65,605	65,370
Loans	244,784	246,147	248,024
Less Allowance for loan losses	<u>(3,700)</u>	<u>(3,688)</u>	<u>(3,984)</u>
Net Loans	241,084	242,459	244,040
Other Real Estate Owned	-0-	350	386
Other Assets	<u>16,620</u>	<u>16,125</u>	<u>15,682</u>

<b>Total Assets</b>	<b>\$ 365,123</b>	<b>\$ 339,048</b>	<b>\$ 338,497</b>
<b>Liabilities &amp; Stockholders' Equity</b>			
<b>Liabilities</b>			
Deposits	\$ 297,595	\$ 277,381	\$ 275,680
FHLB Advances	32,000	28,500	30,000
Other liabilities	<u>1,059</u>	<u>633</u>	<u>842</u>
<b>Total liabilities</b>	<b>330,654</b>	<b>306,514</b>	<b>306,522</b>
<b>Stockholders' Equity</b>			
Common stock, no par value	28,003	28,262	26,819
Retained earnings	6,188	4,101	5,151
Accumulated other comprehensive income	<u>278</u>	<u>171</u>	<u>5</u>
<b>Total stockholders' equity</b>	<b>\$ 34,469</b>	<b>\$ 32,534</b>	<b>\$ 31,975</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 365,123</b>	<b>\$ 339,048</b>	<b>\$ 338,497</b>

\* Derived from audited financial statements