

Press Release

FOR IMMEDIATE RELEASE

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

Kinston, NC – (Business Wire) – January 28, 2016 - the little bank (OTCQX: LTLB) reports a record year of earnings for the year ended December 31, 2015.

The little bank (the "Company"), is pleased to report record annual net income for fiscal year 2015. Unaudited net income for the year ended December 31, 2015 was \$3,122,000, or \$0.97 per basic share, compared to \$2,925,000, or \$0.91 per basic share, in the prior year. This represents a 6.7% increase in earnings, a .89% return on average assets, and a 9.20% return on average equity. The Company recorded a \$100,000 negative provision for loan losses for fiscal year 2015, compared to a \$150,000 provision in fiscal year 2014. The decrease in loan provision is related to a decrease in loan balances and continued recoveries of prior period loan charge-offs.

For the quarter ended December 31, 2015, unaudited net income increased 6.9% to \$805,000, or \$0.25 per basic share. This compares favorably to the \$753,000, or \$0.23 per basic share, reported in the quarter ended December 31, 2014.

Total assets as of December 31, 2015 were \$362.2 million, compared to total assets of \$339.0 million as of December 31, 2014. Total loans, net of reserves, were \$239.0 million and deposits were \$297.7 million, representing a decrease of 1.4% 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. Currently, 3,206,520 shares of common stock are issued and outstanding. The little bank currently pays a semi-annual cash dividend totaling \$0.16 per share annually.

Rob Jones, President and Chief Executive Officer stated, "We are pleased to report record annual net income for the fourth consecutive year. Continued outstanding loan quality as well as the anticipated repayment of a large life insurance loan allowed us to reduce our loan loss provision from the previous year." Jones continued, "While the uncertainty regarding the movement of interest rates by the Federal Reserve have made forecasting more difficult, we continue to expect low to moderate growth for the foreseeable future."

The little bank's common stock had a tangible book value per share of approximately \$10.81 at December 31, 2015. On May 11, 2015 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 2015, the Company has repurchased approximately 30,230 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 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 December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014 *
Interest Income	\$ 3,276	\$ 3,247	\$ 12,924	\$ 12,695
Interest Expense	<u>333</u>	<u>326</u>	<u>1,304</u>	<u>1,352</u>
Net interest income	2,943	2,921	11,620	11,343
Provision for loan losses	<u>(75)</u>	<u>-</u>	<u>(100)</u>	<u>150</u>
Net interest income after Provision for losses	<u>3,018</u>	<u>2,921</u>	<u>11,720</u>	<u>11,193</u>
Non-interest income	401	363	1,563	1,408
Non-interest expense	<u>2,215</u>	<u>2,147</u>	<u>8,576</u>	<u>8,146</u>
Income before taxes	1,204	1,137	4,707	4,455
Income taxes	<u>399</u>	<u>384</u>	<u>1,585</u>	<u>1,530</u>
Net Income	<u>\$ 805</u>	<u>\$ 753</u>	<u>\$ 3,122</u>	<u>\$ 2,925</u>
Net Income available per basic common share	<u>\$ 0.25</u>	<u>\$ 0.23</u>	<u>\$ 0.97</u>	<u>\$ 0.91</u>

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

	December 31, 2015 <u>(un-audited)</u>	September 30, 2015 <u>(un-audited)</u>	December 31, 2014* <u></u>
Assets			
Cash and due from banks	\$ 7,842	\$ 5,714	\$ 10,792
Overnight investments	12,918	25,873	3,717
Investment securities AFS	85,661	75,832	65,606
Loans	242,516	244,784	246,147
Less Allowance for loan losses	<u>(3,496)</u>	<u>(3,700)</u>	<u>(3,688)</u>
Net Loans	239,020	241,084	242,459
Other Real Estate Owned	-0-	-0-	350
Other Assets	<u>16,790</u>	<u>16,620</u>	<u>16,125</u>
Total Assets	<u>\$ 362,231</u>	<u>\$ 365,123</u>	<u>\$ 339,049</u>
Liabilities & Stockholders' Equity			
Liabilities			
Deposits	\$ 297,653	\$ 297,595	\$ 277,381
FHLB Advances	29,000	32,000	28,500
Other liabilities	<u>923</u>	<u>1,059</u>	<u>634</u>
Total liabilities	327,576	330,654	306,515
Stockholders' Equity			
Common stock, no par value	29,590	28,003	28,262
Retained earnings	5,068	6,188	4,101
Accumulated other comprehensive income (loss)	<u>(3)</u>	<u>278</u>	<u>171</u>
Total stockholders' equity	<u>\$ 34,655</u>	<u>\$ 34,469</u>	<u>\$ 32,534</u>
Total liabilities and stockholders' equity	<u>\$ 362,231</u>	<u>\$ 365,123</u>	<u>\$ 339,049</u>

* Derived from audited financial statements