

**Press Release**

**FOR IMMEDIATE RELEASE**

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**DATE: October 25, 2016**

**the little bank releases third quarter earnings today**

**Kinston, NC – (Business Wire) October 25, 2016- the little bank (OTCQX: LTLB) reports earnings results for the quarter and nine months ended September 30, 2016.**

**The little bank (the "Company"), today announced an increase in unaudited net income for the quarter ended September 30, 2016. Net income was \$906,000 or \$.28 per basic share compared to earnings of \$827,000 or \$.26 per basic share for the quarter ended September 30, 2015, representing an increase of 9.5%.**

**Unaudited net income for the first nine months of 2016 increased 6.3% to \$2,462,000, or \$.77 per basic share compared to earnings of \$2,317,000, or \$.72 per basic share for the first nine months of 2015. The Bank recorded no provision for loan losses during 2016, compared to a recovery of \$25,000 for the same nine month period in 2015. Nominal loan growth and net recoveries on prior loan charge-offs was the justification for no provision for loan losses.**

**Total assets as of September 30, 2016 were \$366.5 million, compared to total assets of \$362.1 million as of December 31, 2015, and \$365.1 million as of September 30, 2015. Total loans, net of reserves, were \$246.6 million and deposits were \$299.2 million, representing an increase of 3.2% in loan balances and an increase of .5% in deposit balances, over the December 31, 2015 levels. Currently 3,198,157 shares of common stock are issued and outstanding.**

**Vincent R. Jones, President and Chief Executive Officer stated, "We are pleased to report solid earnings for the third quarter and the nine month period for the fiscal year. We have continued to experience outstanding asset quality and moderate loan growth through the period. We continue to position ourselves for low to moderate growth for the near term."**

**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, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Interest Income	\$ 3,370	\$ 3,257	\$ 9,907	\$ 9,648
Interest Expense	<u>339</u>	<u>331</u>	<u>964</u>	<u>971</u>
Net interest income	3,031	2,926	8,943	8,677
Provision (recovery) for loan losses	<u>0</u>	<u>(25)</u>	<u>0</u>	<u>(25)</u>
Net interest income after Provision for losses	<u>3,031</u>	<u>2,951</u>	<u>8,943</u>	<u>8,702</u>
Non-interest income	500	390	1,349	1,161
Non-interest expense	<u>2,183</u>	<u>2,085</u>	<u>6,644</u>	<u>6,360</u>
Income before taxes	1,348	1,256	3,648	3,503
Income taxes	<u>442</u>	<u>429</u>	<u>1,186</u>	<u>1,186</u>
Net Income	<u>\$ 906</u>	<u>\$ 827</u>	<u>\$ 2,462</u>	<u>\$ 2,317</u>
Net Income available per basic common share	<u>\$ 0.28</u>	<u>\$ 0.26</u>	<u>\$ 0.77</u>	<u>\$ 0.72</u>

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

	September 30, 2016 (un-audited)	December 31, 2015 * (un-audited)	September 30, 2015 (un-audited)
<b>Assets</b>			
Cash and due from banks	\$ 6,538	\$ 7,842	\$ 5,714
Overnight investments	12,643	12,918	25,873
Investment securities AFS	83,227	85,661	75,832
Loans	250,107	242,516	244,784
Less Allowance for loan losses	<u>(3,506)</u>	<u>(3,496)</u>	<u>(3,700)</u>
Net Loans	246,601	239,020	241,084
Other Real Estate Owned	-0-	-0-	-0-
Other Assets	<u>17,492</u>	<u>16,686</u>	<u>16,620</u>
Total Assets	<u>\$ 366,501</u>	<u>\$ 362,127</u>	<u>\$ 365,123</u>

**Liabilities & Stockholders' Equity****Liabilities**

Deposits	\$ 299,215	\$ 297,621	\$ 297,595
FHLB Advances	29,000	29,000	32,000
Other liabilities	<u>969</u>	<u>851</u>	<u>1,059</u>
Total liabilities	329,184	327,472	330,654

**Stockholders' Equity**

Common stock, no par value	29,447	29,590	28,003
Retained earnings	7,260	5,068	6,188
Accumulated other comprehensive income (loss)	<u>610</u>	<u>(3)</u>	<u>278</u>
Total stockholders' equity	<u>\$ 37,317</u>	<u>\$ 34,655</u>	<u>\$ 34,469</u>

**Total liabilities and stockholders' equity**

\$ 366,501	\$ 362,127	\$ 365,123
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\* Derived from audited financial statements