

Press Release

FOR IMMEDIATE RELEASE

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the little bank releases second quarter earnings today

Kinston, NC – (Business Wire) – July 22, 2016 - the little bank (OTCQX: LTLB) reports earnings results for the quarter and six months ended June 30, 2016.

The little bank (the "Company"), today announced an increase in unaudited net income for the quarter ended June 30, 2016. Net income was \$793,000 or \$.25 per basic share compared to earnings of \$784,000 or \$.25 per basic share for the quarter ended June 30, 2015.

Unaudited net income for the first six months of 2016 increased 4.5% to \$1,556,000, or \$.49 per basic share compared to earnings of \$1,489,000, or \$.47 per basic share for the first six months of 2015. The Bank recorded no provision for loan losses during either six month period ended June 30, 2016 or June 30, 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 June 30, 2016 were \$361.9 million, compared to total assets of \$362.1 million as of December 31, 2015, and \$344.4 million as of June 30, 2015. Total loans, net of reserves, were \$247.9 million and deposits were \$293.7 million, representing an increase of 3.7% in loan balances and a decrease of 1.3% 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 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 a disciplined approach to loan quality, structure, and pricing 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, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Interest Income	\$ 3,301	\$ 3,242	\$ 6,537	\$ 6,390
Interest Expense	<u>316</u>	<u>320</u>	<u>625</u>	<u>640</u>
Net interest income	2,985	2,922	5,912	5,750
Provision for loan losses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net interest income after Provision for losses	<u>2,985</u>	<u>2,922</u>	<u>5,912</u>	<u>5,750</u>
Non-interest income	441	369	849	771
Non-interest expense	<u>2,253</u>	<u>2,107</u>	<u>4,461</u>	<u>4,275</u>
Income before taxes	1,173	1,184	2,300	2,246
Income taxes	<u>380</u>	<u>400</u>	<u>744</u>	<u>757</u>
Net Income	<u>\$ 793</u>	<u>\$ 784</u>	<u>\$ 1,556</u>	<u>\$ 1,489</u>
Net Income available per basic common share	<u>\$ 0.25</u>	<u>\$ 0.25</u>	<u>\$ 0.49</u>	<u>\$ 0.47</u>

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

	June 30, 2016 (un-audited)	December 31, 2015 * (un-audited)	June 30, 2015 (un-audited)
Assets			
Cash and due from banks	\$ 6,668	\$ 7,842	\$ 7,826
Overnight investments	5,345	12,918	3,060
Investment securities AFS	84,681	85,661	67,128
Loans	251,440	242,516	253,229
Less Allowance for loan losses	<u>(3,496)</u>	<u>(3,496)</u>	<u>(3,695)</u>
Net Loans	247,944	239,020	249,534
Other Real Estate Owned	45	0	83
Other Assets	<u>17,238</u>	<u>16,686</u>	<u>16,809</u>
Total Assets	<u>\$ 361,921</u>	<u>\$ 362,127</u>	<u>\$ 344,440</u>

Liabilities & Stockholders' Equity**Liabilities**

Deposits	\$ 293,674	\$ 297,621	\$ 277,071
FHLB Advances	31,000	29,000	33,000
Other liabilities	<u>770</u>	<u>851</u>	<u>877</u>
Total liabilities	325,444	327,472	310,948

Stockholders' Equity

Common stock, no par value	29,416	29,590	28,129
Retained earnings	6,354	5,068	5,362
Accumulated other comprehensive income (loss)	<u>707</u>	<u>(3)</u>	<u>1</u>
Total stockholders' equity	<u>\$ 36,477</u>	<u>\$ 34,655</u>	<u>\$ 33,492</u>

Total liabilities and stockholders' equity

\$ 361,921	\$ 362,127	\$ 344,440
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* Derived from audited financial statements