

Press Release

FOR IMMEDIATE RELEASE

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

DATE: April 28, 2016

the little bank releases first quarter earnings today

Kinston, NC – (Business Wire) – April 28, 2016 - the little bank (OTCQX: LTLB) reports earnings results for the quarter ended March 31, 2016.

The little bank (the "Company"), today announced an 8.2% increase in unaudited net income for the quarter ended March 31, 2016. Net income for the first quarter was \$763,000 or \$.24 per basic share compared to net income of \$705,000 or \$.22 per basic share for the quarter ended March 31, 2015. The Bank experienced increases in net interest income, and fee income, partially offset by higher operating expenses during the first quarter, compared to the quarter ended March 31, 2015. The Bank recorded no provision for loan losses during either first quarter 2016 or first quarter 2015. The Bank continues to experience excellent asset quality.

Total assets as of March 31, 2016 were \$360.4 million, compared to total assets of \$347.3 million as of March 31, 2015, representing an increase of 3.8%. As of March 31, 2016, total loans, net of reserves, were \$241.9 million and deposits were \$297.7 million, representing a decrease of .9% in loan balances and an increase of 4.7% in deposit balances, over the same period in the prior year. Loan balances in 2015 were impacted by the repayment of \$14.5 million in life insurance trust loans associated with the passing of a customer. Loan growth during the last two quarters has offset those reductions. Currently, 3,190,165 shares of common stock are issued and outstanding.

Vincent R. Jones, President and Chief Executive Officer stated, "We are pleased to present a very positive earnings report for the first quarter of 2016." Jones continued, "Low interest rates combined with a general lack of loan demand continue to be headwinds for the industry. Less profitable loan pricing is dominating the industry as banks have tried to offset lower asset yields with loan growth. We expect this trend to continue until loan demand increases and interest rates begin to rise. We have forecast moderate growth for the remainder of 2016."

The little bank's common stock had tangible book value per share of approximately \$11.17 at March 31, 2016. 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.

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.

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

	<u>Three Months Ended March 31, 2016</u>	<u>Three Months Ended March 31, 2015</u>
Interest Income	\$ 3,236	\$ 3,148
Interest Expense	<u>309</u>	<u>320</u>
Net interest income	2,927	2,828
Provision for loan losses	<u>-</u>	<u>-</u>
Net interest income after Provision for losses	<u>2,927</u>	<u>2,828</u>
Non-interest income	407	402
Non-interest expense	<u>2,207</u>	<u>2,168</u>
Income before taxes	1,127	1,062
Income taxes	<u>364</u>	<u>357</u>
Net Income	<u>\$ 763</u>	<u>\$ 705</u>
Net Income available per basic common share	<u>\$ 0.24</u>	<u>\$ 0.22</u>

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

	<u>March 31, 2016 (un-audited)</u>	<u>December 31, 2015 * (un-audited)</u>	<u>March 31, 2015 (un-audited)</u>
Assets			
Cash and due from banks	\$ 5,914	\$ 7,842	\$ 6,560
Overnight investments	9,246	12,918	13,914
Investment securities AFS	86,939	85,661	66,317
Loans	245,386	242,516	247,704
Less Allowance for loan losses	<u>(3,490)</u>	<u>(3,496)</u>	<u>(3,710)</u>
Net Loans	241,896	239,020	243,994
Other Real Estate Owned	71	-	124
Other Assets	<u>16,327</u>	<u>16,686</u>	<u>16,415</u>

Total Assets	\$ 360,393	\$ 362,127	\$ 347,324
Liabilities & Stockholders' Equity			
Liabilities			
Deposits	\$ 297,731	\$ 297,621	\$ 284,500
FHLB Advances	26,000	29,000	28,500
Other liabilities	<u>1,035</u>	<u>851</u>	<u>937</u>
Total liabilities	324,766	327,472	313,937
Stockholders' Equity			
Common stock, no par value	29,410	29,590	28,215
Retained earnings	5,831	5,068	4,806
Accumulated other comprehensive income (loss)	<u>386</u>	<u>(3)</u>	<u>366</u>
Total stockholders' equity	\$ 35,627	\$ 34,655	\$ 33,387
Total liabilities and stockholders' equity	\$ 360,393	\$ 362,127	\$ 347,324

* Derived from audited financial statements