the little bank, Inc.

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Kinston, North Carolina 28501
Telephone: (252) 939-3900

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on April 28, 2016

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Meeting") of the little bank, Inc. (the "Bank") will be held on April 28, 2016, at 10:00 a.m., Eastern Daylight Savings Time, at the Hampton Inn located at 1382 Hwy 258 South, Kinston, North Carolina.

The Meeting is for the purpose of considering and voting upon the following matters:

1. To elect three persons to serve as directors of the Bank until the 2019 Annual Meeting of Stockholders or until their successors are duly elected and qualified;

2. To ratify the selection of Dixon Hughes Goodman LLP as the independent auditor for the Bank for the fiscal year ending December 31, 2016; and

3. To transact such other business as may properly come before the Meeting or any adjournment thereof. The Board of Directors is not aware of any other business to be considered at the Meeting.

The Board of Directors has established March 18, 2016, as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting and at any adjournments thereof. In the event there are not sufficient shares present in person or by proxy to constitute a quorum at the time of the Meeting, the Meeting may be adjourned in order to permit further solicitation of proxies by the Bank.

By Order of the Board of Directors



Doyle M. Thigpen
Secretary

Kinston, North Carolina
March 21, 2016

A form of proxy is enclosed to enable you to vote your shares at the Meeting. You are urged, regardless of the number of shares you hold, to complete, sign, date and return the proxy promptly. A return envelope, which requires no postage if mailed in the United States, is enclosed for your convenience. If you are a stockholder of record, you may also vote your shares over the Internet.

the little bank, Inc.

PROXY STATEMENT

2016 Annual Meeting of Stockholders
April 28, 2016

SOLICITATION, VOTING AND REVOCABILITY OF PROXIES

General

This Proxy Statement is being furnished to stockholders of the little bank, Inc. (the "Bank") in connection with the solicitation by the Board of Directors of the Bank of proxies to be used at the Annual Meeting of Stockholders (the "Meeting") to be held on April 28, 2016, at 10:00 a.m., Eastern Daylight Savings Time, at the Hampton Inn located at 1382 Hwy 258 South, Kinston, North Carolina, and at any adjournments thereof.

Other than the matters listed on the attached Notice of Annual Meeting of Stockholders, the Board of Directors knows of no matters that will be presented for consideration at the Meeting. Execution of a proxy, however, confers on the designated proxyholders discretionary authority to vote the shares represented thereby in accordance with their best judgment on such other business, if any, that may properly come before the Meeting or any adjournments thereof.

Revocability of Proxy

A proxy may be revoked at any time prior to its exercise by the filing of a written notice of revocation with the Secretary of the Bank, by delivering to the Bank a duly executed proxy bearing a later date, by voting again over the Internet, or by attending the Meeting and voting in person. If your shares are held in the name of a broker or other nominee (i.e., held in "street name"), you will need to obtain a proxy instruction form from the broker or nominee holding your shares and return the form as directed by your broker or nominee. If you are a stockholder whose shares are held in "street name," you will need appropriate documentation from your broker or other nominee to vote personally at the Meeting.

Solicitation

The Bank will pay the cost of solicitation of proxies. Directors, officers and regular employees of the Bank, may, without additional compensation, solicit proxies personally or by telephone. The Bank will also request persons or entities holding shares in their names, or in the names of their nominees, which are beneficially owned by others to send proxy materials to, and obtain proxies from, such beneficial owners and will reimburse such holders, upon request, for their reasonable out-of-pocket expenses in doing so.

Voting Securities and Vote Required for Approval

Regardless of the number of shares of the Bank's common stock (the "Common Stock") owned, it is important that stockholders be represented by proxy or be present in person at the Meeting. Stockholders are requested to vote by completing the enclosed form of proxy and returning it signed and dated in the enclosed postage-paid envelope. If you are a stockholder of record, you may also vote your shares over the Internet by going to www.proxyvote.com. If you are interested in voting via the Internet, please read the instructions on the enclosed proxy. Any stockholder may vote for, against, or abstain from voting on any matter to come before the Meeting. If the enclosed proxy is properly completed, signed, dated and returned, and not revoked, it will be voted in

accordance with the instructions therein. If no instructions are given, the proxy will be voted **FOR** the nominees for election to the Board of Directors named in this Proxy Statement, and **FOR** the ratification of Dixon Hughes Goodman LLP as the Bank's independent auditor for the fiscal year ending December 31, 2016. If instructions are given with respect to one but not both of the proposals, such instructions as are given will be followed, and the proxy will be voted **FOR** the proposal on which no instructions are given.

The securities which may be voted at the Meeting consist of the shares of the Bank's outstanding Common Stock. The Board of Directors has fixed the close of business on March 18, 2016, as the record date (the "Record Date") for the determination of stockholders of record entitled to notice of and to vote at the Meeting and any adjournments thereof. A total of 3,221,537 shares of Common Stock were outstanding on the Record Date.

The presence, in person or by proxy, of the holders of at least a majority of the total number of shares of the Common Stock entitled to vote at the Meeting is necessary to constitute a quorum. Since many of our stockholders cannot attend the Meeting, it is necessary that a large number be represented by proxy. Accordingly, the Board of Directors has designated proxies to represent those stockholders who cannot be present in person and who desire to be so represented. In the event there are not sufficient votes for a quorum or to approve or ratify either proposal at the time of the Meeting, the Meeting may be adjourned in order to permit the further solicitation of proxies.

In order to be elected, a nominee need only receive a plurality of the votes cast in the election of the applicable class of directors for which he has been nominated. As a result, those persons nominated for election who receive the largest number of votes will be elected as directors. Accordingly, abstentions and shares not voted for any reason with respect to any one or more nominees will not be counted as votes against such nominees. No stockholder has the right to cumulatively vote his or her shares in the election of directors.

The proposal to ratify the appointment of the Bank's independent auditor for the year ending December 31, 2016 will be approved if the votes cast in favor of such action exceed the votes cast opposing the action. Abstentions and shares not voted for any reason will not be counted as votes against this proposal.

Proxies solicited hereby will be tabulated by one or more inspectors of election designated by the Board of Directors. Abstentions, broker non-votes and votes withheld from any director nominee will be counted as "shares present" at the Meeting for purposes of determining a quorum, and will not be counted in tabulating the votes cast in the election of directors or the ratification of the Bank's independent auditor.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

Set forth below is certain information regarding those persons or groups who held of record, or who are known to the Bank to own beneficially, more than five (5%) percent of the outstanding shares of Common Stock as of the Record Date:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class[1]
C. Dwight Howard Kinston, NC	198,443[2]	6.16%

[1] Based upon a total of 3,221,537 shares of Common Stock outstanding as of the Record Date (excluding unvested shares of restricted stock, which do not possess voting rights).

[2] Includes 143,679 shares owned by his spouse.

Set forth below is certain information regarding those shares of the Common Stock owned beneficially by each of the members of the Board of Directors of the Bank (including nominees for election at the Meeting) and the Bank's executive officers and the directors and executive officers of the Bank as a group as of the Record Date:

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership[1,2,3]**	**Percentage of Class[8]**
V. Robert Jones Greenville, NC	26,781	.83%
C. Dwight Howard Kinston, NC	198,443	6.16%
James T. Hill, Jr. Kinston, NC	54,200[4]	1.68%
Cameron McRae Kinston, NC	78,364[5]	2.43%
David Weil Goldsboro, NC	13,252	.41%
Marty Beam Kinston, NC	12,211	.38%
Joseph E. Blizzard Kinston, NC	17,131	.53%
Dr. Raymond C. Ball, Jr. Morehead City, NC	45,242[6]	1.40%
Lawrence Davenport Greenville, NC	7,864	.25%
Robert Lee Burrows, Jr. Atlanta, GA	117,195[7]	3.64%
David Womack Greenville, NC	4,878	.15%
Anne Corey Washington, NC	0	.00%
Doyle M. Thigpen Greenville, NC	8,421	.26%
Susan W. Barrett Greenville, NC	3,424	.11%
All directors, nominees and officers as a group (14 persons)	587,406[9]	18.23%

[1] Unless otherwise noted, all shares are owned directly of record by the named individuals, by their spouses and minor children, or by other entities controlled by the named individuals.

[2] For each individual listed above, the beneficial ownership includes the following options to acquire the indicated number of shares that are exercisable within 60 days of December 31, 2015: Jones – 8,443; Howard – 3,583; Hill – 3,120; McRae – 3,351; Weil – 2,888; Beam – 2,888; Blizzard – 805; Ball – 573; Burrows – 2,425; Davenport – 110; Barrett – 1,407. Directors and Executive Officers as a group - 29,593 shares.

[3] For each individual listed above, the beneficial ownership includes the following shares of restricted stock which have vested or will vest within 60 days of December 31, 2015: Jones – 441; Howard - 1,737; Hill – 1,505; McRae – 1,621; Weil – 1,389; Beam – 1,389; Blizzard – 347; Ball – 232; Burrows – 1,158; Thigpen – 2,017; Barrett – 2,017. Directors and Executive Officers as a group - 13,853 shares.

[4] Mr. Hill shares voting and investment power over these shares with his spouse.

[5] Includes 68,606 shares which Mr. McRae owns directly and 6,407 shares over which Mr. McRae shares investment and voting power.

[6] Includes 14,727 shares owned by the profit sharing plan associated with Dr. Ball's orthodontic practice, also includes 27,594 shares owned by family members.

[7] Mr. Burrows shares voting power with his spouse, their children, and a charitable foundation.

[8] Based upon a total of 3,221,537 shares of Common Stock outstanding as of the Record Date, and assumes the exercise and/or vesting of only those stock options and/or shares of restricted stock included with respect to the designated recipient.

[9] Based upon a total of 3,221,537 shares of Common Stock outstanding as of the Record Date, and assumes the exercise and/or vesting of all stock options and/or shares of restricted stock held by the named persons that are exercisable or will vest within 60 days of December 31, 2015.

PROPOSAL I

ELECTION OF DIRECTORS

Nominees

The Bylaws of the Bank provide that the number of directors of the Bank shall not be less than seven or more than 17. The exact number of directors is fixed by the Board of Directors prior to the annual meeting of stockholders at which directors are to be elected. The Bank's Board of Directors has currently fixed the size of the Board at 13 members. The decision to set the number of directors at 13 will allow for two vacancies. The Board of Directors is taking this action to allow the Board of Directors to recruit new directors as needed.

The Board of Directors is divided into three classes with staggered terms of office. Each class of directors is elected for terms of three years each, or until their earlier death, resignation, retirement, removal or disqualification or until their successors are elected and qualified.

The Board of Directors has nominated Joseph E. Blizzard, Lawrence Davenport, and Robert Lee Burrows, Jr. for election as directors to serve until the 2019 Annual Meeting of Shareholders or until their earlier death, resignation, retirement, removal or disqualification or until their successors shall be elected and shall qualify. All nominees are currently serving as directors.

The persons named in the accompanying form of proxy intend to vote all shares of Common Stock presented by valid proxies received by them to elect the three nominees described herein, unless authority to vote is withheld or such proxies are revoked. In the event that any of the nominees should become unavailable to accept nomination or election, it is intended that the proxy holders will vote to elect in his stead such other person as the present Board of Directors may recommend. The Board of Directors has no reason to believe that any of the three nominees will be unable to serve if elected to office.

Nominees and Continuing Directors

The following table sets forth as to each nominee and each director whose term is continuing, his name, principal occupation during the last five years, the year he was first elected as a director and the year in which his existing term of office expires.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL OF THE FOLLOWING NOMINEES FOR ELECTION AS DIRECTORS.

Name	Principal Occupation During Last Five Years	Director Since	Expiration of Current Term
	NOMINEES		
Joseph E. Blizzard	President and Owner, Contract Flooring and Design.	2010	2019
Lawrence Davenport	President, J.P. Davenport & Son, Inc.	2013	2019
Robert Lee Burrows, Jr.	CEO of Bank Street Partners, LLC; Director of Carolina Finance; Director of Tidewater Corporation; Chairman of the Board of Directors of the Bank.	2013	2019
	DIRECTORS CONTINUING IN OFFICE		
Cameron McRae	President, Tands, Inc. – Bojangles Franchisee; President, McRae & Associates, Inc. – Management Company for the Franchisees.	1999	2017
David Weil	President, Weil Enterprises, Real Estate Development and Management.	2001	2017
Marty Beam	President and Owner, W.A. Moore & Co.	2001	2017
David Womack	Chairman, Womack Electric Supply Company, Inc.	2014	2017
V. Robert Jones	President and Chief Executive Officer of the Bank	2002	2018
C. Dwight Howard	President, Carolina Greenhouses, Carolina Soil Company, Howard Development, Inc., East Coast Modular, Inc., How Corp., LLC, Eastern Warehouses, LLC.	1998	2018
James T. Hill, Jr.	President, Tull Hill Farms, Inc.	2000	2018
Dr. Raymond C. Ball, Jr.	Coastal Carolina Orthodontics.	2011	2018

Meetings of the Board and Committees of the Board

The Board of Directors conducts its business through meetings of the Board and the activities of its committees. During the year ended December 31, 2015, the Board of Directors met 12 times. The Board has five standing committees to which certain responsibilities have been delegated and that meet on a regular basis - the Executive Committee, the Asset/Liability Committee, the Loan Committee, the Audit Committee, and the Community Reinvestment Committee. The Board of Directors may appoint other committees of its members from time to time as it deems necessary. The composition of the five standing committees is as follows:

Executive Committee	**Asset/Liability Committee**	**Loan Committee**
C. Dwight Howard*	Marty Beam*	David Weil*
Robert Lee Burrows, Jr.	C. Dwight Howard	Robert Lee Burrows, Jr.
Cameron McRae	James T. Hill, Jr.	Cameron McRae
David Weil	V. Robert Jones	C. Dwight Howard
V. Robert Jones	Joseph E. Blizzard	V. Robert Jones
Joseph E. Blizzard	Raymond C. Ball, Jr.	Joseph E. Blizzard
Raymond C. Ball, Jr.	Lawrence Davenport	Raymond C. Ball, Jr.
	Robert Lee Burrows, Jr.	
	David Womack	

Audit Committee	**Community Reinvestment Committee**
James T. Hill, Jr.*	Marty Beam*
C. Dwight Howard	C. Dwight Howard
David Weil	V. Robert Jones
Cameron McRae	
Marty Beam	

*Chairman

Directors' Compensation

Board and Committee Fees: During 2015, each member of the Board of Directors received an annual retainer of $3,000 for his service as a director. In addition, each director received $600 per Board meeting attended. The Chairman of the Board of Directors received an annual retainer of $4,000 for his service as Chairman and $900 per Board meeting attended. Directors who serve on committees received $200 for each meeting attended and $100 for each teleconference meeting.

Director Restricted Stock and Stock Options: The directors are eligible for awards under the little bank, Incorporated Omnibus Incentive Plan ("Omnibus Plan"). In 2013, directors were awarded an aggregate of 11,100 shares of restricted stock at a value of $10.10 per share. No restricted stock was awarded to the directors in 2014 or 2015. In 2013, options to acquire an aggregate of 48,000 shares of Common Stock, having an exercise price of $10.50 per share, were awarded to directors. In 2014, options to acquire an aggregate of 4,500 shares, having an exercise price $11.00 per share, were awarded to directors. In 2015, options to acquire an aggregate of 5,000 shares, having an exercise price of $10.60 per share, were awarded to directors.

Executive Officers

The following table sets forth certain information with respect to the persons who are executive officers of the Bank.

Name and Title	Age on 12/31/15	Positions and Occupations During Last Five Years	Employed By the Bank Since
V. Robert Jones, President and Chief Executive Officer	59	President and Chief Executive Officer.	2002
Anne Corey Executive Vice President and Chief Credit Officer	49	Executive Vice President and Chief Credit Officer since January 12, 2015. Previously Ms. Corey was Chief Credit Officer for Select Bank & Trust.	2015
Doyle M. Thigpen, Executive Vice President, Secretary and Chief Financial Officer	57	Executive Vice President, Secretary and Chief Financial Officer.	1998
Susan W. Barrett, Executive Vice President and Operations Manager	39	Executive Vice President and Operations Manager.	2003

Management Compensation

The following table shows for the fiscal years ended December 31, 2015 and 2014, the cash and cash equivalent compensation paid by the Bank to V. Robert Jones, President and Chief Executive Officer.

Name and Principal Position	Year	Salary	Bonus[1]	Restricted Stock Awards[2]	All Other Compensation[3]	Total Compensation
V. Robert Jones, President and Chief Executive Officer	2015	$240,000	$15,000	$7,933	$29,453	$292,386
	2014	$240,000	$15,000	$2,933	$28,543	$283,476

[1] Bonus earned in 2015 was paid in 2016, and bonus earned in 2014 was paid in 2015.

[2] Amounts listed do not reflect compensation actually received by Mr. Jones. Instead, such amounts represent the amount of compensation cost recognized in accordance with the Statement of Financial Accounting Standards No. 123, as revised, "Share-Based Payment", disregarding any adjustments and reported as compensation. During 2015 and 2014, Mr. Jones received 2,500 shares, and 2,000 shares, respectively, of restricted stock. These shares are recognized as income for Mr. Jones as they become vested.

[3] The Bank provides its executive officers with certain group life, health, medical and other non-cash benefits generally available to all salaried employees which are not included in this column. The amounts shown in this column include the following:

- Matching contributions by the Bank under the little bank 401(k) Contributory Savings Plan. During 2015 and 2014, the Bank's 401(k) matching contributions were $10,200 and $10,080, respectively, for Mr. Jones; and
- Certain health insurance, group term life insurance, and long term personal life insurance premiums provided to Mr. Jones but not provided to all salaried employees.

Employment Agreements. The Bank has entered into employment agreements with certain of its executive officers to ensure a stable and competent management base. The agreements provide for specified benefits and cannot be terminated by the Board of Directors, except for cause. In the event of a termination other than for cause, including a termination connection with a change of control of the Bank, these executive officers would be entitled to post-termination compensation of varying amounts and the receipt of other benefits.

The Bank entered into an employment agreement, dated August 19, 2004, with Mr. Jones, its President and Chief Executive Officer, that superseded an earlier 2002 employment agreement. The 2004 agreement specified a base salary of at least $120,000 per year to be increased from time to time (currently $240,000) at the discretion of the Board of Directors. Bonuses are allowed under the agreement as are certain other benefits available to all salaried employees. The term of the agreement initially was three years and provides for an automatic term extension of one year on each anniversary date of the agreement's execution unless written notice by the Bank or Mr. Jones is received 90 days prior to an anniversary date advising the other party that the agreement shall not be further extended. The employment agreement has been extended continuously since August of 2007 and currently would expire, absent further extension, on August 19, 2018.

Salary, Bonus, and Benefits. Salaries and any increases to the salaries of executive officers must be approved by the Board of Directors. The Bank provides executive management with certain group life, health, medical, and other non-cash benefits generally available to all salaried employees. Executive officers may receive bonuses from time-to-time at the discretion of the Board.

401(k) Savings Plan. The Bank has a Contributory Savings Plan for its employees (the "Savings Plan"), which meets the requirements of Section 401(k) of the Internal Revenue Code of 1986, as amended. During 2015, all employees who were at least 21 years of age could elect to contribute between 1% and 100% of their compensation or $18,000, whichever was less, to the Savings Plan. Each participant age 50 or older on or before December 31, 2015 could elect to make a catch-up contribution by deferring an additional amount up to $6,000 for 2015. Each year, the Bank determines the percentage of each participant's contribution that it will match with an employer contribution. The Bank's percentage match is calculated as follows: 100% up to 3% of compensation, plus 50% of the next 2% of compensation. In addition, under the terms of the Savings Plan, the Bank made additional discretionary contributions.

Participants are fully vested in amounts that they contribute to the Savings Plan as well as in amounts contributed to the Savings Plan on their behalf by the Bank as employer matching contributions or as discretionary contributions. Benefits under the Savings Plan are payable in the event of the participant's retirement, death, disability or termination of employment. Normal retirement age under the Savings Plan is 65 years of age.

Supplemental Executive Retirement Benefits Agreement. The Bank has entered into a supplemental executive retirement benefits agreement ("Agreement") with Mr. Jones, its President and Chief Executive Officer, to encourage him to remain as an employee of the Bank and to reward him for contributing materially to the success of the Bank. Under the terms of the Agreement monthly payments will be made to Mr. Jones once he has attained the age of 65. The period of the benefit is 15 years or 180 monthly payments. During 2015 and 2014, the Bank accrued $107,020 and $95,267, respectively in expenses related to the Agreement. Neither these expenses, nor any changes in the value of the benefits under the Agreement are disclosed in the above Management Compensation table.

Equity Compensation Plan

In 2012, the Bank adopted the Omnibus Plan, which was approved by the Banks's stockholders at the 2012 Annual Meeting of Stockholders. The Omnibus Plan allows for grants in the form of stock options, restricted stock and performance units. Employees and directors are both eligible to receive grants under the Omnibus Plan. Stock options may be issued as incentive stock options or as nonqualified stock options. The term of each option is established at the time it is granted but may not exceed ten years. Vesting is established at the time an option is granted. Restricted stock awards are subject to restrictions and the risk of forfeiture if conditions stated in the award agreement are not satisfied at the end of the restriction period. Vesting is also established on the grant date.

Certain Indebtedness and Transactions of Management

The Bank makes loans to its executive officers and directors in the ordinary course of its business. These loans are currently made on substantially the same terms, including interest rates, collateral and repayment terms, as those then prevailing for comparable transactions with nonaffiliated persons, and do not involve more than the normal risk of collectability or present any other unfavorable features. Applicable regulations prohibit the Bank from making loans to its executive officers and directors at terms more favorable than could be obtained by persons not affiliated with the Bank.

PROPOSAL II

RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR

Dixon Hughes Goodman LLP ("Dixon Hughes Goodman") has been appointed by the Audit Committee, and confirmed by the Board of Directors, as the Bank's independent auditor for the year ending December 31, 2016. This appointment is being submitted to the Bank's stockholders for ratification. Representatives of Dixon Hughes Goodman are expected to attend the Meeting and will be afforded an opportunity to make a statement, if they so desire, and to respond to appropriate questions from stockholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR RATIFICATION OF THE SELECTION OF DIXON HUGHES GOODMAN AS INDEPENDENT AUDITOR FOR THE BANK FOR THE FISCAL YEAR ENDING DECEMBER 31, 2016.

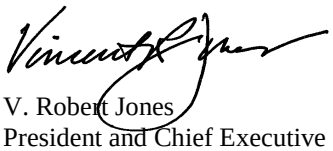
DATE FOR RECEIPT OF STOCKHOLDERS' PROPOSALS

It is presently anticipated that the 2017 Annual Meeting of Stockholders will be held in April 2017. In order for stockholder proposals to be included in the proxy materials for that meeting, such proposals must be received by the Secretary of the Bank at the Bank's principal administrative office not later than November 15, 2016, and meet all other applicable requirements for inclusion therein.

OTHER MATTERS

Management knows of no other matters to be presented for consideration at the Meeting or any adjournments thereof. If any other matters shall properly come before the Meeting, it is intended that the proxyholders named in the enclosed form of proxy will vote the shares represented thereby in accordance with their judgment, pursuant to the discretionary authority granted therein.

By Order of the Board of Directors,



V. Robert Jones
President and Chief Executive Officer

Kinston, North Carolina
March 21, 2016