

Press Release

FOR IMMEDIATE RELEASE

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DATE: April 26, 2017

the little bank releases first quarter earnings today

Kinston, NC – (Business Wire) – April 26, 2017 - the little bank (OTCQX: LTLB) reports earnings results for the quarter ended March 31, 2017.

The little bank (the "Company"), is pleased to report earnings results for the quarter ended March 31, 2017. Unaudited net income for the three months ended March 31, 2017 was \$674,000, or \$.20 per basic share, compared to \$763,000 or \$.23 per basic share for the quarter ended March 31, 2016. Core earnings, which exclude merger expenses, were approximately \$782,000 for the three months ended March 31, 2017, compared to \$763,000 for the quarter ended March 31, 2016. This represents a 2.5% increase in core earnings. The little bank announced the planned merger with Oxford, NC based Union Banc Corp. on November 15, 2016. The transaction, which is subject to regulatory approval, the approval of the shareholders of the little bank and Union Banc Corp., and other customary conditions, is expected to be approved in the second quarter of 2017.

Total assets as of March 31, 2017 were \$371.7 million, compared to total assets of \$360.4 million as of March 31, 2016, representing an increase of 3.1%. Total loans, net of reserves, were \$249.7 million and deposits were \$309.3 million, representing an increase of 3.2% in loan balances and an increase of 3.9% in deposit balances, over the same period in the prior year. Currently, 3,355,974 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 2017." Jones added, "We continue to be excited about our previously announced acquisition of Union Bank and the anticipated results of this strategic combination."

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. This press release contains financial information determined by methods other than in accordance with GAAP. The Company's management uses these non-GAAP financial measures in their analysis of the Company's performance. These measures typically adjust GAAP performance measures to exclude the effects of transactions that are infrequent in nature. Management believes presentations of these non-GAAP financial measures provide useful supplemental information that is essential to a proper understanding of the operating results of the Company's core businesses.

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

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Interest Income	\$ 3,277	\$ 3,236
Interest Expense	<u>313</u>	<u>309</u>
Net interest income	2,964	2,927
Provision for loan losses	<u>0</u>	<u>0</u>
Net interest income after Provision for losses	<u>2,964</u>	<u>2,927</u>
Non-interest income	435	407
Non-interest expense	<u>2,423</u>	<u>2,207</u>
Income before taxes	976	1,127
Income taxes	<u>302</u>	<u>364</u>
Net Income	<u>\$ 674</u>	<u>\$ 763</u>
Net Income available per basic common share	<u>\$ 0.20</u>	<u>\$ 0.23</u>

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

	March 31, 2017 (un-audited)	December 31, 2016 * (un-audited)	March 31, 2016 (un-audited)
Assets			
Cash and due from banks	\$ 7,408	\$ 9,085	\$ 5,914
Overnight investments	8,786	6,070	9,246
Investment securities AFS	87,607	85,744	86,939
Loans	253,169	246,522	245,386
Less Allowance for loan losses	<u>(3,449)</u>	<u>(3,444)</u>	<u>(3,490)</u>
Net Loans	249,720	243,078	241,896
Other Real Estate Owned	50	50	71
Other Assets	<u>18,122</u>	<u>17,982</u>	<u>16,327</u>
Total Assets	<u>\$ 371,693</u>	<u>\$ 362,009</u>	<u>\$ 360,393</u>

Liabilities & Stockholders' Equity**Liabilities**

Deposits	\$ 309,292	\$ 300,574	\$ 297,731
FHLB Advances	24,000	24,000	26,000
Other liabilities	<u>1,030</u>	<u>837</u>	<u>1,035</u>
Total liabilities	334,322	325,411	324,766

Stockholders' Equity

Common stock, no par value	31,538	31,507	29,410
Retained earnings	6,218	5,544	5,831
Accumulated other comprehensive income (loss)	<u>(385)</u>	<u>(453)</u>	<u>386</u>
Total stockholders' equity	<u>\$ 37,371</u>	<u>\$ 36,598</u>	<u>\$ 35,627</u>

Total liabilities and stockholders' equity

\$ 371,693	\$ 362,009	\$ 360,393
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* Derived from audited financial statements