

THE LITTLE BANK, INC. ANNOUNCES MERGER WITH UNION BANC CORP.

Merger Highlights

the little bank, Inc. is acquiring Union Bank & Trust Company (“Union Bank”) headquartered in Oxford, NC and merging their banking business into the little bank. The resulting bank will be headquartered in Greenville, NC. Key executives of the little bank, Inc. will remain key executives of the combined bank. The merger is subject to shareholder approval of both banks, as well as regulatory approval from appropriate regulators. After closing, which is expected to be in the second quarter of 2017, the bank will operate as Union Bank. CEO Rob Jones commented “Due to the growth of our company and our desire to expand into larger growth oriented markets, it is no longer advantageous to define ourselves as “little or small.” This merger creates an opportunity to transition into a more traditional brand name that does not limit our size.” The merger will create a \$665 million locally owned and operated community bank with 15 locations from Central NC to the coast.

As always, we plan to maintain our commitment to three core values:

- 1) We will be relevant and make a positive difference to the communities in which we chose to do business
- 2) We will be a place where high performing people would like to work, and
- 3) Continue to be a high performing bank relative to all measures of financial performance.

In other words, our culture as a locally owned and operated community bank will continue to be centered on our customers, our employees and our shareholders.

Key Questions

Where are Union Bank branches located?

A: Union Bank has 7 branches located in Oxford, Henderson, Roxboro, Creedmoor, Louisburg, Youngsville and Cary. They have one branch under construction in North Raleigh that will open in December of this year.

Will any branches close?

A: There is no branch overlap. There are no plans to close any branches. We like our combined branch network.

Will little bank customers have to change their account numbers or open new accounts?

A: The little bank customers will not experience any changes to their accounts, account numbers, routing numbers, internet or mobile banking procedure or any other loan or deposit procedure as a result of the merger. Existing checks, deposit slips, debit cards and on-line/mobile banking procedures or any other bank related supply will remain valid until you exhaust your existing supply. After the merger is closed, any new order will simply show the new name and logo.

Will we continue to do business as we have with regard to our lending philosophy and ability to handle customer requests in an expedited manner?

A: Yes. Both banks are heavily focused on small business and entrepreneurial lending. Being able to meet customer loan needs in a timely and efficient manner will continue to be a priority for the bank— it is critical to our success and we will not lose sight of that. This merger will also benefit our customers by creating a larger capital base and increase our legal lending limit.