

Press Release

FOR IMMEDIATE RELEASE

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the little bank releases first quarter earnings today

Kinston, NC – (Business Wire) – April 26, 2013 - the little bank (OTCBB: LTLB) reports earnings results for the quarter ended March 31, 2013.

The little bank (the "Company"), today announced unaudited net income for the quarter ended March 31, 2013 of \$642,000 or \$.23 per basic share compared to net income of \$648,000 or \$.23 per basic share for the quarter ended March 31, 2012. After adjusting for dividends and the accretion of discount on preferred stock outstanding, net income available to common shareholders was \$597,000, or \$.21 per basic share for the quarter ended March 31, 2013 compared to \$526,000 or \$.19 per basic share for the quarter ended March 31, 2012. The Bank recorded no provision for loan losses during the first quarter and realized only \$16,000 in net loan charge-offs during the three month period. Due primarily to a decrease in loan balances the allowance for loan losses, as a percentage of total loans, increased from 1.90% at December 31, 2012 to 1.93% at March 31, 2013. The reduction in our provision for loan losses was substantially offset by a \$150,000 charge against other real estate owned ("OREO"). The Bank owned one OREO property at quarter end.

Total assets as of March 31, 2013 were \$307.3 million, compared to total assets of \$305.9 million as of December 31, 2012, and \$309.9 million as of March 31, 2012. Total loans, net of reserves, were \$205.8 million and deposits were \$252.9 million, representing a decrease of 2.3% in loan balances and an increase of 1.1% in deposit balances, over the December 31, 2012 levels. Nonperforming assets, which include nonaccrual loans and other real estate owned, have decreased from \$1.8 million at December 31, 2012 to \$1.7 million at March 31, 2013.

Vincent R. Jones, President and Chief Executive Officer stated, "We are pleased to present a very positive earnings report for the first quarter of 2013." Jones continued, "Our asset quality statistics remain outstanding and allowed us to eliminate any provision for loan losses for the quarter. Although that benefit was offset by a charge to OREO during the first quarter, we expect the future benefits of low loan losses to have a greater impact on our bottom line."

The little bank is headquartered in Kinston, North Carolina and currently serves the Lenoir, Wayne, Onslow, Pitt, and Craven 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 Over-the-Counter Electronic Bulletin Board 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)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Interest Income	\$ 2,937	\$ 3,247
Interest Expense	<u>425</u>	<u>604</u>
Net interest income	2,512	2,643
Provision for loan losses	<u>0</u>	<u>250</u>
Net interest income after Provision for losses	<u>2,512</u>	<u>2,393</u>
Non-interest income	413	326
Non-interest expense	<u>1,949</u>	<u>1,725</u>
Income before taxes	976	994
Income taxes	<u>334</u>	<u>346</u>
Net Income	642	648
Preferred Stock Dividends	(35)	(102)
Accretion of Discount, net	<u>(10)</u>	<u>(20)</u>
Net Income available for common shareholders	<u>\$ 597</u>	<u>\$ 526</u>
Net Income available per basic common share	<u>\$ 0.21</u>	<u>\$ 0.19</u>

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

	March 31, 2013 (un-audited)	December 31, 2012* (un-audited)	March 31, 2012 (un-audited)
Assets			
Cash and due from banks	\$ 3,240	\$ 6,267	\$ 3,655
Overnight investments	17,482	6,160	12,020
Investment securities AFS	67,941	69,820	84,389
Loans	209,897	214,728	199,943
Less Allowance for loan losses	<u>(4,057)</u>	<u>(4,073)</u>	<u>(4,039)</u>
Net Loans	205,840	210,655	195,904

Other Real Estate Owned	386	537	1,146
Other Assets	<u>12,451</u>	<u>12,444</u>	<u>12,749</u>
Total Assets	\$ 307,340	\$ 305,883	\$ 309,863
Liabilities & Stockholders' Equity			
Liabilities			
Deposits	\$ 252,918	\$ 250,098	\$ 251,524
FHLB Advances	21,500	23,500	22,000
Other liabilities	<u>754</u>	<u>559</u>	<u>901</u>
Total liabilities	275,172	274,157	274,425
Stockholders' Equity			
Preferred stock, Series A & B	\$ 2,772	\$ 2,763	\$ 7,729
Common stock, no par value	25,528	25,573	24,400
Retained earnings	3,255	2,658	2,736
Accumulated other comprehensive income	<u>613</u>	<u>732</u>	<u>573</u>
Total stockholders' equity	\$ 32,168	\$ 31,726	\$ 35,438
Total liabilities and stockholders' equity	\$ 307,340	\$ 305,883	\$ 309,863

* Derived from audited financial statements