

**Press Release**

**FOR IMMEDIATE RELEASE**

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**DATE: April 25, 2014**

**the little bank releases first quarter earnings today**

**Kinston, NC – (Business Wire) – April 25, 2014 - the little bank (OTCBB: LTLB) reports earnings results for the quarter ended March 31, 2014.**

The little bank (the "Company"), today announced unaudited net income for the quarter ended March 31, 2014 of \$623,000 or \$.21 per basic share compared to net income of \$642,000 or \$.22 per basic share for the quarter ended March 31, 2013. After adjusting for dividends and the accretion of discount on preferred stock outstanding in the prior year, net income available to common shareholders increased 4.3% to \$623,000, or \$.21 per basic share for the quarter ended March 31, 2014 compared to \$597,000 or \$.20 per basic share for the quarter ended March 31, 2013. The Bank recorded \$50,000 in provision for loan losses during the first quarter compared to no provision for loan losses in the first quarter of 2013. Credit quality remains excellent and the provision for loan losses was a reflection of the \$10.7 million increase in loan balances.

Total assets as of March 31, 2014 were \$322.0 million, compared to total assets of \$307.3 million as of March 31, 2013, representing an increase of 4.8%. As of March 31, 2014, total loans, net of reserves, were \$229.6 million and deposits were \$262.6 million, representing an increase of 11.6% in loan balances and an increase of 3.8% in deposit balances, over the same period in the prior year. Currently, 2,954,594 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 2014." Jones continued, "Earnings included increased expenses resulting from our decision to reposition the Company towards growth by adding lending staff in the fourth quarter of 2013. That decision is already paying off as the Bank has increased loan balances 11.6% from the previous year. We are confident that continued growth will lead to accretive results on a per share basis in the future."

The little bank's common stock had a tangible book value per share of approximately \$10.31 at March 31, 2014. On March 14, 2013 the Company announced a share repurchase plan whereby the Company would repurchase up to 2% of the Company's outstanding shares in the open market and retire such shares. The Company continues to make open market purchases of its shares and will maintain such a policy, within certain regulatory thresholds, until the Board of Directors feels that the shares' market price is reflective of the value of the shares outstanding. As of March 31, 2014, the Company had repurchased approximately 43,262 shares.

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](http://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, 2014	Three Months Ended March 31, 2013
Interest Income	\$ 3,053	\$ 2,937
Interest Expense	<u>346</u>	<u>425</u>
Net interest income	2,707	2,512
Provision for loan losses	<u>50</u>	<u>-</u>
Net interest income after Provision for losses	<u>2,657</u>	<u>2,512</u>
Non-interest income	322	413
Non-interest expense	<u>2,043</u>	<u>1,949</u>
Income before taxes	936	976
Income taxes	<u>313</u>	<u>334</u>
Net Income	623	642
Preferred Stock Dividends	-	(35)
Accretion of Discount, net	<u>-</u>	<u>(10)</u>
Net Income available for common shareholders	<u>\$ 623</u>	<u>\$ 597</u>
Net Income available per basic common share	<u>\$ 0.21</u>	<u>\$ 0.20</u>

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

	March 31, 2014 (un-audited)	December 31, 2013* (un-audited)	March 31, 2013 (un-audited)
<b>Assets</b>			
Cash and due from banks	\$ 4,704	\$ 5,896	\$ 3,240
Overnight investments	4,387	3,825	17,482
Investment securities AFS	67,376	68,118	67,941
Loans	233,541	222,830	209,897
Less Allowance for loan losses	<u>(3,904)</u>	<u>(3,850)</u>	<u>(4,057)</u>
Net Loans	229,637	218,980	205,840

<b>Other Real Estate Owned</b>	<b>713</b>	<b>520</b>	<b>386</b>
<b>Other Assets</b>	<u><b>15,179</b></u>	<u><b>14,620</b></u>	<u><b>12,451</b></u>
<b>Total Assets</b>	<u><u><b>\$ 321,996</b></u></u>	<u><u><b>\$ 311,959</b></u></u>	<u><u><b>\$ 307,340</b></u></u>

**Liabilities & Stockholders' Equity**

**Liabilities**

<b>Deposits</b>	<b>\$ 262,633</b>	<b>\$ 261,393</b>	<b>\$ 252,918</b>
<b>FHLB Advances</b>	<b>28,000</b>	<b>20,000</b>	<b>21,500</b>
<b>Other liabilities</b>	<u><b>890</b></u>	<u><b>838</b></u>	<u><b>754</b></u>
<b>Total liabilities</b>	<b>291,523</b>	<b>282,231</b>	<b>275,172</b>

**Stockholders' Equity**

<b>Preferred stock, Series A &amp; B</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,772</b>
<b>Common stock, no par value</b>	<b>27,014</b>	<b>27,107</b>	<b>25,528</b>
<b>Retained earnings</b>	<b>3,821</b>	<b>3,198</b>	<b>3,255</b>
<b>Accumulated other comprehensive income (loss)</b>	<u><b>(362)</b></u>	<u><b>(577)</b></u>	<u><b>613</b></u>
<b>Total stockholders' equity</b>	<u><u><b>\$ 30,473</b></u></u>	<u><u><b>\$ 29,728</b></u></u>	<u><u><b>\$ 32,168</b></u></u>

**Total liabilities and stockholders' equity**

<u><u><b>\$ 321,996</b></u></u>	<u><u><b>\$ 311,959</b></u></u>	<u><u><b>\$ 307,340</b></u></u>
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\* Derived from audited financial statements