

Press Release: July 24, 2012

FOR IMMEDIATE RELEASE
For More Information Contact:
Fritz W. Anderson, II
President, Chief Executive Officer,
And Chairman
FPB Financial Corp.
(985) 345-1880

FPB FINANCIAL CORP. ANNOUNCES
2012 SECOND QUARTER RESULTS AND DECLARES DIVIDENDS

Hammond, LA -- FPB Financial Corp. (OTCQB:FPBF), the holding company for Florida Parishes Bank, announced financial results for the second quarter ended June 30, 2012.

Earnings

Net income for the second quarter of 2012 totaled \$526,000 an increase of 29.9% from \$405,000 in the 2011 period. Net income per fully diluted common share for the quarter was \$1.49 as compared to \$1.13 in the 2011 second quarter. Return on common stockholders' equity (ROE) increased to 12.6% for the period.

Second quarter earnings, when compared to the 2011 period, were positively affected by an increase of \$264,000 in net-Interest Income; a \$234,000 increase in non-Interest Income, primarily due to a \$221,000 gain on sale of investments and foreclosed assets; and from a decrease in Provision for Loan Losses of \$210,000. Earnings were adversely affected by a \$271,000, or 16.6% increase in non-interest expenses, primarily due to increased compensation and employee benefits to existing officers and staff and increased compensation expense associated with staffing our new branch in Amite, LA which opened November 1, 2011.

Asset Quality

Total non-performing assets at June 30, 2012 increased \$925,000, or 29.0%, to \$4.0 million when compared to June 30, 2011. Total non-performing assets on March 31, 2012 were \$3.9 million. The Company's allowance for loan losses increased to \$3.0 million, or 7.1% when compared to the Company's allowance of \$2.8 million on June 30, 2011.

Net loan charge-offs for the second quarter totaled \$160,000, down 28.9% from \$225,000 in the 2011 second quarter and down 38.9% from \$262,000 in the first quarter of 2012.

Performing troubled debt restructured (TDR's) as of June 30 totaled \$3.1 million, or a decrease of \$309,000 from June 30, 2011. Performing TDR's totaled \$3.2 million on March 31, 2012.

Balance Sheet and Capital

Total Assets at June 30, 2012 increased to \$188.2 million, or 7.5% when compared to June, 30, 2011. The increase in total assets was primarily attributed to an increase of \$14.6 million in available-for-sale investment securities. Total Liabilities increased 7.1% to \$171.3 million primarily due to an increase of \$14.5 million in total deposits to \$146.5 million on June 30, 2012. Federal Home Loan Bank advances decreased 13.3% in the twelve month period to \$20.8 million. Both Non-interest bearing deposits and Non-maturity deposits increased in the twelve month period ending June 30, 2012.

Common Stockholders' Equity increased by a net of \$1.7 million, or 11.2% to \$16.9 million for the twelve month period ending June 30, 2012, primarily due to an increase of \$1.6 million in retained earnings. Tangible Common Stockholders' equity increased to a total of \$16.8 million at June 30, 2012.

Our subsidiary, Florida Parishes Bank, is considered "well capitalized" by all applicable federal banking regulations and definitions as of June 30, 2012.

FPB Financial Corp. reported the following for the period ending June 30, 2012, and as compared to June 30, 2011:

- Total Assets increased to \$188.2 million, or 7.5%
- Net Income increased \$102,000, or 11.6%
- Net Interest Margin increased to 5.17%
- Non-Interest Bearing deposits increased to \$28.8 million, or 20.5%
- Non-maturity Deposits increased \$11.1 million, or 12.2%
- Tangible Common Stockholders' Equity increased \$1.7 million, or 11.1%

- Tangible Common Book Value increased to \$ 47.68, or 10.5%
- Allowance for Loan Losses increased to \$3.0 million, or 7.1%

FPB Financial Corp. is headquartered in Hammond, LA and is the parent company of Florida Parishes Bank. The Company's common stock is traded under the "FPBF" symbol.

This news release contains certain forward-looking statements, including statements about the financial condition, results of operations and earnings outlook for FPB Financial Corp. and its subsidiaries. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as "believe," "expect," "anticipate," "estimate" and "intend" or future or conditional verbs such as "will," "would," "should," "could" or "may." Forward-looking statements, by their nature, are subject to risks and uncertainties. A number of factors, many of which are beyond the Company's control, could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. These factors include, among others, the following: general economic conditions, changes in interest rates, deposit flows, the cost of funds, changes in credit quality, interest rate risks associated with the Company's business and operations and the adequacy of our allowance for loan losses. Other factors include changes in our loan portfolio, changes in competition, fiscal and monetary policies and legislation and regulatory changes. We undertake no obligation to update any forward-looking statements.

FPB Financial Corp.

<u>Selected Balances</u>	<u>June 30,</u> <u>2012</u> <u>(Unaudited)</u>	<u>June 30,</u> <u>2011</u> <u>(Unaudited)</u>	<u>%</u> <u>Change</u>	<u>March 31,</u> <u>2012</u> <u>(Unaudited)</u>	<u>%</u> <u>Change</u>
Cash and Cash Equivalents Including Interest & Non-interest earning deposits	\$8,637,795	\$13,127,682	(34%)	\$18,557,941	(53%)
Net Loans	124,618,331	122,310,968	2	123,758,131	1
Foreclosed Assets	868,231	193,336	350	480,688	81
Non-Performing Assets (Includes Foreclosed Assets)	3,997,023	3,071,596	30	3,932,285	2
Allowance for Loan Losses	3,018,703	2,829,188	7	3,036,477	(1)
Total Assets	188,202,135	175,118,317	7	188,079,694	0
Non-Interest Bearing Deposits	28,822,902	23,864,037	21	28,765,949	0
Interest-Bearing Deposits	117,659,092	108,124,732	9	120,742,097	(3)
Non-Maturity Deposits (Included in interest and non-interest bearing deposits)	102,034,162	90,861,158	12	102,830,753	(1)
Brokered Deposits (Included in interest-bearing deposits)	6,809,798	7,128,026	(4)	6,834,596	0
FHLB Advances	20,847,650	23,973,008	(13)	18,004,684	16
Subordinated Debentures/Trust Preferred Securities	3,093,000	3,093,000	0	3,093,000	0
Tangible Common Stockholders' Equity	16,773,884	15,102,672	11	16,308,164	3
Total Common Stockholders' Equity	16,942,288	15,208,798	11	16,549,948	2

CONSOLIDATED STATEMENTS OF EARNINGS

	For the Three Months Ended			For the Six Months Ended	
	June 30, 2012 (Unaudited)	March 31, 2012 (Unaudited)	June 30, 2011 (Unaudited)	June 30, 2012 (Unaudited)	June 30, 2011 (Unaudited)
INTEREST AND DIVIDEND INCOME:					
Mortgage Loans	\$2,057,109	\$2,125,574	\$2,042,430	\$4,182,683	\$4,023,523
Consumer Loans	219,407	222,352	237,244	441,759	466,639
Commercial Loans	59,619	72,810	66,333	132,429	131,374
Consumer & Commercial Lines of Credit	47,112	45,736	42,570	92,847	82,619
Investment Securities and Deposits	<u>115,036</u>	<u>163,101</u>	<u>101,134</u>	<u>278,138</u>	<u>228,149</u>
TOTAL INTEREST AND DIVIDEND INCOME	<u>2,498,283</u>	<u>2,629,573</u>	<u>2,489,711</u>	<u>5,127,856</u>	<u>4,932,304</u>
INTEREST EXPENSE:					
Deposits	240,670	223,954	250,193	464,624	548,101
Federal Home Loan Bank Advances	114,873	145,559	152,507	260,432	309,939
Other	<u>28,248</u>	<u>28,784</u>	<u>26,942</u>	<u>57,031</u>	<u>53,323</u>
TOTAL INTEREST EXPENSE	<u>383,791</u>	<u>398,297</u>	<u>429,642</u>	<u>782,087</u>	<u>911,363</u>
NET INTEREST INCOME	2,114,492	2,231,276	2,060,069	4,345,769	4,020,941
Provisions for loan losses	<u>142,000</u>	<u>265,000</u>	<u>351,828</u>	<u>407,000</u>	<u>461,828</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>1,972,492</u>	<u>1,966,276</u>	<u>1,708,241</u>	<u>3,938,769</u>	<u>3,559,113</u>
NON-INTEREST INCOME:					
Service charge on deposits	178,249	176,947	188,381	355,196	353,613
Mortgage Banking Fees	177,774	186,060	163,606	363,834	330,320
Interchange Fees	107,070	101,902	90,473	208,973	176,797
Loan Fees and Charges	44,520	51,485	41,580	96,004	84,673
Gain/(Loss) on Sale of Investments and Foreclosed Assets	216,325	(27,991)	(4,910)	188,334	2,806
Gain/(Loss) on Trading Accounts	(22,330)	15,896	(15,720)	(6,434)	(24,412)
Other	<u>22,433</u>	<u>37,878</u>	<u>27,036</u>	<u>59,847</u>	<u>64,637</u>
TOTAL NON-INTEREST INCOME	<u>724,041</u>	<u>542,177</u>	<u>490,446</u>	<u>1,265,754</u>	<u>988,434</u>
NON-INTEREST EXPENSE:					
Compensation and Employee Benefits	1,093,820	1,070,651	930,252	2,164,471	1,855,306
Occupancy, Property Taxes, and Equipment	209,432	208,596	200,905	418,028	399,897
Technology and Information Processing	150,121	137,263	135,529	287,384	271,094
Regulatory Fees	82,358	81,787	112,244	164,145	222,581
Professional Fees	80,987	53,530	40,588	135,517	103,477
Foreclosed Assets	15,437	31,013	10,545	46,450	20,340
Other	<u>269,352</u>	<u>252,048</u>	<u>200,451</u>	<u>519,936</u>	<u>383,458</u>
TOTAL NON-INTEREST EXPENSE	<u>1,901,507</u>	<u>1,834,888</u>	<u>1,630,514</u>	<u>3,735,931</u>	<u>3,256,153</u>
INCOME BEFORE INCOME TAXES	795,026	673,565	568,173	1,468,592	1,291,394

Income Tax Expense	<u>269,497</u>	<u>214,441</u>	<u>162,820</u>	<u>483,939</u>	<u>408,715</u>
NET INCOME	<u>525,529</u>	<u>459,124</u>	<u>405,353</u>	<u>984,653</u>	<u>882,679</u>
<u>PER COMMON SHARE DATA:</u>					
Net Earnings	\$1.49	\$1.31	\$1.13	\$2.80	\$2.44
Diluted Net Earnings	\$1.49	\$1.30	\$1.13	\$2.79	\$2.42
Revenue (Net Interest Income and Non-Interest Income)	\$8.07	\$7.89	\$7.11	\$15.96	\$13.86
Dividends Paid	\$0.17	\$0.16	\$0.15	\$0.33	\$0.30
Book Value Period End	\$48.16	\$47.04	\$43.46	\$48.16	\$43.46
Tangible Book Value Period End	\$47.68	\$46.35	\$43.16	\$47.68	\$43.16
<u>RATIOS:</u>					
ROA (Annualized Net Income to Average Period Assets)	1.12%	1.02%	0.91%	1.07%	1.00%
ROE (Annualized Net Income to Average Period Total Stockholders' Equity)	12.58%	11.22%	10.59%	11.91%	11.66%
Net Interest Margin (Average) for the period	4.92%	5.44%	5.07%	5.17%	5.00%
Non-Interest Expense less Non-Interest Income to Average Period Total Assets (Annualized)	2.51%	2.88%	2.56%	2.69%	2.58%
Efficiency Ratio for the Period	66.99%	66.16%	63.93%	66.58%	65.00%
Net Loan Charge-Offs (Recoveries) for the Period to Average Period Net Loans (Annualized)	\$159,774 0.52%	\$261,805 0.84%	\$224,526 0.74%	\$421,579 0.68%	\$247,259 0.41%
TDRs (Performing) at Period End to Average Period Net Loans	\$3,124,881 2.51%	\$3,197,794 2.55%	\$3,433,778 2.84%	\$3,124,881 2.50%	\$3,433,778 2.86%
Non-Performing Assets at Period End to Average Period Total Assets	\$3,997,023 2.12%	\$3,932,285 2.18%	\$3,071,596 1.72%	\$3,997,023 2.16%	\$3,071,596 1.73%
Allowance for Loan Losses at Period End to Average Period Net Loans to Non-Performing Assets at Period End	\$3,018,703 2.43% 75.52%	\$3,036,477 2.42% 77.22%	\$2,829,188 2.34% 92.11%	\$3,018,703 2.42% 75.52%	\$2,829,188 2.35% 92.11%

CONSOLIDATED STATEMENTS OF CONDITION

	June 30, 2012 (Unaudited)	June 30, 2011 (Unaudited)	% Change	March 31, 2012 (Unaudited)	% Change
<u>ASSETS:</u>					
Cash and Cash Equivalents including Interest and Non-Interest Earning Deposits	\$8,637,795	\$13,127,682	(34%)	\$18,557,941	(53%)
Certificates of Deposit	2,986,000	1,000,000	199	3,986,000	(25)
Securities – Available for Sale	41,175,614	26,561,690	55	31,392,136	31
Trading Securities	192,189	2,310,974	(92)	215,069	(11)
Net Loans	124,618,331	122,310,968	2	123,758,131	1
Accrued Interest Receivable	539,249	532,223	1	580,089	(7)
Premises and Equipment, Net	7,710,379	7,673,113	0	7,788,911	(1)
Foreclosed Assets	868,231	193,336	350	480,688	81
Other Assets	<u>1,474,347</u>	<u>1,408,331</u>	<u>5</u>	<u>1,320,729</u>	<u>12</u>
TOTAL ASSETS	<u>\$188,202,135</u>	<u>\$175,118,317</u>	<u>7</u>	<u>\$188,079,694</u>	<u>0</u>
<u>LIABILITIES:</u>					

Deposits	146,481,994	131,988,769	11	149,508,046	(2)
Federal Home Loan Bank Advances	20,847,650	23,973,008	(13)	18,004,684	16
Subordinated debentures/trust preferred securities	3,093,000	3,093,000	0	3,093,000	0
Other Liabilities	<u>837,203</u>	<u>854,742</u>	<u>(2)</u>	<u>924,016</u>	<u>(9)</u>
TOTAL LIABILITIES	<u>\$171,259,847</u>	<u>\$159,909,519</u>	<u>7</u>	<u>\$171,529,746</u>	<u>0</u>
<u>STOCKHOLDERS' EQUITY:</u>					
Common Stock	\$4,433	\$4,285	3	\$4,433	0
Capital Surplus	6,279,173	6,258,751	0	6,279,173	0
Retained Earnings	12,293,151	10,668,116	15	11,827,431	4
Unearned Compensation	(19,405)	(45,012)	57	(19,405)	0
Treasury Stock	(1,783,468)	(1,783,468)	0	(1,783,468)	0
Other Comprehensive Income (Loss)	<u>168,404</u>	<u>106,126</u>	<u>59</u>	<u>241,784</u>	<u>(30)</u>
Total Stockholders' Equity	<u>16,942,288</u>	<u>15,208,798</u>	<u>11</u>	<u>16,549,948</u>	<u>2</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$188,202,135</u>	<u>\$175,118,317</u>	<u>7%</u>	<u>\$188,079,694</u>	<u>0%</u>

Fritz W. Anderson II, Chairman of the Board announced today that "On July 12, 2012, the Board of Directors of FPB Financial Corp. declared a cash dividend on the common stock of the company bearing Cusip #302549 10 0. The dividend rate increased to \$0.18 per share and will be paid on September 25, 2012 to stockholders of record at the close of business on September 10, 2012."