

Press Release: July 20, 2010

FOR IMMEDIATE RELEASE
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FPB FINANCIAL CORP. ANNOUNCES
2010 SECOND QUARTER EARNINGS AND DECLARES DIVIDENDS

Hammond, LA -- FPB Financial Corp. (PINKSHEETS:FPBF), the holding company for Florida Parishes Bank, announced earnings for the quarter ended June 30, 2010.

Net income available to common shareholders for the three month period ending June 30, 2010 decreased 18.4% to \$422,000; (\$1.15 diluted available earnings per common share) compared to \$516,000 (\$1.45 diluted available earnings per common share) in the 2009 period.

Earnings for the quarter were affected by increases in net interest income of \$155,000, provisions for loan losses of \$75,000, non-interest expense of \$106,000, and a decrease in total non-interest income of \$62,000, as compared to the second quarter of 2009.

Net interest income in the quarter increased 8.7% primarily due to our net interest margin increasing to 4.95% from 4.34%.

Provisions for loan losses increased 75% to \$175,000 due to an increase in non-performing assets. Non-performing assets increased to \$3.3 million, or 1.91% of average total assets compared to \$1.3 million, or 0.71% of average total assets at June 30, 2009. Net loan charge-offs totaled \$230,000 for the three month period compared to \$40,000 in the first quarter of 2010 and \$36,000 in the three months ending June 30, 2009. Allowance for loan losses increased in the twelve month period ending June 30, 2010 to \$2.3 million, or 69.7% of non-performing assets.

Non-interest expenses increased 6.9% due to increases in compensation, technology and information processing, and other expense.

Non-interest income decreased \$62,000 or 9.1% due to a \$71,000 decline in gain on sale of real estate/investments, and a \$57,000 decline on investment trading accounts.

Total assets decreased 8.6% to \$170.1 million as compared to June 30, 2009, primarily due to a \$7.6 million decrease in cash and cash equivalents and a \$1.7 million decrease in net loans. Total deposits declined \$8.1 million, due to a reduction in time deposits. Non-maturity demand/transaction/saving deposits increased \$5.3 million, or 7.1%.

Net premises & equipment decreased \$1.2 million or 12.8% as compared to June 30, 2009, primarily due to the 2009 sale of the bank's former main office facility and the 2010 transfer of \$649,000 from net premises and equipment to other real estate owned (OREO). This transfer at the lower of cost or appraised value of two real estate parcels previously held in net premises and equipment for future branch development are, at June 30, 2010, now held as OREO and listed for sale at market value.

Total stockholders equity decreased \$931,000, or 6.1% to \$14.4 million for the twelve month period ending June 30, 2010, due to a \$3.4 million, redemption of Series A and Series B Preferred Stock which was partially offset by a \$1.9 million increase in retained earnings. Total tangible common equity increased \$2.3 million, or 19.1% to \$14.4 million, primarily due to the increase in retained earnings

Our subsidiary, Florida Parishes Bank, is considered "well capitalized" by all applicable federal banking regulations and definitions as of June 30, 2010.

FPB Financial Corp. reported the following for June 30, 2010, and as compared to June 30, 2009:

- Net Interest Margin increased to 4.95% from 4.34%
- Net Interest income increased \$155,000, or 8.7%
- Non-maturity deposits increased \$5.3 million, or 7.1%
- Tangible Common Stockholders' Equity increased \$2.3 million, or 19.1%
- Tangible Common Book Value per share increased to \$39.23, or 15.1%
- Allowance for Loan Losses increased to \$2.3 million

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, 2010</u> (Unaudited)	<u>March 31, 2010</u> (Unaudited)	<u>June 30, 2009</u> (Unaudited)
Cash and Cash Equivalents	\$14,650,738	\$14,624,235	\$22,269,570
Investment and Mortgaged-backed Securities	14,783,997	12,601,735	14,001,157
Net Loans	130,665,499	132,275,591	132,411,716
Other Real Estate Owned (OREO)	649,491	156,828	36,000
Non-Performing Assets (Includes OREO)	3,270,674	1,448,247	1,265,943
Allowance for Loan Losses	2,258,188	2,313,376	2,062,997
Total Assets	170,099,652	169,623,231	178,737,896
Non-Interest Bearing Deposits	20,123,747	19,743,132	20,534,338
Interest-Bearing Deposits	106,357,036	103,537,881	114,049,772
Non-Maturity Deposits (Included in interest and non-interest bearing deposits)	80,377,355	79,240,662	75,037,212
Brokered Deposits (Included in interest-bearing deposits)	6,152,947	5,403,266	7,991,332
FHLB Advances	25,379,298	25,935,660	24,161,756
Subordinated Debentures/Trust Preferred Securities	3,093,000	3,093,000	3,093,000
Tangible Common Stockholders' Equity (Includes other comprehensive income (OCI))	14,410,112	13,978,579	12,100,569
Tangible Common Book Value per Share (Includes OCI)	\$39.23	\$38.06	\$34.09

CONSOLIDATED STATEMENTS OF EARNINGS

	For the Three Months Ended			For the Six Months Ended	
	June 30, 2010 (Unaudited)	March 31, 2010 (Unaudited)	June 30, 2009 (Unaudited)	June 30, 2010 (Unaudited)	June 30, 2009 (Unaudited)
INTEREST INCOME:					
Mortgage Loans	\$2,122,376	\$2,091,469	\$2,000,381	\$4,213,845	\$3,973,507
Consumer Loans	210,801	206,137	326,542	416,938	621,009
Commercial Loans	66,054	58,440	69,582	124,494	127,019
Consumer & Commercial Lines of Credit	38,877	35,120	31,585	73,994	62,754
FHLB stock and other Investment Securities/Deposits	63,771	56,074	55,644	119,845	110,165
Mortgage-backed securities	<u>57,971</u>	<u>67,121</u>	<u>143,651</u>	<u>125,092</u>	<u>282,967</u>
TOTAL INTEREST INCOME	<u>2,559,847</u>	<u>2,514,361</u>	<u>2,627,385</u>	<u>5,074,208</u>	<u>5,177,421</u>
INTEREST EXPENSE:					
Deposits	396,882	364,286	543,512	761,168	1,120,405
Federal Home Loan Bank Advances	195,627	203,508	263,458	399,135	536,263
Subordinated Debentures/ Trust Preferred Securities	<u>26,756</u>	<u>25,909</u>	<u>34,196</u>	<u>52,665</u>	<u>69,506</u>
TOTAL INTEREST EXPENSE	<u>619,265</u>	<u>593,703</u>	<u>841,166</u>	<u>1,212,968</u>	<u>1,726,174</u>
NET INTEREST INCOME	1,940,582	1,920,658	1,786,219	3,861,240	3,451,247
Provisions for loan losses	<u>175,000</u>	<u>165,000</u>	<u>100,000</u>	<u>340,000</u>	<u>375,000</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>1,765,582</u>	<u>1,755,658</u>	<u>1,686,219</u>	<u>3,521,240</u>	<u>3,076,247</u>
NON-INTEREST INCOME					
Service charge on deposits	236,080	230,342	213,054	466,422	418,661
Mortgage Banking	235,255	141,995	185,774	377,250	381,434
Interchange Fees	76,195	72,415	71,241	148,610	135,898
Loan Fees and Charges	25,246	32,540	20,264	57,786	62,267
Gain/(Loss) on Sale of Real Estate/Investments	16,712	67,232	88,156	83,944	203,449
Gain/(Loss) on Investment Trading Accounts	(104)	39,831	56,484	39,727	70,033
Investment Impairment Charge	0	0	0	0	(169,923)
Other	<u>32,246</u>	<u>30,085</u>	<u>48,558</u>	<u>62,331</u>	<u>141,172</u>
TOTAL NON-INTEREST INCOME	<u>621,630</u>	<u>614,440</u>	<u>683,531</u>	<u>1,236,070</u>	<u>1,242,991</u>
NON-INTEREST EXPENSE					
Compensation and Employee Benefits	900,242	844,867	824,036	1,745,109	1,750,036
Occupancy, Property Taxes, and Equipment	183,246	183,114	190,812	366,360	371,030
Technology and Information Processing	143,438	127,397	106,630	270,835	171,891
Federal Deposit Insurance, Supervisory Fees/Taxes	85,285	88,428	132,583	173,713	253,037

Professional Fees	71,433	67,278	69,423	138,711	110,114
Other	<u>249,346</u>	<u>185,941</u>	<u>203,580</u>	<u>435,287</u>	<u>477,396</u>
TOTAL NON-INTEREST EXPENSE	<u>1,632,990</u>	<u>1,497,025</u>	<u>1,527,064</u>	<u>3,130,015</u>	<u>3,133,504</u>
INCOME BEFORE INCOME TAXES	754,222	873,073	842,686	1,627,295	1,185,734
Income Tax Expense (Benefit)	<u>226,341</u>	<u>265,620</u>	<u>282,450</u>	<u>491,961</u>	<u>454,347</u>
NET INCOME	527,881	607,453	560,236	1,135,334	731,387
Dividends Paid to Preferred Shareholders	42,545	31,645	44,145	74,190	54,936
Accretion of Discount on Preferred Stock	<u>63,150</u>	<u>39,522</u>	<u>0</u>	<u>102,672</u>	<u>0</u>
Net Income Available to Common Shareholders	<u>\$422,186</u>	<u>\$536,286</u>	<u>\$516,091</u>	<u>\$958,472</u>	<u>\$676,451</u>
Available Earnings Per Common Share	\$1.16	\$1.48	\$1.48	\$2.64	\$1.95
Diluted Available Earnings Per Common Share	\$1.15	\$1.46	\$1.45	\$2.61	\$1.91
Dividends Paid per Common Share	\$0.14	\$0.14	\$0.14	\$0.28	\$0.28
Net Income to Average Assets (Annualized)	1.23%	1.49%	1.25%	1.36%	0.83%
Net Income to Average Total Stockholders' Equity (Annualized)	13.25%	15.32%	17.45%	14.32%	11.63%
Net Interest Margin	4.95%	5.12%	4.34%	5.04%	4.23%
Efficiency Ratio	63.73%	59.05%	61.83%	61.41%	66.75%
Net Loan Charge-Off/(Recoveries) to Average Net Loans	\$230,187 0.17%	\$40,633 0.03%	\$35,739 0.03%	\$270,421 0.21%	\$41,671 0.04%
Non-Performing Assets to Average Total Assets	3,270,674 1.91%	1,448,247 0.87%	1,265,943 0.71%	3,270,674 1.94%	1,265,943 0.71%
Allowance for Loan Losses to Average Net Loans	2,258,188 1.71%	2,313,376 1.75%	2,062,997 1.56%	2,258,188 1.71%	2,062,997 1.55%
to Non-Performing Assets	69.04%	159.74%	162.96%	69.04%	162.96%

CONSOLIDATED STATEMENTS OF CONDITION

	June 30, 2010 (Unaudited)	March 31, 2010 (Unaudited)	June 30, 2009 (Unaudited)
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$14,650,738	\$14,624,235	\$22,269,570
Investment and Mortgage-Backed Securities	14,783,997	12,601,735	14,001,157
Net Loans	130,665,499	132,275,591	132,411,716
Premises and Equipment, Net	7,861,743	8,601,175	9,014,290
Other Real Estate Owned	649,491	156,828	36,000
Other Assets	<u>1,488,184</u>	<u>1,363,667</u>	<u>1,005,163</u>
TOTAL ASSETS	<u>\$170,099,652</u>	<u>\$169,623,231</u>	<u>\$178,737,896</u>
<u>LIABILITIES:</u>			
Deposits	126,480,783	123,281,013	134,584,110

Federal Home Loan Bank Advances	25,379,298	25,935,660	24,161,756
Subordinated debentures/trust preferred securities	3,093,000	3,093,000	3,093,000
Other Liabilities	<u>736,459</u>	<u>996,127</u>	<u>1,558,461</u>
TOTAL LIABILITIES	<u>\$155,689,540</u>	<u>\$153,305,800</u>	<u>\$163,397,327</u>
<u>STOCKHOLDERS' EQUITY:</u>			
Common Stock	\$4,283	\$4,283	\$4,159
Capital Surplus	6,244,738	6,241,972	6,067,599
Retained Earnings	9,111,912	8,740,227	7,179,973
Unearned Compensation	(57,978)	(60,367)	(95,007)
Treasury Stock	(1,227,321)	(1,227,321)	(1,227,321)
Other Comprehensive Income (Loss)	<u>334,478</u>	<u>279,785</u>	<u>171,166</u>
Total Tangible Common Stockholders' Equity	14,410,112	13,978,579	12,100,569
Total Preferred Stockholders' Equity	<u>0</u>	<u>2,338,852</u>	<u>3,240,000</u>
Total Stockholders' Equity	<u>14,410,112</u>	<u>16,317,431</u>	<u>15,340,569</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$170,099,652</u>	<u>\$169,623,231</u>	<u>\$178,737,896</u>

Fritz W. Anderson II, Chairman of the Board announced today that "On July 8, 2010, 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 will be \$0.14 per share and will be paid on September 24, 2010 to stockholders of record at the close of business on September 10, 2010."