

Press Release: October 20, 2010

FOR IMMEDIATE RELEASE
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FPB FINANCIAL CORP. ANNOUNCES
2010 THIRD 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 September 30, 2010.

Net income available to common shareholders for the three month period ending September 30, 2010 decreased to \$439,000; (\$1.19 diluted available earnings per common share) compared to \$843,000 (\$2.34 diluted available earnings per common share) in the 2009 period.

Earnings for the quarter were affected by increases in net interest income of \$95,000, provisions for loan losses of \$270,000, non-interest expense of \$296,000, and a decrease in total non-interest income of \$236,000, as compared to the third quarter of 2009.

Net interest income in the quarter increased 5.0% primarily due to our net interest margin increasing to 4.98% from 4.76%.

Provisions for loan losses increased 300.0% to \$360,000 due to an increase in non-performing assets and other regional economic factors. Non-performing assets increased to \$3.4 million, or 1.95% of average total assets compared to \$1.1 million, or 0.61% of average total assets at September 30, 2009. Net loan charge-offs totaled \$61,000 for the three month period compared to \$230,000 in the second quarter of 2010 and \$103,000 in the three months ending September 30, 2009. Allowance for loan losses increased in the twelve month period ending September 30, 2010 to \$2.6 million, or 75.6% of non-performing assets.

Non-interest expenses increased 18.9% due to increases in compensation, professional fees, and other expenses.

Non-interest income decreased \$236,000 or 21.4% primarily due to a \$497,000 decline in gain on sale of real estate/investments. Mortgage banking income increased \$288,000, or 171.3% due to an increase in mortgage refinancing volume.

Total assets increased 2.0% to \$173.8 million as compared to September 30, 2009, primarily due to an \$8.8 million increase in cash and cash equivalents offset by a \$7.3 million decrease in net loans. Total deposits increased \$1.2 million. Non-maturity demand/transaction/saving deposits increased \$8.5 million, or 11.2%.

Net premises & equipment decreased \$1.1 million or 12.5% as compared to September 30, 2009, primarily due to the 2009 sale of the bank's former main office facility and the 2010 transfer of \$780,000 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 September 30, 2010, now held as OREO and listed for sale at market value.

Total stockholders equity decreased \$1.7 million, or 10.4% to \$14.7 million for the twelve month period ending September 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 \$1.6 million, or 12.0% to \$14.7 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 September 30, 2010.

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

- Net Interest Margin increased to 5.01% from 4.43%
- Net Interest income increased \$95,000, or 5.0%
- Non-maturity deposits increased \$8.5 million, or 11.2%
- Total Assets increased \$3.5 million, or 2.0%
- Tangible Common Stockholders' Equity increased \$1.6 million, or 12.0%
- Tangible Common Book Value per share increased to \$40.11, or 9.7%
- Allowance for Loan Losses increased to \$2.6 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>Sept 30, 2010</u> (Unaudited)	<u>June 30, 2010</u> (Unaudited)	<u>Sept 30, 2009</u> (Unaudited)
Cash and Cash Equivalents	\$14,905,312	\$14,650,738	\$ 6,103,749
Investment and Mortgaged-backed Securities	19,576,218	14,783,997	17,866,826
Net Loans	129,279,354	130,665,499	136,555,992
Other Real Estate Owned (OREO)	780,000	780,000	118,800
Non-Performing Assets (Includes OREO)	3,382,282	3,270,674	1,006,400
Allowance for Loan Losses	2,557,660	2,258,188	2,050,127
Total Assets	173,846,280	170,099,652	170,376,487
Non-Interest Bearing Deposits	20,685,754	20,123,747	20,645,329
Interest-Bearing Deposits	109,092,755	106,357,036	107,932,788
Non-Maturity Deposits (Included in interest and non-interest bearing deposits)	84,246,936	80,377,355	75,738,011
Brokered Deposits (Included in interest-bearing deposits)	6,155,733	6,152,947	5,438,889
FHLB Advances	25,372,851	25,379,298	20,905,639
Subordinated Debentures/Trust Preferred Securities	3,093,000	3,093,000	3,093,000
Tangible Common Stockholders' Equity (Includes other comprehensive income (OCI))	14,730,768	14,410,112	13,151,351
Tangible Common Book Value per Share (Includes OCI)	\$40.11	\$39.23	\$36.55

CONSOLIDATED STATEMENTS OF EARNINGS

	For the Three Months Ended			For the Nine Months Ended	
	Sept 30, 2010 (Unaudited)	June 30, 2010 (Unaudited)	Sept 30, 2009 (Unaudited)	Sept 30, 2010 (Unaudited)	Sept 30, 2009 (Unaudited)
INTEREST INCOME:					
Mortgage Loans	\$2,119,298	\$2,122,376	\$2,008,764	\$6,333,143	\$5,858,942
Consumer Loans	210,359	210,800	318,297	627,297	939,306
Commercial Loans	70,784	66,054	62,046	195,278	189,065
Consumer & Commercial Lines of Credit	39,812	38,877	106,011	113,806	292,094
FHLB stock and other Investment Securities/Deposits	60,333	63,770	53,836	180,178	164,001
Mortgage-backed securities	<u>50,053</u>	<u>57,970</u>	<u>92,319</u>	<u>175,145</u>	<u>375,286</u>
TOTAL INTEREST INCOME	<u>2,550,639</u>	<u>2,559,847</u>	<u>2,641,273</u>	<u>7,624,847</u>	<u>7,818,694</u>
INTEREST EXPENSE:					
Deposits	365,102	396,882	502,498	1,126,270	1,622,904
Federal Home Loan Bank Advances	174,642	195,627	222,354	573,777	758,617
Subordinated Debentures/Trust Preferred Securities	<u>28,749</u>	<u>26,756</u>	<u>29,280</u>	<u>81,414</u>	<u>98,786</u>
TOTAL INTEREST EXPENSE	<u>568,493</u>	<u>619,265</u>	<u>754,132</u>	<u>1,781,461</u>	<u>2,480,307</u>
NET INTEREST INCOME	1,982,146	1,940,582	1,887,141	5,843,386	5,338,387
Provisions for loan losses	<u>360,000</u>	<u>175,000</u>	<u>90,000</u>	<u>700,000</u>	<u>465,000</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>1,622,146</u>	<u>1,765,582</u>	<u>1,797,141</u>	<u>5,143,386</u>	<u>4,873,387</u>
NON-INTEREST INCOME					
Mortgage Banking	456,356	235,255	168,213	833,606	549,647
Service charge on deposits	248,839	236,080	252,682	715,261	671,343
Interchange Fees	83,121	76,195	71,904	231,731	207,802
Loan Fees and Charges	35,189	25,246	37,193	92,975	99,460
Gain/(Loss) on Sale of Real Estate/Investments	17,374	16,712	514,566	101,318	718,015
Gain/(Loss) on Investment Trading Accounts	(3,123)	(104)	16,716	36,604	86,749
Investment Impairment Charge	0	0	0	0	(169,923)
Other	<u>29,262</u>	<u>32,246</u>	<u>41,348</u>	<u>91,694</u>	<u>182,520</u>
TOTAL NON-INTEREST INCOME	<u>867,018</u>	<u>621,630</u>	<u>1,102,622</u>	<u>2,103,189</u>	<u>2,345,613</u>
NON-INTEREST EXPENSE					
Compensation and Employee Benefits	1,016,409	900,242	828,407	2,761,518	2,578,443
Occupancy, Property Taxes, and Equipment	199,114	183,246	166,434	565,474	537,435
Technology and Information Processing	143,940	143,438	147,258	414,775	319,149
Federal Deposit Insurance, Supervisory Fees/Taxes	90,015	85,285	128,559	263,728	381,596

Professional Fees	102,141	71,433	49,770	240,852	159,884
Other	<u>308,448</u>	<u>249,346</u>	<u>243,737</u>	<u>743,742</u>	<u>721,135</u>
TOTAL NON-INTEREST EXPENSE	<u>1,860,067</u>	<u>1,632,990</u>	<u>1,564,165</u>	<u>4,990,089</u>	<u>4,697,642</u>
INCOME BEFORE INCOME TAXES	629,097	754,222	1,335,598	2,256,486	2,521,358
Income Tax Expense (Benefit)	<u>190,109</u>	<u>226,341</u>	<u>448,896</u>	<u>682,070</u>	<u>903,241</u>
NET INCOME	438,988	527,881	886,702	1,574,416	1,618,117
Dividends Paid to Preferred Shareholders	0	42,545	44,145	74,190	99,081
Accretion of Discount on Preferred Stock	<u>0</u>	<u>63,150</u>	<u>0</u>	<u>102,672</u>	<u>0</u>
Net Income Available to Common Shareholders	<u>\$438,988</u>	<u>\$422,186</u>	<u>\$842,557</u>	<u>\$1,397,554</u>	<u>\$1,519,036</u>
Available Earnings Per Common Share	\$1.21	\$1.16	\$2.39	\$3.85	\$4.35
Diluted Available Earnings Per Common Share	\$1.19	\$1.15	\$2.34	\$3.80	\$4.22
Dividends Paid per Common Share	\$0.14	\$0.14	\$0.14	\$0.42	\$0.42
Net Income to Average Assets (Annualized)	1.01%	1.23%	2.02%	1.24%	1.23%
Net Income to Average Total Stockholders' Equity (Annualized)	11.90%	13.25%	22.02%	13.49%	14.41%
Net Interest Margin	4.98%	4.95%	4.76%	5.01%	4.43%
Efficiency Ratio	65.28%	63.73%	52.32%	62.80%	61.14%
Net Loan Charge-Off/(Recoveries) to Average Net Loans	\$60,529 0.05%	\$230,187 0.17%	\$102,870 0.08%	\$330,949 0.25%	\$144,541 0.11%
Non-Performing Assets to Average Total Assets	3,382,282 1.95%	3,270,674 1.91%	1,066,400 0.61%	3,382,282 1.99%	1,066,400 0.60%
Allowance for Loan Losses to Average Net Loans	2,557,660 1.96%	2,258,188 1.71%	2,050,127 1.52%	2,557,660 1.95%	2,050,127 1.54%
to Non-Performing Assets	75.62%	69.04%	192.23%	75.62%	192.23%

CONSOLIDATED STATEMENTS OF CONDITION

	Sept 30, 2010 (Unaudited)	June 30, 2010 (Unaudited)	Sept 30, 2009 (Unaudited)
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$14,905,312	\$14,650,738	\$6,103,749
Investment and Mortgage-Backed Securities	19,576,218	14,783,997	17,866,826
Net Loans	129,279,354	130,665,499	136,555,992
Premises and Equipment, Net	7,696,355	7,731,234	8,779,567
Other Real Estate Owned	780,000	780,000	118,800
Other Assets	<u>1,609,041</u>	<u>1,488,184</u>	<u>951,553</u>
TOTAL ASSETS	<u>\$173,846,280</u>	<u>\$170,099,652</u>	<u>\$170,376,487</u>
<u>LIABILITIES:</u>			
Deposits	129,778,509	126,480,783	128,578,117
Federal Home Loan Bank			

Advances	25,372,851	25,379,298	20,905,639
Subordinated debentures/trust preferred securities	3,093,000	3,093,000	3,093,000
Other Liabilities	<u>871,152</u>	<u>736,459</u>	<u>1,408,380</u>
TOTAL LIABILITIES	<u>\$159,115,512</u>	<u>\$155,689,540</u>	<u>\$153,985,136</u>
<u>STOCKHOLDERS' EQUITY:</u>			
Common Stock	\$4,283	\$4,283	\$4,207
Capital Surplus	6,244,738	6,244,738	6,128,276
Retained Earnings	9,500,098	9,111,912	7,972,182
Unearned Compensation	(57,978)	(57,978)	(85,980)
Treasury Stock	(1,227,321)	(1,227,321)	(1,227,321)
Other Comprehensive Income (Loss)	<u>266,948</u>	<u>334,478</u>	<u>359,987</u>
Total Tangible Common Stockholders' Equity	14,730,768	14,410,112	13,151,351
Total Preferred Stockholders' Equity	<u>0</u>	<u>0</u>	<u>3,240,000</u>
Total Stockholders' Equity	<u>14,730,768</u>	<u>14,410,112</u>	<u>16,391,351</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$173,846,280</u>	<u>\$170,099,652</u>	<u>\$170,376,487</u>

Fritz W. Anderson II, Chairman of the Board announced today that "On October 14, 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 increased to \$0.36 per share. This dividend rate is composed of a regular quarterly dividend rate of \$0.14 per share and a special year-end dividend of \$0.22 per share and will be paid on December 24, 2010 to stockholders of record at the close of business on December 10, 2010."