

Press Release: April 26, 2017

FOR IMMEDIATE RELEASE

For More Information Contact:

Fritz W. Anderson, II
Chief Executive Officer,
and Chairman, FPB Financial Corp.
Chairman, Florida Parishes Bank
(985) 345-1880

Ronnie Fugarino
President, FPB Financial Corp.
Chief Executive Officer, Florida Parishes Bank
(985) 345-1880

Albert Kelleher
President
Florida Parishes Bank
(985) 345-1880

Derek Shants
Chief Financial Officer
and Chief Operations Officer
FPB Financial Corp. and Florida Parishes Bank
(985) 345-1880

Joe Omner
Executive Vice President, Chief Operating
Officer and Chief Lending Officer
Florida Parishes Bank
(985) 345-1880

FPB FINANCIAL CORP. ANNOUNCES
2017 FIRST QUARTER RESULTS AND DECLARES DIVIDENDS

Hammond, LA -- FPB Financial Corp. (OTCQB:FPBF), the holding company for Florida Parishes Bank (FPB), announced financial results for the 2017 first quarter ended March 31, 2017.

Balance Sheet and Capital

Total Common Stockholders' Equity increased by a net of \$12.8 million, or 47.0% to \$40.0 million for the twelve months ended March 31, 2017. This was primarily due to the sale of 499,113 shares of common stock in a private placement on March 31, 2017. The common shares were sold at a per share price of \$16.75 producing gross proceeds of \$8.4 million. 166,371 warrant shares were authorized in connection with the March 31, 2017 sale of common shares, the warrants which are convertible into common shares were authorized at a conversion price of \$16.75 per share. The warrant holders have until March 31, 2019 to exercise and convert their warrants into common shares. The Company anticipates selling up to 100,887 common shares at a price of \$16.75 per share in the 2017 second quarter. Should these shares be sold the gross proceeds would total \$1.7 million and an additional 33,629 of warrant shares will be authorized with the same terms and expiration date of March 31, 2019. The net proceeds from this common stock issue will be used to fund business development and growth opportunities on both the North and South Shore of Lake Ponchartrain through our subsidiary, Florida Parishes Bank and for general corporate purposes at the Company level.

Capital Surplus increased by \$11.6 million at March 31, 2017 when compared to March 31, 2016. Retained earnings increased by \$1.9 million to \$19.7 million for the twelve month period. Other Comprehensive Income decreased by \$731,000, or 134% from March 31, 2016 to March 31, 2017. Book value per common share increased to \$15.63 as total common shares of 2,561,544 were outstanding at March 31, 2017 (this common share total does not include 166,371 of authorized warrants). At the Subsidiary Bank level, Tier 1 Capital increased to \$28.6 million at March 31, 2017. Our subsidiary, Florida Parishes Bank, is considered "well capitalized" by all applicable federal banking regulations and definitions as of March 31, 2017.

Total assets at March 31, 2017 increased by 25.5% to \$306.1 million as compared to \$234.9 million at March 31, 2016. The increase in total assets was primarily attributed to a 14.0% increase of \$20 million in net loans, an increase of \$19.8 million in securities available for sale, and a \$17.8 million increase in cash and cash equivalents. Total liabilities increased by 22.8% to \$266.1 million primarily due to an increase of \$54.1 million, or 26.7% in total deposits to \$257.1 million and offset by a decrease of \$4.5 million or 49.0% in Federal Home Loan Bank (FHLB) advances.

Earnings - (Per Share Data Adjusted for a 3 for 2 Stock Split on March 31, 2016)

Net income in the 2017 first quarter decreased 39.6% to \$469,000 (\$0.23 per fully diluted common share) as compared to the 2016 first quarter net income of \$776,000 (\$0.42 per fully diluted common share). Although Revenue increased by \$268,000, or 7.1% in the twelve month period ended March 31, 2017, net income for the 2017 period declined primarily due to increases in Compensation and Employee Benefits expenses along with Occupancy and Other expenses associated in the opening of a new banking center in Metairie, LA. Total Non-Interest income decreased by 8.1% to \$837,000 in the 2017 period, primarily due to FPB not recording a gain on the sale of investments and foreclosed assets in 2017 and recording a \$123,000 gain in the 2016 period. Mortgage banking revenue increased in 2017 by 12.8% to \$295,000 and interchange revenue increased to \$178,000, or 15.1%. Total Non-Interest expenses increased by \$581,000, or 24.4%. Provisions for Loan Losses increased by 372% to \$125,000 in the 2017 period. Earnings per share (EPS) decreased by 45.2%, primarily due to the decline in net income, EPS was also affected by the Company issuing new common shares in July 2016 and in March 2017.

Items and per share data of note as of March 31, 2017, compared to March 31, 2016.

- Total Common stockholders' Equity increased to \$40.0 million, or 47.0%
- Book Value per common share increased by 7.1% to \$15.63
- Cash Dividends paid to common shareholders total \$103,000 in 2017 and \$87,000 in 2016
- Net Interest Income (before provisions for loan losses) increased to \$2.9 million or 10.9%
- Non-Interest Bearing deposits increased by 24.2% to \$68.5 million
- Non-Maturity Deposits increased by 32.5% to \$216.8 million
- FHLB Advances decreased by 49.0% to \$4.7 million
- Net Loans increased to \$162.7 million or 14.0%
- Total Assets increased by 25.5% to \$306.1 million
- Allowance for Loan Losses increased to \$3.4 million, or 3.4%

Asset Quality

Total non-performing assets at March 31, 2017 increased by \$660,000, or 26.8% to \$3.1 million as compared to March 31, 2016. The increase in non-performing assets were primary attributed to increases in loans secured by 1-4 family residential properties that are past due 90 days and still accruing or on nonaccrual. At March 31, 2017, \$1.5 million of the \$3.1 million total non-performing assets were loans secured by 1-4 family residential properties, \$677,000 in residential and non-residential construction loans and \$531,000 of OREO. Non-performing assets at December 31, 2016 were \$2.2 million. The Company's allowance for loan losses increased by 3.4% to \$3.4 million at March 31, 2017 while decreasing from 134.7% to 109.9% of total non-performing assets. Total allowance for loan losses were \$3.3 million at December 31, 2016.

Net loan charge-offs for the 2017 first quarter totaled \$31,000 an increase from \$53,000 of net loan recoveries in the 2016 first quarter. Net loan charge-offs were \$156,000 in the 2016 fourth quarter. Troubled Debt Restructured (TDR's) cumulative total through March 31, 2017 was \$3.4 million (of which \$1.5 million are past due (\$637,000 are 30 to 90 days past due and \$904,000 are on nonaccrual)), an increase of \$656,000, or 24.2% from March 31, 2016. TDR's at December 31, 2016 totaled \$3.4 million.

Other News – New Member of Executive Management and Opening of a New Branch Office

On January 23, 2017, Albert C. Kelleher joined Florida Parishes Bank as the Bank's President. Mr. Kelleher brings over 28 years of banking relationships and a wide range of banking experience in Southeast Louisiana to FPB. His primary responsibilities will be for strategic initiatives and business development for FPB in the Greater New Orleans region.

FPB opened a new full service banking facility located at 1041 Veterans Blvd. in Metairie, LA on March 15, 2017.

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>March 31,</u> <u>2017</u> <u>(Unaudited)</u>	<u>March 31,</u> <u>2016</u> <u>(Unaudited)</u>	<u>%</u> <u>Change</u>	<u>Dec. 31,</u> <u>2016</u>	<u>%</u> <u>Change</u>
Tangible Common Stockholders' Equity	\$40,024,202	\$27,222,850	47	\$31,122,382	29
Total Assets	306,110,828	243,901,836	26	299,319,113	2
Net Loans	162,737,413	142,730,721	14	160,595,181	1
Non-Interest Bearing Deposits	68,533,045	55,185,955	24	67,565,911	1
Non-Maturity Deposits (Included in Interest and non-interest bearing deposits)	216,799,252	163,601,365	33	204,402,513	6
Brokered Deposits (Included in interest-bearing deposits)	4,007,542	1,401,705	186	5,400,997	(26)
FHLB Advances	4,675,000	9,165,000	(49)	10,700,000	(56)
Foreclosed Assets	129,470	40,680	218	129,470	-
Non-Performing Assets (includes Foreclosed Assets)	3,125,129	2,465,355	27	2,165,737	44
Allowance for Loan Losses	3,434,815	3,320,693	3	3,340,404	3

CONSOLIDATED STATEMENTS OF EARNINGS

For the Three Months Ended

	<u>March 31,</u> <u>2017</u> <u>(Unaudited)</u>	<u>Dec. 31,</u> <u>2016</u>	<u>% Change</u>	<u>March 31,</u> <u>2016</u> <u>(Unaudited)</u>	<u>% Change</u>
--	--	--	------------------------	--	------------------------

INTEREST AND DIVIDEND INCOME:

Mortgage Loans	\$2,315,014	\$2,261,610	2	\$2,061,983	12
Consumer Loans	202,973	210,909	(4)	212,115	(4)
Commercial Loans	210,777	227,207	(7)	210,456	-
Investment Securities and Deposits	<u>475,564</u>	<u>386,490</u>	<u>23</u>	<u>377,632</u>	<u>26</u>
TOTAL INTEREST AND DIVIDEND INCOME	<u>3,204,328</u>	<u>3,086,216</u>	<u>4</u>	<u>2,862,186</u>	<u>12</u>

INTEREST EXPENSE:

Deposits	248,272	233,810	6	188,967	31
Federal Home Loan Bank Advances	27,289	26,525	3	32,473	(16)
Subordinated Debentures/Trust Preferred Securities	<u>31,680</u>	<u>30,935</u>	<u>2</u>	<u>28,952</u>	<u>9</u>
TOTAL INTEREST EXPENSE	<u>307,241</u>	<u>291,270</u>	<u>5</u>	<u>250,392</u>	<u>23</u>
NET INTEREST INCOME	2,897,087	2,794,946	4	2,611,794	11
Provisions for loan losses	<u>125,000</u>	<u>75,000</u>	<u>67</u>	<u>26,500</u>	<u>372</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>2,772,087</u>	<u>2,719,946</u>	<u>2</u>	<u>2,585,294</u>	<u>7</u>

NON-INTEREST INCOME:

Mortgage Banking Fees	294,628	333,145	(12)	261,236	13
Service charges on deposits	207,029	203,132	2	217,875	(5)
Interchange Fees	177,874	179,132	(1)	154,503	15
Gain on bank owned life insurance	43,886	46,576	(6)	27,698	58
Loan Fees and Charges	42,842	41,697	3	61,937	(31)
Gain/(Loss) on Sale of Investments and Foreclosed Assets	0	(2,422)	-	122,507	-
Gain/(Loss) on Trading Accounts	(3,358)	16,921	-	(14,158)	76
Other	<u>73,946</u>	<u>59,201</u>	<u>25</u>	<u>78,908</u>	<u>(6)</u>
TOTAL NON-INTEREST INCOME	<u>836,847</u>	<u>877,382</u>	<u>(5)</u>	<u>910,506</u>	<u>(8)</u>

NON-INTEREST EXPENSE:

Compensation and Employee Benefits	1,860,047	1,698,472	10	1,447,185	29
Occupancy, Local and State Taxes, and Equipment	390,312	336,536	16	319,139	22

Technology and Information Processing	227,565	247,666	(8)	219,543	4
Professional Fees	80,133	76,560	5	83,150	(4)
Regulatory Fees	63,365	52,844	20	50,958	24
Other	<u>339,810</u>	<u>397,971</u>	<u>(15)</u>	<u>260,351</u>	<u>31</u>
TOTAL NON-INTEREST EXPENSE	<u>2,961,232</u>	<u>2,810,049</u>	<u>5</u>	<u>2,380,326</u>	<u>24</u>
INCOME BEFORE INCOME TAXES	647,702	787,279	(18)	1,115,474	(42)
Income Tax Expense	<u>179,061</u>	<u>227,211</u>	<u>(21)</u>	<u>339,973</u>	<u>(47)</u>
NET INCOME	<u>468,641</u>	<u>560,068</u>	<u>(16)</u>	<u>775,501</u>	<u>(40)</u>
<u>PER COMMON SHARE DATA:</u>					
<u>(Adjusted for a 3 for 2 Stock Split on March 31, 2016)</u>					
Net Earnings	\$0.23	\$0.27	(15)	\$0.42	(45)
Diluted Net Earnings	\$0.23	\$0.27	(15)	\$0.42	(45)
Dividends Paid	\$0.05	\$0.05	0	\$0.047	6
Revenue (Net Interest Income and Non-Interest Income)	\$1.80	\$1.79	1	\$1.90	(5)
Book Value Period End	\$15.63	\$15.09	4	\$14.60	7
Book value Adjusted Net of Other Comprehensive Income (Loss) Period End	\$15.70	\$15.27	3	\$14.30	10
<u>RATIOS:</u>					
ROA (Annualized Net Income to Average Period Assets)	0.64%	0.80%	(20)	1.28%	(50)
ROE (Annualized Net Income to Average Period Total Stockholders' Equity)	5.80%	7.06%	(18)	11.59%	(50)
Net Interest Margin (Average) for the period	4.35%	4.39%	(1)	4.83%	(10)
Non-Interest Expense less Non-Interest Income to Average Period Total Assets (Annualized)	2.90%	2.75%	(5)	2.43%	(19)
Efficiency Ratio for the Period	79.31%	76.52%	(4)	67.58%	(17)
Net Loan Charge-Offs/(Recoveries) for the Period to Average Period Net Loans (Annualized)	\$30,589 0.08%	\$156,138 0.40%	80 80	\$(53,243) (0.15%)	- -
TDRs at Period End to Average Period Net Loans	\$3,370,199 2.04%	\$3,440,321 2.19%	2 7	\$2,704,848 1.90%	(25) (7)
Non-Performing Assets at Period End to Average Period Total Assets	\$3,125,129 1.05%	\$2,165,737 0.77%	(44) (36)	\$2,465,355 1.02%	(27) (3)

Allowance for Loan Losses at Period End to Average Period Net Loans to Non-Performing Assets at Period End	\$3,434,815 2.08% 109.91%	\$3,340,404 2.13% 154.24%	3 (2) (29)	\$3,320,693 2.33% 134.69%	3 (11) (18)
--	---------------------------------	---------------------------------	------------------	---------------------------------	-------------------

CONSOLIDATED STATEMENTS OF CONDITION

	March 31, 2017 (Unaudited)	March 31, 2016 (Unaudited)	% Change	Dec. 31, 2016	% Change
ASSETS:					
Cash and Cash Equivalents (including Interest & Non-Interest Earnings Deposits)	\$36,551,178	\$17,752,155	106	\$34,265,949	7
Securities- Held to Maturity	3,416,410	4,457,007	(23)	2,922,473	17
Securities- Available for Sale	82,335,124	62,557,617	32	80,714,624	2
Trading Securities	130,467	124,659	5	133,824	(3)
Bank Owned Life Insurance	6,463,460	4,307,306	50	6,419,574	1
Net Loans	162,737,413	142,730,721	14	160,595,181	1
Accrued Interest Receivable	1,095,974	949,100	15	1,141,310	(4)
Premises and Equipment, Net	11,721,344	9,477,988	24	11,616,056	1
Foreclosed Assets	129,470	40,680	218	129,470	-
Other Assets	<u>1,529,988</u>	<u>1,504,603</u>	<u>2</u>	<u>1,380,652</u>	<u>11</u>
TOTAL ASSETS	<u>\$306,110,828</u>	<u>\$243,901,836</u>	<u>26</u>	<u>\$299,319,113</u>	<u>2</u>
LIABILITIES:					
Deposits	\$257,087,845	\$202,983,071	27	\$253,398,720	1
Federal Home Loan Bank Advances	4,675,000	9,165,000	(79)	10,700,000	(56)
Subordinated debentures/trust preferred securities	3,093,000	3,093,000	0	3,093,000	0
Other Liabilities	<u>1,230,781</u>	<u>1,437,915</u>	<u>(14)</u>	<u>1,005,011</u>	<u>22</u>
TOTAL LIABILITIES	<u>\$266,086,626</u>	<u>\$216,678,986</u>	<u>23</u>	<u>\$268,196,731</u>	<u>(1)</u>
STOCKHOLDERS' EQUITY:					
Common Stock	\$13,980	\$12,434	12	\$12,872	9
Capital Surplus	20,508,631	8,911,140	130	12,149,513	69

Retained Earnings	19,685,606	17,752,020	11	19,319,861	2
Other Comprehensive Income (Loss)	<u>(184,015)</u>	<u>547,256</u>	<u>(134)</u>	<u>(359,864)</u>	<u>49</u>
Total Stockholders' Equity	<u>40,024,202</u>	<u>27,222,850</u>	<u>47</u>	<u>31,122,382</u>	<u>29</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$306,110,828</u>	<u>\$243,901,836</u>	<u>26</u>	<u>\$299,319,113</u>	<u>2</u>

Fritz W. Anderson II, Chairman of the Board announced today that "On April 13, 2017, 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 of \$0.05 per share and will be paid on June 26, 2017 to stockholders of record at the close of business on June 12, 2017."