

FOR IMMEDIATE RELEASE
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FPB FINANCIAL CORP. (OTCQB: FPBF), the Holding Company for Florida Parishes Bank,
Announces 2016 Fourth Quarter/Full Year Results and Declares Dividends.

FLORIDA PARISHES BANK Announces a New Member of the Banks's Executive Management.

Hammond, LA -- FPB Financial Corp. (OTCQB: FPBF), the holding company for Florida Parishes Bank, announced financial results for the 2016 period ended December 31, 2016.

Earnings

Net income in the 2016 fourth quarter decreased 15.1% to \$560,000 (\$0.27 per fully diluted common share) as compared to the 2015 fourth quarter net income of \$660,000 (\$0.36 per fully diluted common share). For the year ending December 31, 2016 net income decreased 6.1% to \$2.6 million (\$1.36 per fully diluted common share) as compared to the 2015 period net income of \$2.8 million (\$1.54 fully diluted common share). The decline in net income in both the 2016 fourth quarter and for the 2016 year was primarily attributed to expenses associated with our recently opened new branch in Mandeville, LA and a new Executive Officer who joined The Company and the Bank in January 2016 developing lending and deposit relationships for the Bank in the Greater New Orleans region.

The Company's revenue from net-interest income and non-interest income increased in both the fourth quarter and the full year of 2016. The increase in revenue was offset by a 17.9% (fourth quarter) and a 13.6% (full year) increase in total non-interest expenses, the increase in expenses was primarily attributed to compensation and employee benefits and to a lesser extent to technology and information processing. Provisions for Loan Losses for the year 2016 had a positive effect on net income as provision expense declined by 40% to \$216,000 from \$360,000 in 2015. Return on shareholder equity for the fourth quarter of 2016 was 7.1%, return on equity for 2016 was 9.1%. Earnings per share in both the fourth quarter and the year were affected due to the Company completing the sale of 197,370 shares of our common stock on July 28, 2016 at a price of \$16.50 per share in a private placement for the total gross proceeds of \$3.3 million. The net sales proceeds

are approximately \$3.2 million. The additional capital raised in the private placement will be used to fund growth opportunities.

Items affecting and contributing to the Company's 2016 fourth quarter change in net income when compared to the 2015 quarterly period:

- Net Interest Income increased to \$2.8 million from \$2.6 million in 2015, or 6.0%
- Total Non-Interest Income increased to \$877,000 from \$767,000 in 2015, or 14.4%
- Mortgage banking fees increased to \$333,000 from \$260,000 in 2015, or 28.1%
- Total non-interest expenses increased to \$2.8 million in 2016 from \$2.4 million in 2015, or 17.9%
- Compensation and employee benefits increased to \$1.7 million from \$1.4 million in 2015, or 21.6%

Other items and per share data of note this Year-To-Date (YTD) as of December 31, 2016, compared to December 31, 2015

- Total Revenue (Net interest income and Non-interest income) increased to \$14.4 million or 6.0%
- Net Interest income increased to \$10.9 million or 5.0%
- Non-Interest income increased to \$3.5 million or 9.3%
- Book Value per common share increased by 7.4% to \$15.09
- Total Common Stockholders' Equity increased to \$31.1 million, or 18.7%
- Cash Dividends paid to common shareholders total \$385,000 in 2016 and \$337,000 in 2015
- Non-Interest Bearing Deposits increased by 37.8% to \$67.6 million
- Non-Maturity deposits increased by 32.8% to \$204.4 million
- Total Assets increased by 24.4% to \$299.3 million
- Net Loans increased to \$160.6 million or 13.2%
- FHLB advances decreased by 33.5% to \$10.7 million
- Net-Loan charge-offs increased to \$117,000 in 2016 from \$21,000 in 2015
- Provisions for Loan Losses decreased 40% to \$216,000 from \$360,000 in 2015
- Foreclosed Assets increased to \$129,000 in 2016 from \$41,000 in 2015

Asset Quality

The Company had \$156,000 of net loan charge-offs in fourth quarter of 2016 compared to \$22,000 in the 2015 fourth quarter. Net loan charge-offs were \$8,000 in the 2016 third quarter. Non-performing assets as of December 31, 2016 total \$2.2 million, a 2.3% increase from December 31, 2015. Non-performing assets on September 30, 2016 total \$2.2 million.

Total Troubled Debt Restructured (TDR'S) at December 31, 2016 increased by \$703,000, or 25.7% to \$3.4 million as compared to December 31, 2015. TDR'S that are current (less than 30 days past due) at December 31, 2016 represent \$2.3 million of the \$3.4 million TDR total. Total TDR'S at September 30, 2016 were \$3.2 million. The Company's allowance for loan losses increased from December 31, 2015 by 3.1% to \$3.3 million at December 31, 2016. Total allowance for loan losses were \$3.4 million at September 30, 2016.

Balance Sheet and Capital

Total assets at December 31, 2016 increased by 24.4% to \$299.3 million as compared to \$240.6 million at December 31, 2015. The increase in total assets was primarily attributed to an increase of \$21.1 million in cash and cash equivalents, an increase of \$18.7 million in net loans, an increase of \$13.7 million in investment securities, a \$2.8 million increase in premises and equipment and a \$2.8 million increase in bank owned life insurance. Total liabilities increased by 25.1% to \$268.2 million primarily due to an increase of \$59.0 million, or 30.3% in total deposits to \$253.4 million offset by a decrease of \$5.4 million or 33.5% in Federal Home Loan Bank advances.

Common Stockholders' Equity increased by \$4.9 million, or 18.7%, to \$31.1 million for the twelve months ended December 31, 2016, primarily due to the completion of the \$3.2 million (net) private placement common stock offering on July 28, 2016. Capital surplus increased by \$3.2 million or 36.3% to \$12.1 million. Retained earnings increased by \$2.3 million to \$19.3 million for the twelve month period. Other comprehensive income decreased by \$592,000 at December 31, 2016. Tangible common stockholders' equity increased to \$31.1 million for the period. Book value per common share increased to \$15.09 as total common shares of 2,057,943 were outstanding at December 31, 2016. At the Subsidiary Bank level, Tier 1 Capital increased to \$28.1 million at December 31, 2016.

Other Matters – New Member of Executive Management and a 3 for 2 Stock Split

Effective January 23, 2017, Albert C. Kelleher has joined Florida Parishes Bank as the Bank's President. Mr. Kelleher brings years of banking relationships and wide range of banking experience in Southeast Louisiana to Florida Parishes Bank. His primary responsibilities will be for strategic initiatives and business development for the Bank in the Greater New Orleans region. Initially Mr. Kelleher's office will be in a new full service FPB banking facility located at 1041 Veterans Blvd. in Metairie, LA. This new Metairie office is scheduled to open to the public in March of this year.

On March 31, 2016 a 3 for 2 stock split was paid on our common stock. Primary as a result of the stock split, our total shares issued increased to 2,065,203 shares at December 31, 2016, and our net number of shares

issued and outstanding after subtracting unearned RRP shares increased to 2,057,810 shares. In addition, our per share stock price currently reflects the stock split.

Our subsidiary, Florida Parishes Bank, is considered "well capitalized" by all applicable federal banking regulations and definitions as of December 31, 2016.

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>Dec. 31, 2016 (Unaudited)</u>	<u>Dec. 31, 2015 (Unaudited)</u>	<u>% Change</u>	<u>Sept. 30, 2016 (Unaudited)</u>	<u>% Change</u>
Tangible Common Stockholders' Equity	31,122,382	26,219,613	19%	31,761,541	(2)%
Total Assets	299,319,113	240,640,929	24	268,887,250	11
Net Loans	160,595,181	141,897,400	13	151,668,049	6
Non-Interest Bearing Deposits	67,565,911	49,044,811	38	62,103,473	9
Non-Maturity Deposits (Included in interest and non-interest bearing deposits)	204,402,513	153,930,249	33	184,975,143	11
Brokered Deposits (Included in interest-bearing deposits)	5,400,997	1,549,096	249	1,777,725	204
FHLB Advances	10,700,000	16,078,000	(33)	9,405,000	14
Foreclosed Assets	129,470	40,680	218	129,470	0
Non-Performing Assets (includes Foreclosed Assets and Other Real Estate Owned)	2,165,737	2,117,168	2	2,223,326	(3)
Allowance for Loan Losses	3,340,404	3,240,950	3	3,421,542	(2)

CONSOLIDATED STATEMENTS OF EARNINGS

For the Three Months Ended			For the Twelve Months Ended	
Dec. 31, 2016 (Unaudited)	Sept. 30 2016 (Unaudited)	Dec. 31, 2015 (Unaudited)	Dec. 31, 2016 (Unaudited)	Dec. 31, 2015 (Unaudited)

INTEREST AND DIVIDEND INCOME:

Mortgage Loans	\$2,261,610	\$2,229,953	\$2,068,209	\$8,685,243	\$8,360,250
Commercial Loans	227,207	228,469	206,727	882,296	729,424
Consumer Loans	210,909	211,120	224,387	837,454	903,121
Investment Securities and Deposits	<u>386,490</u>	<u>388,929</u>	<u>378,289</u>	<u>1,545,525</u>	<u>1,317,885</u>
TOTAL INTEREST AND DIVIDEND INCOME	<u>3,086,216</u>	<u>3,058,471</u>	<u>2,877,612</u>	<u>11,950,518</u>	<u>11,310,680</u>
INTEREST EXPENSE:					
Deposits	233,810	216,025	182,671	841,752	681,900
Subordinated debentures/trust Preferred securities	30,935	29,678	26,790	119,038	106,166
Federal Home Loan Bank Advances	<u>26,525</u>	<u>29,747</u>	<u>31,405</u>	<u>118,549</u>	<u>164,838</u>
TOTAL INTEREST EXPENSE	<u>291,270</u>	<u>275,450</u>	<u>240,866</u>	<u>1,079,339</u>	<u>952,904</u>
NET INTEREST INCOME	2,794,946	2,783,021	2,636,746	10,871,179	10,357,776
Provisions for loan losses	<u>75,000</u>	<u>75,000</u>	<u>81,000</u>	<u>216,000</u>	<u>360,000</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>2,719,946</u>	<u>2,708,021</u>	<u>2,555,746</u>	<u>10,655,179</u>	<u>9,997,776</u>
NON-INTEREST INCOME:					
Mortgage Banking Fees	333,145	352,723	260,007	1,296,793	1,198,348
Service Charge on deposits	203,132	224,161	204,967	855,350	786,256
Interchange Fees	179,132	159,230	157,021	654,499	598,881
Gain on bank owned life insurance	46,576	38,184	29,647	139,966	123,690
Loan Fees and Charges	41,697	56,309	48,269	203,920	241,315
Gain/(Loss) on Trading Accounts	16,921	910	2,601	(4,992)	(8,668)
Gain/(Loss) on Sale of Investments and Foreclosed Assets	(2,422)	28,066	9,578	165,846	68,454
Other	<u>59,201</u>	<u>45,490</u>	<u>54,838</u>	<u>236,449</u>	<u>237,639</u>
TOTAL NON-INTEREST INCOME	<u>877,382</u>	<u>905,073</u>	<u>766,928</u>	<u>3,547,831</u>	<u>3,245,915</u>
NON-INTEREST EXPENSE:					
Compensation and Employee Benefits	1,698,472	1,538,730	1,396,784	6,174,112	5,366,743
Occupancy, local and state taxes, and equipment	336,536	348,396	334,512	1,352,807	1,348,483
Technology and Information Processing	247,666	249,244	204,632	940,287	744,146
Professional Fees	76,560	89,062	70,703	354,135	311,659
Regulatory Fees	52,844	52,527	52,304	208,639	205,028
Foreclosed Assets	21,290	40,832	(16,804)	78,263	(15,221)
Other	<u>376,681</u>	<u>337,845</u>	<u>340,765</u>	<u>1,320,732</u>	<u>1,223,514</u>
TOTAL NON-INTEREST EXPENSE	<u>2,810,049</u>	<u>2,656,636</u>	<u>2,382,896</u>	<u>10,428,975</u>	<u>9,184,352</u>
INCOME BEFORE INCOME TAXES	787,279	956,458	939,778	3,774,035	4,059,339
Income Tax Expense	<u>227,211</u>	<u>286,903</u>	<u>279,834</u>	<u>1,132,206</u>	<u>1,245,947</u>
NET INCOME	<u>560,068</u>	<u>669,555</u>	<u>659,944</u>	<u>2,641,829</u>	<u>2,813,392</u>

PER COMMON SHARE DATA: (Adjusted for a 3 for 2 Stock Split)

Net Earnings	\$0.27	\$0.34	\$0.36	\$1.36	\$1.55
Diluted Net Earnings	\$0.27	\$0.34	\$0.36	\$1.36	\$1.54
Revenue (Net Interest Income and Non-Interest Income)	\$1.79	\$1.83	\$1.83	\$7.44	\$7.32
Dividends Paid	\$0.05	\$0.05	\$0.047	\$0.197	\$0.187
Book Value (Period End)	\$15.09	\$15.39	\$14.05	\$15.09	\$14.05
Book Value adjusted Net of Other comprehensive income (Period Ended)	\$15.27	\$15.02	\$13.64	\$15.27	\$13.64
<u>RATIOS:</u>					
ROA (Annualized Net Income to Average Period Assets)	0.80%	1.02%	1.11%	1.02%	1.21%
ROE (Annualized Net Income to Average Period Total Stockholders' Equity)	7.06%	8.77%	10.14%	9.07%	11.38%
Net Interest Margin (Average) for the period	4.39%	4.70%	4.94%	4.67%	4.97%
Non-Interest Expense less Non-Interest Income to Average Period Total Assets (Annualized)	2.75%	2.67%	2.72%	2.66%	2.56%
Efficiency Ratio for the Period	76.52%	72.03%	70.01%	72.33%	67.51%
Net Loan Charge-Offs (Recoveries) for the Period to Average Period Net Loans (Annualized)	\$156,138 0.40%	\$7,779 0.02%	\$21,891 0.06%	\$116,546 0.08%	\$20,937 0.02%
TDR's at Period End to Average Period Net Loans	\$3,440,321 2.19%	\$3,248,646 2.20%	\$2,737,746 1.98%	\$3,440,321 2.32%	\$2,737,746 1.97%
Non-Performing Assets at Period End to Average Period Total Assets	\$2,165,737 0.77%	\$2,223,326 0.85%	\$2,117,168 0.90%	\$2,165,737 0.84%	\$2,117,168 0.91%
Allowance for Loan Losses at Period End to Average Period Net Loans to Non-Performing Assets at Period End	\$3,340,404 2.13% 154.24%	\$3,421,542 2.31% 153.89%	\$3,240,950 2.34% 153.08%	\$3,340,404 2.26% 154.24%	\$3,240,950 2.33% 153.08%

CONSOLIDATED STATEMENTS OF CONDITION

	Dec. 31, 2016 (Unaudited)	Dec. 31, 2015 (Unaudited)	% Change	Sept. 30, 2016 (Unaudited)	% Change
<u>ASSETS:</u>					
Cash and Cash Equivalents (including Interest and Non-Interest Earning Deposits)	\$34,265,949	\$13,176,197	160	\$23,505,723	46
Securities – Held to Maturity	2,922,473	4,456,490	(34)	1,960,711	49
Securities – Available for Sale	80,714,624	65,484,984	23	70,891,481	14
Trading Securities	133,824	138,816	(4)	116,903	14
Bank Owned Life Insurance	6,419,574	4,279,608	50	6,372,998	1
Net Loans	160,595,181	141,897,400	13	151,668,049	6
Accrued Interest Receivable	1,141,310	989,037	15	956,536	19
Premises and Equipment, Net	11,616,056	8,818,959	32	11,696,239	(1)
Foreclosed Assets	129,470	40,680	218	129,470	0
Other Assets	<u>1,380,652</u>	<u>1,358,758</u>	<u>2</u>	<u>1,589,140</u>	<u>(13)</u>
TOTAL ASSETS	<u>\$299,319,113</u>	<u>\$240,640,929</u>	<u>24</u>	<u>\$268,887,250</u>	<u>11</u>

LIABILITIES:

Deposits	253,398,720	194,415,451	30	223,078,334	14
Federal Home Loan Bank Advances	10,700,000	16,078,000	(33)	9,405,000	14
Subordinated debentures/trust preferred securities	3,093,000	3,093,000	0	3,093,000	0
Other Liabilities	<u>1,005,011</u>	<u>834,865</u>	<u>20</u>	<u>1,549,375</u>	<u>(35)</u>
TOTAL LIABILITIES	<u>\$268,196,731</u>	<u>\$214,421,316</u>	<u>25</u>	<u>\$237,125,709</u>	<u>13</u>

STOCKHOLDERS' EQUITY:

Common Stock	\$12,872	12,445	3	12,872	0
Capital Surplus	12,149,513	8,911,140	36	12,127,479	0
Retained Earnings	19,319,861	17,063,850	13	18,862,684	2
Other Comprehensive Income (Loss)	<u>(359,864)</u>	<u>232,178</u>	-	<u>758,506</u>	-
Total Stockholders' Equity	<u>31,122,382</u>	<u>26,219,613</u>	<u>19</u>	<u>31,761,541</u>	<u>(2)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$299,319,113</u>	<u>\$240,640,929</u>	<u>24%</u>	<u>\$268,887,250</u>	<u>11%</u>

Fritz W. Anderson II, CEO and Chairman of the Board, announced today that, "On January 12, 2017, the Board of Directors of FPB Financial Corp. declared a cash dividend on the common stock of the company. The dividend rate of \$0.05 per share will be paid on March 25, 2017 to stockholders of record at the close of business on March 10, 2017."