

Press Release: July 29, 2014

FOR IMMEDIATE RELEASE
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FPB FINANCIAL CORP. (OTCQB: FPBF), the Holding Company for Florida Parishes Bank,
Announces 2014 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 period ended June 30, 2014.

FPB Financial Corp. reported the following for the period ending June 30, 2014, and as compared to June 30, 2013:

- Total Assets increased to \$216.6 million or 8.1%
- Net Loans increased by \$12.2 million or 10.7%
- Net Interest Income increased by \$194,000, or 4.3%
- Non-Interest bearing deposits increased to \$42.5 million or 18.7%
- Non-Maturity deposits increased by \$10.2 or 8.4%
- Dividend paid to common shareholders increased to \$168,000 or 32.3%
- Non-performing Assets decreased to \$1.8 million or 1.0%
- Common Stockholders' equity increased by \$3.8 million or 21.0%
- Common Book Value per share increased to \$18.12, or 12.8%

Earnings

Net income for the second quarter of 2014 totaled \$446,000, a decrease of 11.2% from \$502,000 in the second quarter of 2013. Net income in the 2014 first quarter totaled \$466,000. The 2014 second quarter net income per fully diluted common share was \$0.37, down from \$0.47 per fully diluted common share in the second quarter of 2013. The 2013 results have been adjusted for a 3 for 1 stock split of our common shares completed on September 27, 2013. Earnings per share decreased 21.3% primarily due to a 13.8% increase in total non-interest expense and due to our completion of the sale of 129,075 shares of our common stock on October 11, 2013 in a private placement. Return on common stockholders' equity (ROE) was 8.3% on an annualized basis for the 2014 second quarter period.

Total non-interest expense increased by \$271,000 in the second quarter when compared to the 2013 period, primarily due to a \$151,000 increase in compensation and employee benefits, primarily related to the hiring of new officers and staff for our recently opened branch office located in Covington, LA. Technology and information processing expense increased 35.2% in the period, primarily due to a core processing conversion completed in the 2014 second quarter.

Net interest income increased by \$190,000, or 9.0%, in the second quarter as compared to the 2013 second quarter and up \$81,000 when compared to the 2014 first quarter.

Total non-interest income declined by \$91,000, or 14.0%, in the period, primarily due to a 48.9% decline in revenue from mortgage banking fees. Gain on bank owned life insurance (BOLI) increased by \$37,000 in the period. Loan fees increased by \$24,000 compared to the 2013 period. Loss on trading Accounts totaled \$11,000 in the quarter compared to a \$15,000 gain in 2013.

Provisions for loan losses totaled -0- in the period as compared to \$55,000 in the 2013 period.

The Company's effective tax rate decreased in the period due to the 2013 investment in BOLI and due to increased investment in municipal securities.

Asset Quality

Total non-performing assets at June 30, 2014 decreased \$24,000 to \$1.8 million when compared to June 30, 2013. Total non-performing assets on March 31, 2014 were \$1.9 million. The Company's allowance for loan losses decreased to \$2.8 million as compared to \$3.3 million at June 30, 2013. Total allowance for loan losses were \$2.9 million at March 31, 2014.

Net loan charge-offs in the second quarter totaled \$22,000 down from \$92,000 in the second quarter of 2013. In the first quarter of 2014, net loan charge-offs totaled \$152,000.

Performing Troubled Debt Restructured (TDR's) as of June 30, 2014 totaled \$2.9 million, or an increase of \$512,000 from June 30, 2013. Performing TDR's totaled \$2.8 million on March 31, 2014.

Balance Sheet and Capital

Total assets at June 30, 2014 increased to \$216.6 million, or 8.1% as compared to June 30, 2013. Total assets on March 31, 2014 were \$208.8 million. The increase in total assets was primarily attributed to an increase of \$12.2 million in Net Loans and from the purchase of \$4.1 million of BOLI in the 2013 third quarter. Total liabilities increased by 6.8% to \$194.9 million primarily due to an increase of \$6.6 million, or 47.8% in Federal Home loan Bank (FHLB) Advances. Deposits increased by \$6.3 million to \$170.8 million at June 30, 2014 as compared \$164.4 million at June 30, 2013. Non-interest bearing deposits and total non-maturity deposits both increased in the twelve month period ending June 30, 2014.

Common Stockholders' Equity increased by a net of \$3.8 million, or 21.0% to \$21.8 million for the twelve month period ending June 30, 2014, primarily due to the October 11, 2013 sale of 129,075 shares of our common stock at a price of \$16.00 per share in a private placement for the total net sale proceeds of \$2.0 million. Retained earnings increased by \$1.5 million in the twelve month period. Other comprehensive income increase by \$194,000, or 42.9% at June 30, 2014 when compared to June 30, 2013. Book value per common share increased to \$18.12 as total common shares of 1,200,912 were outstanding at June 30, 2014.

Our subsidiary, Florida Parishes Bank, is considered "well capitalized" by all applicable federal banking regulations and definitions as of June 30, 2014.

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>	June 30, 2014	June 30, 2013	% Change	March 31, 2014	% Change
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	(Unaudited)	(Unaudited)		(Unaudited)	
Tangible Common Stockholders' Equity	21,764,077	17,979,365	21%	21,088,325	3%
Net Loans	125,728,515	113,481,825	11	120,174,242	5
Foreclosed Assets	0	352,000	(100)	407,067	(100)
Non-Performing Assets (Includes Foreclosed Assets)	1,842,896	1,867,293	(1)	1,901,331	(3)
Allowance for Loan Losses	2,830,652	3,269,522	(13)	2,852,379	(1)
Total Assets	216,622,073	200,393,782	8	208,828,057	4
Non-Interest Bearing Deposits	42,539,401	35,790,453	19	40,741,587	4
Non-Maturity Deposits (Included in interest and non-interest bearing deposits)	131,935,775	121,664,675	8	127,459,440	4
Brokered Deposits (Included in interest-bearing deposits)	1,798,280	5,687,161	(68)	1,799,202	0
FHLB Advances	20,418,000	13,791,500	48	16,218,000	26

CONSOLIDATED STATEMENTS OF EARNINGS

	For the Three Months Ended			For the Six Months Ended	
	June 30, 2014 (Unaudited)	March 31, 2014 (Unaudited)	June 30, 2013 (Unaudited)	June 30, 2014 (Unaudited)	June 30, 2013 (Unaudited)
INTEREST AND DIVIDEND INCOME:					
Mortgage Loans	\$1,844,756	\$1,815,999	\$1,849,969	\$3,660,755	\$3,868,916
Consumer Loans	258,377	252,977	248,436	511,354	495,391
Commercial Loans	148,328	112,304	93,665	260,632	177,129
Investment Securities and Deposits	<u>293,409</u>	<u>286,809</u>	<u>195,154</u>	<u>580,218</u>	<u>362,737</u>
TOTAL INTEREST AND DIVIDEND INCOME	<u>2,544,870</u>	<u>2,468,089</u>	<u>2,387,224</u>	<u>5,012,959</u>	<u>4,904,173</u>
INTEREST EXPENSE:					
Deposits	149,318	151,094	175,063	300,412	362,450
Federal Home Loan Bank Advances	68,122	70,719	74,828	138,841	161,073
Other	<u>26,361</u>	<u>25,873</u>	<u>26,752</u>	<u>52,234</u>	<u>53,202</u>
TOTAL INTEREST EXPENSE	<u>243,801</u>	<u>247,686</u>	<u>276,643</u>	<u>491,487</u>	<u>576,725</u>
NET INTEREST INCOME	2,301,069	2,220,403	2,110,581	4,521,472	4,327,448
Provisions for loan losses	<u>0</u>	<u>0</u>	<u>55,000</u>	<u>0</u>	<u>181,000</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>2,301,069</u>	<u>2,220,403</u>	<u>2,055,581</u>	<u>4,521,472</u>	<u>4,146,448</u>
NON-INTEREST INCOME:					
Service charge on deposits	199,674	232,144	221,105	431,818	434,750
Interchange Fees	107,562	108,382	111,587	215,944	211,736
Mortgage Banking Fees	104,208	88,208	203,925	192,416	391,052
Loan Fees and Charges	65,436	61,160	40,905	126,596	83,235
Gain on bank owned life insurance	36,815	35,748	0	72,563	0
Gain/(Loss) on Sale of Investments and					

Foreclosed Assets	8,147	28,433	17,060	36,580	2,433
Gain/(Loss) on Trading Accounts	(10,798)	(14,913)	14,657	(25,711)	16,421
Other	<u>50,962</u>	<u>88,470</u>	<u>44,079</u>	<u>139,432</u>	<u>131,254</u>
TOTAL NON-INTEREST INCOME	<u>562,006</u>	<u>627,632</u>	<u>653,318</u>	<u>1,189,638</u>	<u>1,270,881</u>
NON-INTEREST EXPENSE:					
Compensation and Employee Benefits	1,243,814	1,248,776	1,092,741	2,492,590	2,170,580
Occupancy, local and state taxes, and equipment	287,222	263,238	262,162	550,460	526,105
Technology and Information Processing	214,874	194,401	159,268	409,275	318,518
Professional Fees	76,653	75,052	74,631	151,705	116,856
Regulatory Fees	50,870	48,500	43,218	99,370	110,873
Foreclosed Assets	4,795	33,568	45,150	38,363	68,510
Other	<u>351,492</u>	<u>327,146</u>	<u>281,595</u>	<u>678,638</u>	<u>543,702</u>
TOTAL NON-INTEREST EXPENSE	<u>2,229,720</u>	<u>2,190,681</u>	<u>1,958,765</u>	<u>4,420,401</u>	<u>3,855,144</u>
INCOME BEFORE INCOME TAXES	633,355	657,354	750,134	1,290,709	1,562,185
Income Tax Expense	<u>187,778</u>	<u>191,834</u>	<u>248,377</u>	<u>379,612</u>	<u>521,083</u>
NET INCOME	<u>445,577</u>	<u>465,520</u>	<u>501,757</u>	<u>911,097</u>	<u>1,041,102</u>
<u>PER COMMON SHARE DATA:</u> <u>(Adjusted for 3 for 1 stock split)</u>					
Net Earnings	\$0.37	\$0.39	\$0.47	\$0.76	\$0.98
Diluted Net Earnings	\$0.37	\$0.39	\$0.47	\$0.76	\$0.97
Revenue (Net Interest Income and Non-Interest Income)	\$2.38	\$2.37	\$2.87	\$4.75	\$5.82
Dividends Paid	\$0.07	\$0.07	\$0.06	\$0.14	\$0.11
Book Value (Period End)	\$18.12	\$17.56	\$16.92	\$18.12	\$16.92
Book Value adjusted for Other comprehensive income (Period Ended)	\$18.34	\$18.04	\$17.35	\$18.34	\$17.35
<u>RATIOS:</u>					
ROA (Annualized Net Income to Average Period Assets)	0.84%	0.91%	1.01%	0.88%	1.06%
ROE (Annualized Net Income to Average Period Total Stockholders' Equity)	8.30%	9.04%	11.03%	8.66%	11.61%
Net Interest Margin (Average) for the period	4.86%	4.83%	4.66%	4.85%	4.82%
Non-Interest Expense less Non-Interest Income to Average Period Total Assets (Annualized)	3.16%	3.04%	2.62%	3.10%	2.62%
Efficiency Ratio for the Period	77.88%	76.92%	70.87%	77.40%	68.86%
Net Loan Charge-Offs (Recoveries) for the Period to Average Period Net Loans (Annualized)	\$21,487 0.07%	\$151,809 0.52%	92,314 0.33%	\$173,296 0.29%	120,293 0.21%
TDRs (Performing) at Period End to Average Period Net Loans	\$2,905,005 2.39%	\$2,843,939 2.40%	\$2,392,749 2.10%	\$2,905,005 2.42%	\$2,392,749 2.06%
Non-Performing Assets at Period End to Average Period Total Assets	\$1,842,896 0.87%	\$1,901,331 0.91%	\$1,867,293 0.94%	\$1,842,896 0.88%	\$1,867,293 0.94%
Allowance for Loan Losses at Period End to Average Period Net Loans to Non-Performing Assets at Period End	\$2,830,652 2.33% 153.60%	\$2,852,379 2.41% 150.02%	\$3,269,522 2.87% 175.10%	\$2,830,652 2.36% 153.60%	\$3,269,522 2.82% 175.10%

CONSOLIDATED STATEMENTS OF CONDITION

	June 30, 2014 (Unaudited)	June 30, 2013 (Unaudited)	% Change	March 31, 2014 (Unaudited)	% Change
<u>ASSETS:</u>					
Cash and Cash Equivalents including Interest and Non-Interest Earning Deposits	\$9,444,417	\$9,792,361	(4)	\$8,942,553	6
Certificates of Deposit	0	2,986,000	-	0	-
Securities – Held to Maturity	5,698,479	4,569,486	25	4,550,255	25
Securities – Available for Sale	59,981,455	57,750,322	4	59,382,158	1
Trading Securities	167,969	206,358	(19)	178,767	(6)
Bank Owned Life Insurance	4,084,581	0	-	4,046,866	1
Net Loans	125,728,515	113,481,825	11	120,174,242	5
Accrued Interest Receivable	880,523	803,197	10	793,097	11
Premises and Equipment, Net	9,338,442	8,989,589	4	9,132,962	2
Foreclosed Assets	0	352,000	-	407,067	-
Other Assets	<u>1,310,436</u>	<u>1,462,644</u>	<u>(10)</u>	<u>1,220,090</u>	<u>7</u>
TOTAL ASSETS	<u>\$216,622,073</u>	<u>\$200,393,782</u>	<u>8</u>	<u>\$208,828,057</u>	<u>4</u>
<u>LIABILITIES:</u>					
Deposits	170,751,521	164,418,216	4	167,411,314	2
Federal Home Loan Bank Advances	20,418,000	13,791,500	48	16,218,000	26
Subordinated debentures/trust preferred securities	3,093,000	3,093,000	0	3,093,000	0
Other Liabilities	<u>595,475</u>	<u>1,111,701</u>	<u>(46)</u>	<u>1,017,418</u>	<u>(41)</u>
TOTAL LIABILITIES	<u>\$194,857,996</u>	<u>\$182,414,417</u>	<u>7</u>	<u>\$187,739,732</u>	<u>4</u>
<u>STOCKHOLDERS' EQUITY:</u>					
Common Stock	\$13,127	\$4,437	196	\$13,127	0
Capital Surplus	8,404,758	6,335,706	33	8,404,758	0
Retained Earnings	15,395,118	13,888,057	11	15,033,604	2
Unearned Compensation	(6,902)	(12,340)	44	(6,902)	0
Treasury Stock	(1,783,468)	(1,783,468)	0	(1,783,468)	0
Other Comprehensive Income (Loss)	<u>(258,556)</u>	<u>(453,027)</u>	<u>43</u>	<u>(572,794)</u>	<u>55</u>
Total Stockholders' Equity	<u>21,764,077</u>	<u>17,979,365</u>	<u>21</u>	<u>21,088,325</u>	<u>3</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$216,622,073</u>	<u>\$200,393,782</u>	<u>8%</u>	<u>\$208,828,057</u>	<u>4%</u>

Fritz W. Anderson II, Chairman of the Board announced today that "On July 10, 2014, the Board of Directors of FPB Financial Corp. declared a cash dividend on the common stock of the company. The dividend rate of \$0.07 per share will be paid on September 25, 2014 to stockholders of record at the close of business on September 10, 2014."

