

Press Release: October 30, 2018

FOR IMMEDIATE RELEASE

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FPB FINANCIAL CORP. (OTCQB: FPBF), the Holding Company for Florida Parishes Bank,
Announces Record 2018 Third Quarter Results and Declares Dividends

Hammond, LA—FPB Financial Corp. (OTCQB: FPBF), the holding for Florida Parishes Bank, announced financial results for the 2018 period ended September 30, 2018.

Earnings

Net Income in the 2018 third quarter increased 165% to a record of \$1,371,000 (\$0.48 per fully diluted common share) as compared to the 2017 third quarter net income of \$517,000 (\$0.19 per fully diluted common share). Annualized return on average common equity (ROE) for the 3 months ended September 30, 2018 increased to 12.4%

The increase in net income during the 2018 third quarter was primarily attributed to a \$557,000, or 17%, increase in net-interest income. The increase in net-interest income was primarily due to a 20% increase in mortgage loan interest income and a 33% increase in interest income from investment securities. Net income was positively affected by a \$359,000, or 11% decrease in Non-Interest Expense. The decrease in non-interest expense was the result of a \$60,000, or 3% decrease in compensation and employee benefits; a \$58,000, or 45% reduction in Professional fees; a \$54,000, or 51% decrease in Regulatory fees; and a \$165,000, or 36% decrease in Other Non-operating expenses largely from a \$53,000 decrease in advertising expense. Net Income was also affected by a \$370,000 decrease, or 32.2%, in Total Non-Interest Income for the 2018 period, as compared to the 2017 period. The decrease in Non-Interest Income was due to a \$310,000 decrease in Mortgage Banking Fees and a \$135,000 decrease in SBA Fee Income. Other than Mortgage Banking and SBA Fees, our Non-Interest Income increased by \$135,000 in the period.

Revenue (defined as net-interest income and total non-interest income) in the 2018 third quarter increased to \$4.7 million, or 4% when compared to the 2017 period. Pre-provision for loan losses, pre-income tax expense – net income in the 3 months ended September 30, 2018 increased to \$1.9 million, or 40.9% when compared to the 2017 period. The Company's Net-Interest Margin increased in the 2018 third quarter to 4.43% from 4.39% in the 2017 period. The Efficiency Ratio improved to 60.0% in the 2018 period.

While the Company's effective income tax rate decreased to 19.4% in the 2018 period, Income Tax expense increased by \$126,000 as compared to the 2017 period.

Balance Sheet and Capital

Total assets at September 30, 2018 increased 13% to \$382.7 million when compared to September 30, 2017. The increase in total assets was primarily due a 19% increase in net loans over the twelve month period to \$238.5 million. Total Liabilities increased 15% over the period. Deposits were the primary component of these increases with total deposits of \$317.7 million at September 30, 2018, an increase of 10% of which \$84.8 million were Non-Interest Bearing, which represents an increase of 13% from September 30, 2017.

The Company's increase in total assets were affected by a 19% decrease in Cash and Cash Equivalents to \$20.5 million, an increase of 12% in Investment Securities to \$101 million and an 862% increase in deferred tax assets to \$839,000. The increase in total liabilities were affected by a \$17.7 million, or 885% increase in Federal Home Loan Bank advances and a \$3.1 million reduction/payoff of Subordinated Debentures/Trust Preferred Securities.

Total loans increased to \$243.1 million at September 30, 2018. Of that total \$217.8 million, or 90%, were secured by real estate.

REAL ESTATE SECURED LOANS

September 30, 2018

(In Thousands)

	Balances	% of Total Loans	% of Total Equity and Loan Loss Reserves
1-4 Family	\$92,086	37.89%	189.53%
Multi-Family	9,268	3.81%	19.08%
Land & Construction	48,766	20.06%	100.37%
Commercial Real Estate			
Non-Owner Occupied	25,998	10.70%	53.51%
Owner Occupied	<u>41,663</u>	<u>17.14%</u>	<u>85.75%</u>
TOTAL REAL ESTATE	\$217,781	89.60%	448.24%

NON-REAL ESTATE SECURED LOANS

Commercial & Industrial	\$19,508	8.03%	40.15%
Consumer	<u>6,871</u>	<u>2.83%</u>	<u>14.14%</u>
TOTAL COMMERCIAL & INDUSTRIAL & CONSUMER	<u>\$26,379</u>	<u>10.85%</u>	<u>54.29%</u>
Less unearned income on loans	<u>-1,098</u>	<u>-0.45%</u>	<u>-2.26%</u>
TOTAL LOANS	<u>\$243,062</u>	<u>100.00%</u>	<u>500.27%</u>

CONSOLIDATED LOAN AND DEPOSIT BALANCES BY MARKET

September 30, 2018

(In Thousands)

Market	Deposit Balances		Loan Balances	
Tangipahoa Parish (4 offices)	\$234,705	73.9%	\$96,006	39.4%
St. Tammany Parish (2 offices)	38,357	12.1%	72,852	29.9%
Jefferson Parish (1 office)	44,657	14.1%	69,834	28.7%
Other	<u>0</u>	<u>0.0%</u>	<u>4,913</u>	<u>2.0%</u>

Total	<u>\$317,719</u>	<u>100%</u>	<u>\$243,605</u>	<u>100%</u>
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Common Stockholders' Equity increased by \$1.7 million, or 4% to \$44.0 million for the twelve months ended September 30, 2018.

Retained Earnings increased by \$4.3 million to \$24.4 million for the twelve month period. Other Comprehensive Income decreased by \$1.9 million, or 792% from September 30, 2017 to September 30, 2018. Tangible Book value per common share increased to \$16.26 as total common shares of 2,703,944 were outstanding at September 30, 2018. Of the 2,703,944 outstanding shares; 49,140 shares are restricted common shares that represent stock awards to officers and directors of the Bank and Company which are not vested as of September 30, 2018.

At the subsidiary bank level, Tier 1 Capital increased to \$ 39.9 million at September 30, 2018.

FPB FINANCIAL CORP.
CONSOLIDATED RATE & YIELD
For the Three Months Ended September 30, 2018
(In Thousands)

	Average Balance	Interest	2018 Average Yield/ Rate	2017 Average Yield/ Rate
Interest-Earning Assets				
Loans Receivable	\$235,801	\$3,832	6.45%	6.53%
Mortgage-Backed Securities	18,898	112	2.35%	1.79%
Investment Securities AFS	62,129	411	2.62%	2.11%
Investment Securities HTM	5,376	39	2.88%	2.91%
Trading Assets	134	0	0.00%	0.00%
State & Municipal Securities	14,437	86	2.36%	2.22%
Federal Home Loan Bank Stock	1,310	8	2.42%	1.55%
First National Bankers Bank Stock	300	2	2.68%	4.02%
Interest-earning deposits	<u>12,814</u>	<u>37</u>	<u>1.15%</u>	<u>1.09%</u>
Total Interest-Earning Assets	351,199	4,527	<u>5.11%</u>	<u>4.91%</u>
Non-Interest Earning Assets	28,033			
Less Allowance for Loan Loss	<u>-4,562</u>			
Total Assets	<u>\$374,670</u>			
Interest-Bearing Liabilities				
Deposits	\$233,323	\$503	0.86%	0.65%
FHLB Advances	17,663	102	2.29%	2.35%
Fed Funds Purchased	0	0	0.00%	0.00%
Preferred Statutory Trust	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>4.48%</u>
Total Interest-Bearing Liabilities	<u>250,986</u>	<u>605</u>	<u>0.96%</u>	<u>0.72%</u>
Non-Interest Bearing Liabilities	<u>79,825</u>			
Total Liabilities	330,811			
Stockholders' Equity	<u>43,859</u>			

Total Liabilities and Stockholders' Equity	<u>\$374,670</u>		
Net Interest-Earning Assets	<u>\$100,213</u>		
Net Interest Income; Average Interest Rate Spread	<u>\$3,922</u>	<u>4.15%</u>	<u>4.19%</u>
Net Interest Margin		<u>4.43%</u>	<u>4.39%</u>
Average Interest-Earning Assets to Average Interest-Bearing Liabilities	<u>139.93%</u>		

Items affecting and contributing to the Company's record 2018 third quarter net income when compared to the 2017 quarterly period:

- Net Interest Income increased to \$3.9 million from \$3.4 million, or 16.5%
- Service charges on deposits increased to \$288,000 from \$236,000, or 21.7%
- Total non-interest expenses decreased to \$2.8 million from \$3.2 million, or 11.3%
- Compensation and employee benefits decreased by 3.3%
- Provisions for Loan Losses decreased to \$177,000, or 71.1%
- The effective tax rate decreased to 19.4%

Other items and per share data of note as of September 30, 2018, compared to the nine month period ending September 30, 2017

- Net Earnings per diluted common share increased to \$1.41, or 213%
- Annualized Return on Average Equity increased to 12.6%
- Total Revenue (Net interest income and Non-interest income) increased to \$13.9 million or 14.7%
- The Efficiency Ratio improved to 61.2%
- Total Common Stockholders' Equity increased to \$44.0 million, or 3.9%
- Cash Dividends paid to common shareholders increased to \$557,000 in 2018, or a 53% increase
- Tangible Book Value per common share increased to \$16.26
- Net Loans increased to \$238.5 million or 19.2%
- Allowance for Loan Losses increased to \$4.6 million, or 8.0%
- Non-Interest Bearing Deposits total \$84.8 million, an increase of 12.6%
- Non-Maturity deposits increased by 7.2% to \$259.8 million
- Total Assets increased by 13.2% to \$382.7 million
- FHLB advances increased by 887.5% to \$19.7 million

Asset Quality

Non-performing assets (NPA's) at September 30, 2018 decreased by \$718,000, or 20.9% to \$2.7 million when compared to September 30, 2017 and represents 1.12% of gross loans. NPA's at June 30, 2018 totaled \$2.0 million. The decrease during the 12 month period ending September 30, 2018 in NPA's were attributed to an increase of \$101,000 in loans on nonaccrual, to \$2.2 million; a decrease of \$721,000 in Other Real Estate Owned (OREO), to \$0 and a \$98,000 decrease in loans 90-days past due and accruing, to \$42,000. The increase in NPA's during the 3 month period ending September 30, 2018 were attributed to an increase of \$661,000 in non-accrual loans and a \$41,000 increase in loans 90-days past due and accruing, to \$42,000. The Company's allowance for loan losses (ALLL) increased by 8% to \$4.6 million at September 30, 2018 when compared to September 30, 2017. The \$4.6 million in the ALLL represents 2.0% of average net loans in the 2018 third quarter period and 169.9% of NPA's on September 30, 2018. At June 30, 2018 the Company's ALLL totaled \$4.5 million or 2.0% of 2018 second quarter average net loans and 226.1% of NPA's at period end.

Net loan charge-offs for the 2018 third quarter totaled \$114,000 (0.20% of average net loans) up from \$70,000 (0.14%) of net loan charge-offs in the 2017 third quarter. Net loan charge-offs were \$6,000 (0.01%) in the 2018 second quarter. Troubled Debt Restructured (TDR's) through September 30, 2018 were \$3.6

million, of which \$961,000 are on nonaccrual. Total TDR's on September 30, 2017 and June 30, 2018 were \$3.2 million and \$3.5 million respectively.

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

Selected Balances	Sept. 30, 2018 (Unaudited)	Sept. 30, 2017 (Unaudited)	% Change	Jun. 30, 2018 (Unaudited)	% Change
Tangible Common Stockholders' Equity	43,977,221	42,325,625	4	43,348,220	1
Total Assets	382,659,213	337,925,939	13	369,722,825	3
Net Loans	238,453,186	200,004,420	19	227,518,291	5
Non-Interest Bearing Deposits	84,787,867	75,276,323	13	78,586,717	8
Non-Maturity Deposits (included in Interest and non-interest bearing Deposits)	259,790,892	242,251,184	7	255,462,169	2
CDARs (included in Interest-Bearing deposits)	5,167,094	4,022,470	28	5,152,591	0
FHLB Advances	19,705,000	2,000,000	885	17,500,000	13
Foreclosed Assets	0	783,170	(100)	0	0
Non-Performing Assets (includes Foreclosed Assets and Other Real Estate Owned)	2,712,553	3,430,584	(21)	2,010,462	35
Allowance for Loan Losses	4,608,554	4,267,899	8	4,545,265	1

CONSOLIDATED STATEMENT OF EARNINGS

	<u>For the Three Months Ended</u>			<u>For the Nine Months Ended</u>	
	Sept. 30, 2018 (Unaudited)	Jun. 30, 2018 (Unaudited)	Sept. 30, 2017 (Unaudited)	Sept. 30, 2018 (Unaudited)	Sept. 30, 2017 (Unaudited)
INTEREST AND DIVIDEND INCOME					
Mortgage Loans	\$3,334,483	\$3,236,875	\$2,768,117	\$9,642,897	\$7,516,523
Commercial Loans	303,790	304,117	281,084	910,040	748,095
Consumer Loans	192,736	192,521	191,637	582,179	590,460
Investment Securities and Deposits	<u>695,700</u>	<u>643,997</u>	<u>523,803</u>	<u>1,947,897</u>	<u>1,512,898</u>
TOTAL INTEREST AND DIVIDEND INCOME	<u>4,526,710</u>	<u>4,377,509</u>	<u>3,764,641</u>	<u>13,083,013</u>	<u>10,367,976</u>
INTEREST EXPENSE					
Deposits	502,932	415,222	351,440	1,282,160	913,868
Federal Home Loan Bank Advances and Other Borrowings	101,775	63,741	13,008	252,180	58,669
Subordinated debentures/trust Preferred securities	<u>0</u>	<u>0</u>	<u>34,909</u>	<u>36,920</u>	<u>100,206</u>
TOTAL INTEREST EXPENSE	<u>604,707</u>	<u>478,963</u>	<u>399,357</u>	<u>1,571,260</u>	<u>1,072,743</u>
NET INTEREST INCOME	3,922,003	3,898,546	3,365,284	11,511,753	9,295,233
Provisions for loan losses	<u>177,000</u>	<u>60,000</u>	<u>612,000</u>	<u>367,000</u>	<u>1,122,000</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>3,745,003</u>	<u>3,838,546</u>	<u>2,753,284</u>	<u>11,144,753</u>	<u>8,173,233</u>
NON-INTEREST INCOME					
Service Charges on Deposits	287,861	322,516	236,450	908,039	665,239
Interchange Fees	205,610	203,681	181,428	594,061	544,894
Mortgage Banking Fees	100,915	49,702	410,517	381,307	1,014,203
Gain on Bank Owned Life Insurance	45,898	45,937	48,265	137,697	137,557

Loan Fees and Charges	75,261	28,762	53,424	145,684	130,998
SBA Fee Income	(6,327)	7,259	128,613	75,351	128,613
Gain/(Loss) on Trading Accounts	3,848	800	(211)	11,119	(8,600)
Gain/(Loss) on Sale of Investments and Foreclosed Assets	0	(3,413)	24,327	(72,545)	20,453
Other	<u>63,312</u>	<u>71,431</u>	<u>63,446</u>	<u>221,928</u>	<u>204,690</u>
TOTAL NON-INTEREST INCOME	776,378	726,675	1,146,259	2,402,641	2,838,047
NON-INTEREST EXPENSE					
Compensation and Employee Benefits	1,751,480	1,700,379	1,811,219	5,250,106	5,622,158
Occupancy, local and state taxes and Equipment	411,793	410,661	413,537	1,221,837	1,228,846
Technology and Information Processing	247,875	243,311	268,269	705,853	749,579
Professional Fees	69,467	69,923	127,491	194,540	305,541
Regulatory Fees	52,384	62,502	106,312	188,059	240,842
Other	<u>286,819</u>	<u>343,092</u>	<u>451,581</u>	<u>952,671</u>	<u>1,363,152</u>
TOTAL NON-INTEREST EXPENSE	<u>2,819,819</u>	<u>2,829,869</u>	<u>3,178,409</u>	<u>8,513,066</u>	<u>9,510,118</u>
INCOME BEFORE INCOME TAXES	1,701,562	1,735,352	721,134	5,034,328	1,501,162
Income Tax Expense	<u>330,410</u>	<u>339,122</u>	<u>204,114</u>	<u>999,972</u>	<u>390,269</u>
NET INCOME	<u>\$1,371,151</u>	<u>\$1,396,230</u>	<u>\$517,020</u>	<u>\$4,034,356</u>	<u>\$1,110,893</u>

For the Three Months Ended

For the Nine Months Ended

Sept. 30, 2018 (Unaudited)	Jun. 30, 2018 (Unaudited)	Sept. 30, 2017 (Unaudited)	Sept. 30, 2018 (Unaudited)	Sept. 30, 2017 (Unaudited)
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PER COMMON SHARE DATA

Net Earnings	\$0.52	\$0.53	\$0.19	\$1.52	\$0.45
Diluted Net Earnings	\$0.48	\$0.49	\$0.19	\$1.41	\$0.45

Revenue (Net Interest Income and Non-Interest Income)	\$1.77	\$1.74	\$1.70	\$5.24	\$4.96
Dividends Paid	\$0.075	\$0.075	\$0.05	\$0.210	\$0.15
Book Value (Period End)	\$16.26	\$16.03	\$15.93	\$16.26	\$15.93
Book Value Adjusted Net of Other Comprehensive income (Period Ended)	\$16.87	\$16.43	\$15.84	\$16.87	\$15.84

RATIOS

ROA (Annualized Net Income to Average Period Assets)	1.45%	1.51%	0.61%	1.47%	0.47%
ROE (Annualized Net Income to Average Period Total Stockholders' Equity)	12.40%	13.10%	4.86%	12.57%	3.84%
Net Interest Margin (Average for the Period)	4.43%	4.55%	4.39%	4.48%	4.30%
Non-Interest expense less Non-Interest Income to Average Period Total Assets (Annualized)	2.16%	2.30%	2.41%	2.18%	2.81%
Efficiency Ratio for the Period	60.02%	61.18%	70.45%	61.18%	78.38%
Net Loan Charge-Offs (Recoveries) for the Period	\$113,801	\$6,492	\$69,856	\$134,572	\$194,505
to Average Period Net Loans	0.20%	0.01%	0.14%	0.08%	0.15%
TDR's at Period End	\$3,572,917	\$3,457,509	\$3,175,034	\$3,572,917	\$3,175,034
to Average Period Net Loans	1.55%	1.53%	1.61%	1.58%	1.77%
Non-Performing Assets at Period End	\$2,712,553	\$2,010,462	\$3,430,584	\$2,712,553	\$3,430,584
to Average Period Assets	0.72%	0.55%	1.03%	0.74%	1.08%
Allowance for Loan Losses at Period End	\$4,608,554	\$4,545,265	\$4,267,899	\$4,608,554	\$4,267,899
to Average Period Net Loans	1.99%	2.02%	2.17%	2.03%	2.38%
to Non-Performing Assets at Period End	169.90%	226.08%	124.41%	169.90%	124.41%

CONSOLIDATED STATEMENT OF CONDITION

	Sept. 30, 2018 (Unaudited)	Sept. 30, 2017 (Unaudited)	% Change	Jun. 30, 2018 (Unaudited)	% Change
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ASSETS

Cash and Cash Equivalents (including Interest and Non-Interest Earning Deposits)	\$20,476,937	\$25,144,154	(19)	\$18,162,235	13
Securities - Held to Maturity	5,374,285	3,405,644	58	5,377,449	(0)
Securities - Available for Sale	95,601,806	86,789,197	10	96,533,213	(1)
Trading Securities	136,298	125,225	9	132,450	3
Bank Owned Life Insurance	7,242,147	7,057,131	3	7,196,249	1
Net Loans	238,453,186	200,326,778	19	227,518,291	5
Accrued Interest Receivable	1,615,192	1,203,375	34	1,462,974	10
Premises and Equipment, Net	11,115,643	11,553,154	(4)	11,238,035	(1)
Foreclosed Assets	0	785,170	(100)	0	0
Deferred Tax Assets	838,949	87,246	862	745,964	12
Other Assets	<u>1,804,770</u>	<u>1,448,865</u>	<u>25</u>	<u>1,355,964</u>	<u>33</u>
TOTAL ASSETS	<u>\$382,659,213</u>	<u>\$337,925,939</u>	<u>13</u>	<u>\$369,722,825</u>	<u>3</u>
<u>LIABILITIES</u>					
Deposits	\$317,718,641	\$289,418,157	10	\$307,801,971	3
Federal Home Loan Bank Advances	19,705,000	2,000,000	885	17,500,000	13
Subordinated debentures/trust Preferred securities	0	3,093,000	(100)	0	0
Other Liabilities	1,258,351	1,089,157	<u>16</u>	1,072,634	<u>17</u>
TOTAL LIABILITIES	<u>\$338,681,992</u>	<u>\$295,600,314</u>	<u>15</u>	<u>\$326,374,605</u>	<u>4</u>
<u>STOCKHOLDERS' EQUITY</u>					
Common Stock	\$26,548	\$14,192	87	\$26,526	0
Capital Surplus	22,083,327	22,069,909	0	22,083,327	0
Unearned MRP Stock	(867,443)	(32,946)	(2533)	(875,120)	1
Retained Earnings	24,374,431	20,037,366	22	23,202,406	5
Other Comprehensive Income (Loss)	<u>(1,639,642)</u>	<u>237,104</u>	<u>(792)</u>	<u>(1,088,918)</u>	<u>(51)</u>
Total Stockholders' Equity	<u>43,977,221</u>	<u>42,325,625</u>	<u>4</u>	<u>43,348,220</u>	<u>1</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$382,659,213</u>	<u>\$337,925,939</u>	<u>13%</u>	<u>\$369,722,825</u>	<u>3%</u>

Fritz W. Anderson II, CEO and Chairman of the Board, announced today that, "On October 11, 2018, the Board of Directors of FPB Financial Corp. declared a cash dividend on the common stock of the company. The dividend rate of \$0.09 per share will be paid on December 26, 2018 to stockholders of record at the close of business on December 10, 2018."