



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

FPB Financial Corp, Florida Parishes Bank

Person to be contacted regarding this report:	Fritz Anderson
UST Sequence Number:	506
CPP Funds Received:	3,240,000
CPP Funds Repaid to Date:	1,000,000
Date Funded (first funding):	Jan 23, 2009
Date Repaid ¹ :	Dec 16, 2009

RSSD: (For Bank Holding Companies)	3841811
Holding Company Docket Number: (For Thrift Holding Companies)	3862
FDIC Certificate Number: (For Depository Institutions)	29670
City:	Hammond
State:	Louisiana

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The Bank was able to increase lending in some areas and was able to sell less loan participations than otherwise would have been necessary.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The Bank increased its 1-4 family mortgage originations sold on the secondary market from \$28 million in 2008 to \$41 million in 2009, a 46% increase. The Bank's portfolio saw increases in 1-4 family, multi-family, second
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Since receipt of funds, the Bank has increased its loan loss reserve from \$1.7 million to \$2.2 million at the end of 2009, an increase of \$460,000 or 27%. Reserves are strong at 1.6% of loans vs 1.3% at the end of 2008.
<input checked="" type="checkbox"/>	Reduce borrowings	Borrowings since receipt of the CPP funds have been reduced by \$1.4 million.
<input checked="" type="checkbox"/>	Increase charge-offs	Although the Bank was able to charge-off more non-performing loans in 2009 as compared to the year prior to receipt of the CPP funds, net charge-offs of \$212,000 in 2008 vs \$264,000 in 2009 are well below peer for both years.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	\$2.6 million of the CPP proceeds were injected into the Bank resulting in an increase in Tier 1 capital from \$12,467,000 or 7.1% prior to the injection and increasing to \$16,534,000 or 10.1% at year end 2009. Likewise, Total Risk Based Capital increased from \$13,973,000 or 11.6% to \$18,083,000 or 15.4%.

What actions were you able to avoid because of the capital infusion of CPP funds?

The Bank was able to maintain its loan portfolio and loan originations instead of the likely need of selling loan participations or curtailing loan production.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The Bank was able to expand its 1-4 family loan originations and hire additional staff to meet demand.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.