



# **HIBERNIA**

## **BANCORP, INC.**

### **FOR IMMEDIATE RELEASE**

#### **CONTACT:**

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### **Hibernia Bancorp, Inc. Reports Operating Results for the First Quarter Ended March 31, 2014 and Approval of Stock Repurchase Program**

New Orleans, Louisiana (May 7, 2014) - Hibernia Bancorp, Inc. (the "Company") (OTCBB: HIBE), the holding company of Hibernia Bank (the "Bank"), today reported net income of \$4,000 for the quarter ended March 31, 2014, compared to net income of \$26,000 for the quarter ended March 31, 2013. Earnings per basic and diluted share were \$0.01 for the quarter ended March 31, 2014, compared to \$0.03 for the quarter ended March 31, 2013.

Peyton Bush, III, President and Chief Executive Officer of the Company and the Bank, stated, "Total loans and the average yield on loans were below first quarter of 2013 levels resulting in lower net interest income than in the first quarter of 2013. Total non-interest expense was slightly lower than in the first quarter of 2013 despite non-recurring costs associated with the Bank's recent conversion to a more robust data processing system. The new system will provide enhanced online services including mobile banking with a feature for depositing checks from a mobile device. Technology based services of this type are increasingly important tools for attracting and retaining customers, and growth is essential if we are to improve Hibernia's profitability."

Mr. Bush further stated, "No loan loss provision was required in the first quarter of 2014 as loan quality remains high with total non-performing assets of only \$253,000, or 0.2% of total assets at March 31, 2014."

For the quarter ended March 31, 2014, net interest income decreased 6.8% to \$795,000 from \$853,000 for the quarter ended March 31, 2013. This decrease was due to a decrease in the average rate we earned on loans as well as a decrease in average loan volume for the quarter

ended March 31, 2014 compared to the quarter ended March 31, 2013. This decline in loan interest income was partially offset by higher interest income on investment securities due to higher average balances of securities for the quarter ended March 31, 2014 as compared to the quarter ended March 31, 2013. Total interest expense decreased 18.4% for the quarter ended March 31, 2014 to \$142,000 compared to \$174,000 for the quarter ended March 31, 2013. The decrease was due to a decline in the average rate paid for deposits for the quarter ended March 31, 2014 and a decrease in the average balance of our interest bearing deposits. The net interest margin decreased to 3.31% for the quarter ended March 31, 2014 from 3.60% for the quarter ended March 31, 2013.

During the quarter ended March 31, 2014, the Company made no provisions for loan and lease losses compared to provisions of \$13,000 during the quarter ended March 31, 2013. The Company reported no net charge-offs for the quarter ended March 31, 2014 compared to \$11,000 in net charge-offs for the quarter ended March 31, 2013.

Non-interest income increased to \$37,000 for the quarter ended March 31, 2014 from \$32,000 for the quarter ended March 31, 2013 due primarily to an increase in net rental income. In addition to net rental income, other components of non-interest income include service charges and fees, secondary market loan income, gains or losses on other real estate, and other income.

Non-interest expense decreased \$14,000 for the quarter ended March 31, 2014 to \$813,000 compared to \$827,000 for the quarter ended March 31, 2013. The decrease in non-interest expense was due to declines in advertising and promotional expenses, personnel expense, and professional fees. These decreases were partially offset by an increase in data processing expenses which included approximately \$25,000 of early termination fees related to the recent conversion of the Bank's core processing system.

For the quarter ended March 31, 2014, income tax expense was \$15,000 compared to \$19,000 for the quarter ended March 31, 2013. Income tax expenses are computed by applying the statutory rate to federal taxable income, which consists of financial statement income before taxes, increased by the amount of permanent income tax differences for the period.

The Company's total consolidated assets at March 31, 2014 were \$106.5 million compared to \$106.2 million at December 31, 2013, an increase of \$283,000, or 0.3%. Loans increased by \$565,000 and prepaid expenses and other assets increased by \$247,000 during the quarter ended March 31, 2014. The increases were funded primarily from an increase in deposits of \$482,000 and a decrease in cash and cash equivalents of \$288,000. The increase in net loans primarily reflects increases of \$1.1 million in commercial real estate loans, \$205,000 in commercial and industrial loans and \$44,000 in consumer loans, offset by a \$753,000 decrease

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in residential mortgage and residential construction loans. The increases in prepaid expenses and other assets during the quarter ended March 31, 2014 include prepaid bank shares and property taxes and conversion related items. Total deposits increased 0.6% to \$83.8 million at March 31, 2014 from \$83.3 million at December 31, 2013, reflecting increases of \$1.4 million in money market and interest bearing checking accounts offset by decreases of \$595,000 in certificates of deposit, \$174,000 in non-interest bearing demand deposits and \$137,000 in savings accounts.

Non-performing assets, defined as non-accrual loans, accruing loans past due 90 days or more and other real estate owned, totaled \$253,000, or 0.2%, of total assets at March 31, 2014, compared to \$259,000, or 0.2%, of total assets at December 31, 2013. The non-performing assets at March 31, 2014 consisted of three loans secured by first mortgages on one-to-four family residential real estate. Our allowance for loan and lease losses was \$641,000, or 0.8%, of total loans at March 31, 2014 and December 31, 2013. Management believes that the allowance for loan and lease losses is sufficient to cover any losses that may be incurred on its non-performing loans. At March 31, 2014 and December 31, 2013, there was no other real estate owned.

The Company's total stockholders' equity increased slightly to \$22.1 million as of March 31, 2014 from \$22.0 million as of December 31, 2013. During the quarter ended March 31, 2014, no shares of the Company's common stock were repurchased as treasury stock and there are 42,547 shares remaining to be repurchased under the Company's third and fourth stock repurchase programs. The Company's book value per share increased to \$22.41 at March 31, 2014 from \$22.30 at December 31, 2013 primarily due to a decrease in net accumulated other comprehensive losses relating to market fluctuations on investment securities, increases relating to our Employee Stock Ownership Plan and our net income for the quarter. Hibernia Bank's regulatory capital levels continue to exceed requirements for well capitalized institutions.

The Company announced today that on May 6, 2014, its Board of Directors approved the commencement of a fifth stock repurchase program. The new repurchase program provides for the repurchase of up to 90,000 shares, or approximately 9.1% of the Company's outstanding common stock as of the date hereof. The repurchase program will commence promptly upon conclusion of the fourth stock repurchase program. The repurchases will be made from time to time, in the open market or privately negotiated transactions, as and when deemed

appropriate by management and in accordance with applicable securities laws. Such shares will be held as treasury stock to be available for general corporate purposes.

*Statements contained in this news release which are not historical facts may be forward-looking statements identified by words like “believe,” “expect,” “anticipate,” “estimate,” and “intend” or future or conditional verbs such as “will,” “would,” “should,” “could” or “may.” Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors, including, but not limited to, changes in interest rates, changes in demand for loans, deposits and other financial services in the Company's market area, changes in asset quality and general economic conditions. We undertake no obligation to update any forward-looking statements.*

*Hibernia Bank, the wholly-owned subsidiary of Hibernia Bancorp, Inc., has served the New Orleans metropolitan area since 1903. Operating from its main office and two branches, Hibernia Bank offers loan, deposit and online banking services to commercial and individual customers in the New Orleans metropolitan area. Additional information about Hibernia Bank is available at [www.hibbank.com](http://www.hibbank.com).*

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**Hibernia Bancorp, Inc. and Subsidiary**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
(In thousands)

|   | <b>March 31,<br/>2014</b> | <b>December 31,<br/>2013</b> |
|---|---------------------------|------------------------------|
|   | (Unaudited)               |                              |
| <b>ASSETS</b>   |                           |                              |
| Cash - Non-Interest Bearing   | \$ 753                    | \$ 1,071                     |
| Cash - Interest Bearing   | 9,301                     | 9,271                        |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b>  | 10,054                    | 10,342                       |
| Certificates of Deposit   | 100                       | 100                          |
| Securities - Available For Sale   | 10,221                    | 10,389                       |
| Loans Receivable, Net of Allowances for Loan<br>Losses of \$641,000 as of March 31, 2014<br>and December 31, 2013, respectively                         | 79,989                    | 79,424                       |
| Accrued Interest Receivable   | 244                       | 237                          |
| Investment in FHLB Stock  | 41                        | 41                           |
| Investment in FNBB Stock  | 210                       | 210                          |
| Premises and Equipment, Net   | 4,805                     | 4,874                        |
| Deferred Income Taxes   | 307                       | 318                          |
| Prepaid Expenses and Other Assets   | 506                       | 259                          |
| <b>TOTAL ASSETS</b>   | <b>\$ 106,477</b>         | <b>\$ 106,194</b>            |
| <b>LIABILITIES AND EQUITY</b>   |                           |                              |
| <b>LIABILITIES</b>  |                           |                              |
| Deposits  |                           |                              |
| Non-Interest Bearing  | \$ 7,673                  | \$ 7,847                     |
| Interest Bearing  | 76,130                    | 75,474                       |
| Total Deposits  | 83,803                    | 83,321                       |
| Escrow Balances   | 270                       | 680                          |
| Accrued Interest Payable  | 40                        | 39                           |
| Accounts Payable and Other Liabilities  | 237                       | 140                          |
| <b>TOTAL LIABILITIES</b>  | 84,350                    | 84,180                       |
| <b>EQUITY</b>   |                           |                              |
| Preferred Stock, \$.01 par value - 1,000,000 shares authorized; none issued   | -                         | -                            |
| Common Stock, \$.01 par value - 9,000,000 shares authorized; 1,113,334<br>issued; 987,331 shares outstanding at March 31, 2014 and<br>December 31, 2013 | 11                        | 11                           |
| Additional Paid in Capital  | 10,870                    | 10,834                       |
| Treasury Stock at cost - 126,003 shares at March 31, 2014 and<br>December 31, 2013  | (1,912)                   | (1,912)                      |
| Unallocated Common Stock held by:   |                           |                              |
| Employee Stock Ownership Plan   | (703)                     | (712)                        |
| Recognition and Retention Plan  | (200)                     | (200)                        |
| Accumulated Other Comprehensive Income (Loss), Net of Tax Effects   | (31)                      | (95)                         |
| Retained Earnings   | 14,092                    | 14,088                       |
| <b>TOTAL EQUITY</b>   | 22,127                    | 22,014                       |
| <b>TOTAL LIABILITIES AND EQUITY</b>   | <b>\$ 106,477</b>         | <b>\$ 106,194</b>            |

**Hibernia Bancorp, Inc. and Subsidiary**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Dollars in thousands, except per share data)

|  | <b>Three Months Ended</b> |              |
|--|---------------------------|--------------|
|  | <b>March 31,</b>          |              |
|  | <u>2014</u>               | <u>2013</u>  |
|  | (Unaudited)               |              |
| <b>Total Interest and Dividend Income</b>                  | \$ 937                    | \$ 1,027     |
| <b>Total Interest Expense</b>                              | <u>142</u>                | <u>174</u>   |
| <b>Net Interest Income</b>                                 | 795                       | 853          |
| <b>Provision For Loan Losses</b>                           | <u>-</u>                  | <u>13</u>    |
| <b>Net Interest Income After Provision For Loan Losses</b> | 795                       | 840          |
| <b>Total Non-Interest Income</b>                           | 37                        | 32           |
| <b>Non-Interest Expenses</b>                               |                           |              |
| Salaries and Employee Benefits                             | 392                       | 405          |
| Occupancy Expenses   | 125                       | 120          |
| Data Processing  | 120                       | 96           |
| Advertising and Promotional Expenses                       | 16                        | 35           |
| Professional Fees  | 42                        | 50           |
| Other Non-Interest Expenses                                | <u>118</u>                | <u>121</u>   |
| <b>Total Non-Interest Expenses</b>                         | <u>813</u>                | <u>827</u>   |
| <b>Income Before Income Taxes</b>                          | 19                        | 45           |
| <b>Income Tax Expense</b>                                  | <u>15</u>                 | <u>19</u>    |
| <b>NET INCOME</b>  | <u>\$ 4</u>               | <u>\$ 26</u> |
| <b>INCOME PER COMMON SHARE</b>                             |                           |              |
| Basic  | \$ 0.01                   | \$ 0.03      |
| Diluted  | \$ 0.01                   | \$ 0.03      |