



HIBERNIA

BANCORP, INC.

FOR IMMEDIATE RELEASE

CONTACT:

A. Peyton Bush, III, President and Chief Executive Officer
Donna T. Guerra, Chief Financial Officer
504-522-3203

Hibernia Bancorp, Inc. Reports Operating Results for the Second Quarter and Six Months Ended June 30, 2013

New Orleans, Louisiana (August 7, 2013) - Hibernia Bancorp, Inc. (the "Company") (OTCBB: HIBE), the holding company of Hibernia Bank (the "Bank"), today reported net income of \$13,000 for the quarter ended June 30, 2013 compared to net income of \$35,000 for the quarter ended June 30, 2012. Earnings per basic and diluted share for the quarter ended June 30, 2013 were \$0.01, compared to \$0.04 per basic and diluted share for the quarter ended June 30, 2012. For the six months ended June 30, 2013, the Company reported net income of \$39,000 compared to net income of \$86,000 for the six months ended June 30, 2012. Earnings per basic and diluted share were \$0.04 for the six months ended June 30, 2013, compared to \$0.09 per basic and diluted share for the six months ended June 30, 2012.

A. Peyton Bush, III, President and Chief Executive Officer of the Company and the Bank, stated, "Net loans decreased by 6% in the second quarter compared to the first quarter of 2013 and Hibernia continued to be adversely affected by narrowing interest margins. A 4% increase in deposits in the second quarter improved Hibernia's liquidity position but the interest rate earned on these additional funds in the form of interest bearing cash and marketable securities was below loan yields. As a result, net interest income was lower in the second quarter and first half of 2013 than in the same periods last year. Although the Bank began generating fee income from mortgage loan originations for the secondary market in the first half of 2013, the additional non-interest income was not sufficient to compensate for lower net interest income. Hibernia continues to maintain low levels of delinquent loans and non-performing assets reflecting strong overall asset quality."

Net interest income decreased 5.0% to \$829,000 for the quarter ended June 30, 2013, from \$873,000 for quarter ended June 30, 2012. This was due to a decrease in interest and dividend income. Total interest and dividend income decreased \$47,000, or 4.5%, for the quarter ended June 30, 2013 compared to the quarter ended June 30, 2012. This decrease was due primarily to a decrease in the average rate we earned on loans and investment securities. Total interest expense decreased \$3,000, or 1.7%, for the quarter ended June 30, 2013 compared to the quarter ended June 30, 2012. Although the average balance of our interest bearing deposits for the quarter ended June 30, 2013 increased as compared to the average balance for the quarter ended June 30, 2012, the average rate paid for deposits decreased resulting in lower interest expense for the period. The net interest margin decreased to 3.42% for the three months ended June 30, 2013 from 4.07% for the three months ended June 30, 2012.

The Company made no loan loss provision for the quarter ended June 30, 2013, compared to \$32,000 for the quarter ended June 30, 2012. The Company reported recoveries of \$11,000 and no charge-offs for the quarter ended June 30, 2013 and no charge-offs or recoveries for the quarter ended June 30, 2012.

Non-interest income increased to \$46,000 for the quarter ended June 30, 2013 from \$31,000 for the quarter ended June 30, 2012. The increase in non-interest income was due to secondary market loan origination fee income, which was \$13,000 for the second quarter of 2013 as compared to none for the second quarter of 2012.

Non-interest expense increased 6.0% to \$847,000 for the quarter ended June 30, 2013 from \$799,000 for the quarter ended June 30, 2012. The increase in non-interest expense was due primarily to increases in employee salary and benefits expense, franchise and shares taxes and data processing costs.

Income tax expense for the quarter ended June 30, 2013 was \$15,000 as compared to \$38,000 for the quarter ended June 30, 2012. The decrease in quarterly taxes was due to a decrease in pre-tax income.

For the six months ended June 30, 2013, net interest income decreased 3.4% to \$1.68 million from \$1.74 million for the six months ended June 30, 2012. This decrease was due primarily to a decrease in the average rate we earned on loans and investment securities, partially offset by higher average loan volume in the six months ended June 30, 2013 as compared to the six months ended June 30, 2012. Total interest expense increased slightly for the six months ended June 30, 2013 compared to the six months ended June 30, 2012. Although the average rate paid for deposits decreased for the six months ended June 30, 2013, the average balance of our interest bearing deposits increased resulting in slightly higher interest expense for the

period. The net interest margin decreased to 3.49% for the six months ended June 30, 2013 from 4.11% for the six months ended June 30, 2012.

During the six months ended June 30, 2013, the Company made provisions for loan and lease losses of \$13,000 compared to provisions of \$64,000 during the six months ended June 30, 2012. The Company reported no net charge-offs for the six months ended June 30, 2013 and June 30, 2012.

Non-interest expense for the six months ended June 30, 2013 increased \$85,000, or 5.3%, to \$1.7 million compared to \$1.6 million for the six months ended June 30, 2012. The increase in non-interest expense was due primarily to increases in employee salary and benefits expense, franchise and shares taxes and data processing costs.

For the six months ended June 30, 2013, income tax expense was \$34,000 compared to \$76,000 for the six months ended June 30, 2012. The decrease in year-to-date taxes was due a decrease in pre-tax income.

Hibernia Bancorp's total consolidated assets at June 30, 2013 were \$107.2 million compared to \$101.9 million at December 31, 2012. Purchases of investment securities of \$4.6 million, net of maturities and repayments, resulted in an increase of \$4.2 million in investment securities. Interest bearing cash increased by \$6.4 million during the six months ended June 30, 2013. These increases were funded by a decline in net loans to \$82.1 million at June 30, 2013 from \$87.7 million at December 31, 2012, and an increase in deposits of \$5.7 million. Partially offsetting these funding sources was a \$351,000 decrease in advance payments by borrowers for taxes and insurance. The decrease in net loans reflects a \$2.2 million decrease in residential mortgage and residential construction loans, and a \$3.5 million decrease in commercial real estate loans. Total deposits increased 7.3% to \$84.6 million at June 30, 2013 from \$78.9 million at December 31, 2012, reflecting increases of \$4.9 million in money market and interest bearing checking accounts, \$1.5 million in savings accounts, and \$1.1 million in non-interest bearing demand deposits offset by decreases of \$1.8 million in certificates of deposit.

Non-performing assets, defined as non-accrual loans, accruing loans past due 90 days or more and other real estate owned, totaled \$593,000, or 0.6%, of total assets at June 30, 2013, compared to \$715,000, or 0.7%, of total assets at December 31, 2012. The non-performing assets at June 30, 2013 consisted of four loans secured by first mortgages on one-to-four family residential real estate. Our allowance for loan and lease losses was \$641,000, or 0.78%, of total loans at June 30, 2013, and \$628,000, or 0.71%, of total loans at December 31, 2012. 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 June 30, 2013 and December 31, 2012, there was no other real estate owned.

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325 Carondelet St., New Orleans, LA 70131 Phone (504) 522-3203 Fax (504) 522-3217

The Company's total stockholders' equity remained essentially unchanged at \$22.0 million as of June 30, 2013 and December 31, 2012. During the six months ended June 30, 2013, the Company repurchased 5,390 shares of its common stock as treasury stock for an aggregate cost of \$90,000 which leaves 15,710 shares remaining to be repurchased under the Company's stock repurchase program. The Company's book value per share increased to \$22.22 at June 30, 2013 from \$22.08 at December 31, 2012 due to our net income for the six month period and our purchase of treasury stock. Hibernia Bank's regulatory capital levels continue to exceed requirements for well capitalized institutions.

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 on-line banking services to commercial and individual customers in the New Orleans metropolitan area. Additional information about Hibernia Bank is available at www.hibbank.com.

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

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
	(Unaudited)	
ASSETS		
Cash - Non-Interest Bearing	\$ 852	\$ 647
Cash - Interest Bearing	13,042	6,618
TOTAL CASH AND CASH EQUIVALENTS	<u>13,894</u>	<u>7,265</u>
Certificates of Deposit	100	100
Securities - Available For Sale	5,087	854
Loans Receivable, Net of Allowances for Loan Losses of \$641,000 at June 30, 2013 and \$628,000 as of December 31, 2012	82,113	87,721
Accrued Interest Receivable	266	257
Investment in FHLB Stock	41	36
Investment in FNBB Stock	210	210
Prepaid Expenses and Other Assets	242	193
Premises and Equipment, Net	5,010	4,941
Deferred Income Taxes	284	286
TOTAL ASSETS	<u>\$ 107,247</u>	<u>\$ 101,863</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits		
Non-Interest Bearing	\$ 7,166	\$ 6,019
Interest Bearing	77,476	72,889
Total Deposits	<u>84,642</u>	<u>78,908</u>
Advance Payments by Borrowers for Taxes and Insurance	376	727
Accrued Interest Payable	43	51
Accounts Payable and Other Liabilities	182	191
TOTAL LIABILITIES	<u>85,243</u>	<u>79,877</u>
EQUITY		
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 issued; 990,494 and 995,884 shares outstanding at June 30, 2013 and December 31, 2012, respectively	11	11
Additional Paid in Capital	10,766	10,695
Treasury Stock at cost - 122,840 and 117,450 shares at June 30, 2013 and December 31, 2012, respectively	(1,857)	(1,767)
Unallocated Common Stock held by:		
Employee Stock Ownership Plan	(730)	(748)
Recognition and Retention Plan	(200)	(231)
Accumulated Other Comprehensive Income (Loss), Net of Tax Effects	(12)	39
Retained Earnings	14,026	13,987
TOTAL EQUITY	<u>22,004</u>	<u>21,986</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 107,247</u>	<u>\$ 101,863</u>

Hibernia Bancorp, Inc. and Subsidiary

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
	(Unaudited)		(Unaudited)	
Total Interest and Dividend Income	\$ 998	\$ 1,045	\$ 2,025	\$ 2,083
Total Interest Expense	169	172	343	342
Net Interest Income	829	873	1,682	1,741
Provision For Loan Losses	-	32	13	64
Net Interest Income After Provision For Loan Losses	829	841	1,669	1,677
Total Non-Interest Income	46	31	78	74
Non-Interest Expenses				
Salaries and Employee Benefits	399	373	804	749
Occupancy Expenses	126	122	246	244
Data Processing	102	91	198	180
Advertising and Promotional Expenses	36	46	71	77
Professional Fees	51	58	101	117
Other Non-Interest Expenses	133	109	254	222
Total Non-Interest Expenses	847	799	1,674	1,589
Income Before Income Taxes	28	73	73	162
Income Tax Expense	15	38	34	76
NET INCOME	\$ 13	\$ 35	\$ 39	\$ 86
INCOME PER COMMON SHARE				
Basic	\$ 0.01	\$ 0.04	\$ 0.04	\$ 0.09
Diluted	\$ 0.01	\$ 0.04	\$ 0.04	\$ 0.09