



HIBERNIA

BANCORP, INC.

FOR IMMEDIATE RELEASE

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Hibernia Bancorp, Inc. Reports Operating Results for the Third Quarter and Nine Months Ended September 30, 2012

New Orleans, Louisiana (November 7, 2012) - Hibernia Bancorp, Inc. (the "Company") (OTCBB: HIBE), the holding company of Hibernia Bank (the "Bank"), today reported net income of \$47,000 for the quarter ended September 30, 2012 compared to net income of \$31,000 for the quarter ended September 30, 2011. Earnings per basic and diluted share for the quarter ended September 30, 2012 were \$0.05, compared to \$0.03 per basic and diluted share for the quarter ended September 30, 2011. For the nine months ended September 30, 2012, the Company reported net income of \$133,000 compared to net income of \$52,000 for the nine months ended September 30, 2011. Earnings per basic and diluted share were \$0.14 for the nine months ended September 30, 2012, compared to \$0.05 per basic and diluted share for the nine months ended September 30, 2011.

A. Peyton Bush, III, President and Chief Executive Officer of the Company and the Bank, stated, "We made progress in the third quarter, but the rate of growth in our loan portfolio slowed, and the Bank's net interest margin was adversely affected by historically low interest rates, especially on residential mortgage loans. Our priorities going forward will include finding profitable lending opportunities that meet our quality standards and balancing loan growth by strengthening Hibernia's core deposit base. In view of the current rate environment we will be cautious about adding to our fixed rate residential mortgage portfolio, and we will begin originating some of our mortgage loans for sale in the secondary market. This adjustment to the Bank's lending strategy is intended to reduce interest rate risk and to increase non-interest fee income."

Net interest income increased 7.4% to \$895,000 for the quarter ended September 30, 2012, from \$833,000 for quarter ended September 30, 2011. Several factors affected net interest income for the period. Gross interest income was higher due to an increase in loans and a decrease in lower yielding investment securities as a percentage of earning assets. Interest bearing deposits increased, but the average rate paid for deposits declined. As a result, the change in total interest expense was not significant. The net interest margin decreased from 4.26% for the three months ended September 30, 2011 to 3.74% for the three months ended September 30, 2012. During the quarter ended September 30, 2012, the Company made a provision for loan and lease losses of \$32,000.

Non-interest expense increased 10.5% from \$731,000 for the quarter ended September 30, 2011 to \$808,000 for the quarter ended September 30, 2012. The increase in non-interest expense for the quarter ended September 30, 2012 reflected increases in personnel expenses, advertising and promotional expense, occupancy expenses, and data processing expenses. The increase in personnel expense included merit based salary increases, the addition of two staff members and costs associated with the Company's stock benefit plans. These increases were offset partially by decreases in other operating expenses which for the quarter ended September 30, 2011 included a \$27,000 loss on the disposal of premises and equipment related to a roof replacement.

For the nine months ended September 30, 2012, net interest income increased 15.2% to \$2.6 million from \$2.3 million for the nine months ended September 30, 2011, primarily due to higher loan volume. The net interest margin decreased to 3.98% for the nine months ended September 30, 2012 compared to 4.19% for the prior year period. During the nine months ended September 30, 2012, the Company made provisions for loan and lease losses of \$96,000 compared to provisions of \$67,000 during the nine months ended September 30, 2011.

Non-interest expense for the nine months ended September 30, 2012 increased \$236,000, or 10.9%, to \$2.4 million compared to \$2.2 million for the nine months ended September 30, 2011. The non-interest expense for the nine months ended September 30, 2012 reflected increases in personnel expense, advertising and promotional expenses, occupancy expenses, data processing expenses and professional fees. These increases were partially offset by decreases in other operating expenses which for the nine months ended September 30, 2011 included \$33,000 of losses on disposals of premises and equipment.

Income tax expense for the quarter ended September 30, 2012 was \$50,000 compared to \$74,000 for the quarter ended September 30, 2011. The quarter ended September 30, 2011 included adjustments to net deferred income tax assets following the filing of the Company's

consolidated federal income tax return for 2010. For the nine months ended September 30, 2012, income tax expense was \$125,000 compared to \$104,000 for the nine months ended September 30, 2011. This increase is due to an increase in the Company's pre-tax income as well as an increase in Alternative Minimum Tax (AMT).

Hibernia Bancorp's total consolidated assets at September 30, 2012 were \$102.4 million compared to \$88.5 million at December 31, 2011. Net loans increased 12.7% from \$76.9 million at December 31, 2011 to \$86.7 million at September 30, 2012, reflecting a \$5.0 million increase in residential mortgage and residential construction loans and \$4.7 million increase in commercial real estate loans. The increase in loan volume was funded by an increase of \$13.7 million in deposits and a \$1.2 million decrease in investment securities. Interest bearing cash increased by \$5.9 million. Total deposits increased 20.9% from \$65.5 million at December 31, 2011 to \$79.2 million at September 30, 2012, reflecting increases of \$4.9 million in certificates of deposit, \$5.5 million in interest bearing checking deposits, and \$3.1 million in non-interest bearing demand deposits.

Non-performing assets, defined as non-accrual loans, accruing loans past due 90 days or more and other real estate owned, totaled \$728,000, or 0.7% of total assets, at September 30, 2012, compared to \$695,000, or 0.8% of total assets, at December 31, 2011. The non-performing assets at September 30, 2012 consisted of five loans secured by first mortgages on one-to-four family residential real estate. 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. During the quarter ended September 30, 2012, other real estate owned was sold resulting in a gain of \$12,000 which is included in non-interest income on the Condensed Consolidated Statements of Operations. At September 30, 2012 there was no other real estate owned compared to \$126,000 at December 31, 2011.

The Company reported no net charge-offs for the three and nine months ended September 30, 2012 compared to net charge-offs of \$10,000 and \$36,000 for the three and nine months ended September 30, 2011. The Company's loan loss provision for the quarter ended September 30, 2012 was \$32,000, compared to \$29,000 for the quarter ended September 30, 2011. For the nine months ended September 30, 2012, the Company's loan loss provision was \$96,000, compared to \$67,000 for the nine months ended September 30, 2011. The increases in the provision for the three and nine months ended September 30, 2012 were primarily due to increases in general reserves driven by the higher volume of loans outstanding.

The Company's total stockholders' equity remained essentially unchanged at \$22.1 million as of September 30, 2012 and December 31, 2011. During the nine months ended September 30,

2012, the Company repurchased 15,600 shares of its common stock as treasury stock for an aggregate cost of \$251,000 which leaves 5,732 shares remaining to be repurchased under the Company's second stock repurchase program. The Company has approved a third repurchase program for the purchase of up to 30,000 shares to commence upon completion of the second stock repurchase program. The Company's book value per share increased from \$21.55 at December 31, 2011 to \$21.91 at September 30, 2012 due to our net income for the period and, to a lesser extent, 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>September 30,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
	(Unaudited)	
ASSETS		
Cash - Non-Interest Bearing	\$ 825	\$ 831
Cash - Interest Bearing	7,655	1,788
TOTAL CASH AND CASH EQUIVALENTS	<u>8,480</u>	<u>2,619</u>
Certificates of Deposit	100	100
Securities - Available For Sale	999	2,229
Loans Receivable, Net	86,697	76,947
Accrued Interest Receivable	302	275
Investment in FHLB Stock	36	172
Investment in FNBB Stock	210	210
Prepaid Expenses and Other Assets	244	216
Other Real Estate Owned, Net	-	126
Premises and Equipment, Net	4,981	5,174
Deferred Income Taxes	329	431
TOTAL ASSETS	<u>\$ 102,378</u>	<u>\$ 88,499</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Deposits		
Non-Interest Bearing	7,046	3,975
Interest Bearing	72,163	61,567
Total Deposits	<u>79,209</u>	<u>65,542</u>
Advance Payments by Borrowers for Taxes and Insurance	665	634
Accrued Interest Payable	56	11
Accounts Payable and Other Liabilities	305	203
TOTAL LIABILITIES	<u>80,235</u>	<u>66,390</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; 1,010,516 and 1,026,116 shares outstanding at September 30, 2012 and December 31, 2011, respectively	11	11
Additional Paid in Capital	10,662	10,560
Treasury Stock at cost - 102,818 and 87,218 shares at September 30, 2012 and December 31, 2011, respectively	(1,511)	(1,260)
Unallocated Common Stock held by:		
Employee Stock Ownership Plan	(757)	(784)
Recognition and Retention Plan	(231)	(262)
Accumulated Other Comprehensive Income, Net of Tax Effects	48	56
Retained Earnings	13,921	13,788
TOTAL EQUITY	<u>22,143</u>	<u>22,109</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 102,378</u>	<u>\$ 88,499</u>

Hibernia Bancorp, Inc. and Subsidiary

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
	(Unaudited)		(Unaudited)	
Total Interest and Dividend Income	\$ 1,073	\$ 1,005	\$ 3,156	\$ 2,797
Total Interest Expense	178	172	521	510
Net Interest Income	895	833	2,635	2,287
Provision For Loan Losses	32	29	96	67
Net Interest Income After Provision For Loan Losses	863	804	2,539	2,220
Total Non-Interest Income	42	32	116	97
Non-Interest Expenses				
Salaries and Employee Benefits	372	336	1,121	993
Occupancy Expenses	123	112	368	321
Data Processing	97	88	276	238
Advertising and Promotional Expenses	48	(10)	125	44
Professional Fees	57	54	174	162
Other Non-Interest Expenses	111	151	333	403
Total Non-Interest Expenses	808	731	2,397	2,161
Income Before Income Taxes	97	105	258	156
Income Tax Expense	50	74	125	104
NET INCOME	\$ 47	\$ 31	\$ 133	\$ 52
INCOME PER COMMON SHARE				
Basic	\$ 0.05	\$ 0.03	\$ 0.14	\$ 0.05
Diluted	\$ 0.05	\$ 0.03	\$ 0.14	\$ 0.05