PRESS RELEASE

FROM: Robert H. Gaughen, Jr., President

Hingham Institution for Savings Hingham, MA (NASDAQ – HIFS)

DATE: January 17, 2014

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RECORD ANNUAL EARNINGS

HINGHAM INSTITUTION FOR SAVINGS (Nasdaq – HIFS), Hingham, Massachusetts announced its earnings for 2013. Net income for the year ended December 31, 2013 was \$13,371,000 or \$6.28 per share (basic and diluted) as compared to \$13,290,000 or \$6.25 per share (basic and diluted) for 2012. Net income for the fourth quarter 2013 was \$3,488,000 or \$1.64 per share (basic and diluted) as compared to \$3,354,000 or \$1.58 per share (basic and diluted) for the fourth quarter 2012. The Bank's return on average equity for the year ended December 31, 2013 was 13.52%, and the return on average assets was 1.07%.

Deposits increased by \$71.0 million, or 8%, net loans increased by \$129.2 million, or 14%, and total assets increased by 12% from December 31, 2012 to December 31, 2013. Total assets were \$1,356,441,000 at December 31, 2013 as compared to \$1,205,884,000 at December 31, 2012. Book value per share increased to \$48.49 per share at December 31, 2013 from \$43.65 per share at December 31, 2012. At December 31, 2013, non-performing assets totaled 0.46% of total assets compared to 0.28% of total assets at December 31, 2012.

President Robert H. Gaughen, Jr. stated, "We are pleased to report our sixth consecutive year of record earnings. Although the current interest rate environment has continued to put pressure on our net interest margin, the strong growth of our balance sheet, effective cost control and aggressive management of asset quality have again produced some of the industry's strongest returns. We remain focused on increasing

shareholder value through the continued development of a truly outstanding community banking organization."

Hingham Institution for Savings is a Massachusetts-chartered savings bank located in Hingham, Massachusetts. Incorporated in 1834, it is the oldest financial institution headquartered in Hingham and one of the oldest in the Commonwealth. The Bank's main offices are located on Main Street, Hingham, Massachusetts 02043, phone (781) 749-2200. The Bank also maintains branch offices in South Hingham and the neighboring towns of Cohasset, Hull, Scituate, Norwell, Weymouth as well as branches in the South End of Boston, Beacon Hill and the island of Nantucket.

The Bank's shares of common stock are listed and traded on The NASDAQ Stock Market under the symbol HIFS.

HINGHAM INSTITUTION FOR SAVINGS Selected Financial Ratios

	Three Months Ended December 31,			Twelve Montl December	
	2013	2012		2013	2012
(Unaudited)					
Key Performance Ratios					
Return on average assets (1)	1.06 %	1.11 %		1.07 %	1.15 %
Return on average equity (1)	13.62	14.58		13.52	15.05
Interest rate spread (1) (2)	3.03	3.15		3.07	3.25
Net interest margin (1) (3)	3.14	3.28		3.19	3.38
Non-interest expense to average assets (1)	1.37	1.41		1.40	1.42
Efficiency ratio (4)	43.06	42.28		43.26	41.54
Average equity to average assets	7.75	7.61		7.89	7.62
Average interest-bearing assets to average interest					
bearing liabilities	113.93	113.33		113.92	112.75
	D	ecember 31, 2013	D	ecember 31, 2012	
(Unaudited)					
Asset Quality Ratios					
Allowance for loan losses/total loans		0.78 %		0.84 %	
Allowance for loan losses/non-performing loans		143.37		273.66	
Non-performing loans/total loans		0.55		0.31	
Non-performing loans/total assets		0.44		0.24	
Non-performing assets/total assets		0.46		0.28	
Share Related					
Book value per share	\$	48.49	\$	43.65	
Market value per share	\$	78.49	\$	62.60	
Shares outstanding at end of period		2,128,750		2,125,750	

⁽¹⁾ Annualized

- (2) Interest rate spread represents the difference between the yield on earning assets and cost of interest-bearing liabilities.
- (3) Net interest margin represents net interest income divided by average earning assets.
- (4) The efficiency ratio represents non-interest expense, divided by the sum of net interest income and non-interest income.

HINGHAM INSTITUTION FOR SAVINGS Consolidated Balance Sheets

(Dollars in thousands except per share data)	Dec	ember 31, 2013	December 31, 2012		
(Unaudited) ASSETS					
Cash and due from banks Short-term investments	\$	11,922 90,925	\$	7,961 79,373	
Cash and cash equivalents		102,847		87,334	
Certificates of deposit Securities available for sale, at fair value Federal Home Loan Bank stock, at cost		13,011 106,369 15,978		13,737 102,866 14,105	
Loans, net of allowance for loan losses of \$8,509 at December 31, 2013 and \$7,999 at December 31, 2012 Foreclosed assets Bank-owned life insurance		1,078,879 271 15,375		949,662 471 14,945	
Premises and equipment, net Accrued interest receivable Deferred income tax asset, net		15,854 2,792 2,934		14,180 2,667 2,556	
Other assets Total assets	\$	2,934 2,131 1,356,441	\$	3,361 1,205,884	
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits Federal Home Loan Bank advances Mortgage payable Mortgagors' escrow accounts Accrued interest payable Other liabilities Total liabilities	\$	940,906 302,732 1,020 3,709 490 4,367 1,253,224	\$ 	869,886 234,355 1,065 3,231 478 4,070 1,113,085	
Stockholders' equity: Preferred stock, \$1.00 par value, 2,500,000 shares authorized, none issued Common stock, \$1.00 par value, 5,000,000 shares authorized; 2,128,750 shares issued and outstanding at December 31, 2013 and 2,125,750 shares issued and		_		_	
outstanding at December 31, 2012 Additional paid-in capital Undivided profits Accumulated other comprehensive income	_	2,129 10,659 90,449 (20)		2,126 10,519 79,930 224	
Total stockholders' equity Total liabilities and stockholders' equity	\$	103,217 1,356,441	\$	92,799 1,205,884	

HINGHAM INSTITUTION FOR SAVINGS Consolidated Statements of Net Income

Clinable Clinable		Three Months Ended December 31,				Twelve Months Ended December 31,		
Number		2013 2012			2013 2012			
Loans \$ 12,455 \$ 12,126 \$ 48,455 \$ 47,753 Debt securities 92 111 407 526 Equity securities 65 70 181 198 Short-term investments and certificates of deposit 86 92 299 354 Total interest and dividend income 12,698 12,399 49,342 48,831 Interest expense 8 1,430 1,467 5,660 5,858 Federal Home Loan Bank advances 1,177 1,282 4,779 5,014 Mortgage payable 16 16 63 65 Total interest expense 2,623 2,765 10,502 10,937 Net interest income 10,075 9,634 38,400 37,894 Provision for loan losses 9,985 9,484 38,400 37,169 Other interest income, after provision for loan losses 2,985 9,484 38,400 37,169 Other interest expenses 261 2,53 1,019 1,008 Increase in bank-ow	(Unaudited)	(In thousands, except per share amounts)					unts)	
Debt securities 92 111 407 526 Equity securities 65 70 181 198 Short-term investments and certificates of deposit 86 92 29 354 Total interest and dividend income 12,698 12,399 49,342 48,831 Interest expense 1,430 1,467 5,660 5,858 Federal Home Loan Bank advances 1,177 1,282 4,779 5,014 Mortgage payable 16 16 16 63 65 Total interest sexpense 2,623 2,755 10,502 10,937 Net interest income 10,075 9,634 38,840 37,894 Provision for loan losses 9,985 9,484 38,460 37,169 Octrin income 20 150 380 725 Net interest income, after provision for loan losses 9,985 9,484 38,460 37,169 Octratin income 261 253 1,019 1,008 Miscellaneous 26	Interest and dividend income:				_			
Equity securities 65 70 181 198 Short-term investments and certificates of deposit 36 92 299 354 Total interest and dividend income 12,698 12,399 49,342 48,831 Interest expense: Deposits 1,430 1,467 5,660 5,858 Federal Home Loan Bank advances 1,177 1,282 4,779 5,014 Mortgage payable 16 16 63 65 Total interest expense 2,623 2,765 10,502 10,937 Net interest income 10,075 9,634 38,840 37,894 Provision for loan losses 9,985 9,484 38,400 37,199 Net interest income, after provision for loan losses 9,985 9,484 38,400 37,199 Other income: 2 1,000 38,400 37,169 42,222 32,232 3,240 3,100 42,126 Miscellaneous 6 26 7.32 2.29 2,237 704 401	Loans	\$	12,455	\$	12,126	\$ 48,455	9	\$ 47,753
Short-term investments and certificates of deposit Total interest and dividend income 86 92 299 354 Total interest and dividend income 12,698 12,399 49,342 48,831 Interest expense: Usposits 1,177 1,282 4,779 5,014 Mortgage payable 16 16 63 65 Total interest expense 2,623 2,763 10,502 10,937 Net interest income 10,075 9,634 38,400 37,894 Provision for loan losses 9,985 9,484 38,400 37,169 Other income: Ustomer service fees on deposits 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 481 488<	Debt securities		92		111	407		526
Short-term investments and certificates of deposit 86 92 299 354 Total interest and dividend income 12,698 12,399 49,342 48,831 Interest expense: 11,430 1,467 5,660 5,858 Federal Home Loan Bank advances 1,177 1,282 4,779 5,014 Mortgage payable 16 16 63 65 Total interest expense 2,623 2,765 10,502 10,937 Net interest income 10,075 9,634 38,840 37,984 Provision for loan losses 90 150 380 725 Net interest income, after provision for loan losses 9,985 9,484 38,460 37,169 Other income: 261 253 1,019 1,006 Use tinterest income, after provision for loan losses 66 73 2,290 2,375 Net interest vice fees on deposits 261 253 1,019 1,006 Increase in bank-owned life insurance 107 102 43 1,25 <	Equity securities		65		70	181		198
Total interest and dividend income 12,698 12,399 49,342 48,831 Interest expense: 1,430 1,467 5,660 5,858 Federal Home Loan Bank advances 1,177 1,282 4,779 5,016 Mortgage payable 16 16 63 65 Total interest expense 2,623 2,765 10,502 10,937 Net interest income 10,075 9,634 38,400 37,894 Provision for loan losses 9,985 9,484 38,400 37,169 Other income. 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 261 253 1,019 1,066 Operating expenses: 2 237 250 1,060 Salaries and employee benefits 2,773 2,506 1,060 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,6	Short-term investments and certificates of deposit		86		92	299		354
Deposits 1,430 1,467 5,660 5,858 Federal Home Loan Bank advances 1,177 1,282 4,779 5,014 Mortgage payable 16 16 16 36 56 Total interest expense 2,623 2,765 10,502 10,937 Net interest income 10,075 9,634 38,840 37,894 Provision for loan losses 90 150 380 725 Net interest income, after provision for loan losses 9,985 9,484 38,400 37,169 Other income 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 434 428 1,608 Operating expenses: 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 481 488 1,6		_	12,698	_	12,399	49,342	-	48,831
Federal Home Loan Bank advances 1,177 1,282 4,779 5,014 Mortgage payable 16 16 16 63 65 Total interest expense 2,623 2,765 10,502 10,937 Net interest income 10,075 9,634 38,840 37,894 Provision for loan losses 9,985 9,484 38,460 37,169 Other income: 2 2 38,460 37,169 Other income: 2 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 434 428 1,678 1,666 Operating expenses: 2 2,773 2,506 10,602 9,643 Data processing 2 2,773 2,506 10,602 9,643 Data processing 2 2,13 1,015 884 Occupancy and equipment 481	Interest expense:	_		_			-	
Mortgage payable 16 16 63 65 Total interest expense 2,623 2,765 10,502 10,937 Net interest income 10,075 9,634 38,840 37,894 Provision for loan losses 90 150 380 725 Net interest income, after provision for loan losses 9,985 9,484 38,460 37,169 Other income: 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 434 428 1,678 1,666 Operating expenses: 2 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure 700 750 2,615 2	Deposits		1,430		1,467	5,660		5,858
Total interest expense 2,623 2,765 10,502 10,937 Net interest income 10,075 9,634 38,840 37,894 Provision for loan losses 90 150 380 725 Net interest income, after provision for loan losses 9,985 9,484 38,460 37,169 Other income: 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 434 428 1,678 1,666 Operating expenses: 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure 32 5 186 336 Marketing 167 157 557 654	Federal Home Loan Bank advances		1,177		1,282	4,779		5,014
Net interest income 10,075 9,634 38,840 37,894 Provision for loan losses 90 150 380 725 Net interest income, after provision for loan losses 9,985 9,484 38,460 37,169 Other income: 30 261 253 1,019 1,008 Customer service fees on deposits 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 434 428 1,678 1,666 Operating expenses: 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure 32 5 186 336 Marketing 167 157 557 654	Mortgage payable		16		16	63		65
Provision for loan losses 90 150 380 725 Net interest income, after provision for loan losses 9,985 9,484 38,460 37,169 Other income: Customer service fees on deposits 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 434 428 1,678 1,668 Operating expenses: Salaries and employee benefits 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total oper	Total interest expense		2,623	_	2,765	10,502	_	10,937
Net interest income, after provision for loan losses 9,985 9,484 38,460 37,169 Other income: Customer service fees on deposits 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 434 428 1,678 1,666 Operating expenses: Salaries and employee benefits 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 5,894 5,584 1,527 16,434 I	Net interest income	_	10,075	_	9,634	38,840		37,894
Other income: Customer service fees on deposits 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 434 428 1,678 1,666 Operating expenses: 8 1,000 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 <td>Provision for loan losses</td> <td></td> <td>90</td> <td></td> <td>150</td> <td>380</td> <td></td> <td>725</td>	Provision for loan losses		90		150	380		725
Customer service fees on deposits 261 253 1,019 1,008 Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 434 428 1,678 1,666 Operating expenses: 3 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income tax provision 2,406 2,304 9,240 9,111 Net income 3,488 3,354 \$13,371 \$13,290 </td <td>Net interest income, after provision for loan losses</td> <td>_</td> <td>9,985</td> <td>_</td> <td>9,484</td> <td>38,460</td> <td></td> <td>37,169</td>	Net interest income, after provision for loan losses	_	9,985	_	9,484	38,460		37,169
Increase in bank-owned life insurance 107 102 430 421 Miscellaneous 66 73 229 237 Total other income 434 428 1,678 1,666 Operating expenses: 3434 428 1,678 1,666 Operating expenses: 32773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Net income 3,348 3,354 \$13,371 \$13,290 <td< td=""><td>Other income:</td><td>_</td><td></td><td></td><td></td><td></td><td>-</td><td></td></td<>	Other income:	_					-	
Miscellaneous 66 73 229 237 Total other income 434 428 1,678 1,666 Operating expenses: \$	Customer service fees on deposits		261		253	1,019		1,008
Total other income 434 428 1,678 1,666 Operating expenses: Salaries and employee benefits 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Net income 3,488 3,354 \$13,371 \$13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: 8 1,64	Increase in bank-owned life insurance		107		102	430		421
Operating expenses: Salaries and employee benefits 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 Net income 3,488 3,354 \$13,371 \$13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: 8 1.64 \$1.58 6.28 6.28 Basic	Miscellaneous		66		73	229		237
Salaries and employee benefits 2,773 2,506 10,602 9,643 Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,311 2,128 2,130 2,127 Earnings per common share: \$ 1.64 \$ 1.58 \$ 6.28	Total other income		434		428	1,678	_	1,666
Data processing 261 234 1,015 884 Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: \$ 1.64 \$ 1.58 6.28 6.28	Operating expenses:						='	
Occupancy and equipment 481 438 1,868 1,709 Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Salaries and employee benefits		2,773		2,506	10,602		9,643
Deposit insurance 172 164 684 611 Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: Basic 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Data processing		261		234	1,015		884
Foreclosure (32) 5 186 336 Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: \$ 1.64 \$ 1.58 6.28 \$ 6.25	Occupancy and equipment		481		438	1,868		1,709
Marketing 167 157 557 654 Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Deposit insurance		172		164	684		611
Other general and administrative 700 750 2,615 2,597 Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Foreclosure		(32)		5	186		336
Total operating expenses 4,525 4,254 17,527 16,434 Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Marketing		167		157	557		654
Income before income taxes 5,894 5,658 22,611 22,401 Income tax provision 2,406 2,304 9,240 9,111 Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Other general and administrative	_	700	_	750	2,615	_	2,597
Income tax provision 2,406 2,304 9,240 9,111 Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Total operating expenses	_	4,525	_	4,254	17,527	_	16,434
Net income \$ 3,488 \$ 3,354 \$ 13,371 \$ 13,290 Weighted average common shares outstanding: 2,129 2,126 2,128 2,126 Basic 2,131 2,128 2,130 2,127 Earnings per common share: 8 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Income before income taxes		5,894		5,658	22,611		22,401
Weighted average common shares outstanding: Basic 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: 8 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Income tax provision	_	2,406	_	2,304	9,240	_	9,111
Basic 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: Basic \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Net income	\$	3,488	\$_	3,354	\$ 13,371		\$ 13,290
Basic 2,129 2,126 2,128 2,126 Diluted 2,131 2,128 2,130 2,127 Earnings per common share: Basic \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25	Weighted average common shares outstanding:							
Diluted 2,131 2,128 2,130 2,127 Earnings per common share: Basic \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25			2 129		2 126	2 128		2 126
Earnings per common share: Basic \$ 1.64 \$ 1.58 \$ 6.28 \$ 6.25		=		=			=	
Basic \$ <u>1.64</u> \$ <u>1.58</u> \$ <u>6.28</u> \$ <u>6.25</u>	Diluted	=	2,131	=	2,120	2,130	=	۷,14/
	Earnings per common share:							
Diluted \$ \frac{1.64}{5} \\$ \frac{1.58}{5} \\$ \frac{6.28}{5} \\$ \frac{6.25}{5}	Basic	\$	1.64	\$	1.58	\$ 6.28		\$ 6.25
	Diluted	\$	1.64	\$	1.58	\$ 6.28	•	\$ 6.25

HINGHAM INSTITUTION FOR SAVINGS

Net Interest Income Analysis

	Three Months Ended December 31,							
		2013		2012				
	AVERAGE	AVERAGE		AVERAGE		YIELD/		
	BALANCE	INTEREST	RATE	BALANCE	INTEREST	RATE		
(Dollars in thousands)								
(Unaudited)								
Loans (1) (2)	\$ 1,053,754	\$ 12,455	4.73 %	\$ 938,446	\$ 12,126	5.17 %		
Securities (3) (4)	115,344	157	0.54	115,630	181	0.63		
Short-term investments and certificates of deposit	114,398	86	0.30	119,942	92	0.31		
Total earning assets	1,283,496	12,698	3.96	1,174,018	12,399	4.22		
Other assets	38,414			36,189				
Total assets	\$ <u>1,321,910</u>			\$ <u>1,210,207</u>				
Interest-bearing deposits (5)	\$ 833,128	1,430	0.69	\$ 777,259	1,467	0.75		
Borrowed funds	293,442	1,193	1.63	258,641	1,298	2.01		
Total interest-bearing liabilities	1,126,570	2,623	0.93	1,035,900	2,765	1.07		
Demand deposits	88,294			77,972				
Other liabilities	4,571			4,298				
Total liabilities	1,219,435			1,118,170				
Stockholders' equity	102,475			92,037				
Total liabilities and stockholders' equity	\$ <u>1,321,910</u>			\$ <u>1,210,207</u>				
Net interest income		\$ 10,075			\$ 9,634			
Weighted average spread			3.03 %			3.15 %		
Net interest margin (6)			3.14 %			3.28 %		
Average interest-earning assets to average interest-bearing liabilities (7)			113.93 %			113.33 %		

- (1) Before allowance for loan losses.
- (2) Includes non-accrual loans.
- (3) Excludes the impact of the average net unrealized gain or loss on securities available for sale.
- (4) Includes Federal Home Loan Bank stock.
- (5) Includes mortgagors' escrow accounts.
- (6) Net interest income divided by average total earning assets.
- (7) Total earning assets divided by total interest-bearing liabilities.

HINGHAM INSTITUTION FOR SAVINGS

Net Interest Income Analysis

	Twelve Months Ended December 31,								
	2013				2012				
	AVERAGE		YIELD/	AVERAGE			YIELD/		
	BALANCE	INT	EREST	RATE	BALANC	<u>E</u> <u>I</u>	NTEREST	RATE	
(Dollars in thousands)									
(Unaudited)									
Loans (1) (2)	\$ 1,000,412	\$	48,455	4.84 %	\$ 896,37	2	\$ 47,753	5.33 %	
Securities (3) (4)	115,246		588	0.51	111,43	0	724	0.65	
Short-term investments and certificates of deposit	100,527	_	299	0.30	114,84	· <u>5</u>	354	0.31	
Total earning assets	1,216,185	_	49,342	4.06	1,122,64	.7	48,831	4.35	
Other assets	37,096				36,62	23			
Total assets	\$ 1,253,281				\$ 1,159,27	0			
Interest-bearing deposits (5)	\$ 806,728		5,660	0.70	\$ 752,51	6	5,858	0.78	
Borrowed funds	260,817	_	4,842	1.86	243,16	<u> 2</u>	5,079	2.09	
Total interest-bearing liabilities	1,067,545		10,502	0.98	995,67	8	10,937	1.10	
Demand deposits	83,222	_			70,94	-6			
Other liabilities	3,626				4,35	7			
Total liabilities	1,154,393				1,070,98	31			
Stockholders' equity	98,888				88,28				
Total liabilities and stockholders' equity	\$ <u>1,253,281</u>				\$ <u>1,159,27</u>	0			
Net interest income		\$ _	38,840			_	\$ 37,894		
Weighted average spread				3.07 %				3.25 %	
Net interest margin (6)				3.19 %				3.38 %	
Average interest-earning assets to average interest-bearing liabilities (7)				113.92 %				<u>112.75</u> %	

- (1) Before allowance for loan losses.
- (2) Includes non-accrual loans.
- (3) Excludes the impact of the average net unrealized gain or loss on securities available for sale.
- (4) Includes Federal Home Loan Bank stock.
- (5) Includes mortgagors' escrow accounts.
- (6) Net interest income divided by average total earning assets.
- (7) Total earning assets divided by total interest-bearing liabilities.