



PRESS RELEASE

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Hingham, MA (Nasdaq - HIFS)

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5% INCREASE IN NET INCOME

HINGHAM INSTITUTION FOR SAVINGS (NASDAQ - HIFS), Hingham, Massachusetts, announced first quarter results highlighted by a 5% increase in net income over that of the same quarter in 1998, together with significant increases in loans, deposits, and stockholders' equity.

Earnings for the first quarter ended March 31, 1999 were \$751,000 or \$0.38 per share as compared with \$714,000 or \$0.36 per share for the first quarter of 1998.

President Robert H. Gaughen, Jr. stated "The continued increase in earnings is particularly impressive in light of our strong performance last year. The increase in net income was primarily fueled by our strong growth in assets and continued control of operating expenses. We will persist in our efforts to increase our market share of deposits and expand our portfolio of residential and commercial real estate loans."

On March 31, 1999, net loans totaled \$211,018,000, an increase of \$36,353,000 or 20.8% from March 31, 1998.

Deposits grew to a total of \$182,785,000 on March 31, 1999, an increase of \$19,299,000 or 11.8% from March 31, 1998.

Total assets as of March 31, 1999 were \$268,365,000 as compared to \$231,710,000 on March 31, 1998, and stockholders' equity was \$24,173,000 as compared to \$21,954,000 on March 31, 1998.

A quarterly dividend of \$0.11 per share payable on April 22, 1999 to stockholders of record as of April 12, 1999 was announced during the first quarter of 1999.

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 Massachusetts. 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 Hull, Cohasset, Scituate, and Weymouth.

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

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Balance Sheets

	<u>March 31,</u> 1999	<u>March 31,</u> 1998
<i>(Unaudited)</i>	<i>(\$ in thousands except per share amounts)</i>	
ASSETS		
Cash and due from banks	\$ 4,086	\$ 3,285
Interest-bearing deposits	<u>15,818</u>	<u>4,947</u>
Cash and cash equivalents	19,904	8,232
Securities available for sale, at fair value	27,563	38,125
Loans, net of allowance for loan losses of \$1,791,000 in 1999 and \$1,605,000 in 1998	211,018	174,665
Loans held for sale	-	3,086
Banking premises and equipment, net	3,402	2,562
Accrued interest receivable	1,458	1,417
Deferred income tax asset, net	950	971
Federal Home Loan Bank stock, at cost	2,949	2,200
Other assets	<u>1,121</u>	<u>452</u>
Total assets	<u>\$ 268,365</u>	<u>\$ 231,710</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$ 182,785	\$ 163,486
Federal Home Loan Bank advances	58,986	44,000
Other borrowed funds	52	93
Mortgagors' escrow accounts	817	580
Accrued interest payable	312	236
Other liabilities	<u>1,240</u>	<u>1,361</u>
Total liabilities	<u>244,192</u>	<u>209,756</u>
Commitments and contingencies		
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; 1,964,250 and 1,955,250 shares issued and outstanding in 1999 and 1998, respectively	1,964	1,956
Additional paid-in capital	8,154	8,041
Undivided profits	14,005	11,975
Accumulated other comprehensive income (loss)	<u>50</u>	<u>(18)</u>
Total stockholders' equity	<u>24,173</u>	<u>21,954</u>
Total liabilities and stockholders' equity	<u>\$ 268,365</u>	<u>\$ 231,710</u>
Book value per share	<u>\$ 12.31</u>	<u>\$ 11.23</u>
Return on average equity	<u>12.47 %</u>	<u>13.10 %</u>

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

(In Thousands, Except for Per Share Amounts) (Unaudited)	Three Months Ended March 31,	
	1999	1998
Interest and dividend income:		
Loans	\$ 4,236	\$ 3,764
Investment securities	443	562
Interest-bearing deposits	139	80
Total interest and dividend income	4,818	4,406
Interest expense:		
Deposits	1,630	1,603
Borrowed funds	760	610
Total interest expense	2,390	2,213
Net interest income	2,428	2,193
Provision for loan losses	60	39
Net interest income after provision for loan losses	2,368	2,154
Other income:		
Customer service fees on deposits	129	116
Other	38	38
Total other income	167	154
Operating expenses:		
Salaries and employee benefits	738	657
Data processing	99	82
Occupancy and equipment	165	143
Legal	(1)	(3)
Other	312	272
Total operating expenses	1,313	1,151
Income before income taxes	1,222	1,157
Income tax provision	471	443
Net income	\$ 751	\$ 714
Cash dividends declared per common share	\$ 0.11	\$ 0.09
Weighted average shares outstanding:		
Basic	1,964	1,956
Diluted	2,007	2,012
Earnings per share:		
Basic	\$ 0.38	\$ 0.36
Diluted	\$ 0.37	\$ 0.35