



P R E S S R E L E A S E

FROM: Robert H. Gaughen, Jr., President
Hingham Institution for Savings
Hingham, MA (Nasdaq - HIFS)

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17% INCREASE IN NET INCOME

HINGHAM INSTITUTION FOR SAVINGS (NASDAQ - HIFS), Hingham, Massachusetts, announced strong third quarter results marked by continued growth in earnings, primarily fueled by strong asset growth.

President Robert H. Gaughen, Jr. announced that "Our net income for the third quarter increased by a very robust 17% over that of the same quarter last year. The strong operating earnings continue to be driven by our ability to generate quality loans despite intensified competition."

The net income of \$839,000, or \$0.43 per share, for the third quarter of 1999 represents a 17% increase over the \$720,000, or \$0.37 per share, for the third quarter of 1998. The total assets as of September 30, 1999 of \$285,663,000 represent a 16% increase over the total of \$246,844,000 on September 30, 1998. Total loan originations of \$71,716,000 during the first nine months of 1999 contributed strongly to the 17% increase in the size of the Bank's loan portfolio during the past year. The asset growth was funded by a solid 11% increase in deposit balances amounting to \$19,054,000 and a \$17,459,000 increase in Federal Home Loan Bank advances over the past year.

Asset quality continued to remain strong. Non-accruing loans were reduced to only .17% of total assets.

The annualized Return on Average Assets and Return on Average Equity for the first nine months of 1999 were 1.18% and 12.89% respectively. Book value per share was \$12.82 as of September 30, 1999, and the Bank continued to merit the Federal Deposit Insurance Corporation's highest capital rating with a tier one capital ratio of 9.16%.

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.

55 Main Street, Hingham, MA 02043 (781) 749-2200

www.hinghamavings.com
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HINGHAM INSTITUTION FOR SAVINGS

Consolidated Balance Sheets

<i>(Unaudited)</i>	September 30, 1999	September 30, 1998
	<i>(\$ in thousands except per share amounts)</i>	
ASSETS		
Cash and due from banks	\$ 4,253	\$ 3,898
Interest-bearing deposits	9,485	6,059
Cash and cash equivalents	13,738	9,957
Securities available for sale, at fair value	33,871	33,165
Loans, net of allowance for loan losses of \$1,912,000 in 1999 and \$1,688,000 in 1998	228,300	195,538
Banking premises and equipment, net	3,360	3,093
Accrued interest receivable	1,619	1,446
Deferred income tax asset, net	1,061	883
Federal Home Loan Bank stock, at cost	3,323	2,450
Other assets	391	312
Total assets	\$ 285,663	\$ 246,844
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$ 191,096	\$ 172,042
Federal Home Loan Bank advances	66,459	49,000
Other borrowed funds	272	73
Mortgagors' escrow accounts	946	747
Accrued interest payable	311	238
Other liabilities	1,401	1,353
Total liabilities	260,485	223,453
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 shares issued and outstanding at September 30, 1999 and September 30, 1998.	1,964	1,964
Additional paid-in capital	8,154	8,154
Undivided profits	15,178	13,059
Accumulated other comprehensive income (loss)	(118)	214
Total stockholders' equity	25,178	23,391
Total liabilities and stockholders' equity	\$ 285,663	\$ 246,844
Book value per share	\$ 12.82	\$ 11.91
Annualized return on average equity	12.89 %	12.93 %

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
<i>(In Thousands, Except for Per Share Amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 4,497	\$ 3,943	\$ 13,083	\$ 11,510
Investment securities	506	549	1,444	1,676
Interest-bearing deposits	113	56	377	232
Total interest and dividend income	5,116	4,548	14,904	13,418
Interest expense:				
Deposits	1,653	1,660	4,932	4,909
Borrowed funds	824	649	2,373	1,898
Total interest expense	2,477	2,309	7,305	6,807
Net interest income	2,639	2,239	7,599	6,611
Provision for loan losses	60	39	180	117
Net interest income after provision for loan losses	2,579	2,200	7,419	6,494
Other income:				
Customer service fees on deposits	128	99	385	329
Gain on sale of loans	-	-	-	58
Gain on sale of securities available for sale	-	17	11	2
Other	40	39	122	138
Total other income	168	155	518	527
Operating expenses:				
Salaries and employee benefits	782	691	2,279	2,005
Data processing	103	89	299	249
Occupancy and equipment	170	135	518	422
Legal	(4)	5	(6)	4
Other	326	266	975	804
Total operating expenses	1,377	1,186	4,065	3,484
Income before income taxes	1,370	1,169	3,872	3,537
Income tax provision	531	449	1,496	1,360
Net income	\$ 839	\$ 720	\$ 2,376	\$ 2,177
Cash dividends declared per common share	\$ 0.12	\$ 0.10	\$ 0.34	\$ 0.28
Weighted average shares outstanding				
Basic	1,964	1,962	1,964	1,958
Diluted	2,006	2,011	2,006	2,010
Earnings per share				
Basic	\$ 0.43	\$ 0.37	\$ 1.21	\$ 1.11
Diluted	\$ 0.42	\$ 0.36	\$ 1.18	\$ 1.08