



## 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)

DATE: April 18, 2000

CONTACT: William M. Donovan, Jr., Vice President-Administration, (781) 749-2200

### **31% INCREASE IN EARNINGS**

HINGHAM INSTITUTION FOR SAVINGS (NASDAQ - HIFS), Hingham, Massachusetts, announced first quarter results highlighted by a 31% surge in net income over that of the same quarter last year. The Bank also announced substantial increases in loans, deposits, and stockholders' equity.

President Robert H. Gaughen, Jr. stated "Earnings for the first quarter of 2000 were \$984,000 or \$0.48 per share as compared with \$751,000 or \$0.38 per share for the first quarter of 1999. This increase is primarily the result of significant growth in net interest income. Additionally, we also benefited from increased fee income and improved tax planning. We are encouraged by the fact that these earnings contain no nonrecurring items and are simply a reflection of the expansion of our core earnings capacity."

On March 31, 2000, net loans totaled \$241,695,000, an increase of \$30,677,000 or 14.5% from March 31, 1999.

Deposits grew to a total of \$200,722,000 on March 31, 2000, an increase of \$17,937,000 or 9.8% from March 31, 1999.

Total assets as of March 31, 2000 were \$303,207,000 as compared to \$268,365,000 on March 31, 1999, and stockholders' equity was \$26,794,000 as compared to \$24,173,000 on March 31, 1999.

The Bank's first quarter earnings performance represents an annualized Return on Equity of 14.76%.

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 Cohasset, Hull, 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

<i>(Unaudited)</i>	<u>March 31,</u> <u>2000</u>	<u>March 31,</u> <u>1999</u>
	<i>(\$ in thousands except per share amounts)</i>	
<b>ASSETS</b>		
Cash and due from banks	\$ 4,927	\$ 4,086
Interest-bearing deposits	8,966	15,818
Cash and cash equivalents	<u>13,893</u>	<u>19,904</u>
Securities available for sale, at fair value	37,377	27,563
Loans, net of allowance for loan losses of \$2,042,000 in 2000 and \$1,791,000 in 1999	241,695	211,018
Banking premises and equipment, net	3,335	3,402
Accrued interest receivable	1,748	1,458
Deferred income tax asset, net	1,180	950
Federal Home Loan Bank stock, at cost	3,622	2,949
Other assets	357	1,121
Total assets	<u>\$ 303,207</u>	<u>\$ 268,365</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits	\$ 200,722	\$ 182,785
Federal Home Loan Bank advances	72,431	58,986
Other borrowed funds	50	52
Mortgagors' escrow accounts	1,021	817
Accrued interest payable	375	312
Other liabilities	1,814	1,240
Total liabilities	<u>276,413</u>	<u>244,192</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; shares issued and outstanding: 2,040,750 at March 31, 2000 and 1,964,250 at March 31, 1999	2,041	1,964
Additional paid-in capital	8,809	8,154
Undivided profits	16,277	14,005
Accumulated other comprehensive income (loss)	(333)	50
Total stockholders' equity	<u>26,794</u>	<u>24,173</u>
Total liabilities and stockholders' equity	<u>\$ 303,207</u>	<u>\$ 268,365</u>
Book value per share	<u>\$ 13.13</u>	<u>\$ 12.31</u>
Return on average equity	<u>14.76 %</u>	<u>12.47 %</u>

# HINGHAM INSTITUTION FOR SAVINGS

## Consolidated Statements of Income

(In Thousands, Except for Per Share Amounts) (Unaudited)	Three Months Ended March 31,	
	2000	1999
<b>Interest and dividend income:</b>		
Loans	\$ 4,844	\$ 4,236
Investment securities	622	443
Interest-bearing deposits	111	139
Total interest and dividend income	5,577	4,818
<b>Interest expense:</b>		
Deposits	1,749	1,630
Borrowed funds	1,002	760
Total interest expense	2,751	2,390
Net interest income	2,826	2,428
Provision for loan losses	54	60
Net interest income after provision for loan losses	2,772	2,368
<b>Other income:</b>		
Customer service fees on deposits	156	129
Other	54	38
Total other income	210	167
<b>Operating expenses:</b>		
Salaries and employee benefits	853	738
Data processing	111	99
Occupancy and equipment	188	165
Legal	6	(1)
Other	333	312
Total operating expenses	1,491	1,313
Income before income taxes	1,491	1,222
Income tax provision	507	471
Net income	\$ 984	\$ 751
Cash dividends declared per common share	\$ 0.13	\$ 0.11
<b>Weighted average shares outstanding:</b>		
Basic	2,041	1,964
Diluted	2,054	2,007
<b>Earnings per share:</b>		
Basic	\$ 0.48	\$ 0.38
Diluted	\$ 0.48	\$ 0.37