



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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26% INCREASE IN NET INCOME

HINGHAM INSTITUTION FOR SAVINGS (NASDAQ - HIFS), Hingham, Massachusetts, announced third quarter results highlighted by continued growth in earnings driven primarily by strong growth in the balance sheet.

President Robert H. Gaughen, Jr. announced that "Net income for the third quarter increased by 26% over that of the same quarter last year. Our earnings trend continues to be driven by our ability to expand our balance sheet. We have effectively capitalized on customer turmoil at some competitors due to numerous mergers. Our total deposits and total loans have increased by 17% and 13% respectively over the last twelve months. There continues to be an extraordinary growth opportunity for focused community banks."

The net income of \$1,060,000, or \$0.52 per share, for the third quarter represents a 26% increase over the \$839,000, or \$0.43 per share, for the third quarter of 1999. The Bank's total assets as of September 30, 2000 of \$326,268,000 represent a 14% increase over the total of \$285,663,000 on September 30, 1999. Total loan originations of \$70,088,000 during the first nine months of 2000 contributed strongly to the increase in the size of the Bank's loan portfolio during the past year.

Asset quality continued to remain strong. At the end of the third quarter of 2000, the Bank had no foreclosed properties and no loans in the total loan portfolio were 60 days or more in arrears. Asset quality levels remain the best in the Bank's history.

The annualized Return on Average Assets and Return on Average Equity for the first three quarters of 2000 were 1.33% and 14.93% respectively. Book value per share was \$13.99 as of September 30, 2000, and the Bank continued to merit the Federal Deposit Insurance Corporation's highest capital rating with a tier one capital ratio of 8.92%.

Hingham Institution for Savings is a Massachusetts-chartered savings bank. 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.

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

www.hinghamavings.com

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Balance Sheets

	September 30, 2000	September 30, 1999
	<i>(\$ in thousands except per share amounts)</i>	
<i>(Unaudited)</i>		
ASSETS		
Cash and due from banks	\$ 5,530	\$ 4,253
Interest-bearing deposits	11,166	9,485
Cash and cash equivalents	<u>16,696</u>	<u>13,738</u>
Securities available for sale, at fair value	41,019	33,871
Loans, net of allowance for loan losses of \$2,182,000 in 2000 and \$1,912,000 in 1999	258,240	228,300
Banking premises and equipment, net	3,231	3,360
Accrued interest receivable	1,961	1,619
Deferred income tax asset, net	1,067	1,061
Federal Home Loan Bank stock, at cost	3,695	3,323
Other assets	359	391
Total assets	<u>\$ 326,268</u>	<u>\$ 285,663</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$ 222,690	\$ 191,096
Federal Home Loan Bank advances	70,902	66,459
Other borrowed funds	146	272
Mortgagors' escrow accounts	1,145	946
Accrued interest payable	364	311
Other liabilities	2,466	1,401
Total liabilities	<u>297,713</u>	<u>260,485</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; 2,040,750 and 1,964,250 shares issued and outstanding in 2000 and 1999, respectively	2,041	1,964
Additional paid-in capital	8,809	8,154
Undivided profits	17,819	15,178
Accumulated other comprehensive loss	(114)	(118)
Total stockholders' equity	<u>28,555</u>	<u>25,178</u>
 Total liabilities and stockholders' equity	 <u>\$ 326,268</u>	 <u>\$ 285,663</u>
 Book value per share	 \$ 13.99	 \$ 12.82
Return on average equity	14.93 %	12.89 %

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
<i>(In Thousands, Except for Per Share Amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 5,291	\$ 4,497	\$ 15,199	\$ 13,083
Investment securities	625	506	1,907	1,444
Interest-bearing deposits	214	113	462	377
Total interest and dividend income	6,130	5,116	17,568	14,904
Interest expense:				
Deposits	2,093	1,653	5,715	4,932
Borrowed funds	1,078	824	3,124	2,373
Total interest expense	3,171	2,477	8,839	7,305
Net interest income	2,959	2,639	8,729	7,599
Provision for loan losses	60	60	194	180
Net interest income after provision for loan losses	2,899	2,579	8,535	7,419
Other income:				
Customer service fees on deposits	164	128	492	385
Gain on sale of securities available for sale	-	-	-	11
Other	50	40	145	122
Total other income	214	168	637	518
Operating expenses:				
Salaries and employee benefits	845	782	2,530	2,279
Data processing	128	103	353	299
Occupancy and equipment	171	170	543	518
Legal	7	(4)	21	(6)
Other	347	326	1,047	975
Total operating expenses	1,498	1,377	4,494	4,065
Income before income taxes	1,615	1,370	4,678	3,872
Income tax provision	555	531	1,602	1,496
Net income	\$ 1,060	\$ 839	\$ 3,076	\$ 2,376
Cash dividends declared per common share	\$ 0.14	\$ 0.12	\$ 0.40	\$ 0.34
Weighted average shares outstanding				
Basic	2,041	1,964	2,041	1,964
Diluted	2,055	2,006	2,053	2,006
Earnings per share				
Basic	\$ 0.52	\$ 0.43	\$ 1.51	\$ 1.21
Diluted	\$ 0.52	\$ 0.42	\$ 1.50	\$ 1.18