



## P R E S S   R E L E A S E

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

DATE: April 18, 2001

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### **26% INCREASE IN NET INCOME**

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

President Robert H. Gaughen, Jr. announced that “Net income for the first 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. Our total deposits and total loans have both increased by 14% over the last twelve months. There continues to be an extraordinary growth opportunity in our market.”

The net income of \$1,243,000, or \$0.61 per share, for the first quarter represents a 26% increase over the \$984,000, or \$0.48 per share, for the first quarter of 2000. The net income for the first quarter of 2001 includes \$89,000 net after tax relating to the gain on the sale of securities. The Bank’s total assets as of March 31, 2001 of \$348,293,000 represent a 15% increase over the total of \$303,207,000 on March 31, 2000.

Asset quality continued to remain strong. At the end of the first quarter of 2001, the Bank had no foreclosed properties and no loans 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 quarter of 2001 were 1.48% and 16.38% respectively. Book value per share was \$15.03 as of March 31, 2001, and the Bank continued to merit the Federal Deposit Insurance Corporation’s highest capital rating with a tier one capital ratio of 9.01%.

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](http://www.hinghamavings.com)

**HINGHAM INSTITUTION FOR SAVINGS**

**Consolidated Balance Sheets**

	<u>March 31,</u> <u>2001</u>	<u>March 31,</u> <u>2000</u>
<i>(Unaudited)</i>	<i>(\$ in thousands except per share amounts)</i>	
<b>ASSETS</b>		
Cash and due from banks	\$ 7,839	\$ 4,927
Interest-bearing deposits	<u>16,967</u>	<u>8,966</u>
Cash and cash equivalents	24,806	13,893
Securities available for sale, at fair value	38,018	37,377
Loans, net of allowance for loan losses of \$2,332,000 in 2001 and \$2,042,000 in 2000	274,881	241,695
Banking premises and equipment, net	3,129	3,335
Accrued interest receivable	1,970	1,748
Deferred income tax asset, net	870	1,180
Federal Home Loan Bank stock, at cost	4,094	3,622
Other assets	<u>525</u>	<u>357</u>
Total assets	<u>\$ 348,293</u>	<u>\$ 303,207</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits	\$ 229,206	\$ 200,722
Federal Home Loan Bank advances	83,199	72,431
Other borrowed funds	14	50
Mortgagors' escrow accounts	1,218	1,021
Accrued interest payable	407	375
Other liabilities	<u>3,509</u>	<u>1,814</u>
Total liabilities	<u>317,553</u>	<u>276,413</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: 2,045,250 at March 31, 2001 and 2,040,750 at March 31, 2000	2,045	2,041
Additional paid-in capital	8,857	8,809
Undivided profits	19,329	16,277
Accumulated other comprehensive income (loss)	<u>509</u>	<u>(333)</u>
Total stockholders' equity	<u>30,740</u>	<u>26,794</u>
Total liabilities and stockholders' equity	<u>\$ 348,293</u>	<u>\$ 303,207</u>
Book value per share	<u>\$ 15.03</u>	<u>\$ 13.13</u>
Return on average equity	<u>16.38 %</u>	<u>14.76 %</u>

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

(In Thousands, Except for Per Share Amounts) (Unaudited)	Three Months Ended March 31,	
	2001	2000
Interest and dividend income:		
Loans	\$ 5,663	\$ 4,844
Investment securities	661	622
Interest-bearing deposits	147	111
Total interest and dividend income	6,471	5,577
Interest expense:		
Deposits	2,175	1,749
Borrowed funds	1,137	1,002
Total interest expense	3,312	2,751
Net interest income	3,159	2,826
Provision for loan losses	60	54
Net interest income after provision for loan losses	3,099	2,772
Other income:		
Customer service fees on deposits	179	156
Gain on sales of securities available for sale, net	134	--
Other	62	54
Total other income	375	210
Operating expenses:		
Salaries and employee benefits	911	853
Data processing	138	111
Occupancy and equipment	179	188
Legal	4	6
Other	364	333
Total operating expenses	1,596	1,491
Income before income taxes	1,878	1,491
Income tax provision	635	507
Net income	\$ 1,243	\$ 984
Cash dividends declared per common share	\$ 0.15	\$ 0.13
Weighted average shares outstanding:		
Basic	2,045	2,041
Diluted	2,066	2,054
Earnings per share:		
Basic	\$ 0.61	\$ 0.48
Diluted	\$ 0.60	\$ 0.48