



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, 2002

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

12% 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 12% 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 increased by 12%, and total loans increased by 9% over the last twelve months.”

The net income of \$1,391,000, or \$0.68 per share, for the first quarter represents a 12% increase over the \$1,243,000, or \$0.61 per share, for the first quarter of 2001. The net income for the first quarter of 2001 included \$89,000 net after tax relating to the gain on the sale of securities. The Bank’s total assets as of March 31, 2002 of \$397,084,000 represent a 14% increase over the total of \$348,293,000 on March 31, 2001.

Asset quality continued to remain strong. At the end of the first quarter of 2002, 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 2002 were 1.45% and 16.21% respectively. Book value per share was \$16.74 as of March 31, 2002, and the Bank continued to merit the Federal Deposit Insurance Corporation’s highest capital rating with a tier one capital ratio of 8.89%.

Additionally, the Board of Directors recently voted to dissolve the Bank's defined benefit pension plan. The Bank anticipates that during the second quarter, a reversal of previous accruals relating to the plan is estimated to have a positive impact on earnings of approximately \$86,000. Final distribution under the plan is anticipated to occur during the fourth quarter and may have an additional positive impact on earnings currently estimated at approximately \$250,000.

This press release may contain statements relating to future results of the Bank (including certain projections) that are considered "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to changes in political and economic conditions, interest rate fluctuations, competitive product and pricing pressures within the Bank's market, bond market fluctuations, personal and corporate customers' bankruptcies, and inflation, as well as other risks and uncertainties.

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.

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Balance Sheets

<i>(Unaudited)</i>	March 31, 2002	March 31, 2001
	<i>(\$ in thousands except per share amounts)</i>	
ASSETS		
Cash and due from banks	\$ 8,009	\$ 7,839
Interest-bearing deposits	28,564	16,967
Cash and cash equivalents	36,573	24,806
Certificates of deposit	1,940	--
Securities available for sale, at fair value	47,063	38,018
Loans, net of allowance for loan losses of \$2,585,000 in 2002 and \$2,332,000 in 2001	299,050	274,881
Banking premises and equipment, net	3,874	3,129
Accrued interest receivable	1,998	1,970
Deferred income tax asset, net	946	870
Federal Home Loan Bank stock, at cost	5,036	4,094
Other assets	604	525
Total assets	\$ 397,084	\$ 348,293
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$ 256,923	\$ 229,206
Federal Home Loan Bank advances	99,717	83,199
Other borrowed funds	191	14
Mortgagors' escrow accounts	1,278	1,218
Accrued interest payable	413	407
Other liabilities	4,114	3,509
Total liabilities	362,636	317,553
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; 2,057,250 and 2,045,250 shares issued and outstanding at March 31, 2002 and 2001, respectively	2,057	2,045
Additional paid-in capital	9,027	8,857
Undivided profits	22,986	19,329
Accumulated other comprehensive income	378	509
Total stockholders' equity	34,448	30,740
Total liabilities and stockholders' equity	\$ 397,084	\$ 348,293
Book value per share	\$ 16.74	\$ 15.03
Return on average equity	16.21 %	16.38 %

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

(In Thousands, Except for Per Share Amounts) (Unaudited)	Three Months Ended March 31,	
	2002	2001
Interest and dividend income:		
Loans	\$ 5,612	\$ 5,681
Investment securities	628	661
Interest-bearing deposits	113	147
Total interest and dividend income	6,353	6,489
Interest expense:		
Deposits	1,548	2,175
Borrowed funds	1,097	1,137
Total interest expense	2,645	3,312
Net interest income	3,708	3,177
Provision for loan losses	75	60
Net interest income after provision for loan losses	3,633	3,117
Other income:		
Customer service fees on deposits	169	179
Gain on sales of securities available for sale, net	--	134
Other	40	44
Total other income	209	357
Operating expenses:		
Salaries and employee benefits	1,004	911
Data processing	155	138
Occupancy and equipment	186	179
Legal	5	4
Other	392	364
Total operating expenses	1,742	1,596
Income before income taxes	2,100	1,878
Income tax provision	709	635
Net income	\$ 1,391	\$ 1,243
Cash dividends declared per common share	\$ 0.16	\$ 0.15
Weighted average shares outstanding:		
Basic	2,052	2,045
Diluted	2,079	2,066
Earnings per share:		
Basic	\$ 0.68	\$ 0.61
Diluted	\$ 0.67	\$ 0.60