

Hingham Institution for Savings: Bank Announces Quarterly Earnings

April 21, 2006 02:12 PM Eastern Daylight Time

HINGHAM, Mass.--(BUSINESS WIRE)--April 21, 2006--HINGHAM INSTITUTION FOR SAVINGS (Nasdaq - HIFS), Hingham, Massachusetts announced first quarter earnings for 2006. Net income for the quarter ended March 31, 2006 was \$1,302,000 or \$0.62 per share (basic) as compared to net income of \$1,517,000 or \$0.73 per share (basic) for the same period last year.

Assets at March 31, 2006 were \$642,097,000 and represented a 14% increase over March 31, 2005. Balance sheet growth was most notable in the loan category which increased \$77,003,000 or 18% since March 31, 2005. Deposits increased to \$382,097,000 at March 31, 2006, an 8% increase over the balance at March 31, 2005.

The annualized Return on Average Assets and Return on Average Equity for the 2006 quarter were .82% and 10.55% respectively.

Increases in capital were also noted and at March 31, 2006, the Bank reported book value per share of \$23.39, an 8% increase from March 31, 2005.

President Robert H. Gaughen, Jr. stated "Strong growth in our loan portfolio and effective cost control helped to partially offset the impact of a most challenging interest rate environment. We have absorbed the dramatic increase in short-term rates while still producing healthy earnings. Of equal importance, we have maintained pristine asset quality. At quarter end, the Bank had no foreclosed property and only one nonperforming loan representing a minimal 0.03% of total loans."

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 the Commonwealth. 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

	March 31, 2006	March 31, 2005
	-----	-----
(Unaudited)	(\$ in thousands except per share amounts)	
 ASSETS		
Cash and due from banks	\$ 5,943	\$ 6,697
Short-term investments	5,753	10,150
	-----	-----
Cash and cash equivalents	11,696	16,847
Certificates of deposit	5,279	5,099
Securities available for sale, at fair value	89,558	85,037
Federal Home Loan Bank stock, at cost	10,715	8,484
Loans, net of allowance for loan losses of \$3,385,000 in 2006 and \$3,119,000 in 2005	504,694	427,691
Cash value of life insurance	11,864	11,420
Premises and equipment, net	3,259	3,453
Accrued interest receivable	2,757	2,235
Deferred income tax asset, net	1,665	1,583
Other assets	610	479
	-----	-----
Total assets	\$ 642,097	\$ 562,328
	=====	=====
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$ 382,097	\$ 353,584
Federal Home Loan Bank advances	206,875	160,122
Mortgagors' escrow accounts	1,605	1,459
Accrued interest payable	408	474
Other liabilities	1,605	1,576
	-----	-----

Total liabilities	592,590	517,215
	-----	-----
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; 2,116,250 and 2,090,250 shares issued and outstanding at March 31, 2006 and 2005, respectively	2,116	2,090
Additional paid-in capital	10,230	9,679
Undivided profits	38,496	34,642
Accumulated other comprehensive loss	(1,335)	(1,298)
	-----	-----
Total stockholders' equity	49,507	45,113
	-----	-----
Total liabilities and stockholders' equity	\$ 642,097	\$ 562,328
	=====	=====
Book value per share	\$ 23.39	\$ 21.58
	=====	=====

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended March 31,	
(In Thousands, Except for Per Share Amounts)	2006	2005

(Unaudited)		
Interest and dividend income:		
Loans	\$ 7,596	\$ 6,339
Debt securities	732	567

Equity securities	160	102
Short-term investments and certificates of deposit	103	73
	-----	-----
Total interest and dividend income	8,591	7,081
	-----	-----
Interest expense:		
Deposits	2,061	1,232
Federal Home Loan Bank advances	2,321	1,333
	-----	-----
Total interest expense	4,382	2,565
	-----	-----
Net interest income	4,209	4,516
Provision for loan losses	69	49
	-----	-----
Net interest income, after provision for loan losses	4,140	4,467
	-----	-----
Other income:		
Customer service fees on deposits	243	213
Increase in cash value of life insurance	108	104
Other	50	54
	-----	-----
Total other income	401	371
	-----	-----
Operating expenses:		
Salaries and employee benefits	1,525	1,444
Data processing	175	196
Occupancy and equipment	247	245
Other	548	521
	-----	-----
Total operating expenses	2,495	2,406
	-----	-----
Income before income taxes	2,046	2,432
Income tax provision	744	915
	-----	-----
Net income	\$ 1,302	\$ 1,517
	=====	=====
Cash dividends declared per common share	\$ 0.20	\$ 0.19
	=====	=====

Weighted average shares outstanding:

Basic	2,114	2,089
	=====	=====
Diluted	2,118	2,105
	=====	=====

Earnings per share:

Basic	\$ 0.62	\$ 0.73
	=====	=====
Diluted	\$ 0.61	\$ 0.72
	=====	=====

Return on average equity	10.55%	13.42%
	=====	=====

Contacts

Hingham Institution for Savings

Robert H. Gaughen, Jr., President

William M. Donovan, Jr., Vice President-Administration

781-749-2200