

## Hingham Institution for Savings Announces Quarterly Earnings

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HINGHAM, Mass.--(BUSINESS WIRE)--HINGHAM INSTITUTION FOR SAVINGS (Nasdaq – HIFS), Hingham, Massachusetts announced first quarter earnings for 2007. Net income for the quarter ended March 31, 2007 was \$945,000 or \$0.45 per share (\$0.45 basic) as compared to net income of \$1,302,000 or \$0.61 per share (\$0.62 basic) for the same period last year.

Assets at March 31, 2007 were \$699,414,000 and represented a 9% increase over March 31, 2006. Asset growth was most notable in the loan category which increased \$46,510,000, or 9%, over the same period. Deposits increased to \$418,180,000 at March 31, 2007, a 9% increase over the balance at March 31, 2006.

The annualized Return on Average Assets and Return on Average Equity for the 2007 quarter were 0.55% and 7.22% respectively.

Increases in capital were also noted and at March 31, 2007, the Bank reported book value per share of \$24.80, a 6% increase from March 31, 2006.

President Robert H. Gaughen, Jr. stated “The pressure on the net interest margin caused by an inverted yield curve hasn’t eased and continues to challenge the entire banking industry. We have been successful in partially offsetting this impact by continuing to generate profitable growth. Our goal remains to continue our quality growth and effective cost control in this challenging environment. Equally important, our asset quality remains exceptional. At quarter end, the Bank had no foreclosed property and only three nonperforming loans representing a minimal .06% of total assets.”

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. It opened its newest Branch Office in Boston’s South End on October 2, 2006.

The Bank’s shares of common stock are listed and traded on The Nasdaq Stock Market under the symbol HIFS.



2007 and 2006, respectively	2,119	2,116
Additional paid-in capital	10,290	10,230
Undivided profits	40,661	38,496
Accumulated other comprehensive loss	(523)	(1,335)
Total stockholders' equity	<u>52,547</u>	<u>49,507</u>
Total liabilities and stockholders' equity	\$ <u>699,414</u>	\$ <u>642,097</u>
Book value per share	\$ <u>24.80</u>	\$ <u>23.39</u>

## HINGHAM INSTITUTION FOR SAVINGS

## Consolidated Statements of Income

	Three Months Ended	
	March 31,	
<i>(in thousands, except for per share amounts)</i>	2007	2006
<i>(Unaudited)</i>		
Interest and dividend income:		
Loans	\$ 8,607	\$ 7,596
Debt securities	1,004	732
Equity securities	226	160
Short-term investments and certificates of deposit	123	103
Total interest and dividend income	<u>9,960</u>	<u>8,591</u>
Interest expense:		
Deposits	3,325	2,061
Federal Home Loan Bank advances	2,918	2,321
Total interest expense	<u>6,243</u>	<u>4,382</u>
Net interest income	3,717	4,209
Provision for loan losses	70	69
Net interest income, after provision for loan losses	<u>3,647</u>	<u>4,140</u>
Other income:		
Customer service fees on deposits	253	243
Increase in bank-owned life insurance	118	108
Other	46	50
Total other income	<u>417</u>	<u>401</u>
Operating expenses:		
Salaries and employee benefits	1,615	1,525
Data processing	198	175
Occupancy and equipment	291	247
Other	552	548
Total operating expenses	<u>2,656</u>	<u>2,495</u>
Income before income taxes	1,408	2,046
Income tax provision	463	744
Net income	<u>\$ 945</u>	<u>\$ 1,302</u>
Weighted average shares outstanding:		
Basic	<u>2,117</u>	<u>2,114</u>

Diluted	<u>2,120</u>	<u>2,118</u>
Earnings per share:		
Basic	\$ <u>0.45</u>	\$ <u>0.62</u>
Diluted	\$ <u>0.45</u>	\$ <u>0.61</u>
Cash dividends declared per common share	\$ <u>0.20</u>	\$ <u>0.20</u>
Return on average equity	<u>7.22</u> %	<u>10.55</u> %

## Contacts

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