

Hingham Institution for Savings Reports 47% Increase in Quarterly Earnings

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HINGHAM, Mass.--(BUSINESS WIRE)--HINGHAM INSTITUTION FOR SAVINGS (Nasdaq: HIFS), Hingham, Massachusetts announced first quarter earnings for 2010. Net income for the quarter ended March 31, 2010 was \$2,315,000 or \$1.09 per share (basic and diluted) as compared to \$1,572,000 or \$0.74 per share (basic and diluted) for the same period last year. The Bank's return on average equity for the first quarter of 2010 was 13.88%, and the return on average assets was 0.98%.

Strong growth trends of recent years continued, as deposits increased by \$113.6 million representing a 20% increase from March 31, 2009. Total loans increased by 9% and total assets increased by 15% over those for the first quarter of 2009. Stockholders' equity increased to \$67.0 million as of March 31, 2010 representing a 10% increase from March 31, 2009 with a related increase in book value per share from \$28.66 to \$31.56.

At March 31, 2009 non-performing assets totaled 1.34% of total assets, down from 1.36% at December 31, 2009. For the quarter ended March 31, 2010, a provision of \$400,000 was made to the allowance for loan loss allowance compared to \$550,000 for the same period in 2009. Foreclosure related expenses totaled \$126,000 for the quarter ended March 31, 2010 compared to \$78,000 for the quarter ended March 31, 2009.

President Robert H. Gaughen, Jr. stated, "Our quarterly earnings represent a 47% increase over the same period last year. The growth in our balance sheet combined with a favorable interest rate environment and stringent expense control allowed us to achieve these impressive results."

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 office is located on Main Street, Hingham, Massachusetts. The Bank also maintains branch offices in South Hingham and the neighboring towns of Cohasset, Hull, Scituate, Weymouth and Norwell as well as the South End of Boston.

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, 2010	March 31, 2009
	<i>(\$ in thousands except per share amounts)</i>	
ASSETS		
Cash and due from banks	\$ 10,170	\$ 6,172
Short-term investments	77,861	38,562
Cash and cash equivalents	<u>88,031</u>	<u>44,734</u>
Certificates of deposit	13,610	13,488
Securities available for sale, at fair value	92,009	76,762
Federal Home Loan Bank stock, at cost	13,373	13,373
Loans, net of allowance for loan losses of \$6,127,000 in 2010 and \$5,120,000 in 2009	727,698	667,716
Bank-owned life insurance	13,729	13,268
Premises and equipment, net	5,448	5,537
Accrued interest receivable	3,246	3,082
Deferred income tax asset, net	2,033	1,430
Other real estate owned	2,685	--
Other assets	4,525	589
Total assets	<u>\$ 966,387</u>	<u>\$ 839,979</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$ 675,347	\$ 561,754
Federal Home Loan Bank advances	216,417	209,782
Mortgage payable	1,175	1,211
Mortgagors' escrow accounts	2,078	1,846
Accrued interest payable	697	731
Other liabilities	3,635	3,781
Total liabilities	<u>899,349</u>	<u>779,105</u>

Stockholders' equity:

Preferred stock, \$1.00 par value,

2,500,000 shares authorized; none issued

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Common stock, \$1.00 par value, 5,000,000 shares

authorized; shares issued and outstanding:

2,124,250

at both March 31, 2010 and 2009

2,124

2,124

Additional paid-in capital

10,412

10,412

Undivided profits

54,125

47,695

Accumulated other comprehensive income

377

643

Total stockholders' equity

67,038

60,874

Total liabilities and stockholders' equity

\$ 966,387

\$ 839,979

Book value per share

\$ 31.56

\$ 28.66

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Income

	Three Months Ended March 31,	
<i>(In Thousands, Except for Per Share Amounts)</i> <i>(Unaudited)</i>	2010	2009
Interest and dividend income:		
Loans	\$10,873	\$10,151
Debt securities	449	562
Equity securities	28	30
Short-term investments and certificates of deposit	110	123
Total interest and dividend income	11,460	10,866
Interest expense:		
Deposits	2,168	2,878
Federal Home Loan Bank advances	1,809	1,861
Mortgage payable	18	18
Total interest expense	3,995	4,757
Net interest income	7,465	6,109
Provision for loan losses	400	550
Net interest income after provision for loan losses	7,065	5,559
Other income:		
Customer service fees on deposits	200	215
Increase in bank-owned life insurance	114	111
Miscellaneous	63	51
Total other income	377	377
Operating expenses:		
Salaries and employee benefits	2,044	1,944
Data processing	215	222
Occupancy and equipment	344	362
Deposit insurance	280	178
Foreclosure	126	78
Marketing	108	100
Other general and administrative	530	516
Total operating expenses	3,647	3,400
Income before income taxes	3,795	2,536
Income tax provision	1,480	964

Net income	\$ <u>2,315</u>	\$ <u>1,572</u>
Cash dividends declared per common share	\$ <u>0.23</u>	\$ <u>0.21</u>
Weighted average shares outstanding:		
Basic	<u>2,124</u>	<u>2,122</u>
Diluted	<u>2,124</u>	<u>2,123</u>
Earnings per share:		
Basic	\$ <u>1.09</u>	\$ <u>0.74</u>
Diluted	\$ <u>1.09</u>	\$ <u>0.74</u>
Return on average equity	<u>13.88%</u>	<u>10.35%</u>

Contacts

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