

Hingham Savings Announces Quarterly Earnings

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HINGHAM, Mass.--(BUSINESS WIRE)--April 21, 2004--HINGHAM INSTITUTION FOR SAVINGS (Nasdaq:HIFS), Hingham, Massachusetts, announced first quarter results of \$1.4 million as compared to \$197,000 reported for the first quarter of 2003. Earnings for 2003 were negatively impacted by a charge of \$1.4 million in state income taxes, net of federal tax deductions, arising from a retroactive change to Massachusetts tax law. On a per-share basis, earnings for 2004 were \$0.68 (\$0.67 diluted) as compared to \$0.10 (\$0.09 diluted) for the comparable period in 2003.

Assets at March 31, 2004 were \$489,447,000 and represented a 13% increase over March 31, 2003. Asset growth was most notable in the loan category which increased \$35.6 million, or 11%, over the same period. Deposits grew to \$298,967,000 at March 31, 2004, a 7% increase over the balance at March 31, 2003.

Improvement in capital was also noted and at March 31, 2004, the Bank reported book value per share of \$20.29, a 12% increase from March 31, 2003. Return on equity was a strong 13.43% for the first quarter of 2004.

"The Bank continues to achieve growth in its loan portfolio at a time when some of its peers are experiencing flat or declining balances. In fact, the Bank originated in excess of \$30,000,000 in loans in the first quarter of 2004. Asset quality remains strong with nonperforming assets less than \$175,000, or a low 0.05% of total loans at quarter end 2004," stated President Robert H. Gaughen, Jr.

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, 2004	March 31, 2003
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(Unaudited)	(\$ in thousands except per share amounts)	
 ASSETS		
Cash and due from banks	\$ 6,367	\$ 4,433
Short term investments	14,859	18,983
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Cash and cash equivalents	21,226	23,416
Certificates of deposit	4,991	2,922
Securities available for sale, at fair value	71,406	56,036
Federal Home Loan Bank stock, at cost	7,616	5,514
Loans, net of allowance for loan losses of \$3,015,000 in 2004 and \$2,855,000 in 2003	366,140	330,541
Cash value of life insurance	10,984	7,501
Banking premises and equipment, net	3,573	3,738
Accrued interest receivable	1,906	2,093
Deferred income tax asset, net	908	758
Other assets	697	708
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Total assets	\$489,447	\$433,227
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 LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits	\$298,967	\$279,717
Federal Home Loan Bank advances	144,858	108,273
Other borrowed funds	--	60
Mortgagors' escrow accounts	1,333	1,347
Accrued interest payable	440	409
Other liabilities	1,645	5,731
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Total liabilities	447,243	395,537
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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; 2,080,250 and 2,069,750 shares issued and outstanding at March 31, 2004 and 2003, respectively	2,080	2,070
Additional paid-in capital	9,462	9,225
Undivided profits	30,686	26,016
Accumulated other comprehensive income(loss)	(24)	379
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Total stockholders' equity	42,204	37,690
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Total liabilities and stockholders' equity	\$489,447	\$433,227
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Book value per share	\$ 20.29	\$ 18.21
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HINGHAM INSTITUTION FOR SAVINGS
Consolidated Statements of Income

(In Thousands, Except for Per Share Amounts)	Three Months Ended	
	2004	2003
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(Unaudited)		
Interest and dividend income:		
Loans	\$ 5,666	\$ 5,754
Debt and trust preferred securities	510	419
Other equity securities	49	74
Short term investments and certificates of deposit	52	82
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Total interest and dividend income	6,277	6,329

Interest expense:		
Deposits	976	1,255
Borrowed funds	1,210	1,132
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Total interest expense	2,186	2,387
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Net interest income	4,091	3,942
Provision for loan losses	23	45
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Net interest income after provision for loan losses	4,068	3,897
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Other income:		
Customer service fees on deposits	191	183
Gain on sales of securities available for sale	80	439
Other	174	118
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Total other income	445	740
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Operating expenses:		
Salaries and employee benefits	1,361	1,167
Data processing	191	172
Occupancy and equipment	221	221
Legal	8	25
Other	514	494
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Total operating expenses	2,295	2,079
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Income before income taxes	2,218	2,558
Income tax provision	815	2,361
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Net income	\$ 1,403	\$ 197
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Cash dividends declared per common share		
	\$ 0.18	\$ 0.17
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Weighted average shares outstanding:		
Basic	2,080	2,070
	=====	=====

Diluted	2,101	2,091
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Earnings per share:		
Basic	\$ 0.68	\$ 0.10
	=====	=====
Diluted	\$ 0.67	\$ 0.09
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Return on average equity	13.43 %	2.05 %
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Contacts

Hingham Institution for Savings

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or

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