PRESS RELEASE

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Hingham, MA (NASDAQ: HIFS)
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HINGHAM REPORTS THIRD QUARTER 2023 RESULTS

HINGHAM INSTITUTION FOR SAVINGS (NASDAQ: HIFS), Hingham, Massachusetts announced results for the quarter ended September 30, 2023.

Earnings

Net income for the quarter ended September 30, 2023 was $3,297,000 or $1.53 per share basic and $1.50 per share diluted, as compared to $10,499,000 or $4.89 per share basic and $4.77 per share diluted for the same period last year. The Bank's annualized return on average equity for the third quarter of 2023 was 3.25%, and the annualized return on average assets was 0.31%, as compared to 11.07% and 1.05% for the same period in 2022. Net income per share (diluted) for the third quarter of 2023 decreased by 69% over the same period in 2022.

Core net income for the quarter ended September 30, 2023, which represents net income excluding the after-tax gains and losses on securities, both realized and unrealized, and the after-tax gains on the disposal of fixed assets, was $2,895,000 or $1.35 per share basic and $1.32 per share diluted, as compared to $14,491,000 or $6.75 per share basic and $6.58 per share diluted for the same period last year. The Bank's annualized core return on average equity for the third quarter of 2023 was 2.85%, and the annualized core return on average assets was 0.27%, as compared to 15.28% and 1.45% for the same period in 2022. Core net income per share (diluted) for the third quarter of 2023 decreased by 80% over the same period in 2022.

Net income for the nine months ended September 30, 2023 was $20,056,000 or $9.33 per share basic and $9.14 per share diluted, as compared to $25,554,000 or $11.92 per share basic and $11.60 per share diluted for the same period last year. The Bank's annualized return on average equity for the first nine months of 2023 was 6.70%, and the annualized return on average assets was 0.64%, as compared to 9.18% and 0.91% for the same period in 2022. Net income per share (diluted) for the first nine months of 2023 decreased by 21% over the same period in 2022.

Core net income for the nine months ended September 30, 2023, which represents net income excluding the after-tax gains and losses on securities, both realized and unrealized, and the after-tax gains on the disposal of fixed assets, was $12,686,000 or $5.90 per share basic and $5.78 per share diluted, as compared to $44,856,000 or $20.92 per share basic and $20.36 per share diluted for the same period last year. The Bank's annualized core return on average equity for the first nine months of 2023 was 4.24%, and the annualized core return on average assets was 0.41%, as compared to 16.11% and 1.60% for the same period in 2022. Core net income per share (diluted) for the first nine months of 2023 decreased by 72% over the same period in 2022.

See Page 11 for a reconciliation between Generally Accepted Accounting Principles ("GAAP") net income and core net income. In calculating core net income, the Bank did not make any adjustments other than those relating to after-tax gains and losses on equity securities, realized and unrealized, and after-tax gains on the disposal of fixed assets.

Balance Sheet and Capital Management

Total assets were $4.357 billion at September 30, 2023, representing 5% annualized growth year-to-date and 7% growth from September 30, 2022.

Net loans increased to $3.809 billion at September 30, 2023, representing 5% annualized growth year-to-date and 7% growth from September 30, 2022. Lending was concentrated in the Boston and Washington D.C. markets and remained focused on multifamily commercial real estate. Lending in the San Francisco Bay Area market has been relatively limited in 2023; the Bank continues to evaluate new opportunities, but the Bank's customers have been less active given market conditions. The Bank continues to search for talented commercial bankers in San Francisco with experience in multifamily lending and strong deposit-focused relationships.

Retail and business deposits were $1.922 billion at September 30, 2023, representing 2% annualized growth year-to-date and 2% growth from September 30, 2022. Non-interest-bearing deposits, included in retail and business deposits, decreased to $359.1 million at September 30, 2023, representing a 10% annualized decline year-to-date and 14% decline from September 30, 2022. A portion of these non-interest bearing deposits have shifted towards higher-rate alternatives at the Bank. The Bank continued to focus on developing new relationships with commercial, non-profit, and existing customers. The stability of the Bank's balance sheet, as well as full and unlimited deposit insurance through the Bank's participation in the Massachusetts Depositors Insurance Fund, has historically been appealing to customers in times of uncertainty.

Shortly before the conclusion of the second quarter, the Bank obtained regulatory approval to exercise branch powers at its office in Washington, D.C. in Georgetown. In conjunction with these powers, we continue to search for commercial bankers to join our Specialized Deposit Group in Washington, D.C.

Wholesale deposits, which include brokered and listing service time deposits, were $493.8 million at September 30, 2023, representing a 26% annualized decline year-to-date and a 29% decline from September 30, 2022, as the Bank continued to manage its wholesale funding mix between wholesale time deposits and Federal Home Loan Bank advances in order to mitigate the negative impact of increasing short term rates in the cost of funds. This decline in wholesale deposits was primarily driven by the decline in the Bank's listing service time deposits, as the Bank opted to replace this funding with brokered certificates of deposit and borrowings from the Federal Home Loan Bank. Pricing in the listing service market has generally exceeded other wholesale funding sources over the last year.

Borrowings from the Federal Home Loan Bank totaled $1.509 billion at September 30, 2023, representing a 24% annualized growth year-to-date, and a 40% increase from September 30, 2022. As of September 30, 2023, the Bank maintained $544.0 million in immediately available borrowing capacity at the Federal Home Loan Bank of Boston and the Federal Reserve Bank, in addition to the $334.6 million cash balance held at the Federal Reserve Bank.

Book value per share was $186.74 as of September 30, 2023, representing 5% annualized growth year-to-date and 6% growth from September 30, 2022. In addition to the increase in book value per share, the Bank has declared $3.15 in dividends per share since September 30, 2022, including a special dividend of $0.63 per share declared during the fourth quarter of 2022.

On September 20, 2023, the Bank's Board of Directors declared a regular cash dividend of $0.63 per share. The dividend will be paid on November 8, 2023 to stockholders of record as of October 30, 2023. This will be the Bank's 119th consecutive quarterly dividend. The Bank has also declared special cash dividends in each of the last twenty-eight years, typically in the fourth quarter.

The Bank sets the level of the special dividend based on the Bank's capital requirements and the prospective return on other capital allocation options. This may result in special dividends, if any, significantly above or below the regular quarterly dividend. Future regular and special dividends will be considered by the Board of Directors on a quarterly basis.

Operational Performance Metrics

The net interest margin for the quarter ended September 30, 2023 decreased 171 basis points to 1.05%, as compared to 2.76% for the same period last year. The Bank experienced a substantial increase in the cost of interest-bearing liabilities when compared to the prior year. This was driven primarily by the repricing of the Bank's wholesale borrowings, wholesale deposits and higher rates on the Bank's retail and commercial deposits. During this period, the increase in the cost of funds was partially offset by a higher yield on interest-earning assets, driven primarily by an increase in the yield on loans, an increase in the interest on reserves held at the Federal Reserve Bank of Boston and a higher Federal Home Loan Bank of Boston stock dividend.

In a linked quarter comparison, the net interest margin for the quarter ended September 30, 2023 decreased 23 basis points to 1.05%, as compared to 1.28% in the quarter ended June 30, 2023. This was primarily the result of the continued increase in the cost of interest-bearing liabilities, driven primarily by the repricing of certain long-term wholesale deposits that matured in July 2023. This was partially offset by an increase in the yield on loans and an increase in the interest on reserve balances held at the Federal Reserve Bank of Boston from the prior quarter. The increase in the yield on loans was driven by both new loan originations at higher rates and the repricing of existing adjustable rate loans. Over the course of the third quarter, the Bank experienced declining pressure on negotiated money market deposit rates and certificates of deposits. The Bank also found significantly greater pricing leverage on newly committed and originated credits.

The net interest margin for the nine months ended September 30, 2023 decreased 182 basis points to 1.26%, as compared to 3.08% for the same period last year. The Bank experienced a substantial increase in the cost of interest-bearing liabilities when compared to the prior year. This was driven primarily by the repricing of the Bank's wholesale borrowings, wholesale deposits and higher rates on the Bank's retail and commercial deposits. During this period, the increase in the cost of funds was partially offset by a higher yield on interest-earning assets, driven primarily by an increase in the interest on reserve held at the Federal Reserve Bank of Boston, an increase in the yield on loans and a higher Federal Home Loan Bank of Boston stock dividend.

Key credit and operational metrics remained strong in the third quarter. At September 30, 2023, non-performing assets totaled 0.00% of total assets, compared to 0.03% at December 31, 2022 and 0.02% at September 30, 2022. Non-performing loans as a percentage of the total loan portfolio totaled 0.01% at September 30, 2023, compared to 0.03% at December 31, 2022 and 0.02% at September 30, 2022. The Bank had no non-performing commercial real estate loans at September 30, 2023. The Bank did not record any charge-offs in the first nine months of 2023, as compared to $50,000 of net recoveries in the first nine months of 2022.

The Bank did not own any foreclosed property on September 30, 2023, December 31, 2022 and September 30, 2022. In the first quarter of 2023, the Bank foreclosed on a small commercial property in Massachusetts and purchased the property at auction. The Bank subsequently sold the property within the quarter and recovered all principal, interest and expenses. The Bank also recognized an additional $85,000 gain on sale, reflected as a contra expense in foreclosure and related expense in the Consolidated Statement of Net Income.

The efficiency ratio, as defined on page 6 below, increased to 62.55% for the third quarter of 2023, as compared to 24.98% for the same period last year. Operating expenses as a percentage of average assets decreased to 0.67% in the third quarter of 2023, as compared to 0.69% for the same period last year. As the efficiency ratio can be significantly influenced by the level of net interest income, the Bank utilizes these paired figures together to assess its operational efficiency over time. During periods of significant net interest income volatility, the efficiency ratio in isolation may over or understate the underlying operational efficiency of the Bank. The Bank remains focused on reducing waste through an ongoing process of continuous improvement and standard work that supports operational leverage.

These operational metrics reflect the Bank's disciplined focus on credit quality and expense management.

Current Expected Credit Losses ("CECL")

On January 1, 2023, the Bank adopted ASU 2016-13 - *Measurement of Credit Losses on Financial Instruments*, and recorded a one-time transition amount of $545,000, net of taxes, as a decrease to retained earnings. This amount represents additional reserves for loans that existed upon adopting the new guidance. No reserves were recorded for unfunded commitments, based upon management's evaluation of the probability of funding and risk of loss, which indicated the required reserve was not material. The adoption of CECL did not have a material impact on the Bank's regulatory capital ratios.

Chairman Robert H. Gaughen Jr. stated, "Returns on equity and assets in the third quarter remained significantly lower than our long-term performance, reflecting the challenge from the increase in short-term interest rates over the last twelve months and the inversion of the yield curve. As the Federal Reserve approaches the level of short-term rates that is sufficiently restrictive to return inflation to its target, the yield curve has started to steepen again. This will eventually allow us to achieve more satisfactory returns as we obtain higher rates on new and adjusting loans and incremental funding pressure abates.

While the current market environment is extraordinarily challenging, the Bank's business model has been built over time to compound shareholder capital over an economic cycle. During all such periods, we remain focused on careful capital allocation, defensive underwriting and disciplined cost control - the building blocks for compounding shareholder capital through all stages of the economic cycle. These remain constant, regardless of the macroeconomic environment in which we operate.

It is important during difficult periods that we continue to prioritize long-term investments, despite the temporary but very significant pressure on margins and lower net income. This means working to attract new core deposit and loan customers, as well as talented staff that can help us continue to build our business well into the future."

The Bank's quarterly financial results are summarized in the earnings release, but shareholders are encouraged to read the Bank's quarterly reports on Form 10-Q, which are generally available several weeks after the earnings release. The Bank expects to file Form 10-Q for the quarter ended September 30, 2023 with the Federal Deposit Insurance Corporation (FDIC) on or about November 7, 2023.

Incorporated in 1834, Hingham Institution for Savings is one of America's oldest banks. The Bank maintains offices in Boston, Nantucket, and Washington, D.C., and provides commercial mortgage and banking services in the San Francisco Bay Area.

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

HINGHAM INSTITUTION FOR SAVINGS
Selected Financial Ratios

(Unaudited)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2023
Key Performance Ratios				
Return on average assets (1)	1.05 %	**0.31 %**	0.91 %	**0.64** %
Return on average equity (1)	11.07	**3.25**	9.18	**6.70**
Core return on average assets (1) (5)	1.45	**0.27**	1.60	**0.41**
Core return on average equity (1) (5)	15.28	**2.85**	16.11	**4.24**
Interest rate spread (1) (2)	2.55	**0.39**	2.94	**0.65**
Net interest margin (1) (3)	2.76	**1.05**	3.08	**1.26**
Operating expenses to average assets (1)	0.69	**0.67**	0.69	**0.68**
Efficiency ratio (4)	24.98	**62.55**	22.65	**53.69**
Average equity to average assets	9.48	**9.59**	9.92	**9.58**
Average interest-earning assets to average interest-bearing liabilities	123.53	**120.53**	124.71	**121.28**

(Unaudited)	September 30, 2022	December 31, 2022	September 30, 2023
Asset Quality Ratios			
Allowance for credit losses/total loans	0.68 %	0.68 %	**0.69 %**
Allowance for credit losses/non-performing loans	3,336.25	2,139.39	**13,528.72**
Non-performing loans/total loans	0.02	0.03	**0.01**
Non-performing loans/total assets	0.02	0.03	**0.00**
Non-performing assets/total assets	0.02	0.03	**0.00**
Share Related			
Book value per share	$ 175.52	$ 179.74	**$ 186.74**
Market value per share	$ 251.11	$ 275.96	**$ 186.75**
Shares outstanding at end of period	2,145,400	2,147,400	**2,152,400**

(1) Annualized.

(2) Interest rate spread represents the difference between the yield on interest-earning assets and the cost of interest-bearing liabilities.

(3) Net interest margin represents net interest income divided by average interest-earning assets.

(4) The efficiency ratio represents total operating expenses, divided by the sum of net interest income and total other income (loss), excluding gain (loss) on equity securities, net, and the after-tax gain on disposal of fixed assets.

(5) Non-GAAP measurements that represent return on average assets and return on average equity, excluding the after-tax gain (loss) on equity securities, net, and the after-tax gain on disposal of fixed assets.

HINGHAM INSTITUTION FOR SAVINGS
Consolidated Balance Sheets

(In thousands, except share amounts) *(Unaudited)*	September 30, 2022	December 31, 2022	September 30, 2023
ASSETS			
Cash and due from banks	$ 6,682	$ 7,936	**$ 6,122**
Federal Reserve and other short-term investments	320,346	354,097	**347,419**
Cash and cash equivalents	327,028	362,033	**353,541**
CRA investment	8,212	8,229	**7,973**
Other marketable equity securities	64,062	54,967	**65,213**
Equity securities, at fair value	72,274	63,196	**73,186**
Securities held to maturity, at amortized cost	3,500	3,500	**3,500**
Federal Home Loan Bank stock, at cost	44,716	52,606	**62,457**
Loans, net of allowance for credit losses of $24,388 at September 30, 2022, $24,989 at December 31, 2022 and $26,381 at September 30, 2023	3,562,745	3,657,782	**3,808,599**
Bank-owned life insurance	13,232	13,312	**13,562**
Premises and equipment, net	17,213	17,859	**17,027**
Accrued interest receivable	6,380	7,122	**7,722**
Deferred income tax asset, net	4,918	4,061	**1,949**
Other assets	10,108	12,328	**15,179**
Total assets	$ 4,062,114	$ 4,193,799	**$ 4,356,722**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Interest-bearing deposits	$ 2,169,763	$ 2,118,045	**$ 2,056,582**
Non-interest-bearing deposits	418,753	387,244	**359,070**
Total deposits	2,588,516	2,505,289	**2,415,652**
Federal Home Loan Bank advances	1,075,000	1,276,000	**1,509,000**
Mortgagors' escrow accounts	11,764	12,323	**13,773**
Accrued interest payable	2,536	4,527	**8,311**
Other liabilities	7,740	9,694	**8,039**
Total liabilities	3,685,556	3,807,833	**3,954,775**
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; 2,145,400 shares issued and outstanding at September 30, 2022, 2,147,400 issued and outstanding at December 31, 2022 and 2,152,400 shares issued and outstanding at September 30, 2023	2,145	2,147	**2,152**
Additional paid-in capital	12,914	13,061	**13,439**
Undivided profits	361,499	370,758	**386,356**
Total stockholders' equity	376,558	385,966	**401,947**
Total liabilities and stockholders' equity	$ 4,062,114	$ 4,193,799	**$ 4,356,722**

HINGHAM INSTITUTION FOR SAVINGS
Consolidated Statements of Income

(In thousands, except per share amounts)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2023
(Unaudited)				
Interest and dividend income:				
Loans	$ 34,209	**$ 40,245**	$ 96,375	**$ 114,467**
Debt securities	33	**32**	99	**98**
Equity securities	492	**1,163**	1,036	**3,110**
Federal Reserve and other short-term investments	1,660	**3,598**	2,289	**10,078**
Total interest and dividend income	36,394	**45,038**	99,799	**127,753**
Interest expense:				
Deposits	4,483	**20,010**	8,089	**50,618**
Federal Home Loan Bank and Federal Reserve Bank advances	4,608	**14,042**	6,531	**38,208**
Total interest expense	9,091	**34,052**	14,620	**88,826**
Net interest income	27,303	**10,986**	85,179	**38,927**
Provision for credit losses	301	**241**	3,908	**847**
Net interest income, after provision for credit losses	27,002	**10,745**	81,271	**38,080**
Other income (loss):				
Customer service fees on deposits	141	**131**	456	**410**
Increase in cash surrender value of bank-owned life insurance	82	**84**	252	**250**
Gain (loss) on equity securities, net	(5,117)	**486**	(24,756)	**9,424**
Gain on disposal of fixed assets	—	**44**	—	**44**
Miscellaneous	21	**59**	67	**176**
Total other income (loss)	(4,873)	**804**	(23,981)	**10,304**
Operating expenses:				
Salaries and employee benefits	4,172	**4,069**	11,678	**12,560**
Occupancy and equipment	339	**435**	1,028	**1,206**
Data processing	691	**743**	1,953	**2,142**
Deposit insurance	546	**666**	1,347	**1,906**
Foreclosure and related	18	**29**	5	**(19)**
Marketing	246	**152**	752	**641**
Other general and administrative	869	**949**	2,706	**2,913**
Total operating expenses	6,881	**7,043**	19,469	**21,349**
Income before income taxes	15,248	**4,506**	37,821	**27,035**
Income tax provision	4,749	**1,209**	12,267	**6,979**
Net income	$ 10,499	**$ 3,297**	$ 25,554	**$ 20,056**
Cash dividends declared per share	$ 0.61	**$ 0.63**	$ 1.77	**$ 1.89**
Weighted average shares outstanding:				
Basic	2,145	**2,151**	2,144	**2,149**
Diluted	2,201	**2,192**	2,203	**2,195**
Earnings per share:				
Basic	$ 4.89	**$ 1.53**	$ 11.92	**$ 9.33**
Diluted	$ 4.77	**$ 1.50**	$ 11.60	**$ 9.14**

HINGHAM INSTITUTION FOR SAVINGS
Net Interest Income Analysis

	Three Months Ended								
	September 30, 2022			June 30, 2023			September 30, 2023		
	Average Balance (9)	Interest	Yield/ Rate (10)	Average Balance (9)	Interest	Yield/ Rate (10)	Average Balance (9)	Interest	Yield/ Rate (10)
(Dollars in thousands) *(Unaudited)*									
Assets									
Loans (1) (2)	$ 3,558,317	$ 34,209	3.85 %	$ 3,725,717	$ 37,806	4.06 %	**$ 3,802,045**	**$ 40,245**	**4.23 %**
Securities (3) (4)	114,946	525	1.83	103,153	1,077	4.18	**107,432**	**1,195**	**4.45**
Short-term investments (5)	285,832	1,660	2.32	245,426	3,106	5.06	**264,160**	**3,598**	**5.45**
Total interest-earning assets	3,959,095	36,394	3.68	4,074,296	41,989	4.12	**4,173,637**	**45,038**	**4.32**
Other assets	42,768			56,658			**61,529**		
Total assets	$ 4,001,863			$ 4,130,954			**$ 4,235,166**		
Liabilities and stockholders' equity:									
Interest-bearing deposits (6)	$ 2,174,098	4,483	0.82 %	$ 2,196,558	16,808	3.06 %	**$ 2,200,952**	**20,010**	**3.64 %**
Borrowed funds	1,030,979	4,608	1.79	1,152,473	12,151	4.22	**1,261,652**	**14,042**	**4.45**
Total interest-bearing liabilities	3,205,077	9,091	1.13	3,349,031	28,959	3.46	**3,462,604**	**34,052**	**3.93**
Non-interest-bearing deposits	410,403			371,262			**353,543**		
Other liabilities	7,092			11,636			**12,958**		
Total liabilities	3,622,572			3,731,929			**3,829,105**		
Stockholders' equity	379,291			399,025			**406,061**		
Total liabilities and stockholders' equity	$ 4,001,863			$ 4,130,954			**$ 4,235,166**		
Net interest income		$ 27,303			$ 13,030			**$ 10,986**	
Weighted average interest rate spread			2.55 %			0.66 %			**0.39 %**
Net interest margin (7)			2.76 %			1.28 %			**1.05 %**
Average interest-earning assets to average interest-bearing liabilities (8)	123.53 %			121.66 %			**120.53 %**		

(1) Before allowance for credit losses.

(2) Includes non-accrual loans.

(3) Excludes the impact of the average net unrealized gain or loss on securities.

(4) Includes Federal Home Loan Bank stock.

(5) Includes cash held at the Federal Reserve Bank.

(6) Includes mortgagors' escrow accounts.

(7) Net interest income divided by average total interest-earning assets.

(8) Total interest-earning assets divided by total interest-bearing liabilities.

(9) Average balances are calculated on a daily basis.

(10) Annualized.

HINGHAM INSTITUTION FOR SAVINGS
Net Interest Income Analysis

	Nine Months Ended September 30,					
	2022			2023		
(Dollars in thousands) *(Unaudited)*	Average Balance (9)	Interest	Yield/ Rate (10)	Average Balance (9)	Interest	Yield/ Rate (10)
Loans (1) (2)	$ 3,330,511	$ 96,375	3.86 %	**$ 3,737,198**	**$ 114,467**	**4.08** %
Securities (3) (4)	106,481	1,135	1.42	**103,454**	**3,208**	**4.13**
Short-term investments (5)	255,627	2,289	1.19	**267,922**	**10,078**	**5.02**
Total interest-earning assets	3,692,619	99,799	3.60	**4,108,574**	**127,753**	**4.15**
Other assets	47,707			**57,360**		
Total assets	$ 3,740,326			**$ 4,165,934**		
Interest-bearing deposits (6)	$ 2,084,032	8,089	0.52 %	**$ 2,215,719**	**50,618**	**3.05** %
Borrowed funds	876,915	6,531	0.99	**1,172,019**	**38,208**	**4.35**
Total interest-bearing liabilities	2,960,947	14,620	0.66	**3,387,738**	**88,826**	**3.50**
Non-interest-bearing deposits	400,848			**367,541**		
Other liabilities	7,377			**11,362**		
Total liabilities	3,369,172			**3,766,641**		
Stockholders' equity	371,154			**399,293**		
Total liabilities and stockholders' equity	$ 3,740,326			**$ 4,165,934**		
Net interest income		$ 85,179			**$ 38,927**	
Weighted average interest rate spread			2.94 %			**0.65** %
Net interest margin (7)			3.08 %			**1.26** %
Average interest-earning assets to average interest-bearing liabilities (8)	124.71 %			**121.28 %**		

(1) Before allowance for credit losses.

(2) Includes non-accrual loans.

(3) Excludes the impact of the average net unrealized gain or loss on securities.

(4) Includes Federal Home Loan Bank stock.

(5) Includes cash held at the Federal Reserve Bank.

(6) Includes mortgagors' escrow accounts.

(7) Net interest income divided by average total interest-earning assets.

(8) Total interest-earning assets divided by total interest-bearing liabilities.

(9) Average balances are calculated on a daily basis.

(10) Annualized.

HINGHAM INSTITUTION FOR SAVINGS
Non-GAAP Reconciliation

The table below presents the reconciliation between net income and core net income, a non-GAAP measurement that represents net income excluding the after-tax gain (loss) on equity securities, net, and after-tax gain on disposal of fixed assets.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, unaudited)	**2022**	**2023**	**2022**	**2023**
Non-GAAP reconciliation:				
Net income	$ 10,499	**$ 3,297**	$ 25,554	**$ 20,056**
(Gain) loss on equity securities, net	5,117	**(486)**	24,756	**(9,424)**
Income tax expense (benefit) (1)	(1,125)	**116**	(5,454)	**2,086**
Gain on disposal of fixed assets	—	**(44)**	—	**(44)**
Income tax expense	—	**12**	—	**12**
Core net income	$ 14,491	**$ 2,895**	$ 44,856	**$ 12,686**

(1) The equity securities are held in a tax-advantaged subsidiary corporation. The income tax effect of the (gain) loss on equity securities, net, was calculated using the effective tax rate applicable to the subsidiary.