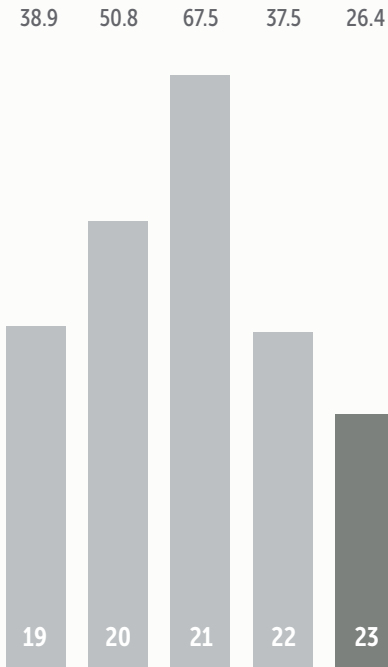


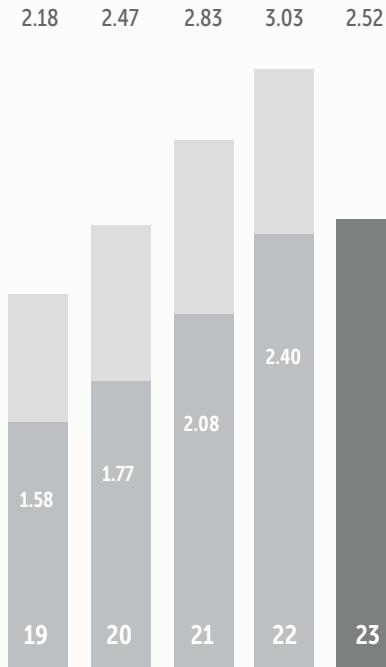


2023 ANNUAL REPORT

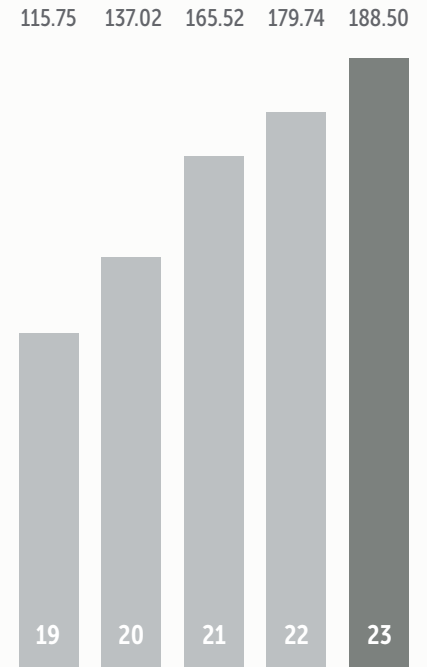
Financial Highlights



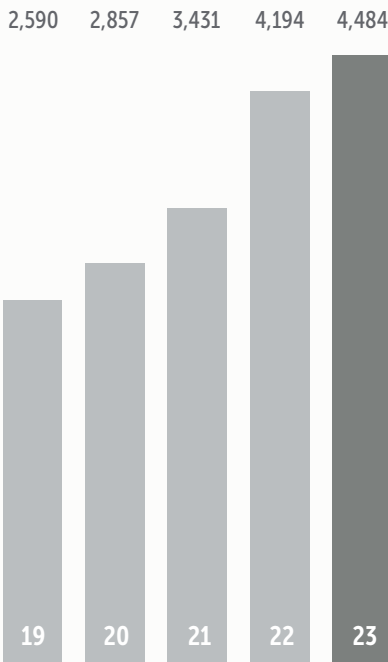
Net Income
(\$ in millions)



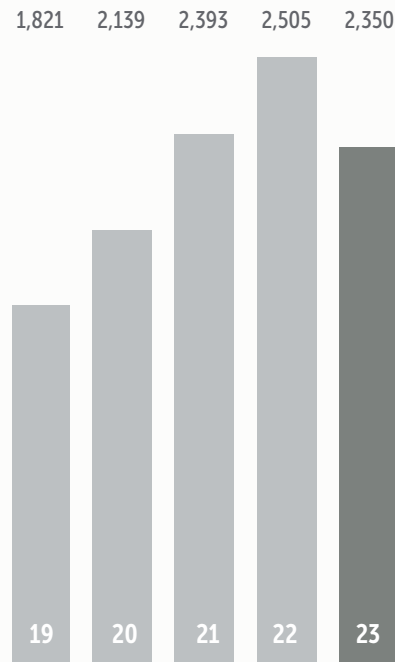
Dividends Declared*
(\$ per share)



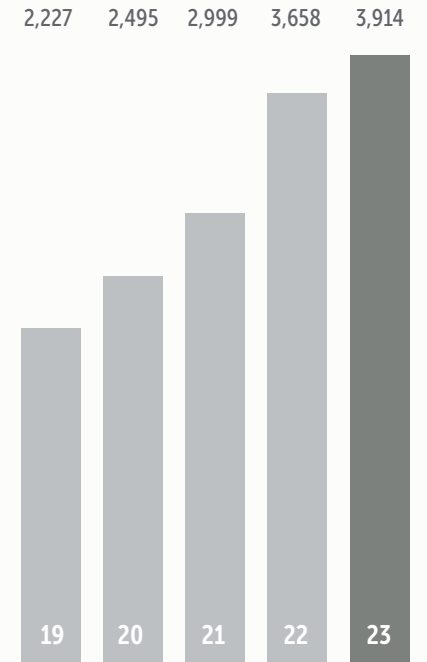
Book Value
(\$ per share)



Assets
(\$ in millions)



Deposits
(\$ in millions)



Loans, net
(\$ in millions)

*Dividends Declared: Dividends declared chart includes the total regular dividends declared (dark shading) and the total dividends declared including any special dividends (light shading).



From the Chairman and the President

To Our Business Partners:

Although we strive for them, not every year will be an outstanding one. Over a long time horizon, we expect financial results will be excellent in most years, average in some, and challenging in a few. We noted last year in this letter that 2023 would be a challenging year. It was.

We earned \$26.4 million for our owners in 2023, a reflection of significant net interest margin compression over the course of the year, owing to our liability sensitive balance sheet and the quick, deep and long yield curve inversion. Our return on average equity of 6.57% and return on average assets of 0.63% were well below our long-term performance and our expectations. Continued strong returns in our investment operations sustained us during a period when core returns were not satisfactory. Net loans increased by 7% to \$3.914 billion. Retail and commercial deposits, excluding our wholesale deposits, fell by 2% to \$1.861 billion. Book value per share rose 5% in 2023 from \$179.74 to \$188.50 per share. This excludes capital returned to the owners through regular dividends - we declared \$2.52 in dividends per share in 2023. The trailing five year compound annual growth rate in book value per share, an important measure of long-term value creation, was 13.6%. In 2023, the efficiency ratio was 57.18% and operating expenses as a percentage of average assets fell to 0.67%. This structural operating leverage allowed us to navigate the adverse interest rate environment in 2023 and will benefit us when we emerge from the current period of net interest margin compression.

As noted last year, our business generates returns for our owners through the efficient transformation of maturity, using deposits and borrowings to fund a loan portfolio composed primarily of real estate loans secured by multifamily properties. During normal economic conditions, the yield curve - a graphical representation of interest rates on debt for a range of maturities - has a positive slope and we benefit from turning short-term deposits and borrowings into somewhat longer term mortgages. From time to time, for reasons beyond the scope of this letter, the yield curve “inverts” and short-term interest rates are higher than long-term interest rates. We are currently in the midst of a significant inversion - the fastest, deepest and the longest inversion since the late 1970s - and arguably the longest inversion on record. Yield curve inversions will occur and although they are difficult for our liability sensitive model, they are also ultimately temporary and they do not cause us to question our approach.

Our balance sheet continues to reprice and we have started to see the benefit of anticipated lower funding rates - particularly through some of our wholesale funding vehicles - while we gradually benefit from higher rates on new loans. We continue to see demand from well-capitalized customers with strong balance sheets, looking to make long-term investments in core multifamily properties. The pace of this transition has been slower than we would like and the Bank’s performance with respect to retail and commercial deposit growth in 2023 was not consistent with the Bank’s historical performance.

Having noted the above, the current outlook for short and intermediate term rates is promising and we are cautiously optimistic. Although we have employed certain strategies to reduce our risk in the event of additional increases in short-term rates, we see this as a low-probability scenario and we remain overwhelmingly liability sensitive.

We emphasized last year that the most dangerous response to short-term challenges is to make changes that have long-term consequences. We will not add incremental risk, either in our lending or investment operations, and we will continue to make the appropriate investments to support our long-term objectives outlined below. We have a disciplined underwriting culture - with zero non-performing commercial loans, zero classified or criticized commercial loans, and zero losses on commercial lending for over ten years at 2023 year end. We have always placed credit risk at the center of our approach. Given the turbulence in the commercial real estate markets, we believe this emphasis continues to be well-placed.

Whether extraordinary or disappointing, we can never lose sight of the fact that results in any given year do not fully describe the real accomplishments and progress at Hingham. Our long-term objective is to generate superior returns on equity capital through a disciplined strategy combining a commercial real estate lending business with a relationship-focused deposit business serving families, nonprofits, real estate investors, and institutions. We build these businesses slowly - one employee at a time, one relationship at a time, one loan at a time - brick by brick. There are no shortcuts.

Let’s review the bricks from 2023.

Our commercial real estate business grew modestly last year, with growth concentrated in our Boston and Washington, D.C. markets. Despite widespread uncertainty regarding the potential of gateway cities, we remain confident that the most attractive markets for our business are dense, coastal cities with favorable demographics and concentrations of multifamily real estate. The demand drivers in these markets, combined with the supply constraints stemming from geography and regulation, support consistent asset performance over time.

In 2023, we completed our seventh full year of operations in Washington, D.C., with a high-quality loan portfolio now exceeding \$1.2 billion. This was paired with strong growth in our deposit business after the FDIC approved our branch application for our Georgetown office in June. This office has the lowest cost of funds of any office by a significant measure and Washington presents a significant long-term opportunity to deploy capital organically. We intend to expand our retail presence to Washington, supporting our commercial banking office, and we are actively evaluating new potential branch locations. Our equity investments in Washington, D.C. banks continue to complement our core business operations.

31 Years of Performance	Book Value Per Share														
	1993*	1994*	1995*	1996*	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Assets	\$ 147,889	\$ 153,192	\$ 175,409	\$ 201,586	\$ 222,584	\$ 260,076	\$ 291,183	\$ 337,881	\$ 386,181	\$ 426,430	\$ 483,954	\$ 547,051	\$ 628,251	\$ 691,652	\$ 744,602
Loans, Net	\$ 76,936	\$ 100,398	\$ 119,472	\$ 151,166	\$ 172,839	\$ 204,774	\$ 229,687	\$ 266,568	\$ 282,386	\$ 320,692	\$ 358,778	\$ 415,538	\$ 488,126	\$ 539,104	\$ 593,915
Book Value Per Share	\$ 7.35	\$ 8.24	\$ 9.17	\$ 9.87	\$ 10.93	\$ 12.05	\$ 12.83	\$ 14.46	\$ 16.38	\$ 18.48	\$ 19.68	\$ 21.29	\$ 23.01	\$ 24.47	\$ 25.85
Earnings Per Share (Basic)	\$ 0.10	\$ 1.33	\$ 0.98	\$ 1.05	\$ 1.36	\$ 1.53	\$ 1.65	\$ 2.07	\$ 2.49	\$ 2.91	\$ 2.58	\$ 2.80	\$ 2.95	\$ 2.19	\$ 2.12
Return on Equity	1.34%	17.09%	11.11%	11.06%	13.00%	13.18%	13.07%	15.17%	15.95%	16.58%	13.53%	13.56%	13.20%	9.18%	8.40%
Efficiency Ratio	108.32%	61.46%	54.25%	53.36%	50.10%	48.72%	50.25%	47.78%	45.31%	45.42%	45.55%	49.48%	48.50%	57.58%	59.69%

Dollars in thousands except per share data.

*Per share data for 1993, 1994, 1995 and 1996 adjusted for the 3 for 2 stock split.

We remain committed to our expansion in San Francisco, as we believe that the Bay Area is a market with attractive structural economic drivers, including a vibrant technology sector, physical and regulatory limitations on real estate development, links to Asia, and a cluster of research universities that produce the intangible assets that are critical components of our economy. The governance challenges the city faces are temporary, surmountable, and there is a growing political consensus in support of addressing them.

In 2023, we completed our third year of operations in the city, with a loan portfolio of approximately \$120 million. Deposit growth in San Francisco was stronger in 2023 and we recently added a dedicated deposit-focused relationship manager in early 2024. Lending activity was, in contrast, somewhat muted. This was likely driven by significantly lower apartment sales volume throughout the year, uncertainty about the disposition of several large portfolios of overleveraged small multifamily properties, and the disruption caused by the failure of two large Bay Area banks. We remained actively engaged with customers - current and prospective - throughout the year and we believe we will be more active this year.

Our Specialized Deposit Group made progress in some respects in 2023, although deposit growth was not consistent with the market opportunities we see. Our deposit strategy - digital excellence, virtually no fees, and personalized service provided by dedicated relationship managers - is compelling. This strategy is executed by relationship managers that work directly with customers and develop new business opportunities, digital banking specialists that provide operational support to our customers, and a marketing program that places this value proposition in front of customers that can benefit from it. We made progress along all three dimensions in 2023.

The failure of several large banks last year, combined with the pending sale of a respected competitor in Boston, creates an enduring opportunity for Hingham. It reinforces our belief that there is strong, unmet demand for a nimble, service-oriented bank in Boston, Washington, and San Francisco. Since last year, we have recruited three talented relationship managers in Boston and San Francisco, all with significant experience serving business and nonprofit customers. We have reconfigured our operational team to support larger and more complex business deposit customers, including hiring a new senior specialist for this team. This has been accomplished without any growth in the size of our staff.

If you are a talented senior or mid-level banker in Boston, Washington, or San Francisco, particularly with experience in commercial real estate lending or deposit business development, please contact Patrick directly by phone or email. He would like to talk to you and we promise a confidential conversation about opportunities at Hingham.

Eliminating waste remains a core strategic objective of the Bank. We must find ways to increase the velocity of our operations, maintain our narrow focus, and leverage that focus. Our operational efficiency

provides us with considerable flexibility during periods like this. This year we focused on ensuring that we have well-documented standard work across all of our business and operational processes. Without standards, there can be no improvement. We cannot adequately emphasize the following - eliminating waste at Hingham is not about one-time cost reductions. It is about the continuous and persistent improvement of operational processes that pay small dividends over time.

In our investment operations, we grew our partial ownership in a number of outstanding businesses over 2023, and sold several smaller investments, further concentrating our portfolio. Management teams, working on our behalf, continued to improve these businesses in ways large and small. Our investments remain focused on finance - banks, insurers, payment companies, financial infrastructure providers, and ratings agencies. We also have material investments in technology companies that facilitate digital commerce. We continue to benefit from studying and engaging with management teams at high performance companies, both in the banking industry and elsewhere. We recognize that these investment results will be volatile over time, but they are a complement to our core business and some of these businesses are likely to produce strong returns during periods when our core business may not.

We recognize that the health of our business is ultimately dependent on the health and vitality of the cities in which we operate. Despite the challenging environment, we remain committed to affordable housing finance - extending over \$150 million in affordable multifamily housing loans in 2023 in Boston and Washington, D.C. Several of these projects were financed in conjunction with the Black Economic Development Fund and Amazon's Housing Equity Fund, combining senior debt from Hingham with low-cost subordinate financing to preserve affordability.

Our family became associated with the Bank thirty one years ago, when years of mismanagement and poor lending threatened its very solvency. Since then, it has been our objective to build one of America's great banks, characterized by superior long-term financial results, a fortress balance sheet that provides unquestionable assurance to our depositors, and an enduring culture of growth and success. Every year, we make progress on that vision.

Very truly yours,

Robert H. Gaughen Jr.
Chairman of the Board and Chief Executive Officer

Patrick R. Gaughen
President and Chief Operating Officer

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$ 806,193	\$ 925,560	\$ 1,017,845	\$ 1,127,276	\$ 1,205,884	\$ 1,356,441	\$ 1,552,205	\$ 1,768,528	\$ 2,014,599	\$ 2,284,599	\$ 2,408,587	\$ 2,590,346	\$ 2,857,093	\$ 3,431,165	\$ 4,193,799	\$ 4,483,947
\$ 647,255	\$ 718,242	\$ 792,910	\$ 849,776	\$ 949,662	\$ 1,078,879	\$ 1,238,656	\$ 1,405,533	\$ 1,605,647	\$ 1,833,987	\$ 2,009,288	\$ 2,227,062	\$ 2,495,331	\$ 2,999,096	\$ 3,657,782	\$ 3,914,244
\$ 28.20	\$ 30.74	\$ 34.24	\$ 38.70	\$ 43.65	\$ 48.49	\$ 57.08	\$ 64.83	\$ 75.50	\$ 87.29	\$ 99.67	\$ 115.75	\$ 137.02	\$ 165.52	\$ 179.74	\$ 188.50
\$ 2.96	\$ 3.79	\$ 4.81	\$ 5.68	\$ 6.25	\$ 6.28	\$ 10.46	\$ 9.09	\$ 10.99	\$ 12.08	\$ 14.25	\$ 18.24	\$ 23.76	\$ 31.50	\$ 17.49	\$ 12.26
11.08%	12.78%	14.67%	15.34%	15.05%	13.52%	19.30%	14.81%	15.59%	14.73%	14.97%	16.82%	18.96%	20.62%	10.01%	6.57%
52.72%	49.20%	44.91%	42.88%	41.54%	43.26%	37.19%	36.32%	32.15%	30.06%	29.89%	30.26%	25.48%	21.31%	24.81%	57.18%

Boys & Girls Clubs of Dorchester

Dorchester, MA

Pictured Left to Right: Michael Gattoni - Chief Financial Officer
Bob Scannell - President & CEO



Boys & Girls Clubs of Dorchester is a premier non-profit organization with three clubhouses in Dorchester, MA. The Club offers over 4,000 youth a safe and supportive environment to learn, grow, and have fun. With guidance from caring professionals and peers, kids improve their academic performance, self-esteem, and social skills with over 200 available programs.

Boys & Girls Clubs of Dorchester was looking to secure its assets by diversifying its banking relationships. During the selection process, it was important to the team to choose a bank with proven stability during times of uncertainty. They chose Hingham Institution for Savings for its strong track record of financial stability and full deposit insurance through the FDIC and DIF.

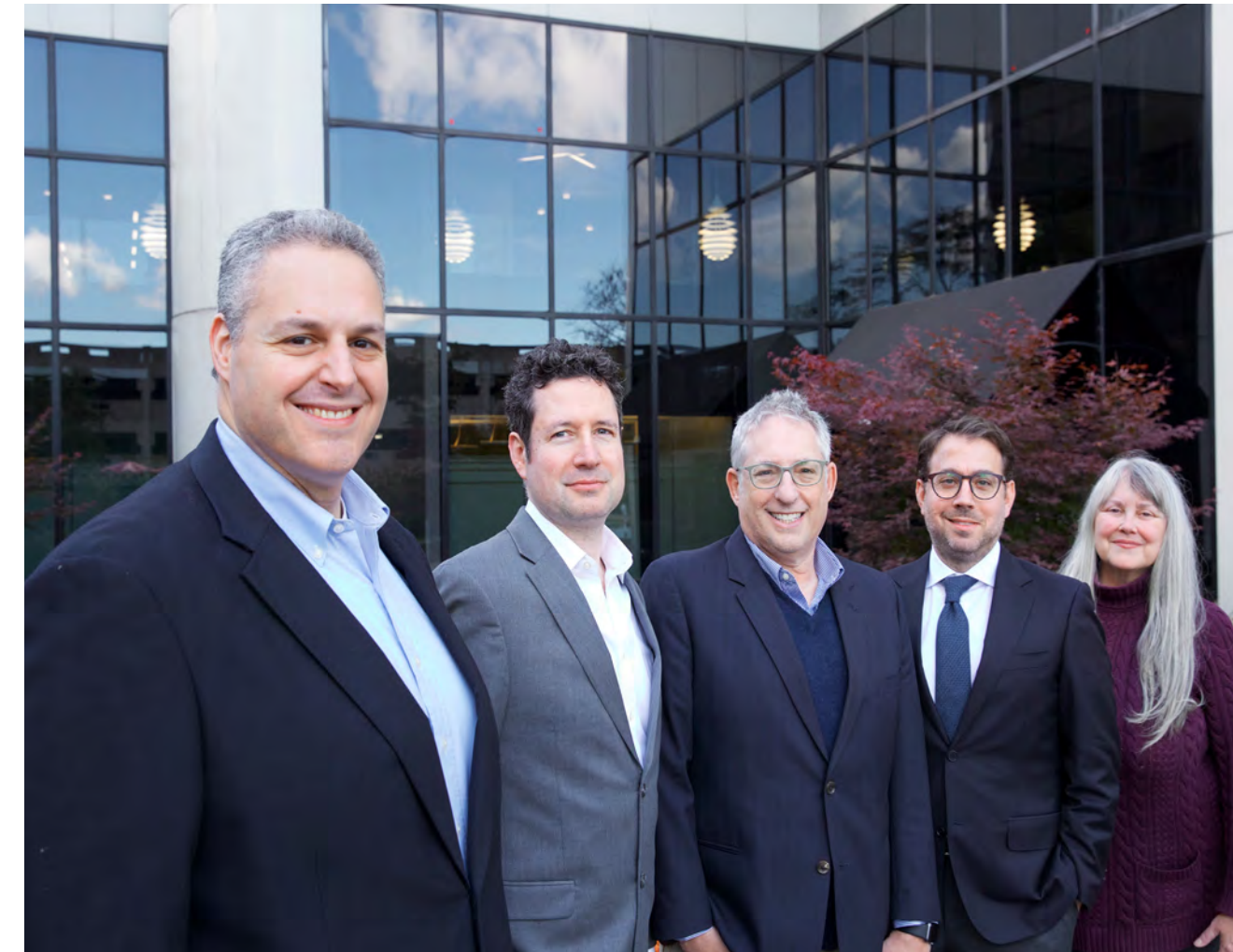
"We feel that Hingham was the perfect choice for our organization and are confident that our funds are safe and secure. Their customer service is second to none."

Michael Gattoni
Chief Financial Officer

Melrose Solomon

Alexandria, VA

Pictured Left to Right: Jeff Steinberg - Vice President of Acquisitions
Lawrence Solomon - Principal, Jaime Hartman - Investment Committee
Ezra Tuchman - Investment Committee, Kathy Bowden - Administration



"We look for reliable, high quality service and a consistent process with all of our partners. The team at Hingham executed flawlessly and we hope this is the first of many deals together."

Lawrence Solomon
Principal

Melrose Solomon is a real estate investment firm with office, retail and industrial properties in the Midwest, Mid-Atlantic, and Southeast. With a disciplined value buying strategy, they have built their real estate portfolio to over 2 million square feet over the last decade.

Larry Solomon was first introduced to Hingham Institution for Savings when he was considering acquiring a unique office property in Alexandria, VA. The team was attracted to Hingham's willingness to underwrite the property thoughtfully in an environment in which financing for office properties has become more difficult. Hingham's competitive rates, accessible commercial lenders, and new office in Georgetown were additional motivating reasons to work together.

Phyllis Bodel Childcare Center At Yale School of Medicine

New Haven, CT

Pictured left to right: Kyle Miller - Executive Director, June Marcucio - Business Manager



The Phyllis Bodel Childcare Center cares for the children of faculty, postdoctoral fellows and students of the Yale School of Medicine in New Haven, CT. With over 15 classrooms of children ranging from six weeks old up to pre-kindergarten, the Center provides a high quality and supportive environment in which each child can develop and grow.

The team at the Childcare Center had an account at a national bank with a problematic online banking platform and low deposit rates - something had to change. With Hingham, they found personalized support from a relationship manager, competitive rates, and a reliable online banking experience.

"Working with Hingham is like having a partner in success - even though we are not near a branch, they might as well be next door to us. They make banking refreshingly easy."

Kyle Miller
Executive Director



GreyBrick Partners

San Francisco, CA

Pictured: Ryan Taylor - Managing Partner



"Hingham was our safety net during a stressful time. With over 185 years of proven stability, we have peace of mind knowing how thoughtfully the bank is operated."

Ryan Taylor
Managing Partner

GreyBrick Partners is a value-add focused real estate investment firm headquartered in San Francisco, CA. GreyBrick Partners have acquired over 39 assets in the last twelve years and manage over \$250 million of investment properties located in California and Washington State.

The team at GreyBrick, like so many others, had to act swiftly during recent bank failures. With a strong focus on security, they found Hingham's stable history, deposit insurance, and conservative lending practices compelling factors to move their banking relationship. Beyond that, they've appreciated the opportunity to build a relationship with the Hingham team, ensuring that they're backed by people that truly care about their business.

Public Employees for Environmental Responsibility (PEER)

Silver Springs, MD

Pictured: Tim Whitehouse - Executive Director



PEER supports and protects public employees who seek a higher standard of accountability and environmental protection within their agencies. The team works with every state and operates specifically in areas regarding scientific integrity complaints, climate integrity, conserving public lands, and toxins.

Originally interested in Hingham's competitive savings rates, PEER also found that Hingham took the complexity out of banking, especially when it came to processing donor gifts. Even though most of its banking needs are met with self-serve solutions, the team appreciates being able to get a person on the phone quickly when needed.

"Our team and Hingham's team are both driven by upholding high standards - their dedication to customers keeps our organization running efficiently."

Tim Whitehouse
Director



10 MX

Roxbury, MA

Pictured left to right: John Sullivan - Principal, Second Street properties
Jacob Vance - Principal, Second Street properties
Yonathan (Tani) Halperin - Founder and Partner, Trax Development
Dartagnan Brown - Founder and Partner, Trax Development



"It's easy to work with Hingham - they work as quickly as we do and when it comes down to terms, they're simply the best."

John Sullivan
Principal

10 MX Owner, LLC is a joint venture between Second Street Properties and Trax Development. Together, they are focused on redeveloping Nubian Square, a fast-changing and transit-oriented neighborhood in Roxbury, MA that has been historically neglected. In coordination with the Boston Planning & Development Agency, they are planning to build two new multifamily buildings on an underutilized site, while preserving a mixed-use building that is an important source of jobs in the neighborhood. The project will ultimately add a mix of over 100 new affordable and market-rate units to Nubian Square.

When the team needed financing, they found Hingham's terms the most competitive. Throughout the loan process and with the subsequent deposit relationship, they have become more familiar with the Bank and value the approach that helps them keep their project moving forward.

Selected Financial Data

Board of Directors

	At December 31,				
	2019	2020	2021	2022	2023
	(In Thousands)				
Balance Sheet Data:					
Total assets	\$ 2,590,346	\$ 2,857,093	\$ 3,431,165	\$ 4,193,799	\$ 4,483,947
Cash & cash equivalents	252,147	233,986	271,161	362,033	362,477
Securities	47,186	65,868	91,973	66,696	83,302
Loans:					
Residential loans	727,042	657,575	563,914	528,586	516,550
Commercial loans	1,328,468	1,694,694	2,297,420	2,976,100	3,155,284
Construction	186,146	153,054	155,711	177,643	268,610
Other	782	7,412	2,482	442	452
Allowance for credit losses	15,376	17,404	20,431	24,989	26,652
Deposits	1,820,834	2,139,197	2,392,865	2,505,289	2,349,977
Federal Home Loan Bank advances	505,200	408,031	665,000	1,276,000	1,692,675
Stockholders' equity	247,223	292,943	354,612	385,966	407,620
Loan balances include deferred loan fees and costs.					
	At or For the Years Ended December 31,				
	2019	2020	2021	2022	2023
	(Dollars in Thousands, Except Per Share Amounts)				
Income Statement Data:					
Total interest and dividend income	\$ 106,952	\$ 106,362	\$ 110,491	\$ 139,028	\$ 174,262
Total interest expense	40,050	21,158	8,026	32,894	125,960
Net interest income	66,902	85,204	102,465	106,134	48,302
Provision for credit losses	1,567	2,288	3,028	4,508	1,118
Other income (loss)	8,828	9,192	15,308	(20,719)	16,303
Operating expenses	20,615	21,978	22,076	26,592	28,257
Income before income taxes	53,548	70,130	92,669	54,315	35,230
Income tax provision	14,621	19,359	25,211	16,796	8,859
Net income	\$ 38,927	\$ 50,771	\$ 67,458	\$ 37,519	\$ 26,371
Core net income *	\$ 32,996	\$ 44,443	\$ 56,563	\$ 54,569	\$ 14,539
Earnings per common share:					
Basic	\$ 18.24	\$ 23.76	\$ 31.50	\$ 17.49	\$ 12.26
Diluted	\$ 17.83	\$ 23.25	\$ 30.65	\$ 17.04	\$ 12.02
Financial Ratios:					
Return on average assets	1.55 %	1.88 %	2.25 %	0.98 %	0.63 %
Return on average equity	16.82	18.96	20.62	10.01	6.57
Core return on average assets *	1.32	1.65	1.89	1.43	0.35
Core return on average equity *	14.26	16.60	17.29	14.56	3.62
Average equity to average assets	9.24	9.93	10.93	9.81	9.56
Interest rate spread	2.38	3.03	3.40	2.60	0.53
Net interest margin	2.72	3.22	3.48	2.81	1.17
Efficiency ratio **	30.26	25.48	21.31	24.81	57.18
Cash dividends declared per common share	\$ 2.18	\$ 2.47	\$ 2.83	\$ 3.03	\$ 2.52
Book value per common share	\$ 115.75	\$ 137.02	\$ 165.52	\$ 179.74	\$ 188.50
Shares outstanding, at year end	2,135,750	2,137,900	2,142,400	2,147,400	2,162,400

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

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

For complete financial information please refer to Form 10-K for the year ended December 31, 2023 filed with the Federal Deposit Insurance Corporation.



Standing (left to right):
 Ronald D. Falcione
 Robert A. Lane, Esq.
 Michael J. Desmond
 Scott L. Moser
 Geoffrey C. Wilkinson, Sr.
 Brian T. Kenner, Esq.
 Julio R. Hernandez, Esq.
 Stacey M. Page
 Kevin W. Gaughen, Jr., Esq.

Seated (left to right):
 Howard M. Berger, Esq.
 Jacqueline M. Youngworth
 Robert H. Gaughen, Jr., Esq.
 Kara Gaughen Smith
 Robert K. Sheridan, Esq.
 Patrick R. Gaughen

Stockholder Information

Hingham Institution for Savings

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Hingham, MA 02043
(781) 749-2200

Chairman and Chief Executive Officer

Robert H. Gaughen, Jr.

Investor Inquiries

Patrick R. Gaughen
President and Chief Operating Officer

Transfer Agent and Registrar

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(800) 288-9541

Online Registered Shareholder Access

www.computershare.com/investor

Independent Registered Public Accounting Firm

Wolf & Company, P.C.
255 State Street
Boston, MA 02109

Special Counsel

Goodwin Procter
100 Northern Avenue
Boston, MA 02210

Form 10-K and Proxy Statement

A copy of the Bank's Annual Report on Form 10-K and Proxy Statement for the fiscal year ended December 31, 2023 as filed with the Federal Deposit Insurance Corporation, may be obtained without charge by any stockholder of the Bank upon written request addressed to the Investor Relations Department. Additionally, the Bank's Annual Report on Form 10-K and the Proxy Statement are available electronically at www.hinghamavings.com/investor-materials.

Stock Data

Hingham Institution for Savings' common shares are listed and traded on The Nasdaq Stock Market under the symbol HIFS.

As of December 31, 2023, there were approximately 183 stockholders of record, holding 71,122 outstanding shares of common stock. These shares do not include the number of persons who hold their shares in nominee or street name through various brokerage firms.

The following table presents the quarterly high and low prices for the Bank's common stock reported by Nasdaq.

	<u>High</u>	<u>Low</u>
2023		
First Quarter	\$ 311.18	\$ 223.00
Second Quarter	235.76	173.51
Third Quarter	229.99	181.00
Fourth Quarter	206.00	147.00
2022		
First Quarter	\$ 432.19	\$ 340.00
Second Quarter	348.59	270.50
Third Quarter	335.53	250.00
Fourth Quarter	297.90	242.99

The closing sale price of the Bank's common stock at December 31, 2023 was \$194.40 per share.

1834

BOSTON
COHASSET
HINGHAM
HULL
NANTUCKET
WASHINGTON, D.C.
SAN FRANCISCO



www.hinghamavings.com

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