



PRESS RELEASE

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Hingham, MA (NASDAQ: HIFS)
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HINGHAM REPORTS 2025 RESULTS

HINGHAM INSTITUTION FOR SAVINGS (NASDAQ: HIFS), Hingham, Massachusetts announced earnings for the fourth quarter and the year ended December 31, 2025.

Earnings

Net income for the year ended December 31, 2025 was \$54,551,000 or \$25.01 per share basic and \$24.76 per share diluted, as compared to \$28,191,000 or \$12.95 per share basic and \$12.85 per share diluted for the same period last year. The Bank's return on average equity for the year ended December 31, 2025 was 12.00%, and the return on average assets was 1.22%, as compared to 6.68% and 0.65% for the same period in 2024. Net income per share (diluted) for 2025 increased by 92.7% over 2024.

Core net income, which represents net income excluding the after-tax net gain on equity securities, both realized and unrealized, was \$32,114,000 or \$14.72 per share basic and \$14.58 per share diluted for the year ended December 31, 2025, as compared to \$12,304,000 or \$5.65 per share basic and \$5.61 per share diluted for the same period last year. The Bank's core return on average equity for the year ended December 31, 2025 was 7.06%, and the core return on average assets was 0.72%, as compared to 2.92% and 0.28% for the same period in 2024. Core net income per share (diluted) for 2025 increased by 159.9% over 2024.

Net income for the quarter ended December 31, 2025 was \$20,718,000 or \$9.49 per share basic and \$9.39 per share diluted, as compared to \$11,375,000 or \$5.22 per share basic and \$5.16 per share diluted for the same period last year. The Bank's annualized return on average equity for the fourth quarter of 2025 was 17.50%, and the annualized return on average assets was 1.84%, as compared to 10.58% and 1.04% for the same period in 2024. Net income per share (diluted) for the fourth quarter of 2025 increased by 82.0% over 2024.

Core net income, which represents net income excluding the after-tax net gain on equity securities, both realized and unrealized, was \$10,027,000 or \$4.60 per share basic and \$4.54 per share diluted for the quarter ended December 31, 2025, as compared to \$4,753,000 or \$2.18 per share basic and \$2.16

per share diluted for the same period last year. The Bank's annualized core return on average equity for the fourth quarter of 2025 was 8.47%, and the annualized core return on average assets was 0.89%, as compared to 4.42% and 0.43% for the same period in 2024. Core net income per share (diluted) for the fourth quarter of 2025 increased by 110.2% over 2024.

See Page 10 for a reconciliation between Generally Accepted Accounting Principles ("GAAP") net income and Non-GAAP core net income. Under changes made to GAAP effective in 2018, gains and losses on equity securities, net of tax, realized and unrealized, are recognized in the Consolidated Statements of Income. In calculating core net income, the Bank did not make any adjustments other than those relating to the after-tax net gain on equity securities, both realized and unrealized.

Balance Sheet

Total assets increased to \$4.543 billion at December 31, 2025, representing a 1.9% growth from December 31, 2024.

Net loans increased to \$3.899 billion at December 31, 2025, representing a 0.7% growth from December 31, 2024.

Retail and commercial deposits were \$2.056 billion at December 31, 2025, representing a 2.9% growth from December 31, 2024. Non-interest-bearing deposits, included in retail and commercial deposits, were \$467.7 million at December 31, 2025, representing a 17.7% growth from December 31, 2024.

Growth in non-interest bearing deposits in 2025 reflected the Bank's focus on developing and deepening deposit relationships with new and existing commercial, institutional, and non-profit customers. The Bank continues to invest in its Specialized Deposit Group, actively recruiting for talented relationship managers in Boston, Washington, and San Francisco, particularly as respected competitors exit these markets or merge with larger regional banks.

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, continues to appeal to customers in times of uncertainty.

Wholesale funds, which include Federal Home Loan Bank ("FHLB") borrowings, brokered deposits, and Internet listing service deposits, were \$1.956 billion at December 31, 2025, a 1.8% decline from December 31, 2024, as the Bank replaced a portion of these funds with retail and commercial deposits. In 2025, the Bank continued to manage its wholesale funding mix to lower its cost of funds while taking advantage of the inverted yield curve by adding lower rate longer term liabilities. Wholesale deposits, which include brokered and Internet listing service time deposits, were \$492.4 million at December 31, 2025, representing a 0.5% decline from December 31, 2024. Borrowings from the FHLB totaled \$1.464 billion at December 31, 2025, a 2.2% decline from December 31, 2024. As of December 31, 2025, the Bank maintained an additional \$934.5 million in immediately available borrowing capacity at the FHLB of Boston and the Federal Reserve Bank ("FRB"), in addition to \$369.6 million in cash and cash equivalents.

Book value per share was \$219.82 as of December 31, 2025, representing an 11.0% growth from December 31, 2024. In addition to the increase in book value per share, the Bank declared \$3.22 in dividends per share since December 31, 2024, including a \$0.70 per share special dividend declared in the fourth quarter of 2025. In December 2025, the Bank received regulatory approval for the

repurchase of up to \$20.0 million of common equity. All capital allocation options, including future regular and special dividends as well as share repurchases, will be considered by the Board of Directors in light of prospective relative returns. The trailing five year compound annual growth rate in book value per share, an important measure of long-term value creation, was 9.9% at December 31, 2025.

Operational Performance Metrics

The net interest margin for the quarter ended December 31, 2025 increased 15 basis points to 1.89%, as compared to 1.74% in the quarter ended September 30, 2025. This improvement was the result of a decline in the cost of interest-bearing liabilities. The cost of interest-bearing liabilities fell 16 basis points in the fourth quarter of 2025, as the Bank's retail and commercial deposits continued to reprice at lower rates, and the Bank continued to take advantage of the inverted yield curve by rolling over maturing FHLB advances and brokered deposits at lower rates. The yield on interest-earning assets fell by one basis point in the fourth quarter of 2025, driven primarily by a lower rate on cash held at the FRB, almost completely offset by a higher yield on loans, as the Bank continued to originate loans at higher rates and reprice existing loans. The net interest margin in the final month of the fourth quarter of 2025 was 1.96% annualized.

Key credit and operational metrics remained acceptable in the fourth quarter of 2025. At December 31, 2025 non-performing assets, which included two loans secured by real estate, totaled 0.69% of total assets, compared to 0.03% at December 31, 2024. The Bank did not record any charge-offs during the years ended December 31, 2025 and December 31, 2024. In 2025, the Bank placed a commercial real estate loan with an outstanding balance of \$30.6 million on nonaccrual, after the borrower failed to make the full payment due at maturity. This loan is secured by an entitled development site for a significant multifamily development in Washington, D.C. and has an associated conditional guarantee from a large national homebuilder and an affordable housing developer. The Bank continues to work actively to identify a resolution that protects the Bank's interests. The other non-performing loan was a home equity line of credit.

The Bank did not own any foreclosed property on December 31, 2025 or December 31, 2024.

The efficiency ratio, as defined on page 10, fell to 35.06% for the fourth quarter of 2025, as compared to 38.26% in the prior quarter and 52.30% for the same period last year. Operating expenses as a percentage of average assets were 0.66% for the fourth quarter of 2025, as compared to 0.67% for the prior quarter, and 0.66% 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.

Chairman Robert H. Gaughen Jr. stated, "Our return on average equity of 12.00% and return on average assets of 1.22% in 2025 continue to improve consistently over time, driven by sustained expansion in the net interest margin through asset repricing, falling funding costs, and growth in non-interest bearing deposits. These remain somewhat below our long-term performance and our expectations for the business. Our operational leverage remains critical to generating satisfactory returns and we remain focused on rigorous cost control and continuous operational improvement.

Although our equity investment returns are likely to remain volatile in any individual period, they contribute meaningfully to growth in book value per share over time.

We continue to focus on deploying capital organically, funded by a mix of retail and commercial deposits and wholesale funds. We believe there are substantial opportunities for such growth in our existing markets and we are not satisfied with our performance over the last year on this measure.

The Bank's business model has been built to compound shareholder capital over the long-term. We remain focused on careful capital allocation, defensive underwriting and rigorous 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."

The Bank's annual financial results are summarized in the earnings release, but shareholders are encouraged to read the Bank's annual report on Form 10-K, which is generally available several weeks after the earnings release. The Bank expects to file Form 10-K for the year ended December 31, 2025 with the Federal Deposit Insurance Corporation (FDIC) on or about March 4, 2026.

The Bank expects to hold its Annual Meeting of Shareholders in Hingham, Massachusetts on Thursday, April 30, 2026 in the afternoon. Additional information will follow in the Bank's Proxy Statement later in the first quarter of 2026.

Incorporated in 1834, Hingham Institution for Savings is one of America's oldest banks. The Bank maintains offices in Boston, Nantucket, Washington, D.C., and San Francisco.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2025	2024	2025
<i>(Unaudited)</i>				
Key Performance Ratios				
Return on average assets (1)	1.04 %	1.84 %	0.65 %	1.22 %
Return on average equity (1)	10.58	17.50	6.68	12.00
Core return on average assets (1) (5)	0.43	0.89	0.28	0.72
Core return on average equity (1) (5)	4.42	8.47	2.92	7.06
Interest rate spread (1) (2)	0.53	1.19	0.31	1.00
Net interest margin (1) (3)	1.24	1.89	1.04	1.70
Operating expenses to average assets (1)	0.66	0.66	0.67	0.67
Efficiency ratio (4)	52.30	35.06	63.79	39.70
Average equity to average assets	9.82	10.50	9.69	10.17
Average interest-earning assets to average interest-bearing liabilities	120.97	124.04	120.35	123.10

	December 31, 2024	December 31, 2025
<i>(Unaudited)</i>		
Asset Quality Ratios		
Allowance for credit losses/total loans	0.69 %	0.73 %
Allowance for credit losses/non-performing loans	1,775.00	91.46
Non-performing loans/total loans	0.04	0.80
Non-performing loans/total assets	0.03	0.69
Non-performing assets/total assets	0.03	0.69

Share Related		
Book value per share	\$ 198.03	\$ 219.82
Market value per share	\$ 254.14	\$ 283.96
Shares outstanding at end of period	2,180,250	2,182,250

- (1) Annualized for the three months ended December 31, 2024 and 2025.
- (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 is a non-GAAP measure that represents total operating expenses, divided by the sum of net interest income and total other income, excluding the net gain on equity securities, both realized and unrealized.
- (5) Non-GAAP measurements that represent return on average assets and return on average equity, excluding the after-tax net gain on equity securities, both realized and unrealized.

HINGHAM INSTITUTION FOR SAVINGS
Consolidated Balance Sheets

<i>(In thousands, except share amounts)</i> <i>(Unaudited)</i>	December 31, 2024	December 31, 2025
ASSETS		
Cash and due from banks	\$ 4,183	\$ 6,683
Federal Reserve and other short-term investments	347,647	362,925
Cash and cash equivalents	351,830	369,608
CRA investment	8,769	9,050
Other marketable equity securities	104,575	141,294
Securities, at fair value	113,344	150,344
Securities held to maturity, at amortized cost	6,493	7,499
Federal Home Loan Bank stock, at cost	61,022	61,987
Loans, net of allowance for credit losses of \$26,980 at December 31, 2024 and \$28,555 at December 31, 2025	3,873,662	3,899,008
Bank-owned life insurance	13,980	14,318
Premises and equipment, net	16,397	15,911
Accrued interest receivable	8,774	9,213
Other assets	12,269	14,766
Total assets	\$ 4,457,771	\$ 4,542,654
LIABILITIES AND STOCKHOLDERS' EQUITY		
Interest-bearing deposits	\$ 2,094,626	\$ 2,080,661
Non-interest-bearing deposits	397,469	467,656
Total deposits	2,492,095	2,548,317
Federal Home Loan Bank advances	1,497,000	1,463,815
Mortgagors' escrow accounts	16,699	18,427
Accrued interest payable	8,244	11,831
Deferred income tax liability, net	3,787	9,495
Other liabilities	8,191	11,061
Total liabilities	4,026,016	4,062,946
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; 2,180,250 shares issued and outstanding at December 31, 2024 and 2,182,250 shares issued and outstanding at December 31, 2025	2,180	2,182
Additional paid-in capital	15,571	16,004
Undivided profits	414,004	461,530
Accumulated other comprehensive loss	—	(8)
Total stockholders' equity	431,755	479,708
Total liabilities and stockholders' equity	\$ 4,457,771	\$ 4,542,654

HINGHAM INSTITUTION FOR SAVINGS

Consolidated Statements of Net Income

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2025	2024	2025
<i>(In thousands, except per share amounts)</i>				
<i>(Unaudited)</i>				
Interest and dividend income:				
Loans	\$ 44,787	\$ 47,707	\$ 177,607	\$ 187,352
Debt securities	100	103	325	392
Equity securities	1,542	1,539	6,075	5,756
Federal Reserve and other short-term investments	3,515	3,467	11,889	13,333
Total interest and dividend income	49,944	52,816	195,896	206,833
Interest expense:				
Deposits	20,518	16,454	85,176	70,579
Federal Home Loan Bank and Federal Reserve Bank advances	15,985	15,374	66,346	61,848
Total interest expense	36,503	31,828	151,522	132,427
Net interest income	13,441	20,988	44,374	74,406
Provision for credit losses	—	550	328	1,575
Net interest income, after provision for credit losses	13,441	20,438	44,046	72,831
Other income:				
Customer service fees on deposits	135	175	546	581
Increase in cash surrender value of bank-owned life insurance	81	82	338	338
Gain on equity securities, net	8,503	13,714	20,379	28,781
Miscellaneous	60	62	216	248
Total other income	8,779	14,033	21,479	29,948
Operating expenses:				
Salaries and employee benefits	4,142	4,431	16,910	17,791
Occupancy and equipment	426	452	1,659	1,745
Data processing	740	818	3,026	3,149
Deposit insurance	724	614	3,096	2,844
Foreclosure and related	10	3	71	66
Marketing	153	155	570	622
Other general and administrative	979	998	3,678	3,782
Total operating expenses	7,174	7,471	29,010	29,999
Income before income taxes	15,046	27,000	36,515	72,780
Income tax provision	3,671	6,282	8,324	18,229
Net income	\$ 11,375	\$ 20,718	\$ 28,191	\$ 54,551
Cash dividends declared per share	\$ 0.63	\$ 1.33	\$ 2.52	\$ 3.22
Weighted average shares outstanding:				
Basic	2,180	2,182	2,177	2,181
Diluted	2,202	2,207	2,194	2,203
Earnings per share:				
Basic	\$ 5.22	\$ 9.49	\$ 12.95	\$ 25.01
Diluted	\$ 5.16	\$ 9.39	\$ 12.85	\$ 24.76

HINGHAM INSTITUTION FOR SAVINGS

Net Interest Income Analysis

	Three Months Ended								
	December 31, 2024			September 30, 2025			December 31, 2025		
	Average Balance (9)	Interest	Yield/ Rate (10)	Average Balance (9)	Interest	Yield/ Rate (10)	Average Balance (9)	Interest	Yield/ Rate (10)
<i>(Dollars in thousands)</i>									
<i>(Unaudited)</i>									
Assets									
Loans (1) (2)	\$ 3,882,297	\$ 44,787	4.58 %	\$ 3,946,966	\$ 47,672	4.79 %	\$ 3,928,951	\$ 47,707	4.82 %
Securities (3) (4)	126,771	1,642	5.14	139,154	1,498	4.27	139,905	1,642	4.66
Short-term investments (5)	293,987	3,515	4.74	336,213	3,739	4.41	348,254	3,467	3.95
Total interest-earning assets	4,303,055	49,944	4.60	4,422,333	52,909	4.75	4,417,110	52,816	4.74
Other assets	72,638			82,490			94,257		
Total assets	\$ 4,375,693			\$ 4,504,823			\$ 4,511,367		
Liabilities and stockholders' equity:									
Interest-bearing deposits (6)	\$ 2,136,101	\$ 20,518	3.81 %	\$ 2,085,424	\$ 17,663	3.36 %	\$ 2,069,647	\$ 16,454	3.15 %
Borrowed funds	1,421,152	15,985	4.46	1,506,359	15,903	4.19	1,491,404	15,374	4.09
Total interest-bearing liabilities	3,557,253	36,503	4.07	3,591,783	33,566	3.71	3,561,051	31,828	3.55
Non-interest-bearing deposits	374,461			437,977			458,273		
Other liabilities	14,072			18,463			18,432		
Total liabilities	3,945,786			4,048,223			4,037,756		
Stockholders' equity	429,907			456,600			473,611		
Total liabilities and stockholders' equity	\$ 4,375,693			\$ 4,504,823			\$ 4,511,367		
Net interest income		\$ 13,441			\$ 19,343			\$ 20,988	
Weighted average interest rate spread			0.53 %			1.04 %			1.19 %
Net interest margin (7)			1.24 %			1.74 %			1.89 %
Average interest-earning assets to average interest-bearing liabilities (8)	120.97 %			123.12 %			124.04 %		

- (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 based on the actual number of days in the period.

HINGHAM INSTITUTION FOR SAVINGS

Net Interest Income Analysis

	Twelve Months Ended December 31,					
	2024			2025		
	Average Balance (9)	Interest	Yield/ Rate	Average Balance (9)	Interest	Yield/ Rate
<i>(Dollars in thousands)</i>						
<i>(Unaudited)</i>						
Loans (1) (2)	\$ 3,933,439	\$ 177,607	4.52 %	\$ 3,939,574	\$ 187,352	4.76 %
Securities (3) (4)	121,311	6,400	5.28	136,351	6,148	4.51
Short-term investments (5)	228,138	11,889	5.21	310,346	13,333	4.30
Total interest-earning assets	4,282,888	195,896	4.57	4,386,271	206,833	4.72
Other assets	68,025			83,585		
Total assets	\$ 4,350,913			\$ 4,469,856		
Interest-bearing deposits (6)	\$ 2,114,066	\$ 85,176	4.03 %	\$ 2,099,521	\$ 70,579	3.36 %
Borrowed funds	1,444,700	66,346	4.59	1,463,768	61,848	4.23
Total interest-bearing liabilities	3,558,766	151,522	4.26	3,563,289	132,427	3.72
Non-interest-bearing deposits	355,808			435,046		
Other liabilities	14,601			16,950		
Total liabilities	3,929,175			4,015,285		
Stockholders' equity	421,738			454,571		
Total liabilities and stockholders' equity	\$ 4,350,913			\$ 4,469,856		
Net interest income		\$ 44,374			\$ 74,406	
Weighted average interest rate spread			0.31 %			1.00 %
Net interest margin (7)			1.04 %			1.70 %
Average interest-earning assets to average interest-bearing liabilities (8)	120.35 %			123.10 %		

- (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.

HINGHAM INSTITUTION FOR SAVINGS

Non-GAAP Reconciliation

The Bank believes the presentation of the following non-GAAP financial measures provide useful supplemental information that is essential to an investor's proper understanding of the results of operations and financial condition of the Bank. Management uses these measures in its analysis of the Bank's performance. These non-GAAP measures should not be viewed as substitutes for the financial measures determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other banks.

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 net gain on equity securities, both realized and unrealized.

<i>(In thousands, unaudited)</i>	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2024	2025	2024	2025
Non-GAAP reconciliation:				
Net income	\$ 11,375	\$ 20,718	\$ 28,191	\$ 54,551
Gain on equity securities, net	(8,503)	(13,714)	(20,379)	(28,781)
Income tax expense (1)	1,881	3,023	4,492	6,344
Core net income	\$ 4,753	\$ 10,027	\$ 12,304	\$ 32,114

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

The table below presents the calculation of the efficiency ratio, a non-U.S. GAAP performance measure that management uses to assess operational efficiency, which represents total operating expenses, divided by the sum of net interest income and total other income, excluding net gain on equity securities, both realized and unrealized.

<i>(In thousands, unaudited)</i>	Three Months Ended			Twelve Months Ended	
	December 31,	September 30,	December 31,	December 31,	
	2024	2025	2025	2024	2025
Non-U.S. GAAP efficiency ratio calculation:					
Operating expenses	\$ 7,174	\$ 7,512	\$ 7,471	\$ 29,010	\$ 29,999
Net interest income	\$ 13,441	\$ 19,343	\$ 20,988	\$ 44,374	\$ 74,406
Other income	8,779	11,559	14,033	21,479	29,948
Gain on equity securities, net	(8,503)	(11,270)	(13,714)	(20,379)	(28,781)
Total revenue	\$ 13,717	\$ 19,632	\$ 21,307	\$ 45,474	\$ 75,573
Efficiency ratio	52.30 %	38.26 %	35.06 %	63.79 %	39.70 %